

# CROMWELL TRAN FOCUS FUND

The Portfolio Managers discuss how the current market environment has affected the Fund's positioning, new Fund positions, and artificial intelligence (AI) adoption phases.

## ► Would you please discuss the current geopolitical tensions and how the current environment affects the Fund's positioning?

The escalating conflict involving Iran, the U.S. and Israel has intensified regional instability, disrupted global energy markets, and heightened uncertainty across financial markets. With the geopolitical tensions, we believe elevated energy prices might continue, reinforcing inflationary pressures and reducing expectations for Federal Reserve interest rate cuts. In fact, rate cuts could be limited to one or, perhaps, none in 2026.

As a result, in the first quarter of 2026, there was a flight to quality assets, resulting in a stronger U.S. dollar and favoring U.S. equities over international markets. We have found compelling opportunities in the mid-cap space, even though in a rising rate environment, large-cap companies with strong balance sheets generally tend to benefit. We believe well-managed mid-caps with durable free cash flow are well-positioned to navigate the current environment and maintain earnings stability.

## ► How did first-quarter market volatility create investment opportunities within the portfolio?

We purchased a few new holdings, reflecting opportunities to invest in high-quality, durable businesses at attractive valuations amid market dislocations.

One new holding is **Tyler Technologies**, which specializes in providing enterprise software to local municipalities, handling functions including ticketing and permitting. Historically, relationships with local municipalities have offered a strong competitive moat, yet the stock price dropped because of AI advancements. We believe nuanced union contracts embedded in its software increase switching costs, reinforce customer stickiness and strengthen the company's long-term competitive advantage.

Another company we purchased was **Phillips 66**. Our interest in Phillips 66 was driven by the opportunity to process discounted Venezuelan heavy crude, which can enhance refining margins for select Gulf Coast operators. The company is particularly well positioned given its specialized refining capacity, allowing it to capture wider spreads across refined products.

Beyond refining, Phillips 66 offers a more diversified and higher-quality assets compared to other pure-play refiners. About one-third of its earnings comes from its refining business with the remainder from its midstream unit and retail gas stations. Despite this diversity in earnings, the stock has traded in line with other refiners which we believe creates a valuation disconnect.



CLASS	INCEPTION	TICKER
Investor	9/6/07	LIMAX
Institutional	9/6/07	LIMIX

## Fund Facts

Asset Class: **Large Growth**

Net Assets: **\$22.1 million**

Benchmark: **S&P 500 Index**

Active Share: **96.3%**

Holdings: **29**

## Sub-Advisor



Tran Capital Management is a research-driven, growth-oriented asset management firm with an ESG orientation. Founded in 1974, Lateef Investment Management, L.P., was the predecessor firm before Chief Investment Officer Quoc Tran and President Eric Winterhalter led a buyout.

## PORTFOLIO MANAGERS



**Quoc Tran**  
Chairman and Chief  
Investment Officer



**Michael Im, CFA**  
Co-Portfolio  
Manager and Director  
of Research

Additional upside exists from potential improvements in its petrochemical segment and ongoing operational enhancements.

## ► How could the Fund benefit from the AI buildout?

We believe AI adoption is unfolding in distinct phases, creating opportunities across several sectors.

- **Compute infrastructure.** As AI development requires significant computing power, advanced semiconductors, and scalable cloud platforms, this initial infrastructure phase may benefit portfolio companies such as ARM Holdings. The rise of agentic AI is leading to an exponential growth in token generation, which require processors to handle/orchestrate. ARM is moving to capture more value by designing its own processor specifically for these AI tasks.
- **Power demand.** The next phase centers on power demand for data centers, supporting companies such as GE Vernova, which provides power generation and grid infrastructure solutions; Talen Energy, which provides power through its nuclear and merchant gas plants; and Bloom Energy, which sells solid oxide fuel cells systems that can be a near-term solution to bridge the energy gap for fast growing data center demand.
- **Industrial buildout.** A broader industrial buildout should follow, benefiting firms such as Martin Marietta, a leading aggregate company; WESCO International, a distributor of electrical and networking products; and Vertiv, a provider of thermal and power management solutions.

When analyzed across the broader spectrum, these phases highlight how the Fund could benefit from a widening set of opportunities beyond early AI leaders.

## 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:

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

## Contact Us

888.844.4110  
advisors@thecromwellfunds.com  
**thecromwellfunds.com**

***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.***

***Past performance is no guarantee of future results. Index performance is not indicative of fund performance. For current standardized performance of the Fund, please call 855.625.7333 or visit thecromwellfunds.com.***

Mutual fund investing involves risk. Principal loss is possible. The Fund normally invests its assets in the common stocks of approximately 15 to 25 mid- and large-cap companies with a sustainable competitive advantage. In addition, the Fund may from time to time purchase a common stock that does not meet this criteria if, in the investment advisor's opinion, the stock represents a particularly attractive investment opportunity. While most assets will be invested in U.S. common stocks, other securities may also be purchased in keeping with the Fund's investment objectives. The Fund is non-diversified, which means that a significant portion of the Fund's assets may be invested in the securities of a single or small number of companies and/or in a more limited number of sectors than a diversified mutual fund. The Fund is subject to greater risk and could fluctuate in value more than other mutual funds diversified across a greater number of securities and industries. The Sub-Adviser's use of its ESG framework could cause it to perform differently compared to funds that do not have such a policy. The criteria related to this ESG framework may result in the Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so.

Forward price-to-earnings values a company's current share price relative to its forecasted earnings per share. Active Share measures the percentage of stock holdings in a fund that differ from a benchmark. Return on Equity (ROE) is a profitability metric showing how much profit a company generates. The S&P 500 Index is a capitalization-weighted index of 500 stocks. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe, is a subset of the Russell 1000 Index, and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. An investment cannot be made directly into an index.

Top 10 holdings can be found [here](#). Fund holdings are subject to change and should not be considered recommendations to buy or sell any security. Current and future holdings are subject to risk.

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