

# HODGES



## MUTUAL FUNDS

ANNUAL REPORT • MARCH 31, 2023

Hodges Fund  
Small Cap Fund  
Small Intrinsic Value Fund  
Blue Chip Equity Income Fund

[www.hodgesfunds.com](http://www.hodgesfunds.com)

*Hodges Capital — Managing Equity Funds Since 1992*

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# Hodges Mutual Funds

Dear Board of Directors:

The past twelve months have proven to be volatile for U.S. stocks as market sentiment shifts daily between pricing in a hard, soft, or emergency landing for the economy. The S&P 500 declined by 7.73%, and the NASDAQ Composite was down 11.30% in the one year ending March 31, 2023, reflecting weakness in mega-cap tech stocks in 2022. As measured by the Russell 2000, small-caps fell 11.61% over the past year, lagging due to their cyclical sensitivity and exposure to regional banks. Value stocks have underperformed growth in recent months as economic uncertainty and tighter credit conditions have created an expectation that interest rates may stabilize and could contract by year-end if economic conditions worsen. While turbulence surrounding bank failures and systemic risk to financial markets is unsettling, we are pleased to report that the performance of three Hodges Mutual Funds exceeded their benchmarks for the twelve months ending March 31, 2023. Positive relative performance in several of our fund strategies was attributed to our steadfast focus on companies with sound business fundamentals and reasonable valuations.

It has been a whole year since the Fed started its tightening cycle, and capital markets have at least partially priced in one of the most anticipated recessions in the past forty years. However, there is still ample uncertainty regarding the trajectory of interest rates and the prospects for changing economic conditions in the months ahead. In our opinion, the first-quarter relief rally in many mega-cap tech stocks has been a function of a false flight to safety based on the anticipation that softer economic conditions could result in lower rates and higher valuations for growth stocks in the second half of 2023. We view the broad contraction in PE multiples relative to current interest rates over the past year as warranted. According to the most recent data published by FactSet, the S&P 500 is trading at approximately 17.8X forward earnings estimates compared to 19.5X a year ago and 21.2X at the beginning of 2022. The inverse of the current S&P 500 PE multiple reflects an earnings yield of 5.56%, which was still above the 10-year Treasury yield of 3.56% at the quarter-end. The big macro questions are now; Not if, but how much will the U.S. economy contract, and to what degree will it drag on corporate earnings and cash flow? We would point out that many businesses have spent the last six months cutting costs, scrutinizing capital expenditures, tightening supply chains, and cautiously managing inventories in anticipation of a slowdown. However, the inevitable contraction in bank lending and tighter credit will be challenging for businesses and industries dependent on accessing easy credit.

This sometimes creates opportunities for companies with conservative balance sheets, low-cost operations, and ample liquidity to weather a downturn. Our investment team's recent discussions with public company management teams over the past few months suggest that labor costs are stabilizing. Many other input costs have also been moderated in recent months. Consumer spending increased last year due to excess savings built up during the pandemic but appears more challenging in 2023. The housing market has cooled down due to higher mortgage rates but does not appear to be overbuilt. The most recent Purchasing Managers Index (PMI), which measures the direction of economic trends in manufacturing and service sectors, fell below 46.3, a reading that has historically occurred during or just before a recession. Although the odds of a recession have risen this year, we believe many facets of manufacturing could undergo a renaissance over the next several years due to onshoring and nearshoring supply chains and an increase in infrastructure-related spending. It is also important to note that not every economic slowdown looks the same, and not every business will be affected the same by potential macro headwinds. In this environment, active portfolio management becomes essential to navigate quickly changing business conditions across many sectors. Furthermore, an economic slowdown and tighter credit conditions favor stocks with solid balance sheets whose underlying assets can produce stable cash flow and earnings. With this in mind, the Hodges Capital Management investment team has positioned our portfolios to benefit from shifting economic trends and secular and structural changes across different industries.

As we look at the balance of 2023, our portfolios remain laser-focused on fundamental investing and individual stock selection. Our investing approach involves spending little time predicting short-term fluctuations in interest rates, foreign currencies, or commodity prices. Instead, we pay close attention to how prices and, more importantly, the pricing power that our portfolio companies exhibit within the goods and services they produce. For many businesses, tighter credit conditions and a slowdown in demand could adversely impact profit margins and revenues in the months ahead. As a result, the investment team at Hodges Capital is rigorously looking for bargains in businesses that we believe are well-run and control their destiny by relying on ingenuity and well-calculated business decisions rather than day-to-day momentum in the economy or stock market. Despite challenging macro conditions, we are overweighting our portfolios with growth and value stocks that can create shareholder value.

During this time of ambiguity, investors in the Hodges Funds can be assured that we are not changing our core investment 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.

## Hodges Mutual Funds

Returns (Retail Class) as of 03/31/2023:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception</u>
Hodges Fund (HDPMX) 10/09/1992	-12.44%	36.33%	3.18%	8.72%	9.17%
S&P 500 <sup>®</sup> Index	-7.73%	18.60%	11.19%	12.24%	10.06%
Hodges Small Cap Fund (HDPSX) 12/18/2007	-4.68%	34.12%	7.18%	8.28%	8.98%
Russell 2000 <sup>®</sup> Return Index	-11.61%	17.51%	4.71%	8.04%	7.33%
Hodges Small Intrinsic Value Fund (HDSVX) 12/26/2013	-5.92%	38.98%	8.01%	—	8.25%
Russell 2000 <sup>®</sup> Value Return Index	-12.96%	21.01%	4.55%	—	5.68%
Russell 2000 <sup>®</sup> Index	-11.61%	17.51%	4.71%	—	6.27%
Hodges Blue Chip Equity Income Fund (HDPBX) 09/10/2009	-4.96%	20.49%	10.53%	11.29%	10.97%
Russell 1000 <sup>®</sup> Index	-8.39%	18.55%	10.87%	12.01%	12.76%

### Average Annualized

	<u>HDPMSX</u>	<u>HDPMSX</u>	<u>HDSVX</u>	<u>HDPBX</u>
Gross Expense Ratio	1.38%	1.35%	2.05%	1.49%
Net Expense Ratio	1.36%*	1.17%*	1.29%*	1.30%*

\* The Advisor has contractually agreed to reduce its fees at least until July 31, 2023. 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. See the Financial Highlights in this report for the most current expense ratios.

## Hodges Mutual Funds

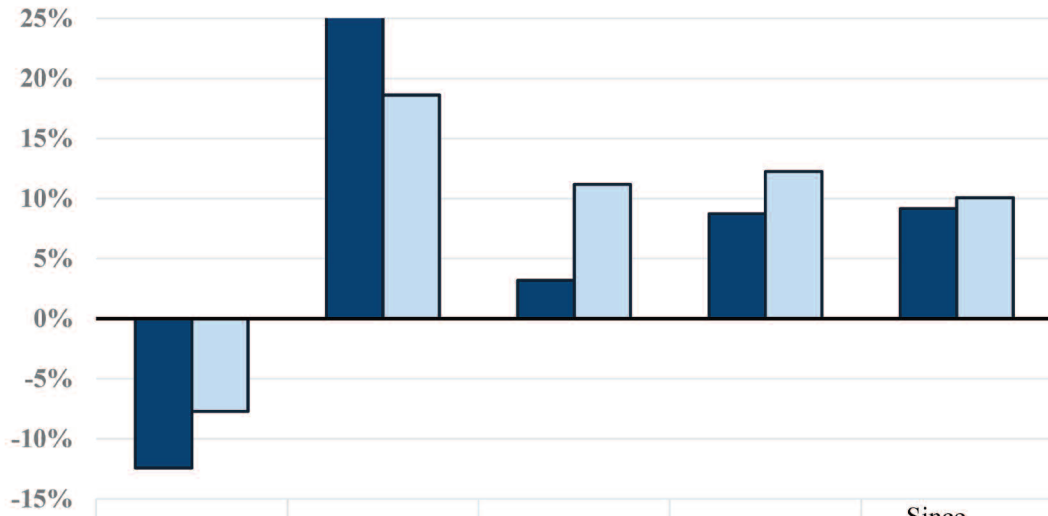
### Hodges Fund (HDPMX)

The Hodges Fund's twelve-month return amounted to a loss of 12.44% compared to a loss of 7.73% for the S&P 500 Index. Lackluster performance was attributed to a handful of consumer discretionary, materials, healthcare, and technology stocks. The Hodges Fund's turnover was elevated over the past year to exploit prevailing market conditions. We have upgraded many portfolio holdings into stocks that we believe offer above-average returns relative to their downside risks over the next twelve to eighteen months.

The Hodges Fund's portfolio managers remain laser-focused on investments where we have the highest conviction based on fundamentals and relative valuations. The number of positions held in the Fund decreased to 40 from 43 a the same time a year ago. On March 31, 2023, the top ten holdings represented 44.61% of the Fund's holdings. They included Matador Resources Co (MTDR), Uber Technologies (UBER), Texas Pacific Land Corp (TPL), On Holding (ONON), On Semiconductor (ON), Encore Wire Corp (WIRE), Cleveland-Cliffs Inc (CLF), Chesapeake Energy Corp (CHK), Cinemark Holdings (CNK), and Eagle Materials Inc (EXP).

### Hodges Fund vs S&P 500® Index

As of 03/31/2023



	1 Year	3 Years	5 Years	10 Years	Since Inception
■ Hodges Fund	-12.44%	36.33%	3.18%	8.72%	9.17%
■ S&P 500 Index	-7.73%	18.60%	11.19%	12.24%	10.06%

*Inception: 10/09/1992 Annualized*

## Hodges Mutual Funds

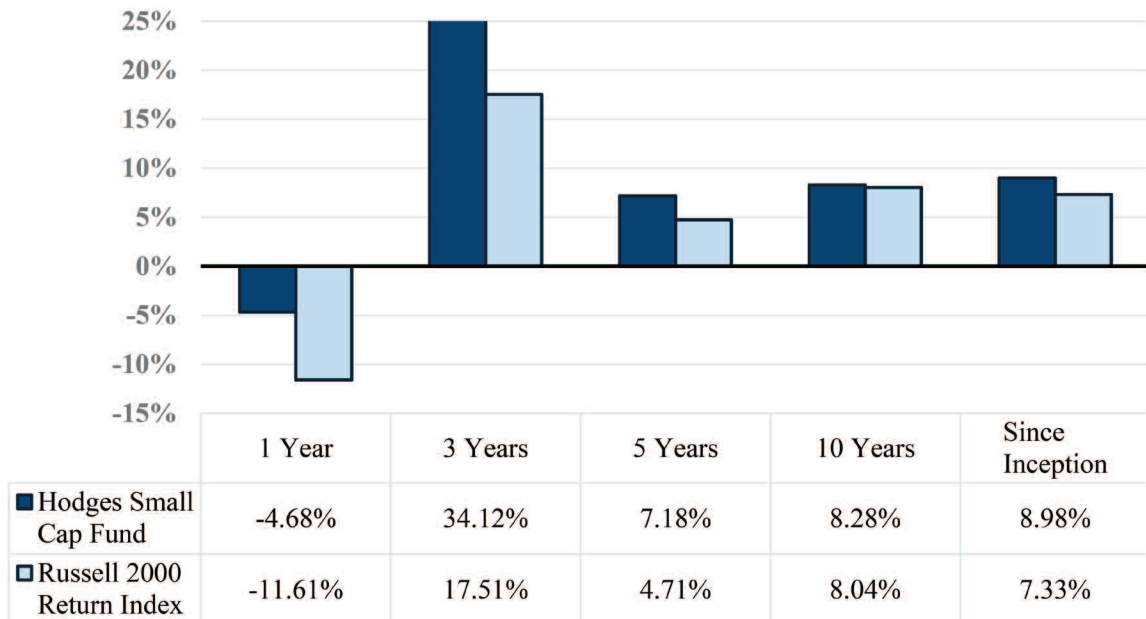
### Hodges Small Cap Fund (HDPSX)

The Small Cap Fund's one-year performance as of March 31, 2023, amounted to a loss of 4.68% compared to a loss of 11.61% for the Russell 2000 Index during the same period. Although small-caps have been underperforming large-cap stocks this year, we view the current risk-reward for holding quality small-cap stocks as attractive. While small-cap stocks tend to experience greater volatility during market turmoil, we expect this segment to generate above-average relative risk-adjusted returns over the long term.

The Hodges Small Cap Fund remains well diversified across industrials, transportation, healthcare, technology, and consumer-related names, which we expect to contribute to the Fund's long-term performance. The Fund recently took profits in several stocks that appeared overvalued relative to their underlying fundamentals and established new positions with an attractive risk/reward profile. The Fund had a total of 51 positions on March 31, 2023. The top ten holdings amounted to 37.05% of the Fund's holdings and included Eagle Materials Inc (EXP), Matador Resources (MTDR), SM Energy Co (SM), Taylor Morrison Home Corp (TMHC), On Holding (ONON), Texas Pacific Land Corp (TPL), Cleveland-Cliffs Inc (CLF), Vista Outdoor (VSTO), Hilltop Holdings Inc (HTH), and Encore Wire Corp (WIRE).

### Hodges Small Cap Fund vs Russell 2000® Return Index

As of 03/31/2023



*Inception: 12/18/2007 Annualized*

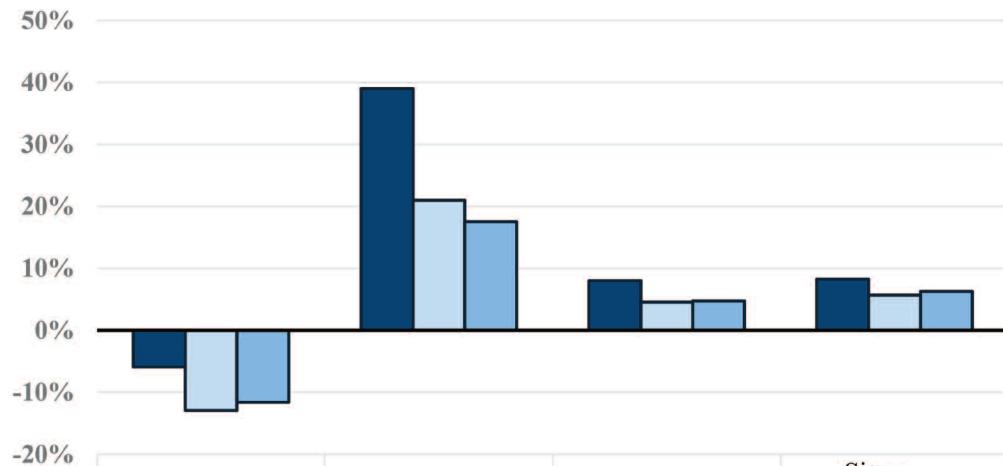
## Hodges Mutual Funds

### Hodges Small Intrinsic Value Fund (HDSVX)

Over the last twelve months, the Hodges Small Intrinsic Value Fund experienced a loss of 5.92% compared to a loss of 12.96% for the Russell 2000 Value Index. The Fund's solid relative performance over the past year was attributed to several of the Fund's material, consumer staples, and industrial stocks. The Fund held 49 positions on March 31, 2023. The top 10 holdings, excluding cash, represented 32.11% of the Fund's holdings and included Eagle Materials Inc (EXP), Triumph Financial Inc (TFIN), Taylor Morrison Home Corp (TMHC), Builders FirstSource (BLDR), Brunswick Corp (BC), Chord Energy Corp (CHRD), Vista Outdoor Inc (VSTO), Cleveland-Cliffs Inc (CLF), Home Bancshares Inc (HOMB), and Treehouse Foods Inc (THS).

### Hodges Small Intrinsic Value Fund vs Russell 2000® Value Return Index & Russell 2000® Index

As of 03/31/2023



	1 Year	3 Years	5 Years	Since Inception
■ Hodges Small Intrinsic Value Fund	-5.92%	38.98%	8.01%	8.25%
■ Russell 2000 Value Return Index	-12.96%	21.01%	4.55%	5.68%
■ Russell 2000 Index	-11.61%	17.51%	4.71%	6.27%

*Inception: 12/26/2013 Annualized*

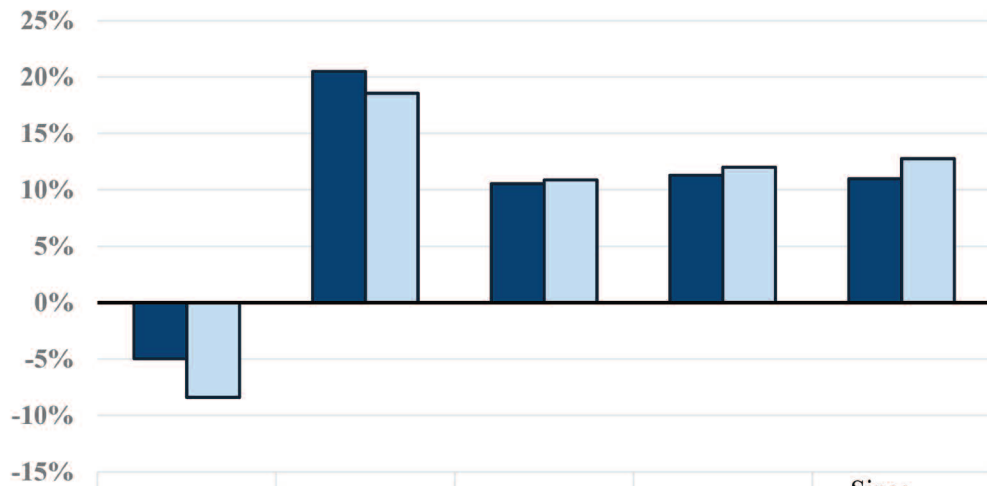
## Hodges Mutual Funds

### Hodges Blue Chip Equity Income Fund (HDPBX)

The Hodges Blue Chip Equity Income Fund experienced a negative annualized return of 4.96% compared to a loss of 8.39% for the Russell 1000 Index. Positive relative performance was attributed to sector allocation among energy and technology names. Although large-cap stocks have held up better than small and mid-cap stocks during the recent sell-off, we see the current investing landscape as offering plenty of attractive, high-quality dividend-paying stocks with solid upside potential. We expect underleveraged balance sheets and corporate profits across most blue-chip stocks to support stable dividends over the next several years. 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 Fund held 27 positions on March 31, 2023. The top ten holdings represented 49.15% of the Fund's holdings and included Apple Inc (AAPL), Microsoft Corp (MSFT), Deere & Co (DE), Exxon Mobil Corp (XOM), Tesla (TSLA), Texas Instruments Inc (TXN), Novo Nordisk (NVO), Nvidia (NVDA), PepsiCo Inc (PEP), and Costco Wholesale (COST).

### Hodges Blue Chip Equity Income Fund vs Russell 1000® Index

As of 03/31/2023



	1 Year	3 Years	5 Years	10 Years	Since Inception
■ Hodges Blue Chip Equity Income Fund	-4.96%	20.49%	10.53%	11.29%	10.97%
□ Russell 1000 Index	-8.39%	18.55%	10.87%	12.01%	12.76%

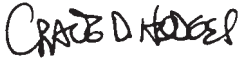
*Inception: 09/10/2009 Annualized*



## Hodges Mutual Funds

In conclusion, we remain optimistic regarding the long-term investment opportunities surrounding the Hodges Mutual Funds. By offering four distinct mutual fund strategies covering most 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 navigating today's ever-changing financial markets. Feel free to contact us directly if we can address any specific questions.

Sincerely,



Craig Hodges  
Co-Portfolio Manager



Eric Marshall, CFA  
Co-Portfolio Manager



Gary Bradshaw  
Co-Portfolio Manager



Chris Terry, CFA  
Co-Portfolio Manager



Derek Maupin  
Co-Portfolio Manager

*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.*

*Must be preceded or accompanied by a prospectus.*

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.

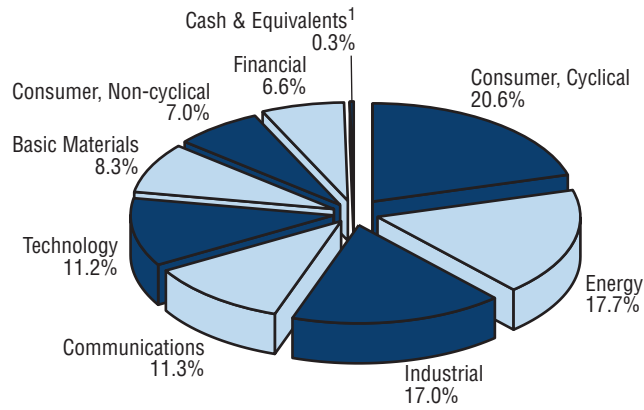
Hodges Funds are distributed by Quasar Distributors LLC.

# Hodges Mutual Funds

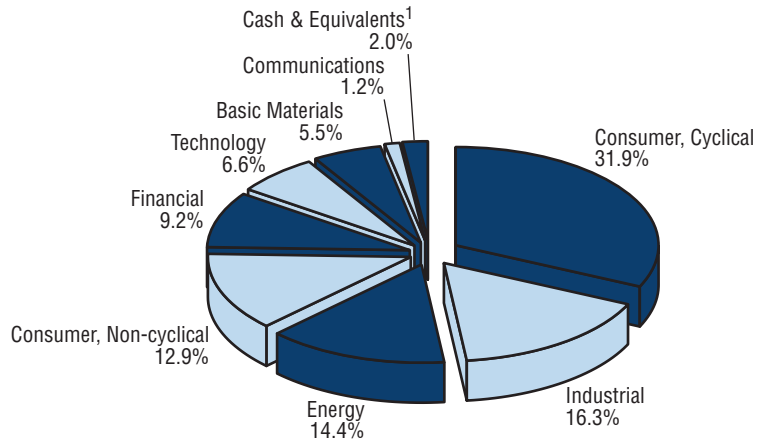
## SECTOR ALLOCATIONS At March 31, 2023 (Unaudited)

(as a percentage of net assets)

### Hodges Fund (HDPMX)



### Small Cap Fund (HDPSX & HDSIX)



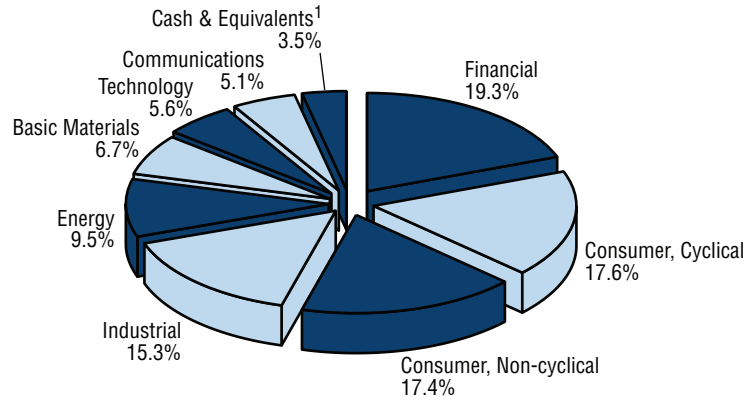
<sup>1</sup> Other assets in excess of liabilities.

# Hodges Mutual Funds

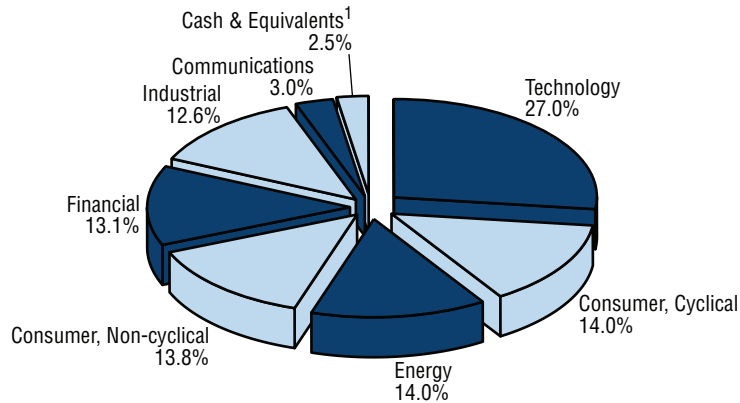
## SECTOR ALLOCATIONS At March 31, 2023 (Unaudited)

(as a percentage of net assets)

### Small Intrinsic Value Fund (HDSVX)



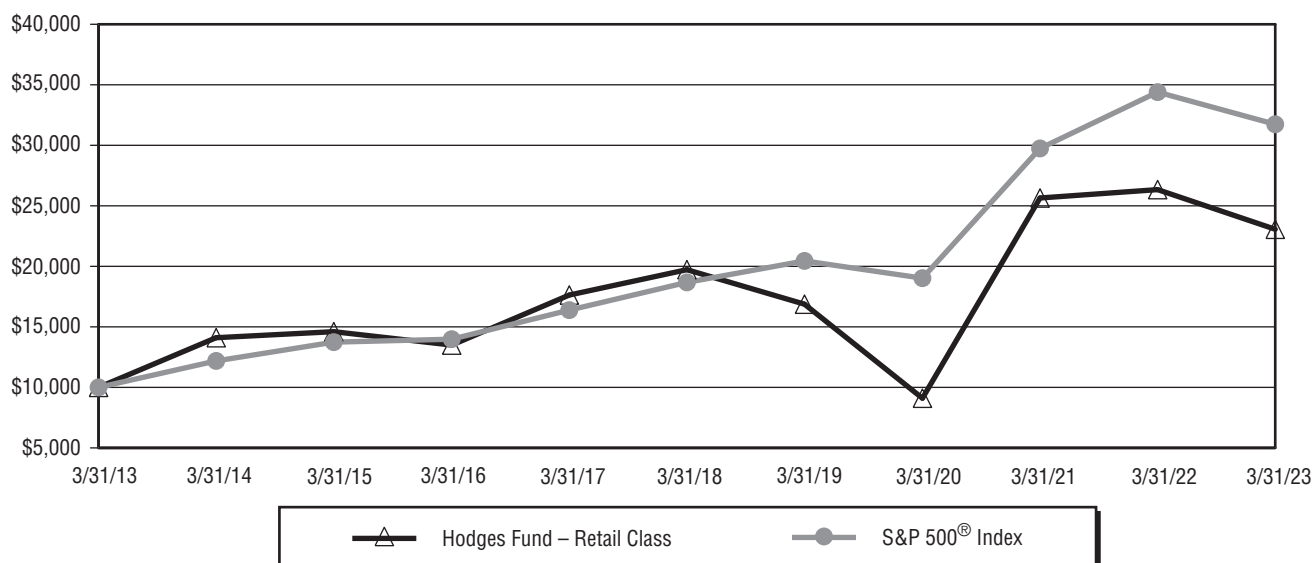
### Blue Chip Equity Income Fund (HDPBX)



<sup>1</sup> Other assets in excess of liabilities.

## Hodges Fund (Unaudited)

Value of \$10,000 vs. S&P 500® Index



### Annualized Returns for the periods ended March 31, 2023

	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception (10/9/92)</u>	<u>Ending Value (3/31/2023)</u>
Hodges Fund	-12.44%	36.33%	3.18%	8.72%	9.17%	\$23,063
S&P 500® Index	-7.73%	18.60%	11.19%	12.24%	10.06%	31,736

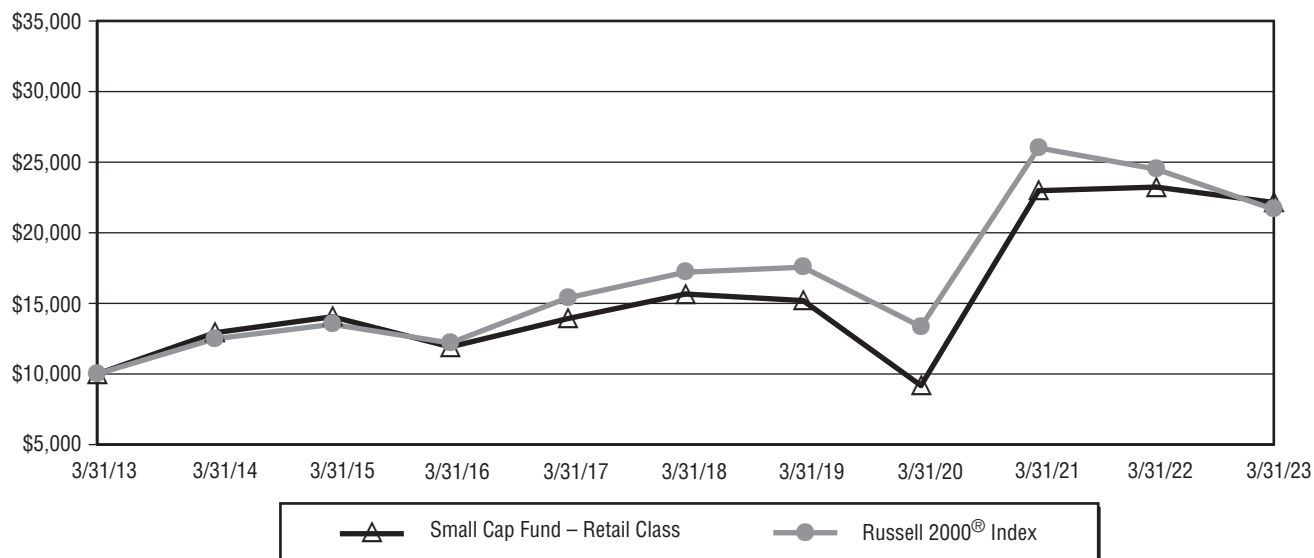
This chart illustrates the performance of a hypothetical \$10,000 investment made on March 31, 2013, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains, dividends, and return of capital, if applicable, for a Fund and dividends for an index.

*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. Current performance of the Fund 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 Fund imposes a 1.00% redemption fee on Retail shares held for less than 30 days. Performance does not reflect the redemption fee. If reflected, total returns would be reduced.*

## Small Cap Fund – Retail Class (Unaudited)

Value of \$10,000 vs. Russell 2000® Index



### Annualized Returns for the periods ended March 31, 2023

	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception (12/18/07)</u>	<u>Ending Value (3/31/2023)</u>
Small Cap Fund – Retail Class	-4.68%	34.12%	7.18%	8.28%	8.98%	\$22,148
Russell 2000® Index	-11.61%	17.51%	4.71%	8.04%	7.33%	21,661

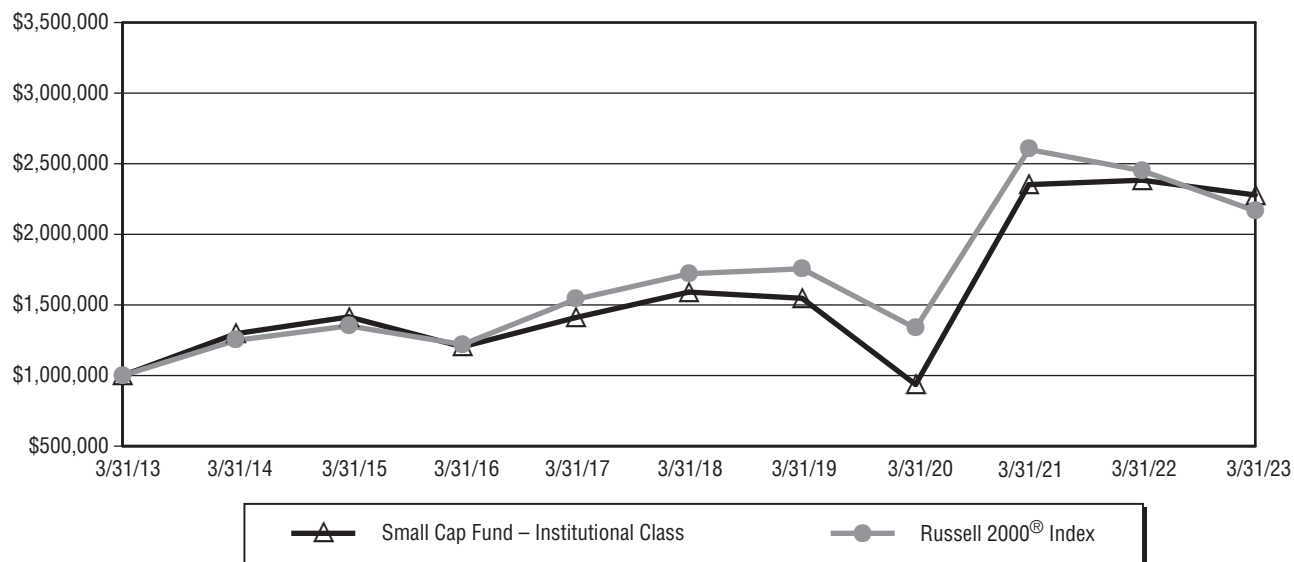
This chart illustrates the performance of a hypothetical \$10,000 investment made on March 31, 2013, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains, dividends, and return of capital, if applicable, for a Fund and dividends for an index.

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*The Fund imposes a 1.00% redemption fee on Retail shares held for less than 30 days. Performance does not reflect the redemption fee. If reflected, total returns would be reduced.*

## Small Cap Fund – Institutional Class (Unaudited)

Value of \$1,000,000 vs. Russell 2000® Index



### Annualized Returns for the periods ended March 31, 2023

	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception (12/12/08)</u>	<u>Ending Value (3/31/2023)</u>
Small Cap Fund – Institutional Class	-4.40%	34.50%	7.45%	8.58%	14.73%	\$2,278,527
Russell 2000® Index	-11.61%	17.51%	4.71%	8.04%	11.39%	2,166,070

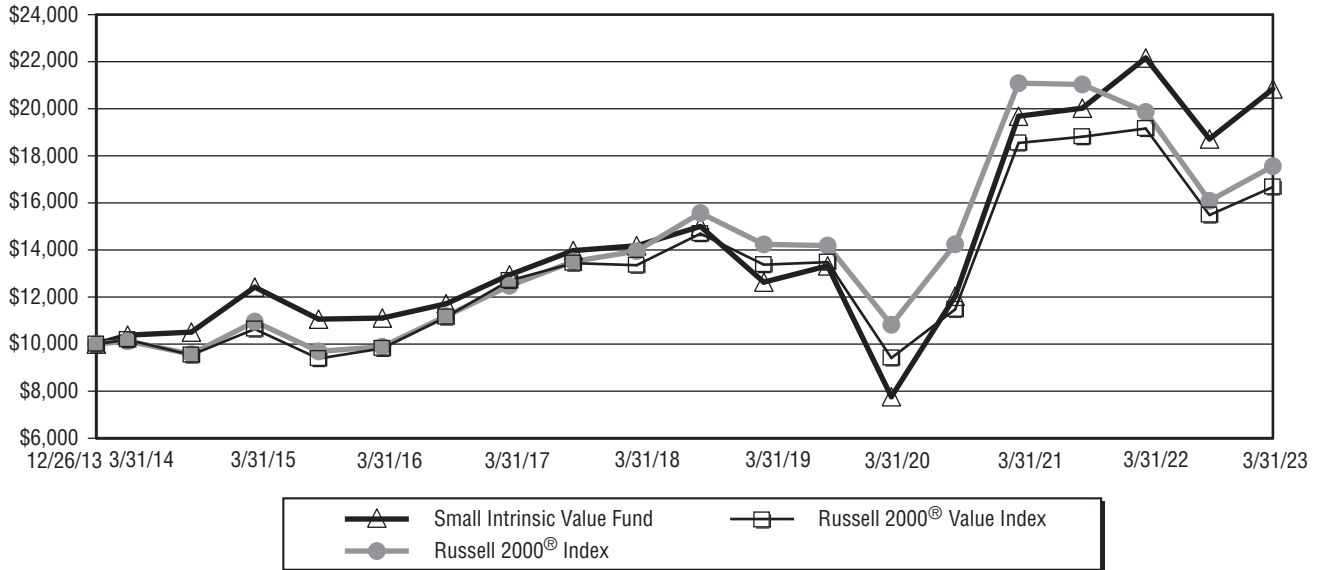
This chart illustrates the performance of a hypothetical \$1,000,000 investment made on March 31, 2013, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains, dividends, and return of capital, if applicable, for a Fund and dividends for an index.

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*The Fund imposes a 1.00% redemption fee on Institutional shares held for less than 60 days. Performance does not reflect the redemption fee. If reflected, total returns would be reduced.*

## Small Intrinsic Value Fund (Unaudited)

Value of \$10,000 vs. Russell 2000® Index & Russell 2000® Value Index



### Annualized Returns for the periods ended March 31, 2023

	One Year	Three Year	Five Year	Since Inception (12/26/13)	Ending Value (3/31/2023)
Small Intrinsic Value Fund	-5.92%	38.98%	8.01%	8.25%	\$20,843
Russell 2000® Index	-11.61%	17.51%	4.71%	6.27%	17,559
Russell 2000® Value Index	-12.96%	21.01%	4.55%	5.68%	16,677

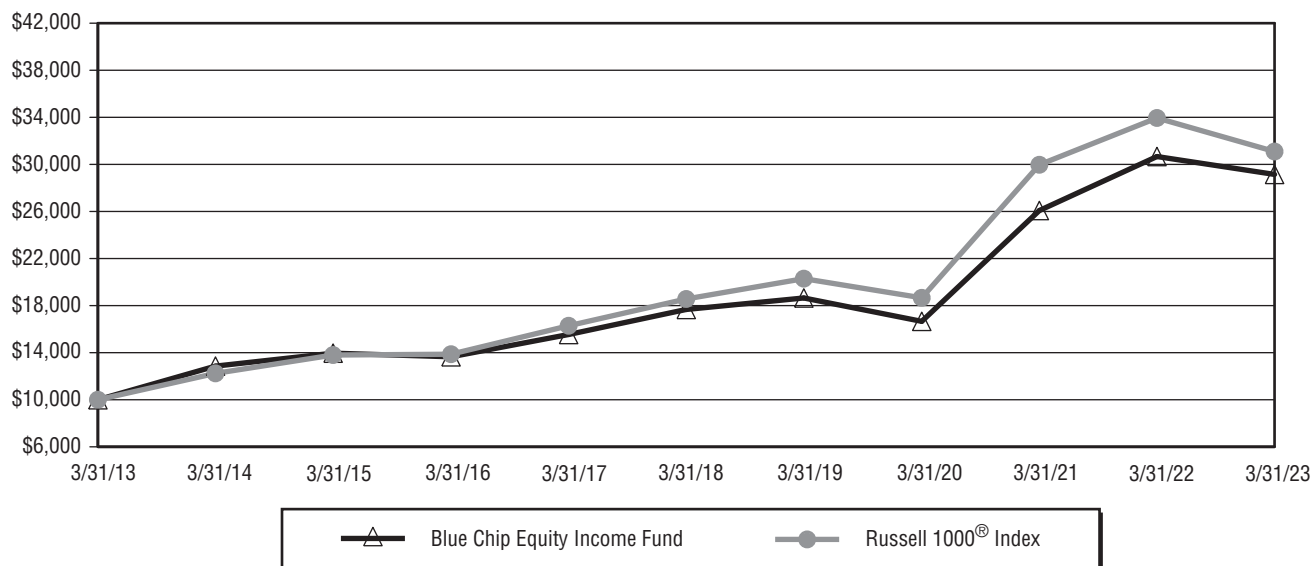
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The Fund imposes a 1.00% redemption fee on Retail shares held for less than 30 days. Performance does not reflect the redemption fee. If reflected, total returns would be reduced.

## Blue Chip Equity Income Fund (Unaudited)

Value of \$10,000 vs. Russell 1000<sup>®</sup> Index



### Annualized Returns for the periods ended March 31, 2023

	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception (9/10/09)</u>	<u>Ending Value (3/31/2023)</u>
Blue Chip Equity Income Fund	-4.96%	20.49%	10.53%	11.29%	10.97%	\$29,147
Russell 1000 <sup>®</sup> Index	-8.39%	18.55%	10.87%	12.01%	12.76%	31,095

This chart illustrates the performance of a hypothetical \$10,000 investment made on March 31, 2013, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains, dividends, and return of capital, if applicable, for a Fund and dividends for an index.

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*The Fund imposes a 1.00% redemption fee on Retail shares held for less than 30 days. Performance does not reflect the redemption fee. If reflected, total returns would be reduced.*



## Hodges Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023

Shares	Value	Shares	Value
<b>COMMON STOCKS: 96.5%</b>		<b>Iron &amp; Steel: 5.6%</b>	
<b>Aerospace &amp; Defense: 2.3%</b>		350,000	Cleveland-Cliffs, Inc. <sup>1</sup> \$ 6,415,500
100,000	Spirit AeroSystems Holdings, Inc. – Class A	40,000	Commercial Metals Co.
	\$ 3,453,000		<u>1,956,000</u>
<b>Airlines: 0.8%</b>			<u>8,371,500</u>
116,063	Frontier Group Holdings, Inc. <sup>1</sup>	<b>Leisure Time: 7.7%</b>	
	<u>1,142,060</u>	250,000	Norwegian Cruise Line Holdings Ltd. <sup>1</sup> 3,362,500
<b>Apparel: 4.5%</b>		200,000	Topgolf Callaway Brands Corp. <sup>1</sup> 4,324,000
220,000	On Holding AG – Class A <sup>1</sup>	140,000	Vista Outdoor, Inc. <sup>1</sup> 3,879,400
	<u>6,826,600</u>		<u>11,565,900</u>
<b>Auto Manufacturers: 2.5%</b>		<b>Lodging: 1.9%</b>	
75,000	General Motors Co.	25,000	Wynn Resorts Ltd. <sup>1</sup>
5,000	Tesla, Inc. <sup>1</sup>		<u>2,797,750</u>
	<u>2,751,000</u>	<b>Mining: 2.7%</b>	
	<u>1,037,300</u>	100,000	Freeport-McMoRan, Inc.
	<u>3,788,300</u>		<u>4,091,000</u>
<b>Banks: 2.9%</b>		<b>Oil &amp; Gas Drilling: 2.1%</b>	
40,000	Comerica, Inc.	500,000	Transocean Ltd. <sup>1</sup>
25,000	Cullen/Frost Bankers, Inc.		<u>3,180,000</u>
	<u>1,736,800</u>	<b>Oil Companies Exploration &amp; Production: 9.8%</b>	
	<u>2,633,500</u>	70,000	Chesapeake Energy Corp.
	<u>4,370,300</u>	200,000	Matador Resources Co.
<b>Building Materials: 6.7%</b>			<u>5,322,800</u>
75,000	The AZEK Co., Inc. – Class A <sup>1</sup>		<u>9,530,000</u>
45,000	Builders FirstSource, Inc. <sup>1</sup>		<u>14,852,800</u>
30,000	Eagle Materials, Inc.	<b>Oil Field Services: 0.7%</b>	
	<u>4,402,500</u>	150,000	ProPetro Holding Corp. <sup>1</sup>
	<u>10,163,100</u>		<u>1,078,500</u>
<b>Commercial Services: 3.9%</b>		<b>Pharmaceuticals: 0.8%</b>	
400,000	The GEO Group, Inc. <sup>1</sup>	75,000	Takeda Pharmaceutical Co Ltd. <sup>1</sup>
150,000	Toast, Inc. – Class A <sup>1</sup>		<u>1,236,000</u>
	<u>3,156,000</u>	<b>Private Equity: 1.3%</b>	
	<u>2,662,500</u>	200,000	P10, Inc. – Class A
	<u>5,818,500</u>		<u>2,022,000</u>
<b>Computers: 1.6%</b>		<b>Semiconductors: 6.4%</b>	
100,000	NCR Corp. <sup>1</sup>	50,000	Micron Technology, Inc.
	<u>2,359,000</u>	80,000	ON Semiconductor Corp. <sup>1</sup>
<b>Diversified Financial Services: 2.4%</b>			<u>3,017,000</u>
70,000	The Charles Schwab Corp.		<u>6,585,600</u>
	<u>3,666,600</u>		<u>9,602,600</u>
<b>Electrical Components &amp; Equipment: 4.3%</b>		<b>Software: 1.8%</b>	
35,000	Encore Wire Corp.	619,923	Upland Software, Inc. <sup>1</sup>
	<u>6,486,550</u>		<u>2,665,669</u>
<b>Electronics: 2.5%</b>		<b>Telecommunications: 0.9%</b>	
100,000	Coherent Corp. <sup>1</sup>	40,000	Corning, Inc.
	<u>3,808,000</u>		<u>1,411,200</u>
<b>Entertainment: 2.9%</b>		<b>Textiles: 0.3%</b>	
300,000	Cinemark Holdings, Inc. <sup>1</sup>	564,641	The Dixie Group, Inc. <sup>1</sup>
	<u>4,437,000</u>		<u>429,127</u>
<b>Healthcare Products: 1.7%</b>		<b>U.S. Royalty Trusts: 5.1%</b>	
750,000	ViewRay, Inc. <sup>1</sup>	4,500	Texas Pacific Land Corp.
	<u>2,595,000</u>		<u>7,654,590</u>
<b>Internet: 10.4%</b>		<b>TOTAL COMMON STOCKS</b>	
100,000	Revolve Group, Inc. – Class A <sup>1</sup>	<b>(Cost \$115,987,214)</b>	
500,000	Solo Brands, Inc. – Class A <sup>1</sup>		<u>145,602,646</u>
300,000	Uber Technologies, Inc. <sup>1</sup>		
	<u>2,630,000</u>		
	<u>3,590,000</u>		
	<u>9,510,000</u>		
	<u>15,730,000</u>		

The accompanying notes are an integral part of these financial statements.

## Hodges Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

Shares	Notional Amount	Value
<b>CALL OPTIONS PURCHASED: 3.2%</b>		
<b>Machinery – Diversified: 1.2%</b>		
1,000 AGCO Corp., Expiration: May 2023, Exercise Price: \$120.00	\$13,520,000	\$ <u>1,830,000</u>
<b>Pharmaceuticals: 0.6%</b>		
250 Novo Nordisk A/S, Expiration: June 2023, Exercise Price: \$125.00	3,978,500	<u>913,750</u>
<b>Semiconductors: 1.4%</b>		
250 NVIDIA Corp., Expiration: June 2023, Exercise Price: \$200.00	6,944,250	<u>2,090,625</u>
<b>TOTAL CALL OPTIONS PURCHASED</b>		<u>4,834,375</u>
(Cost \$3,883,810)		
<b>TOTAL INVESTMENTS IN SECURITIES: 99.7%</b>		150,437,021
(Cost \$119,871,024)		
Other Assets in Excess of Liabilities: 0.3%		498,460
<b>TOTAL NET ASSETS: 100.0%</b>		<u><u>\$150,935,481</u></u>

<sup>1</sup> Non-income producing security.

The accompanying notes are an integral part of these financial statements.

## Small Cap Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023

Shares	Value	Shares	Value
<b>COMMON STOCKS: 98.0%</b>		<b>Home Builders: 4.0%</b>	
<b>Airlines: 3.2%</b>		185,000	Taylor Morrison Home Corp. <sup>1</sup> \$ 7,078,100
60,000	Alaska Air Group, Inc. <sup>1</sup> \$ 2,517,600	<b>Home Furnishings: 4.7%</b>	
275,000	Frontier Group Holdings, Inc. <sup>1</sup> 2,706,000	140,000	Ethan Allen Interiors, Inc. 3,844,400
25,000	Spirit Airlines, Inc. 429,250	60,000	The Lovesac Co. <sup>1</sup> 1,734,000
	5,652,850	11,000	RH <sup>1</sup> 2,679,050
			8,257,450
<b>Apparel: 3.5%</b>		<b>Insurance: 1.3%</b>	
200,000	On Holding AG – Class A <sup>1</sup> 6,206,000	45,868	Goosehead Insurance, Inc. – Class A <sup>1</sup> 2,394,310
<b>Apparel &amp; Shoe Retail: 2.1%</b>		<b>Internet: 0.9%</b>	
150,000	Shoe Carnival, Inc. 3,847,500	60,000	Revolve Group, Inc. – Class A <sup>1</sup> 1,578,000
<b>Automobile: 2.1%</b>		<b>Iron &amp; Steel: 5.5%</b>	
17,000	Group 1 Automotive, Inc. 3,849,140	320,000	Cleveland-Cliffs, Inc. <sup>1</sup> 5,865,600
<b>Banks: 7.9%</b>		80,000	Commercial Metals Co. 3,912,000
60,000	Comerica, Inc. 2,605,200		9,777,600
25,000	Cullen/Frost Bankers, Inc. 2,633,500	<b>Leisure Time: 5.5%</b>	
180,000	Hilltop Holdings, Inc. 5,340,600	30,000	Brunswick Corp. 2,460,000
57,000	Prosperity Bancshares, Inc. 3,506,640	125,000	Norwegian Cruise Line Holdings Ltd. <sup>1</sup> 1,681,250
	14,085,940	200,000	Vista Outdoor, Inc. <sup>1</sup> 5,542,000
			9,683,250
<b>Building Materials: 5.0%</b>		<b>Lodging: 1.6%</b>	
60,000	Eagle Materials, Inc. 8,805,000	45,000	Boyd Gaming Corp. 2,885,400
<b>Commercial Services: 3.4%</b>		<b>Machinery – Diversified: 1.0%</b>	
75,000	Lawson Products, Inc. <sup>1</sup> 3,409,500	10,000	Alamo Group, Inc. 1,841,600
150,000	Toast, Inc. – Class A <sup>1</sup> 2,662,500	<b>Oil Companies Exploration &amp; Production: 11.0%</b>	
	6,072,000	175,000	Matador Resources Co. 8,338,750
<b>Computers: 1.5%</b>		350,000	Permian Resources Corp. – Class A 3,675,000
110,000	NCR Corp. <sup>1</sup> 2,594,900	265,000	SM Energy Co. 7,462,400
<b>Electrical Components &amp; Equipment: 2.9%</b>			19,476,150
28,000	Encore Wire Corp. 5,189,240	<b>Packaging &amp; Containers: 2.2%</b>	
<b>Electronics: 3.6%</b>		150,000	Graphic Packaging Holding Co. 3,823,500
50,000	Avnet, Inc. 2,260,000	<b>Restaurants: 1.2%</b>	
170,000	Kimball Electronics, Inc. <sup>1</sup> 4,097,000	20,000	Texas Roadhouse, Inc. 2,161,200
	6,357,000	<b>Semiconductors: 4.8%</b>	
<b>Entertainment: 2.5%</b>		45,000	Diodes, Inc. <sup>1</sup> 4,174,200
300,000	Cinemark Holdings, Inc. <sup>1</sup> 4,437,000	40,000	Kulicke & Soffa Industries, Inc. 2,107,600
<b>Food: 3.9%</b>		35,000	Silicon Motion Technology Corp. – ADR 2,293,200
100,000	Sprouts Farmers Market, Inc. <sup>1</sup> 3,503,000		8,575,000
450,000	SunOpta, Inc. <sup>1</sup> 3,465,000	<b>Software: 0.3%</b>	
	6,968,000	120,000	Upland Software, Inc. <sup>1</sup> 516,000
<b>Healthcare Products: 5.6%</b>		<b>Sporting Goods: 1.5%</b>	
150,000	Bausch + Lomb Corp. <sup>1</sup> 2,611,500	40,000	Academy Sports & Outdoors, Inc. 2,610,000
130,000	Inmode Ltd. <sup>1</sup> 4,154,800		
50,000	STAAR Surgical Co. <sup>1</sup> 3,197,500		
	9,963,800		

The accompanying notes are an integral part of these financial statements.

## Small Cap Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

<u>Shares</u>	<u>Value</u>
<b>Telecommunications: 0.3%</b>	
70,000 DZS, Inc. <sup>1</sup>	\$ 552,300
<b>Transportation: 1.6%</b>	
40,000 Kirby Corp. <sup>1</sup>	<u>2,787,999</u>
<b>U.S. Royalty Trusts: 3.4%</b>	
3,500 Texas Pacific Land Corp.	<u>5,953,570</u>
<b>TOTAL COMMON STOCKS</b>	
(Cost \$117,918,114)	<u>173,979,799</u>
<b>TOTAL INVESTMENTS IN SECURITIES: 98.0%</b>	
(Cost \$117,918,114)	173,979,799
Other Assets in Excess of Liabilities: 2.0%	<u>3,565,057</u>
<b>TOTAL NET ASSETS: 100.0%</b>	<u>\$177,544,856</u>

ADR – American Depositary Receipt

<sup>1</sup> Non-income producing security.

The accompanying notes are an integral part of these financial statements.

## Small Intrinsic Value Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023

Shares	Value	Shares	Value
<b>COMMON STOCKS: 96.5%</b>		<b>Home Furnishings: 4.1%</b>	
<b>Apparel &amp; Shoe Retail: 2.1%</b>		36,000	Ethan Allen Interiors, Inc. \$ 988,560
31,000	Shoe Carnival, Inc. \$ 795,150	19,350	Sleep Number Corp. <sup>1</sup> 588,434
			1,576,994
<b>Banks: 13.3%</b>		<b>Insurance: 3.1%</b>	
9,500	BancFirst Corp. 789,450	18,000	Horace Mann Educators Corp. 602,640
32,000	Hilltop Holdings, Inc. 949,440	40,000	Tiptree, Inc. 582,800
48,000	Home Bancshares, Inc. 1,042,080		1,185,440
19,000	Texas Capital BancShares, Inc. <sup>1</sup> 930,240	<b>Internet: 2.8%</b>	
24,000	Triumph Bancorp, Inc. <sup>1</sup> 1,393,440	75,000	CarParts.com, Inc. <sup>1</sup> 400,500
	5,104,650	93,000	Solo Brands, Inc. – Class A <sup>1</sup> 667,740
<b>Beverages: 1.4%</b>			1,068,240
138,000	Farmer Brothers Co. <sup>1</sup> 532,680	<b>Iron &amp; Steel: 4.5%</b>	
<b>Building Materials: 7.4%</b>		58,000	Cleveland-Cliffs, Inc. <sup>1</sup> 1,063,140
13,500	Builders FirstSource, Inc. <sup>1</sup> 1,198,530	13,465	Commercial Metals Co. 658,438
11,100	Eagle Materials, Inc. 1,628,925		1,721,578
	2,827,455	<b>Leisure Time: 5.9%</b>	
<b>Chemicals: 2.2%</b>		14,000	Brunswick Corp. 1,148,000
20,800	AZZ, Inc. 857,792	40,000	Vista Outdoor, Inc. <sup>1</sup> 1,108,400
<b>Commercial Services: 4.7%</b>			2,256,400
30,000	European Wax Center, Inc. – Class A 570,000	<b>Machinery – Diversified: 3.0%</b>	
4,100	Herc Holdings, Inc. 466,990	100,100	GrafTech International Ltd. 486,486
150,000	Research Solutions, Inc. <sup>1</sup> 301,500	20,100	Ichor Holdings Ltd. <sup>1</sup> 658,074
58,200	The GEO Group, Inc. <sup>1</sup> 459,198		1,144,560
	1,797,688	<b>Oil Companies Exploration &amp; Production: 7.5%</b>	
<b>Computers: 1.8%</b>		12,000	Chesapeake Energy Corp. 912,480
28,700	NCR Corp. <sup>1</sup> 677,033	8,500	Chord Energy Corp. 1,144,100
<b>Electrical Components &amp; Equipment: 1.9%</b>		35,000	HighPeak Energy, Inc. 805,000
4,000	Encore Wire Corp. 741,320		2,861,580
<b>Electronics: 1.9%</b>		<b>Oil Field Services: 2.0%</b>	
30,000	Kimball Electronics, Inc. <sup>1</sup> 723,000	105,000	ProPetro Holding Corp. <sup>1</sup> 754,950
<b>Engineering &amp; Construction: 1.1%</b>		<b>Pharmaceuticals: 1.1%</b>	
50,000	Southland Holdings, Inc. <sup>1</sup> 420,000	18,100	Organon & Co. 425,712
<b>Entertainment: 2.3%</b>		<b>Private Equity: 0.9%</b>	
60,900	Cinemark Holdings, Inc. <sup>1</sup> 900,711	35,000	P10, Inc. – Class A 353,850
<b>Food: 8.2%</b>		<b>Real Estate: 2.0%</b>	
8,500	John B Sanfilippo & Son, Inc. 823,820	38,000	Stratus Properties, Inc. 760,000
11,500	Sprouts Farmers Market, Inc. <sup>1</sup> 402,845	<b>Semiconductors: 3.8%</b>	
114,500	SunOpta, Inc. <sup>1</sup> 881,650	10,800	Diodes, Inc. <sup>1</sup> 1,001,808
20,500	TreeHouse Foods, Inc. <sup>1</sup> 1,033,815	28,000	Photronics, Inc. <sup>1</sup> 464,240
	3,142,130		1,466,048
<b>Healthcare Products: 2.0%</b>		<b>Telecommunications: 2.3%</b>	
44,100	Bausch + Lomb Corp. <sup>1</sup> 767,781	26,100	Aviat Networks, Inc. <sup>1</sup> 899,405
<b>Home Builders: 3.2%</b>		<b>TOTAL COMMON STOCKS</b>	
32,000	Taylor Morrison Home Corp. <sup>1</sup> 1,224,320		36,986,467
			(Cost \$33,048,131)

The accompanying notes are an integral part of these financial statements.

## Small Intrinsic Value Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

<u>Shares</u>	<u>Value</u>
<b>WARRANTS: 0.1%</b>	
25,000 Southland Holdings, Inc., Expiration: September 2026 <sup>1</sup>	\$ 19,749
<b>TOTAL WARRANTS</b>	
(Cost \$15,185)	<u>19,749</u>
<b>TOTAL INVESTMENTS IN SECURITIES: 96.5%</b>	
(Cost \$33,063,316)	37,006,216
Other Assets in Excess of Liabilities: 3.5%	<u>1,367,856</u>
<b>TOTAL NET ASSETS: 100.0%</b>	<u>\$38,374,072</u>

<sup>1</sup> Non-income producing security.

The accompanying notes are an integral part of these financial statements.

## Blue Chip Equity Income Fund

### SCHEDULE OF INVESTMENTS at March 31, 2023

Shares	Value	Shares	Value
<b>COMMON STOCKS: 97.5%</b>		<b>Software: 8.6%</b>	
<b>Auto Manufacturers: 4.5%</b>		8,000	Activision Blizzard, Inc. \$ 684,720
6,000	Tesla, Inc. <sup>1</sup> \$ 1,244,760	6,000	Microsoft Corp. 1,729,800
		2,414,520	
<b>Banks: 6.8%</b>		<b>Transportation: 6.7%</b>	
3,000	The Goldman Sachs Group, Inc. 981,330	4,500	Union Pacific Corp. 905,670
7,000	JPMorgan Chase & Co. 912,170	5,000	United Parcel Service, Inc. – Class B 969,950
		1,875,620	
<b>Beverages: 3.9%</b>		<b>TOTAL COMMON STOCKS</b>	
6,000	PepsiCo, Inc. 1,093,800	(Cost \$18,047,661) 27,222,415	
<b>Building Products Retail: 5.9%</b>		<b>TOTAL INVESTMENTS IN SECURITIES: 97.5%</b>	
3,250	The Home Depot, Inc. 959,140	(Cost \$18,047,661) 27,222,415	
3,500	Lowe’s Companies, Inc. 699,895	Other Assets in Excess of Liabilities: 2.5% 706,858	
		<b>TOTAL NET ASSETS: 100.0%</b> \$27,929,273	
<b>Computers: 7.1%</b>		ADR – American Depositary Receipt	
12,000	Apple, Inc. 1,978,800	<sup>1</sup> Non-income producing security.	
<b>Discount Retail: 3.6%</b>			
2,000	Costco Wholesale Corp. 993,740		
<b>Diversified Financial Services: 3.5%</b>			
6,000	American Express Co. 989,700		
<b>Insurance: 2.8%</b>			
4,000	Chubb Ltd. 776,720		
<b>Internet: 3.0%</b>			
8,000	Amazon.com, Inc. <sup>1</sup> 826,320		
<b>Machinery – Diversified: 5.9%</b>			
4,000	Deere & Co. 1,651,520		
<b>Oil Companies Exploration &amp; Production: 1.8%</b>			
5,000	ConocoPhillips 496,050		
<b>Oil Companies Integrated: 5.9%</b>			
15,000	Exxon Mobil Corp. 1,644,900		
<b>Oil Refining &amp; Marketing: 2.9%</b>			
8,000	Phillips 66 811,040		
<b>Pharmaceuticals: 9.9%</b>			
5,000	AbbVie, Inc. 796,850		
8,000	Merck & Co., Inc. 851,120		
7,000	Novo Nordisk A/S – Class A 1,113,980		
		2,761,950	
<b>Pipelines: 3.4%</b>			
15,000	ONEOK, Inc. 953,100		
<b>Semiconductors: 11.3%</b>			
4,000	NVIDIA Corp. 1,111,080		
10,000	Taiwan Semiconductor Manufacturing Co. Ltd. – ADR 930,200		
6,000	Texas Instruments, Inc. 1,116,060		
		3,157,340	

The accompanying notes are an integral part of these financial statements.

## Hodges Mutual Funds

### STATEMENTS OF ASSETS AND LIABILITIES at March 31, 2023

	Hodges Fund	Small Cap Fund	Small Intrinsic Value Fund	Blue Chip Equity Income Fund
<b>ASSETS</b>				
Investments in unaffiliated securities, at value . . . . .	\$150,437,021	\$173,979,799	\$37,006,216	\$27,222,415
(Cost \$119,871,024, \$117,918,114, \$33,063,316, and \$18,047,661)				
Cash . . . . .	1,853,415	502,862	2,184,653	307,218
Receivables:				
Investment securities sold . . . . .	1,085,292	4,666,024	—	448,456
Fund shares sold . . . . .	11,324	42,682	51,924	474
Dividends and interest . . . . .	39,599	134,850	11,504	27,730
Prepaid expenses . . . . .	14,657	23,424	20,044	11,648
Total assets . . . . .	<u>153,441,308</u>	<u>179,349,641</u>	<u>39,274,341</u>	<u>28,017,941</u>
<b>LIABILITIES</b>				
Payables:				
Investment securities purchased . . . . .	2,185,903	1,383,931	811,012	—
Fund shares redeemed . . . . .	2,050	72,183	14,635	2,772
Investment advisory fees . . . . .	82,209	148,503	17,581	8,059
Fund administration fees . . . . .	12,161	16,786	969	4,029
Fund accounting fees . . . . .	6,885	10,032	137	1,450
Distribution fees . . . . .	130,629	73,527	22,015	18,410
Audit fees . . . . .	25,797	25,804	23,800	23,800
Transfer agent fees . . . . .	6,954	7,536	2,859	3,216
Custody fees . . . . .	1,455	1,987	1,152	909
Chief Compliance Officer fees . . . . .	1,875	1,874	1,875	1,875
Trustee fees . . . . .	3,555	3,665	3,178	3,296
Distribution to shareholders . . . . .	—	—	—	6,664
Sub-transfer agent fees . . . . .	8,443	21,894	695	1,483
Other accrued expenses . . . . .	37,911	37,063	361	12,705
Total liabilities . . . . .	<u>2,505,827</u>	<u>1,804,785</u>	<u>900,269</u>	<u>88,668</u>
<b>NET ASSETS</b> . . . . .	<u>\$150,935,481</u>	<u>\$177,544,856</u>	<u>\$38,374,072</u>	<u>\$27,929,273</u>
<b>COMPONENTS OF NET ASSETS</b>				
Paid-in capital . . . . .	\$120,509,748	\$114,680,488	\$34,590,599	\$19,534,540
Total distributable (accumulated) earnings (losses) . . . . .	30,425,733	62,864,368	3,783,473	8,394,733
Total net assets . . . . .	<u>\$150,935,481</u>	<u>\$177,544,856</u>	<u>\$38,374,072</u>	<u>\$27,929,273</u>
<b>Net Asset Value (unlimited shares authorized):</b>				
<b>Retail Class:</b>				
Net assets . . . . .	\$150,935,481	\$139,428,303	\$38,374,072	\$27,929,273
Shares of beneficial interest issued and outstanding . . . . .	2,937,950	7,280,106	2,285,467	1,550,521
Net asset value, offering price, and redemption price per share . . . . .	<u>\$ 51.37</u>	<u>\$ 19.15</u>	<u>\$ 16.79</u>	<u>\$ 18.01</u>
<b>Institutional Class:</b>				
Net assets . . . . .	\$ —	\$ 38,116,553	\$ —	\$ —
Shares of beneficial interest issued and outstanding . . . . .	—	1,863,474	—	—
Net asset value, offering price, and redemption price per share . . . . .	<u>\$ —</u>	<u>\$ 20.45</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.



## Hodges Mutual Funds

### STATEMENTS OF OPERATIONS For the Year Ended March 31, 2023

	Hodges Fund	Small Cap Fund	Small Intrinsic Value Fund	Blue Chip Equity Income Fund
<b>INVESTMENT INCOME</b>				
Dividends from unaffiliated securities . . . . .	\$ 1,334,770	\$ 2,513,930	\$ 498,070	\$ 573,966
(net of \$-, \$95, \$-, and \$3,316 foreign withholding tax, respectively)				
Other income . . . . .	1,340	1,363	1,183	1,194
Total investment income . . . . .	<u>1,336,110</u>	<u>2,515,293</u>	<u>499,253</u>	<u>575,160</u>
<b>EXPENSES</b>				
Investment advisory fees . . . . .	1,276,349	1,571,966	209,848	176,025
Distribution fees – Retail Class . . . . .	375,397	360,227	61,720	67,702
Fund administration fees . . . . .	79,188	105,308	20,956	26,018
Sub-transfer agent fees . . . . .	70,409	157,654	8,406	8,024
Fund accounting fees . . . . .	45,526	65,706	6,979	10,003
Transfer agent fees . . . . .	43,391	47,247	19,135	19,563
Miscellaneous expenses . . . . .	30,770	26,882	12,667	14,151
Registration expenses . . . . .	25,711	43,171	22,404	20,263
Audit fees . . . . .	23,644	23,644	23,645	23,645
Reports to shareholders . . . . .	22,630	23,239	3,962	4,002
Trustees fees . . . . .	19,772	20,562	17,784	17,945
Chief Compliance Officer fees . . . . .	11,250	11,250	11,250	11,250
Interest expense . . . . .	12,074	2,135	—	75
Legal fees . . . . .	8,208	8,207	8,207	8,207
Custody fees . . . . .	6,625	10,320	6,629	5,456
Insurance expenses . . . . .	6,009	5,946	5,206	5,359
Total expenses . . . . .	2,056,953	2,483,464	438,798	417,688
Less: fees waived . . . . .	(285,080)	—	(120,325)	(65,638)
Net expenses . . . . .	<u>1,771,873</u>	<u>2,483,464</u>	<u>318,473</u>	<u>352,050</u>
Net investment income (loss) . . . . .	<u>(435,763)</u>	<u>31,829</u>	<u>180,780</u>	<u>223,110</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>				
Net realized gain (loss) on transactions from:				
Unaffiliated investments . . . . .	2,116,282	10,493,744	(3,954)	(780,034)
Affiliated investments . . . . .	(10,437)	—	—	—
Options written . . . . .	191,699	—	—	—
Net realized gain (loss) . . . . .	<u>2,297,544</u>	<u>10,493,744</u>	<u>(3,954)</u>	<u>(780,034)</u>
Net change in unrealized appreciation/depreciation on:				
Unaffiliated investments . . . . .	(22,860,120)	(21,028,141)	(930,891)	(1,073,740)
Affiliated investments . . . . .	(2,791,232)	—	—	—
Options written . . . . .	(180,123)	9,010	—	—
Net unrealized appreciation/depreciation . . . . .	<u>(25,831,475)</u>	<u>(21,019,131)</u>	<u>(930,891)</u>	<u>(1,073,740)</u>
Net realized and unrealized gain (loss) on investments . . . . .	<u>(23,533,931)</u>	<u>(10,525,387)</u>	<u>(934,845)</u>	<u>(1,853,774)</u>
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<u><u>\$ (23,969,694)</u></u>	<u><u>\$ (10,493,558)</u></u>	<u><u>\$ (754,065)</u></u>	<u><u>\$ (1,630,664)</u></u>

The accompanying notes are an integral part of these financial statements.

# Hodges Fund

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>INCREASE (DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income (loss) .....	\$ (435,763)	\$ (1,697,688)
Net realized gain (loss) on transactions from:		
Unaffiliated investments .....	2,116,282	20,597,653
Affiliated investments .....	(10,437)	(403,591)
Options written .....	191,699	318,088
Net change in unrealized appreciation/depreciations on:		
Unaffiliated investments .....	(22,860,120)	(15,925,717)
Affiliated investments .....	(2,791,232)	3,761,573
Options written .....	(180,123)	64,257
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>(23,969,694)</u>	<u>6,714,575</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Net distributions to shareholders – Retail Class .....	(685,796)	—
<b>Total distributions to shareholders</b> .....	<u>(685,796)</u>	<u>—</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Increase (decrease) in net assets derived from net change in outstanding shares – Retail Class <sup>1</sup> .....	(10,791,626)	(31,050,208)
<b>Total increase (decrease) in net assets from capital share transactions</b> .....	<u>(10,791,626)</u>	<u>(31,050,208)</u>
<b>Total increase (decrease) in net assets</b> .....	<u>(35,447,116)</u>	<u>(24,335,633)</u>
<b>NET ASSETS</b>		
Beginning of year .....	186,382,597	210,718,230
End of year .....	<u>\$150,935,481</u>	<u>\$186,382,597</u>

<sup>1</sup> Summary of share transactions is as follows:

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Shares	Amount	Shares	Amount
<b>Retail Class:</b>				
Shares sold .....	164,324	\$ 8,346,430	588,658	\$ 35,381,517
Shares issued in reinvestment of distributions .....	13,359	666,867	—	—
Shares redeemed <sup>2</sup> .....	(403,531)	(19,804,923)	(1,096,789)	(66,431,725)
Net increase (decrease) .....	<u>(225,848)</u>	<u>\$(10,791,626)</u>	<u>(508,131)</u>	<u>\$(31,050,208)</u>

<sup>2</sup> Net of redemption fees of \$2,335 and \$4,557, respectively.

The accompanying notes are an integral part of these financial statements.

## Small Cap Fund

### STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>INCREASE (DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income (loss) .....	\$ 31,829	\$ (1,274,102)
Net realized gain (loss) on transactions from:		
Unaffiliated investments .....	10,493,744	31,320,456
Net change in unrealized appreciation/depreciation on:		
Unaffiliated investments .....	(21,028,141)	(27,276,823)
Options written .....	9,010	—
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>(10,493,558)</u>	<u>2,769,531</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Net distributions to shareholders – Retail Class .....	(8,378,272)	(29,838,464)
Net distributions to shareholders – Institutional Class .....	(2,211,622)	(8,325,118)
<b>Total distributions to shareholders</b> .....	<u>(10,589,894)</u>	<u>(38,163,582)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Increase (decrease) in net assets derived from net change in outstanding shares – Retail Class <sup>1</sup> .....	(5,232,890)	5,764,730
Increase (decrease) in net assets derived from net change in outstanding shares – Institutional Class <sup>1</sup> .....	(4,021,260)	450,891
<b>Total increase (decrease) in net assets from capital share transactions</b> .....	<u>(9,254,150)</u>	<u>6,215,621</u>
<b>Total increase (decrease) in net assets</b> .....	<u>(30,337,602)</u>	<u>(29,178,430)</u>
<b>NET ASSETS</b>		
Beginning of year .....	207,882,458	237,060,888
End of year .....	<u>\$177,544,856</u>	<u>\$207,882,458</u>

<sup>1</sup> Summary of share transactions is as follows:

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Shares	Amount	Shares	Amount
<b>Retail Class:</b>				
Shares sold .....	351,720	\$ 7,149,799	938,955	\$ 24,307,825
Shares issued in reinvestment of distributions .....	436,542	8,224,458	1,329,539	29,263,158
Shares redeemed <sup>2</sup> .....	(1,053,459)	(20,607,147)	(1,970,518)	(47,806,253)
Net increase (decrease) .....	<u>(265,197)</u>	<u>\$ (5,232,890)</u>	<u>297,976</u>	<u>\$ 5,764,730</u>

<sup>2</sup> Net of redemption fees of \$13,806 and \$7,785, respectively.

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Shares	Amount	Shares	Amount
<b>Institutional Class:</b>				
Shares sold .....	281,217	\$ 6,034,690	336,797	\$ 8,610,140
Shares issued in reinvestment of distributions .....	106,459	2,139,821	336,027	7,842,879
Shares redeemed <sup>3</sup> .....	(589,820)	(12,195,771)	(637,935)	(16,002,128)
Net increase (decrease) .....	<u>(202,144)</u>	<u>\$ (4,021,260)</u>	<u>34,889</u>	<u>\$ 450,891</u>

<sup>3</sup> Net of redemption fees of \$3,992 and \$2,273, respectively.

The accompanying notes are an integral part of these financial statements.

## Small Intrinsic Value Fund

### STATEMENTS OF CHANGES IN NET ASSETS

	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income (loss) .....	\$ 180,780	\$ 15,462
Net realized gain (loss) on transactions from:		
Unaffiliated investments .....	(3,954)	1,628,225
Affiliated investments .....	—	118,588
Net change in unrealized appreciation/depreciations on:		
Unaffiliated investments .....	(930,891)	233,272
Affiliated investments .....	—	(38,800)
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<b>(754,065)</b>	<b>1,956,747</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Net distributions to shareholders – Retail Class .....	(967,105)	(1,012,021)
<b>Total distributions to shareholders</b> .....	<b>(967,105)</b>	<b>(1,012,021)</b>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Increase (decrease) in net assets derived from net change in outstanding shares – Retail Class <sup>1</sup> .....	22,518,447	472,817
<b>Total increase (decrease) in net assets from capital share transactions</b> .....	<b>22,518,447</b>	<b>472,817</b>
<b>Total increase (decrease) in net assets</b> .....	<b>20,797,277</b>	<b>1,417,543</b>
<b>NET ASSETS</b>		
Beginning of year .....	17,576,795	16,159,252
<b>End of year</b> .....	<b>\$38,374,072</b>	<b>\$17,576,795</b>

<sup>1</sup> Summary of share transactions is as follows:

	<b>Year Ended March 31, 2023</b>		<b>Year Ended March 31, 2022</b>	
	Shares	Amount	Shares	Amount
<b>Retail Class:</b>				
Shares sold .....	1,489,965	\$25,275,624	200,375	\$ 3,616,763
Shares issued in reinvestment of distributions .....	58,150	956,580	54,864	986,448
Shares redeemed <sup>2</sup> .....	(219,688)	(3,713,757)	(230,002)	(4,130,394)
Net increase (decrease) .....	1,328,427	\$22,518,447	25,237	\$ 472,817

<sup>2</sup> Net of redemption fees of \$182 and \$216, respectively.

The accompanying notes are an integral part of these financial statements.

## Blue Chip Equity Income Fund

### STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>INCREASE (DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income (loss) .....	\$ 223,110	\$ 166,416
Net realized gain (loss) on transactions from:		
Unaffiliated investments .....	(780,034)	4,150,051
Net change in unrealized appreciation/depreciations on:		
Unaffiliated investments .....	(1,073,740)	225,645
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>(1,630,664)</u>	<u>4,542,112</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Net distributions to shareholders – Retail Class .....	<u>(2,218,532)</u>	<u>(3,037,713)</u>
<b>Total distributions to shareholders</b> .....	<u>(2,218,532)</u>	<u>(3,037,713)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Increase (decrease) in net assets derived from net change in outstanding shares – Retail Class <sup>1</sup> .....	<u>1,638,069</u>	<u>2,540,049</u>
<b>Total increase (decrease) in net assets from capital share transactions</b> .....	<u>1,638,069</u>	<u>2,540,049</u>
<b>Total increase (decrease) in net assets</b> .....	<u>(2,211,127)</u>	<u>4,044,448</u>
<b>NET ASSETS</b>		
Beginning of year .....	<u>30,140,400</u>	<u>26,095,952</u>
End of year .....	<u>\$27,929,273</u>	<u>\$30,140,400</u>

<sup>1</sup> Summary of share transactions is as follows:

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Shares	Amount	Shares	Amount
<b>Retail Class:</b>				
Shares sold .....	133,388	\$ 2,542,305	79,155	\$ 1,701,034
Shares issued in reinvestment of distributions .....	123,619	2,101,392	137,990	2,874,038
Shares redeemed <sup>2</sup> .....	<u>(165,645)</u>	<u>(3,005,628)</u>	<u>(96,479)</u>	<u>(2,035,023)</u>
Net increase (decrease) .....	<u>91,362</u>	<u>\$ 1,638,069</u>	<u>120,666</u>	<u>\$ 2,540,049</u>

<sup>2</sup> Net of redemption fees of \$10 and \$710, respectively.

The accompanying notes are an integral part of these financial statements.

## Hodges Fund

### FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year

#### RETAIL CLASS

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$58.91	\$57.39	\$20.36	\$37.76	\$48.44
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.14)	(0.46)	(0.31)	(0.19)	(0.36)
Net realized and unrealized gain (loss) on investments	(7.17)	1.98	37.34	(17.21)	(7.15)
Total from investment operations	(7.31)	1.52	37.03	(17.40)	(7.51)
<b>LESS DISTRIBUTIONS:</b>					
From net realized gain	(0.23)	—	—	—	(3.17)
Total distributions	(0.23)	—	—	—	(3.17)
Paid-in capital from redemption fees	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Net asset value, end of year	\$51.37	\$58.91	\$57.39	\$20.36	\$37.76
Total return	(12.44)%	2.70%	181.74%	(46.05)%	(14.45)%
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of year (millions)	\$150.9	\$186.4	\$210.7	\$73.9	\$177.4
Portfolio turnover rate	74%	96%	220%	107%	119%
<b>RATIO OF EXPENSES TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	1.37%	1.35%	1.40%	1.37%	1.34%
After fees waived and expenses absorbed <sup>3</sup>	1.18%	1.17%	1.16%	1.18%	1.18%
<b>RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	(0.48)%	(0.93)%	(1.03)%	(0.75)%	(0.97)%
After fees waived and expenses absorbed <sup>3</sup>	(0.29)%	(0.76)%	(0.79)%	(0.56)%	(0.81)%

<sup>1</sup> Calculated using the average shares outstanding method.

<sup>2</sup> Does not round to \$0.01 or \$(0.01), as applicable.

<sup>3</sup> Effective September 1, 2020, the Advisor contractually agreed to limit the Retail Class shares' annual ratio of expenses to 1.15% of the Retail Class' daily net assets. Effective September 1, 2021, the annual ratio of expenses returned to 1.18% of the Retail Class' daily net assets. See Note 3.

The accompanying notes are an integral part of these financial statements.

## Small Cap Fund

### FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year

#### RETAIL CLASS

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$21.35	\$25.28	\$10.10	\$18.13	\$19.51
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.01)	(0.15)	(0.13)	(0.07)	(0.12)
Net realized and unrealized gain (loss) on investments	(1.01)	0.56	15.31	(6.58)	(0.54)
Total from investment operations	(1.02)	0.41	15.18	(6.65)	(0.66)
<b>LESS DISTRIBUTIONS:</b>					
From net realized gain	(1.18)	(4.34)	—	(1.38)	(0.72)
Total distributions	(1.18)	(4.34)	—	(1.38)	(0.72)
Paid-in capital from redemption	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Net asset value, end of year	\$19.15	\$21.35	\$25.28	\$10.10	\$18.13
Total return	(4.68)%	1.12%	150.30%	(39.59)%	(2.96)%
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of year (millions)	\$139.4	\$161.1	\$183.2	\$91.5	\$354.5
Portfolio turnover rate	69%	67%	124%	81%	81%
<b>RATIO OF EXPENSES TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	1.40%	1.38%	1.40%	1.33%	1.29%
After fees waived and expenses absorbed <sup>3</sup>	1.40%	1.36%	1.35%	1.33%	1.29%
<b>RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	(0.04)%	(0.62)%	(0.83)%	(0.43)%	(0.60)%
After fees waived and expenses absorbed <sup>3</sup>	(0.04)%	(0.60)%	(0.78)%	(0.43)%	(0.60)%

<sup>1</sup> Calculated using the average shares outstanding method.

<sup>2</sup> Does not round to \$0.01 or \$(0.01), as applicable.

<sup>3</sup> Effective September 1, 2020, the Advisor contractually agreed to limit the Retail Class shares' annual ratio of expenses to 1.37% of the Retail Class' daily net assets. Effective September 1, 2021, the annual ratio of expenses returned to 1.40% of the Retail Class' daily net assets. See Note 3.

The accompanying notes are an integral part of these financial statements.

## Small Cap Fund

### FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year

#### INSTITUTIONAL CLASS

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$22.66	\$26.51	\$10.56	\$18.85	\$20.21
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.05	(0.09)	(0.09)	(0.03)	(0.07)
Net realized and unrealized gain (loss) on investments	(1.08)	0.58	16.04	(6.88)	(0.57)
Total from investment operations	(1.03)	0.49	15.95	(6.91)	(0.64)
<b>LESS DISTRIBUTIONS:</b>					
From net realized gain	(1.18)	(4.34)	—	(1.38)	(0.72)
Total distributions	(1.18)	(4.34)	—	(1.38)	(0.72)
Paid-in capital from redemption	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Net asset value, end of year	\$20.45	\$22.66	\$26.51	\$10.56	\$18.85
Total return	(4.40)%	1.34%	151.14%	(39.46)%	(2.76)%
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of year (millions)	\$38.1	\$46.8	\$53.8	\$32.2	\$105.0
Portfolio turnover rate	69%	67%	124%	81%	81%
<b>RATIO OF EXPENSES TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	1.15%	1.12%	1.15%	1.09%	1.04%
After fees waived and expenses absorbed <sup>3</sup>	1.15%	1.11%	1.10%	1.09%	1.04%
<b>RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	0.22%	(0.36)%	(0.58)%	(0.18)%	(0.35)%
After fees waived and expenses absorbed <sup>3</sup>	0.22%	(0.35)%	(0.53)%	(0.18)%	(0.35)%

<sup>1</sup> Calculated using the average shares outstanding method.

<sup>2</sup> Does not round to \$0.01 or \$(0.01), as applicable.

<sup>3</sup> Effective September 1, 2020, the Advisor contractually agreed to limit the Institutional Class shares' annual ratio of expenses to 1.12% of the Institutional Class' daily net assets. Effective September 1, 2021, the annual ratio of expenses returned to 1.15% of the Institutional Class' daily net assets. See Note 3.

The accompanying notes are an integral part of these financial statements.



## Small Intrinsic Value Fund

### FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year

#### RETAIL CLASS

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$18.37	\$17.34	\$6.84	\$11.13	\$13.65
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.13	0.02	(0.06)	(0.01)	(0.08)
Net realized and unrealized gain (loss) on investments	(1.24)	2.15	10.56	(4.28)	(1.47)
Total from investment operations	(1.11)	2.17	10.50	(4.29)	(1.55)
<b>LESS DISTRIBUTIONS:</b>					
From net investment income	(0.11)	(0.01)	—	(0.00) <sup>2</sup>	—
From net realized gain	(0.36)	(1.13)	—	—	(0.97)
Total distributions	(0.47)	(1.14)	—	(0.00) <sup>2</sup>	(0.97)
Paid-in capital from redemption	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Net asset value, end of year	\$16.79	\$18.37	\$17.34	\$6.84	\$11.13
Total return	(5.92)%	12.56%	153.51%	(38.53)%	(10.91)%
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of year (millions)	\$38.4	\$17.6	\$16.2	\$4.0	\$13.7
Portfolio turnover rate	56%	62%	136%	115%	137%
<b>RATIO OF EXPENSES TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	1.78%	2.05%	2.48%	2.43%	1.50%
After fees waived and expenses absorbed	1.29%	1.29%	1.29%	1.29%	1.29%
<b>RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	0.24%	(0.67)%	(1.73)%	(1.21)%	(0.78)%
After fees waived and expenses absorbed	0.73%	0.09%	(0.54)%	(0.07)%	(0.57)%

<sup>1</sup> Calculated using the average shares outstanding method.

<sup>2</sup> Does not round to \$0.01 or \$(0.01), as applicable.

The accompanying notes are an integral part of these financial statements.

## Blue Chip Equity Income Fund

### FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year

#### RETAIL CLASS

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$20.66	\$19.50	\$13.11	\$15.83	\$15.86
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.15	0.12	0.13	0.15	0.12
Net realized and unrealized gain (loss) on investments	(1.28)	3.32	7.22	(1.56)	0.65
Total from investment operations	(1.13)	3.44	7.35	(1.41)	0.77
<b>LESS DISTRIBUTIONS:</b>					
From net investment income	(0.15)	(0.12)	(0.12)	(0.15)	(0.12)
From net realized gain	(1.37)	(2.16)	(0.84)	(1.16)	(0.68)
Total distributions	(1.52)	(2.28)	(0.96)	(1.31)	(0.80)
Paid-in capital from redemption	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Net asset value, end of year	\$18.01	\$20.66	\$19.50	\$13.11	\$15.83
Total return	(4.96)%	17.59%	56.53%	(10.66)%	5.52%
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of year (millions)	\$27.9	\$30.1	\$26.1	\$18.8	\$24.0
Portfolio turnover rate	53%	79%	67%	51%	44%
<b>RATIO OF EXPENSES TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	1.54%	1.49%	1.64%	1.47%	1.48%
After fees waived and expenses absorbed	1.30%	1.30%	1.30%	1.30%	1.30%
<b>RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:</b>					
Before fees waived and expenses absorbed	0.58%	0.39%	0.37%	0.73%	0.59%
After fees waived and expenses absorbed	0.82%	0.58%	0.71%	0.90%	0.76%

<sup>1</sup> Calculated using the average shares outstanding method.

<sup>2</sup> Does not round to \$0.01 or \$(0.01), as applicable.

The accompanying notes are an integral part of these financial statements.

# Hodges Mutual Funds

## NOTES TO FINANCIAL STATEMENTS March 31, 2023

### NOTE 1 – ORGANIZATION

The Hodges Fund, Small Cap Fund, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund (each a “Fund” and collectively the “Funds”) are each a diversified series of shares of beneficial interest of Professionally Managed Portfolios (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”) as an open-end management investment company. Each Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services—Investment Companies”. The Hodges Fund commenced operations on October 9, 1992. The Hodges Fund currently offers a Retail Class of shares only. The Small Cap Fund commenced operations on December 18, 2007. The Small Cap Fund currently offers two classes of shares: Retail Class and Institutional Class. The Retail Class commenced operations on December 18, 2007 and the Institutional Class commenced operations on December 12, 2008. The Small Intrinsic Value Fund commenced operations on December 26, 2013 and offers a Retail Class of shares only. The Blue Chip Equity Income Fund commenced operations on September 10, 2009 and offers a Retail Class of shares only.

Each class of shares has equal rights as to earnings and assets except that each class bears its own distribution expenses. Each class of shares has exclusive voting rights with respect to matters that affect just that class. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The investment objective of the Hodges Fund, Small Cap Fund, and Small Intrinsic Value Fund is long-term capital appreciation. The investment objective of the Blue Chip Equity Income Fund is to seek income and long-term capital appreciation.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

- A. *Security Valuation.* All equity securities, which may include Real Estate Investment Trusts (“REITs”), Business Development Companies (“BDCs”), and Master Limited Partnerships (“MLPs”), that are traded on U.S. or foreign national securities exchanges, are valued at the last reported sale price on the exchange on which the security is principally traded or the exchange’s official closing price, if applicable. If, on a particular day, an exchange-traded security does not trade, then the mean between the most recent quoted bid and asked prices will be used. All equity securities, which may include REITs, BDCs, and MLPs, that are not traded on a listed exchange are valued at the last sale price in the over-the-counter market. If a non-exchange traded security does not trade on a particular day, then the mean between the last quoted closing bid and asked price will be used.

Debt securities are valued by using the evaluated mean price supplied by an approved independent pricing service. The independent pricing service may use various valuation methodologies including, matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions.

Exchange traded options are valued at the composite price, using the National Best Bid and Offer quotes (“NBBO”). NBBO consists of the highest bid price and lowest ask price across any of the exchanges on which an option is quoted, thus providing a view across the entire U.S. options marketplace. Composite option pricing calculates the mean of the highest bid price and lowest ask price across the exchanges where the option is traded.

Prior to the compliance date of Rule 2a-5 of the 1940 Act (“Rule 2a-5”) on September 8, 2022, the Board of Trustees (the “Board”) had delegated day-to-day valuation issues to a Valuation Committee of the Trust, which was comprised of representatives from the Fund’s administrator, U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services (“Fund Services”). The function of the Valuation Committee was to value securities where current and reliable market quotations were not readily available or the closing price did not represent fair value by following procedures approved by the Board. These procedures considered many factors, including the type of security, size of holding, trading volume and news events. All actions taken by the Valuation Committee were subsequently reviewed and ratified by the Board. The Valuation Committee served until September 7, 2022. Effective September 8, 2022, the Board approved Hodges Capital Management, Inc. (the “Advisor”), as the Fund’s valuation designee under Rule 2a-5 which shall determine fair value of securities for which readily available market quotes are not available in accordance with procedures approved by the Board.

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

As described above, the Funds utilize various methods to measure the fair value of their investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Funds' own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following are summaries of the inputs used to value the Funds' investments as of March 31, 2023. See the Schedules of Investments for industry breakouts.

<b>Hodges Fund:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$145,602,646	\$ —	\$ —	\$145,602,646
Options	—	4,834,375	—	4,834,375
Total Investments in Securities	<u>\$145,602,646</u>	<u>\$4,834,375</u>	<u>\$ —</u>	<u>\$150,437,021</u>
<b>Small Cap Fund:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$173,979,799	\$ —	\$ —	\$173,979,799
Total Investments in Securities	<u>\$173,979,799</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$173,979,799</u>
<b>Small Intrinsic Value Fund:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 36,986,467	\$ —	\$ —	\$ 36,986,467
Warrants	19,749	—	—	19,749
Total Investments in Securities	<u>\$ 37,006,216</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 37,006,216</u>
<b>Blue Chip Equity Income Fund:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 27,222,415	\$ —	\$ —	\$ 27,222,415
Total Investments in Securities	<u>\$ 27,222,415</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 27,222,415</u>

The Funds have adopted financial reporting rules and regulations that require enhanced disclosure regarding derivatives and hedging activity intending to improve financial reporting of derivative instruments by enabling investors to understand how an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position.

Each Fund may invest in options, traded on U.S. and foreign exchanges, on equities, debt and stock indices as a substitute for a comparable market position in the underlying security, to attempt to hedge or limit the exposure of a Fund's position, and to effect closing transactions. Each Fund may write covered put and call options on securities, securities indices and currencies in which it may invest to serve as a partial hedge against a price decline of the underlying security.

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

#### Balance Sheet

Values of derivative instruments as of March 31, 2023:

#### Hodges Fund

<u>Derivative Instruments</u>	Asset Derivatives as of March 31, 2023		Liability Derivatives as of March 31, 2023	
	<u>Balance Sheet Location</u>	<u>Value</u>	<u>Balance Sheet Location</u>	<u>Value</u>
Equity Contracts:	Investments in unaffiliated			
Call Options Purchased	securities, at value	\$4,834,375	None	\$ —
Total		\$4,834,375		\$ —

The effect of derivative instruments on the Statements of Operations for the year ended March 31, 2023:

#### Hodges Fund

<u>Derivative Instruments</u>	<u>Location of Gain (Loss) on Derivatives Recognized in Income</u>	<u>Realized Gain (Loss) on Derivatives Recognized in Income</u>	<u>Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income</u>
Equity Contracts:	Realized and Unrealized		
Call Options Purchased	Gain (Loss) on Investments	\$435,267	\$(871,319)
Equity Contracts:	Realized and Unrealized		
Call Options Written	Gain (Loss) on Investments	191,699	(180,123)

#### Small Cap Fund

<u>Derivative Instruments</u>	<u>Location of Gain (Loss) on Derivatives Recognized in Income</u>	<u>Realized Gain (Loss) on Derivatives Recognized in Income</u>	<u>Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income</u>
Equity Contracts:	Realized and Unrealized		
Equity Contracts:	Realized and Unrealized		
Call Options Written	Gain (Loss) on Investments	\$ —	\$ 9,010

The average absolute notional value of options held and written during the year ended March 31, 2023 was \$21,592,368 in the Hodges Fund.

- B. *Foreign Currency.* Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net unrealized and realized gain or loss from investments.

The Funds do not isolate net realized foreign exchange gains or losses that arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Funds' books and the U.S. dollar equivalent of the amounts actually received or paid. Such fluctuations are included with the net realized gain or loss from investments. Net fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

- C. *Federal Income Taxes.* Each Fund has elected to be taxed as a "regulated investment company" and intends to distribute substantially all taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income taxes or excise taxes has been made.

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

In order to avoid imposition of the excise tax applicable to regulated investment companies, each Fund intends to declare each year as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and at least 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years.

Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of each Fund's next taxable year. Net investment losses incurred after December 31, and within the taxable year, are deemed to arise on the first business day of the Funds' next taxable year.

As of fiscal year end March 31, 2023, the Funds deferred, on a tax basis, late year and post-October losses of:

	<u>Late Year Losses</u>	<u>Post-October Losses</u>
Hodges Fund	\$228,761	\$ —
Small Cap Fund	198,014	—
Small Intrinsic Value Fund	—	59,363
Blue Chip Equity Income Fund	—	—

As of fiscal year end March 31, 2023, the Funds had the following capital loss carryovers available for federal income tax purposes, which do not expire:

	<u>Capital Loss Carryovers</u>	
	<u>Short-Term</u>	<u>Long-Term</u>
Hodges Fund	\$ —	\$ —
Small Cap Fund	—	—
Small Intrinsic Value Fund	—	—
Blue Chip Equity Income Fund	780,021	—

As of March 31, 2023, the Funds did not have any tax positions that did not meet the “more likely-than-not” threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three fiscal years. The Funds identify their major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts. As of March 31, 2023, the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially.

- D. *Securities Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Dividends received from REITs generally are comprised of ordinary income, capital gains, and may include return of capital. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Trust's understanding of the applicable country's tax rules and rates.
- E. *Distributions to Shareholders.* Distributions to shareholders from net investment income and net realized gains, if any, on securities for the Hodges Fund, Small Cap Fund, and Small Intrinsic Value Fund are normally declared and paid on an annual basis. Distributions to shareholders from net investment income for the Blue Chip Equity Income Fund normally are declared and paid on a quarterly basis. Distributions to shareholders from net realized gains on securities normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.
- F. *Options Contracts.* The Funds may purchase call and put options on securities and indices. As the holder of a call option, each Fund has the right to purchase the underlying security at the exercise price at any time until the expiration date. As a holder of a put option, each Fund has the right to sell the underlying security at the exercise price at any time until the expiration date. The Funds may enter into closing sale transactions with respect to such options, exercise such options, or permit such options to expire. If an option expires on the stipulated date or if a Fund enters into a closing sale transaction, a gain or loss is realized. If a Fund exercises a call option, the cost of the security acquired is increased by the premium paid for the call. Each Fund may write (sell) covered put and call options on securities, security indices, and currencies in which it may invest. When a Fund writes an option, an amount equal to the premium received by a Fund is recorded as a liability and is subsequently adjusted to reflect the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether a Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. Each Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

- G. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- H. *Share Valuation.* The net asset value (“NAV”) per share of each Fund is calculated by dividing the sum of the value of the securities held by each Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for each Fund, rounded to the nearest cent. The Funds’ shares will not be priced on the days on which the New York Stock Exchange is closed for trading. The offering and redemption price per share for each Fund is equal to each Fund’s NAV per share. The Hodges Fund Retail Class, Small Cap Fund Retail Class, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund charge a redemption fee equal to 1% of the net amount of redemptions if redeemed within 30 calendar days after purchase. The Institutional Class of the Small Cap Fund charges a redemption fee equal to 1% of the net amount of redemptions if redeemed within 60 calendar days after purchase. These fees are deducted from the redemption proceeds otherwise payable to the shareholder. Each Fund will retain the fee charged as paid-in capital and such fees become part of that Fund’s daily NAV calculation.
- I. *Guarantees and Indemnifications.* In the normal course of business, each Fund enters into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
- J. *Recently Issued Accounting Pronouncements.* In June 2022, the FASB issued Accounting Standards Update 2022-03, which amends Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (“ASU 2022-03”). ASU 202203 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. Management is currently evaluating the impact of these amendments on their financial statements.
- K. *Reclassification of Capital Accounts.* U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended March 31, 2022, the following adjustments were made <sup>1</sup>.

	<u>Total Distributable Earnings</u>	<u>Paid-in Capital</u>
Hodges Fund	\$ (36,933)	\$ 36,933
Small Cap Fund	(2,611,161)	2,611,161
Small Intrinsic Value Fund	(63,334)	63,334
Blue Chip Equity Income Fund	1,053	(1,053)

<sup>1</sup> These differences are primarily due to adjustments for net operating losses, foreign currency, equalization and reclassification of dividends.

- L. *Subsequent Events.* In preparing these financial statements, the Funds have evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. The Funds have determined that there were no subsequent events that would need to be disclosed in the Funds’ financial statements.

### NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Advisor provides the Funds with investment management services under an Investment Advisory Agreement (the “Advisory Agreement”). Under the Advisory Agreement, the Advisor furnishes all investment advice, office space, certain administrative services, and provides most of the personnel needed by the Funds. As compensation for its services, the Advisor is entitled to a monthly fee at the annual rate of 0.85% for the Hodges Fund, Small Cap Fund, Small Intrinsic Value Fund, and 0.65% for the Blue Chip Equity Income Fund, based upon the average daily net assets of each Fund. Effective as of September 1, 2020, the Advisor has contractually agreed to lower its management fee in the Hodges Fund and Small Cap Fund from 0.85% to 0.82% until August 31, 2022 (the “Management Fee Waiver”). This contractual waiver may not be terminated without the approval of the Board. The Advisor has waived its right to receive reimbursement of the portion of its advisory fees waived

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

pursuant to the advisory fee waiver agreement. Effective September 1, 2022, the Management Fee Waiver was terminated. For the year ended March 31, 2023, the advisory fees incurred by the Funds are disclosed in the Statements of Operations. The investment advisory fees incurred are paid monthly to the Advisor, net of any monthly waiver or reimbursement discussed below.

The Funds are responsible for their own operating expenses. The Advisor has contractually agreed to limit Fund expenses as follows by reducing all or a portion of its fees and reimbursing the Fund expenses so that its ratio of expenses to average net assets will not exceed:

Hodges Fund	0.93% <sup>1</sup>
Small Cap Fund Retail Class	1.15% <sup>1</sup>
Small Intrinsic Value Fund	1.04%
Blue Chip Equity Income Fund	1.05%

<sup>1</sup> Prior to the termination of the Management Fee Waiver, these amounts were 0.90% and 1.12% for the Hodges Fund and Small Cap Fund, respectively.

Any fees waived and/or any Fund expenses absorbed (excluding any fees waived under the Management Fee Waiver) by the Advisor pursuant to an agreed upon expense cap shall be reimbursed by the respective Fund to the Advisor, if so requested by the Advisor, any time before the end of the third year following the period to which the fee waiver and/or expense absorption relates, provided the aggregate amount of the respective Fund's current operating expenses for such period does not exceed the lesser expense cap in place at the time of waiver or at the time of reimbursement. Each Fund must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursements of fees and/or expenses. Any such reimbursement is also contingent upon Board's review and approval. For the year ended March 31, 2023, the amount of fees waived and expenses reimbursed by the Advisor are disclosed in the Statements of Operations. Amounts due from the Advisor are paid monthly to the Funds, if applicable.

At March 31, 2023, the cumulative unreimbursed amount paid and/or waived by the Advisor on behalf of the Hodges Fund, Small Cap Fund, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund that may be recouped was \$965,782, \$71,950, \$381,356, and \$200,834, respectively. The Advisor may recapture portions of the above amounts no later than the dates stated below:

	<u>March 31, 2024</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>
Hodges Fund	\$302,379	\$378,323	\$285,080
Small Cap Fund	61,633	10,317	—
Small Intrinsic Value Fund	132,627	128,404	120,325
Blue Chip Equity Income Fund	80,210	54,986	65,638

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), serves as the Funds' administrator, fund accountant, and transfer agent. In those capacities, Fund Services maintains the Funds' books and records, calculates each Fund's NAV, prepares various federal and state regulatory filings, coordinates the payment of the Funds' expenses, reviews expense accruals, and prepares materials supplied to the Board. The officers of the Trust and the Chief Compliance Officer are also employees of Fund Services. Fees paid by the Funds to Fund Services for these services for the year ended March 31, 2023, are disclosed in the Statements of Operations.

Quasar Distributors, LLC (the "Distributor") acts as the Funds' principal underwriter in a continuous public offering of the Funds' shares. U.S. Bank N.A. serves as custodian to the Funds. U.S. Bank N.A. is an affiliate of Fund Services.

Each Fund has adopted a Distribution Plan (the "Plan") in accordance with Rule 12b-1 under the 1940 Act. The Plan provides that each Fund's Retail Class may pay a fee to the Distributor at an annual rate of up to 0.25% of the average daily net assets of each Fund. The fee is paid to the Distributor for the sale and distribution of a Fund's shares and services it provides to shareholders. Fees paid by the Funds to the Distributor for services for the year ended March 31, 2023, are disclosed in the Statements of Operations. For the year ended March 31, 2023, First Dallas Securities, an affiliate of the Advisor, received \$78,132, \$71,872, \$9,849, and \$13,784 in distribution fees from the Hodges Fund, Small Cap Fund, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund, respectively.

Each Fund has entered into sub-transfer agent arrangements (the "Arrangements"), for sub-transfer agent fees paid to third-party intermediaries, with respect to each Fund. All Arrangements must be approved by the Board. For the year ended March 31, 2023, sub-transfer agent fees incurred by the Funds are disclosed in the Statements of Operations.



## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

For the year ended March 31, 2023 First Dallas Securities received \$114,306, \$67,486, \$15,514, and \$4,133 in brokerage commissions with respect to the Hodges Fund, Small Cap Fund, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund for portfolio transactions, respectively.

The Funds may purchase securities from, or sell securities to, an affiliated Fund under specific conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Funds from or to another Fund or portfolio that is or could be considered an affiliate by virtue of having a common investment advisor (or affiliated investment advisors), common Trustees, and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. Pursuant to these procedures, for the year ended March 31, 2023, the Small Cap Fund and Small Intrinsic Value Fund engaged in the following securities purchases and sales. The Hodges Fund and Blue Chip Equity Income Fund did not engage in any securities purchases or sales pursuant to these procedures for the year ended March 31, 2023.

	<u>Purchases</u>	<u>Sales</u>
Small Cap Fund	\$ —	\$429,600
Small Intrinsic Value Fund	429,600	—

### NOTE 4 – PURCHASES AND SALES OF SECURITIES

The cost of purchases and proceeds from the sale or maturity of securities for the Funds, excluding short-term investments, for the year ended March 31, 2023, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Hodges Fund	\$108,427,228	\$115,996,481
Small Cap Fund	127,535,727	148,102,564
Small Intrinsic Value Fund	34,300,343	13,059,799
Blue Chip Equity Income Fund	14,326,255	15,225,811

There were no purchases or sales of U.S. Government obligations for any of the Funds for the year ended March 31, 2023.

### NOTE 5 – DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the year ended March 31, 2023, and the year ended March 31, 2022, for each Fund were as follows:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b>Hodges Fund</b>		
<i>Distributions paid from:</i>		
Ordinary income	\$ 685,796	\$ —
Total	\$ 685,796	\$ —
<b>Small Cap Fund</b>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>Distributions paid from:</i>		
Long-term capital gain <sup>1</sup>	\$10,589,894	\$24,601,714
Ordinary income	—	13,561,868
Total	\$10,589,894	\$38,163,582
<b>Small Intrinsic Value Fund</b>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>Distributions paid from:</i>		
Long-term capital gain <sup>1</sup>	\$ 508,617	\$ 760,153
Ordinary income	458,488	251,868
Total	\$ 967,105	\$ 1,012,021
<b>Blue Chip Equity Income Fund</b>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>Distributions paid from:</i>		
Long-term capital gain <sup>1</sup>	\$ 1,816,609	\$ 1,765,782
Ordinary income	401,923	1,271,931
Total	\$ 2,218,532	\$ 3,037,713

<sup>1</sup> Designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3).

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

As of the year end March 31, 2023, the components of distributable earnings on a tax basis were as follows <sup>1</sup>:

	<u>Hodges Fund</u>	<u>Small Cap Fund</u>
Cost of Investments	\$121,011,343	\$118,864,603
Gross tax unrealized appreciation	42,510,508	59,665,028
Gross tax unrealized depreciation	13,084,830	4,549,832
Net unrealized appreciation	29,425,678	55,115,196
Undistributed ordinary income	—	—
Undistributed long-term capital gain	1,228,816	7,947,186
Total distributable earnings	1,228,816	7,947,186
Other accumulated gains/(losses)	(228,761)	(198,014)
Total accumulated gains	<u>\$ 30,425,733</u>	<u>\$ 62,864,368</u>
	<u>Small Intrinsic Value Fund</u>	<u>Blue Chip Equity Income Fund</u>
Cost of Investments	\$ 33,163,380	\$ 18,047,661
Gross tax unrealized appreciation	6,323,304	9,238,098
Gross tax unrealized depreciation	2,480,468	63,344
Net unrealized appreciation	3,842,836	9,174,754
Undistributed ordinary income	—	—
Undistributed long-term capital gain	—	—
Total distributable earnings	—	—
Other accumulated gains/(losses)	(59,363)	(780,021)
Total accumulated gains	<u>\$ 3,783,473</u>	<u>\$ 8,394,733</u>

<sup>1</sup> The difference between book basis and tax basis unrealized appreciation was primarily attributable to the treatment of wash sale adjustments and straddle loss deferrals.

### NOTE 6 – INVESTMENTS IN AFFILIATES

Affiliated companies are those that are “affiliated persons” as defined in Section 2(a)(3) of the 1940 Act. They include, among other entities, issuers 5% or more of whose outstanding voting shares are held by the Fund. For the year ended March 31, 2023, the Funds’ had the following transactions with affiliated companies:

#### Hodges Fund

<u>Common Stocks</u>	<u>Share Balance March 31, 2023</u>	<u>Value March 31, 2022</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Corporate Actions</u>	<u>Realized Gain (Loss)</u>	<u>Change in Unrealized Appreciation/Depreciation</u>	<u>Value March 31, 2023</u>	<u>Dividend Income</u>
The Dixie Group, Inc. <sup>1,2</sup>	564,641	\$3,100,000	\$ —	\$ (328,639)	\$ —	\$(1,941,979)	\$ (400,255)	\$429,127	\$ —
Luby’s, Inc. <sup>1,2</sup>	—	3,732,314	—	(2,952,879)	(320,000)	1,931,542	(2,390,977)	—	—
Total						<u>\$ (10,437)</u>	<u>\$ (2,791,232)</u>	<u>\$429,127</u>	<u>\$ —</u>

<sup>1</sup> Non-income producing security.

<sup>2</sup> Security was not considered an affiliate at March 31, 2023, but was considered an affiliate at March 31, 2022.

The Hodges Fund did not have investments in majority-owned subsidiaries or other controlled companies.

The Small Cap Fund, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund had no transactions with affiliated companies during the year ended March 31, 2023.

## Hodges Mutual Funds

### NOTES TO FINANCIAL STATEMENTS March 31, 2023 (Continued)

#### NOTE 7 – CREDIT FACILITY

U.S. Bank N.A. has made available to the Funds credit facilities pursuant to separate Loan and Security Agreements for temporary or extraordinary purposes. Credit facility activity for the year ended March 31, 2023, was as follows:

	<u>Hodges Fund</u>	<u>Small Cap Fund</u>	<u>Small Intrinsic Value Fund</u>	<u>Blue Chip Equity Income Fund</u>
Maximum available credit	\$20,000,000	\$30,000,000	\$1,000,000	\$2,000,000
Largest amount outstanding on an individual day	2,406,000	887,000	14,000	271,000
Average balance when in use	333,913	229,517	14,000	165,750
Credit facility outstanding as of March 31, 2023	—	—	—	—
Average interest rate when in use	5.97%	6.51%	6.25%	6.50%

Interest expense for the year ended March 31, 2023, is disclosed in the Statements of Operations, as applicable.

# Hodges Mutual Funds

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Professionally Managed Portfolios  
and Shareholders of the Hodges Funds

### Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of Hodges Fund, Hodges Small Cap Fund, Hodges Small Intrinsic Value Fund, and Hodges Blue Chip Equity Income Fund (the “Funds”), each a series of Professionally Managed Portfolios (the “Trust”), including the schedule of investments, as of March 31, 2023, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of March 31, 2023, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 1995.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of the Funds’ internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2023 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
May 30, 2023

## Hodges Mutual Funds

### EXPENSE EXAMPLES For the Six Months Ended March 31, 2023 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including investment advisory fees, distribution fees, and other Fund expenses. The examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (10/1/2022-3/31/2023).

#### Actual Expenses

The “Actual” lines of the following tables provide information about actual account values based on actual returns and actual expenses. Although the Funds charge no sales loads, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Fund Services, the Funds’ transfer agent. If you request that a redemption be made by wire transfer, currently a \$15 fee is charged by Fund Services. You will be charged a redemption fee equal to 1% of the net amount of the redemption if you redeem shares within 30 calendar days after you purchase them for the Hodges Fund, Small Cap Fund Retail Class, Small Intrinsic Value Fund, and Blue Chip Equity Income Fund. You will be charged a redemption fee equal to 1% of the net amount of the redemption if you redeem shares within 60 calendar days after you purchase them for the Institutional Class of the Small Cap Fund. An Individual Retirement Account will be charged an annual maintenance fee. To the extent the Funds invest in shares of other investment companies as part of their investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Funds invest in addition to the expenses of the Funds. Actual expenses of the underlying funds may vary. These expenses are not included in the following examples. The following examples include, but are not limited to, investment advisory fees, fund accounting fees, administration fees, custody fees, and transfer agent fees. However, the following examples do not include portfolio trading commissions and related expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading titled, “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

#### Hypothetical Examples for Comparison Purposes

The “Hypothetical” lines of the following tables provide information about hypothetical account values and hypothetical expenses based on the Funds’ actual expense ratios and an assumed rate of return of 5% per year before expenses, which are not the Funds’ actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in each Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as redemption fees. Therefore, the hypothetical lines of the tables are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

#### Hodges Fund

	Beginning Account Value 10/1/22	Ending Account Value 3/31/23	Expenses Paid During the Period 10/1/22 – 3/31/23 <sup>1</sup>
<b>HDPMX:</b>			
Actual	\$1,000.00	\$1,217.50	\$6.52
Hypothetical (5% annual return before expenses)	1,000.00	1,019.05	5.94

<sup>1</sup> Expenses are equal to the expense ratio for the most recent six-month period of 1.18% (fee waivers in effect) multiplied by the average account value over the period multiplied by 182/365 (to reflect the one-half year period).

## Hodges Mutual Funds

### EXPENSE EXAMPLES For the Six Months Ended March 31, 2023 (Unaudited)

#### Small Cap Fund

	Beginning Account Value 10/1/22	Ending Account Value 3/31/23	Expenses Paid During the Period 10/1/22 – 3/31/23 <sup>2</sup>
<b>HDPSX:</b>			
Retail Class Actual	\$1,000.00	\$1,174.30	\$7.59
Retail Class Hypothetical (5% annual return before expenses)	1,000.00	1,017.95	7.04
<b>HDSIX:</b>			
Institutional Class Actual	1,000.00	1,176.60	6.24
Institutional Class Hypothetical (5% annual return before expenses)	1,000.00	1,019.20	5.79

<sup>2</sup> Expenses are equal to the expense ratio for the most recent six-month period of 1.40% for the Retail Class, and 1.15% for the Institutional Class, multiplied by the average account value over the period multiplied by 182/365 (to reflect the one-half year period).

#### Small Intrinsic Value Fund

	Beginning Account Value 10/1/22	Ending Account Value 3/31/23	Expenses Paid During the Period 10/1/22 – 3/31/23 <sup>3</sup>
<b>HDSVX:</b>			
Actual	\$1,000.00	\$1,113.60	\$6.80
Hypothetical (5% annual return before expenses)	1,000.00	1,018.50	6.49

<sup>3</sup> Expenses are equal to the expense ratio for the most recent six-month period of 1.29% (fee waivers in effect) multiplied by the average account value over the period multiplied by 182/365 (to reflect the one-half year period).

#### Blue Chip Equity Income Fund

	Beginning Account Value 10/1/22	Ending Account Value 3/31/23	Expenses Paid During the Period 10/1/22 – 3/31/23 <sup>4</sup>
<b>HDPBX:</b>			
Actual	\$1,000.00	\$1,189.80	\$7.10
Hypothetical (5% annual return before expenses)	1,000.00	1,018.45	6.54

<sup>4</sup> Expenses are equal to the expense ratio for the most recent six-month period of 1.30% (fee waivers in effect) multiplied by the average account value over the period multiplied by 182/365 (to reflect the one-half year period).

## Hodges Mutual Funds

### TRUSTEES AND EXECUTIVE OFFICERS (Unaudited)

The Board is responsible for the overall management of the Trust, including general supervision and review of the investment activities of the Funds. The Board, in turn, elects the officers of the Trust, who are responsible for administering the day-to-day operations of the Trust and its separate series. The current trustees and officers of the Trust, their year of birth, positions with the Trust, terms of office with the Trust and length of time served, their principal occupations for the past five years and other directorships are set forth in the table below.

Name, Address And Age	Position with the Trust <sup>(1)</sup>	Term of Office <sup>(2)</sup> and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex <sup>(3)</sup> Overseen by Trustees	Other Directorships Held During the Past 5 Years
<b>Independent Trustees of the Trust</b>					
Kathleen T. Barr (born 1955) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since November 2018.	Retired; Chair of the Governing Council, Independent Directors Council (since 2020); formerly, President, owner of a registered investment adviser, Productive Capital Management, Inc. (2010 to 2013); formerly, Chief Administrative Officer, Senior Vice President and Senior Managing Director of Allegiant Asset Management Company (merged with PNC Capital Advisors, LLC in 2009); formerly, Chief Administrative Officer, Chief Compliance Officer and Senior Vice President of PNC Funds and PNC Advantage Funds (f/k/a Allegiant Funds) (registered investment companies).	4	Independent Director, Muzinich BDC, Inc. (2019 to present); Independent Trustee for the William Blair Funds (2013 to present) (18 series).
Eric W. Falkeis (born 1973) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since September 2011.	Chief Growth Officer, Tidal Financial Group (2022 to present); Chief Executive Officer, Tidal ETF Services LLC (2018 to present); formerly, Chief Operating Officer, Direxion Funds (2013 to 2018); formerly, Senior Vice President and Chief Financial Officer (and other positions), U.S. Bancorp Fund Services, LLC (1997 to 2013).	4	Interested Trustee, Tidal ETF Trust II (2022 to present) (7 series); Independent Director, Muzinich BDC, Inc. (2019 to present); Interested Trustee, Tidal ETF Trust (2018 to Present) (36 series); Former Interested Trustee, Direxion Funds (22 series), Direxion Shares ETF Trust (112 series) and Direxion Insurance Trust (2013 to 2018).
Steven J. Paggioli (born 1950) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since May 1991.	Consultant; formerly, Executive Vice President, Investment Company Administration, LLC (mutual fund administrator).	4	Independent Director, Muzinich BDC, Inc. (2019 to present); Independent Trustee, AMG Funds (1993 to present) (42 series).

## Hodges Mutual Funds

### TRUSTEES AND EXECUTIVE OFFICERS (Unaudited) (Continued)

Name, Address And Age	Position with the Trust <sup>(1)</sup>	Term of Office <sup>(2)</sup> and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex <sup>(3)</sup> Overseen by Trustees	Other Directorships Held During the Past 5 Years
Ashi S. Parikh (born 1966) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since June 2020.	Investment professional; formerly, Chief Executive and Chief Investment Officer and various other positions, RidgeWorth Investments, LLC (global investment management firm) (2006 to 2017); formerly, Chief Investment Officer Institutional Growth Equities, Eagle Asset Management (investment management firm); formerly Sr. Managing Director, Growth Equities, Banc One Investment Advisors (investment management firm).	4	Board of Directors Member, Investment Working Group, The Ohio State University Endowments and Foundation (2016 to present); Board of Directors, World Methodist Council, Investment Committee (2018 to present); Independent Trustee, PNC Funds (2018 to 2019) (32 series); Interested Trustee, RidgeWorth Funds (2014 to 2017) (35 series).
Cynthia M. Fornelli (born 1960) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since January 2022.	Independent Director of TriplePoint Venture Growth BDC Corp. (2019 to present); Retired; formerly, Executive Director of the Center for Audit Quality (2007 to 2019); formerly, Senior Vice President of Regulatory Conflicts Management at Bank of America (2005 to 2007); formerly, Deputy Director, Division of Investment Management with the U.S. Securities and Exchange Commission (1998 to 2005).	4	Independent Director, TriplePoint Private Venture Credit, Inc. (2020 to present).
<b>Officers of the Trust</b>					
Jason F. Hadler (born 1975) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	President & Principal Executive Officer	Indefinite Term; Since September 2021.	Senior Vice President and Head of Client Experience, U.S. Bank Global Fund Services, since March 2022; Senior Vice President and Head of Fund Services Fund Administration Department, U.S. Bank Global Fund Services (December 2003 to March 2022).	Not Applicable.	Not Applicable.
Carl G. Gee, Esq. (born 1990) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Secretary & Vice President	Indefinite Term; Since February 2021.	Assistant Secretary of the Trust (2020 to 2021); Assistant Vice President and Counsel, U.S. Bank Global Fund Services since August 2016; Summer Associate, Husch Blackwell LLP (2015); Law Clerk, Brady Corporation (global printing systems, labels and safety products company) (2014 to 2015).	Not Applicable.	Not Applicable.



## Hodges Mutual Funds

### TRUSTEES AND EXECUTIVE OFFICERS (Unaudited) (Continued)

<u>Name, Address And Age</u>	<u>Position with the Trust<sup>(1)</sup></u>	<u>Term of Office<sup>(2)</sup> and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustees</u>	<u>Other Directorships Held During the Past 5 Years</u>
Craig Benton (born 1985) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Treasurer & Vice President	Indefinite Term; Since December 2021.	Assistant Treasurer of the Trust (2016 to 2021); Assistant Vice President, U.S. Bank Global Fund Services since November 2007.	Not Applicable.	Not Applicable.
Kyle J. Buscemi (born 1996) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since June 2022.	Mutual Funds Administrator, U.S. Bank Global Fund Services since June 2018; Business Administration Student, 2014 to 2018.	Not Applicable.	Not Applicable.
Jennifer N. Smith (born 1985) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since February 2023.	Mutual Funds Administrator, U.S. Bank Global Fund Services since 2007.	Not Applicable.	Not Applicable.
Gazala Khan (born 1969) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Chief Compliance Officer  Anti- Money Laundering Officer	Indefinite Term; Since November 2022.	Vice President and Compliance Officer, U.S. Bank Global Fund Services since July 2022; Chief Compliance Officer Matthews Asia Fund (May 2019 to July 15, 2022); Chief Compliance Officer GS Trust/VIT (June 2009 to May 2019); Vice President GSAM (May 2005 to June 2009); Staff Accountant, SEC Office of Compliance Inspection and Examination (1999 to 2005).	Not Applicable.	Not Applicable.

(1) All Trustees of the Trust who are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”).

(2) Under the terms of the Board’s retirement policy, a Trustee shall retire at the end of the calendar year in which he or she reaches the age of 78.

(3) The Trust is comprised of numerous series managed by unaffiliated investment advisers. The term “Fund Complex” applies only to the Funds. The Funds do not hold themselves out as related to any other series within the Trust for investment purposes, nor do they share the same investment advisor with any other series.

## Hodges Mutual Funds

### STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

The Funds have adopted a liquidity risk management program (the “program”). The Board has designated the Advisor to serve as the administrator of the program. Personnel of the Advisor conducts the day-to-day operation of the programs pursuant to policies and procedures administered by the Advisor.

Under the program, the Advisor manages each Fund’s liquidity risk, which is the risk that the Funds could not meet shareholder redemption requests without significant dilution of remaining shareholders’ interests in the Funds. This risk is managed by monitoring the degree of liquidity of each Fund’s investments, limiting the amount of each Fund’s illiquid investments, and utilizing various risk management tools and facilities available to each Fund for meeting shareholder redemptions, among other means. The Advisor’s process of determining the degree of liquidity of each Fund’s investments is supported by one or more third-party liquidity assessment vendors.

The Board reviewed a report prepared by the Advisor regarding the operation and effectiveness of the program for the period January 1, 2022 through December 31, 2022. No significant liquidity events impacting the Funds were noted in the report. In addition, the Advisor provided its assessment that the program had been effective in managing the Funds’ liquidity risk.

## Hodges Mutual Funds

### QUALIFIED DIVIDEND INCOME, DIVIDENDS RECEIVED DEDUCTION (Unaudited)

For the fiscal year ended March 31, 2023, certain dividends paid by the Funds may be subject to a maximum tax rate of 20%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Tax Cuts and Jobs Act of 2017. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Hodges Fund	80.99%
Small Cap Fund	0.00%
Small Intrinsic Value Fund	78.79%
Blue Chip Equity Income Fund	76.59%

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended March 31, 2023, was as follows:

Hodges Fund	80.99%
Small Cap Fund	0.00%
Small Intrinsic Value Fund	77.68%
Blue Chip Equity Income Fund	76.37%

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871 (k)(2)(C) for the fiscal year ended March 31, 2023, was as follows:

Hodges Fund	100.00%
Small Cap Fund	0.00%
Small Intrinsic Value Fund	50.97%
Blue Chip Equity Income Fund	43.15%

## Hodges Mutual Funds

### INFORMATION ABOUT PROXY VOTING (Unaudited)

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling (866) 811-0224. Furthermore, you can obtain the description on the SEC's website at [www.sec.gov](http://www.sec.gov).

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling (866) 811-0224. Furthermore, you can obtain the Funds' proxy voting records on the SEC's website at [www.sec.gov](http://www.sec.gov).

### INFORMATION ABOUT THE PORTFOLIO HOLDINGS (Unaudited)

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to their reports on Form N-PORT. The Funds' Form N -PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Funds' Form N-PORT may also be obtained by calling (866) 811-0224.

### INFORMATION ABOUT HOUSEHOLDING (Unaudited)

Each year, you are automatically sent an updated prospectus as well as annual and semi annual reports for the Funds, if applicable. To reduce expenses, the Funds may mail only one copy of each Fund's prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call us at (866) 811-0224. We will begin sending you individual copies thirty days after receiving your request. This policy does not apply to account statements.

### INFORMATION ABOUT THE FUNDS' TRUSTEES (Unaudited)

The Statement of Additional Information ("SAI") includes additional information about the Funds' Trustees and is available without charge, upon request, by calling (866) 811-0224. Furthermore, you can obtain the SAI on the SEC's web site at [www.sec.gov](http://www.sec.gov) or the Funds' web site at [www.hodgesfunds.com](http://www.hodgesfunds.com).

## Hodges Mutual Funds

### PRIVACY NOTICE (Unaudited)

The Funds collect non-public personal information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us verbally; and/or
- Information about your transactions with us or others.

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated parties and unaffiliated third parties with whom we have contracts for servicing the Funds. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. All shareholder records will be disposed of in accordance with applicable law. We maintain physical, electronic and procedural safeguards to protect your non-public personal information and require third parties to treat your non-public personal information with the same high degree of confidentiality.

In the event that you hold shares of a Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared with unaffiliated third parties.

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<i>Fund</i>	<i>Retail Class Shares</i>	<i>Institutional Class Shares</i>
<b>Hodges Fund</b>		
<i>Ticker Symbol</i>	HDPMX	N/A
<i>CUSIP</i>	742935109	N/A
<b>Small Cap Fund</b>		
<i>Ticker Symbol</i>	HDPSX	HDSIX
<i>CUSIP</i>	742935299	742935224
<b>Small Intrinsic Value Fund</b>		
<i>Ticker Symbol</i>	HDSVX	N/A
<i>CUSIP</i>	74316J318	N/A
<b>Blue Chip Equity Income Fund</b>		
<i>Ticker Symbol</i>	HDPBX	N/A
<i>CUSIP</i>	742935174	N/A

**HODGES MUTUAL FUNDS**

www.hodgesfunds.com | (866) 811-0224

**INVESTMENT ADVISOR**

HODGES CAPITAL MANAGEMENT, INC.

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