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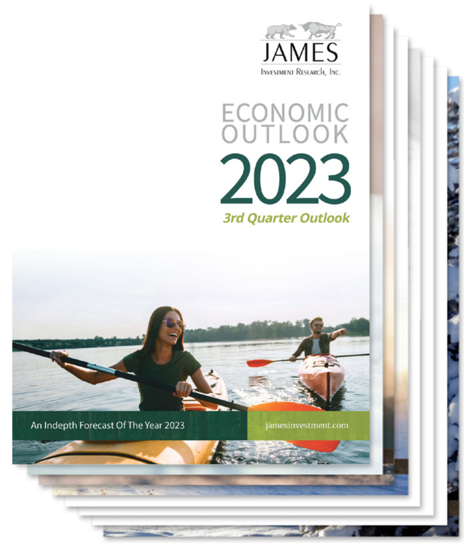
2ND QUARTER 2023

2nd Quarter Recap



Despite the widespread pessimism pervading the financial markets, their actual performance is surprisingly robust. The first quarter of the year closed on a sour note as numerous banks required bailouts to avert defaulting on their deposits. This troubling development was succeeded by worries regarding a potential U.S. government default on its debt, owing to the constraints of the 'debt ceiling' mandate.

It was announced in June that the National Debt had surpassed $32 trillion for the first time ever. This news was closely followed by the announcement that the debt ceiling had been suspended. Investors seemed to take this news in stride, behaving almost as if it were a familiar scenario. After President Biden signed the legislation, investors started reintroducing riskier assets into their portfolios. This shift resulted in a rise in stock prices as they moved away from more conservative fixed income investments, leading to bonds lagging stocks.

Inflation appears to finally be trending in the right direction. Regardless of perceptions about the Federal Reserve, it can be argued that their decision to raise rates has indeed helped to curb soaring inflation, perhaps without excessively hampering the U.S. economy. The prospect of a soft landing no longer appears far-fetched.

In the first half of 2023, the S&P 500 Index experienced a year-to-date increase of 16.88%. However, a significant portion of this brisk climb has been driven by the world's largest technology stocks. In fact, the top ten stocks in the market account for two-thirds of this rally. To truly experience what many would classify as a thriving bull market, we need to see a rally from smaller stocks and a broader participation from diverse sectors.

Overall, while there are challenges and potential risks on the horizon, the current state of the economy suggests a cautious approach rather than an impending downturn. We advise maintaining vigilance in monitoring inflation, particularly rent and wage inflation. As many bond investors find themselves in a state of cautious observation, we recommend staying with high-quality bonds.

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Economic Outlook Update

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Fund Highlight: James Small Cap Fund

Despite widespread concerns about an economic recession, the James Small Cap Fund has posted a positive gain over the last 12 months. Comparatively, the fund's advancement of 15.83% surpasses the gains of both the Russell 2000 Index 12.31% and the Russell 2000 Value Index 6.01%.

The fund successfully mitigated the negative impact of rising interest rates on smaller regional banks, limiting its exposure compared to market indexes. Additionally, the fund's financial sector yielded positive gains, in contrast to the negative returns experienced by the financial sector within the Russell 2000 Index.

Further, the fund was able to capitalize on the technological advancements in Artificial Intelligence (AI) that dominated much of 2023. Several industries affected by this technology contributed to the fund's outperformance relative to the Russell 2000 Index year-to-date. The fund continues to search for strong companies in the small cap space, prioritizing those with strong earnings and attractive valuations. If a recession in the U.S. can be avoided, the small cap area could provide opportunities to capitalize on the potential growth of these smaller companies.

	Total Expense Ratio*	2Q2023**	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.21%	3.16%	6.41%	3.78%	1.75%	3.04%	6.60%	7/1/91
James Small Cap (No Load)	1.56%	6.25%	15.83%	20.18%	3.47%	5.35%	7.13%	10/2/98
James Micro Cap (No Load)	1.51%	5.75%	15.66%	16.03%	4.09%	7.71%	8.78%	7/1/10
James Aggressive Allocation (No Load)	1.04%	5.77%	15.02%	7.30%	1.75%	–	2.15%	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 11/01/2022 prospectus. **2nd 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. 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.

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.* 17109417-UFD-07102023

A **James Wealth Management** representative can help determine your ability to withstand market volatility, review your accounts, and provide you with potential options to help improve your situation.

Services Include:

- Estate & Legacy Planning
- Transitioning Into Retirement
- Insurance Needs Planning
- Investment Planning & Portfolio Management
- Tax Planning
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