



1ST QUARTER 2026

Conclusions & Recommendations

The economic outlook has shifted toward a late-cycle environment as geopolitical tensions push energy prices higher and begin to broaden inflation pressures across the global economy. While the U.S. remains more resilient than many regions, growth is gradually slowing, and the Federal Reserve is likely to remain cautious with limited room to ease policy in the near term. The risk is less about an immediate downturn and more about persistent inflation alongside moderating growth. The duration of current supply disruptions will be a key factor in determining how long these pressures persist.

Key Themes

- Inflation pressures are rising, led by energy and expanding into other areas.
- Economic growth is slowing but remains stable overall.
- Markets are adjusting unevenly, with mixed signals across asset classes.
- The Fed is likely to keep rates higher for longer.
- Global risks, particularly around energy and supply chains, remain elevated

What next?

Overall, this environment reflects elevated uncertainty but not a breakdown in fundamentals. Periods like this tend to reward disciplined, diversified positioning and a focus on long-term opportunities rather than short-term market reactions. Maintaining exposure to high-quality companies with strong balance sheets and pricing power can help navigate inflationary pressures. At the same time, volatility may create selective opportunities for investors willing to stay patient and avoid reactive decisions.

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Economic
Outlook Update



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Fund Highlight: James Balanced: Golden Rainbow Fund

The James Balanced Golden Rainbow fund ended the quarter with around 49% in equities, a decrease from the start of the quarter. The technology and finance sectors were among the largest equity sectors in the fund. Energy was the top performing sector during the quarter, followed by materials and consumer staples. The sectors that had the worst performance were real estate and finance. While fixed income declined across all maturities, short-term bonds outperformed both intermediate- and long-term bonds.

The markets were focused on the conflict with Iran, which heightened geopolitical uncertainty, drove energy prices higher, and contributed to periods of elevated volatility across global equities.

Morningstar Rating™

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

The Morningstar Star Rating™ for the James Balanced: Golden Rainbow Fund (GLRBX) is based on risk-adjusted returns as of 3/31/2026 in the Moderately Conservative Allocation category out of 208 funds overall and in the last 3 years, 199 funds in the last 5 years, and 164 in the last 10 years.

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Mutual Fund Performance

	Total Expense Ratio*	1Q2026**	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.23%	-0.60%	13.51%	11.06%	6.07%	4.42%	6.93%	7/1/91
James Small Cap (No Load)	1.51%	4.27%	19.22%	19.02%	12.20%	8.89%	8.19%	10/2/98
James Micro Cap (No Load)	1.50%	6.13%	23.21%	13.69%	7.85%	8.06%	9.45%	7/1/10
James Aggressive Allocation (No Load)	1.02%	0.49%	21.30%	16.37%	9.10%	6.66%	5.44%	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.