JAMES
Advantage Funds

2ND QUARTER
2024

2nd Quarter Recap

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As the second quarter of 2024 ends, the S&P 500 Index (large-cap stocks) and the NASDAQ (tech-heavy index) hit record highs, while the Russell 2000 Index (small-cap stocks) remain stagnant over two years. A small group of large-cap technology and consumer companies has driven the market rally. By June 15, 2024, the S&P 500 surged 14.63% year-to-date, and the NASDAQ soared 18.26%, contrasting with the Russell 2000's 0.41% decline.

This pattern isn't new, as previous FANG stocks (Facebook, Amazon, Netflix, Google) have transitioned into today's Magnificent Seven: Microsoft, Amazon, Meta, Apple, Alphabet, Nvidia, and Tesla. These giants pushed Large Cap Growth (Russell 1000 Growth stocks) to a 20.06% return, compared to Large Cap Value's (Russell 1000 Value stocks) 5.44%. Similarly, Small Cap Growth (Russell 2000 Growth stocks) rose 2.64%, while Small Cap Value (Russell 2000 Value stocks) dropped 3.44% year-to-date.

The S&P 500's cap-weighted index climbed 14.63%, outpacing the equal-weighted index's 4.28%, mainly due to the significant influence of mega-cap companies. All sectors gained year-to-date except real estate and consumer discretionary, with technology and communication sectors leading at 18.5% and 16.1% respectively.

Investors were optimistic about inflation, interest rates, and potential Federal Reserve rate cuts in Q2 2024. First-quarter earnings were strong, with 75% of companies reporting positive surprises averaging 6.8%, almost double the typical 3.3%. Despite inflation concerns and economic slowdown talks, the job market remained robust, with nonfarm payrolls increasing by 272,000 and total employment rising from 155.7 million to 158.5 million over the past year, sustaining economic spending.

The strong job market contributed to a 1.3% gross domestic product growth in Q1, countering earlier recession predictions from 2023. Fixed income investments remained stable in 2024 despite persistent inflation and a strong job market. Short-term Treasury notes and bills showed positive returns, while the 10-year U.S. Treasury remained nearly flat, and only the longest-dated bonds had negative returns. Corporate bonds had slightly higher returns than Treasury notes, with shorter corporate issues up for the year, mid-range issues flat, and only the longest dated in the red.

As of June 15, 2024, the Bloomberg U.S. Aggregate Bond Index, a broad-based investment grade bond benchmark, inched up 0.09% year-to-date, despite the 10-year U.S. Treasury note yield rising from 3.88% at the end of 2023 to 4.25% by mid-June 2024.

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20240712-3708112

Fund Highlight: James Balanced: Golden Rainbow Fund

The James Balanced: Golden Rainbow Fund currently holds an equity level at 52.6%. Within the equity portion of the fund, the information technology and communication services sectors are elevated, exploiting the returns from the Magnificent Seven stocks which have been driving the market this year. The fund is underinvested in real estate, which has been the only sector with negative returns year-to-date. This past quarter, the fund reduced its exposure in industrials, taking advantage of the growth from the prior quarter.

The fixed income portion of the portfolio is currently at a level of 42%, with the remainder of the fund in cash and cash equivalents. The fund has increased its position in short-term U.S. Treasury notes. Corporate bonds hold more risk than their government alternatives and the fund remains underweight in the sector.

Morningstar Rating™

Overall Rating	★★★
3 Year Rating	★★★★★
5 Year Rating	★★★★
10 Year Rating	★★

The Morningstar Star Rating™ for the James Balanced Golden Rainbow Fund (GLRBX) is based on risk-adjusted returns as of 6/30/2024 in the Moderately Conservative Allocation category out of 446 funds overall and in the last 3 years, 410 funds in the last 5 years, and 305 funds in the last 10 years.

Mutual Fund Performance

	Total Expense Ratio*	2Q2024**	1yr	3yr	5yr	10yr	SI	Inception Date
James Balanced: Golden Rainbow (No Load)	1.25%	2.13%	13.58%	3.23%	4.64%	2.98%	6.81%	7/1/91
James Small Cap (No Load)	1.51%	0.35%	24.59%	9.91%	11.86%	5.62%	7.76%	10/2/98
James Micro Cap (No Load)	1.50%	-2.06%	20.39%	6.76%	9.19%	7.32%	9.57%	7/1/10
James Aggressive Allocation (No Load)	1.04%	2.67%	21.13%	6.15%	6.47%	–	4.10%	7/1/15

*The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Funds' current performances may be lower or higher than the performance data quoted. Investors may obtain performance information current to the last month-end, within 7 business days, at www.jamesinvestment.com. *Total Expense Ratio are expenses deducted from Fund assets. This ratio is as of the 11/01/2023 prospectus. **The most recent quarter numbers are not annualized. (All other numbers are average annual returns.)*

The James Advantage Funds are distributed by Ultimus Fund Distributors, LLC, Member FINRA. Call 1-800-995-2637 for a free copy of the prospectus or visit www.jamesinvestment.com. Investors should consider the investment objectives, risks and charges and expenses of the investment carefully before investing. The prospectus contains this and other information about the funds and should be read carefully before investing.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10- year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

__Risks:__ Investing involves risk, including loss of principal. The value of the fund's shares, when redeemed, may be worth more or less than their original cost. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. Fixed income investments are affected by a number of risks, including fluctuation in interest rates, credit risk, and prepayment risk. In general, as prevailing interest rates rise, fixed income prices will fall. Small-Cap investing involves greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity and increased competitive threat. Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few.

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