HODGES ★ CAPITAL

Manager's Commentary

First Quarter 2021

"Time is much more important than timing when it comes to long-term market success."

-Dow Theory Forecasts

What a difference a year can make! A few weeks ago, we marked the anniversary of the pandemic-driven market low that occurred on March 22, 2020. The S&P 500 is now up more than 75% from a year ago. The only historical comparisons to such recovery are 1982 and 2009, in which the market rallied by more than 58% and 69%, respectively. As for the March quarter, we are pleased to report that all four of the Hodges Funds experienced positive returns. Much of the funds' relative performance in the most recent quarter reflected a shift in market leadership that favored fundamental investing and rewarded individual stock selection.

We believe the market's continued upswing in the March quarter reflects the anticipation of an economic recovery in the months ahead as the pandemic's impact on the global economy recedes. As the market has begun pricing in an earnings recovery, equity multiples are up considerably from a year ago. According to data published by FactSet, the S&P 500 ended the year at 21.9X forward earnings estimates compared to a five-year average of 17.8X. Although it is essential to point out that much of the P.E. (price/earnings) multiple expansion has occurred among the most prominent growth stocks within the S&P 500, the inverse of the current P.E. multiple is an earnings yield of 4.57%, which is still above the 10-year Treasury yield of 1.74% at March 31, 2021. As earnings recover, we expect industries hardest hit by the pandemic to experience the lion's share of the recovery this year. Still, we acknowledge that some business dislocations that occurred in response to the pandemic could be permanent. With this in mind, the Hodges Capital Management investment team has positioned our portfolios to benefit from broader economic growth and earnings improvement across a vast number of sectors.

In our opinion, the velocity of the market's recovery over the past year has been influenced by an unprecedented increase in liquidity. Greater liquidity has resulted from an aggressive monetary response by the Federal Reserve designed and significant fiscal stimulus to lessen the immediate financial blow from the pandemic on the economy. Federal stimulus combined with a curtailment in consumption over the past year has also increased March U.S. savings to a record $3.1 trillion annualized rate or +13% of discretionary income, according to data provided by Strategas Research. We believe a portion of these savings could support a surge in consumer spending over the next several quarters. As consumption returns and liquidity remains abundant, basic economic principles suggest that the consequences could result in higher inflation somewhere down the road. As we have mentioned in the past, we spend little time trying to predict interest rates, foreign currency fluctuations, or future commodity prices. However, we pay close attention to prices and, more importantly, the pricing power that our portfolio companies exhibit within the goods and services they provide and consume. We see some antidotal signs of higher prices and would not be surprised to see inflation pick up in conjunction with improved economic activity. Long-term rates have recently perked up, as evidenced by the increase in the 10-year Treasury yield from 0.87% to 1.74% during the recent quarter.

Looking ahead, we would acknowledge that investor sentiment is more bullish today, and some U.S. stocks may trade well ahead of their fundamentals. As a result, we would not be surprised to see normal corrections (5-10%) during the remainder of 2021 as investors digest recent gains. We would also point out that such corrections are a routine mechanism for price discovery within a healthy bull market. Furthermore, we believe current fund flows into U.S. equities, and overall cash levels do not indicate that investors are at a point of euphoria that would be consistent with the end of most bull markets.

Although we are encouraged with the opportunities in the months ahead, we would not be surprised to see volatility arise throughout the year. Historically we have found bargains during periods of increased volatility as we rigorously look for investments in well-run businesses that control their own destiny by relying on ingenuity and well-calculated business decisions. Investors in the Hodges Funds can be assured that we are not changing our core investing discipline, designed to seek out quality companies running great businesses with excellent management teams trading at reasonable prices. Furthermore, we see this as an ideal environment for active portfolio managers to carefully select individual stocks that we believe can generate long-term value for shareholders.

Returns (Retail Class) as of 3/31/2021:	1Q 2021	1 Year*	3 Year*	5 Year*	10 Year*	Since Inception*
Hodges Small Cap Fund (12/18/07)	29.18%	150.30%	13.63%	14.03%	11.66%	10.70%
Russell 2000® Return Index	12.70%	94.85%	14.76%	16.35%	11.68%	9.98%
Hodges Fund (10/9/92)	21.18%	181.74%	9.15%	13.70%	11.29%	10.26%
S&P 500® Index	6.17%	56.35%	16.78%	16.29%	13.91%	10.55%
Hodges Small Intrinsic Value Fund (12/26/13)	27.88%	153.51%	11.55%	12.12%	n/a	9.78%
Russell 2000® Value Return Index	21.17%	97.05%	11.57%	13.56%	n/a	8.88%
Russell 2000® Index	12.70%	94.85%	14.76%	16.35%	n/a	10.82%
Hodges Blue Chip Equity Income Fund (12/26/13)	4.47%	56.53%	13.85%	13.82%	12.13%	11.90%
Russell 1000® Index	5.91%	60.59%	17.31%	16.66%	13.97%	14.76%

*Average Annualized

	HDPSX	HDPMX	HDSVX	HDPBX
Gross Expense Ratio	1.31%	1.34%	2.43%	1.47%
Net Expense Ratio		1.15%**	1.29%**	1.30%**

**The Advisor has contractually agreed to reduce its fees until at least August 31.2021. This figure excludes Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. The Advisor is permitted, with Board approval, to be reimbursed for fee reduction and/or expense payments made in the prior three years from the date the fees were waived and/or expenses were paid. Please see prospectus for details.

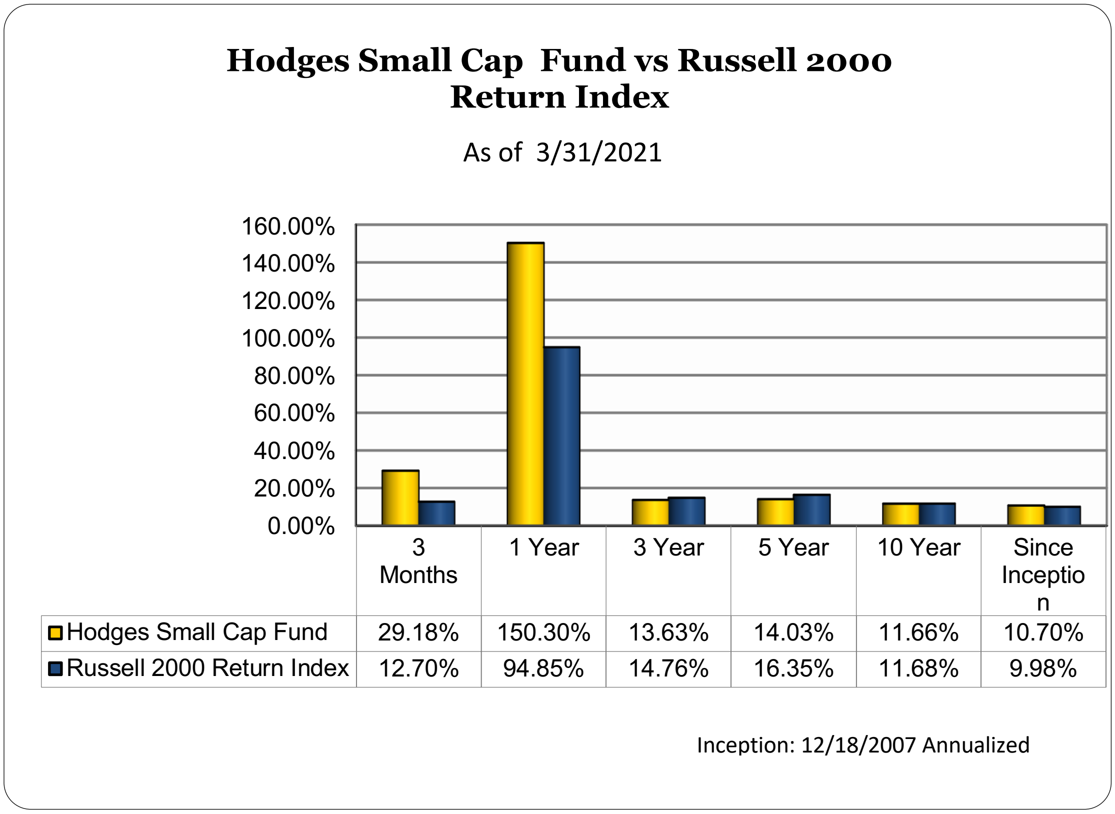
Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 866-811-0224. The Funds impose a 1.00% redemption fee on shares held for thirty days or less (60 days or less for Institutional Class shares). Performance data quoted does not reflect the redemption fee. If reflected, total returns would be reduced.

Hodges Small Cap Fund (HDPSX)

The Hodges Small Cap Fund experienced a gain of 29.18% in the first quarter of 2021compared to gains in the Russell 2000 Index of 12.70%. The Fund's one-year return on March 31, 2021, amounted to 150.30% compared to 94.85% for the Russell 2000 Index. In the most recent quarter, relative performance reflected strength in many of the Fund's industrial, materials, financial, and consumer discretionary names. Although small caps vastly outperformed large-cap stocks in the recent quarter, we view the current risk-reward for holding small-cap stocks as attractive. We expect this segment of the market to generate above-average relative risk-adjusted returns that could be supported by a substantial earnings recovery for small-cap stocks, attractive relative valuations, and an anticipated pickup in M&A activity.

The Hodges Small Cap Fund remains well diversified across industrials, transportation, financial services, technology, and consumer-related names, which we expect to contribute to the Fund's long-term performance. The

Fund has recently taken profits in several stocks that appeared valued relative to their underlying fundamentals and established several new positions that we view as having an attractive risk/reward profile. The total number of stocks held in the Fund at the end of the quarter was 54 compared to 51 at the beginning of this year. The top ten holdings amounted to 35.68% of the Fund's holdings and included Commercial Metals Co. (CMC), Eagle Materials Inc. (EXP), Hilltop Holdings Inc. (HTH), Texas Pacific Land Trust (TPL), Vista Outdoor Inc. (VSTO), RH (RH), Boyd Gaming Corp. (BYD), InMode, Inc. (INMD), Tempur Sealy International, Inc. (TPX), and Spirit Airlines, Inc. (SAVE).



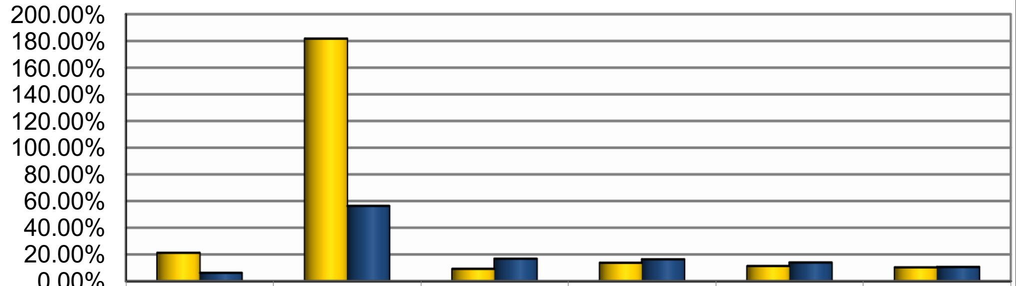
Hodges Fund (HDPMX)

The Hodges Fund's first quarter 2021 return amounted to a gain of 21.18% compared to an increase of 6.17% for the S&P 500 Index. Furthermore, the Fund's total return for the trailing twelve months ending March 31, 2021, amounted to 181.74%, compared to 56.35% for the S&P 500 Index. As a result, the Wall Street Journal recently ranked the Hodges Fund based on Morningstar data as the 4th best performance during the post-pandemic rebound among actively managed U.S. stock funds. Strong relative performance over the past year was primarily attributed to a recovery in many of the Fund's holdings that were disproportionately oversold compared to the broader market during the market's year-ago meltdown. Furthermore, the Hodges Fund experienced above-average turnover during the past year as we repositioned to take advantage of volatile market conditions. As a result, we upgraded many portfolio holdings into companies that we expect to emerge from the pandemic stronger and generate above-average returns over the next twelve to eighteen months. The outcome of these actions was evident in the Fund's recent relative performance.

While we are encouraged with the Fund's performance over the past few quarters, the Hodges Fund's portfolio managers remain laser-focused on investments where we have the highest conviction based on fundamentals and valuation. The number of positions held in the Fund at the end of the recent quarter totaled 47. The top ten holdings at the end of the quarter represented 35.26% of the Fund's holdings. They included Texas Pacific Land Trust (TPL), Luby's Inc. (LUB), The Azek Co. (AZEK), Taylor Morrison Home Corp. (TMHC), Cleveland-Cliffs, Inc. (CLF), General Motors Company (GM), The Charles Schwab Corp. (SCHW), Spirit Airlines, Inc. (SAVE), Spirit AeroSystems Holdings (SPR), and Uber Technologies, Inc. (UBER).

Hodges Fund vs S&P 500 Index

As of 3/31/2021

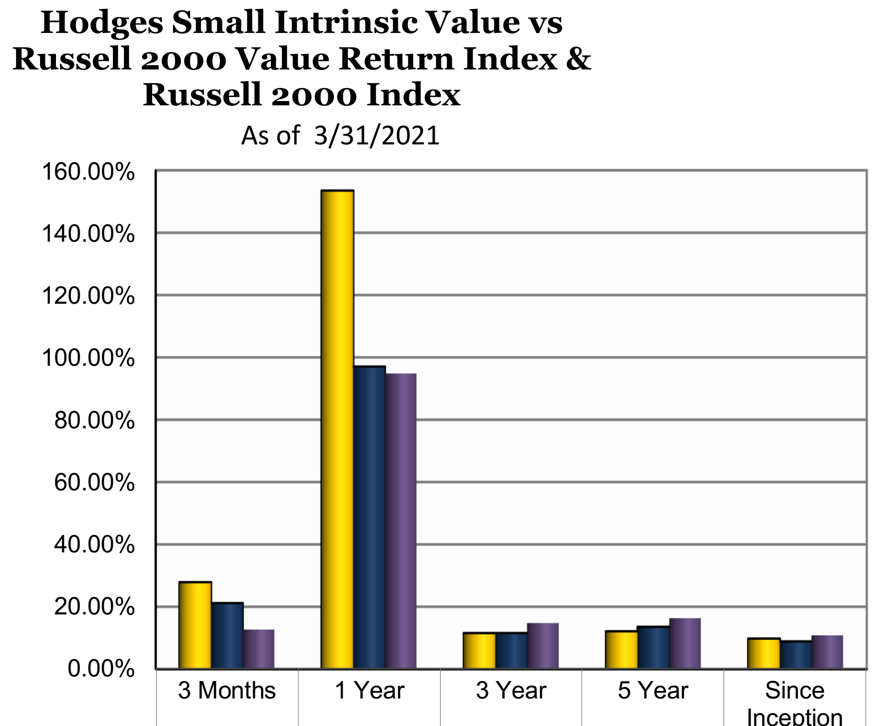


	3 Months	1 Year	3 Year	5 Year	10 Year	Since Inception
Hodges Fund	21.18%	181.74%	9.15%	13.70%	11.29%	10.26%
S&P 500 Index	6.17%	56.35%	16.78%	16.29%	13.91%	10.55%

Inception: 10/09/1992 Annualized

Hodges Small Intrinsic Value Fund (HDSVX)

The Hodges Small Intrinsic Value Fund experienced a gain of 27.88% in the March quarter of 2021 compared to an increase of 21.71% for its benchmark, the Russell 2000 Value Index. The return for the last 12 months amounted to 153.51% compared to a 97.05% return for the Russell 2000 Value. The Fund's strong relative performance over the past year has been attributed to the Fund's consumer discretionary, energy, and industrial stocks, which reflected the benefits of individual stock selection. The top ten holdings at year-end represented 31.08% of the Fund's holdings and included Eagle Materials Inc. (EXP), Delta Apparel Inc. (DLA), Hilltop Holdings Inc. (HTH), Cleveland-Cliffs Inc. (CLF), Ichor Holdings, Ltd. (ICHR), Kimball Electronics, Inc. (KE), Covenant Logistics Group, Inc. (CVLG), Whiting Petroleum Corp. (WLL), Horace Mann Educators Corp. (HMN) and Vista Outdoor Inc. (VSTO).



	3 Months	1 Year	3 Year	5 Year	Since Inception
Hodges Small Intrinsic Value Fund	27.88%	153.51%	11.55%	12.12%	9.78%
Russell 2000 Value Return Index	21.17%	97.05%	11.57%	13.56%	8.88%
Russell 2000 Index	12.70%	94.85%	14.76%	16.35%	10.82%

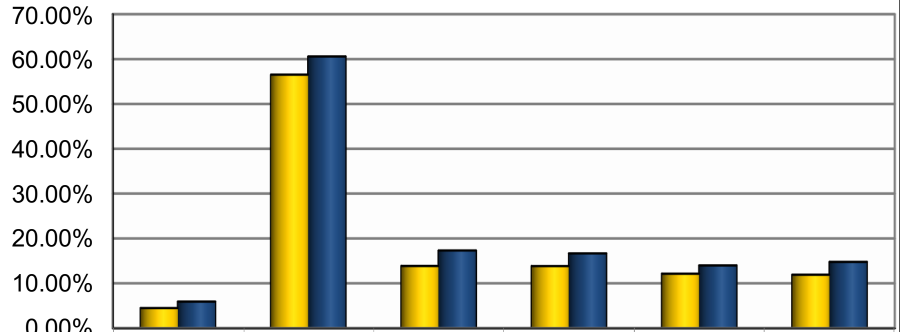
Inception: 12/26/2013 Annualized

Hodges Blue Chip Equity Income Fund (HDPBX)

The Hodges Blue Chip Equity Income Fund was up 4.47% in the March quarter of 2021 compared to a gain of 5.91% for the Russell 1000 Index. The Fund experienced a total return of 56.53% compared to a 60.59% return for the Russell 1000 Index for the 12 months ending March 31, 2021. Underperformance relative to the Fund's benchmark was attributed to stock selection among a handful of the consumer, industrial, and financial names. Although large-cap growth stocks have made an impressive move in recent years, we still see the current investing landscape as offering plenty of attractive, high-quality dividend-paying stocks with solid upside potential, as well as dividend income as a result of stable corporate profits supporting the ability of companies to pay out dividends. The Blue Chip Equity Income Fund remains well-diversified in companies that we believe can generate above-average income and total returns on a risk-adjusted basis. The top ten holdings at the end of the quarter represented 54.97% of the Fund's holdings and included ABBVIE Inc. (ABBV), Amazon.com Inc. (AMZN), Apple Inc. (AAPL), Microsoft Corp. (MSFT), Facebook Inc. (FB), FedEx Corp. (FDX), Exxon Mobil Corp. (XOM), United Parcel Service (UPS), Chevron Corp. (CVX) and ONEOK, Inc. (OKE).

Hodges Blue Chip Equity Income Fund vs Russell 1000 Index

As of 3/31/2021



	3 Months	1 Year	3 Year	5 Year	10 Year	Since Inception
Hodges Blue Chip Equity Income Fund	4.47%	56.53%	13.85%	13.82%	12.13%	11.90%
Russell 1000 Index	5.91%	60.59%	17.31%	16.66%	13.97%	14.76%

Inception: 9/10/2009 Annualized

In conclusion, we remain optimistic regarding the long-term investment opportunities surrounding the Hodges Funds. By offering four distinct mutual fund strategies covering most major segments of the domestic equity market, we can serve most financial advisors and individual investors' diverse needs. Our entire investment team is rigorously studying companies, meeting with management teams, observing trends, and attempting to navigate today's ever-changing financial markets. Feel free to contact us directly if we can address any specific questions.

The above discussion is based on the opinions of Eric Marshall, CFA, and is subject to change. It is not intended to be a forecast of future events, a guarantee of future results, and is not a recommendation to buy or sell any security. Portfolio composition and company ownership in the Hodges Funds are subject to daily change.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the Hodges Funds, and it may be obtained by calling 866-811-0224, or visiting www.hodgesmutualfunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. Options and future contracts have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. These risks may be greater than risks associated with more traditional investments. Short sales of securities involve the risk that losses may exceed the original amount invested. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer term debt securities. Investments in small and medium capitalization companies involve additional risks such as limited liquidity and greater volatility. Funds that are non-diversified are more exposed to individual stock volatility than a diversified fund. Investments in companies that demonstrate special situations or turnarounds, meaning companies that have experienced significant business problems but are believed to have favorable prospects for recovery, involve greater risk.

Value investing carries the risk that the market will not recognize a security's inherent value for a long time, or that a stock judged to be undervalued may be appropriately priced or overvalued.

Diversification does not assure a profit or protect against a loss in a declining market.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

The S&P 500 Index is a broad-based unmanaged index of 500 stocks that is widely recognized as representative of the equity market in general. The Russell 1000 Index is a subset of the Russell 3000 Index and consists of the 1,000 largest companies comprising over 90% of the total market capitalization of all listed stocks. The Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization. The Russell 2500 Index consists of the smallest 2,500 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization. The Russell 3000 Index is a stock index consisting of the 3000 largest publicly listed companies, representing about 98% of the total capitalization of the entire U.S. stock market. You cannot invest directly in an index. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

Cash Flow: A revenue or expense stream that changes a cash account over a given period.

Price/earnings (P/E): The most common measure of how expensive a stock is.

Earnings Growth is not a measure of the Fund's future performance.

Hodges Capital Management is the Advisor to the Hodges Funds.

Hodges Funds are distributed by Quasar Distributors LLC.

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