



IRONWOOD

INVESTMENT MANAGEMENT®, LLC

SMALL CAP CORE STRATEGY PROFILE — As of 12/31/2023

Composite Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (1/01/1999)
Gross of Fees:	19.81%	35.63%	35.63%	3.44%	14.83%	9.03%	11.33%
Net of Fees:	19.51%	34.29%	34.29%	2.41%	13.68%	7.95%	10.23%
Russell 2000	14.03%	16.93%	16.93%	2.22%	9.97%	7.16%	7.91%

Please see footnotes to performance on the last page.

OVERVIEW

The Ironwood Small Cap Core strategy is designed to serve a strategic, long-term role in investment portfolios. The strategy invests in listed equity securities of U.S.-based companies and is diversified across 60-80 positions with a single position limit of 10%. We hold positions to mitigate risk and portfolio volatility as well as capture positive return potential through any market environment or economic cycle. Our areas of expertise are stock-level analysis and selection, opportunistic exploitation of stock price inefficiencies and the ability to patiently compound capital over a long-term time horizon. Through fundamental research we seek to identify high-quality companies with the potential to create significant shareholder value before they are recognized by the broader market.

INVESTMENT PHILOSOPHY

The Ironwood Small Cap Core strategy combines our passion for identifying high-quality companies with our research and investment discipline practiced over decades to capitalize on the opportunities created by behavioral-based market actions, which are particularly pronounced in the small cap market. Volatility is a phenomenon we observe and exploit, it is not our definition of risk. As long-term investors, we focus on finding what we refer to as high Ironwood-quality companies that have the attributes that will enable them to adapt to challenges and seize opportunities that will undoubtedly arise over our holding periods. We believe effective management teams proactively manage ESG issues and we integrate this into our assessment of quality companies and management teams. We believe a core strategy should be a strategic allocation of long-term investments and therefore manage a portfolio built stock-by-stock that has diversified exposure to earnings growth, is not predicated on a particular 'style' being in favor and has the latitude to let our best performing holdings drive portfolio return. We aim to 'stack the deck' of excess returns through our rigorous focus on buying at irrationally low valuations, and then preserving the full potential of our investments by remaining patient, engaged investors with a long-term mindset.

SMALL CAP CORE STRATEGY CHARACTERISTICS

STRATEGY HIGHLIGHTS

Investment Universe: Russell 2000 Small Cap Index

Investment Approach

- Seeks high “Ironwood-Quality” companies through bottom-up research process.
- ‘Growth’ and ‘Value’ are basic tool sets, not philosophies, used to analyze stocks.
- Diversified exposure of 60-80 positions across 8 economic sectors.
- Exploits downside share pricing overreactions to buy stocks for long-term holds.

Ironwood ESG Company Characteristics

E: Thoughtful management of resource use, waste reductions and product/service impacts.

S: Good HR, supply-chain and community relations practices; healthy products and services.

G: Alignment of management and board structure and practices with shareholders and with consideration of all stakeholders.

TOP TEN EQUITY HOLDINGS

As of 12/31/2023

Super Micro Computer, Inc.	7.05%
ImmunoGen, Inc.	6.19%
Cytokinetix, Incorporated	5.39%
Freshpet, Inc.	4.50%
MYR Group Inc.	4.06%
SPS Commerce, Inc.	3.53%
Perficient, Inc.	3.39%
BridgeBio Pharma, Inc.	3.29%
UFP Industries, Inc.	2.96%
Watts Water Technologies, Inc.	2.41%
Total Weight in Top Ten	42.77%

MARKET CAPITALIZATION

As of 12/31/2023

Over \$5 Billion	44.69%
\$4 Billion - \$5 Billion	9.28%
\$3 Billion - \$4 Billion	7.55%
\$1.5 Billion - \$3 Billion	20.81%
\$500 Million - \$1.5 Bln	9.38%
Under \$500 Million	4.16%
Cash	4.13%

PORTFOLIO CHARACTERISTICS

As of 12/31/2023

Price/Book Value	3.40x
TEV/EBITDA	11.65x
TEV/Total Revenues	2.24x
Price/Normalized EPS	21.78x

SECTOR ALLOCATION

As of 12/31/2023

	Fund	Russell*
Consumer Discretionary	9.11%	11.11%
Consumer Staples	7.81%	3.40%
Energy	1.05%	6.86%
Health Care	18.72%	15.18%
Financial Services	7.31%	17.14%
Industrials	21.90%	17.13%
Information Technology	27.21%	13.45%
Materials	2.35%	4.46%
Utilities	0.00%	2.74%
Real Estate	0.00%	6.20%
Communication Services	0.41%	2.34%
Cash	4.13%	0.00%

*Russell 2000 Index iShares

SMALL CAP CORE STRATEGY COMMENTARY

How quickly investor sentiment can change. Investors were decidedly pessimistic in the third quarter of 2023 as it appeared that the Federal Reserve would maintain higher interest rates for an extended period. Then in the fourth quarter a couple of good inflation reports sent investor sentiment in the opposite direction and the markets ended the year with a brisk rally. The Russell 2000 advanced 14.03% in Q4 2023, ending the year up 16.93%. The Ironwood Small Cap Core Strategy (SCC) had a very strong quarter, up 19.81% and finishing the year up 35.63%.

The outstanding performance of the Ironwood SCC strategy in Q4 2023 was attributable to several factors but most noteworthy was the strong performance of several biotech holdings, ImmunoGen (IMGN), Cytokinetics (CYTK) and BridgeBio (BBIO).

The past few years have been difficult ones for the Biotech industry in general as negative investor sentiment has made it challenging for many biotech companies to raise capital. Biotech companies rely on external financing to fund their research programs. And it can take many years and cost hundreds of millions of dollars to take a new drug through the required clinical trials to FDA approval. Companies that are unable to raise capital to finance these efforts may be forced to cut back on spending which can reduce the likelihood of success.

Despite the negative overall investment environment for biotech companies, it is important to remember that the key to success is the quality of a company's science. In the short-term investor sentiment can have a big impact on stock prices but ultimately it is the data collected from clinical trials that will drive shareholder value. The top performing biotech stocks in the Ironwood SCC portfolio all reported favorable data from late-stage clinical trials in the fourth quarter.

ImmunoGen (IMGN) reported additional data from a clinical trial to treat ovarian cancer which supported strong initial sales of the recently approved drug. It also validated the potential of their proprietary antibody drug conjugate technology (ADC) to treat other types of cancer. And in November, AbbVie, a large US pharmaceutical company, agreed to acquire the company.

Cytokinetics (CYTK), a leader in muscle signaling technology, reported strong results from a pivotal clinical trial to treat patients with obstructive hypertrophic cardiomyopathy. CYTK had developed an earlier version of the drug that it licensed to MyoKardia who was subsequently acquired by Bristol Myers for \$13B. CYTK's new version of the drug appears to have advantages over the MyoKardia drug and could prove to be more valuable.

BridgeBio (BBIO) specializes in treating genetic diseases. They have a number of drugs in development but favorable data from a clinical trial to treat ATTR Cardiomyopathy drove the stock price higher.

Not all small cap investors are comfortable investing in the biotech sector. The science can be difficult to understand, the stocks are volatile, and the risks are high. But those same characteristics also make them ideal candidates for managers to add value.

The Ironwood SCC strategy is managed to focus on specific company developments. We spend many hours researching small cap companies to gain an understanding of the business. And in addition to our own internal resources, we utilize a network of industry contacts that we have cultivated over the years to assist us.

Ironwood's biotech holdings are good examples of our investment philosophy. We seek out high quality companies with great management teams. We spend a great deal of time getting to know and understand the businesses. We invest when others are unwilling. We carefully manage risk by controlling position size. And we are very patient, sticking with our investments over many years if necessary. And finally, in addition to the monetary rewards of investing in biotech, if successful, we have helped many individuals live a better life.

SMALL CAP CORE STRATEGY COMMENTARY

Top Five Performance Contributors (return figures are for the 4th quarter)

ImmunoGen, Inc. (IMGN) was up 86.83% in the quarter and contributed 387 bps of return. Initial sales of ImmunoGen's ovarian cancer drug significantly exceeded estimates and the company agreed to be acquired by AbbVie.

Cytokinetics, Inc. (CYTK) was up 183.40% in the quarter and contributed 368 bps of return. CYTK announced positive results from its pivotal Phase III clinical trial to treat patients with obstructive hypertrophic cardiomyopathy. In addition, the company is rumored to be in talks to be acquired by a big pharmaceutical company.

BridgeBio Pharma Inc. (BBIO) was up 53.09% and contributed 143 bps to return. BBIO is a biotech company that specializes in treating genetic diseases. They reported progress on several drugs under development including additional favorable data from a clinical trial to treat ATTR Cardiomyopathy for which they filed an NDA with the FDA; and BBP-418 to treat limb-girdle muscular dystrophy.

Freshpet, Inc (FRPT) was up 31.69% and contributed 138 bps of return. FRPT is the leading natural pet food company in the US. It recently expanded its manufacturing capacity that will allow it to continue to grow at a strong double-digit rate for the next several years.

Impinj, Inc. (PI) was up 63.60% and contributed 122 bps of return. PI provides RFID (radio frequency identity) systems and tags used to track the location of items. The tagging systems are being adopted by very large companies in industries such as package delivery, air travel, and retail stores. The timing of these very large contracts can introduce a lumpiness to the business which is reflected in stock price volatility.

Top Five Performance Detractors (return figures are for the 4th quarter)

Vicor Corporation (VICR) was down 23.69% in the quarter and detracted 104 bps from return. Vicor is a leading manufacturer of energy efficient power supplies. The electronics business is inherently cyclical and recent orders have been disappointing, putting pressure on the stock price.

Extreme Networks Inc. (EXTR) was down 27.14% in the quarter and detracted 101 bps from return. EXTR is a leading supplier of communication equipment and systems to businesses, institutions and governments. EXTR had been experiencing a growth spurt but recent orders have been below expectations putting pressure on the stock.

DURECT Corporation (DRRX) was down 76.31% in the quarter and detracted 43 bps from return. DRRX is an early-stage bio tech company. They reported somewhat ambiguous data from a Phase II clinical trial for treatment of alcoholic hepatitis that triggered a selloff in the stock.

Babcock & Wilcox Enterprises, Inc. (BW) was down 65.32% in the quarter and detracted 33 bps from return. BW is an engineering and construction firm specializing in highly efficient energy systems. The company has a great reputation by virtue of its many years in operation but the rapid increase in interest rates is putting stress on the company's ability to service its debt.

Edgio, Inc. (EGIO) was down 59.81% in the quarter and detracted 29 bps from return. The company operates private global networks with distributed computing resources and extensive connectivity to last-mile broadband network providers; offers live and on-demand video delivery services; and provides platform, media, and application solutions. While demand for internet capacity continues to grow EGIO has been challenged to operate its network profitability.

SMALL CAP CORE STRATEGY COMMENTARY

Portfolio Activity

Sales:

Purple Innovation, Inc. (PRPL) is a leading manufacturer of mattresses, pillows, cushions and related bedding products utilizing its propriety foam technology that are sold direct to consumers, through company owned stores and mass merchant retailers. The company established a dedicated following amongst consumers and the company grew rapidly. The Covid pandemic provided an additional boost to demand as consumer spending was focused on the home. Post Covid demand has softened, and the company has struggled to right size the manufacturing footprint and achieve continued growth.

SmileDirectClub Inc. (SDC) is an oral care company that offers clear aligner therapy and other oral care products to consumers. The premise for the company was that clear aligners (braces) could be provided to patients at significantly lower prices by bypassing orthodontists and selling direct to the consumer. The company's initial strategy proved to be a hit and the company grew rapidly. The Covid pandemic provided an additional boost to demand as consumers had the time, money and motivation to invest in improving their smile. Post Covid, however, demand weakened, and the company was unable to generate critical mass.

Partial Sales:

Super Micro Computer, Inc. (SMCI) develops and manufactures high performance server and storage solutions based on modular and open architecture in the US and internationally. The company's business is booming thanks to demand driven by Artificial Intelligence (AI) and the reshoring of the computing supply chain. We trimmed the position to manage position size.

Purchases:

Ameresco, Inc. (AMRC) is a leading cleantech integrator and renewable energy asset developer, owner and operator. AMRC assists commercial, industrial, institutions and governmental entities in providing for their efficient and environmentally responsible energy needs. The company's comprehensive portfolio of services includes energy efficiency, infrastructure upgrades, asset sustainability and renewable energy solutions delivered to clients throughout North America and Europe. The need to reduce carbon emissions in response to global warming has created demand for companies who have the expertise to provide "clean" energy solutions. AMRC has grown steadily over the past twenty four years but recent results were below expectations, which triggered a decline in the stock price. We believe the long-term opportunity for the company is bright and see the stock weakness as an opportunity to initiate a position in a well-run company at an attractive valuation.

Anika Therapeutics, Inc. (ANIK) is a joint preservation company that creates and delivers advancements in early intervention orthopedic care in the areas of osteoarthritis pain management, regenerative solutions, sports medicine and bone preserving joint solutions. The increasing age of the US population is creating demand for orthopedic care. Anika has developed a number of new products that can help care for aging joints. However, the roll out of these new products has been slower than expected due to a number of factors including the Covid Pandemic. In addition, Anika sells through distributors which introduces lumpiness to order flow. We believe these factors are temporary and will abate over time permitting Anika's revenue growth rate to accelerate.

Additions to Existing Positions:

LSB Industries, Inc. (LXU) is a chemical company primarily producing ammonia for fertilizer. We added to the position on stock price weakness.

Topgolf Callaway Brands Corp. (MODG) is a leading manufacturer of golf equipment and operates golf-based entertainment venues. We added to the position on stock price weakness.

SMALL CAP CORE STRATEGY PROFILE

FOOTNOTES TO PERFORMANCE

Ironwood Investment Management®, LLC (Ironwood) is an independently managed investment advisory firm providing investment advisory services to institutional clients, mutual funds and high-net-worth clients. The firm is a registered investment adviser with the Securities and Exchange Commission. Registration does not imply a certain level of skill or training. Accounts in the Small Cap Core composite include separately managed, fully discretionary, fee-paying portfolios. Portfolios are invested in undervalued securities, the majority of which will have market capitalizations under \$2.5 billion at cost, including securities with growth and/or value characteristics. Securities are considered undervalued when management believes the current share price does not accurately reflect the long-term economic value of the underlying company. Ironwood Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ironwood Investment Management, LLC has been independently verified for the periods January 1, 1999 through December 31, 2019. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Core composite has had a performance examination for the periods July 1, 2002 to December 31, 2019. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The creation date of the composite: July 2002. Performance inception date of the composite: January 1, 1999. Prior to July 2002, portfolios were included in the composite when at least 75% of the portfolio was invested in equity securities and when at least 75% of the portfolio was invested according to the investment style of the composite. Subsequent to July, 2002, portfolios are included in the composite after the first full month of being fully invested. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated based on the highest fee of 1.00%. Investment management fees are 1.00% on the first \$25 million, 0.90% on the next \$25 million, 0.80% on the next \$50 million, and 0.75% over \$100 million on an annual basis and a client's return will be reduced by these and other related expenses. The actual fee charged to an individual portfolio may vary by size and type of portfolio and may be negotiated. Actual investment advisory fees incurred by clients may vary. The Russell 2000 Index consists of the 2000 smallest stocks in the Russell 3000 Index that represents approximately 8% of the U.S. equity market capitalization. The indices have been reconstituted annually since 1989. Ironwood returns and Index performance reflect reinvested interest income and dividends, in U.S. dollars. A list of composite descriptions and a list of limited distribution pooled fund descriptions are available upon request. Past performance is not indicative of future results. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. Prior to May 2006, the Firm was known as Ironwood Capital Management, LLC.