

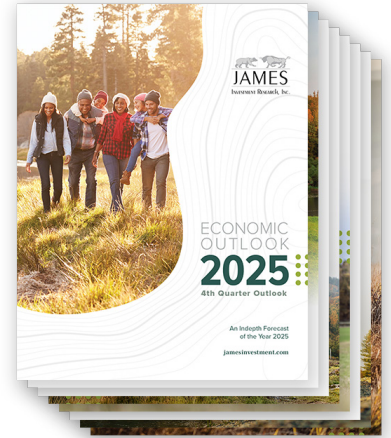
3RD QUARTER 2025

Conclusions & Recommendations

As we enter the 4th quarter of 2025, markets face a delicate balance between elevated valuations and slowing fundamentals. The 35% rebound from April lows has fostered a “bad-news-is-good-news” mindset that could quickly unwind if labor weakness signals a true economic slowdown rather than faster Fed easing.

Key Themes

1. **Quality and Defense:** Focus on financially strong companies with pricing power and limited tariff exposure.
2. **Technology Selectivity:** Keep core exposure to true AI leaders with visible monetization, trimming momentum names vulnerable to pullbacks.
3. **Fixed Income:** Favor short-duration Treasury Inflation-Protected Securities (TIPS) over long Treasuries as political uncertainty and delayed tariff effects lift inflation risk.
4. **Stagflation Positioning:** Use selective commodities, gold, and international diversification to hedge inflation and dollar weakness.
5. **Earnings Vigilance:** With optimism high, expect volatility if Q3 results or forward guidance fall short.



Scan QR code
to read full
Economic
Outlook Update

The Critical Question

Can corporate earnings reaccelerate as consumers absorb higher prices, labor income slows, and margins compress? The convergence of stretched valuations, fragile assumptions, and concentrated market leadership suggests risk management should take precedence.

In this environment, quality, selectivity, and disciplined balance remain the best tools for navigating an economy where opportunity and caution continue to move hand in hand.

R. Brian Culpepper, CMFC, CKA

President, CEO
James Investment Research, Inc.
President James Advantage Funds

Fall Ainina, Ph.D., CFA

Director of Research
James Investment Research, Inc.



James Investment Research, Inc.
1349 Fairground Road, Xenia, OH 45385

The James Advantage Funds are distributed by Ultimus Fund Distributors, LLC, Member FINRA. James Advantage Funds and Ultimus Fund Distributors, LLC are not affiliated. Call 1-800-995-2637 for a free copy of the prospectus or visit www.jamesinvestment.com. Investors should consider the investment objectives, risks and charges and expenses of the investment carefully before investing. The prospectus contains this and other information about the funds and should be read carefully before investing.

Fund Highlight: James Small Cap Fund

Small-cap stocks delivered a strong rebound in the third quarter of 2025, with the James Small Cap Fund gaining 8.34% for the period. Broader small-cap benchmarks also advanced double digits, with value stocks slightly outperforming growth. The strong market performance was supported by strong sector performance from Financials, Industrials, Healthcare, and Information Technology.

The rally was driven by attractive valuations relative to large caps, positive earnings revisions, and the Federal Reserve's rate cut, which historically benefits smaller companies due to their reliance on debt financing. The strong momentum propelled the Russell 2000 Index to new all-time highs.

Morningstar Rating™

Overall Rating ★★★★★
 3 Year Rating ★★★★★
 5 Year Rating ★★★★★
 10 Year Rating ★★★

The Morningstar Star Rating™ for the James Small Cap Fund (JASCX) is based on risk-adjusted returns as of 9/30/2025 in the Small Value category out of 462 funds overall and in the last 3 years, 434 funds in the last 5 years, and 360 in the last 10 years.

© 2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Mutual Fund Performance

	Total Expense Ratio*	3Q2025**	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.23%	6.12%	9.32%	13.21%	7.21%	4.40%	6.99%	7/1/91
James Small Cap (No Load)	1.50%	8.34%	11.22%	22.15%	20.63%	8.54%	8.15%	10/2/98
James Micro Cap (No Load)	1.50%	6.24%	-2.46%	16.42%	14.79%	7.82%	9.26%	7/1/10
James Aggressive Allocation (No Load)	1.02%	8.04%	13.67%	20.25%	11.30%	6.56%	5.42%	7/1/15

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Funds' current performances may be lower or higher than the performance data quoted. Investors may obtain performance information current to the last month-end, within 7 business days, at www.jamesinvestment.com. *Total Expense Ratio are expenses deducted from Fund assets. This ratio is as of the 11/01/2024 prospectus. **The most recent quarter numbers are not annualized. (All other numbers are average annual returns.)

The James Advantage Funds are distributed by Ultimus Fund Distributors, LLC, Member FINRA. James Advantage Funds and Ultimus Fund Distributors, LLC are not affiliated. Call 1-800-995-2637 for a free copy of the prospectus or visit www.jamesinvestment.com. Investors should consider the investment objectives, risks and charges and expenses of the investment carefully before investing. The prospectus contains this and other information about the funds and should be read carefully before investing.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Risks: Investing involves risk, including loss of principal. The value of the fund's shares, when redeemed, may be worth more or less than their original cost. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. Fixed income investments are affected by a number of risks, including fluctuation in interest rates, credit risk, and prepayment risk. In general, as prevailing interest rates rise, fixed income prices will fall. Small-Cap investing involves greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity and increased competitive threat. Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few.