

Quarterly Commentary

SMALL CAP GROWTH

September 2023

THIRD QUARTER 2023

The strong rally experienced at the end of Q2 carried into July as investor confidence that the U.S. economy would avoid recession continued to build. But that optimism soon gave way to renewed concern that interest rates may need to stay "higher longer" to keep inflation in check and the market reversed sharply. Our benchmark, the Russell 2000 Growth Index, declined 7.3% in Q3, though it remained 5.2% higher year to date.

Historically, the Bridge City Capital Small Cap Growth Composite (Composite) generally outperforms in down markets and Q3 performance was consistent. Though the Composite declined 5.1% net of fees, this exceeded the benchmark return by 220 bps. Portfolio out-performance was primarily attributable to stock selection, with particularly strong relative performance from some of our holdings in the Consumer Discretionary and Basic Materials sectors, partially offset by a couple of weak performers in Technology. Our investment process avoids unprofitable companies, which performed poorly in Q3, and this was a modest tailwind in Health Care where these names comprise a significant portion of the index. A list of top individual contributors and detractors can be found in the table on page three.

Through the end of Q3 year to date, the Composite returned 2.6% net of fees, but was still trailing the benchmark by about 270 bps. We remain focused on achieving long-term out-performance and our track record is strong.

MARKET OUTLOOK

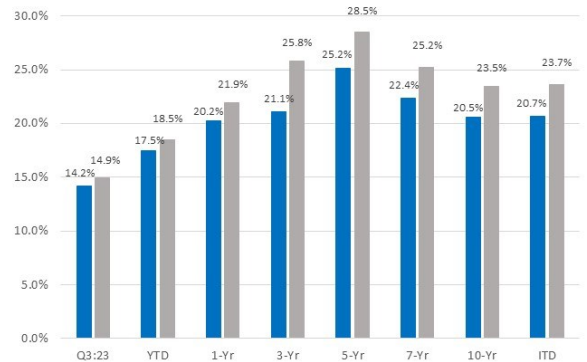
We expect pressure on corporate profitability to diminish somewhat over the balance of the year, although increased geopolitical instability could threaten this view. The Fed has maintained its hawkish stance as jobs data suggests the U.S. labor market remains resilient and inflation continues to track above its 2% target. Consumer sentiment strengthened throughout the summer as inflation expectations softened, and demand for many consumer goods and services stabilized. Higher interest rates remain top of mind, however, as debt service burdens increase. Economic conditions in Europe and China are weak, the war in Ukraine continues, and a new war is erupting in the Middle East. U.S. government dysfunction adds uncertainty, with the Presidential election cycle looming in 2024. For many companies, revenue growth and margin comparisons are expected to improve in the fourth quarter and guidance anticipates some margin recovery with moderating input

BRIDGE CITY CAPITAL OVERVIEW

Bridge City Capital, LLC (BCC) focuses on small cap growth companies with proven track records, strong financial characteristics and above average growth prospects at attractive valuations, using our disciplined, repeatable investment process that scores companies on Quality, Growth & Profitability, Financial Strength and Valuation. Our five-member investment team, consisting of Alex Woodward, Steve Brink, Jim Bradshaw, Sara Hasan and Brant DeMuth, has more than 150 years of combined investment experience.

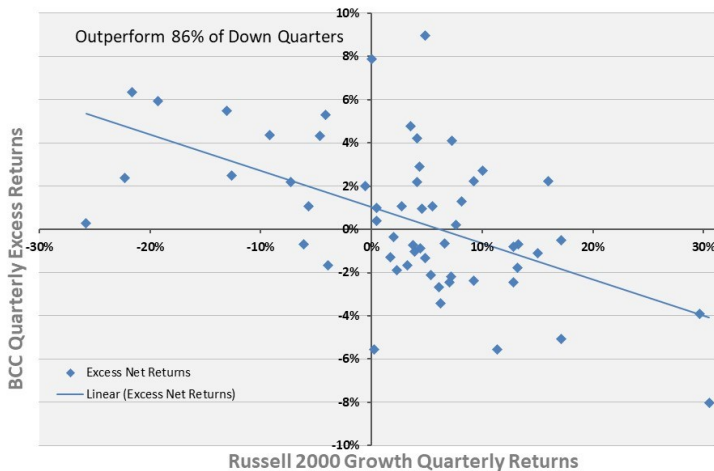
Additional information about BCC and its Small Cap Growth investment strategy is available at www.bridgecitycap.com or by contacting Client Service at info@bridgecitycap.com.

CONSISTENTLY LESS THAN INDEX VOLATILITY STANDARD DEVIATION OF DAILY RETURNS, ANNUALIZED



STRONG DOWN MARKET PROTECTION

QUARTERLY BCC EXCESS NET RETURN VS. INDEX RETURN



costs and better expense control. Companies continue to work to solidify their balance sheets and maintain tighter control of working capital and cash flows. Capital markets activity picked up further in Q3, albeit off very low levels, and we saw some incremental share repurchases and M&A activity in the period.

STRATEGY

While it is hard to determine what direction the market will take in the short term, Bridge City Capital's strategy remains unchanged. We believe our disciplined investment process, which helps identify the high-quality growth companies we invest in, positions us well for a period of heightened uncertainty. Further, we continue to believe that companies with talented management teams, proven operating models and strong balance sheets, that generate positive returns and free cash flow to support the business, will outperform over time.

See [Important Disclosure](#) information on page 3.

¹Source: Telemet/Orión.

SMALL CAP GROWTH COMPOSITE: 10-YEAR CALENDAR YEAR PERFORMANCE

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bridge City Capital SCG Gross	-19.77%	21.18%	20.92%	25.02%	1.32%	16.38%	17.74%	7.33%	7.59%	41.51%
Bridge City Capital SCG Net	-20.11%	20.62%	20.39%	24.53%	0.85%	15.97%	17.19%	6.73%	6.97%	40.70%
Russell 2000® Growth	-26.36%	2.83%	34.63%	28.48%	-9.31%	22.17%	11.32%	-1.38%	5.60%	43.30%
Excess Gross	6.59%	18.35%	-13.71%	-3.46%	10.63%	-5.79%	6.42%	8.71%	1.99%	-1.79%
Excess Net	6.25%	17.79%	-14.24%	-3.95%	10.16%	-6.20%	5.87%	8.11%	1.37%	-2.60%

SMALL CAP GROWTH COMPOSITE: RELATIVE PERFORMANCE

	Q3:2023	YTD	1-YR	3-YR (ANNUALIZED)	5-YR (ANNUALIZED)	7-YR (ANNUALIZED)	10-YR (ANNUALIZED)	INCEPTION (ANNUALIZED)
Bridge City Capital SCG Gross	-5.04%	2.86%	11.60%	7.97%	5.10%	9.87%	10.27%	14.27%
Bridge City Capital SCG Net	-5.12%	2.58%	11.15%	7.51%	4.65%	9.41%	9.76%	13.66%
Russell 2000® Growth	-7.32%	5.24%	9.59%	1.09%	1.55%	6.77%	6.72%	10.96%
Excess Gross	2.28%	-2.38%	2.01%	6.88%	3.55%	3.10%	3.55%	3.31%
Excess Net	2.20%	-2.66%	1.56%	6.42%	3.10%	2.64%	3.04%	2.70%

BRIDGE CITY CAPITAL SMALL CAP GROWTH

- Long-only, U.S. equity small cap growth manager
- Benchmark: Russell 2000® Growth Index
- Fully invested
- Diversified 65-100 stock portfolio
- Target sector neutral, +/- the greater of 20% of the weight of the defined sectors of the Russell 2000® Growth Index, or +/- 3 absolute percentage points from the defined sector weights within the index

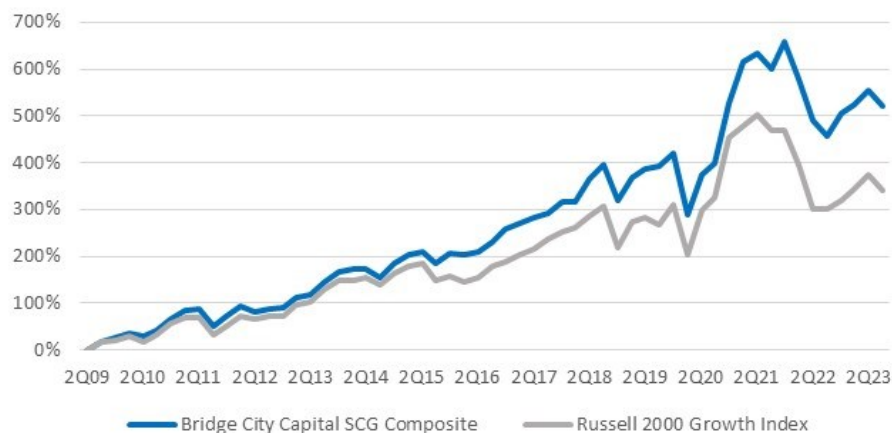
SMALL CAP GROWTH RISK & EFFICIENCY MEASURES¹

	1-YEAR	3-YEAR	5-YEAR	7-YEAR	10-YEAR	SINCE INCEPTION
Annualized Alpha	1.85	6.90	3.57	3.82	4.35	4.59
Beta	1.01	0.84	0.84	0.85	0.83	0.84
Tracking Error	5.25	8.36	7.99	7.14	6.77	6.13
Sharpe Ratio	0.32	0.30	0.15	0.43	0.52	0.77
Sharpe Ratio Benchmark ²	0.33	0.13	0.14	NA	0.39	NA
Information Ratio	0.38	0.82	0.44	0.43	0.52	0.54
Upside Market Capture	112.14	98.85	88.96	94.60	92.80	92.08
Downside Market Capture	103.37	82.01	85.63	87.27	83.34	82.11

¹Source: eVestment Alliance, other than Sharpe Ratio Benchmark. Risk & Risk Free Index: Russell 2000® Growth, Citigroup 3-Month T-Bill, Data frequency: monthly, SCG-Gross of Fees.

²Source for Sharpe Ratio Benchmark: FTSE Russell 2000® Growth Index factsheet.

CUMULATIVE NET PERFORMANCE VS. RUSSELL 2000® GROWTH



³Source: FTSE Russell 2000® Growth Index factsheet as of September 30, 2023.

All data as of September 30, 2023. See [Important Disclosure](#) information on page 3.

PORTFOLIO STATISTICS

Top 10 Holdings	SCG Rep Acct
Comfort Systems USA Inc. (FIX)	2.6%
Ensign Group, Inc. (ENSG)	2.6%
Medpace Holdings Inc. (MEDP)	2.5%
Tetra Tech Inc. (TTEK)	2.1%
Casey's General Stores (CASY)	2.0%
UFP Industries (UFPI)	2.0%
Axcelis Technologies Inc. (ACLS)	1.9%
A10 Networks, Inc. (ATEN)	1.7%
Onto Innovation Inc. (ONTO)	1.6%
SiteOne Landscape Supply, Inc. (SITE)	1.6%

Represents largest positions based on % of total portfolio value.

ICB Industry Weights	SCG Rep Acct	Index ³
Basic Materials	5.3%	3.4%
Consumer Discretionary	13.7%	12.9%
Consumer Staples	5.7%	3.6%
Energy	6.8%	6.8%
Financials	4.8%	5.0%
Health Care	18.6%	21.1%
Industrials	19.1%	22.5%
Real Estate	1.8%	1.6%
Technology	17.9%	19.6%
Telecommunications	1.0%	1.7%
Utilities	1.0%	1.8%

BCC weights exclude cash of 4.3%

Portfolio Characteristics	SCG Rep Acct	Index
Equity Positions	92	1,084
Weighted Average Market Cap	\$3.5B	\$3.3B
P/E Ex-Neg Earnings	22.0	19.0
Price/Book Value	2.3	3.9
Average Yield	1.07%	0.67%
Annual Turnover (dollars)	15.7%	-
Annual Turnover (names)	10.8%	-

TOP CONTRIBUTORS IN Q3 2023

	AVERAGE WEIGHT ¹	CONTRIBUTION ²
EMCOR Group Inc.	1.32	0.53
MillerKnoll, Inc.	0.69	0.37
American Eagle Outfitters, Inc.	1.03	0.34
Sterling Infrastructure, Inc.	1.23	0.31
MACOM Technology Solutions	1.19	0.26

TOP DETRACTORS IN Q3 2023

	AVERAGE WEIGHT ¹	CONTRIBUTION ²
MasTec Inc.	1.32	-0.61
Coherent Corporation	1.18	-0.53
Methode Electronics Inc.	1.50	-0.51
US Physical Therapy Inc.	1.50	-0.41
Cambium Networks Corporation	0.55	-0.40

¹Weights are the average position weight of an SCG rep account during the quarter. Positions identified do not represent all securities held, purchased or sold.

²Calculation methodology and a complete list of positions and contributions for the quarter are available upon request. Source: Telemet/Orion. All data as of September 30, 2023.

ABOUT BRIDGE CITY CAPITAL, LLC

Bridge City Capital, LLC (BCC) is an Oregon Limited Liability Company and a SEC registered investment advisory firm, headquartered in Lake Oswego, Oregon. The firm was formed October 27, 2008 by Alex Woodward and Steve Brink and BCC began managing its small cap growth investment strategy on July 1, 2009. Our five-member investment team consists of Alex Woodward, Steve Brink, Jim Bradshaw, Sara Hasan and Brant DeMuth. On January 1, 2022 BCC began managing a microcap investment strategy.

INVESTMENT PHILOSOPHY AND RESEARCH PROCESS

Investment Philosophy: A focus on quality companies with proven track records, strong financial characteristics and above average growth prospects at attractive valuations will lead to strong relative returns over the long run.

Research Process: The BCC investment process numerically scores every investment against specific quantitative and qualitative criteria measuring a company's Quality, Financial Strength and Growth and Profitability. We also assign a Valuation score based on an internally developed future earnings projection. Our process scores a company's relative attractiveness against its peers, identifying the highest quality companies at attractive valuations.

DISCLOSURES

Bridge City Capital, LLC (BCC) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BCC has been independently verified for the periods January 1, 2009 through December 31, 2022. The verification report is 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.

BCC is a SEC registered Investment Adviser, located in Lake Oswego, OR, that invests solely in U.S. equity securities. BCC is an independent investment adviser that is not affiliated with any parent company. Policies for valuing portfolios, calculating performance and preparing compliance presentations are available upon request.

The BCC Small Cap Growth Composite (BCCSCG) includes fully discretionary client accounts invested in small cap growth equity securities with market capitalizations similar to those found within the Russell 2000® Growth Index. The account minimum for this composite is \$1 million. The benchmark for the BCCSCG is the Russell 2000® Growth Index, which is rebalanced annually. BCC maintains a significant cash flow policy of 10%.

Specific holdings, industry sector weightings, investment returns, and other portfolio characteristics will vary. Clients should rely on the quarterly reports provided by BCC for information relating to a specific account. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. The data is current as of date listed, and is subject to change without notice. There is no assurance that any securities discussed herein will remain in the account's portfolio at the time you receive this report or that securities sold have not been repurchased.

Past performance is not indicative of future results. Investments in securities involve the risk of loss. All returns greater than one year are annualized. The U.S. Dollar is the currency used to express performance and valuation. Returns are presented gross and net of actual management fees and include the reinvestment of all dividends and other income. Our standard fee schedule as well as additional information about our business, is contained in our Form ADV, Part 2A and available upon request.

Information contained herein was obtained from sources believed to be reliable but accuracy cannot be guaranteed.

For more information regarding Bridge City Capital, LLC, our Small Cap Growth Composite or for a complete GIPS compliance presentation, please contact Client Service at (503) 265-8554, info@bridgcitycap.com.





SMALL CAP GROWTH COMPOSITE

July 1, 2009 through December 31, 2022

Year	BCC Small Cap Growth Composite Gross Return (%)	BCC Small Cap Growth Composite Net Return (%)	Russell 2000 Growth Return (%)	BCC Small Cap Growth Composite 3-Yr Standard Deviation (%) ¹	Russell 2000 Growth 3-Yr Standard Deviation (%)	Number of Portfolios	Internal Dispersion (%) ²	BCC Small Cap Growth Composite Assets (\$ M)	Firm Assets (\$ M)
2022	-19.77	-20.11	-26.36	23.22	26.57	18	0.14	191	201
2021	21.18	20.62	2.83	19.83	23.07	19	0.12	240	247
2020	20.92	20.37	34.63	21.89	25.10	14	0.28	268	271
2019	25.02	24.53	28.48	14.98	16.37	22	0.17	249	251
2018	1.32	0.85	-9.31	14.53	16.46	19	0.00	140	159
2017	16.38	15.97	22.17	12.15	14.59	18	0.10	140	143
2016	17.74	17.19	11.32	13.82	16.67	8	0.06	49	52
2015	7.33	6.73	-1.38	12.44	14.95	5	n/a	17	19
2014	7.59	6.97	5.60	12.06	13.82	4	n/a	15	19
2013	41.51	40.70	43.30	15.36	17.27	5	n/a	16	17
2012	11.74	11.04	14.59	18.19	20.72	5	n/a	11	13
2011	4.05	3.25	-2.91	n/a	n/a	2	n/a	5	6
2010	33.08	31.98	29.08	n/a	n/a	1	n/a	2	2
2009	26.17	25.58	20.75	n/a	n/a	1	n/a	1	1

Bridge City Capital, LLC (BCC) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BCC has been independently verified for the periods January 1, 2009 through December 31, 2022. The verification report is 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.

BCC is a SEC registered Investment Adviser, located in Portland, OR that invests solely in U.S. equity securities. BCC is an independent investment adviser that is not affiliated with any parent company.

The BCC Small Cap Growth Composite (BCCSCG) includes fully discretionary client accounts invested in small cap growth equity securities with market capitalizations similar to those found within the Russell 2000 Growth Index. The account minimum for this composite is \$1 million. The benchmark for the BCCSCG is the Russell 2000 Growth Index, which is rebalanced annually. BCC maintains a significant cash flow policy of 10%.

Past performance is not indicative of future results. Investments in securities involve the risk of loss. All returns greater than one year are annualized. The U.S. Dollar is the currency used to express performance and valuation. Policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request. Returns are presented gross and net of actual management fees and include the reinvestment of all dividends and other income. Our standard fee schedule is 0.85% on the first \$10 million and 0.75% on amounts over \$10 million. Additional information about our fees as well as other information about our business, is contained in our form ADV, Part 2A and available upon request.

The BCCSCG was created on and has an inception date of July 1, 2009. A complete list of composite descriptions is available upon request.

¹ Calculated gross of fees. 3-yr standard deviation not available for periods prior to 2012.

² Calculated gross of fees using asset weighted TWR. Not applicable for periods where composite membership includes 5 or fewer portfolios.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2009 through 2011 because performance data for the three-year period was not available.