



New Opportunities Fund Commentary

June 30, 2025

The second quarter of 2025 mostly stood in stark contrast to the turbulence of Q1. While the first quarter was marked by macro-driven volatility, aggressive profit-taking in equities, and heightened uncertainty surrounding tariffs, culminating in plunging markets in the first week of the second quarter, the rest of Q2 saw a meaningful shift in investor sentiment. Although “Liberation Day’s” impact on the market was indeed dramatic, continued discussion with trade partners and headlines over the ensuing weeks assuaged macro concerns and markets refocused attention on company fundamentals. This backdrop played well to Hood River’s strengths: a bottom-up, research-intensive process designed to uncover mispriced opportunities while seeking to avoid downside risk. In an environment where fundamentals mattered again, our portfolio was well positioned.

For the quarter ended June 30, 2025, the Hood River New Opportunities fund (Institutional Share Class) returned +23.39%, outperforming the Russell 2500® Growth Index’s +11.31% gain by +1,208 basis points (“bps”). The outperformance was primarily driven by stock selection, which is to be expected given our fundamental investment process. For the first six months of 2025, this places the fund up +4.94%, or +565 bps ahead of the benchmark.

	Q2 2025	2025 YTD	Since Inception
New Opportunities Fund (Inst)	23.39%	4.94%	38.20%
Russell 2500® Growth Index	11.31%	-0.71%	12.27%
HRNOX vs Benchmark	12.08%	5.65%	25.93%

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. Short term performance may reflect conditions that are unsustainable and may not be repeated or consistently achieved in the future. An investment should not be made based solely on returns. The gross expense ratio: 7.05%; net expense ratio (contractual through August 5, 2027) 0.95%. Performance would have been lower without limitations in effect. Fund inception: 08/05/2024.

The strategy’s outperformance in the second quarter was attributed to stock selection (+1,231 bps), driven primarily by financials (+581 bps), industrials (+308 bps), and information technology (+233 bps). These were slightly offset by materials (-56 bps), communication services (-35 bps), and consumer staples (-11 bps).

Although some of the headwinds that dominated Q1 lingered into Q2, macroeconomic concerns gradually receded into the background, and investor focus returned to earnings revisions, margin trends, and capital deployment. Inflation appears more manageable, and from our hundreds of conversations with management teams over the last three months, we’re hearing that demand remains steady and pricing power remains intact. Supply chain disruptions may occur in isolated cases but are generally viewed as manageable and largely pass-through in nature. Companies generally guided conservatively given tariff uncertainty, which may create a good earnings revisions setup for the remainder of the year.

Tariffs remain a headline topic, but the market seems to be growing more comfortable with the notion of tapering trade tensions over time. We believe the market is increasingly pricing in a 10% baseline rate on most non-China trading partners, and although the political rhetoric may continue, we are cautious in our positioning. We continue to focus on companies that are less exposed to global trade volatility, helping us manage risk while seeking upside.

Sector positioning remains relatively neutral, with all weights within approximately +/- 200 bps of the benchmark apart from an overweight in industrials (+513 bps), and an underweight in consumer discretionary (-470 bps). We are monitoring the lower-end consumer space closely as we have seen early signs of softness.

From a valuation perspective, the US Small/Mid Cap Growth group as a whole continues to look attractive on a relative basis. The S&P 500® Index recently hit all-time highs and is trading at 22.0x 2026 earnings. The Russell 2500® Growth Index is at parity to the S&P (for positive-earning companies), below its typical premium to the larger-cap index.

As we move into the back half of 2025, we are encouraged by the breadth of idea flow and believe we are well-positioned with a portfolio of companies that are executing well, reasonably valued, and poised with the potential to benefit from both company-specific and broader economic tailwinds.

Thank you, as always, for your continued trust and partnership.

Brian Smoluch & David Swank

Basis Points ("bps") is a unit of measure used to describe the percentage change in the value of an investment. **Alpha** is defined as the excess return versus the benchmark when adjusted for risk. **Earnings** are a company's profit after taxes. The **S&P 500 Index** is a market-capitalization weighted index of 500 leading publicly traded companies in the U.S.

Investment Considerations:

All investing includes risk, including the loss of principal. There can be no guarantee that any strategy (risk management or otherwise) will be successful. The Fund invests in small -cap and mid-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.

All information in this report is as of June 30, 2025 unless otherwise indicated.

The benchmark is the Russell 2500 Growth Index, defined as an unmanaged, capitalization weighted index featuring 2500 stocks from the Russell 3000 universe that have small and mid-cap market capitalizations. Index returns include dividends and/or interest income and do not reflect fees or expenses. In addition, unlike the composite, which periodically maintains a cash position, the Russell 2500® Growth Index is fully invested. 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.

The Hood River New Opportunities Fund is distributed by Quasar Distributors, LLC. Hood River Capital Management LLC serves as the advisor to the Hood River New Opportunities Fund.

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