

CROMWELL TRAN FOCUS FUND

Portfolio Managers Quoc Tran and Michael Im, CFA, discuss their three-step process during periods of heightened market volatility, a new holding in the Fund, and current investment themes.

► How would you describe the equity markets in the third quarter?

It has been a remarkable year for markets, marked by sharp swings and notable policy-driven shifts. Stocks have recovered strongly since April when President Trump rattled markets with his tariff announcements. The S&P 500 Index was up about 8% in the third quarter and nearly 15% year-to-date through September 30, 2025. Stocks in the Technology and Communication Services sectors continue to dominate, driving much of 2025's gains so far.

We believe policy developments have played an important role. Trump's tariffs were designed both to establish reciprocity in trade and to spur onshoring. While initially disruptive, these moves are now fueling a powerful domestic investment cycle. Companies such as Apple, OpenAI, Pfizer, and Lilly have announced significant capital expenditures, contributing to an estimated \$1 trillion in U.S. onshoring. These projects not only support corporate growth but may also ripple through local economies, multiplying their economic impact. Historically, every dollar invested circulates two to three times within the economy.

The scale of this private-sector capital expenditures dwarfs prior federal initiatives such as the Infrastructure Act and Inflation Reduction Act, which were impactful but smaller in size. Unlike taxpayer-funded stimulus, this wave is driven by corporate investment, particularly in technology and manufacturing.

► What other developments could shape market trends going forward?

Alongside the strong domestic investment cycle, potential deregulation in areas such as energy and housing, combined with an expected Federal Reserve rate-cutting cycle, could provide additional support to the market. Historically, when the Fed initiates rate cuts, the equity market has risen about 15% over the following 12 months. Additionally, with approximately \$7.5 trillion sitting in money-market funds, a significant portion could flow back into equities, providing substantial upward momentum for the stock market.

Overall, the setup for late 2025 and beyond appears robust, underpinned by powerful structural and policy tailwinds. Beneficiaries of this environment could include Technology, Communication Services, and housing-related industries, while more defensive sectors such as Consumer Staples may lag.

We believe the Fund is positioned well for this type of environment.



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

Fund Facts

Asset Class: **Large Growth**

Net Assets: **\$28.1 million**

Benchmark: **S&P 500 Index**

Active Share: **78.6%**

Holdings: **28**

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

▶ With AI-driven enthusiasm driving the performance of many stocks, how do you identify the likely winners and losers?

Today's tech wave—driven by artificial intelligence (AI)—is supported by real demand and profitability, making it fundamentally different from the speculative environment of the dot-com bubble of 2000. During the dot-com boom, many companies lacked earnings, and a heavy level of debt and little to no cash flow made them highly vulnerable. Today's technology leaders are very different: companies such as NVIDIA and Taiwan Semiconductor Manufacturing Company have strong earnings, robust revenues, and chips in high demand, far exceeding current production capacity. Also, NVIDIA, for example, trades around 26–27 times forward earnings, roughly the same multiple as when we purchased the stock in 2024, reflecting earnings growth rather than speculative hype.

While some AI-adjacent companies with little or no revenue have recently experienced rapid 20–30% increases in their stock prices, we remain focused on firms that can benefit from the growth of AI with measurable earnings and cash flow.

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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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.

Active Share measures the percentage of stock holdings in a fund that differ from a benchmark. The S&P 500 Index is a capitalization-weighted index of 500 stocks. An investment cannot be made directly into an index.

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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