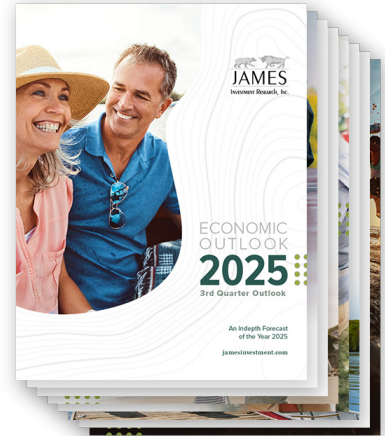


2ND QUARTER 2025

Executive Summary & Outlook

The current economic environment is characterized by mixed signals and evolving policy dynamics, primarily driven by the Trump administration's policy initiatives. The successful passage of comprehensive tax legislation may provide significant economic stimulus and business investment incentives. However, uncertainty remains regarding tariff policies following the announcement of sweeping new tariffs on April 2, 2025, which has increased economic volatility and altered growth prospects globally. While tax policy clarity now supports business planning and investment decisions, conflicting indicators on inflation, growth trajectories, and trade policy outcomes continue to create a complex backdrop for economic forecasting in the coming quarters.



Outlook

The second half of 2025 presents a mixed investment environment where significant tax relief and pro-business policies provide economic tailwinds, though persistent inflation and emerging growth concerns remain challenges. The successful passage of comprehensive tax legislation, including full expensing provisions and extended tax cuts, creates a more favorable backdrop for business investment and economic growth.

The market's sharp recovery from April lows, culminating in record highs for the S&P 500 and Nasdaq on June 30th amid geopolitical relief, reflects both policy optimism and reduced geopolitical risks, though some vulnerabilities may resurface as other policy impacts become more evident. Several near-term catalysts continue to drive market direction. While tax policy clarity has been achieved, trade negotiations remain critical for determining tariff outcomes and business planning. Geopolitical stability, particularly the Israel-Iran ceasefire and lower oil prices, along with incoming economic data, will also shape expectations for a possible Fed rate cut in September.



Scan QR code
to read full
Economic
Outlook Update

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 Balanced: Golden Rainbow Fund

The James Balanced Golden Rainbow fund ended the quarter with about 49.5% in equities, an increase from the start of the quarter. The market rally and additional buying were contributing factors to the higher equity levels over the three-month period. The technology and finance sectors were among the largest equity sectors in the fund. Technology was the top performing sector during the quarter. Health care and energy were the only two sectors that lost ground over the three-month period. Fixed income makes up about 46% of the portfolio, with a small decrease from the start of the quarter. Short and intermediate Treasuries gained positive ground while long-term U.S. Treasury bonds declined.

During the quarter growth stocks outpaced value, and the markets rebounded sharply from April's lows as the markets ended the quarter on a high note. The markets are still focused on tariffs and negotiations with various trading partners; however, a shift is happening as investors turn their focus to rate cuts. The anticipation of a rate cut in the third quarter is on the rise and could be a nice tailwind for stocks.

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 6/30/2025 in the Moderately Conservative category out of 216 funds overall and in the last 3 years, 204 funds in the last 5 years, and 151 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* | 2Q2025** | 1yr | 3yr | 5yr | 10yr | SI | Inception Date |
|--|----------------------|----------|--------|--------|--------|-------|-------|----------------|
| James Balanced: Golden Rainbow (No Load) | 1.23% | 5.30% | 8.43% | 9.43% | 6.60% | 3.52% | 6.85% | 7/1/91 |
| James Small Cap (No Load) | 1.50% | 4.64% | 11.80% | 17.29% | 19.31% | 6.93% | 7.90% | 10/2/98 |
| James Micro Cap (No Load) | 1.50% | 7.92% | 1.09% | 12.07% | 13.71% | 6.62% | 8.98% | 7/1/10 |
| James Aggressive Allocation (No Load) | 1.02% | 9.14% | 10.68% | 15.53% | 10.62% | – | 4.74% | 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.