

CROMWELL LONG SHORT FUND

In the following commentary, the Portfolio Managers discuss the market volatility in the first quarter of 2025, their risk management process, and two new portfolio holdings.

► As a risk-minded portfolio management team, what is your view of the market in the first quarter of 2025?

In the first quarter and continuing in April, markets reacted to the headline news about the presidential administration's changing tariff plans. U.S. investors faced increased market volatility, with the Russell 1000 Index falling 4% in the first three months of 2025.

For the Cromwell Long Short Fund, we seek to achieve capital appreciation with lower volatility than the overall equity market. During this period, we remained steadfast in our investment process to find high-quality large and mid-cap companies that appear to be undervalued or have attractive growth potential. These companies generally possess attractive business lines, strong balance sheets, and are led by experienced management teams. Short positions are held in companies where the opposite is true, or to capture a specific risk identified in the market.

Importantly, risk management is embedded across our investment process in an effort to minimize volatility, especially in unfavorable markets.

► Would you please discuss your risk management process?

Our risk management process involves maintaining a diversified portfolio across the Russell 1000 sectors. We also avoid stock-specific concentration. In terms of short positions, we monitor momentum screens and short interest to avoid those securities experiencing buying pressure from short sellers who are trying to cover their positions.

One of the more important metrics we analyze is free cash flow. Our quantitative model is heavily weighted toward a company's level of free cash flow and the health of the balance sheet. We believe free cash flow helps us find those that have more capacity (or a lack of capacity for a short position) to buy back stock particularly in times of volatility.

We're pleased to report that from July 2024 when Mutual of America began managing the portfolio to the end of March 2025, the Fund's standard deviation was 9.7% compared with 12.6% for the Russell 1000 Index.

► How does increased volatility affect your buying activity in the Fund?

When the market has a broad-based decline for a specific macroeconomic reason, such as a change in the implementation of tariffs, it generally is a good environment to generate new long and short ideas.

In the first quarter, the volatility gave us the opportunity to invest in several new holdings, including the following two mid-cap companies:



CLASS	INCEPTION	TICKER
Investor	10/5/12	MFADX
Institutional	7/31/07	MFLDX

Fund Facts

Asset Class: **Long/Short Equity**
 Net Assets: **\$85.5 million**
 Benchmark: **Russell 1000 Index**
 Long Equity Securities: **78**
 Short Equity Securities: **52**

Portfolio Allocation

Equity Long: **98.6%**
 Equity Short: **-14.1%**

Sub-Advisor



Mutual of America Capital Management takes a disciplined, consistent approach with a long-term investment focus. With \$29 billion in assets as of 3/31/25, its portfolios are managed with a common goal—to provide investors with attractive returns over time while being mindful of risk.

PORTFOLIO MANAGER



Joseph R. Gaffoglio,
CFA, CPA
Portfolio Manager



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CFA, CAIA
Portfolio Manager



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Portfolio Manager

Effective 5/31/2024, Mutual of America Capital Management became the Fund's Sub-Advisor.

One is Ametek, a \$40 billion conglomerate in the Industrials sector. Ametek is a well-managed business that has effectively used its free cash flow. The company produces equipment for specialty applications in the metals and mining, aerospace and defense industries. Ametek also makes visual inspection equipment for factory automation robotics. It has underperformed over past year and represents a high-quality portfolio addition at an attractive price.

The other company is IDEXX Laboratories, a \$34 billion pet diagnostic and software company with approximately a 60% market share. The company is founder-led, customer centric and well run with an attractive return-on-invested capital. The stock underperformed after its run-up during the Covid period when pet adoptions rose as people spent more time at home. Along with the compelling buying opportunity on a valuation basis, we are excited about IDEXX's growth prospects as the company begins to introduce a new product that holds promising future applications in human health.

These companies are examples of long positions we seek that tend to be more defensive and less sensitive to the overall economic environment.

About Cromwell Funds

Headquartered in Baltimore, MD, the Cromwell Funds provide Financial Advisors with high-quality, differentiated and actively managed strategies in a mutual fund format. The Funds are sub-advised by asset managers who have built a national reputation managing their investment strategies.

Cromwell Funds' Sub-Advisors:

- » Aristotle Pacific Capital
- » CenterSquare Investment Management
- » Corbyn Investment Management
- » Foresight Group
- » Mutual of America Capital Management
- » Tran Capital Management

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Effective 5/31/24, the Fund name changed to the Cromwell Long Short Fund.

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 855.625.7333 or visit thecromwellfunds.com for a prospectus. Read it carefully before investing or sending money.

Mutual fund investing involves risk. Principal loss is possible. The Fund regularly makes short sales of securities, which involves the risk that losses may exceed the original amount invested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Investing in mid-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. There can be no guarantee that any strategy (risk management or otherwise) will be successful.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Click [here](#) to view the Fund's holdings. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based on nonperformance-based objective criteria.

The Russell 1000 Index measures the performance of the large-cap segment of the US equity universe and represents approximately 93% of the Russell 3000 Index. Indices are unmanaged, are not available for investment and do not incur expenses.

A long position in a security means that an investor owns the security with the expectation that its value will increase over time. A short position in a security means an investor sold shares of a security that they do not own with the intention to buy back the security later at a lower price and profiting the amount exceeding what was borrowed. Book value measures a company's worth by subtracting its liabilities from the value of its assets. Standard deviation is a statistical measure of historical volatility.

Portfolio characteristics, holdings and sector weightings are subject to change at any time.

Cromwell Funds distributed by Foreside Fund Services, LLC.