

Adirondack Small Cap Fund (ADKSX)

Data as of March 31, 2022

Quarterly Commentary

Dear Fellow Shareholders,

The Adirondack Small Cap Fund appreciated 0.56% during the quarter ended March 31, 2022. The Fund's benchmark Index (Russell 2000® Value Index) declined 2.40% during the same period. The Fund's annualized return for 1 year, 5 year, and 10 year was 8.52%, 5.50%, and 8.39%, respectively.* The top ten holdings represented 33.90% of the portfolio and annualized turnover for the trailing twelve months stood at 21.81%.

The Russell Value's outperformance versus growth during Q1 was one of its best on record. This has historically led to further outperformance over the next year. History is a good reason by itself to justify a stance; but when combined with volatile, yet rising, bond yields and relatively better forward earnings per share growth for value versus growth, we believe small cap value is positioned to continue its outperformance.

The Fund's outperformance during Q1 was driven to a large extent by positions that benefit from higher and sustained inflation, a continued shortage of raw materials and commodities needed to meet post-COVID demand, and, unfortunately, exacerbated by the events in Eastern Europe. The Fund's overweight position in Energy as well as overall strong stock selection within the group stands out as most representative. Top contributors included Energy holdings Antero Resources Corp (as of 03/31/22 AR represented 3.91% of the portfolio) and CNX Resources Corp (as of 03/31/22 CNX represented 2.49% of the portfolio), both of which appreciated over 50% during the quarter on strong earnings and outlook. For the second consecutive quarter, Healthcare IT provider Allscripts Healthcare Solutions, Inc. (as of 03/31/22 MDRX represented 1.47% of the portfolio) was a top contributor (the stock increased 22% during the quarter). Allscripts was boosted by another strong earnings report and continued progress on its business transformation. Management has monetized legacy assets at attractive prices and focused their time and efforts as well as the company's capital on the faster growing and more profitable analytics business. With Allscripts, our patience has been rewarded. Given the strong performance over the past two quarters, the Fund has been reducing the holding as the valuation gap to peers has narrowed. GrafTech International Ltd. (as of 03/31/2022 EAF represented 3.13% of the portfolio) was the biggest detractor during Q1 (declining 18.6% despite posting better than expected Q4 results). We believe the company's electric arc furnace steel production is well positioned as the steel industry looks for ways to decarbonize.

The Fund added two new positions during the quarter, both in Consumer Discretionary, which was the weakest performing sector during the quarter. The first addition was Unifi Inc. (as of 03/31/2022 UFI represented 0.59% of the portfolio) a manufacturer of recycled and synthetic specialty yarns. Led by their REPVEVE yarns, Unifi is becoming a large supplier of yarn for sustainable fabrics to its legacy apparel customers as well as to new end markets at a time when demand is only increasing for such innovative fabrics. The second addition was Wolverine Worldwide Inc (as of 03/31/2022 WWW represented 0.96% of the portfolio) which holds a portfolio of strong brands across the footwear industry. The company has a history of patiently developing up and coming brands into more meaningful ones as they take advantage of their strong position within numerous retail channels. Improving demand for their products post-COVID and the ability to offset inflationary pressures leaves them well positioned. In addition, they recently acquired the Sweaty Betty athleisure brand that presents the opportunity for them to develop and grow another brand, adding materially to their earnings power. The most notable changes from a sector standpoint during the quarter was an increased weighting in Consumer Discretionary (due primarily to the new position companies highlighted above), a reduction in the Health Care sector, and some profit taking within Energy.

Although small cap value stocks posted strong absolute and relative performance in 2021, we continue to believe that the rotation to value stocks is in the early innings as rising inflation and interest rates typically bode well for small cap value stocks. The crisis in Ukraine is tough to predict in the short-term and any escalation or potential resolution would impact the Commodity and Energy sectors quickly with the street's usual short-term rotation. That would be welcome long-term and remove the trading and speculative money from such sectors, but would inevitably impact short-term performance. Thank you for investing alongside us and stay healthy.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. 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 888-686-2729, or visiting www.adirondackfunds.com.*

Per the prospectus, the Fund's gross annual operating expense ratio is 1.46%. The Advisor has contractually agreed to waive fees or reimburse the Fund to the extent necessary to maintain the Fund's total annual operating expenses at 1.48% until August 1, 2022, subject to termination by the Fund on 60 days' written notice.

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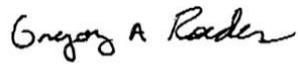
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Quarterly Commentary (con't)

Regards,



Matt Reiner, CFA®
Portfolio Manager



Greg Roeder, CFA®
Portfolio Manager

Important Risk Information

The Fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility. Additionally, value investing is subject to the risk that a company's intrinsic value may never be fully realized by the market.

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 by calling 1-888-686-2729, or visiting www.adirondackfunds.com. Read it carefully before investing.

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. You cannot invest directly in an index.

The Russell 2000 Growth Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index.