

CROMWELL LONG SHORT FUND

The second quarter was marked by expanding AI investment, easing geopolitical tensions, and a broader equity rally. The portfolio management team discusses how these developments may be creating opportunities across the short and long portfolios.

► Would you please summarize the U.S. equity market in the second quarter?

We would describe the quarter through four primary themes. First, the ceasefire in the Middle East helped unwind much of the first quarter's risk-off environment as oil prices retreated to pre-conflict levels.

Second, the AI infrastructure investment cycle continued to accelerate. Hyperscaler capital spending has gone vertical, with spending up approximately 75% year over year, and we've seen the opportunity set broaden well beyond the largest technology companies into a growing number of industries. Investing in computer memory has also been one of the best trades of the year, with strong earnings expectations across the industry.

Also, market leadership continued to broaden, creating what we believe is a more favorable environment for active stock selection while strong corporate earnings continued to support equity markets.

The final theme was the Federal Reserve. Expectations for changes in interest rates shifted throughout the quarter as Fed Chair Kevin Warsh and other policymakers maintained a strong focus on reducing inflation. Markets moved from anticipating rate cuts to pricing in the possibility of additional tightening before expectations moderated again. While interest rate policy remains an important consideration, we believe strong corporate earnings continue to provide meaningful support for equity markets.

► What exposure does the Fund have to AI?

We continue to see AI as a multi-year capital investment cycle, but we're looking well beyond the most obvious beneficiaries. As of the end of the quarter, the Fund maintained an approximately 170 basis point (bps) overweight to Industrials, driven by holdings such as GE Vernova, Caterpillar, Vertiv, and L3Harris Technologies, which we believe should benefit from data center construction, power demand, and defense spending. We also hold approximately 50 bps overweight to Information Technology as of the end of June 2026, emphasizing semiconductor equipment and memory companies such as Lam Research, KLA, Micron Technology, and SanDisk that provide the critical infrastructure supporting AI growth.

We believe AI is no longer confined to a handful of technology companies. It's becoming a much broader investment theme, creating opportunities across multiple industries where earnings expectations continue to improve.



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

Fund Facts

Asset Class: **Long/Short Equity**

Net Assets: **\$92.9 million**

Benchmark: **Russell 1000 Index**

Long Equity Securities: **89**

Short Equity Securities: **75**

Portfolio Allocation

Equity Long: **100.0%**

Equity Short: **-15.8%**

Sub-Advisor



Mutual of America Capital Management takes a disciplined, consistent approach with a long-term investment focus. With \$33 billion in assets as of 6/30/26, its portfolios are managed with a common goal—to provide investors with attractive returns over time while being mindful of risk.

PORTFOLIO MANAGER



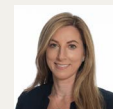
Joseph R. Gaffoglio,
CFA

Portfolio Manager



Thaddeus Pollock,
CFA, CAIA

Portfolio Manager



Jamie Zendel, FRM

Portfolio Manager

► How are you managing the portfolio in today's environment?

Our investment process remains grounded in finding high-quality companies while actively managing risk across both the long and short portfolios. On the short side, we're disciplined about exiting a holding when the facts change. Rather than holding onto positions that are no longer working, we're willing to adjust or exit our short holdings as market conditions and fundamentals evolve.

We believe that flexibility, combined with a focus on quality businesses and strong fundamentals in our long positions, has helped us navigate an environment where traditional quality factors have faced headwinds.

In fact, over the past year as of June 30, 2026, the Fund has provided 26% less risk compared to the S&P 500 Index, as measured by standard deviation.

► What is your equity outlook for the remainder of the year?

We believe the broadening of the market should create a rich environment for active management and stock selection. While we're constructive on the long-term outlook for AI and corporate earnings, we are also mindful that enthusiasm surrounding AI has become elevated and could lead to periods of increased volatility.

We continue to believe earnings should drive long-term returns rather than expanding valuations, and we remain focused on identifying companies where fundamentals support future growth. By staying disciplined and true to our investment process, we believe the portfolio is well positioned across a range of market environments.

Finally, we believe disciplined security selection will be critical in seeking to provide market-like returns with lower risk.

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

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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 or summary prospectus. Read it carefully before investing or sending money.

Past performance does not guarantee future results.

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.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe and represents approximately 93% of the Russell 3000 Index. S&P 500 Index is a capitalization-weighted index of 500 stocks. Indices are unmanaged, are not available for investment and do not incur expenses.

Basis points is one hundredth of one percent. 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. Standard deviation is a statistical measure of historical volatility.

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.

Diversification does not assure a profit nor protect against loss in a declining market.

Opinions expressed are those of the author and are subject to change, are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

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