CONESTOGA
CAPITAL ADVISORS

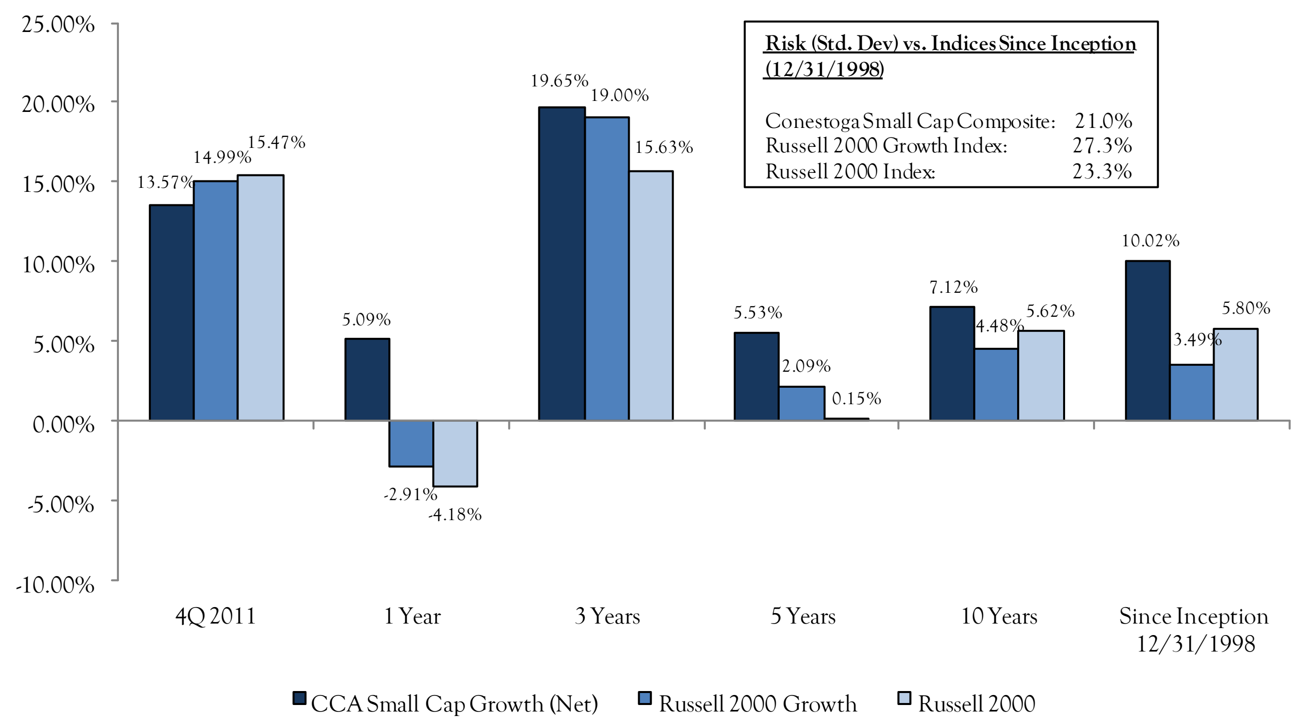
PIONEERS IN SMALL CAP INVESTING

FOURTH QUARTER 2011 COMMENTARY

MARKET REVIEW

Equity markets ended the year about where they began, with most benchmarks producing returns close to zero for the calendar year. Throughout 2011, investors experienced significant volatility, including a very difficult stretch of negative returns through the summer. We are pleased to report that the Conestoga Small Cap Growth strategy performed largely in line with our expectations throughout the year, keeping pace in the up markets and protecting capital in the downdrafts. For the full year, the Conestoga Small Cap composite returned 5.09% net of fees, versus the Russell 2000 Growth Index down -2.91%, and the Russell 2000 down -4.18%. Returns for the composite and the small cap benchmarks are below:

Conestoga Small Cap Composite Returns (Net-of-Fees)



Source: Conestoga, Russell Investments. Periods Longer than One Year Annualized. Please see important disclosures at the end of this commentary.

Uncertainties surrounding the global economy and government debt crises were the prevailing themes of 2011, causing swings in investor sentiment that kept market volatility at high levels throughout the year. Employment and economic growth remained stuck in low gear across the developed world countries. Politicians around the world collectively wrung their hands, offering no reason for optimism to investors. The result was a very challenging environment for investing, with very few asset classes producing stellar returns. Even hedge funds disappointed, with Hedge Fund Research Inc. reporting that the average hedge fund lost 5% for the year (Wall Street Journal, December 31, 2011).

MARKET REVIEW (CONTINUED)

Underneath all of the noise in the media regarding the economy and political scene, more positive developments continued to take shape in the corporate sector. Earnings growth remained solid, especially among higher-quality companies – those with strong balance sheets and sustainable growth rates. Within the Conestoga portfolio, earnings growth was very solid in 2011. In the three quarters reported in 2011, the portfolio averaged earnings growth of 24.5% on revenue growth of 19.5%. We expect the portfolio's fourth quarter revenues and earnings growth to be strong when reported in early 2012. The outlook for the years ahead is also solid, with analyst forecasts for mean earnings-per-share growth in the Conestoga portfolio of 18.9% (source: FactSet Research Systems).

The Conestoga portfolio has very strong balance sheet characteristics as well. The companies are producing strong returns on equity (ROE) of 15.6% over the last four quarters, versus the Russell 2000 Growth Index ROE of 9.2% and the Russell 2000 Index ROE of 7.3%. Debt levels are very low, with over two-thirds of the portfolio companies having no long-term debt, and the total portfolio average long-term debt to capital ratio at 3%. Many of the portfolio holdings also have significant cash balances to assist in weathering, and taking advantage of, a volatile market. On average, the portfolio companies hold just over 10% of their market capitalizations in cash.

Our research efforts continue to discover companies with the aforementioned high-quality characteristics, selling at reasonable prices. In 2011, we added a total of 10 companies to the portfolio, while removing 8 companies, fairly typical turnover given our long-term investment approach. In the fourth quarter, we added ACI Worldwide Inc. (ACIW) and Stamps.com Inc. (STMP). Based in Omaha, Nebraska, ACIW develops and sells products and services used principally by financial institutions, retailers and electronic payment processors. The primary growth driver for ACIW is the continued migration to electronic payment options (debit and credit), both in the U.S. and abroad. The company has a high and increasing level of recurring revenue (>70%), a large and growing 5-year backlog of new business, and high customer retention (>95%). We expect the company to deliver annual low double-digit organic revenue growth and 15%+ earnings per share growth over the next five years.

We also purchased Stamps.com Inc. (STMP), the leading provider of internet-based postage solutions. The company was the first USPS-licensed vendor to offer Personal Computer Postage in a software only business model. STMP targets mailers and shippers of all sizes, including individual consumers, home offices, small-to-medium sized businesses, large enterprises and e-commerce retailing platforms. A key growth driver for Stamps is its Enterprise business. This business is relatively new for the company and is beginning to gain some traction. In July, 2010, the company launched a partnership with Amazon.com that allows Amazon.com Marketplace clients to use Stamps.com's domestic and international shipping labels to ship their products. We believe the company has mid- to high-teens earnings growth potential over the next several years.

Sold from the portfolio during the fourth quarter was MICROS Systems Inc. (MCRS), which had been part of the portfolio since February 2009. At that time, MCRS became available at an attractive price due to the severe bear market. We knew MCRS as one of the premier providers of information technology systems to the hospitality and retail sectors, with a very strong earnings profile, no long-term debt, and a solid management team. Those qualities were rewarded over the past few years, and MCRS rose from roughly $15 per share at the time of purchase to about $49 at the time of sale. MCRS was sold for the sole reason that its market capitalization was approaching $4 Billion, and we felt we needed to recycle the funds back to small capitalization companies. We remain believers in MCRS long-term, and we note that the stock remains part of our Mid Cap Growth strategy.

As we begin 2012, the outlook for the global economy remains tenuous, and political uncertainties abound. Nonetheless, our confidence in the 48 companies that comprise the Conestoga Small Cap Growth portfolio is quite high. We believe we have constructed a portfolio of small companies, with sustainable growth characteristics and excellent management teams. To defend against economic and market uncertainty, the companies have strong balance sheets with significant cash balances and/or low or no long-term debt. We firmly believe these companies offer the potential to continue to outperform the small capitalization benchmarks, with less volatility, in the years ahead.

CONESTOGA CAPITAL ADVISORS FIRM UPDATE

Despite a challenging and volatile investment environment, Conestoga continued to experience steady growth through the year. The Firm ended the year with a total of $582.5 Million in assets under management, with following additional highlights:

- Conestoga added net new client assets of over $100 Million in the Small Cap Growth strategy in calendar year 2011. For the full year, Conestoga has added 21 new Small Cap Growth separate accounts totaling $62.5 million. Small Cap Growth assets under management totaled $532.5 Million as of December 31, 2011.
- Our proprietary mutual fund, The Conestoga Small Cap Fund (ticker: CCASX), experienced net inflow of $55.8 million in 2011. The Fund ended the year at peak asset levels of $184.3 million.
- The Mid Cap Growth strategy is approaching its two-year anniversary. The Mid Cap Growth strategy has performed as expected, with very similar attributes to the Small Cap Growth strategy. We detail the performance and attribution of returns on page 9 of this commentary. Expect to hear more from us about Mid Cap Growth in 2012!

PERFORMANCE - ANNUALIZED RETURNS VS. RUSSELL INDICES*

	4Q11	1 Year	3 Years*	5 Years*	10 Years*	Since Inception 12-31-1998
CCA Small Cap (Net of Fees)	13.57%	5.09%	19.65%	5.53%	7.12%	10.02%
Russell 2000 Growth Index	14.99%	-2.91%	19.00%	2.09%	4.48%	3.49%
Russell 2000 Index	15.47%	-4.18%	15.63%	0.15%	5.62%	5.80%

**Please see important disclosures at the end of this commentary.*

PERFORMANCE REVIEW AND ATTRIBUTION

Conestoga's Small Cap Composite trailed its benchmark modestly in the fourth quarter, but outperformed over the course of the full calendar year. In the fourth quarter's very strong up market, the Conestoga Small Cap Composite returned 13.57% net of fees, versus the Russell 2000 Growth Index return of 14.99% and Russell 2000 Index return of 15.47%. For the full year 2011, the Composite returned 5.09% net-of-fees, versus the Russell 2000 Growth decline of -2.91% and Russell 2000 decline of -4.18%. (Please note that individual account performance will vary slightly due to slight individual issue weighting differences and specific individual client guidelines.)

FOURTH QUARTER ATTRIBUTION VS. THE RUSSELL 2000 GROWTH:

Historically, Conestoga's Small Cap Growth strategy has captured about 90% of up market performance, as was the case in the fourth quarter. The composite's 13.57% return represented about 90% of the Russell 2000 Growth Index return of 14.99%. Stock selection detracted from return, with sector allocation having a positive impact on relative return.

Stock selection in the Health Care, Energy and Financial Services sectors had the most negative impact on return. Three positions in the Health Care sector underperformed: Integra LifeSciences Holdings Corp. (IART); Neogen Corp. (NEOG); and Quality Systems Inc. (QSII). Each experienced company-specific events that caused their shares to drop. In the case of IART, we pared the portfolio's position early in the first quarter of 2012, and we will be closely monitoring company in the coming quarter. With respect to NEOG and QSII, we remain optimistic in their long-term growth prospects.

Conestoga's Energy holdings were very solid performers for the full year; however the stocks failed to keep pace with this surging sector of the Index in the fourth quarter. Conestoga's three holdings in the sector rose an average of over 17%, but the Energy sector of the Index rose over 27%.

Stock selection was strongest in the Consumer Discretionary sector, where the strategy's holdings in for-profit education stocks Capella Education Co. (CPLA) and Strayer Education Inc. (STRA) produced very strong returns. Both stocks have experienced underperformance in the prior quarters of 2011, and we continue to examine these controversial, but potentially high return stocks as they navigate the regulatory scrutiny of Congress and various states' attorneys general.

PERFORMANCE REVIEW AND ATTRIBUTION

FOURTH QUARTER ATTRIBUTION VS. THE RUSSELL 2000:

Sector allocation had little impact on relative return versus the Russell 2000 Index, while stock selection negatively impacted relative return during the fourth quarter. Stock selection detracted from return in the Energy, Financial Services, and Health Care sectors. Stock selection positively impacted relative return in the Materials & Processing and Consumer Discretionary sectors.

The Financial Services sector of the Index posted strong average returns of over 16%, exceeding the average return of Conestoga's Financial Services holdings of almost 8%. Notably, the Index's holdings in real estate investment trusts (REITs) produced stellar returns in the quarter, and Conestoga does not hold REITs within our strategy. Conestoga's Financial Services holdings encompass several systems/service providers and an asset management company, Westwood Holdings Group Inc. (WHG).

Strong stock selection in the Materials & Processing sector was led by Simpson Manufacturing Co. (SSD), which posted continued strong results, despite its emphasis on the residential construction marketplace. Within the Consumer Discretionary sector, newcomer to the portfolio Hibbett Sports Inc. (HIBB) delivered sporty returns over the quarter, while for-profit educators Capella Education Co. and Strayer Education Inc. performed smartly.

FULL YEAR 2011 ATTRIBUTION VS. THE RUSSELL 2000 GROWTH:

For the full calendar year 2011, Conestoga's strong relative return was driven almost entirely by stock selection, with sector allocation adding modestly to return. We expect the strategy to perform well in more volatile market environments, and we are pleased that the strategy performed in-line with our expectations over the year.

Stock selection was strongest in the Technology sector, where the year's top contributor was Tyler Technologies Inc. (TYL). A provider of information systems to municipal governments, TYL delivered strong and steady results through the year, and we believe the efficiency benefits of their systems will see continued strong demand as local governments seek to control their budgets. Similarly, the portfolio's holding in NIC Inc. (EGOV), which provides website outsourcing to state governments, experienced strong growth over the full year.

The Producer Durables and Energy sectors also delivered strong returns for calendar year 2011. Within Producer Durables, the strongest performer was Raven Industries Inc. (RAVN), an industrial conglomerate based in Sioux Falls, SD. We visited the company at their headquarters in the third quarter, and we remain impressed with the long-term prospects for their agricultural technologies and engineered films businesses. Within Energy, the Conestoga portfolio companies produced an average return of over 20% for the full year, versus the Index's average decline of over -7%.

Stock selection was most challenging in the Health Care and Consumer Discretionary sectors. Integra LifeSciences Holdings Corp. (IART), Meridian Bioscience Inc. (VIVO) and Neogen Corp. (NEOG) all detracted from relative return for the year. In the Consumer Discretionary sector, for-profit educators Capella Education Co. (CPLA) and Strayer Education Inc. (STRA) were the weakest performers, despite rebounding in the fourth quarter.

Performance Review and Attribution

Full Year 2011 Attribution vs. the Russell 2000:

Versus the Russell 2000 Index, relative performance for calendar year 2011 was driven entirely by stock selection, with sector allocation detracting modestly from relative return. Stock selection was strongest in the Producer Durables and Technology sectors, and was weakest in the Health Care and Consumer Discretionary sectors.

Within the Producer Durables sector, the strategy held a number of stocks that produced positive absolute returns for the year, while the Index averaged a decline of over -6%. Long-time holdings such as CoStar Group Inc. (CSGP); Raven Industries Inc. (RAVN); and Rollins Inc. (ROL) all produced solid positive returns.

Technology was an area of weakness in calendar 2010, so we were pleased with the rebound of stock selection within the Technology sector in 2011. The acquisition of Blackboard Inc. (BBBB) in the third quarter added to relative return, as did strong performances by NIC Inc. (EGOV); Sourcefire Inc. (FIRE) and Tyler Technologies Inc. (TYL). Many of our Technology holdings have strong recurring revenue profiles, which served them well in a volatile market.

The Health Care was home to several weaker performers which detracted from relative return. Integra LifeSciences Holdings Corp. (IART), Meridian Bioscience Inc. (VIVO) and Neogen Corp. (NEOG) all detracted from relative return for the year.

The Consumer Discretionary sector was one of the weaker sectors of the market in 2011, and Conestoga's holdings underperformed the Index average holding. Iconix Brand Group Inc. (ICON), a brand management company, and for-profit educators Capella Education Co. (CPLA) and Strayer Education Inc. (STRA) all underperformed over the course of the year.

Statistics vs. Russell Indices (as of 12/31/11)

Portfolio Characteristics*	CCA Small Cap Growth	Russell 2000 Growth	Russell 2000
Price/Earnings (1 Year Forward excl. Neg.)	22.5x	15.3x	13.9x
Price/Earnings (1 Year Forward incl. Neg.)	22.5x	19.0x	16.1x
Earnings Growth (3-5 Year Est.)	18.9%	18.1%	14.7%
PEG Ratio (1 Yr Forward incl. Neg.)	1.19	1.05	1.10
Weighted Average Market Capitalization	$1,333 Mil	$1,385 Mil	$1,227 Mil
Return on Equity (ROE)	15.6%	9.2%	7.3%
Long-Term Debt/Capitalization	3%	19%	24%
Dividend Yield	0.66%	0.76%	1.53%
Trailing 12 Month Portfolio Turnover	19.2%	Not Applicable	Not Applicable

Source: FactSet Research Systems

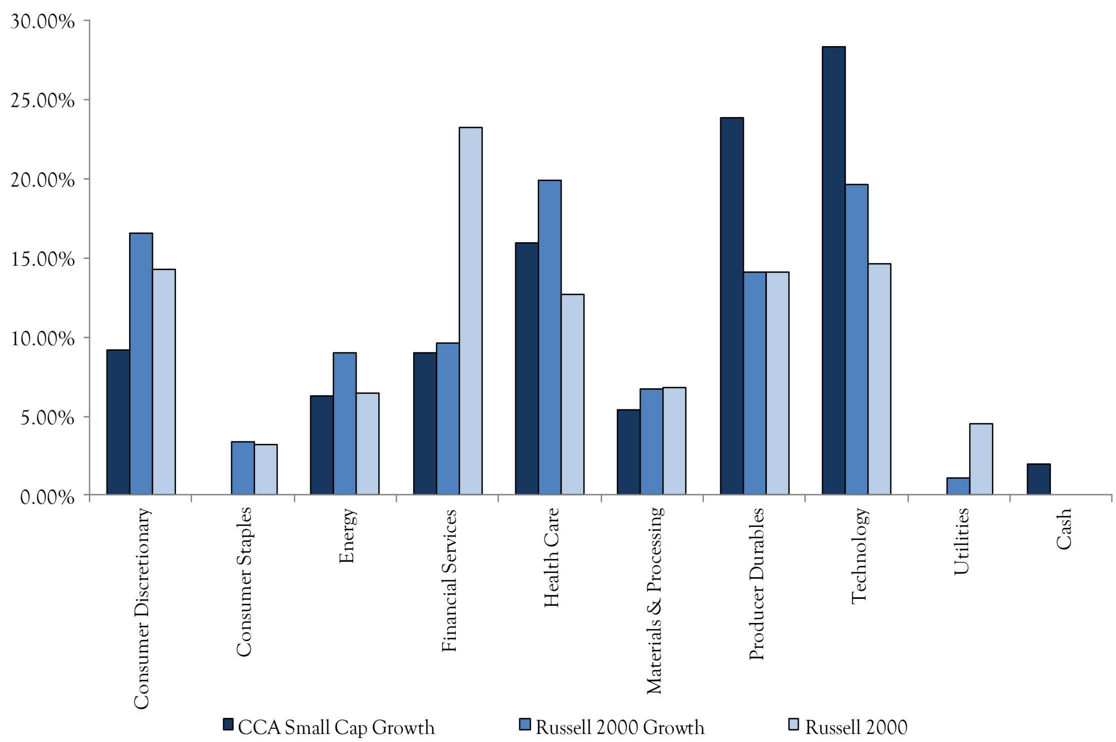
TOP TEN EQUITY HOLDINGS (AS OF 12/31/11)

SYMBOL	COMPANY NAME	SECTOR	% OF ASSETS
CSGP	CoStar Group Inc.	Producer Durables	4.93%
RAVN	Raven Industries Inc.	Producer Durables	3.79%
EPAY	Bottomline Technologies Inc.	Technology	3.68%
SNHY	Sun Hydraulics Corp.	Producer Durables	3.40%
SSD	Simpson Manufacturing Co. Inc.	Materials & Processing	3.28%
ABCO	Advisory Board Co.	Producer Durables	3.28%
TYL	Tyler Technologies Inc.	Technology	3.08%
NVEC	NVE Corp.	Technology	2.92%
MORN	Morningstar Inc.	Financial Services	2.68%
ROL	Rollins Inc.	Producer Durables	2.67%
		Total Weighting within Composite:	**33.71%**

Disclosures:

The positions represent Conestoga Capital Advisors largest equity holdings based on the aggregate dollar value of positions held in the client accounts that are included in the small cap composite. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned.

SECTOR WEIGHTINGS (AS OF 12/31/11)



**Source: FactSet Research System, Conestoga*

Please note: the specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. As you are aware, one cannot assume that past results are indicative of future performance.

Top 5 Composite Leaders

1. CoStar Group Inc. (CSGP): A provider of information database services to the commercial real estate industry, CSGP has struggled to prove itself stronger than the industry it serves. We believe concerns about the health of the commercial real estate industry have been the primary headwinds preventing better performance from CSGP over the past few years. However, in the fourth quarter, CSGP delivered another quarter of solid revenue and earnings results, and also raised their revenue outlook for the coming year. The stock appreciated steadily over the quarter, and we believe has sustainable revenue and earnings growth in the the years ahead. Investors have also been focused on the pending acquisition of LoopNet Inc. (LOOP).
2. Stratasys Inc. (SSYS): This company designs and manufactures three-dimensional printers which are primarily used by engineers and design professionals. The stock suffered earlier in 2011 due to its relationship with Hewlett-Packard Company (HPC), as investors thought that changes in HPC strategy may negatively impact SSYS. Those concerns were allayed in the fourth quarter, as the company reported record quarterly revenue and solid earnings growth.
3. Simpson Manufacturing Co. (SSD): We believe SSD is a great example of a disciplined, well-run company that strengthens its competitive position in a weak economy and benefits in the recovery. As a manufacturer of structural connectors for the construction market, SSD has experienced a depression-like economy over the past few years. However, the company has broadened its product line and increased market share in distribution channels previously held by its primary competitors. As a result, SSD has continued to grow revenues and earnings, and the stock has benefited.
4. Raven Industries Inc. (RAVN): A mini-conglomerate of industrial businesses, RAVN is on track to produce another record year of financial results for fiscal year 2012. While RAVN's fiscal 3Q11 results showed sequential weakness, the company's results were better than analyst's expectations. Its diversified mix of businesses, led by the agricultural precision products, continues to produce stellar results. RAVN has embarked upon a more aggressive capital expenditure program since Dan Rykhus took the reins as CEO. We expect that the increased level of investment will enhance RAVN's growth profile over the next several years.
5. Align Technology Inc. (ALGN): The top performer in the Heath Care sector of the Conestoga portfolio, ALGN posted stronger-than-expected earnings results and announced a $150 million share repurchase program. The company is best known for its Invisalign teeth alignment systems.

Bottom 5 Composite Laggards

1. Quality Systems Inc. (QSII): This Health Care information technology company provides electronic recordkeeping services to physicians. Despite announcing record quarterly revenues and earnings, the stock suffered after poor communications by management on the earnings conference call. Additionally, there was growing concern that Congress' failure to reach a budget agreement could cause mandatory cuts in Medicare payments to physicians, and reduce doctors' budgets for IT systems in the future.
2. Zipcar Inc. (ZIP): Purchased earlier in 2011, ZIP provides car-sharing services in 16 metropolitan areas, as well as a number of collegiate campuses. While there was no major news or development announced during the quarter, the stock price for ZIP traded lower. We continue to believe ZIP offers a unique, sustainable growth opportunity.
3. NVE Corp. (NVEC): Investors were disappointed with second quarter revenue and earnings results that showed a decline compared to the same period a year ago. NVEC's stock fell on the news, although it recovered roughly half the losses over the remainder of the quarter. NVEC's nanotechnology products are used in data transmission, as well as in a memory technology known as MRAM.
4. Neogen Corp. (NEOG): NEOG reported weaker-than-expected revenues and earnings for the second fiscal quarter, and the stock fell on the news. The company develops and manufactures food and animal safety products, such as diagnostic kits to test for food-borne pathogens or toxins. There was some speculation that government customers of NEOG's products have slowed spending due to budgetary issues, although we believe the long-term growth profile for NEOG remains intact. We purchased additional shares of NEOG after their earnings release, but we were not able to purchase the shares across all accounts because the stock recovered during the company's earnings conference call.
5. Integra LifeSciences Holdings Corp. (IART): This maker of surgical instruments and devices reported quarterly earnings that were in-line with expectations, however, full-year earnings guidance was reduced modestly. A long-time holding in our strategy, IART's diminished growth prospects and a change in CEO led us to question our investment thesis for the company. We pared the portfolio's position early in the first quarter of 2012, and we will be closely monitoring company in the coming quarter..

FOURTH QUARTER BUYS & SELLS

BUYS

1. ACI Worldwide Inc. (ACIW): ACI Worldwide, based in Omaha, Nebraska, designs, markets, installs and supports a broad line of software products and services primarily focused on facilitating electronic payments. These products and services are used principally by financial institutions, retailers and electronic payment processors, both in domestic and international markets. The primary growth driver for ACI Worldwide is the continued migration to electronic payment options (debit and credit), both in the U.S. and abroad. Electronic payment volumes continue to increase around the world, taking market share from traditional cash and check transactions. The company has a high and increasing level of recurring revenue (>70%), a large and growing 5-year backlog of new business, and high customer retention (>95%). We expect the company to deliver annual low double-digit organic revenue growth and 15%+ earnings per share growth over the next five years.
2. Stamps.com Inc. (STMP): Founded in 1997 and headquartered in Los Angeles, Stamps.com is the leading provider of internet-based postage solutions. The company was the first USPS-licensed vendor to offer Personal Computer Postage in a software only business model. Stamps.com targets mailers and shippers of all sizes, including individual consumers, home offices, small-to-medium sized businesses, large enterprises and e-commerce retailing platforms. A key growth driver for Stamps is its Enterprise business. This business is relatively new for the company and is beginning to gain some traction. In July 2010, the company launched a partnership with Amazon.com that allows Amazon.com Marketplace clients to use STMP's domestic and international shipping labels to ship their products. We believe the company has mid- to high-teens annual earnings growth potential over the next several years.

SELLS

1. MICROS Systems Inc. (MCRS): Micros Systems, based in Columbia, MD, provides software, hardware, and services to the hospitality and retail industries. The company has benefitted as restaurants, hotels, and retailers have upgraded and improved their enterprise information systems in order to stay competitive. Originally purchased into client portfolios in February of 2009 for approximately $15 per share, we sold the stock as it moved above $3.5 billion in market capitalization, at about $49 per share. MCRS remains one of the holdings of Conestoga's Mid Cap Growth strategy.

Also during the quarter, Conestoga added to positions in Healthstream Inc. (HSTM), Hibbett Sports Inc. (HIBB), and Neogen Corp. (NEOG). Trimmed from the strategy during the quarter were comScore Inc. (SCOR), Hittite Microwave Corp. (HITT) and II-VI Inc. (IIVI). These sales were executed to keep our Technology exposure under the 30% level.

MID CAP GROWTH UPDATE

	4Q11	1 Year	Since Inception 3-31-2010
Conestoga Mid Cap (Net of Fees)	10.75%	2.79%	14.05%
Russell MidCap Growth Index	11.24%	-1.65%	8.53%
Russell MidCap Index	12.31%	-1.55%	7.59%

**Please see important disclosures at the end of this commentary.*

PERFORMANCE REVIEW

Conestoga's Mid Cap Growth strategy turned in a solid performance in 2011, producing a positive return in a down market for Mid Cap Growth stocks. The Mid Cap Composite returned 2.79% net-of-fees for the full year 2011, versus the Russell Mid Cap Growth Index decline of -1.65% and the Russell Mid Cap Index decline of -1.55%. Performance was driven almost entirely by stock selection, with sector allocations adding slightly to returns.

Stock selections in the Energy, Producer Durables and Materials & Processing sectors added the most to performance for the year. Within the Energy sector, Core Laboratories (CLB), an oil and gas services company, was the top performer. CLB is benefitting from increasing demand for its reservoir management and production enhancement services in the domestic markets, such as the Bakkan and Marcellus shale formations, as well as international markets. SM Energy (SM), an oil and gas exploration and production company, was also an outstanding performer in 2011. The company is achieving excellent production, while adding to its proved oil reserves, in both the Eagle Ford and Bakken shale formations in the U.S. Fastenal (FAST), a distributor and retailer of industrial supplies, was the best performing stock in Materials & Processing. Despite the sluggish economy, FAST has dramatically increased the productivity in its existing store base and as a result reported strong earnings growth.

The Consumer Discretionary sector had the weakest stock selections during 2011. Our modest commitment in two for-profit education stocks, DeVry (DV) and Strayer Education Inc. (STRA), underperformed due to the companies experiencing sharp decline in new enrollments. The stocks rebounded in the fourth quarter and we expect better results in the coming year as the companies adapt to regulatory changes and enrollments improve.

Launched in March, 2010, the Conestoga Mid Cap strategy invests in 35 to 40 stocks with market capitalizations between $2 billion and $10 billion at the time of purchase. We employ Conestoga's research efforts to identify companies which meet our high quality criteria for investment. Some of our most successful companies in the Small Cap strategy (those which have grown beyond $2 billion in market capitalization) may become holdings in the Mid Cap strategy. A recent example includes Ansys (ANSS), which designs and develops engineering and simulation software for engineers, researchers and students in a variety of industries and academia. ANSS was held in our Small Cap strategy for many years and was sold when its market capitalization approached $ 4 billion. ANSS is now a key holding in the Mid Cap strategy and we project continued strong growth in the company's earnings because its software allows its clients to more efficiently design and test product innovations.

DISCLOSURES: Fully Compliant GIPS Presentation for the Period Ending December 31, 2011

Year Return	Conestoga Total Net Return	Russell 2000 Growth Return	Russell 2000 Total Return	No. of Accounts	Composite Dispersion	Total Assets at End of Period $ (Millions)	% of Firm Assets	Total Firm Assets $ (Millions)
2011	5.09%	-2.91%	-4.18%	106	0.65%	$339.704	58%	$582.530
2010	25.30%	29.09%	26.85%	88	0.69%	$270.238	57%	$471.132
2009	30.09%	34.47%	27.17%	84	0.77%	$196.390	57%	$345.395
2008	-28.00%	-38.54%	-33.80%	86	0.70%	$131.463	58%	$224.803
2007	6.14%	7.05%	-1.57%	94	0.73%	$159.284	58%	$275.368
2006	10.07%	13.35%	18.37%	95	1.14%	$163.521	60%	$271.483
2005	4.60%	4.15%	4.55%	70	0.93%	$105.755	50%	$211.667
2004	19.04%	14.31%	18.33%	39	1.26%	$55.559	34%	$165.497
2003	30.96%	48.54%	47.25%	37	2.35%	$35.554	25%	$140.624
2002	-15.29%	-30.26%	-20.48%	17	2.67%	$11.176	12%	$96.392
2001	20.93%	-9.23%	2.49%	17	4.95%	$11.399	11%	$103.627
2000	0.18%	-22.43%	-3.02%	22	8.36%	$14.404	1%	$1,440.440
1999	43.52%	43.09%	21.26%	18	9.38%	$11.664	3%	$388.133

Annualized Rate of Return for the Period Ending December 31, 2011

Time Period	Conestoga	Russell 2000 Growth	Russell 2000
1 Year	5.09%	-2.91%	-4.18%
3 Years	19.65%	19.00%	15.63%
5 Years	5.53%	2.09%	0.15%
10 Years	7.12%	4.48%	5.62%
Since Inception (12/31/98)	10.02%	3.49%	5.80%

* Conestoga Capital Advisors has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). Conestoga Capital Advisors has been verified for the periods December 31, 1998 through March 31, 2002 by KPMG. Conestoga Capital Advisors has been verified for periods March 31, 2002 through March 31, 2010 by BBD, LLP. A copy of these verification reports is available upon request. Performance data after March 31, 2010 is in compliance with the GIPS standards but has not yet been examined by BBD, LLP.

1. Past performance is not indicative of future results. The actual return and value of an account will fluctuate and at any point could be worth more or less than the amount invested. Individual account performance will vary according to individual investment objectives.
2. Conestoga Capital Advisors is an independent investment management firm founded in 2001 that manages equity and balanced portfolios for primarily U.S. institutional and retail clients.
3. There have not been any material changes in the personnel responsible for managing accounts during the time period. Performance results prior to June 30, 2001 have been achieved by Martindale Andres & Company, Inc., William Martindale and Robert Mitchell's prior investment advisory firm.
4. The Russell 2000 measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The volatility of the Russell 2000 Index and Russell 2000 Growth Index may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the Russell 2000 Index and Russell 2000 Growth Index. The Russell 2000 Index and the Russell 2000 Growth Index have not been selected to represent an appropriate benchmark, but rather are disclosed to allow for comparison of the composite's performance to that of well-known and widely respected indices.
5. Performance results for the full historical period are total return, time-weighted rates of return expressed in U.S. dollars. Portfolios are valued monthly and returns are weighted by using beginning-of-quarter market values plus weighted cash flows. Annual returns are calculated by geometrically linking the monthly returns. Computations assume the reinvestment of all dividends and capital gains.
6. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The dispersion calculation shown, "asset weighted dispersion" is calculated as the annual standard deviation of individual portfolio gross returns weighted by the beginning of period portfolio size for the composite members. Dispersion is shown as "NA" for periods less than one year and for periods with 5 or fewer composite members for the entire year.
7. All fee-paying discretionary portfolios will be assigned to an appropriate composite according to investment objective. Composites will include new portfolios at the start of the next performance measurement period (i.e., the beginning of the next month) after the portfolio comes under management and will exclude terminated portfolios after the last full calendar month period that the portfolios were under management (i.e., the end of the last full calendar month), but composites will continue to include terminated portfolios for all periods prior to termination. Portfolios that are less than $250,000 in size at inception are not included in this composite. Portfolios will not be removed from the assigned composite if they fall below the minimum simply due to market depreciation. Prior to September 30, 2003, portfolios greater than $100,000 were included in this composite.
8. No leverage has been used in the accounts included in the composite.
9. Trade date accounting is used for all periods.
10. Performance results are presented after all management fees, custodial fees, commissions and other trading expenses. The current management fee schedule is as follows:

    CURRENT FEE SCHEDULE: Up to $25,000,000: 1% Over $25,000,000: Negotiable
11. A complete list of composites and performance results are available upon request.

Please note: the specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. As you are aware, one cannot assume that past results are indicative of future performance.

DISCLOSURES: Fully Compliant GIPS Presentation for the Period Ending December 31, 2011

Year Return	Conestoga Total Net Return	Russell MidCap Growth Total Return	Russell MidCap Total Return	No. of Accounts	Composite Dispersion	Total Assets at End of Period $ (Millions)	% of Firm Assets	Total Firm Assets $ (Millions)
2011	2.79%	-1.65%	-1.55%	10	0.76%	$4.524	0.78%	$582.530
3/31/10 – 12/31/10	12.81%	14.01%	13.07%	5	N/A	$5.062	1.07%	$471.132

Annualized Rate of Return for the Period Ending December 31, 2011

Time Period	Conestoga	Russell MidCap Growth Total Return	Russell MidCap Total Return
1 Year	2.79%	-1.65%	-1.55%
Since Inception (3/31/10)	14.05%	8.53%	7.59%

* Conestoga Capital Advisors has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). Conestoga Capital Advisors has been verified for the periods December 31, 1998 through March 31, 2002 by KPMG. Conestoga Capital Advisors has been verified for periods March 31, 2002 through March 31, 2010 by BBD, LLP. A copy of these verification reports is available upon request. Performance data after March 31, 2010 is in compliance with the GIPS standards but has not yet been examined by BBD, LLP.

1. Past performance is not indicative of future results. The actual return and value of an account will fluctuate and at any point could be worth more or less than the amount invested. Individual account performance will vary according to individual investment objectives.
2. Conestoga Capital Advisors is an independent investment management firm founded in 2001 that manages equity and balanced portfolios for primarily U.S. institutional and retail clients.
3. There have not been any material changes in the personnel responsible for managing accounts during the time period.
4. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 27% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies based on total market capitalization. The volatility of the Russell Midcap Index and Russell Midcap Growth Index may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the Russell Midcap Index and Russell Midcap Growth Index. The Russell Midcap Index and the Russell Midcap Growth Index have not been selected to represent an appropriate benchmark, but rather are disclosed to allow for comparison of the composite's performance to that of well-known and widely respected indices.
5. Performance results for the full historical period are total return, time-weighted rates of return expressed in U.S. dollars. Portfolios are valued monthly and returns are weighted by using beginning-of-quarter market values plus weighted cash flows. Annual returns are calculated by geometrically linking the monthly returns. Computations assume the reinvestment of all dividends and capital gains.
6. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The dispersion calculation shown, "asset weighted dispersion" is calculated as the annual standard deviation of individual portfolio gross returns weighted by the beginning of period portfolio size for the composite members. Dispersion is shown as "NA" for periods less than one year and for periods with 5 or fewer composite members for the entire year.
7. All fee-paying discretionary portfolios will be assigned to an appropriate composite according to investment objective. Composites will include new portfolios at the start of the next performance measurement period (i.e., the beginning of the next month) after the portfolio comes under management and will exclude terminated portfolios after the last full calendar month period that the portfolios were under management (i.e., the end of the last full calendar month), but composites will continue to include terminated portfolios for all periods prior to termination. Portfolios that are less than $250,000 in size at inception are not included in this composite. Portfolios will not be removed from the assigned composite if they fall below the minimum simply due to market depreciation.
8. No leverage has been used in the accounts included in the composite.
9. Trade date accounting is used for all periods.
10. Performance results are presented after all management fees, custodial fees, commissions and other trading expenses. The current management fee schedule is as follows:

    CURRENT FEE SCHEDULE: Up to $25,000,000: 1% Over $25,000,000: Negotiable
11. The mid cap composite includes all dedicated mid cap equity portfolios.
12. A complete list of composites and performance results are available upon request.

Conestoga Capital Advisors
259 N. Radnor-Chester Road
Radnor Court, Suite 120
Radnor Court, PA 19087

Phone: 484-654-1380
Fax: 610-225-0533
Web: www.conestogacapital.com

Contact: Mark S. Clewett
Email: msclewett@conestogacapital.com

PIONEERS IN SMALL CAP INVESTING

CONESTOGA'S INVESTMENT TEAM

William C. Martindale, Jr. *Co-Founder, Managing Partner, Portfolio Manager, Research Analyst*

Bill is a Co-Founder and Managing Partner of Conestoga Capital Advisors. He serves as Chief Investment Officer of the firm, and is Co-Portfolio Manager for the firm's Small- and Mid-Cap strategies. Bill's investment career spans forty years, beginning at Dean Witter Reynolds where he acted as Vice President and Manager from 1969 through 1989. In 1989, Bill co-founded Martindale Andres & Company, Inc., where he acted as Chief Investment Officer. In this capacity, he was responsible for approximately $1.0 Billion in equity securities that the firm managed for its individual and institutional clients. Bill was the Portfolio Manager of the Governor Aggressive Growth Fund, a small cap mutual fund, and the Governor Established Growth Fund, a large cap mutual fund. Bill received a Bachelor of Arts from Gettysburg College in 1964.

Robert M. Mitchell *Co-Founder, Managing Partner, Portfolio Manager, Research Analyst*

Bob is a Co-Founder and Managing Partner of Conestoga Capital Advisors, and Co-Portfolio Manager for the Small Cap strategy. Bob is responsible for directing the firm's equity portfolio management process and employing the firm's fundamental research approach to selecting securities. His focus is on small- and mid-capitalization companies. Prior to Conestoga, Bob was a Portfolio Manager/Analyst and Director of Equity Research at Martindale Andres & Company. Bob's portfolio management and research expertise was focused on small capitalization companies. While at Martindale Andres & Co., he was responsible for $100 Million in individual and institutional small cap accounts. Before his employment at Martindale Andres, Bob worked with the U.S. Department of Justice Antitrust Division. Bob received his M.B.A. from Indiana University's Kelley School of Business in 1995; in 1991, he received a B.A. from the University of Notre Dame.

Joseph F. Monahan, CFA *Managing Partner, Portfolio Manager, Research Analyst*

Joe is a Senior Research Analyst for the Small- and Mid-Cap equity strategies, and also a Portfolio Manager and Research Analyst for the firm's Large Cap equity strategy. He joined Conestoga in December 2008 from McHugh Associates, where he was Senior Vice President/Portfolio Manager and a member of the firm's Investment Committee. Prior to joining McHugh in 2001, Joe was a Vice President and Portfolio Manager at Pitcairn Trust Company. He is a graduate of the Pennsylvania State University, where he earned a Bachelor of Science degree, and he earned a Masters of Business Administration from Temple University. He is a CFA Charterholder and a member of the CFA Society of Philadelphia.

David M. Lawson, CFA *Managing Partner, Portfolio Manager, Research Analyst*

Dave joined Conestoga in December 2008, and is Co-Portfolio Manager of the firm's Large- and Mid-Cap equity strategies. He also supports the small cap research effort, covering several names held in the small cap strategy. Prior to Conestoga, he was President/COO of McHugh Associates, serving as a Portfolio Manager and member of the Investment Committee. Dave joined McHugh in 1995, and worked closely with the firm's institutional and high net worth clients. Earlier in his career, Dave was Senior Vice President and Chief Investment Officer of Pitcairn Trust Company and a Senior Investment Officer at Wilmington Trust Company. Dave earned a Bachelor of Arts degree from Boston University and a Masters of Business Administration from Temple University. He is a CFA Charterholder and a member of the CFA Society of Philadelphia.

Mark S. Clewett, CFA *Managing Partner, Director of Institutional Sales and Client Service*

Mark joined Conestoga Capital Advisors in January 2006 as Director of Institutional Sales and Client Service. In this role, he oversees the business development and client servicing functions of the firm. Mark also oversees the firm's finances. Prior to joining Conestoga, Mark was the Senior Vice President of Consultant Relations for Delaware Investments in Philadelphia, PA, overseeing institutional consultant relationships across the country. He played a leading role in developing new business opportunities and client servicing. During his nine years at Delaware, the firm successfully launched several new investment capabilities. During the years 1990 through 1996, Mark was an Investment Analyst at SEI Investments in Oaks, PA. Mark received a Bachelor of Science degree in 1990 from the Pennsylvania State University. He has been a CFA Institute Charterholder since 1997.