



SMALL CAP CORE

INVESTMENT COMMENTARY & REVIEW

by Quinn Stills

Third Quarter 2024

For the quarter, the top performing sectors included consumer discretionary, financials, and industrials. Only two of the portfolio's sectors underperformed the Russell 2000 and they were utilities and information technology. ¹On the individual stock level of analysis, the top performing stocks included Willis Lease Finance, ADMA Biologics, Enova International and Financial Institutions, Inc. ¹In contrast to the top contributors for the quarter, the weakest individual stocks included Camtek LTD, JFROG, Napco Security, and Virtra, Inc.

Our outlook is for a continued moderate economic expansion. The Federal Reserve has begun the process of easing the country's monetary policies. This action should provide a nice tailwind to our portfolio companies. With respect to the potential outcome of the US Presidential election, our holdings should continue their progress regardless of who wins the election.

PIA builds its portfolios from the bottom up, on a stock-by-stock basis. We do not invest based upon top-down macro-economic trends, although our positive stock selection often dovetails naturally with macro trends. The portfolio is overweight industrials, health care, and technology, and notably underweight energy, materials, and financials. Our emphasis on particular economic sectors will evolve based upon emerging opportunities from individual stocks. At this time, we are particularly intrigued by a company that has a potential treatment for an incurable disease, an electric school bus manufacturer, an innovator in organ transplantation, and a company at the forefront of supplying AI companies with annotated data for large learning models (LLMs) and other parts of AI platforms.

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Investing involves risk of loss, including the loss of principal invested. A few of the main risks associated with Small Cap Equities are liquidity, capital financing, lack of operational history and lack of information about the company. For a full description of these and other risks facing the portfolio please review the Risk of Loss section in our ADV Client Brochure. Past performance is not an indicator of future results.

¹For informational purposes only, the specific investments shown represent only the top contributors and detractors for the relevant performance time period. The selection criteria used to determine the top contributors and detractors remains the same across performance measurement periods.

The Russell 2000 index measures the performance of the 2,000 smallest companies in the Russell 3000 index. The Frank Russell Company created the index in 1984, and it was one of the first broad benchmarks of the U.S. equity market. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly.

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