



Small Cap Growth Fund Commentary
December 31, 2025

The fourth quarter of 2025 built upon the momentum established earlier in the year, as our portfolio companies continued to execute within an environment of broadly improving fundamentals. While equity markets experienced a more measured pace of gains late in the quarter, earnings results and company-specific developments remained supportive of long-term growth trajectories. Periodic volatility in December reflected what we viewed as year-end positioning and profit taking, rather than any deterioration in underlying business conditions.

For the quarter ending December 31, 2025, the Hood River Small Cap Growth Fund (Institutional Share Class) returned +5.22%, or 400 basis points (“bps”) ahead of the Russell 2000® Growth Index’s +1.22% gain. This places the Fund up +23.77% for full-year 2025, outperforming the benchmark by +1,076 bps. A table of longer-term returns is provided below.

	Annualized, as of 12/31/25				
	1 Year	3 Year	5 Year	10 Year	Since Inception
Small-Cap Growth Fund (Inst)	23.77%	26.80%	12.69%	16.55%	13.80%
Russell 2000® Growth Index	13.01%	15.59%	3.18%	9.57%	10.15%
HRSMX vs Benchmark	10.76%	11.21%	9.51%	6.98%	3.65%

Performance quoted represents past performance for the Fund’s institutional class shares and there is no guarantee of future results. Short-term performance may reflect conditions that are unsustainable and may not be repeated or consistently achieved in the future. 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: 1.07%; net expense ratio (contractual limitation agreement through 11/30/26): 1.07%. Performance would have been lower without limitations in effect. Fund inception: 01/02/2003

Stock selection was again the primary driver of alpha, contributing +501 bps of outperformance during the quarter. Information technology was the largest contributor (+495 bps), benefiting from select investments in companies tied to artificial intelligence and supporting infrastructure, where demand trends and earnings visibility remained robust. Financials (+79 bps) and communication services (+50 bps) were the next two largest contributors to stock selection during the fourth quarter. The sectors detracting most from stock selection were consumer staples (-27 bps), health care (-25 bps), and materials (-25 bps).

The investment team worked diligently to produce favorable downside capture during periods of market volatility. While certain holdings experienced pullbacks following strong year-to-date performance, losses were generally contained and concentrated in areas where valuations had expanded meaningfully earlier in the year. This outcome reflects our continued emphasis on valuation discipline and risk management, particularly following extended periods of appreciation.

Looking at full-year performance, stock selection was again the dominant contributor (+1,321 bps), consistent with our fundamental research-driven investment process. The three largest contributors to stock selection for the year were information technology (+1,553 bps), financials (+381 bps), and utilities (+42 bps). These gains were partially offset by industrials (-336 bps), energy (-145 bps), and materials (-111 bps). As a reminder, over time, the strategy’s positive selection comes from different sectors and is quite diverse. Last year, for example, industrials had the strongest stock selection.

From a positioning standpoint, sector exposures remain relatively balanced versus the benchmark. Information technology continues to represent the largest overweight (approximately +650 bps), driven in part by appreciation rather than incremental capital deployment. While investment tied to artificial intelligence remains a powerful secular theme, the portfolio enters 2026 with a more balanced exposure profile than earlier in the year. We have selectively moderated exposure in areas where expectations have moved ahead of fundamentals, while continuing to favor companies with clear earnings visibility and durable competitive advantages.

As we look ahead to 2026, questions around the durability of AI-related capital expenditure growth beyond the current investment cycle have become more prominent. While near-term fundamentals remain supportive, we are mindful of the potential for valuation compression should expectations extend too far beyond underlying earnings power. As always, our focus remains on seeking to identify companies with sustainable growth profiles, improving profitability, and valuations that appropriately compensate for risk.

Consumer-oriented segments remain an area of caution, as earnings revisions have been slower to materialize relative to other parts of the market. However, expectations are the lowest in this segment, which potentially creates some opportunities for the strategy. At the same time, valuations across small cap growth have risen meaningfully over the course of 2025. In this environment, we believe execution will be critical, and dispersion between winners and losers is likely to remain elevated. In our view this backdrop reinforces the importance of disciplined, bottom-up stock selection.

From a valuation standpoint, the small cap growth universe represented by the Russell 2000® Growth Index ended the year trading at approximately 20.0x 2027 earnings, in-line with the S&P 500® Index. While absolute valuations for both indices are elevated relative to historical norms, small cap growth stocks have typically traded at roughly a 20% premium to their larger-cap peers, so currently appear attractively valued on a relative basis. The overall level of valuations, however, increases the importance of execution, as companies will need to meet or exceed guidance and market expectations. We believe this environment underscores the value of Hood River's active portfolio management approach alongside continued valuation discipline.

We remain confident in the portfolio's positioning and encouraged by the breadth of opportunity within the small cap growth universe. As always, we appreciate your continued trust and partnership and look forward to navigating the opportunities ahead together.

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. **Alpha** refers to an investment strategy's ability to outperform the market, indicating the excess return generated beyond what is expected based on the investment's risk level. **Downside Capture** is a financial metric used to measure the extent to which an investment underperforms its benchmark during negative market periods. **Valuation** is the analytical process of determining the current or projected worth of an asset or company. The **S&P 500 Index** is a market-capitalization weighted index of 500 leading publicly traded companies in the U.S. 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 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 December 31, 2025 unless otherwise indicated. The benchmark is the Russell 2000® Growth Index, defined as an unmanaged, capitalization weighted index of those Russell 2,000 companies with higher price-to-book ratios and higher forecasted growth values. 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 2000® 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 Small Cap Growth Fund is distributed by Quasar Distributors, LLC. Hood River Capital Management LLC serves as the advisor to the Hood River Small Cap Growth Fund.

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