



New Opportunities Fund Commentary

September 30, 2025

The third quarter of 2025 built on the rebound we saw in Q2, as fundamentals once again took center stage. Since “Liberation Day,” small and mid-cap equities have rallied strongly, with notable pockets of strength in the AI supply chain and companies positioned to address ongoing power shortages. While the small/mid cap market experienced brief rotations into value -- favoring lower-quality, high-debt companies -- earnings season reaffirmed the advantage of high-quality growth stocks, rewarding businesses with strong fundamentals and execution.

For the quarter ended September 30, 2025, the Hood River New Opportunities Fund (Institutional Share Class) returned +19.97%, or 924 basis points (“bps”) ahead of the Russell 2500® Growth Index’s +10.73% gain. Year-to-date, the fund is now up +25.89%, or +1,594 bps ahead of the benchmark.

	Q3 2025	2025 YTD	1 Year	Since Inception
New Opportunities Fund (Inst)	19.97%	25.89%	35.79%	55.02%
Russell 2500® Growth Index	10.73%	9.95%	12.62%	20.77%
HRNOX vs Benchmark	9.24%	15.94%	23.17%	34.25%

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.

As is expected with Hood River’s fundamental research process, stock selection was the primary driver of outperformance for the quarter (+848 bps). Industries driving the outperformance included information technology (+970 bps), communication services (+59 bps), and consumer discretionary (+34 bps). These were slightly offset by financials (-62 bps), industrials (-55 bps), and energy (-47 bps).

The buildout of AI infrastructure and the associated power needs continue to reverberate across the economy. Demand for semiconductors, energy, industrial capacity, and drone technology remains robust, and the ripple effects are increasingly extending beyond the technology sector itself. In fact, according to Bridgewater Associates, nearly half of U.S. gross domestic product (GDP) growth in the first half of 2025 was driven by technology capital expenditures -- underscoring the magnitude of this transformation -- and we believe this elevated pace of investment is poised to continue.

While infrastructure beneficiaries have largely delivered beat-and-raise quarters, traditional software companies came under pressure as investors questioned whether AI could erode their competitive advantages, leading to multiple compression across various segments. Our focus remains on companies demonstrating tangible earnings power from AI adoption, rather than chasing broad exposure to the theme. Notably, even with select investments in AI infrastructure, the portfolio is entering Q4 with a more balanced profile and a smaller “AI tilt” than at the start of 2025. In fact, no sector is more than +/- 400 bps away from benchmark weightings, and roughly half of the 26.5% information technology weighting in the portfolio has predominately hyperscaler AI capital expenditure exposure.

The story for Hood River in 2025 has been one of steady execution, with stock selection driving results even as Q1 was overshadowed by macro noise. Most companies have adapted well to the current tariff environment, with impacts spread across supply chains, pricing, and margins in ways that have proven manageable. Tariffs seem to be settling at levels lower than feared, allowing fundamentals to reassert themselves, and the prospect of additional Fed rate cuts further supports the outlook for small and mid-cap equities. Valuations in this segment remain compelling: while the S&P 500® Index trades at ~23x 2026 earnings -- back to peak levels last seen in September 2020 -- the Russell 2500® Growth Index trades at a similar multiple despite historically commanding a premium. Against this backdrop, we see attractive opportunities for SMID investors, particularly as powerful secular trends in AI, power, and drones could create company-specific growth drivers that are less visible in larger-cap benchmarks.

As always, we are grateful for your continued trust and partnership. Our focus remains on a disciplined, bottom-up process that seeks to identify mispriced opportunities while carefully managing risk. In our view, today's backdrop underscores the importance of active management in small and mid-caps, and we are optimistic about the breadth of opportunities as we move toward 2026. Thank you for your time, and we look forward to connecting should you wish to discuss these views in more detail.

Brian Smoluch & David Swank

Basis Points ("bps") is a unit of measure used to describe the percentage change in the value of an investment. **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.

Capital Expenditure refers to the investments a company makes to acquire, improve or maintain long-term assets such as buildings, land, machinery or equipment. This commentary may contain forward-looking statements, which are not guarantees of future performance and are subject to risks and uncertainties.

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 September 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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