



New Opportunities Fund Commentary

September 30, 2026

The third quarter of 2026 was a difficult period for small- and mid-cap stocks broadly, with the Russell 2500® Growth Index declining -10.35%. Rising long-term interest rates, elevated oil prices, and continued uncertainty surrounding the conflict with Iran weighed on investor sentiment. It was also a challenging quarter for the strategy on a relative basis, even as fundamentals across our portfolio companies remained generally sound. Earnings reports were broadly solid, and demand held up well across most of the economy, with consumer discretionary the notable exception. However, market leadership shifted abruptly as stocks that had performed best over the prior six to twelve months gave back gains, often regardless of their underlying results, and several of the portfolio's strongest long-term winners were disproportionately affected.

That said, our approach remained consistent. We continue to focus on our core competency: seeking to identify businesses with durable growth profiles, improving fundamentals, and attractive valuations through a disciplined, bottom-up research process. While shifts in market sentiment can drive results over a single quarter, we believe long-term investment outcomes are ultimately driven by company execution, earnings power, and fundamental progress.

For the quarter ending September 30, 2026, the Hood River New Opportunities Fund (Institutional Share Class) declined -13.46%, -311 basis points ("bps") versus the Russell 2500® Growth Index. Despite trailing during the quarter, the Fund remains up +14.04% year-to-date, +676 bps ahead of the benchmark. A table of longer-term performance is provided below.

	1 Year	Annualized Since Inception
New Opportunities Fund (Inst)	22.98%	39.22%
Russell 2500® Growth Index	7.63%	14.48%
Excess Return	15.35%	24.74%

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: 1.33%; net expense ratio (contractual limitation agreement through August 5, 2027) 0.95%. Performance would have been lower without limitations in effect. Fund inception: 08/05/2024.

Stock selection detracted -323 bps during the quarter but remains the primary driver of positive results year-to-date, contributing +445 bps of outperformance. For Q3, the largest contributor to stock selection was financials (+16 bps) while the largest detractor was information technology (-92 bps). Despite being the largest detractor during the quarter, information technology is the largest year-to-date contributor (+555 bps) while energy (-85 bps) is the largest detractor.

Despite information technology representing the most challenging sector during Q3, we would characterize the third quarter as a momentum reversal more than a referendum on AI. Stocks that had performed strongly over

the prior six to twelve months sold off broadly, which hurt the portfolio more than AI exposure alone would suggest. We are not momentum investors, but our fundamental process led us to own a number of companies whose strong execution had produced outsized gains. Following a very strong first half, and with valuations in mind, we trimmed appreciated positions by approximately 800 bps in late June and early July.

The benchmark itself also changed meaningfully with the annual Russell reconstitution in June. The rebalance removed many AI-related and profitable companies from the Russell growth indices, particularly in technology and industrials, while the weighting of health care increased. The shift was larger in small caps than in the Russell 2500® Growth Index, but it still widened our relative AI overweight in the New Opportunities Fund to roughly 700 bps — a gap driven as much by changes to the index as by our own positioning.

We do not believe June marked the top of the AI investment cycle. In our view, current expectations for hyperscaler capital expenditure in 2027 and 2028 remain too conservative, and estimates for many of our holdings look achievable or low. Following the recent pullback, many of the AI-related businesses we own are trading at attractive valuations, and in some cases at meaningful discounts to the value of their contracted business. We believe the market will return its focus to fundamentals, and our discipline is unchanged: if our conviction in a company's fundamentals weakens, we will sell.

Within industrials, the defense group sold off during the quarter, particularly in mid-August following a Department of War memo proposing caps on margins for certain single-source contracts. We view the impact as company-specific. Businesses earning more normalized margins with growing programs appear less exposed, while those with the highest margins may face pressure. We exited a position where we saw that risk and added to holdings where fundamentals are improving. Replenishment demand offers a runway we estimate will last into the 2030s, and investment in drones, hypersonics, and other next-generation capabilities continues to grow.

Biotech has been a strong area of the market this year, and our modest underweight to biopharma (approximately 200 bps) has been a slight headwind from a sector allocation standpoint. Following the reconstitution, biopharma represents a near-record share of the benchmark. We continue to look for biopharma companies with products that are ramping and visibility into profitability, rather than owning the group broadly.

Interest rates have become a larger part of the market conversation as long-term yields moved higher during the quarter. Although many are focused on the Fed's next move, for equities we believe the 10-year Treasury yield matters more than short-term policy rates.

We would put the 10-year Treasury's recent move higher in context. Over the past four decades, the 10-year Treasury yield has averaged roughly 5%, so current levels look more like normalization than a shock. We are not macro forecasters and do not have a call on the direction of rates. That said, we believe the fund's rate sensitivity is similar to the benchmark's. We are overweight financials (+288 bps), which tend to benefit from higher rates; underweight consumer discretionary (-215 bps), the area most exposed to higher borrowing costs; and as mentioned earlier, slightly underweight biotech, whose long-duration cash flows are more rate-sensitive. For our AI-related holdings, the investment case rests on end-market demand rather than marginal moves in rates. Higher rates are not helpful at the margin, but we do not view them as a gating factor.

Regarding valuations, the Russell 2500® Growth Index now trades at approximately 21.5x 2027E and 17.5x 2028E earnings (for positive earners), compared with 19.2x and 16.6x for the S&P 500® Index. The modest premium to large caps reflects faster underlying growth, and the reconstitution likely lifted the index multiple as higher-earning companies exited. On an absolute basis, valuations sit above their historical median and likely in the top

quartile. Valuation discipline and 'paying the right price' remains an important component of our investment process.

As we move into the final quarter of 2026, we remain grounded in our research-intensive process and focused on seeking to identify mispriced opportunities with durable growth potential. We appreciate your ongoing trust and partnership and welcome the opportunity to discuss these views with you in greater depth.

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. **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. **10-Year U.S. Treasury yield** is the annualized interest rate that investors would receive if they bought a U.S. Treasury note maturing in 10 years and held to maturity.

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, 2026 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.

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

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