



International Opportunity Fund Commentary

September, 30 2025

What started as a short-term theme has now become a clear trend: international markets once again largely outperformed U.S. markets in the third quarter of 2025, even topping many large-cap benchmarks. The rally that began with U.S. mega-cap names has broadened, lifting both developed ex-U.S. and emerging market indices. In this environment, well-valued small- and mid-cap companies were among the biggest beneficiaries. Optimism around artificial intelligence (AI), along with the heavy investment required to build out its infrastructure, also added to relative returns this quarter. As a team, we continue to see significant opportunity in the companies that provide the backbone for technological progress—many of which sit further down the market-cap spectrum. While some attribute the latest gains in non-U.S. markets to macro factors, we believe fundamentals tell the real story. Stock selection, in our view, remains the key driver behind performance across sectors and regions.

Through the third quarter, the Hood River International Opportunity Fund once again bested its MSCI All Country World ex USA Small Cap index by +12.40%, posting a total return of +19.08% compared to the benchmark's +6.68%. Stock selection continued its role as the primary driver of outperformance, adding +1,034 basis points (bps) to relative returns for the quarter. Outperformance was positive in most sectors, with information technology generating a significant portion of relative contribution. The small detractors for the quarter include health care (-0.46%), communication services (-0.36%) and consumer staples (-0.33%). Leading the charge were, information technology (+9.17%), industrials (+1.67%) and financials (+1.67%). Additionally, both developed and emerging markets exposure were additive to relative performance.

Country and region specific, we witnessed China and other Asian tech-heavy markets, including Taiwan and Korea, as key drivers, supported by policy measures and strong demand for semiconductors and AI. By contrast, India lagged despite robust gross domestic product (GDP) growth, weighed down by stretched valuations and weak earnings momentum, a risk we anticipated when we shifted exposure away from India earlier in the year. Our allocation to Japan remains overweight, and has continued to perform strongly thanks to export resilience, and meaningful corporate governance reforms that are unlocking shareholder value. In Europe, performance was mixed, with strength in France and Spain offset by softness in Germany, while the UK benefited modestly from its global exposure. Compared to the S&P 500® Index – which tracks the top 500 U.S. companies – which gained roughly 8% in the quarter, international markets benefited from lower valuations, broadening earnings growth beyond technology, and tailwinds from a softer U.S. dollar.

Two opportunities in the Fund's portfolio that highlight strategic innovation and long-term growth potential are Avio S.p.A. and Almonty. Avio S.p.A. is an Italian aerospace and defense company that specializes in propulsion systems, engines, and launch technology. The business has gained momentum from renewed government defense spending across Europe and recently secured a contract with the European Space Agency to design a mini-"Starship" vehicle. With rising demand in both space and defense markets, we believe Avio should be positioned for sustained revenue growth and margin expansion through 2027, reinforcing its role as a strategic player in Europe's propulsion and aerospace ecosystem.

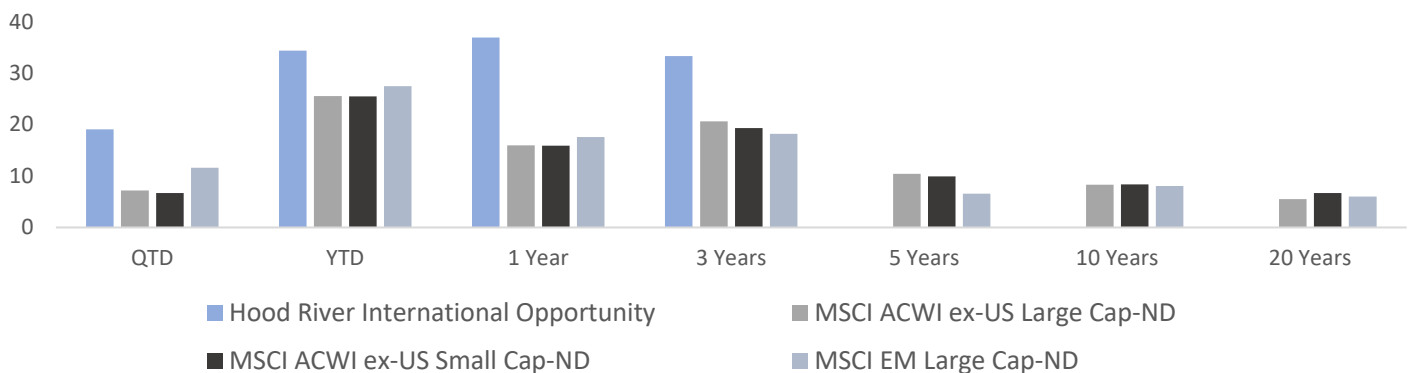
The second, Almonty Industries, is building a robust portfolio of tungsten and molybdenum assets alongside its operating Panasqueira mine in Portugal. Its flagship Sangdong tungsten project in South Korea is expected to enter production in late 2025, followed by a molybdenum project at the same site in 2026 and a downstream tungsten oxide facility projected to begin operations in 2028. Together with long-life reserves, mine expansion plans, supply agreements with major partners, and recognition from U.S. policymakers as a key source of critical



minerals, the company is positioning itself as a key tungsten producer outside China and a strategically important player in North America.

The strength of international equities, and small-mid-caps in particular, has caught many investors off guard, but history suggests it should not be surprising. Over the past two decades, the MSCI ACWI ex U.S. Small Cap Index has regularly kept pace with or surpassed both its ACWI ex US and emerging markets large-cap counterparts. More importantly is the structural advantage within the small cap space as it pertains to active management: with more than 4,000 names in the index and sparse to non-existent sell-side coverage, inefficiencies are abundant. For active managers with a disciplined process, we believe this creates an unusually rich set of opportunities to find companies positioned to exceed consensus expectations and outperform relative to major non-US indices.

Annualized Results (%) as of: September 30, 2025
(Periods under 1 year are not annualized)

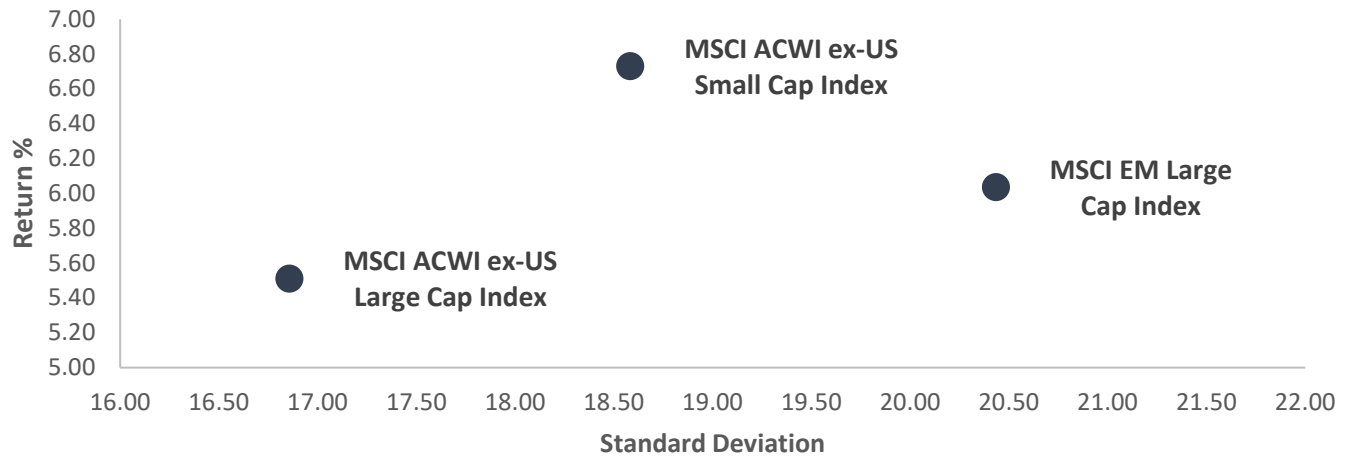


Performance quoted represents past performance for the Fund's institutional class shares and there is no guarantee of future results. The investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than the original cost. Current performance may be higher or lower than the performance data quoted above. Please call 800-497-2960 to obtain current and the most recent month-end performance data. Performance would have been lower without expense limitations in effect. The gross expense ratio: 5.49%; net expense ratio (contractual through 1/31/26): 1.23%.

Today, smaller-cap markets outside the U.S. have mostly been overlooked in traditional equity structures in favor of allocations like emerging markets ("EM") and non-US large cap. Some investors avoid them out of risk concerns, while others cite a lack of quality strategies. We would argue that the risk case is overstated. For decades, investors have committed capital to emerging market strategies dominated by a small handful of large and mega-cap names, despite inconsistent long-term outcomes. By contrast, international small caps have produced stronger returns relative to risk. Over the last 20 years, the ACWI ex U.S. Small Cap Index delivered 22% better return per unit of risk compared to EM large-cap. Additionally, it added almost 11% return per unit of risk compared to the MSCI ACWI ex US Large Cap index over the same time period. These are important signals for anyone considering long-term allocation abroad.



20-Year Risk vs. Reward as of: September 30, 2025



Source: eVestment.

As we approach year-end, we remain confident in the outlook for international equities, supported by monetary policy, attractive valuations, and improving earnings trends across regions. Our proactive positioning and detailed fundamental research on an individual stock basis continue to shape our investment approach, and in our opinion, enable us to identify unique opportunities with strong growth potential. We see significant inefficiencies in the international smaller-cap space on both the sell-side and buy-side, creating compelling opportunities for active management. These inefficiencies, together with favorable relative valuations, highlight the attractive risk-versus-reward potential of a largely overlooked segment of the international landscape. We believe this disciplined, research-driven approach positions the portfolio well for the months ahead.

We thank you for your trust and partnership, and we welcome ongoing conversations about the opportunities Hood River is pursuing on your behalf.

Lance Canon, Rohan Kumar, Brian Smoluch & David Swank

<u>International Opportunity Fund Performance as of 9/30/25</u>	1 Year	3 Year	Since Inception
HR International Opportunity Fund (Inst)	37.00%	33.37%	12.49%
MSCI All Country World ex US Small Cap Index	15.93%	19.36%	4.71%

Institutional Share Class inception date: 9/28/21

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Basis Points ("bps") is a unit of measure used to describe the percentage change in the value of an investment. **Standard Deviation** is a statistical measure that shows the amount of variation or dispersion in a set of data points. The **S&P 500 Index** is a market-capitalization weighted index of 500 leading publicly traded companies in the U.S. The **MSCI All Cap World Index (ACWI) ex US Large Cap Index** represents the performance of large-capitalization equities, excluding the United States, across both developed and emerging markets globally, covering approximately 70% of the non-U.S. free-float-adjusted market capitalization. The **MSCI Emerging Market (EM) Large Cap Index** tracks the performance of large-cap companies in emerging market countries, covering approximately 70% of their free float-adjusted market capitalization.

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.

*All information in this report is as of September 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.

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

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