PIER CAPITAL LLC
INSTITUTIONAL EQUITY MANAGEMENT

U.S. SMALL-CAP GROWTH EQUITIES

Proudly Serving Clients for Over 38 years

Third Quarter 2025 *Quarterly Commentary*

STRATEGY MANAGER

Alex Yakirevich, President & CIO

STRATEGY DESCRIPTION

U.S. Small Cap Growth Equities

Bench: Russell 2000 Growth Index

STRATEGY QUICK FACTS

Inception	July 1, 1987
Firm AUM	$661 mm
Strategy AUM	$573 mm

STRATEGY CHARACTERISTICS

Wtd. Avg. Market Cap (Millions)	$4,822 mm
Median Market Cap (Millions)	$3,952 mm
Debt to Total Cap	33.7%
Price/Earnings FTM	23.3x
Cash Weighting	3.4%

The above statistics are supplemental to the GIPS® Report on the last page.

Source: FactSet 10/2/2025

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RETURNS

	Third Quarter 2025	Year-to-Date
Pier Small Cap Growth Equity Composite* (Gross / Net)	7.84%/7.57%	8.18%/7.37%
Russell 2000® Growth Index	12.19%	11.65%
Russell 2000® Index	12.39%	10.39%
S&P 500® Index	8.12%	14.83%

- Essentially, all capitalization and style segments of the market rallied during the quarter, as the Fed lowered its federal fund rate by 25 basis points and indicated further cuts were likely before year end.
- The uncertainty around tariffs has largely abated as trade deals became finalized during the quarter, however legal opposition to tariffs remains a potential overhang.
- Our Small Cap Growth Equity Composite underperformed the Russell 2000® Growth Index(1) for the quarter*.

SUMMARY

The third quarter brought markets a collective sigh of relief as the Fed shifted their focus on cutting rates. While there was some confusion over how and when the fed would take on tariff inflation, Chairman Powell made it clear in September that he believes tariff driven inflation will be short lived and acknowledged the impact restrictive policy is having on the economy.

The market was also relieved to see the conclusion of trade negotiations in August, as the terms of each trade deal were finalized and became effective. While we are seeing little impact on inflation, we do expect a subtle impact on prices over the near to medium-term.

Idiosyncratic behavior in the form of irrational price movements in stocks within certain industries has been a key market driver during the year and stands out in the quarter. We have witnessed strong and largely unwarranted performance in several nuclear and quantum computing stocks for a while, but in the past month those returns briefly went parabolic.

** Referenced performance is reported net of fees. Past performance is not indicative of future results. Please see Global Investment Performance Standards (GIPS®) Report on the last page. GIPS® is a registered trademark owned by the CFA Institute.*

ECONOMY

Third quarter inflation was a bit of a wild card as tariffs worked their way through the economy. While we saw a month when inflation accelerated, we also saw it quickly taper off the following month for wholesalers, while barely trickling down into retail prices. As a result, we expect near-term pressure on retail margins which should normalize over time as retailers slowly raise prices.

2025 employment growth has been relatively stagnant due to a confluence of government spending cuts, an industrial downcycle, and generative artificial intelligence (AI) induced layoffs which has given our economy the slack needed to incentivize a fed pivot. As a result, we expect the Federal Reserve to continue gradually lowering interest rates.

STRATEGY

Strong secular themes from generative AI have driven segments of the market up significantly, increasing the S&P 500 Index multiple to historical highs and causing rumblings of a bubble to circulate. We are cautious regarding this narrative given multiples to growth are still reasonable and well below where they were in the 90's dot.com bubble. For large caps, however, we are expecting returns to be lower going forward given elevated multiples.

The third quarter was also marked by an extreme level of irrational price movement in stocks within several industries. We have been witnessing strong and unwarranted performance within nuclear and quantum computing stocks for some time, but those returns briefly went parabolic in September. In these cases, we saw companies with zero revenue derived from commercially viable products approach unjustifiable valuations. Concurrently, we observed insider selling coupled with high levels of dilutive share issuance, which suggested an unsustainable trend. Therefore, we avoided investing in securities with these characteristics and have taken profits on names where we felt the valuation was unreasonable. This price behavior was detractive to our strategy's relative performance in the third quarter as we do not invest in companies lacking viable products that fail to generate revenue with no clear runway to profitability.

In addition, we witnessed rampant speculation over how agentic AI will impact competitive and monetization concerns for software companies. While we adjusted the strategy's holdings to minimize that fundamental risk, investors responded with the indiscriminate selling of software stocks leading to a "baby being thrown out with the bath water" sell-off, which also had a negative impact on the relative performance of our strategy for the quarter.

In terms of current thinking, an area of focus for the strategy is the energy and infrastructure demands associated with the building of data centers across the U.S. The current administration is focused on winning the AI race and is forgoing regulatory hurdles to incentivize the rapid expansion of capital expenditure in this area. As a result, there is a growing need for energy taking shape in several forms with many small companies poised to benefit as the makers of the required "picks and shovels" necessary for the further proliferation of AI.

In particular, we see skyrocketing demand for fuel cell energy. We also see strong demand for natural gas and nuclear power and view this trend as a multi-year cycle with vast resources required to fuel its growth. Current strategy holdings in these segments are benefiting, and we will continue to invest in this theme while attempting to avoid companies that haven't yet proven they will be beneficiaries.

THE PORTFOLIO

Q3 Attribution[2]

Sectors

The largest third quarter performance contributors in the Russell 2000® Growth Index[1] were the Industrials, Technology, and Health Care sectors. The were no sector performance detractors in the Russell 2000® Growth Index in the quarter. Attribution for our Small Cap Growth Equity Composite versus the Russell 2000® Growth Index for the quarter is illustrated below:

Sector Allocation

Relative Contributors	
Overweight	Underweight
Technology	Real Estate[2]
	Financials
	Communication Services
	Health Care

Relative Detractors	
Overweight	Underweight
Consumer Staples	Materials
Consumer Discretionary	Energy
	Industrials
	Utilities[2]

Stock Selection within Sectors

Relative Contributors
Industrials

Relative Detractors
Technology
Consumer Staples
Health Care
Communication Services
Materials
Consumer Discretionary
Energy
Financials

Holdings

The largest individual stock performance contributors[4] in the Small Cap Growth Equity Composite for the third quarter were:

<u>Bloom Energy (BE)</u>

Bloom Energy makes small modular fuel cell systems used for electricity generation. BE's fuel cells are characteristically easy to install and highly reliable thanks to their positioning next to where the electricity is being consumed. These qualities garnered the attention of hyperscalers, particularly Oracle[5], who are desperately looking for reliable power they can implement quickly. As a result, BE announced significant orders from Oracle[5] which drove the stock up meaningfully. In fact, the stock appreciated so much, we felt it necessary to take some profits, given its lofty multiple, but continue to hold a position in the name.

THE PORTFOLIO *(continued)*

Aehr Test Systems (AEHR)

Aehr Test Systems manufactures and supplies equipment for stress-testing and detecting defects in chips and electronic boards in the early stages of manufacturing. The company benefitted from solid performance in its fiscal fourth quarter, while making a dramatic shift in revenue mix from manufacturers of electric vehicles to those of AI chips. AI revenue ramped meaningfully to about 40% in May and was accompanied by follow-on orders in late July and August. This put the company firmly in the AI enabler group of stocks that had meaningful outperformance in the third quarter. We are maintaining an overweight position in this name.

Installed Building Products (IBP)

Installed Building Products is primarily a national installer of insulation for new and existing residential and commercial construction projects. The company delivered very strong performance in sales and margins during the second quarter, due to their exposure to outperforming markets in the Midwest coupled with solid pricing trends. These results significantly outpaced growth in single home completions in the quarter, which was an impressive feat in the current high-mortgage rate backdrop.

An additional catalyst for the stock has been the recent Fed interest rate cut, which is supportive for the industry. We took profits in the name based on valuation and strong year-to-date performance but maintain a core position in the security as sustainable organic and inorganic growth opportunities remain intact.

The largest individual stock performance detractors[(4)] in the Small Cap Growth Equity Composite for the third quarter were:

Portillo's (PTLO)

We initiated a position in this casual fast-food restaurant chain in February of this year after they reported a stable quarter and expressed optimism regarding traffic growth. Furthermore, the company strengthened its Board with the addition of a senior Panera[(5)] executive. Our growth thesis on Portillo's was rooted in growth driven by expansion into new markets such as Texas, where stores in Dallas delivered early standout results.

However, in August, management lowered guidance due to slowing demand in new markets. This result immediately called into question the validity of our thesis and, as such, we exited the position because the guidance reset in Portillo's new markets did not align with the company's early success in Dallas, thereby casting doubt on Portillo's ambitions to continue expanding in Texas and other Sun Belt states. The stock continued to underperform after we exited the position, confirming the decision to liquidate was correct.

BellRing Brands (BRBR)

BellRing Brands is the maker of Premier Protein shakes. These shakes contain about 50% of your daily recommended allowance of protein in each bottle. With the proliferation of GLP-1 weight loss drugs, there has been a material shift away from junk food towards higher protein foods as users attempt to minimize the muscle loss associated with the treatment and as a result, we are seeing very strong consumption growth of Premier Protein products.

Costco[(5)], a key retailer of BRBR's Premier Protein, recently announced the addition of a competitor's brand of protein shakes to its shelves. This news caused the stock to decline significantly. While we are cognizant of the new competition, we are also aware that Premier Protein is a brand deeply entrenched amongst Costco's[(5)] shoppers and continues to see category leader consumption trends. As such, we believe the stock is oversold and we continue to maintain a position in the security.

THE PORTFOLIO *(continued)*

Vertex (VERX)

Vertex is a provider of software for tax calculations and compliance. Large global enterprise customers utilize their software for calculating Value Added Tax, sales tax and various other taxes. The company is integrated with leading Enterprise Resource Planning (ERP) platforms, most notably those developed by SAP(5) and Oracle(5).

Management recently reported a mixed quarter featuring delayed implementation decisions by some customers along with certain respectable key performance metrics, including annual recurring revenue and cloud revenue growth at around 30%. The stock underperformed in the aftermath due to conservative guidance provided for the third quarter and the year resulting from uncertainty surrounding tariff impacts. Given this backdrop, we believe implementation delays were a reasonable reaction for any enterprise ERP investment at this time. However, Vertex's ability to ingest the most sensitive customer transaction data means it remains a critical piece in the tax calculation process. As such, we continue to like the long-term thesis and maintain a position in the stock.

Final Words

In aggregate, the Russell 2000® Growth Index is trading at a historically discounted multiple relative to large caps and we are beginning to see investors taking note and once again increase their appetite for small caps, particularly as the Fed cuts rates and as AI creates additional opportunities. We are making a concerted effort to invest in beneficiaries of Generative AI in a disciplined fashion, while remaining cautious in areas where multiples are high and speculation could be excessive.

Foot Notes:

(1) An index cannot be purchased, is unmanaged, does not incur expenses which reduces performance. The performance and volatility of an index and a managed account will not be the same.

(2) The referenced sector and holdings attribution analysis is prepared by a third-party provider, FactSet, and might not directly compare to information presented on Pier's internally generated reports. FactSet uses daily security positions data extracted from Pier's portfolio accounting system excluding all transaction activity, and applies monthly, a modeled annual management fee to calculate both net and gross performance and produce net of fees attribution analysis. A full copy of the attribution report is available upon request to 201-710-2998. The attribution information presented above is based on the Composite's actual cash allocation, which did not impact the performance of individual securities discussed. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities on this list.

(3) Denotes GICS sectors which were not part of Pier's Small Cap Growth Equity Composite during the referenced time-period.

(4) The securities discussed in the Holdings section above were selected based on the criteria of the three best and worst contributing stocks to the performance of the referenced Composite during the specified period. Please contact us for a full list of recommendations made within the 12-month period preceding the date of this communication. Clients may view and retrieve their account statements including the full list of holdings and transactions for the last 12-month period via Pier's secure client document portal. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities in this list.

(5) The references to securities not held in Pier's Small Cap Growth Strategy are provided solely for illustrative purposes and are not intended as security recommendations.

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U.S. SMALL-CAP GROWTH EQUITIES

Global Investment Performance Standards (GIPS®) Report - Small Cap Growth Equity Composite

Total Assets		Composite Assets		Annual Performance Results				3 yr. Annualized Standard Deviation (Gross of Fees)	
Year End	Total Assets (Millions)	USD (Millions)	# of Portfolios*	Composite Gross	Composite Net	Russell 2000 Growth Index	Comp. Dispersion (Gross of Fees)	Composite	Russell 2000 Growth Index
2024	$729	$297	11	15.09%	13.96%	15.15%	0.17%	22.80%	23.99%
2023	$720	$275	11	24.76%	23.54%	18.66%	0.16%	22.22%	21.79%
2022	$628	$234	10	-30.96%	-31.67%	-26.36%	0.07%	27.56%	26.20%
2021	$963	$347	10	9.87%	8.79%	2.83%	0.33%	24.20%	23.07%
2020	$961	$397	10	61.70%	60.15%	34.63%	0.20%	26.64%	25.10%
2019	$628	$235	9	28.04%	26.79%	28.48%	0.19%	18.09%	16.37%
2018	$520	$184	9	-3.08%	-4.05%	-9.31%	0.57%	17.53%	16.46%
2017	$602	$272	10	30.83%	29.55%	22.17%	0.51%	14.05%	14.59%
2016	$559	$247	15	7.07%	6.01%	11.32%	0.43%	16.49%	16.67%
2015	$600	$278	20	-0.26%	-1.25%	-1.38%	0.12%	15.11%	14.95%
2014	$707	$341	25	3.40%	2.37%	5.60%	0.44%	14.18%	13.82%
2013	$766	$357	27	52.69%	51.22%	43.30%	0.49%	17.77%	17.27%
2012	$536	$313	36	10.50%	9.41%	14.59%	0.61%	20.32%	20.72%
2011	$752	$449	32	-6.03%	-6.97%	-2.91%	0.65%	23.39%	24.31%
2010	$925	$859	46	26.52%	25.28%	29.09%	1.32%	26.28%	27.69%
2009	$703	$649	46	45.09%	43.69%	34.47%	0.51%	24.12%	24.84%
2008	$505	$386	53	-37.93%	-38.57%	-38.54%	0.58%	N/A	N/A
2007	$758	$531	53	22.26%	21.07%	7.05%	0.94%	N/A	N/A

*Supplemental Information: From 2007 - 2010 the number of portfolios figure includes separately managed accounts, sub-advised external funds, as well as the number of investors in the Firm's private pooled investment vehicle. Subtracting the number of participants from the number of portfolios for this period results in 38 portfolios for 2007, 40 portfolios for 2008, 32 portfolios for 2009, and 34 portfolios for 2010. During this period, the Composite information (3 year annualized standard deviation, internal dispersion, composite returns) presented in the table above was arrived based on the data from separately managed accounts, the sub-advised external funds, and the Firm's private investment vehicle entity and do not consider participants in the Firm's private pool investment vehicle individually. Effective 1/1/2011, the sub-advised external funds and the Firm's private pooled investment vehicle were excluded from the Composite. Effective 1/1/2020, the Firm's private pooled investment vehicle reentered the composite on a go forward basis and the number of accounts figure includes the count of this entity only (the number of participants/investors in the Firm's private fund is not included in the figure).
N/A: The 3-year annualized ex post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

As of 12/31/2024	1 Year	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception Annualized*
Composite Gross	15.09%	-0.29%	11.99%	11.81%	11.39%
Composite Net	13.96%	-1.28%	10.88%	10.71%	10.29%
Russell 2000 Growth Index	15.15%	0.21%	6.86%	8.09%	8.27%

*Composite inception date is January 1, 2007.

Global Investment Performance Standards (GIPS®) is a registered trademark owned by the CFA Institute. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The Small Cap Growth Equity Composite consists of fully discretionary separately managed accounts and the Firm's private fund invested in the Small Cap Growth strategy. The Composite primarily contains a diversified range of common stocks publicly traded the US Exchanges and OTC-markets. Investments are made primarily, but not exclusively in stocks within the Russell 2000 Index market cap range. The strategy does not allow investments in derivative contracts or the use of leverage. The base currency of the Composite is U.S. Dollar. Investment results are measured against the Russell 2000 Growth Index. The Composite's strategy does not contain specific ESG goals or investment objectives; however, the strategy does utilize an ESG overlay as an additional layer of risk-based analysis to the overall investment process. As detailed in the Manager's ESG Policy, which is available upon request, the ESG overlay process includes investment screening utilizing an overall ESG risk rating score, as provided by an independent third-party provider, an application of inclusionary and exclusory ESG screening factors, as well as engagement with certain types of issuers. Material risks associated the Composite's strategy are described in detail in the Manager's Form ADV Part 2A, which is also available upon request, and include various factors which may cause or contribute to a decline in the prices of securities held in the Composite.

For comparison purposes the composite is measured against the Russell 2000 Growth Index. The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

Pier Capital, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Pier Capital, LLC has been independently verified for the periods September 15, 2004 through December 31, 2023. The verification report(s) is/are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report. The firm's list of pooled fund descriptions for limited distribution pooled funds is available upon request. If the GIPS composite report conforms with laws and/or regulations that conflict with the requirements of the GIPS standards, the firm must disclose this fact and disclose the manner in which the laws and/or regulations conflict with the GIPS standards; therefore, please note: the model investment management fee used to calculate the net returns reflect the deduction of a model fee that is equal to the highest fee charged to the intended audience to whom the advertisement is disseminated; whereas, the GIPS standards would require a net return that is equal to or lower than what net returns would have been had actual fees incurred been used to calculate net returns.

Pier Capital, LLC is a registered investment adviser. Please note that registration does not imply a certain level of skill or training. The Firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the Firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income including dividends, which are gross of any withholding tax. Gross returns reflect the deduction of transaction costs whenever such fees are deducted by the client's custodian bank. Certain account(s) in the composite do not reflect the deduction of transaction costs, which means the composite gross returns are a mix of portfolio gross returns and portfolio pure gross returns. Pure gross returns do not reflect the deduction of transaction costs. Pure gross returns are presented as supplemental information. Net-of-fees returns are calculated by deducting a model investment management fee: the highest applicable investment management fee any account would incur, which based on the stated fee schedule below, which is 1.00% on an annual basis or 0.08333% on a monthly basis, from the gross composite return. Actual fees paid vary dependent on the individual account's contractually agreed fee schedule. Depending on specific circumstances, management fees may be negotiable. Investment advisery fees are described in Part 2 of the firm's Form ADV. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Composite dispersion and the 3-year ex post standard deviation is calculated using gross returns. Policies for valuing investments, calculating performance, and creating GIPS Reports are available upon request.

Beginning July 1, 2009, GIPS composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 50% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs, and the account re-enters the Composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Effective 1/1/2011, the Composite was redefined on a go forward basis to exclude pooled accounts (such as the Firm's private fund and other sub-advised funds) which were managed distinctively from the rest of the separate accounts in this Composite. Effective on 1/1/2020, as per the updated 2020 GIPS 2020 standards, the Composite was redefined again on a go forward basis to include the Firm's private fund - Pier Capital Commingled Small Cap Growth Fund Investment Trust. For year-end 2024, the expense ratio for the private fund was 0.93%. The fee schedule for the Firm's prospective segregated accounts and private fund investors is listed below. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.

The management fee schedule for this Composite is listed below. Actual investment advisery fees incurred by clients may vary. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisery fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years.

Asset Based Fee: 1.00% per annum on assets between $0 and $20 million; 0.80% per annum on assets between $20 and $40 million; 0.75% per annum on assets between $40 and $80 million; 0.65% on assets greater than $80 million.

The inception and creation date for the Small Cap Growth Equity Composite was changed from July 1, 1987 to January 1, 2007 because certain Firm's records, including third party records, for years prior to 2007 were destroyed by the record storage provider in error without authorization from the Firm.