Emerging Markets Fund Commentary
March, 31 2026

Emerging markets entered 2026 with improving momentum, supported by attractive valuations, stabilizing macro conditions, and growing recognition of structural growth opportunities outside the U.S. and other developed regions. In our view, capital appears to be beginning to rotate toward regions where earnings growth is underappreciated and market inefficiencies remain more pronounced. This dynamic is particularly evident in emerging markets, where uneven information flow, lower analyst coverage, and benchmark-driven capital allocation continue to create opportunities for active managers.

The escalation of the Iran conflict introduced volatility during the quarter, primarily through higher energy prices, a stronger U.S. dollar, and tighter financial conditions. These pressures have created a divergence within emerging markets, with commodity exporters proving more resilient while import-dependent economies and more leveraged markets have faced currency pressure and capital outflows. While this has led to short-term dislocations, it has not altered the underlying structural growth drivers across our portfolio.

In the first quarter, the Hood River Emerging Markets Fund Institutional Share Class extended its outperformance versus the MSCI Emerging Markets Index by +12.54%, posting a total return of +12.37% versus the benchmark's -0.17%. As is typical, security selection accounted for the bulk of alpha during the period. Performance was led by holdings in information technology and industrials, particularly across semiconductors, electronics supply chain, and power infrastructure, all of which continue to benefit from accelerating demand tied to AI and electrification. Materials exposure also contributed given higher energy prices, while detractors were limited and largely idiosyncratic.

From a portfolio perspective, we remain heavily focused on Asia — particularly China, Taiwan, and South Korea — where we see the strongest alignment with an emerging AI-driven capex supercycle.

- In China, the investment landscape is increasingly shaped by the buildout of domestic AI capabilities. Leading platforms are investing aggressively in foundation models and compute infrastructure, driving the formation of a localized AI ecosystem across semiconductors, industrial automation, and downstream applications. This is creating a broad set of opportunities across both established leaders and underfollowed enablers, many of which remain mispriced relative to their long-term earnings potential.

- In parallel, Taiwan and South Korea are direct beneficiaries of accelerating U.S. hyperscaler capex. As investment in data centers and advanced compute continues to scale, companies in these markets play a critical role in enabling global AI infrastructure — from leading-edge semiconductor manufacturing and advanced packaging to memory and testing. Despite this, many continue to trade at a discount to global peers, reflecting macro and geopolitical overhangs rather than underlying fundamentals.

Across our portfolio, we see companies where demand is strengthening and order momentum is improving, particularly in names tied to AI infrastructure, yet market expectations remain anchored to near-term cyclicality. As capacity ramps, we expect operating leverage to drive earnings upside over the coming years.

A representative example is Anhui Yingliu Electromechanical (603308 CH), which manufactures highly engineered turbine blades and components used in gas turbines, with established relationships across global OEMs including Siemens and leading Japanese and Korean players. As AI-driven data center buildout accelerates, the bottleneck has increasingly shifted to power availability, driving a surge in demand for gas turbines as a near-term solution. Yingliu sits at a critical choke point in this supply chain. Unlike developed peers such as Howmet Aerospace, the company can scale capacity more quickly, positioning it to gain share during this period of elevated demand. We are seeing improving order momentum and deeper customer engagement, supporting a favorable setup as earnings begin to inflect.

We believe the current environment is creating an attractive entry point for emerging markets. While geopolitical tensions may drive near-term volatility, the structural drivers underpinning our strategy — including AI adoption, digital infrastructure buildout, manufacturing reconfiguration, and rising consumption — remain firmly in place. With many of these trends still in the early innings, we believe emerging markets should be well positioned to outperform over time, particularly given the current valuation discount relative to developed markets. Our focus remains on seeking to identify companies at inflection points, where bottom-up research can uncover earnings growth that is not yet fully reflected in market expectations.

Ruoshi Qi, Lance Cannon

Emerging Markets Fund Performance as of 3/31/26	YTD	Since Inception
HR Emerging Markets Fund (Inst)	12.37%	19.07%
MSCI Emerging Markets (Net)	-0.17%	4.74%

Institutional Share Class inception date: 11/24/2025

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. **Valuation** is the analytical process of determining the current or projected worth of an asset or company.

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 Institutional Share Class gross expense ratio: 4.37%; net expense ratio (contractual through 11/24/28): 1.25%.

Investment Considerations:
All investing includes risk, including the loss of principal. The Fund invests in large-cap securities as well as 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 may also invest in foreign securities which are subject to risks including currency fluctuations, economic and political change and differing accounting standards. The Fund may invest in emerging and frontier markets, which have risks including potential for extreme price volatility and illiquidity; government ownership or control of parts of the private sector and of certain companies; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures; and relatively new and unsettled securities laws. To the extent the Fund invests a significant portion of its assets in the securities of companies of a single region or country, it is more likely to be affected by events or conditions impacting that region or country. The Fund may invest in derivatives and initial public offerings (IPOs), which are highly volatile. Additional risk information may be found in the prospectus.

*All information in this report is as of March 31, 2026 unless otherwise indicated. The benchmark is the MSCI Emerging Markets Index, defined as a free float-adjusted market capitalization index designed to measure the equity market performance of large and mid-cap stocks across 24 defined emerging market countries. 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.

Diversification does not assure a profit, nor does it protect against a loss.

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