

Composite Performance: June 30, 2024

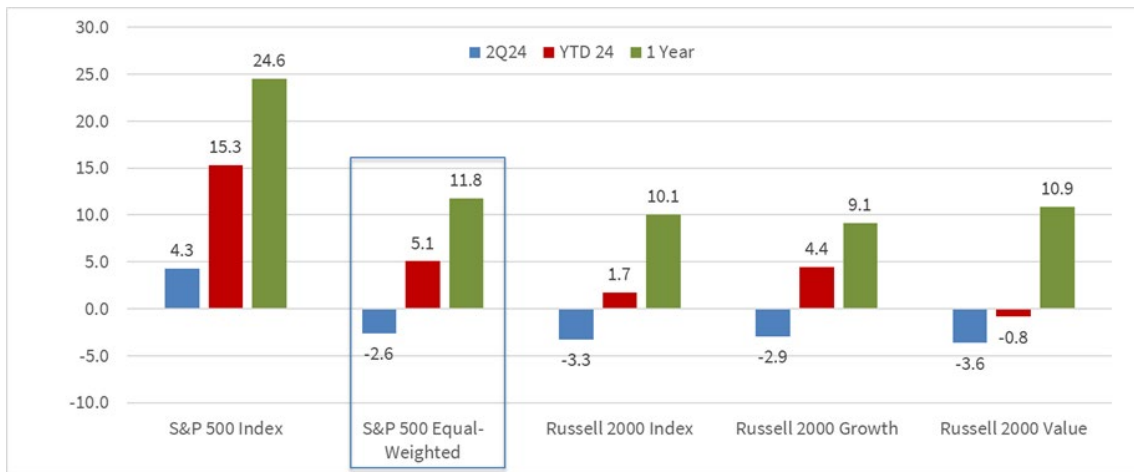
PERFORMANCE (%)	2Q24	YTD	1 YR	3 YR Ann	5 YR Ann	7 YR Ann	10 YR Ann	ITD Ann*
US Small Cap (Gross)	-3.18%	12.11%	18.61%	-1.82%	13.46%	14.03%	11.21%	10.33%
US Small Cap (Net)	-3.42%	11.55%	17.43%	-2.80%	12.33%	12.89%	10.11%	9.23%
R2000 GROWTH	-2.92%	4.44%	9.14%	-4.86%	6.16%	7.28%	7.38%	7.59%
Excess Return (Net)	-0.50%	7.11%	8.29%	2.06%	6.17%	5.61%	2.73%	1.64%

*Composite inception date: 7/1/2007. Returns over one year are annualized. Performance for individual accounts may vary. See performance disclosure for additional information. **Past performance is no guarantee of future results.** There are risks associated with all investments and returns will vary over time. The value of investments can go down as well as up, and a loss of principal may occur.

2Q24 Overview

In 2Q24, the US Small Cap strategy declined by -3.4% (net), underperforming the Russell 2000 Growth Index, which fell by -2.9% this quarter. The US Small Cap strategy showed mixed performance relative to the Russell 2000 Growth (R2G) benchmark, beginning with a strong gain in April, followed by declines in May and June. Nonetheless, the portfolio still leads the benchmark year-to-date, with an 11.6% gain (net) compared to 4.4% for the Index.

The second quarter of 2024 showcased a pronounced divergence between small-cap and large-cap stocks. Large-cap equities, particularly in the technology sector, maintained strong momentum, with the S&P 500 recording a gain of +4.3% for the quarter and +15.3% year-to-date.



As of June 28, 2024

Source: FTSE/Russell; Nicholas Investment Partners, investment.

Results will vary under different time periods. Past performance does not guarantee future results.

Large-cap performance was largely propelled by mega-cap stocks such as Nvidia, Apple, and Google, which thrived on continued enthusiasm for artificial intelligence and strong earnings. However, there is notable disparity in returns between the S&P 500 Index (total return) and the S&P 500 Equal Weight Index, which declined by -2.6% in the quarter, posting only a +5.1% gain year-to-date. The concentration of gains in these large-cap growth stocks underscores a narrow market breadth dominated by a few high-performing stocks. Conversely, small-cap stocks continued to encounter macro headwinds, including ongoing sticky inflation, a strong labor market which dampened expectations for interest rate cuts during the quarter and growing concerns of an economic slowing.

Performance Discussion

In 2Q24, the US Small Cap strategy declined by -3.4% (net), underperforming the Russell 2000 Growth Index, which fell by 2.9% this quarter. The US Small Cap strategy showed mixed performance relative to the Russell 2000 Growth (R2G) benchmark, beginning with a strong gain in April, followed by declines in May and June. Nonetheless, the portfolio still leads the benchmark year-to-date, with an 11.6% gain (net) compared to 4.4% for the Index.

Stock selection within the financials and technology sectors contributed positively to the portfolio's performance, notably outpacing the benchmark in these categories for the reporting period. For example, Wix.com reported strong first-quarter revenue growth, exceeding expectations due to a significant uptick in partner revenue. Following this, management revised its guidance upward, anticipating accelerated bookings which enhance visibility and strengthen its competitive position. This helped to counterbalance losses in selected healthcare and consumer discretionary positions. Industrial positions, as a group, also detracted from portfolio returns in Q2 but outperformed those in the R2G benchmark.

As it relates to healthcare, performance was mixed, with investments in medical equipment (medtech) firms boosting portfolio returns which help offset underperformance from some of our positions in the biotechnology sub-sector, which remains volatile. For instance, TransMedics (TMDX) stood out as one of the portfolio's largest performance contributors while BioHaven (BHVN) retracted in Q2. See the Security Highlights section for more details.

Consumer discretionary positions were also mixed. Travel and entertainment companies remained buoyant, whereas retail was inconsistent, and restaurants struggled. Arhaus (ARHS) appreciated during the quarter with solid first-quarter earnings and sustained demand, while Kura Sushi (KRUS) experienced a pullback due to weaker-than-expected fiscal Q3 results, driven by sluggish sales growth in California. We exited this position before they disappointed. This split illustrates the varying consumer spending habits, with lower-end consumers becoming more frugal, while higher-end consumers continue to focus on premium concepts with differentiated products.

Security Highlights

Top Contributors

TransMedics (TMDX): TransMedics outperformed expectations in Q1 2024, posting an EPS growth of \$0.35, significantly above the consensus estimate of \$0.02. Revenue reached \$96.90 million, surpassing the forecast of \$83.80 million. This marks a 133% increase from Q1 2023 and a 19% sequential growth. The company has upgraded its FY 2024 revenue projection to \$390-400 million, from the earlier estimate of \$360-370 million. TransMedics also reported substantial customer growth in its logistical services, now serving 105 customers.

Monolithic Power (MPWR): A key long-term asset in our portfolio, Monolithic Power delivered a strong quarter, benefiting from new platform integrations by NVDA and AMD, especially in NVDA GPUs.

FTAI Aviation (FTAI): FTAI Aviation is benefitting from significant operational change as a key provider of aircraft and aircraft engine leasing and maintenance. The stock has appreciated as investors embrace the company's move to become an internally managed company and terminating its agreement with the former private equity owner Fortress Investment Group.

Security Highlights (cont.)

- **Onto Innovation (ONTO):** ONTO surpassed quarterly earnings expectations and issued guidance above consensus. The AI surge is driving demand for larger chips and chiplet architectures, boosting ONTO's advanced packaging business. Additionally, a rebound in memory capital expenditures further benefits the company.
- **REV Group (REVG):** With a top market position in fire and ambulance vehicle production, REV Group is capitalizing on strong operational enhancements and a refreshed management team, alongside robust secular tailwinds.

Largest Detractors

Lattice Semiconductor (LSCC): The resignation of CEO Jim Anderson led to a significant stock pullback, which we believe is an overreaction. With the COO stepping in as interim CEO, leadership stability is maintained. We remain optimistic about Lattice's growth, especially with the introduction of the Avant mid-tier FPGA line, which promises higher margins and substantial revenue increases as production escalates.

ArcBest (ARCB): Shares declined in Q2 due to industry-wide concerns over capacity and declining demand in trucking and freight. Despite this, we remain confident in ARCB's growth potential, citing improved LTL operating ratio, comprehensive transportation services, a strong management team, and market share gains following a competitor's bankruptcy.

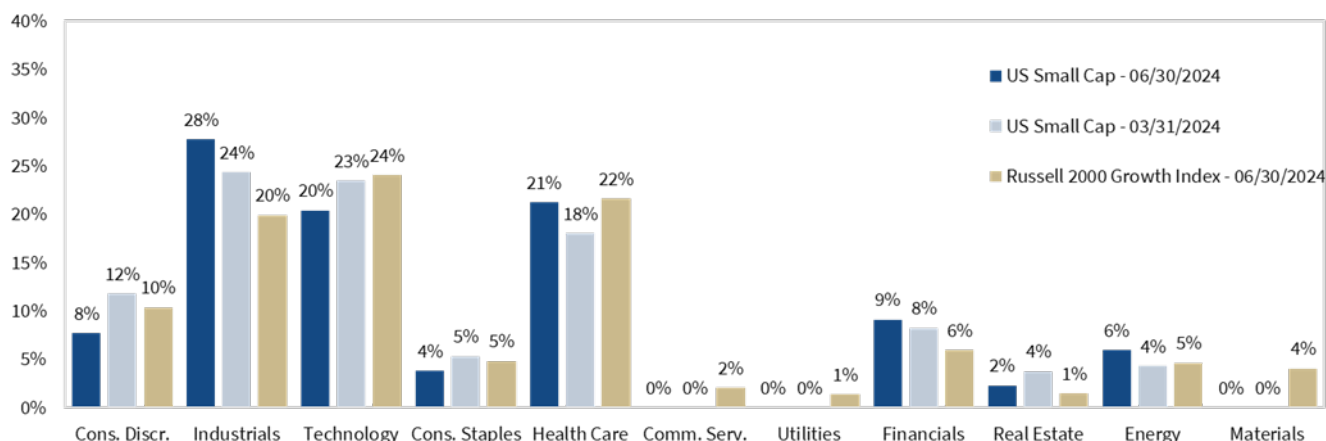
Biohaven (BHAVN): The stock pulled back after a large run associated with data disclosure on its FCRN asset that competes with ARGX and IMVT. They did not disclose what doses they were giving at their R&D day and it made investors skeptical/nervous around potential vs competition.

SuperMicro (SMCI): No positive pre-announcement led to an immediate sell-off at the start of the quarter, additionally higher sales guidance but lower gross margins further spooked investors, causing post-earnings sell-off. Significant stock volatility made timing movements challenging as we exited the position in our Small Cap portfolios as SMCI's market cap exceeded \$50 billion and transitioned out of the Russell 2000 Growth Index.

Viking Therapeutics (VKTX): Shares fell in Q2 2024, influenced by market reactions to its clinical trial outcomes and sector-wide dynamics in biotech. Despite positive Phase 2 results for its obesity drug VK2735, showing notable weight loss, the stock faced volatility, likely due to profit-taking and market conditions. Viking operates in the competitive weight loss drug market, contending with major players like Amgen and Novo Nordisk, which adds to investor caution. We exited the position to manage our risk exposure and redeploy the assets into a more attractive investment candidate.

Positioning

The current market environment is marked by significant volatility and uneven performance across sectors, highlighting the necessity for discerning stock selection and active management. Over the past quarter, we strategically shifted our position in the consumer discretionary sector to an underweight position vs. the benchmark, divesting from companies like Kontoor Brands (lifestyle apparel), Green Brick Partners (homebuilders), and Kura Sushi (restaurants). Additionally, we reduced our technology holdings to underweight, particularly trimming our software investments. Despite improvements in operating margins, the software sector has lagged this year. In contrast, semiconductor and hardware companies are benefiting from strong revenue growth driven by Gen-AI applications, unlike most software firms, which are still exploring how to capitalize on Gen-AI. We maintained an overweight the semi segment.



Source: FactSet, FTSE/Russell, Nicholas Investment Partners.

Information is reported in US dollars. Results are for a representative portfolio as of the date above and subject to change. The characteristic profiles for client accounts may vary from the representative account. While Nicholas believes the information is representative of other accounts in strategy, specific information for client accounts may differ from the representative account. Additional information about the portfolio is available upon request. Supplemental information.

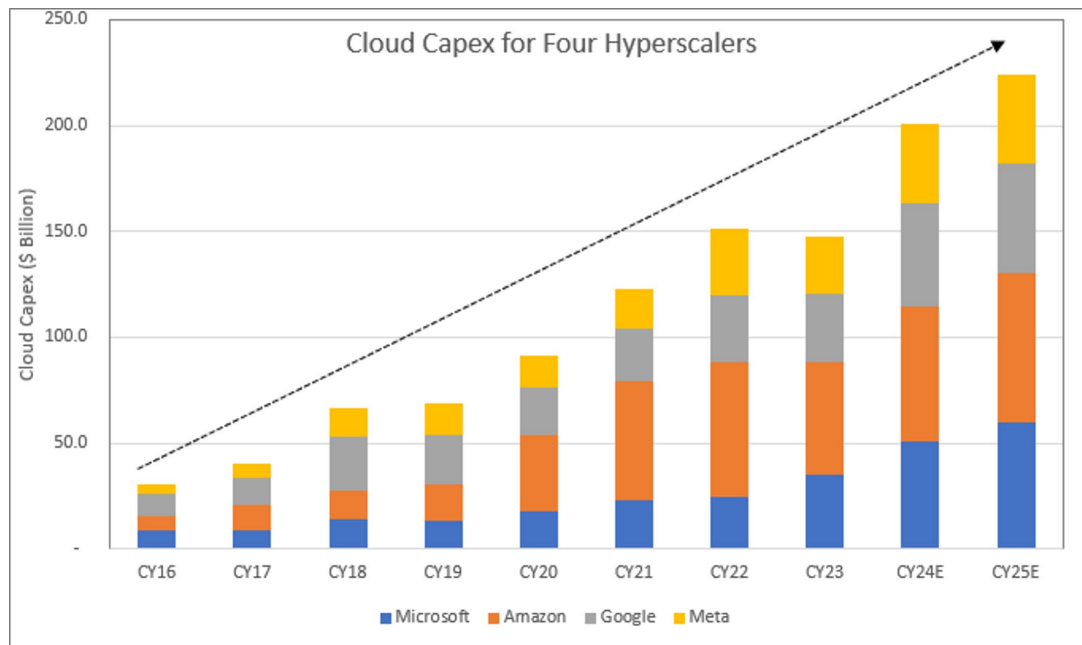
Thus, our investment strategy and positioning prioritize securities and industry/ sectors tilts that we believe exhibit strong and sustainable accelerating growth trajectories.

Industrials: This sector remains a focus due to unique company growth drivers. We are particularly interested in companies involved in power grid infrastructure, energy/battery storage, and AI-driven data storage. As highlighted in our previous [Trends & Insights](#) report, small modular reactors (SMRs), providing about 35% of the capacity of traditional nuclear reactors at 300MW each, are a key area of growth and derivative play into the secular AI-power demand tailwind.

Tech Diversification: Our technology investments, especially in AI and specialized equipment, present considerable growth potential in our view. Semiconductors and related capital equipment now represent over 7.7% of our portfolio. After a downturn in April 2023, semiconductor sales have rebounded, and we anticipate continued growth through late 2025.

Positioning

The accompanying chart demonstrates the significant uptick in cloud technology investments, with capital expenditures of four major hyperscalers expected to grow from \$30 billion in 2016 to over \$225 billion by 2025—a dramatic \$75 billion surge forecasted between 2023 and 2025. We believe our portfolio is strategically positioned to benefit from these developments.



Source: Company Reports, Nicholas Investment Partners, Raymond James as of May 28, 2024

Supplemental information. Results may vary over different time periods.

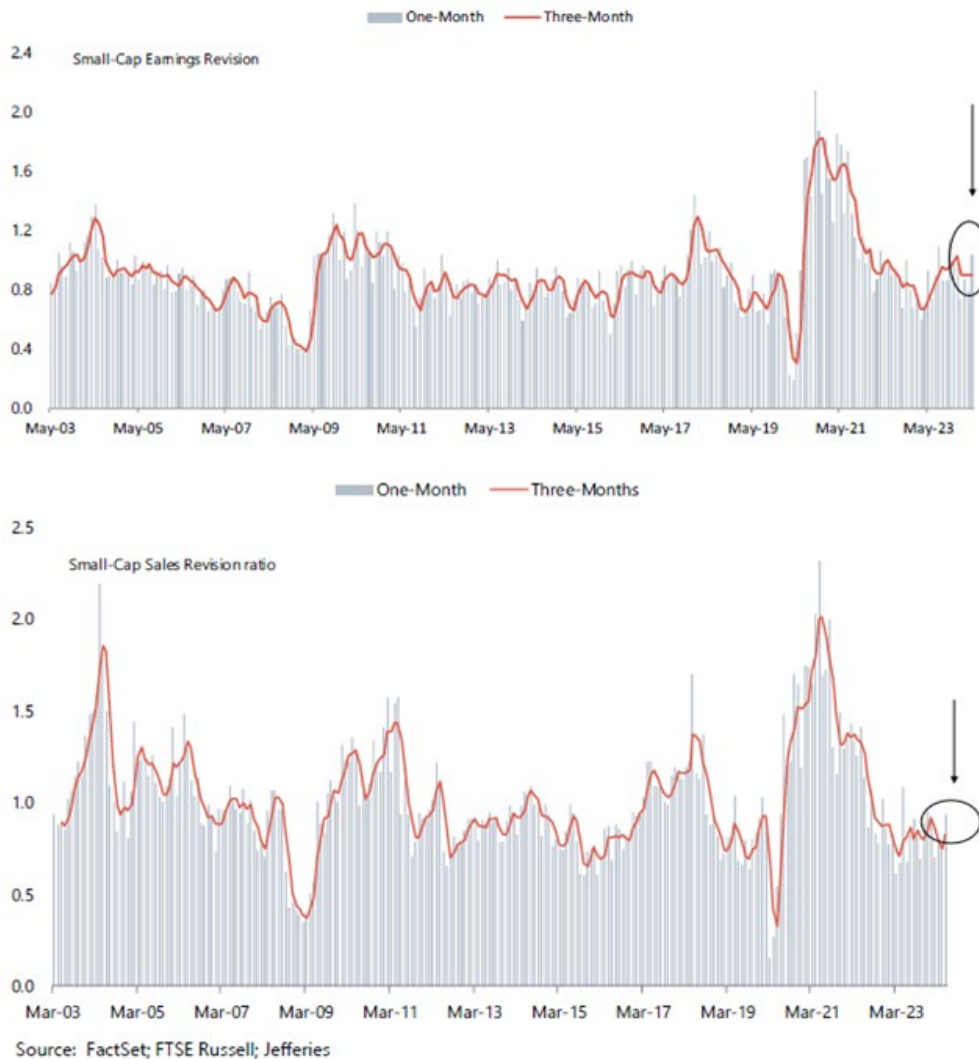
Healthcare: We've strategically underweighted the broader sector while maintaining a focused overweight in biotech and bolstering our investments in MedTech companies that demonstrate strong and sustainable financial performance. As market sentiment improves, we continue to identify and pursue promising opportunities, particularly those with strong clinical catalysts or robust product pipelines.

Framing the Small-Cap Landscape

Despite current crosswinds, we believe small-cap stocks are poised for promising growth in the latter half of 2024. A report by Jefferies indicates that the underperformance of small caps compared to large caps has reached significant levels, setting the stage for a robust reversion. This optimistic outlook is supported by rising M&A activity and a weakening dollar, both of which could drive momentum for small-cap stocks.

While earnings growth for small caps is expected to remain flat in 2024, recent positive adjustments in earnings and sales forecasts and a consistent record of surpassing quarterly earnings expectations suggest potential growth re-acceleration by year-end.

Small Cap Earnings and Sales Revisions Improve



As of June 28, 2024

Source: Jefferies; FTSE/Russell; Earnings and Sales revision for the Russell 2000 Index.

Results will vary under different time periods.

As we have noted previously, small caps continue to offer attractive relative valuations on multiple metrics compared to large caps, such as forward P/E and PEG bases, presenting an enticing entry point for investors.



As of June 28, 2024

Source: Jefferies; FTSE/Russell; Relative Forward P/E of Russell 2000 Index vs. Russell 1000 Index.

Results will vary under different time periods.



As of June 28, 2024

Source: Jefferies; FTSE/Russell; Relative Forward P/E of Russell 2000 Index vs. Russell 1000 Index.

Results will vary under different time periods.

The compelling relative valuations and potential for appreciation in the small-cap sector are complemented by easing inflationary pressures and potentially more accommodating Federal Reserve policies. These factors create a strategic opportunity for investors to capitalize on the undervalued assets within small caps.

However, it is important to acknowledge that market concentration in a few large stocks remains a hurdle. For the small-cap sector to realize its full potential, we believe a broadening of market participation is necessary. As the market broadens and investor interest diversifies beyond the largest stocks, the small-cap sector is likely to benefit from increased attention and investment.

Thus, we encourage investors to reconsider their asset allocations, particularly within illiquid private equity funds. We believe public equities, especially small caps, offer both high liquidity and significant growth opportunities. The current undervaluation of small caps, combined with anticipated earnings growth re-acceleration and a potential broadening of market participation, presents a strong argument for increasing investment in this sector in our opinion.

Near-term Outlook

As we navigated through the second quarter of 2024, we observed a landscape marked by persistent, yet manageable inflation and consistent economic growth. The Consumer Price Index (CPI) has risen by 3.2% year-over-year, slightly above the Federal Reserve's target, with notable increases in fuel and food costs. Meanwhile, U.S. economic growth has maintained a steady pace with an estimated GDP growth of 1.5% for the first half of the year. Despite stable consumer spending and a resilient labor market in Q2, there are emerging signs of a slowing momentum. It is essential to monitor these developments closely, yet there is no immediate indication of a recession on the horizon. The Federal Reserve's upcoming decisions on interest rates will be pivotal in maintaining market stability.

Potential Risks

Credit Spreads: We are particularly attentive to high-yield spreads which, although currently stable, could widen abruptly under deteriorating economic conditions should the Fed adjust its policy too late, potentially triggering increased market volatility and a shift towards risk aversion.

Geopolitical Tensions: Ongoing tensions involving key global players, including situations in China, Russia/Ukraine, and Israel/Hamas, interject elements of volatility and uncertainty, potentially impacting investor confidence and market stability.

Federal Deficit. A recent report from the Congressional Budget Office (CBO) dated June 18, 2024, forecasts a troubling surge in the U.S. federal deficit to \$1.9 trillion, up 27% from last February. This escalation poses a significant threat to financial stability, potentially driving up interest rates and dampening investment.

In consideration of these dynamics, we continue to vigilantly monitor economic indicators and are prepared to adapt our strategies within our risk management framework. Our commitment to a disciplined, bottom-up approach, focusing on companies with strong free cash flow and sustainable accelerating growth profiles, remains unwavering and central to enhancing our clients' investment outcomes.

Strategy Overview

Nicholas Investment Partners US Small Cap strategy offers investors attractive opportunities for capital appreciation and diversification within this less-widely-followed market segment. Small-cap companies typically demonstrate higher revenue and earnings growth potential than larger companies. US Small Cap capitalizes on a disciplined and forward-looking investment process to invest in successful, growing companies—those that manage change advantageously and are poised to exceed expectations.

- Over 30 years of experience investing in dynamic growth companies whose revenues and earnings are catalyzed by positive change
- Specialists in small- to mid-cap companies
- Invest in both equities and convertibles
- Edge comes from combining global fundamental equity and credit research with objectivity and efficiency of quantitative analytics

Objective

Seeks long-term capital appreciation

Benchmark

Russell 2000 Growth

Vehicle

Separately managed account

Portfolio Construction

Portfolios are actively managed to continually drive to the strongest investment ideas. Position sizes are based on the conviction in the investment thesis of each company relative to other portfolio holdings and risk exposures. Early warnings signs that suggest deterioration in company fundamentals or earnings strength lead to timely sell decisions. When constructing portfolios, the portfolio manager will typically adhere to the following general guidelines under normal market conditions:

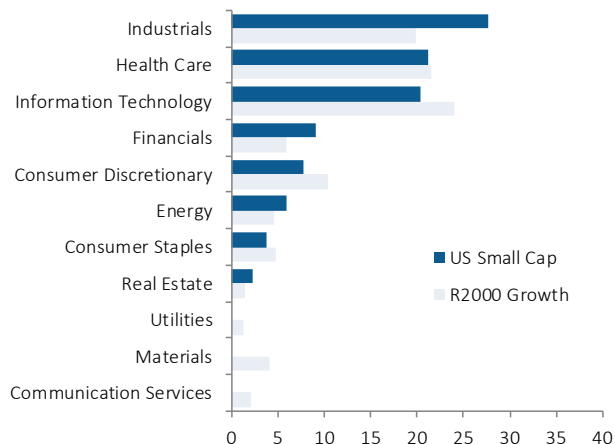
- Number of Positions: Less than 90
- Geography: US-listed public equities
- Capitalization: \$100M to 2x max of R2000 Growth
- Security Max: 5%
- Sector Max: 35% or 2x max of R2000 Growth
- Cash: Transactional, typically <5%

CHARACTERISTICS	US SMALL CAP	R2000 GROWTH
Number of Securities	81	1,054
Active Share	86.9%	---
Off-Benchmark Weight	46.9%	---
Market Cap (wtd. avg.)	\$7.2B	\$5.9 B
Market Cap (median)	\$4.9 B	\$1.2 B
P/E* (FY2)	17.5 x	16.6 x
P/B*	3.5 x	3.7 x
EPS Growth (FY1/FY2 wtd. avg.)	22.1%	23.8%

*Weighted harmonic average.

TOP 10 POSITIONS (% weight)	US SMALL CAP	R2000 GROWTH	ACTIVE WEIGHT
BWX Technologies, Inc.	3.9	0.0	3.9
Monolithic Power Systems	3.7	0.0	3.7
Weatherford International	3.4	0.7	2.7
MGIC Invest. Corp	2.8	0.0	2.8
REV Group, Inc.	2.7	0.0	2.7
Onto Innovation, Inc.	2.5	0.7	1.8
AppFolio Inc	2.3	0.4	1.9
Tanger Inc.	2.3	0.1	2.2
TFI International Inc.	2.1	0.0	2.1
Embraer S.A.	2.1	0.0	2.1

SECTOR EXPOSURE (% weight)



MARKET-CAP DISTRIBUTION	US SMALL CAP (%)	R2000 GROWTH (%)
>\$15 Billion	3.8	5.2
\$7.5 – \$15 Billion	33.9	10.7
\$4.5 – \$7.5 Billion	27.1	26.6
\$1.5 – \$4.5 Billion	29.9	43.6
\$750 Million – \$1.5 Billion	4.3	8.2
\$400 – \$750 Million	0.9	3.7
<\$400 Million	0.0	2.0

Specific securities identified do not represent all securities purchased, sold or recommended to advisory clients. It should not be assumed investments in these securities were or will be profitable.

SC2Q24_MC_MRADV

Disclosures

This information is intended for institutions, consultants and qualified investors only. No part of this material may be copied or duplicated, or distributed to any third party without written consent.

Nicholas Investment Partners, L.P. ("Nicholas") is an independent investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training. The firm maintains a complete list and description of performance composites, which is available upon request. Policies for valuing portfolios, calculating performance, and preparing presentations are available upon request. **Past performance is no guarantee of future results. Current performance may be lower or higher than the performance presented.**

Nicholas does not guarantee the success of any investment product. There are risks associated with all investments and returns will vary over time due to many factors such as changing market conditions, liquidity, economic and other factors. The value of investments can go down as well as up, and a loss of principal may occur. Although Nicholas attempts to limit various risks, risk management does not imply low risk. All risk models are inherently limited and subject to changes in economic, political and market conditions, as well as changes in the strategies' holdings, among other things, which could affect the risk profile of any portfolio managed by Nicholas. Small- and mid-cap companies may be subject to a higher-degree of risk than larger more established companies' securities. The liquidity of the markets for these small and mid-cap companies may adversely affect the value of these investments. Concentrated or sector strategies are expected to maintain higher exposures to a limited number of securities or sectors which could increase the volatility, market, liquidity and other risks of the strategy.

Some information herein reflects general market commentary and the current opinions of the author which are subject to change without notice. It is provided for general informational purposes only and does not represent investment, legal, regulatory or tax advice and should not be construed as a recommendation of any security, strategy or investment product. There is no guarantee any opinion, forecast, or objective will be achieved in the future. The information, charts and reports contained herein are unaudited. Although some information contained herein was obtained from recognized and trusted sources believed to be reliable, its accuracy and completeness cannot be guaranteed. Unless otherwise noted, Nicholas is the source of illustrations. Nicholas does not undertake to keep the recipients of this report advised of future developments or of changes in any of the matters discussed in this report.

If client lists are presented they may not include every client of the firm. The list includes all institutional clients that have given Nicholas permission to disclose their names in presentation materials and should not be considered an endorsement of Nicholas Investment Partners or its services by any client.

Performance contribution/attribution, characteristics and portfolio risk statistics information is from a representative account for the strategy composite. The representative account was chosen based on non-performance criteria such as account size, cash flows and the level of account restrictions. While Nicholas believes the information is representative of other accounts in the strategy, specific information for other accounts may differ from the representative account. Nicholas used third-party information in the preparation of the characteristics and/or market environment charts. While Nicholas believes the third-party information was obtained from reliable sources, we cannot guarantee the accuracy, adequacy or completeness of the information obtained from these sources.

Specific securities identified do not represent all securities purchased, sold or recommended to advisory clients and do not necessarily represent the largest positions by portfolio weight. It should not be assumed that investments in these, or any other portfolio securities, were or will be profitable in the future. For a complete list of all securities held during the period or additional information related to this presentation please email info@nicpartners.com.

Gross and net returns, presented within were calculated in U.S. dollars on a time-weighted, total return basis, including reinvestment of all dividends, interest and income, realized and unrealized gains or losses and are net of brokerage commissions, execution costs, and any applicable foreign taxes. Accrual accounting was used for dividend income recognition. Securities transactions are accounted for on trade date. Cash and cash equivalents are included in the performance returns. The gross returns do not give effect to investment advisory fees which would reduce gross returns and are subject to compounding. The composite results include all actual, fee paying fully discretionary accounts under management by Nicholas after one full calendar month that have substantially the same investment objectives, policies and restrictions. Unless otherwise noted the returns reflect the performance of the product composite. Please see Nicholas' ADV Part 2A for a complete description of investment advisory fees.

Index returns are provided as a general indicator of the investment environment existing during the time periods shown and are provided for comparison purposes only. The returns for the index do not include any transaction costs, management fees or other costs. Investors may not make direct investments into any index. Investors should consider comparing the performance of any potential investment to other benchmarks and indices that are representative of their particular investment objectives, horizons and risk tolerances.

Disclosure *(continued)*

Net returns reflect the deduction of the highest investment management fee for the product, which is 1.00%. Actual fees charged may vary by portfolio due to various conditions such as account size, client relationship, complexity, etc. Client's accounts may also be subject to additional fees unrelated to Nicholas such as custodial and administration fees, among others. Standard Management fee schedule: First \$50M 1.00%, Next \$25M 0.85%, Next \$25M 0.75%, Thereafter 0.65%. **Past Performance is not indicative of future results.**

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-book 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. Index returns include the effect of dividends and income which are reinvested daily.

The Russell 1000® Growth Index is a market-capitalization weighted index that measures performance of those Russell 1000 companies with higher price/book ratios and higher forecasted growth values.

Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Nicholas provides the following services to First Turn, an unaffiliated investment adviser, and on behalf of First Turn's clients: (a) front, middle, and back-office services, (b) securities trading, (c) compliance support services. Policies have been set forth to protect First Turn clients from conflicts that may arise due to initiating an order in the trading system and the placement of orders. This arrangement gives rise to conflicts of interest related to front running, liquidity, market timing, and the price of execution for certain transactions, where either Nicholas or First Turn will have an incentive to favor themselves or certain clients to the detriment of other clients. Nicholas and First Turn have created policies and controls to address these conflicts of interest. Please see ADV for additional details.

Nicholas Investment Partners, L.P. is an independent, employee-owned and majority women-owned investment boutique focused on investing in dynamic, less efficient markets such as US small- and mid-cap equities and convertible bonds. We believe that change creates opportunity. We invest in dynamic companies with accelerating revenue and/or earnings growth in which our research confirms the company's growth is sustainable and the company's stock is a timely investment. Our edge comes from combining fundamental equity and credit research with the objectivity and efficiency of quantitative analytics. We have a results-driven and client-centric culture centered on building lasting and value-added relationships with a select group of institutional and private wealth clients and consultants.

SC2Q24_MC_MRADV