

# Paradigm Funds

Paradigm Value Fund

Paradigm Select Fund

Paradigm Micro-Cap Fund

For Investors Seeking Long-Term Capital Appreciation

## **ANNUAL REPORT**

December 31, 2023

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## PARADIGM FUNDS

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## Letter to Shareholders

Dear Fellow Shareholders:

After a challenging performance year in 2022, we are pleased to demonstrate the resilience of our investment process and our conviction in the long-term holding periods of our portfolios. As we had commented in our semi-annual letter, when looking across the broader market indices, large-cap significantly outperformed small-cap in 2023. Within those larger-capitalization indices, Growth continued to significantly outpace Value. For example, in the Russell 1000, the Growth subset returned 42.68%, compared to a return of 11.46% for the Russell 1000 Value subset. Within the smaller-cap Russell 2000 and microcap indices, however, Growth and Value were much closer in their returns.

In terms of the larger US economy, much of the focus in 2023 remained on the Federal Reserve's cadence of interest rate increases over the course of the year, and anticipation of an eventual signaling of future rate cuts. Meanwhile, the overall health of the US economy continued to be resilient and healthy despite the conjecture and speculation around the Fed's rate moves, and the ensuing market gyrations. The most recent US jobs report showed a continued steadiness, with the unemployment rate remaining at 3.7%. As an interesting data point, US unemployment has remained below 4% for nearly two years—the longest period since the Vietnam War. Wage gains have remained moderate in recent months, bolstering hopes that the Fed could in fact achieve a soft landing without triggering a recession.

In contrast, the ISM Manufacturing index remains in contractionary territory for its 14th month, coming in at 47.4 for December. As a minor bright spot, the Manufacturing index increased slightly from its November reading. The ISM Services index fared better, coming in at 50.6, for its 12th month of expansion. Lastly, the most recent reading of the much watched CPI inflation index was 3.4%, a slight sequential uptick, but still meaningfully lower than its 6.5% rate at this point a year ago. While mortgage rates remain elevated at 7%-plus for the average 30-year rate, the US consumer overall appears to be holding their own as we head into a year with lower borrowing costs.

We see multiple reasons to believe that despite potential bumps in the road, there are sustainable secular trends for the US economy, including the CHIPS Act, reshoring and onshoring of manufacturing across a variety of sectors. Moreover, the continued slowing of inflation combined with the apparent signaling that the Fed has reached the end of its rate hikes, should provide a positive backdrop for equity markets. Moreover, US small-cap equities have in fact lagged large-cap in recent months providing an additional potential tailwind for our investment universe.

While the domestic US economy remains robust and apparently stable, the same cannot be said for the global landscape. The Russia-Ukraine war grinds on, heading into its third year, with no clear end in sight. Furthermore, the October shock of the Israel-Gaza war remains at the forefront of geopolitical uncertainty, particularly with regard to the prospect of a broader Middle East regional conflict across multiple nations. Looking ahead to 2024, it is an election year not only in the US, but for an unprecedented number of countries around the world. Clearly the US Presidential election is a focus and concern for many, as the first primaries commence in the very near future.

Our core investment approach remains the same in 2024: continue to seek out quality companies with strong leadership teams; focus on discounted valuation among underappreciated and underfollowed names; identify companies with strong free cash flow profiles that allow them to invest in future growth. At the same time, we remain engaged with our existing holdings; speaking consistently with management, while continuing to evaluate their valuations and price targets. As the next quarterly earnings season approaches, we believe that 2024 will be a year where the quality and sustainability of companies' earnings growth will be increasingly scrutinized. There is clearly no silver bullet when it comes to an investment process, and yet we believe that our bottom-up analysis and long-term outlook should allow us to deliver outperformance over time.

## Paradigm Value Fund

The Paradigm Value Fund increased 13.31% for the calendar year 2023, compared to a 14.65% increase for its benchmark, the Russell 2000 Value Index. Since inception (January 1, 2003) on an annualized basis, the Fund has returned 11.83%, compared to 9.25% for the benchmark.

The Industrials sector was the largest contributor to absolute portfolio performance in 2023 due to a combination of strong stock selection and overweight allocation to this sector.

From a sector perspective, there were no significant detractors in 2023.

## Paradigm Select Fund

The Paradigm Select Fund appreciated 26.94% for the calendar year 2023, compared to an appreciation of 17.42% for its benchmark, the Russell 2500 Index. Since inception (January 1, 2005) on an annualized basis, the Fund has returned 9.98%, compared to 8.62% for the benchmark.

The Industrials and the Information Technology sectors were the greatest contributors to absolute performance in 2023 due to a combination of strong stock selection and overweight allocation to these sectors.

The Health Care sector nominally underperformed in 2023, reflecting stock-specific headwinds in Health Care Equipment & Supplies and Life Sciences Tools & Services industries.

## Paradigm Micro-Cap Fund

The Paradigm Micro-Cap Fund gained 17.89% for the calendar year 2023, compared to a gain of 9.33% for its benchmark, the Russell Microcap Index. Since inception (January 1, 2008) on an annualized basis, the Fund has returned 9.57%, compared to 6.52% for the benchmark.

The Industrials and the Information Technology sectors were the greatest contributors to absolute performance in 2023 due to a combination of strong stock selection and overweight allocation to these sectors.

There were no material detractors in 2023 from a sector perspective.

Sincerely,



Candace King Weir  
President and Chief Investment Officer  
Paradigm Funds Advisor LLC



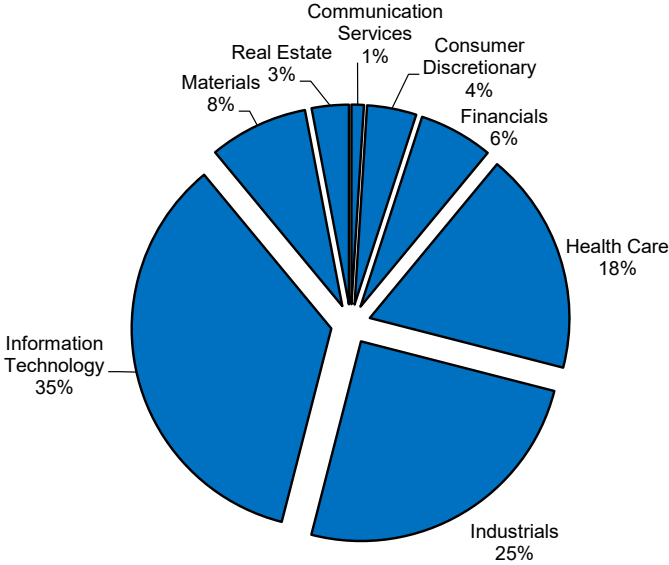
Amelia F. Weir  
Senior Vice President  
Paradigm Funds Advisor LLC

*Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Returns assume that all dividends and distributions were reinvested and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Current performance may be lower or higher than the performance data quoted. Statements concerning financial market trends are based on current market conditions, which will fluctuate. Any statements of opinion constitute only current opinions of Paradigm Funds Advisor LLC which are subject to change. Investment in the Funds*

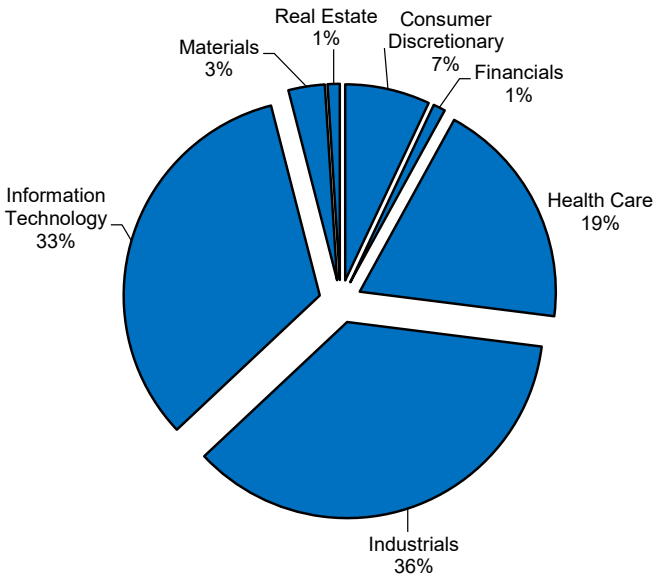
*involves a risk of loss. The Russell 2000 Value Index, Russell 2500 Index and Russell Microcap Index are U.S. equity indices. These indices are included for informational purposes only and may not be representative of the type of investments made by the Funds. Investors cannot invest directly in an index. References made to these indices are for comparative purposes only. To obtain performance data current to the most recent month end, please call 1-800-239-0732 or visit our website at [www.paradigm-funds.com](http://www.paradigm-funds.com). The prospectus should be read carefully before investing.*

# Paradigm Funds (Unaudited)

**PARADIGM VALUE FUND**  
**Sector Allocation as of December 31, 2023**  
 (As a Percentage of Equity Securities Held)



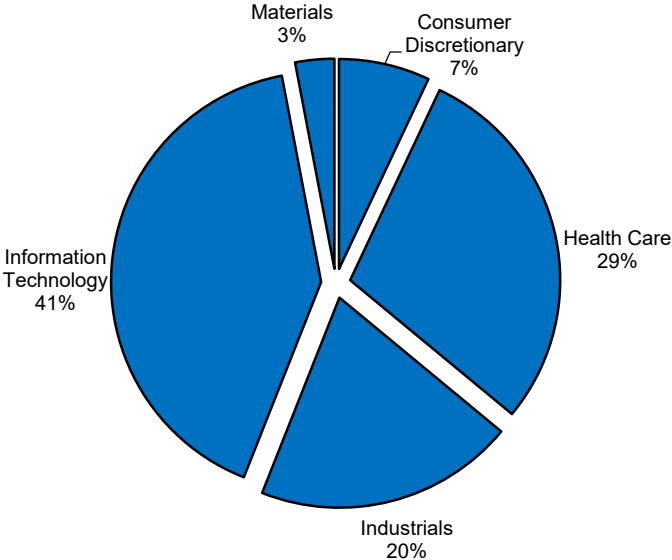
**PARADIGM SELECT FUND**  
**Sector Allocation as of December 31, 2023**  
 (As a Percentage of Equity Securities Held)



# Paradigm Funds (Unaudited)

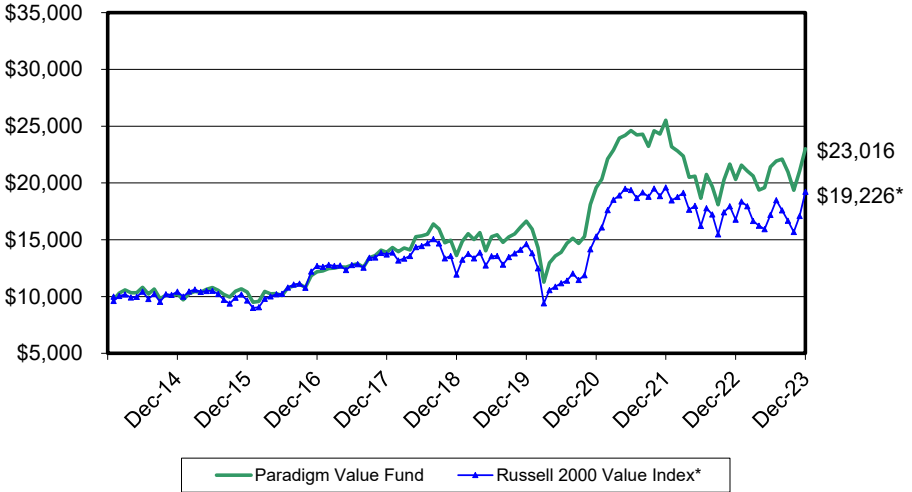
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## PARADIGM MICRO-CAP FUND Sector Allocation as of December 31, 2023 (As a Percentage of Equity Securities Held)



# Paradigm Value Fund (Unaudited)

The Value of a \$10,000 Investment in Paradigm Value Fund from January 1, 2014 to December 31, 2023 as Compared to the Russell 2000 Value Index



## PERFORMANCE INFORMATION

Average Annual Rate of Return (%) for the Periods Ended December 31, 2023.

December 31, 2023 NAV \$55.72

	1 Year <sup>(A)</sup>	3 Year <sup>(A)</sup>	5 Year <sup>(A)</sup>	10 Year <sup>(A)</sup>
Paradigm Value Fund	13.31%	5.52%	11.09%	8.69%
Russell 2000® Value Index <sup>(B)</sup>	14.65%	7.94%	10.00%	6.76%

<sup>(A)</sup> 1 Year, 3 Year, 5 Year and 10 Year returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Paradigm Value Fund was January 1, 2003.

<sup>(B)</sup> The Russell 2000® Value Index (whose composition is different from the Fund) is an unmanaged index of small-capitalization stocks with lower price-to-book ratios and lower forecasted growth values than the total population of small-capitalization stocks. Investors cannot invest directly in an index.

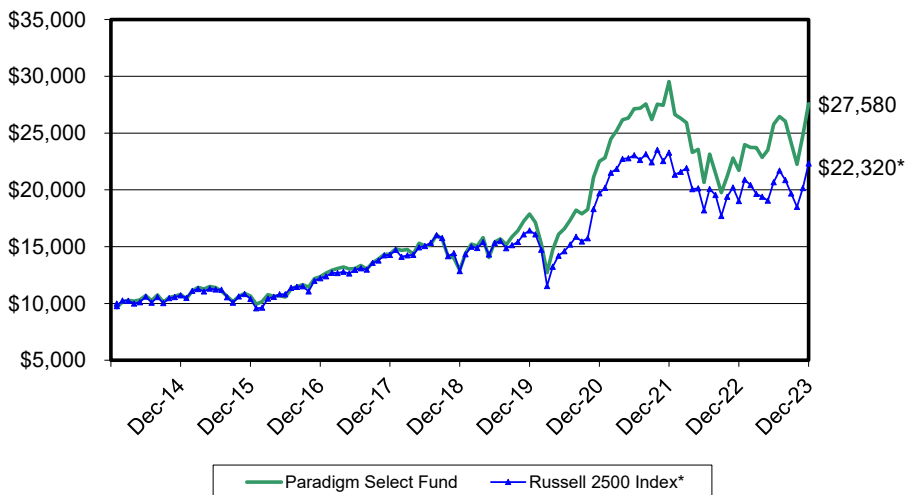
For purposes of the graph and the accompanying table, it is assumed that all dividends and distributions were reinvested.

Per the Fund's most recent prospectus, the Fund's Total Annual Operating Expense Ratio is 1.50%. The Total Annual Operating Expense Ratio may not correlate to the expense ratio in the Fund's financial highlights because the financial highlights only include the direct operating expenses incurred by the Fund, not the indirect costs of investing in acquired funds. Shares redeemed within 90 days of purchase are subject to a 2.00% redemption fee.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-800-239-0732 OR VISIT OUR WEBSITE AT [www.paradigm-funds.com](http://www.paradigm-funds.com).

# Paradigm Select Fund (Unaudited)

The Value of a \$10,000 Investment in Paradigm Select Fund  
from January 1, 2014 to December 31, 2023  
as Compared to the Russell 2500 Index



## PERFORMANCE INFORMATION

**Average Annual Rate of Return (%) for the Periods Ended December 31, 2023.**

**December 31, 2023 NAV \$69.11**

	<b>1 Year<sup>(A)</sup></b>	<b>3 Year<sup>(A)</sup></b>	<b>5 Year<sup>(A)</sup></b>	<b>10 Year<sup>(A)</sup></b>
<b>Paradigm Select Fund</b>	26.94%	6.99%	16.38%	10.68%
Russell 2500® Index <sup>(B)</sup>	17.42%	4.25%	11.67%	8.36%

(A) 1 Year, 3 Year, 5 Year and 10 Year returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Paradigm Select Fund was January 1, 2005.

(B) The Russell 2500® Index (whose composition is different from the Fund) measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "mid" cap. The Russell 2500® Index is a subset of the Russell 3000® Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership. Investors cannot invest directly in an index.

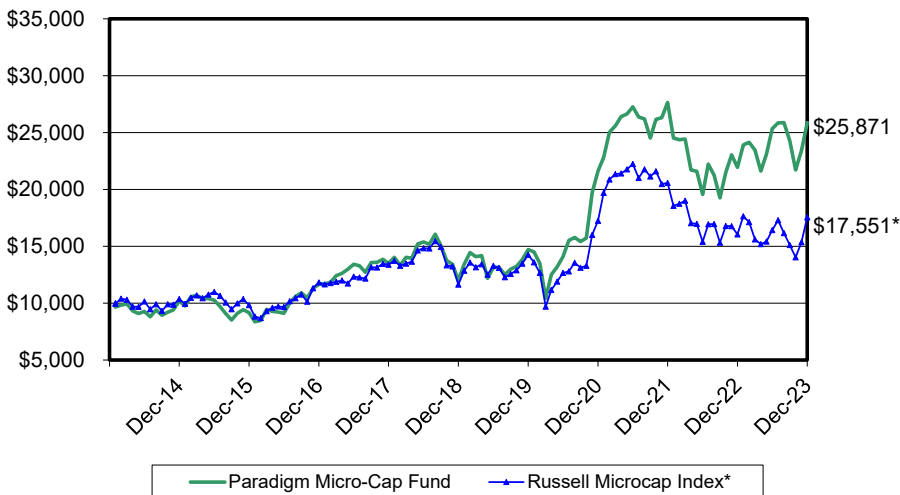
For purposes of the graph and the accompanying table, it is assumed that all dividends and distributions were reinvested.

Per the Fund's most recent prospectus, the Fund's Total Annual Operating Expense Ratio (before any fee waiver) is 1.50%, and 1.15% post waiver. The Advisor has contractually agreed to waive management fees and reimburse expenses to the extent necessary to maintain total annual operating expenses of the Fund (excluding brokerage fees and commissions, interest and other borrowing expenses, taxes, extraordinary expenses and the indirect costs of investing in Acquired Funds) at 1.15% of its average daily net assets through April 30, 2024. The Total Annual Operating Expense Ratio may not correlate to the expense ratio in the Fund's financial highlights because the financial highlights only include the direct operating expenses incurred by the Fund, not the indirect costs of investing in acquired funds. Shares redeemed within 90 days of purchase are subject to a 2.00% redemption fee.

**PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-800-239-0732 OR VISIT OUR WEBSITE AT [www.paradigm-funds.com](http://www.paradigm-funds.com).**

# Paradigm Micro-Cap Fund (Unaudited)

## The Value of a \$10,000 Investment in Paradigm Micro-Cap Fund from January 1, 2014 to December 31, 2023 as Compared to the Russell Microcap Index



### PERFORMANCE INFORMATION

Average Annual Rate of Return (%) for the Period Ended December 31, 2023.

December 31, 2023 NAV \$51.07

	1 Year <sup>(A)</sup>	3 Year <sup>(A)</sup>	5 Year <sup>(A)</sup>	10 Year <sup>(A)</sup>
Paradigm Micro-Cap Fund	17.89%	6.19%	16.56%	9.97%
Russell Microcap® Index <sup>(B)</sup>	9.33%	0.61%	8.56%	5.79%

<sup>(A)</sup> 1 Year, 3 Year, 5 Year and 10 Year returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Paradigm Micro-Cap Fund was January 1, 2008.

<sup>(B)</sup> The Russell Microcap® Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 3% of the U.S. equity market (by market cap) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next smallest eligible securities by market cap. The Russell Microcap® Index is completely reconstituted annually to ensure larger stocks do not distort performance and characteristics of the true microcap opportunity set. Investors cannot invest directly in an index. Under normal circumstances, the Micro-Cap Fund invests at least 80% of its net assets in common stocks of U.S. micro-cap companies.

For purposes of the graph and the accompanying table, it is assumed that all dividends and distributions were reinvested.

Per the Fund's most recent prospectus, the Fund's Total Annual Operating Expense Ratio is 1.25%. The Total Annual Operating Expense Ratio may not correlate to the expense ratio in the Fund's financial highlights because the financial highlights only include the direct operating expenses incurred by the Fund, not the indirect costs of investing in acquired funds. Shares redeemed within 90 days of purchase are subject to a 2.00% redemption fee.

**PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-800-239-0732 OR VISIT OUR WEBSITE AT [www.paradigm-funds.com](http://www.paradigm-funds.com).**

# Paradigm Value Fund

## Schedule of Investments December 31, 2023

Shares		Fair Value	% of Net Assets
<b>COMMON STOCKS</b>			
<b>Air Courier Services</b>			
37,000	Air Transport Services Group, Inc. *	\$ 651,570	1.29%
<b>Aircraft Parts &amp; Auxiliary Equipment, NEC</b>			
10,000	Ducommun Incorporated *	520,600	1.03%
<b>Communications Services, NEC</b>			
30,000	Calix, Inc. *	1,310,700	2.59%
<b>Computer Communications Equipment</b>			
124,300	A10 Networks, Inc.	1,637,031	
40,000	Extreme Networks, Inc. *	705,600	
		2,342,631	4.63%
<b>Electrical Work</b>			
13,800	EMCOR Group Inc.	2,972,934	5.88%
<b>Industrial Organic Chemicals</b>			
21,700	Sensient Technologies Corporation	1,432,200	2.83%
<b>Laboratory Analytical Instruments</b>			
12,500	Revvity, Inc.	1,366,375	2.70%
<b>Measuring &amp; Controlling Devices, NEC</b>			
10,000	Onto Innovation Inc. *	1,529,000	3.02%
<b>Mining &amp; Quarrying of Nonmetallic Minerals (No Fuels)</b>			
69,510	Summit Materials, Inc. - Class A *	2,673,355	5.29%
<b>Motor Vehicle Parts &amp; Accessories</b>			
30,000	Modine Manufacturing Company *	1,791,000	3.54%
<b>National Commercial Banks</b>			
32,000	First Merchants Corporation	1,186,560	
15,000	National Bank Holdings Corporation - Class A	557,850	
		1,744,410	3.45%
<b>Pharmaceutical Preparations</b>			
30,000	Organon & Co.	432,600	0.86%
<b>Printed Circuit Boards</b>			
15,000	Jabil, Inc.	1,911,000	3.78%
<b>Radio &amp; TV Broadcasting &amp; Communications Equipment</b>			
10,000	Aviat Networks, Inc. *	326,600	0.65%
<b>Retail - Catalog &amp; Mail-Order Houses</b>			
7,000	Insight Enterprises, Inc. *	1,240,330	2.45%
<b>Retail - Family Clothing Stores</b>			
67,600	American Eagle Outfitters, Inc.	1,430,416	2.83%
<b>Retail - Retail Stores, NEC</b>			
6,000	IAC Inc. *	314,280	0.62%
<b>Retail - Shoe Stores</b>			
51,000	Designer Brands Inc. - Class A	451,350	0.89%
<b>Semiconductors &amp; Related Devices</b>			
44,600	Kulicke & Soffa Industries Inc. (Singapore)	2,440,512	
11,700	Qorvo, Inc. *	1,317,537	
		3,758,049	7.43%
<b>Services - Business Services, NEC</b>			
5,900	Concentrix Corporation	579,439	
130,000	Conduent Incorporated *	474,500	
		1,053,939	2.08%
<b>Services - Help Supply Services</b>			
36,500	Kforce Inc.	2,465,940	4.88%
<b>Services - Home Health Care Services</b>			
18,900	Addus HomeCare Corporation *	1,754,865	3.47%
<b>Services - Management Services</b>			
60,000	R1 RCM Inc. *	634,200	1.25%

\* Non-Income Producing Securities.

The accompanying notes are an integral part of these financial statements.

# Paradigm Value Fund

## Schedule of Investments December 31, 2023

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Services - Medical Laboratories</b>		
29,000 RadNet, Inc. *	\$ 1,008,330	1.99%
<b>Services - Prepackaged software</b>		
6,666 Consensus Cloud Solutions Inc. *	174,716	0.35%
<b>Services - Services, NEC</b>		
50,000 Enviri Corporation *	450,000	0.89%
<b>Services - Skilled Nursing Care Facilities</b>		
10,000 The Ensign Group, Inc.	1,122,100	2.22%
<b>Special Industry Machinery (No Metalworking Machinery)</b>		
3,500 Kadant Inc.	981,085	1.94%
<b>Special Industry Machinery, NEC</b>		
28,100 Azenta, Inc. *	1,830,434	
20,000 Veeco Instruments Inc. *	620,600	
	2,451,034	4.85%
<b>State Commercial Banks</b>		
9,000 Banner Corporation	482,040	
21,000 Renasant Corporation	707,280	
	1,189,320	2.35%
<b>Surgical &amp; Medical Instruments &amp; Apparatus</b>		
40,000 Orthofix Medical Inc. *	539,200	
30,000 Tactile Systems Technology, Inc. *	429,000	
	968,200	1.91%
<b>Telegraph &amp; Other Message Communications</b>		
7,200 Ziff Davis, Inc. *	483,768	0.96%
<b>Telephone &amp; Telegraph Apparatus</b>		
6,000 Fabrinet (Thailand) *	1,141,980	
200,000 Infinera Corporation *	950,000	
	2,091,980	4.14%
<b>Transportation Services</b>		
9,900 GATX Corp.	1,190,178	2.35%
<b>Water, Sewer, Pipeline, Comm &amp; Power Line Construction</b>		
18,000 Primoris Services Corporation	597,780	1.18%
<b>Wholesale - Computers &amp; Peripheral Equipment &amp; Software</b>		
10,832 TD SYNnex Corporation	1,165,631	2.31%
<b>Total for Common Stocks (Cost \$17,087,548)</b>	<b>47,982,466</b>	<b>94.88%</b>
<b>REAL ESTATE INVESTMENT TRUSTS</b>		
10,950 Mid-America Apartment Communities Inc.	1,472,337	
<b>Total for Real Estate Investment Trusts (Cost \$306,603)</b>	<b>1,472,337</b>	<b>2.91%</b>
<b>MONEY MARKET FUNDS</b>		
1,335,210 SEI Daily Income Trust Government Fund Institutional Class 5.03% **	1,335,210	2.64%
<b>Total for Money Market Funds (Cost \$1,335,210)</b>		
<b>Total Investment Securities</b>	<b>50,790,013</b>	<b>100.43%</b>
<b>(Cost \$18,729,361)</b>		
<b>Liabilities in Excess of Other Assets</b>	<b>(218,864)</b>	<b>-0.43%</b>
<b>Net Assets</b>	<b>\$ 50,571,149</b>	<b>100.00%</b>

\* Non-Income Producing Securities.

\*\* The Yield Rate shown represents the 7-day yield at December 31, 2023.

The accompanying notes are an integral part of these financial statements.

# Paradigm Select Fund

## Schedule of Investments December 31, 2023

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Aircraft Parts &amp; Auxiliary Equipment, NEC</b>		
50,000 Ducommun Incorporated *	\$ 2,603,000	2.28%
<b>Communications Equipment, NEC</b>		
24,600 Lumentum Holdings Inc. *	1,289,532	1.13%
<b>Communications Services, NEC</b>		
30,000 Calix, Inc. *	1,310,700	1.15%
<b>Electrical Work</b>		
28,850 EMCOR Group Inc.	6,215,156	5.44%
<b>Electromedical &amp; Electrotherapeutic Apparatus</b>		
10,200 Masimo Corporation *	1,195,542	1.05%
<b>Fire, Marine &amp; Casualty Insurance</b>		
6,450 American Financial Group Inc.	766,840	0.67%
<b>General Industrial Machinery &amp; Equipment</b>		
86,100 Zurn Elkay Water Solutions Corp.	2,532,201	2.22%
<b>In Vitro &amp; In Vivo Diagnostic Substances</b>		
133,200 Neogen Corporation *	2,678,652	2.34%
<b>Industrial Organic Chemicals</b>		
27,100 Sensient Technologies Corporation	1,788,600	1.56%
<b>Instruments for Measurement &amp; Testing of Electricity &amp; Electric Signals</b>		
33,650 Teradyne, Inc.	3,651,698	3.19%
<b>Laboratory Analytical Instruments</b>		
34,350 Revvity, Inc.	3,754,799	3.28%
<b>Measuring &amp; Controlling Devices, NEC</b>		
12,000 Onto Innovation Inc. *	1,834,800	1.60%
<b>Miscellaneous Manufacturing Industries</b>		
16,600 Hillenbrand, Inc.	794,310	0.69%
<b>Motors &amp; Generators</b>		
12,200 Regal Rexnord Corporation	1,805,844	1.58%
<b>Pharmaceutical Preparations</b>		
30,000 Organon & Co.	432,600	0.38%
<b>Plastics Products</b>		
16,000 Entegris, Inc.	1,917,120	1.68%
<b>Printed Circuit Boards</b>		
25,400 Jabil, Inc.	3,235,960	2.83%
<b>Radio &amp; TV Broadcasting &amp; Communications Equipment</b>		
40,000 Aviat Networks, Inc. *	1,306,400	1.14%
<b>Retail - Catalog &amp; Mail-Order Houses</b>		
11,700 Insight Enterprises, Inc. *	2,073,123	1.81%
<b>Retail - Family Clothing Stores</b>		
62,000 American Eagle Outfitters, Inc.	1,311,920	1.15%
<b>Retail - Lumber &amp; Other Building Materials Dealers</b>		
51,025 Builders FirstSource, Inc. *	8,518,114	7.45%
<b>Retail - Radio, TV &amp; Consumer Electronics Stores</b>		
41,900 Best Buy Co., Inc.	3,279,932	2.87%
<b>Retail - Retail Stores, NEC</b>		
19,625 IAC Inc. *	1,027,957	0.90%
<b>Search, Detection, Navigation, Guidance, Aeronautical Systems</b>		
19,075 Garmin Ltd. (Switzerland)	2,451,901	2.14%
<b>Semiconductors &amp; Related Devices</b>		
80,175 Kulicke & Soffa Industries Inc. (Singapore)	4,387,176	
75,700 Marvell Technology, Inc.	4,565,467	
12,800 Qorvo, Inc. *	1,441,408	
40,000 Semtech Corporation *	876,400	
25,000 Skyworks Solutions, Inc.	2,810,500	
	14,080,951	12.32%

\* Non-Income Producing Securities.

The accompanying notes are an integral part of these financial statements.

# Paradigm Select Fund

## Schedule of Investments December 31, 2023

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Services - Business Services, NEC</b>		
34,000 Concentrix Corporation	\$ 3,339,140	2.92%
<b>Services - Help Supply Services</b>		
77,625 Kelly Services, Inc. - Class A	1,678,252	
68,325 Kforce Inc.	4,616,037	
	6,294,289	5.51%
<b>Services - Management Services</b>		
100,000 R1 RCM Inc. *	1,057,000	0.92%
<b>Services - Medical Laboratories</b>		
68,800 Natera, Inc. *	4,309,632	3.77%
<b>Services - Prepackaged Software</b>		
11,100 Consensus Cloud Solutions Inc. *	290,931	
32,100 Progress Software Corporation	1,743,030	
	2,033,961	1.78%
<b>Services - Skilled Nursing Care Facilities</b>		
17,100 The Ensign Group, Inc.	1,918,791	1.68%
<b>Steel Pipe &amp; Tubes</b>		
18,000 ATI Inc. *	818,460	0.72%
<b>Steel Works, Blast Furnaces &amp; Rolling Mills (Coke Ovens)</b>		
15,600 Carpenter Technology Corporation	1,104,480	0.97%
<b>Surgical &amp; Medical Instruments &amp; Apparatus</b>		
106,200 Globus Medical, Inc. - Class A *	5,659,398	
20,000 Tactile Systems Technology, Inc. *	286,000	
	5,945,398	5.20%
<b>Title Insurance</b>		
5,900 Fidelity National Financial, Inc.	301,018	0.26%
<b>Wholesale - Computers &amp; Peripheral Equipment &amp; Software</b>		
18,000 TD SYNnex Corporation	1,936,980	1.69%
<b>Wholesale - Electrical Apparatus &amp; Equipment, Wiring Supplies</b>		
18,000 EnerSys	1,817,280	1.59%
<b>Wholesale - Lumber &amp; Other Construction Materials</b>		
42,000 Boise Cascade Company	5,433,120	4.75%
<b>Total for Common Stocks (Cost \$71,650,925)</b>	<b>108,167,201</b>	<b>94.61%</b>
<b>REAL ESTATE INVESTMENT TRUSTS</b>		
10,350 Mid-America Apartment Communities Inc.	1,391,661	1.22%
<b>Total for Real Estate Investment Trusts (Cost \$1,225,246)</b>		
<b>MONEY MARKET FUNDS</b>		
4,662,888 SEI Daily Income Trust Government Fund Institutional Class 5.03% **	4,662,888	4.08%
<b>Total for Money Market Funds (Cost \$4,662,888)</b>		
<b>Total Investment Securities</b>	114,221,750	99.91%
(Cost \$77,539,059)		
<b>Other Assets in Excess of Liabilities</b>		
	101,318	0.09%
<b>Net Assets</b>	<b>\$ 114,323,068</b>	<b>100.00%</b>

\* Non-Income Producing Securities.

\*\* The Yield Rate shown represents the 7-day yield at December 31, 2023.

The accompanying notes are an integral part of these financial statements.

# Paradigm Micro-Cap Fund

## Schedule of Investments December 31, 2023

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Aircraft Parts &amp; Auxiliary Equipment, NEC</b>		
80,000 Ducommun Incorporated *	\$ 4,164,800	2.72%
<b>Communications Services, NEC</b>		
60,000 Calix, Inc. *	2,621,400	1.71%
<b>Computer Communications Equipment</b>		
200,000 A10 Networks, Inc.	2,634,000	
300,000 Extreme Networks, Inc. *	5,292,000	
	7,926,000	5.18%
<b>Electronic Computers</b>		
20,000 Omnicell, Inc. *	752,600	0.49%
<b>Footwear (No Rubber)</b>		
140,000 Caleres, Inc.	4,302,200	2.81%
<b>Household Audio &amp; Video Equipment</b>		
50,800 Arlo Technologies, Inc. *	483,616	0.32%
<b>Industrial Organic Chemicals</b>		
800,000 Codexis, Inc. *	2,440,000	
5,950 Sensient Technologies Corporation	392,700	
	2,832,700	1.85%
<b>Instruments For Measurement &amp; Testing of Electricity &amp; Electric Signals</b>		
32,650 Cohu, Inc. *	1,155,484	0.75%
<b>Measuring &amp; Controlling Devices, NEC</b>		
50,000 Onto Innovation Inc. *	7,645,000	5.00%
<b>Mining &amp; Quarrying of Nonmetallic Minerals (No Fuels)</b>		
110,000 Summit Materials, Inc. - Class A *	4,230,600	2.76%
<b>Miscellaneous Manufacturing Industries</b>		
5,200 Hillenbrand, Inc.	248,820	0.16%
<b>Motor Vehicle Parts &amp; Accessories</b>		
200,000 Modine Manufacturing Company *	11,940,000	7.80%
<b>Pharmaceutical Preparations</b>		
300,000 Eton Pharmaceuticals, Inc. *	1,314,000	
160,000 Ocular Therapeutix, Inc. *	713,600	
100,000 Organon & Co.	1,442,000	
	3,469,600	2.27%
<b>Radio &amp; TV Broadcasting &amp; Communications Equipment</b>		
100,000 Aviat Networks, Inc. *	3,266,000	
247,300 Cambium Networks Corporation *	1,483,800	
	4,749,800	3.10%
<b>Retail - Apparel &amp; Accessory Stores</b>		
120,000 Citi Trends, Inc. *	3,393,600	2.22%
<b>Retail - Catalog &amp; Mail-Order Houses</b>		
40,000 Insight Enterprises, Inc. *	7,087,600	4.63%
<b>Retail - Family Clothing Stores</b>		
13,300 American Eagle Outfitters, Inc.	281,428	0.18%
<b>Semiconductors &amp; Related Devices</b>		
33,700 Kulicke & Soffa Industries Inc. (Singapore)	1,844,064	
20,000 Semtech Corporation *	438,200	
120,000 Ultra Clean Holdings, Inc. *	4,096,800	
	6,379,064	4.17%
<b>Services - Computer Integrated Systems Design</b>		
1,200,000 Ribbon Communications Inc. *	3,480,000	2.27%
<b>Services - Health Services</b>		
250,000 The Pennant Group, Inc. *	3,480,000	2.27%
<b>Services - Help Supply Services</b>		
55,000 Cross Country Healthcare, Inc. *	1,245,200	
130,500 Kelly Services, Inc. - Class A	2,821,410	
	4,066,610	2.66%

\* Non-Income Producing Securities.

The accompanying notes are an integral part of these financial statements.

# Paradigm Micro-Cap Fund

## Schedule of Investments December 31, 2023

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Services - Home Health Care Services</b>		
19,700 Addus HomeCare Corporation *	\$ 1,829,145	1.20%
<b>Services - Management Services</b>		
300,000 R1 RCM Inc. *	3,171,000	2.07%
<b>Services - Miscellaneous Health &amp; Allied Services, NEC</b>		
320,000 Viemed Healthcare, Inc. *	2,512,000	1.64%
<b>Services - Prepackaged Software</b>		
10,900 Progress Software Corporation	591,870	0.39%
<b>Services - Services, NEC</b>		
400,000 Enviri Corp. *	3,600,000	2.35%
<b>Services - Skilled Nursing Care Facilities</b>		
40,000 The Ensign Group, Inc.	4,488,400	2.93%
<b>Special Industry Machinery (No Metalworking Machinery)</b>		
15,100 Kadant Inc.	4,232,681	2.77%
<b>Special Industry Machinery, NEC</b>		
40,000 Axcelis Technologies, Inc. *	5,187,600	
9,800 Azenta, Inc. *	638,372	
150,000 Veeco Instruments Inc. *	4,654,500	
	10,480,472	6.85%
<b>Surgical &amp; Medical Instruments &amp; Apparatus</b>		
60,900 AtriCure, Inc. *	2,173,521	
500,000 MiMedx Group, Inc. *	4,385,000	
200,000 Orthofix Medical, Inc. *	2,696,000	
92,600 OrthoPediatrics Corp. *	3,010,426	
20,000 SI-BONE, Inc. *	419,800	
200,000 Tactile Systems Technology, Inc. *	2,860,000	
140,000 TELA Bio, Inc. *	926,800	
	16,471,547	10.76%
<b>Telephone &amp; Telegraph Apparatus</b>		
250,000 ADTRAN Holdings, Inc.	1,835,000	
600,000 Infinera Corporation *	2,850,000	
	4,685,000	3.06%
<b>Women's, Misses', and Juniors Outerwear</b>		
60,000 J.Jill, Inc. *	1,546,800	1.01%
<b>Total for Common Stocks (Cost \$76,802,154)</b>		
	138,299,837	90.35%
<b>CONTINGENT VALUE RIGHTS</b>		
300,000 Pacira BioSciences Inc. Contingent Value Rights * +	126,000	0.08%
<b>Total for Contingent Value Rights (Cost \$186,000)</b>		
<b>MONEY MARKET FUNDS</b>		
12,366,144 SEI Daily Income Trust Government Fund Institutional Class 5.03% **	12,366,144	8.08%
<b>Total for Money Market Funds (Cost \$12,366,144)</b>		
<b>Total Investment Securities</b>		
(Cost \$89,354,298)	150,791,981	98.51%
<b>Other Assets in Excess of Liabilities</b>		
	2,279,093	1.49%
<b>Net Assets</b>		
	\$ 153,071,074	100.00%

\* Non-Income Producing Securities.

\*\* The Yield Rate shown represents the 7-day yield at December 31, 2023.

+ Level 3.

The accompanying notes are an integral part of these financial statements.

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# Paradigm Funds

## Statements of Assets and Liabilities

December 31, 2023

	Value Fund	Select Fund
Assets:		
Investment Securities at Fair Value*	\$ 50,790,013	\$ 114,221,750
Cash	-	13,925
Receivable for Fund Shares Sold	25,580	144,982
Dividends Receivable	26,399	72,461
Total Assets	<u>50,841,992</u>	<u>114,453,118</u>
Liabilities:		
Payable for Fund Shares Redeemed	207,919	23,740
Payable to Advisor	62,924	106,310
Total Liabilities	<u>270,843</u>	<u>130,050</u>
Net Assets	<u>\$ 50,571,149</u>	<u>\$ 114,323,068</u>
Net Assets Consist of:		
Paid In Capital	\$ 18,525,389	\$ 82,327,253
Total Distributable Earnings	32,045,760	31,995,815
Net Assets	<u>\$ 50,571,149</u>	<u>\$ 114,323,068</u>
Net Asset Value, Offering and Redemption Price (Note 2)	<u>\$ 55.72</u>	<u>\$ 69.11</u>
* Investments at Identified Cost	<u>\$ 18,729,361</u>	<u>\$ 77,539,059</u>
Shares Outstanding (Unlimited number of shares authorized without par value)	<u>907,555</u>	<u>1,654,149</u>

## Statements of Operations

For the fiscal year ended December 31, 2023

Investment Income:		
Dividends (Net of foreign taxes of \$1,177 and \$0, respectively)	\$ 487,512	\$ 1,491,200
Total Investment Income	487,512	1,491,200
Expenses:		
Investment Advisor Fees	716,476	1,480,240
Total Expenses	716,476	1,480,240
Less: Expenses Waived	-	(345,389)
Net Expenses	<u>716,476</u>	<u>1,134,851</u>
Net Investment Income (Loss)	<u>(228,964)</u>	<u>356,349</u>
Realized and Unrealized Gain (Loss) on Investments:		
Net Realized Gain (Loss) on Investments	3,218,979	(1,353,410)
Net Change in Net Unrealized Appreciation on Investments	3,073,192	25,418,355
Net Realized and Unrealized Gain on Investments	<u>6,292,171</u>	<u>24,064,945</u>
Net Increase in Net Assets from Operations	<u>\$ 6,063,207</u>	<u>\$ 24,421,294</u>

The accompanying notes are an integral part of these financial statements.

# Paradigm Funds

<b>Statement of Assets and Liabilities</b>	<b>Micro-Cap Fund</b>
<b>December 31, 2023</b>	
Assets:	
Investment Securities at Fair Value*	\$ 150,791,981
Receivable for Fund Shares Sold	2,541,639
Dividends Receivable	71,907
Total Assets	<u>153,405,527</u>
Liabilities:	
Payable for Fund Shares Redeemed	134,091
Payable for Securities Purchased	49,056
Payable to Advisor	151,306
Total Liabilities	<u>334,453</u>
Net Assets	<u>\$ 153,071,074</u>
Net Assets Consist of:	
Paid In Capital	\$ 92,000,770
Total Distributable Earnings	61,070,304
Net Assets	<u>\$ 153,071,074</u>
Net Asset Value, Offering and Redemption Price (Note 2)	<u>\$ 51.07</u>
* Investments at Identified Cost	<u>\$ 89,354,298</u>
Shares Outstanding (Unlimited number of shares authorized without par value)	<u>2,997,212</u>
<b>Statement of Operations</b>	
<b>For the fiscal year ended December 31, 2023</b>	
Investment Income:	
Dividends (Net of foreign taxes \$882)	\$ 550,653
Total Investment Income	550,653
Expenses:	
Investment Advisor Fees	1,598,758
Total Expenses	<u>1,598,758</u>
Net Investment Loss	<u>(1,048,105)</u>
Realized and Unrealized Gain on Investments:	
Net Realized Gain on Investments	413,059
Net Change in Net Unrealized Appreciation on Investments	21,899,783
Net Realized and Unrealized Gain on Investments	<u>22,312,842</u>
Net Increase in Net Assets from Operations	<u>\$ 21,264,737</u>

The accompanying notes are an integral part of these financial statements.

# Paradigm Funds

## Statements of Changes in Net Assets

	Value Fund		Select Fund	
	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022
From Operations:				
Net Investment Income (Loss)	\$ (228,964)	\$ (265,268)	\$ 356,349	\$ (42,514)
Capital Gain Distributions from Real Estate Investment Trusts	-	2,581	-	1,951
Net Realized Gain (Loss) on Investments	3,218,979	4,162,466	(1,353,410)	(3,314,366)
Net Change in Unrealized Appreciation on Investments	<u>3,073,192</u>	<u>(18,827,720)</u>	<u>25,418,355</u>	<u>(38,898,756)</u>
Net Increase (Decrease) in Net Assets from Operations	6,063,207	(14,927,941)	24,421,294	(42,253,685)
From Distributions to Shareholders:	(3,099,373)	(3,896,762)	(348,479)	(8,963)
From Capital Share Transactions:				
Proceeds From Sale of Shares	1,554,253	4,062,987	25,248,028	48,509,238
Proceeds from Redemption Fees (Note 2)	1,282	7,270	7,591	51,067
Shares Issued on Reinvestment of Dividends	3,046,672	3,820,161	337,762	8,741
Cost of Shares Redeemed	<u>(5,515,163)</u>	<u>(16,745,478)</u>	<u>(28,833,853)</u>	<u>(61,342,509)</u>
Net Decrease from Shareholder Activity	(912,956)	(8,855,060)	(3,240,472)	(12,773,463)
Net Increase (Decrease) in Net Assets	2,050,878	(27,679,763)	20,832,343	(55,036,111)
Net Assets at Beginning of Year	<u>48,520,271</u>	<u>76,200,034</u>	<u>93,490,725</u>	<u>148,526,836</u>
Net Assets at End of Year	<u>\$ 50,571,149</u>	<u>\$ 48,520,271</u>	<u>\$ 114,323,068</u>	<u>\$ 93,490,725</u>
Share Transactions:				
Issued	28,659	65,621	406,475	748,194
Reinvested	54,019	72,599	4,842	159
Redeemed	<u>(102,469)</u>	<u>(277,652)</u>	<u>(469,268)</u>	<u>(1,036,528)</u>
Net Decrease in Shares	(19,791)	(139,432)	(57,951)	(288,175)
Shares Outstanding Beginning of Year	<u>927,346</u>	<u>1,066,778</u>	<u>1,712,100</u>	<u>2,000,275</u>
Shares Outstanding End of Year	<u>907,555</u>	<u>927,346</u>	<u>1,654,149</u>	<u>1,712,100</u>

The accompanying notes are an integral part of these financial statements.

# Paradigm Funds

## Statements of Changes in Net Assets

	Micro-Cap Fund	
	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022
From Operations:		
Net Investment Loss	\$ (1,048,105)	\$ (1,103,783)
Net Realized Gain (Loss) on Investments	413,059	(700,208)
Net Change in Unrealized Appreciation on Investments	<u>21,899,783</u>	<u>(30,629,145)</u>
Net Increase (Decrease) in Net Assets from Operations	21,264,737	(32,433,136)
From Distributions to Shareholders:	-	-
From Capital Share Transactions:		
Proceeds From Sale of Shares	26,403,688	8,191,171
Proceeds from Redemption Fees (Note 2)	9,050	35,061
Shares Issued on Reinvestment of Dividends	-	-
Cost of Shares Redeemed	<u>(7,936,099)</u>	<u>(22,509,702)</u>
Net Increase (Decrease) from Shareholder Activity	18,476,639	(14,283,470)
Net Increase (Decrease) in Net Assets	39,741,376	(46,716,606)
Net Assets at Beginning of Year	<u>113,329,698</u>	<u>160,046,304</u>
Net Assets at End of Year	<u><u>\$ 153,071,074</u></u>	<u><u>\$ 113,329,698</u></u>
Share Transactions:		
Issued	548,374	174,760
Reinvested	-	-
Redeemed	<u>(167,276)</u>	<u>(491,471)</u>
Net Increase (Decrease) in Shares	381,098	(316,711)
Shares Outstanding Beginning of Year	<u>2,616,114</u>	<u>2,932,825</u>
Shares Outstanding End of Year	<u><u>2,997,212</u></u>	<u><u>2,616,114</u></u>

The accompanying notes are an integral part of these financial statements.

# Paradigm Value Fund

## Financial Highlights

Selected data for a share outstanding throughout the year:	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2021 to 12/31/2021	1/1/2020 to 12/31/2020	1/1/2019 to 12/31/2019
Net Asset Value - Beginning of Year	\$ 52.32	\$ 71.43	\$ 56.29	\$ 48.83	\$ 41.94
Net Investment Income (Loss) (a)	(0.26)	(0.29)	(0.53)	(0.14)	0.05
Net Gain (Loss) on Investments (Realized and Unrealized)	7.27	(14.28)	17.56	8.81	9.29
Total from Investment Operations	7.01	(14.57)	17.03	8.67	9.34
Distributions (From Net Investment Income)	-	-	-	(0.04)	(0.02)
Distributions (From Capital Gains)	(3.61)	(4.55)	(1.91)	(1.18)	(2.43)
Total Distributions	(3.61)	(4.55)	(1.91)	(1.22)	(2.45)
Proceeds from Redemption Fees (Note 2)	-	0.01	0.02	0.01	-
Net Asset Value - End of Year	\$ 55.72	\$ 52.32	\$ 71.43	\$ 56.29	\$ 48.83
Total Return (b)	13.31%	(20.42)%	30.30%	17.78%	22.27%
<b>Ratios/Supplemental Data</b>					
Net Assets - End of Year (Thousands)	\$ 50,571	\$ 48,520	\$ 76,200	\$ 57,693	\$ 54,889
Ratio of Expenses to Average Net Assets	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.48)%	(0.50)%	(0.78)%	(0.32)%	0.12%
Portfolio Turnover Rate	12.04%	1.87%	10.61%	11.64%	12.31%

# Paradigm Select Fund

## Financial Highlights

Selected data for a share outstanding throughout the year:	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2021 to 12/31/2021	1/1/2020 to 12/31/2020	1/1/2019 to 12/31/2019
Net Asset Value - Beginning of Year	\$ 54.61	\$ 74.25	\$ 56.71	\$ 45.04	\$ 32.75
Net Investment Income (Loss) (a)	0.22	(0.02)	(0.19)	(0.11)	0.01
Net Gain (Loss) on Investments (Realized and Unrealized)	14.49	(19.64)	17.78	11.83	12.54
Total from Investment Operations	14.71	(19.66)	17.59	11.72	12.55
Distributions (From Net Investment Income)	(0.21)	-	-	-	(0.01)
Distributions (From Capital Gains)	-	(0.01)	(0.13)	(0.06)	(0.25)
Total Distributions	(0.21)	(0.01)	(0.13)	(0.06)	(0.26)
Proceeds from Redemption Fees (Note 2)	-	0.03	0.08	0.01	-
Net Asset Value - End of Year	\$ 69.11	\$ 54.61	\$ 74.25	\$ 56.71	\$ 45.04
Total Return (b)	26.94%	(26.44)%	31.16%	26.05%	38.32%
<b>Ratios/Supplemental Data</b>					
Net Assets - End of Year (Thousands)	\$ 114,323	\$ 93,491	\$ 148,527	\$ 64,970	\$ 36,744
<b>Before Waiver</b>					
Ratio of Expenses to Average Net Assets	1.50%	1.50%	1.50%	1.50%	1.50%
<b>After Waiver</b>					
Ratio of Expenses to Average Net Assets (c)	1.15%	1.15%	1.15%	1.15%	1.15%
Ratio of Net Investment Income (Loss) to Average Net Assets (c)	0.36%	(0.04)%	(0.28)%	(0.26)%	0.03%
Portfolio Turnover Rate	21.49%	29.45%	8.64%	11.10%	15.27%

(a) Per share amount calculated using the average shares method.

(b) Total return represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or redemption of Fund shares.

(c) Such percentages reflect an expense waiver by the Advisor. See Note 4.

+ Amount calculated is less than \$0.005.

The accompanying notes are an integral part of these financial statements.

# Paradigm Micro-Cap Fund

## Financial Highlights

Selected data for a share outstanding throughout the year:	1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2021 to 12/31/2021	1/1/2020 to 12/31/2020	1/1/2019 to 12/31/2019
Net Asset Value - Beginning of Year	\$ 43.32	54.57	43.13	\$ 30.91	\$ 25.26
Net Investment Loss (a)	(0.39)	(0.41)	(0.47)	(0.15)	(0.02)
Net Gain (Loss) on Investments (Realized and Unrealized)	8.14	(10.85)	12.51	14.63	5.67
Total from Investment Operations	7.75	(11.26)	12.04	14.48	5.65
Distributions (From Net Investment Income)	-	-	-	-	-
Distributions (From Capital Gains)	-	-	(0.61)	(2.26)	-
Total Distributions	-	-	(0.61)	(2.26)	-
Proceeds from Redemption Fees (Note 2)	- +	0.01	0.01	- +	-
Net Asset Value - End of Year	<u>\$ 51.07</u>	<u>\$ 43.32</u>	<u>\$ 54.57</u>	<u>\$ 43.13</u>	<u>\$ 30.91</u>
Total Return (b)	17.89%	(20.62)%	27.94%	46.85%	22.38%
<b>Ratios/Supplemental Data</b>					
Net Assets - End of Year (Thousands)	\$ 153,071	\$ 113,330	\$ 160,046	\$ 98,405	\$ 63,506
Ratio of Expenses to Average Net Assets	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of Net Investment Loss to Average Net Assets	(0.82)%	(0.92)%	(0.91)%	(0.48)%	(0.06)%
Portfolio Turnover Rate	38.31%	34.91%	46.02%	81.04%	86.09%

(a) Per share amount calculated using the average shares method.

(b) Total return represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or redemption of Fund shares.

+ Amount calculated is less than \$0.005.

The accompanying notes are an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

## PARADIGM FUNDS

### December 31, 2023

#### 1.) ORGANIZATION

Paradigm Funds (the "Trust") is an open-end management investment company that was organized in Ohio as a business trust on September 13, 2002, that offers shares of beneficial interest in a number of separate series, each series representing a distinct fund with its own investment objectives and policies. The Paradigm Value Fund ("Value") commenced operations on January 1, 2003. Value's investment objective is long-term capital appreciation. The Paradigm Select Fund ("Select") commenced operations on January 1, 2005. Select's investment objective is long-term capital appreciation. The Paradigm Micro-Cap Fund ("Micro-Cap") commenced operations on January 1, 2008. Micro-Cap's investment objective is long-term capital appreciation. Under normal circumstances, Micro-Cap invests at least 80% of its net assets in the common stocks of U.S. micro-cap companies. Value, Select and Micro-Cap are all diversified funds. The advisor to Value, Select and Micro-Cap (each a "Fund" and collectively the "Funds") is Paradigm Funds Advisor LLC (the "Advisor").

#### 2.) SIGNIFICANT ACCOUNTING POLICIES

The Funds are investment companies and accordingly follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Funds follow the significant accounting policies described in this section.

**SECURITY VALUATION:** All investments in securities are recorded at their fair value, as described in Note 3.

**SECURITY TRANSACTIONS AND OTHER:** Security transactions are recorded based on the trade date for financial statement reporting purposes. Dividend income is recognized on the ex-dividend date. Interest income, if any, is recognized on an accrual basis. The Funds use the highest cost basis which is a form of specific identification in computing gain or loss on sale of investment securities. Withholding taxes on foreign dividends have been provided for in accordance with the Funds' understanding of the applicable country's tax rules and rates. The Funds may invest in real estate investment trusts ("REITs") that pay distributions to their shareholders based on available funds from operations. It is common for these distributions to exceed the REITs' taxable earnings and profits resulting in the excess portion of such distribution to be designated as return of capital. Distributions received from REITs are generally recorded as dividend income and, if necessary, are reclassified annually in accordance with tax information provided by the underlying REITs.

**SHARE VALUATION:** Each Fund's net asset value (the "NAV") is calculated as of the close of trading on the New York Stock Exchange (the "Exchange") (normally 4:00 p.m. Eastern time) every day the Exchange is open. The NAV for each Fund is calculated by taking the total value of the Fund's assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent. The offering price and redemption price per share is equal to the net asset value per share, except that shares of each Fund are subject to a redemption fee of 2% if redeemed within 90 days or less of purchase. During the fiscal year ended December 31, 2023, proceeds from redemption fees were \$1,282, \$7,591 and \$9,050 for Value, Select and Micro-Cap, respectively.

**INCOME TAXES:** The Funds' policy is to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of their taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Funds' policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Funds' policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Funds recognize the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Funds' tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years. The Funds identify their major tax jurisdictions as U.S. federal and New York State tax authorities; the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next

## Notes to Financial Statements - continued

twelve months. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. During the fiscal year ended December 31, 2023, the Funds did not incur any interest or penalties.

**ESTIMATES:** The financial statements are prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**DISTRIBUTIONS TO SHAREHOLDERS:** Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The Funds may utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividends paid deduction. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassification will have no effect on net assets, results of operations or net asset values per share of any Fund. These adjustments were primarily attributed to the reclassification of net operating loss and the use of equalization for tax purposes.

### Value

Paid In Capital	(\$109,358)
Total Distributable Earnings	\$109,358

### Micro-Cap

Paid In Capital	(\$1,048,105)
Total Distributable Earnings	\$1,048,105

### 3.) SECURITIES VALUATIONS

The Funds utilize various methods to measure the fair value of their investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.

Level 2 - Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Funds' own assumptions about the assumptions a market participant would use in valuing the assets or liabilities, and would be based on the best information available.

The availability of inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

### **FAIR VALUE MEASUREMENTS**

A description of the valuation techniques applied to the Funds' major categories of assets measured at fair value on a recurring basis follows.

## Notes to Financial Statements - continued

*Equity securities (common stocks and REITs).* Equity securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Valuation Committee believes such prices accurately reflect the fair value of such securities. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is generally valued by the pricing service at its last bid price. Generally, if the security is traded in an active market and is valued at the last sale price, the security is categorized as a level 1 security, and if an equity security is valued by the pricing service at its last bid, it is generally categorized as a level 2 security. When market quotations are not readily available, when the Valuation Committee determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when restricted securities are being valued, such securities are valued as determined in good faith by the Valuation Committee, subject to review of the Board of Trustees (the "Trustees" or the "Board") and are categorized in level 2 or level 3, when appropriate.

*Money market funds.* Money market funds are valued at net asset value provided by the underlying funds and are classified in level 1 of the fair value hierarchy.

In accordance with the Trust's good faith pricing guidelines, the Valuation Committee is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. There is no single standard for determining fair value, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Valuation Committee would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods. The Board maintains responsibilities for the fair value determinations under Rule 2a-5 under the Investment Company Act of 1940 (the "1940 Act") and oversees the Valuation Committee.

The following tables summarize the inputs used to value each Fund's assets measured at fair value as of December 31, 2023:

### Value:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$47,982,466	\$ -	\$ -	\$47,982,466
Real Estate Investment Trusts	1,472,337	-	-	1,472,337
Money Market Funds	<u>1,335,210</u>	<u>-</u>	<u>-</u>	<u>1,335,210</u>
Total	\$50,790,013	\$ -	\$ -	\$50,790,013

### Select:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$108,167,201	\$ -	\$ -	\$108,167,201
Real Estate Investment Trusts	1,391,661	-	-	1,391,661
Money Market Funds	<u>4,662,888</u>	<u>-</u>	<u>-</u>	<u>4,662,888</u>
Total	\$114,221,750	\$ -	\$ -	\$114,221,750

### Micro-Cap:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$138,299,837	\$ -	\$ -	\$138,299,837
Contingent Value Rights	-	-	126,000	126,000
Money Market Funds	<u>12,366,144</u>	<u>-</u>	<u>-</u>	<u>12,366,144</u>
Total	\$150,665,981	\$ -	\$126,000	\$150,791,981

The Funds did not hold any material level 3 assets during the fiscal year ended December 31, 2023. As of December 31, 2023, level 3 contingent value rights held in Micro-Cap represented 0.08% of the Fund's net assets. A reconciliation of level 3 investments, including certain disclosures related to significant inputs used in valuing level 3 investments, is therefore excluded.

The Funds did not invest in derivative instruments during the fiscal year ended December 31, 2023.

## Notes to Financial Statements - continued

### 4.) INVESTMENT ADVISORY AGREEMENTS

The Trust, with respect to each of the Funds, has an investment advisory agreement (collectively the "Management Agreements") with the Advisor. Under the terms of the Management Agreements, the Advisor manages the investment portfolios of the Funds, subject to policies adopted by the Trustees. Under the Management Agreements, the Advisor, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Funds. The Advisor pays all operating expenses of the Funds with the exception of taxes, brokerage fees and commissions, borrowing costs (such as interest and dividend expenses on securities sold short) and such extraordinary or non-recurring expenses as may arise, including litigation to which the Funds may be a party and indemnification of the Trustees and Trust officers with respect thereto. The Funds will also pay expenses that they are authorized to pay pursuant to Rule 12b-1 under the 1940 Act, as amended (none are currently authorized). The Advisor also pays the salaries and fees of all of its officers and employees that serve as Trustees and Trust Officers. For its services and payment of certain Fund expenses as described above, the Advisor receives an annual investment management fee of 1.50%, 1.50% and 1.25% of the average daily net assets from Value, Select and Micro-Cap, respectively. The Advisor's investment management fee is accrued daily and is typically paid monthly. As a result of the above calculations, for the fiscal year ended December 31, 2023, the Advisor earned management fees (before the waivers described below) totaling \$716,476, \$1,480,240 and \$1,598,758 for Value, Select and Micro-Cap, respectively. At December 31, 2023, \$62,924, \$106,310 and \$151,306 was due to the Advisor from Value, Select and Micro-Cap, respectively. The Advisor has contractually agreed to waive management fees and/or reimburse Select to the extent necessary to maintain total annual operating expenses of the Fund (excluding brokerage fees and commissions, interest and other borrowing expenses, taxes, extraordinary expenses and indirect costs of investing in acquired funds) at 1.15% of daily net assets through April 30, 2024. The Advisor waived \$345,389 for the fiscal year ended December 31, 2023, for Select, pursuant to its contractual agreement. There is no recapture provision to this waiver.

### 5.) RELATED PARTY TRANSACTIONS

Certain officers and shareholders of the Advisor are also officers and/or a Trustee of the Trust. These individuals may receive benefits from the Advisor resulting from management fees paid to the Advisor from the Funds.

The Trustees who are not interested persons of the Funds were each paid \$8,000, for a total of \$32,000, in Trustees fees for the fiscal year ended December 31, 2023, for the Trust. Under the Management Agreements, the Advisor pays these fees.

### 6.) INVESTMENTS

For the fiscal year ended December 31, 2023, purchases and sales of investment securities other than U.S. government obligations and short-term investments were as follows:

	Value	Select	Micro-Cap
Purchases	\$5,643,724	\$20,686,730	\$52,310,635
Sales	\$10,274,501	\$25,941,016	\$46,298,012

There were no purchases or sales of U.S. government obligations.

### 7.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting shares of a fund creates a presumption of control of the fund, under section 2(a)(9) of the 1940 Act, as amended. At December 31, 2023, National Financial Services, LLC, located at 200 Liberty Street, New York, New York, for the benefit of its customers, held, in aggregate, 27.04% of Value, and therefore also may be deemed to control Value. Candace King Weir, beneficial owner located at 9 Elk Street, Albany, New York 12207, held, in aggregate, 35.68%, of Select, and therefore may be deemed to control Select. Candace King Weir, beneficial owner located at 9 Elk Street, Albany, New York 12207, held, in aggregate, 64.51% of Micro-Cap, and therefore may be deemed to control Micro-Cap.

### 8.) TAX MATTERS

For federal income tax purposes, at December 31, 2023, the cost of securities on a tax basis and the composition of gross unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) were as follows:

## Notes to Financial Statements - continued

	Value	Select	Micro-Cap
Cost of Investments	\$18,744,253	\$77,642,770	\$89,422,715
Gross Unrealized Appreciation	\$32,447,141	\$41,863,358	\$64,039,355
Gross Unrealized Depreciation	<u>(401,381)</u>	<u>(5,284,378)</u>	<u>(2,670,089)</u>
Net Unrealized Appreciation (Depreciation) on Investments	\$32,045,760	36,578,980	\$61,369,266

The tax character of distributions paid during the fiscal years ended December 31, 2023 and 2022 were as follows:

Value	Fiscal Year Ended December 31, 2023	Fiscal Year Ended December 31, 2022
Ordinary Income	\$ -	\$ -
Long-term Capital Gain	<u>3,099,373</u>	<u>3,896,762</u>
	\$ 3,099,373	\$ 3,896,762
<u>Select</u>		
Ordinary Income	\$ 348,479	\$ -
Long-term Capital Gain	<u>-</u>	<u>8,963</u>
	\$ 348,479	\$ 8,963
<u>Micro-Cap</u>		
Ordinary Income	\$ -	\$ -
Long-term Capital Gain	<u>-</u>	<u>-</u>
	\$ -	\$ -

As of December 31, 2023, the components of distributable earnings on a tax basis were as follows:

	Value	Select
Accumulated Ordinary Income	\$ -	\$ 7,870
Short-Term Capital Loss Carryforward	-	(2,395,691)
Long-Term Capital Loss Carryforward	-	(2,195,344)
Net Unrealized Appreciation	<u>32,045,760</u>	<u>36,578,980</u>
	\$ 32,045,760	\$ 31,995,815
	<u>Micro-Cap</u>	
Short-Term Capital Loss Carryforward	\$ (298,962)	
Net Unrealized Appreciation	<u>61,369,266</u>	
	\$61,070,304	

The difference between book basis and tax basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales and temporary tax basis adjustments resulting from underlying investment mergers. All capital loss carryforwards have no expiration. Micro Cap utilized \$339,414 of Short-Term Capital Loss Carryforward during the year ended December 31, 2023.

### 9.) CONCENTRATION OF SECTOR RISK

If a Fund has significant investments in the securities of issuers in industries within a particular sector, any development affecting that sector will have a greater impact on the value of the net assets of the Fund than would be the case if the Fund did not have significant investments in that sector. In addition, this may increase the risk of loss of an investment in the Fund and increase the volatility of the Fund's NAV per share. From time to time, circumstances may affect a particular sector and the companies within such sector. For instance, economic or market factors, regulation or deregulation, and technological or other developments may negatively impact all companies in a particular sector and therefore the value of a Fund's portfolio will be adversely affected. As of December 31, 2023, Value had 35% and 25% of its equity securities held invested in stocks within the Information Technology sector and the Industrials sector, respectively; Select had 33% and 36% of its equity securities held invested in stocks within the Information Technology sector and the Industrials sector, respectively; and Micro-Cap had 41% and 29% of its equity securities held invested in stocks within the Information Technology sector and the Health Care sector, respectively.

## **Notes to Financial Statements - continued**

### 10.) SUBSEQUENT EVENTS

Subsequent events after the date of the Statements of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has concluded that there is no impact requiring adjustment to or disclosure in the financial statements.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of  
Paradigm Funds

### Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Paradigm Funds comprising Paradigm Value Fund, Paradigm Select Fund, and Paradigm Micro-Cap Fund (the "Funds") as of December 31, 2023, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the five years in the period then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2023, the results of their operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Funds' auditor since 2004.

*Cohen & Company, Ltd.*

COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
February 23, 2024

## DISCLOSURE OF EXPENSES (Unaudited)

The ongoing costs to shareholders associated with the Paradigm Value Fund, Paradigm Select Fund and Paradigm Micro-Cap Fund consist solely of management fees. Although the Funds charge no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Funds' transfer agent. IRA accounts will be charged an \$8.00 annual maintenance fee. If shares are redeemed within 90 days of purchase from the Funds, the shares are subject to a 2% redemption fee. The following example is intended to help you understand your ongoing costs of investing in the Funds and to compare these costs with similar costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested in the Funds on July 1, 2023, and held through December 31, 2023.

The first line of each table below provides information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6) and then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

The second line of each table below provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid by a shareholder for the period. Shareholders may use this information to compare the ongoing costs of investing in the Funds and other funds. In order to do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in other funds' shareholder reports.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as the annual maintenance fee charged to IRA accounts, redemption fees, or exchange fees, or the expenses of any underlying funds. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

### PARADIGM VALUE FUND

	Beginning Account Value <u>July 1, 2023</u>	Ending Account Value <u>December 31, 2023</u>	Expenses Paid During the Period* July 1, 2023 to <u>December 31, 2023</u>
Actual	\$1,000.00	\$1,074.40	\$7.84
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,017.64	\$7.63

\* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

### PARADIGM SELECT FUND

	Beginning Account Value <u>July 1, 2023</u>	Ending Account Value <u>December 31, 2023</u>	Expenses Paid During the Period* July 1, 2023 to <u>December 31, 2023</u>
Actual	\$1,000.00	\$1,069.75	\$6.00
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,019.41	\$5.85

\* Expenses are equal to the Fund's annualized expense ratio of 1.15%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

**Disclosure of Expenses (Unaudited) - continued**

**PARADIGM MICRO-CAP FUND**

	Beginning Account Value <u>July 1, 2023</u>	Ending Account Value <u>December 31, 2023</u>	Expenses Paid During the Period* July 1, 2023 to <u>December 31, 2023</u>
Actual	\$1,000.00	\$1,020.99	\$6.37
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,018.90	\$6.36

\* Expenses are equal to the Fund's annualized expense ratio of 1.25%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

## **ADDITIONAL INFORMATION**

**December 31, 2023**

**(Unaudited)**

### **AVAILABILITY OF QUARTERLY SCHEDULE OF INVESTMENTS**

The Funds publicly file their complete schedules of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-PORT. The Funds' Forms N-PORT are available on the SEC's website at <http://www.sec.gov>.

### **PROXY VOTING GUIDELINES**

Paradigm Funds Advisor LLC, is responsible for exercising the voting rights associated with the securities held by the Funds. A description of the policies and procedures used by the Advisor in fulfilling this responsibility is available without charge on the Funds' website at [www.paradigm-funds.com](http://www.paradigm-funds.com). It is also included in the Funds' Statement of Additional Information, which is available on the SEC's website at <http://www.sec.gov>.

Form N-PX provides information regarding how the Funds voted proxies with regards to portfolio securities held during the most recent 12-month period ended June 30 and is available without charge, upon request, by calling our toll free number(1-800-239-0732). This information is also available on the SEC's website at <http://www.sec.gov>.

### **ADDITIONAL INFORMATION**

You will find more information about the Funds at [www.paradigm-funds.com](http://www.paradigm-funds.com). For shareholder inquiries, please call toll-free in the U.S. at 1-800-239-0732.

## TRUSTEES AND OFFICERS (Unaudited)

The Board of Trustees supervises the business activities of the Trust. Each Trustee serves as a trustee until the termination of the Trust unless the Trustee dies, resigns, retires or is removed.

The following table provides information regarding each Trustee who is an "interested person" of the Trust, as defined in the Investment Company Act of 1940, and each officer of the Trust as of December 31, 2023.

### Interested Trustees and Officers

Name, Address <sup>1</sup> , and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held by Trustee During Past 5 Years
Candace King Weir <sup>2</sup> (1944)	President and Trustee	Indefinite Term, Since 2002	Co-Portfolio Manager of Paradigm Micro-Cap Fund since 2011, Paradigm Value Fund and Paradigm Select Fund since Feb. 2013; Co-Portfolio Manager of Paradigm Opportunity Fund from Feb. 2013 to Dec. 2019. Director, President, Chief Investment Officer, and Portfolio Manager of Paradigm Capital Management, Inc. since 1994; Director and President of C.L. King & Associates, Inc. since 1972; Managing Member of PCM Ventures, LLC since 1996, PCM Ventures International LLC since 2001, PCM Ventures II, LLC since 2003, and PCM Ventures III, LLC since 2010; Paradigm Funds Advisors LLC since 2005.	3	None
Amelia F. Weir (1975)	Secretary	Indefinite Term, Since 2009	Co-Portfolio Manager of Paradigm Micro-Cap Fund since 2011, Paradigm Value Fund and Paradigm Select Fund since Feb. 2013; Co-Portfolio Manager of Paradigm Opportunity Fund from Feb. 2013 to Dec. 2019. Portfolio Manager and Director of Research Paradigm Capital Management (2008 - current).	N/A	N/A
Carl A. Florio, CPA <sup>3</sup> (1948)	Trustee	Indefinite Term, Since 2005	Director and Vice Chairman of Paradigm Funds Advisor LLC and affiliated entities (2008 - current).	3	N/A
Robert A. Benton, CPA (1954)	Treasurer and Chief Financial Officer	Indefinite Term, Treasurer and Chief Financial Officer Since 2002, Chief Compliance Officer (June 2016 - Oct. 2019)	SVP and CFO of Paradigm Funds Advisor LLC and affiliated advisors (May 2006 - current), SVP and CFO of C.L. King & Associates, a registered broker dealer (February 2001 - current); CCO of Paradigm Funds Advisor LLC an affiliated advisor (June 2016 - Oct. 2019).	N/A	N/A
Gregg A. Miller (1975)	Chief Compliance Officer	Indefinite Term, Since Dec. 2022	CCO of Paradigm Funds Advisor LLC and affiliated advisors (Dec. 2022 - current); SVP, Compliance of C.L. King & Associates, Inc. (Mar. 2000 - Dec. 2022).	N/A	N/A

### Independent Trustees

Name, Address <sup>1</sup> , and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships During Past 5 Years
Gary Greenhouse <sup>4</sup> (1943)	Trustee	Indefinite Term, Since 2016	Founder and President, Dr. Woods Products (a consumer products company) (2006 - current); Founder and Managing Partner, Sylvia Woods Food Company (2000 - current).	3	None
Peter H. Heerwagen (1945)	Trustee	Indefinite Term, Since 2009	Peter H. Heerwagen, Attorney at Law (2009 - current).	3	None
William P. Phelan <sup>5</sup> , CPA (1956)	Trustee	Indefinite Term, Since 2007	Chief Executive Officer of Bright Hub, Inc. (2006 - current).	3	Director, Soluna Holdings
George M. Philip (1947)	Trustee	Indefinite Term, Since 2016	Retired (2013 - current); President, University of Albany, State University of New York (2007 - 2013).	3	Director, First Niagara Financial Group, iPic Entertainment Inc., US Airways

<sup>1</sup> The address of each trustee and officer is c/o Paradigm Funds, Nine Elk Street, Albany, NY 12207.

<sup>2</sup> Candace King Weir is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, by virtue of her affiliation with the Trust's investment advisor, Paradigm Funds Advisor LLC. Candace King Weir is a Director and the President of Paradigm Capital Management, Inc.; and an interested Trustee of the Trust; and CEO of the Trust's investment advisor, Paradigm Funds Advisor LLC.

<sup>3</sup> Carl A. Florio is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, because he is an officer of the Trust's investment advisor, Paradigm Funds Advisor LLC. Carl A. Florio is a member of the Board of Directors of a non-profit foundation that retains Paradigm Capital Management, Inc. to manage a portion of the foundation's assets.

<sup>4</sup> Gary Greenhouse is a limited partner in PCM Partners, LP II. As of December 31, 2023 he owned 0.25% of the PCM Partners, LP II partnership, the value of which was approximately \$1.26 million. Candace King Weir is the general partner of PCM Partners, LP II an interested Trustee of the Trust and CEO of the Trust's investment advisor, Paradigm Funds Advisor LLC.

<sup>5</sup> William P. Phelan is a limited partner in PCM Partners, LP II. As of December 31, 2023 he owned 0.92% of the PCM Partners, LP II partnership, the value of which was \$4.71 million. Candace King Weir is the general partner of PCM Partners, LP II; an interested Trustee of the Trust; and CEO of the Trust's investment advisor, Paradigm Funds Advisor LLC.

The Statement of Additional Information includes additional information about the Funds' Trustees and may be obtained without charge by calling 1-800-239-0732.

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**Board of Trustees**

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Peter H. Heerwagen  
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William P. Phelan  
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This report is provided for the general information of the shareholders of the Paradigm Funds. This report is not intended for distribution to prospective investors in the Funds, unless preceded or accompanied by an effective prospectus.