HOOD RIVER
CAPITAL MANAGEMENT

International Opportunity Fund Commentary
June, 30 2025

The tariff fears that gripped markets in April were largely set aside in the second quarter, as investors shifted their attention to resilient corporate earnings and surprisingly stable economic growth across regions. As is often the case during periods of heightened volatility, the market's focus temporarily drifted from fundamentals, with headlines steering sentiment and driving many indices sharply lower. But as the U.S. hit the pause button on further tariff action, fundamentals re-emerged as the dominant narrative. Volatility receded, and companies were once again rewarded for earnings beats and raised guidance.

The tariff pause was a stabilizing force in Q2, but following one of the sharpest selloffs in recent memory - uncertainty still lingers. This period served as a reminder of how quickly dislocations between fundamentals and market behavior can impact relative performance, and how crucial it is to stay agile. Although geopolitical uncertainty and macro risks persist, equities have rallied back to prior high. It pleases us to report the International Opportunity Fund has moved in lockstep.

At the end of the second quarter, the Hood River International Opportunity Fund Institutional Share Class bested its MSCI All Country World ex USA Small Cap index by +9.97%, posting a total return of +26.90% compared to the benchmark's +16.93%. Stock selection resumed its role as the primary alpha driver, adding +967 basis points ("bps") to relative returns for the quarter. Outperformance was broad-based from a sector standpoint - additive in all but financials (-1.79%) - with industrials (+5.42%), information technology (+4.57%) and energy (+1.15%) topping the list. Additionally, both developed and emerging markets exposure were additive to relative performance, with developed countries accounting for +983bps and emerging markets contributing +162bps.

Late in the first quarter, we noted that the portfolio had developed a pronounced tilt toward AI and the infrastructure needed to support its rapid expansion. Given the market's instability and growing concerns about the pace of future AI-related investment, we prudently reduced exposure in that area. In its place, we introduced new positions tied to rising European defense budgets, as well as within Emerging Markets, where smaller-cap valuations remain compelling relative to developed peers. Additions were made in Taiwan, Japan, Brazil, and new overweight positions established in Chile and South Korea. Many of these countries are well-positioned to support European defense initiatives through the supply of essential materials and resources.

We've also modestly reduced our exposure to nuclear energy. While we continue to believe in the long-term adoption of nuclear power as a key component of global decarbonization strategies and energy needs, capital flows into uranium-related equities have tapered off following a strong run-up in 2023 and early 2024. We believe much of the enthusiasm around nuclear is already priced in, driven by a surge in speculative interest and a tight spot uranium market - both of which have cooled as of late. While we remain constructive on this trend, near term performance across the uranium supply chain appears muted as investor sentiment consolidates. As such, we've reallocated capital into opportunities we believe have more immediate potential to outperform the broader market, while maintaining a core position to benefit from longer-term tailwinds.

While we've dialed back both direct and indirect AI exposure, we've added to our technology holdings overall, and are now overweight the sector relative to the MSCI ACWI ex-US Small Cap Index. One area we're particularly excited about is the evolution of semiconductor materials. These innovations, often driven by smaller-cap international firms, are being integrated into the supply chains of major global players like NVIDIA and data centers. In parallel, we continue to uncover opportunities within the power generation ecosystem. A standout investment has been IRIS Energy—an Australian-based company and one of the world's top bitcoin miners. With a development pipeline exceeding 3 gigawatts of power, IRIS is scaling rapidly within the AI and high-performance computing segments, already beginning to attract attention from hyperscalers with insatiable energy demand.

Ultimately, consistency in philosophy and process remains our anchor. We believe that a disciplined, bottom-up approach will guide us to companies with the most durable earnings growth. Market dislocations may occasionally obscure these fundamentals, but they just as quickly reassert themselves. At Hood River, we've experienced these cycles before, and we know it won't be the last. Our edge lies in staying true to our process and staying vigilant for the best opportunities in the most inefficient corners of the market.

We look forward to engaging with both current and prospective investors in the months ahead. As always, we're grateful for the trust and confidence you place in our team.

Rohan Kumar, Lance Cannon, Brian Smoluch & David Swank

International Opportunity Fund Performance as of 6/30/25	1 Year	3 Year	Since Inception
HR International Opportunity Fund (Inst)	17.09%	24.14%	8.23%
MSCI All Country World ex US Small Cap Index	18.34%	13.46%	3.24%

Institutional Share Class inception date: 9/28/21

Performance quoted represents past performance for the Fund's institutional class shares and there is no guarantee of future results. The investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than the original cost. Current performance may be higher or lower than the performance data quoted above. Please call 800-497-2960 to obtain current and the most recent month-end performance data. The gross expense ratio: 5.49%; net expense ratio (contractual through 11/30/25): 1.23%. Performance for periods over one year are annualized. Performance would have been lower without limitations in effect.

Investment Considerations:
All investing includes risk, including the loss of principal. The Fund invests in small-cap securities which present a greater risk of loss than large-cap securities, and in growth companies which can be more sensitive to the company's earnings and more volatile than the stock market in general. The Fund also invests in foreign securities which are subject to risks including currency fluctuations, economic and political change and differing accounting standards. The Fund may invest in derivatives and IPOs, which are highly volatile. Additional risk information may be found in the prospectus.

Earnings growth is not representative of the fund's future performance. **Basis point** is defined as a unit of measurement used to describe a percentage change in a financial instrument's value or rate. **Alpha** is defined as the excess return an investment generates compared to a benchmark index, indicating how well an investment outperforms or underperforms the market, adjusted for risk. **Tariff** is defined as a tax or duty to be paid on a particular class of imports or exports. All information in this report is as of June 30, 2025 unless otherwise indicated. The benchmark is the MSCI ACWI ex US Small-Cap Index, defined as a stock market index comprising of non-U.S. stocks from 22 of 23 developed markets and 26 emerging markets. The MSCI ACWI Ex-U.S. index is made up of 2,361 constituents, which is 85% of the global equity market aside from the U.S. Investors cannot directly invest in an index.

Investors should carefully consider the Fund's investment objective, risks, charges, and expenses before investing. For a prospectus, which contains this and other important information about the Fund, please call 800-497-2960. Please read the prospectus carefully before investing or sending money.

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