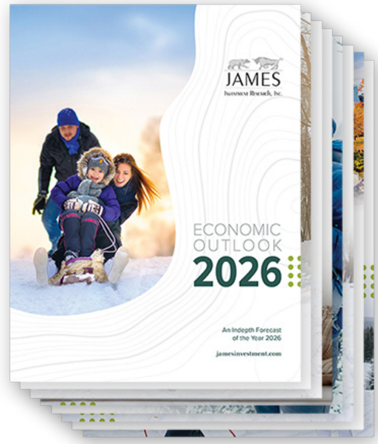
JAMES
Advantage Funds

4TH QUARTER
2025

Conclusions & Recommendations

The 2026 investment landscape presents a complex but navigable environment shaped by supportive monetary policy, evolving fiscal dynamics, and persistent structural shifts across asset classes. The U.S. economy remains on a path of moderate expansion, supported by stable labor markets, ongoing AI infrastructure investment, and anticipated fiscal stimulus from the *One Big Beautiful Bill Act*, though housing continues to face headwinds and a pronounced K-shaped recovery masks financial strain among lower-income households.



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Key Themes

1. Late-Cycle Economy With Growing Divergence: The U.S. is still expanding, but momentum is uneven.

2. Fed Easing, but With Inflation Constraints: The Federal Reserve is shifting toward easing, yet sticky inflation and fiscal deficits limit how aggressive it can be.

3. AI continues to drive growth, but rising concentration and valuation risks make selectivity essential.

4. Fixed Income Has Shifted From "Set It and Forget It" to Active Management: The Bond Market has structurally changed.

5.Opportunity Exists, But Selectivity Matters More Than Ever: Markets offer opportunity, but with discipline.

What next?

As we look ahead to 2026, the investment environment favors thoughtful positioning over broad market exposure. With policy shifts, valuation dispersion, and sector leadership evolving, active management and diversification will remain critical. Staying disciplined, focusing on quality, and remaining adaptable to changing conditions will be essential as markets navigate both opportunity and uncertainty in the year ahead.

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Fund Highlight: James Aggressive Allocation Fund

The James Aggressive Allocation Fund entered 2025 well-positioned to benefit from a strong equity market. With equities representing nearly 85% of the portfolio, rising stock prices helped drive a solid 15.92% return for the year. Investors also received additional income through a dividend distribution of $0.0903 per share.

Looking ahead, elevated equity valuations and lower interest rates create a constructive backdrop, but several risks warrant close attention. These include the fund's meaningful exposure to mega-cap technology companies, ongoing uncertainty around tariff and trade policy, and potential shifts in Federal Reserve independence as Chair Powell's term concludes in May 2026.

Morningstar Rating™

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

The Morningstar Star Rating™ for the James Aggressive Allocation Fund (JAVAX) is based on risk-adjusted returns as of 12/31/2025 in the Moderatly Aggressive Allocation category out of 124 funds overall and in the last 3 years, 118 funds in the last 5 years, and 100 in the last 10 years.

Mutual Fund Performance

	Total Expense Ratio*	4Q2025**	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.23%	2.19%	13.17%	12.32%	6.85%	4.59%	7.00%	7/1/91
James Small Cap (No Load)	1.51%	0.86%	12.65%	18.55%	15.36%	8.29%	8.10%	10/2/98
James Micro Cap (No Load)	1.50%	1.26%	4.37%	13.36%	10.42%	7.41%	9.19%	7/1/10
James Aggressive Allocation (No Load)	1.02%	2.37%	15.92%	18.11%	10.15%	6.76%	5.52%	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 11/01/2025 prospectus. **The most recent quarter numbers are not annualized. (All other numbers are average annual returns.)*

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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.*