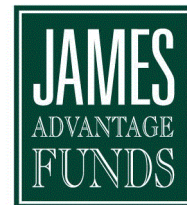


The Advantage

Investing for a Lifetime



Advised by James Investment Research, Inc.

3RD QUARTER 2018

James Balanced: Golden Rainbow Fund

Your James Balanced: Golden Rainbow Fund increased in value by 0.96% during the third quarter of 2018. The Fund continues to be closely equal in weighting in both stocks and bonds, each roughly around 50%. Over the past three years, the Federal Reserve has been slowly but steadily raising rates. This in turn is part of the reason why the fixed income portion has not added significantly to the return, as the Bloomberg Barclays Intermediate U.S. Government Credit index earned only 0.21% during the quarter. Some of the major issues we continue to watch include earnings, valuations and even the current situation of our Government. With Mid-Term elections right around the corner, politics could play a major role in the investing future for the remaining portion of 2018.

How We See It

When we write these letters, we want to leave you with two lasting impressions. First, your money is being well looked after. We have always sought to invest according to the risk tolerance mentioned in the prospectus. We try to do so in a prudent, time tested approach. Second, we want to provide an off Wall Street view of the economic and investment climate so you have a helpful understanding of the current environment.

Most stock market indices advanced last quarter while bond indices headed lower. Trade deals and stock buy backs have boosted the market. At the same time the Federal Reserve System has been raising rates and bond yields appear to be edging higher. A narrow band of stocks has been leading the market and we are in a tug of war. On one side is a mania like approach many are taking while insiders are selling shares at an accelerated pace. On the other side is a solid economy, great earnings and the momentum of a rising market. Momentum is currently carrying the day, but when it shifts we believe we can expect the market to take a radical turn toward more conservative tactics.

Concerning the current environment, we are in a period where our approach is producing less return than we would like to see. Nevertheless, we are disciplined and have not changed our basic methodology. We look for undervalued companies with excellent and growing earnings whose price performance has picked up relative the market as a whole. Unfortunately, we are in a period of upside down results. In the last quarter, for instance, those stocks which were the most expensive, had poor earnings and had been underperforming, actually outperformed those stocks with historically favorable characteristics.

We are convinced this will eventually reverse to a more logical market. Until then, we will continue to manage the Funds per the prospectus. Barry and a number of James Investment Research employees recently added to their position in all the Funds. We still believe it is best to buy the Funds when prices are muted rather than soaring. Thanks again for investing with us.

Sincerely,

Barry R. James, CFA, CIC
President/CEO, James Investment Research, Inc.
President/Chairman, James Advantage Funds

David W. James, CFA
Senior Vice President/Director of Research,
James Investment Research, Inc.

Total Returns After Expenses as of September 30, 2018

	** Operating expenses	3Q2018	1yr	Percent Change				SI	Inception Date
				3yr	5yr	10yr			
James Balanced: Golden Rainbow (No Load)	0.97%	0.96%	0.73%	2.88%	4.02%	6.16%	7.49%	7/1/91	
James Mid Cap (No Load)	1.52%	-0.63%	0.50%	5.40%	6.92%	8.19%	5.75%	6/30/06	
James Small Cap (No Load)	1.52%	-0.17%	3.59%	8.18%	5.70%	8.98%	7.96%	10/2/98	
James Micro Cap (No Load)	1.52%	-1.06%	5.43%	9.98%	9.79%	-	11.29%	7/1/10	
James Long/Short (No load)	1.58%	3.18%	2.35%	5.42%	4.93%	-	5.72%	5/23/11	
James Aggressive Allocation (No load)	1.01%	1.97%	5.26%	6.79%	-	-	3.21%	07/01/15	

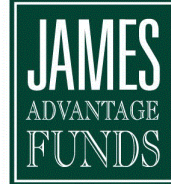
*Investors should consider the investment objectives, risks, and charges and expenses of the James Advantage Funds (the Funds) carefully before investing; this and other information about the Funds is in the prospectus, which can be obtained by calling 1-800-99-JAMES. Read the prospectus carefully before you invest. 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 Fund's 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.jamesfunds.com. ALPS Distributors, Inc. is not affiliated to James Investment Research, Inc. **Indicates total annual fund operating expenses. Barry James and David James are registered representatives of ALPS Distributors, Inc. #JAF000537*

James Investment Research, Inc.

www.jamesfunds.com | info@jamesfunds.com | 1-800-99-JAMES

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3RD QUARTER 2018

James Mid Cap

During the third quarter of 2018 your Fund fell 0.63%. During this time period, the stocks in the Industrial and Telecomm services sector contributed the most to the performance of your Fund. We prefer to increase the amount of advancing stocks we hold and decrease the amount of stocks declining. Conditions are setting up to do more of this. We are still finding relatively more “bargain” securities in the Consumer Cyclical sector. “Bargain” stocks are those with good relative valuations, profitability and price momentum.

James Small Cap

Your James Small Cap Fund fell 0.17% in the third quarter. Bargain investing has been a solid long term strategy, however, this has not been true lately. One example: According to data from Zacks, smaller companies (with a market value between \$1 to 5 billion) with negative earnings had stock returns more than double those with positive earnings. This is reminiscent of the “dot com” mania (rapid popularity of technology stocks from late 90’s to early 2000). Ultimately, bargain investing showed its worth then and may very well do so again.

James Micro Cap

Your James Advantage Micro Cap Fund fell 1.06% during the third quarter. Today, the stocks in your Fund have an average Price/Earnings ratio of 16.83, enjoy strong earnings’ growth and have favorable strength levels. What of the future? From a seasonal and political calendar standpoint, we are entering a time that historically favors smaller stocks. Our research has shown investing in bargain securities can work long-term.

James Long-Short

Your James Long-Short Fund gained 3.18% during the third quarter of 2018. The Fund ended the quarter with a net long exposure of 87.7%. The short exposure remained below 5% for the second straight quarter, as the S&P 500 set new highs. We still see headwinds for bargain investors as growth outpaces value. Our indicators are weaker than they were three months ago, but the strong positive momentum of the market suggests we keep the shorts to a minimum for now.

James Aggressive Allocation

Your Aggressive Allocation Fund rose 1.97% during the third quarter of 2018. Your Fund is currently running about 75% in common stocks, 22% in bonds and 3% in cash. Technology companies make up about 16.7% of the portfolio while Financials make up about 11.4%. We have lowered exposure to International, and will remain very conservative in that area as the Fed continues to raise interest rates and the dollar is strong. We have a low exposure to pharmaceuticals, as there is great uncertainty over the intentions of the politicians in Washington, but we are continuing to add to the Energy Sector, as sanctions on Iran take effect. The bond side of the portfolio is barbelled with most holdings under 4 years to maturity and one position in long Treasury Bonds. The portfolio duration remains below its benchmark. We see progress on trade issues as a big positive for stocks, as are many economic data series, especially the consumer confidence numbers. However, rising interest rates will eventually take a toll on the markets, so we remain vigilant.

*The Bloomberg Barclays Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index. S&P 500 is a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. One cannot invest directly in an index. Price/Earnings ratio is a valuation of a company’s current share price compared to its per-share earnings. Fund holdings and sector weightings are subject to change without notice. The average annual total returns assume reinvestment of income, dividends and capital gains distributions and reflect changes in net asset value. The principal value and investment return will vary with market conditions so that an investor’s shares, when redeemed, may be worth more or less than their original cost. **Important Risk Disclosures:** Mid Cap, Small Cap, and Micro 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. Investment in shares of a Long/Short fund is more volatile and risky than some other forms of investments. Since the Long/Short equity fund has both a long and a short portfolio, an investment in the Fund will involve risks associated with twice the number of investment decisions made for a typical stock fund. These types of funds typically have a high portfolio turnover that could increase transaction costs and cause short-term capital gains to be realized. You should note that the James Advantage Funds are professionally managed mutual funds while the indices are unmanaged, do not incur expenses and are not available for direct investment. Diversification does not eliminate the risk of experiencing investment losses. The James Advantage Funds are distributed by ALPS Distributors, Inc., 1290 Broadway, Ste 1100, Denver, CO 80203.*