



Plumb Funds

Q4 2024

Commentary

January 2025

Dear Fellow Shareholders,

We at the Plumb Funds are pleased to present our positive 4th Quarter results for December 31st, 2024.

Our flagship Plumb Balanced Fund finished up 1.44% this quarter and 15.62% for all of 2024.

The largest contributors on a non-weighted basis were Grid Dynamic Holdings, Toast, Amazon, Fiserv, and Alphabet (aka Google). Detractors this quarter included Novo-Nordisk, Advanced Micro Devices, WEX, MecardoLibre, and Vertex.

The Plumb Funds benefitted from our macroeconomic theme of growth both through our core holdings in payment processors and through some nascent progress in quantum computing via Google's Willow chip announcement on December 9th this past quarter. To the negative, the market reacted negatively on a couple of our health care holdings, Novo Nordisk and Vertex. On December 20th, Novo Nordisk presented their Phase III results for the anti-obesity drug candidate CagriSema, after being injected weekly for 68 weeks, patients lost 22.7% of their weight on average. In the treatment group, 40.4% of patients lost at least 25% of their total mass. These results were slightly worse than the company and market anticipated, but currently to us seem to be overly hypercritical as long-term investors. On December 19th we sold Vertex after their promising non-opioid painkiller did not perform up to expectations in a clinical trial and was comparable to just a placebo.

The Plumb Equity Fund finished down 0.74% this quarter and up 17.76% for all of 2024. The largest contributors were Toast, Amazon, Fiserv, Alphabet (aka Google), and Visa. Detractors this quarter included Novo-Nordisk, Advanced Micro Devices, WEX, MecardoLibre, and Vertex.

This quarter, we added Kura Sushi, Grid Dynamic Holdings and exited Vertex.

At the Plumb Funds, we strive to serve our shareholders through all market environments with our proprietary stock research and portfolio management. Part of our investment philosophy is to invest in companies that have the ability and capability to grow faster than the U.S. and global economy. Our core belief is that we believe the world is in the midst of modern industrial revolution that is now being coined the 5th Industrial Revolution or Industry 5.0. This is the new cognitive age with artificial intelligence (AI). Again, we thank you for choosing us to be your steward as a Plumb Funds shareholder and happy to both educate and answer any financial questions.

Sincerely,

Thomas G. Plumb, CFA
Co-Fund Portfolio Manager
President, CEO, Chairman

Nathan M. Plumb
Co-Fund Portfolio Manager

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained on www.plumbfunds.com or by calling 1-866-987-7888. Read it carefully before investing.

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate and, when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-987-7888.

Past performance does not guarantee future results.

Plumb Balanced Fund Standardized Performance

Plumb Equity Fund Standardized Performance

Opinions expressed are those of the author as of December 31, 2024, and are subject to change, are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Earnings growth is the annual rate of growth of earnings from investments.

Mutual fund investing involves risk. Principal loss is possible.

The fund may invest in small and mid-sized companies which involve additional risks such as limited liquidity and greater volatility. The funds invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. Because the funds may invest in ETFs, they are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. The fund may also use options and future contracts, which 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. The investment in options is not suitable for all investors. The Plumb Balanced Fund will invest in debt securities, which typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.

Fund holdings are subject to change at any time and should not be considered a recommendation to buy or sell any security. For a list of current fund holdings, please refer to the individual fund's holding page. Plumb Balanced Holdings: plumbfunds.com/funds/plumb-balanced-fund/. Plumb Equity Holdings: plumbfunds.com/fund/plumb-equity-fund/

Diversification does not assure a profit nor protect against loss in a declining market.

Dividends are not guaranteed and may fluctuate.

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