



THE ADVANTAGE

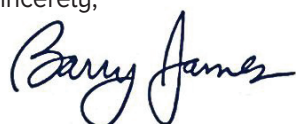
How We See It

What a difference a quarter makes. As we said in our last newsletter, “We have recently seen a level of capitulation which contrarians consider a good opportunity to do some buying.” This worked well as the market did indeed rebound in the first quarter of 2019. Small cap stocks surged through February but then faded a bit in March. On the other hand, large cap stocks continued their advance throughout the quarter.

Value oriented investing also rebounded. This was a nice change of pace from 2018 when value investing produced subpar results. Our research shows the stock price of companies with earnings averaged losses of over 7% in 2018 while companies without earnings rose over 17%. Your funds almost exclusively invest in companies with strong and growing earnings, which was a hindrance last year. Fortunately, these conditions have never lasted for extended periods of time and have been excellent opportunities to pick up shares at bargain prices.

The economy is slowing a bit and earnings overall are as well. As we move later in the economic cycle, value oriented stocks and even high quality bonds tend to do relatively well. Last year was not good for bond holders as interest rates rose, but they have headed down again, giving a boost of capital appreciation. The stock market is a bit frothy right now, and we anticipate some volatility in the months ahead. We view these developments as great opportunities.

Sincerely,



Barry R. James, CFA, CIC

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President/Chairman, James Advantage Funds



David W. James, CFA

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1ST QUARTER 2019

James Balanced: Golden Rainbow Fund

The James Balanced: Golden Rainbow Fund increased in value by 5.60% for the first quarter of 2019. Your Fund also paid a dividend of 2.58 cents per share on March 29, 2019. After the stock market experienced a substantial decline by the end of 2018, 2019 has shown some winds of change. This strong rally has allowed stocks to move closer to their previous highs. These elevated prices may allow the Fund to trim back the equity exposure in an effort to preserve capital, which is one of the Funds objectives. The fixed income component has performed better than the previous year as well. As the Federal Reserve has signaled they may no longer need to increase rates, bond prices have appreciated.

We are paying special attention to the shape of the U.S. Treasury Yield Curve, as it has moved into an inverted state. Previous experiences with this situation has often been a precursor for rougher future results for the economy.

James Investment Research, Inc.

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Total Returns After Expenses as of March 31, 2019

	**Operating expenses	1Q2019	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.00%	5.60%	-3.07%	1.09%	1.65%	6.45%	7.20%	7/1/91
James Mid Cap (No Load)	1.51%	12.33%	-10.12%	0.18%	1.23%	10.95%	4.46%	6/30/06
James Small Cap (No Load)	1.50%	11.69%	-12.75%	1.80%	0.22%	11.19%	6.90%	10/2/98
James Micro Cap (No Load)	1.51%	16.21%	0.95%	6.13%	5.57%	–	9.89%	7/1/10
James Long/Short (No load)	1.61%	7.77%	-8.22%	1.43%	0.52%	–	4.19%	5/23/11
James Aggressive Allocation (No Load))	1.01%	7.37%	-4.74%	3.72%	–	–	0.91%	7/1/15

*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.*

James Mid Cap

During the first quarter of 2019 your Fund increased by 12.33%. The Russell Mid Cap Index increased by 16.54%. The James Advantage Board of Trustees voted to liquidate the Fund on April 1, 2019. We have appreciated your investment in the Fund and hope you will invest the proceeds into our other Funds.

James Small Cap

Your James Small Cap Fund performed well during the first quarter of 2019, gaining 11.69%. Your Fund was helped by the Energy and Basic Material sectors. No dividends were paid during the quarter. Small stocks are often considered to be riskier in volatile markets. To help preserve your assets, we diversify widely, and look for stocks with good valuations. These include securities with low price-to-earnings or price-to-book ratios. Recent additions to the portfolio include Bloomin' Brands Inc. (2.6% of Fund) and supermarket chain Weis Markets, Inc. (0.7% of Fund). We continue to maintain our buy discipline, and your typical stock has a market value of just over \$2.1 billion.

James Micro Cap

Your James Micro Cap Fund enjoyed a profitable first quarter. During the quarter ending March 31st, your Fund advanced 16.21% on a total-return basis, while the Russell Micro Cap Index gained 13.10%. No dividends were paid during this quarter. Your Fund continues to be focused on smaller issues with all of the equities invested in securities with a market capitalization under \$3.5 billion, and the overwhelming majority of the stocks are \$1 billion or less. The market has, as of late, been inefficient with the smaller stocks. This has provided some opportunities with bargain selection. Recently, the Fund has had higher weightings in the Industrial and Finance sectors.

James Long-Short

Your James Long-Short Fund gained 7.77% during the first quarter of 2019. The Russell 3000 Index gained 14.04%. Your Fund paid a distribution of \$2.9893 on March 28th. As you may already know, the Trustees have voted to liquidate the Fund as of April 1, 2019. Additional information can be found on our website at www.jamesfunds.com. Thank you for investing in the Fund, and please speak with your advisor or tax professional if you have questions regarding taxes or Fund transfers.

James Aggressive Allocation

Your Aggressive Allocation Fund rose 7.37% during the first quarter of 2019. No dividends were paid during this quarter. As the quarter ended, your Fund was 68% invested in equity securities (stocks) with 22% invested in fixed income securities (bonds) and the remaining 10% in cash. As we have seen a recent rally in both stock and bond prices, we think it is prudent to not rush after investments which have appreciated so quickly. We prefer to take a wait and see approach and invest the cash where it adds the most value. Technology is the largest sector in the Fund while Consumer Non-Cyclicals remain light. Those holdings may shift, should we see the market change course.

The Russell Mid Cap Index is a market capitalization weighted index comprised of 800 publicly traded U.S. companies with market caps of between \$2 and \$10 billion. The Russell 3000 Index is a market-capitalization-weighted equity index maintained by the FTSE Russell that provides exposure to the entire U.S. stock market. The Russell Micro Cap® Index measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. Price/Earnings ratio is a valuation of a company's current share price compared to its per-share earnings. Price-to-book ratio to compare a firm's market to book value by dividing price per share by book value per share. 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.