2Q 2026 COMMENTARY

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.

CROMWELL FUNDS

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

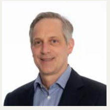
Equity Long:	**100.0%**
Equity Short:	**-15.8%**

Sub-Advisor

Mutual of America Capital Management LLC

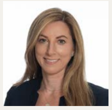
Mutual of America Capital Management takes a disciplined, consistent approach with a long-term investment focus. With $33 billion in assets as of 6/30/26, its portfolios are managed with a common goal—to provide investors with attractive returns over time while being mindful of risk.

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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