



Adirondack

F U N D S

The Adirondack Small Cap Fund
ADKSX

SEMI-ANNUAL FINANCIAL STATEMENTS

SEPTEMBER 30, 2024
(UNAUDITED)

THE ADIRONDACK SMALL CAP FUND

SCHEDULE OF INVESTMENTS SEPTEMBER 30, 2024 (UNAUDITED)

<u>Shares</u>	<u>Fair Value</u>
COMMON STOCKS - 91.08%	
Accident & Health Insurance - 1.73%	
18,602 CNO Financial Group, Inc.	\$ 652,930
Agriculture Production - Crops - 3.18%	
73,864 Dole PLC (Ireland)	1,203,245
Air Transportation, Scheduled - 1.77%	
14,806 Alaska Air Group, Inc. *	669,379
Apparel & Other Finished Products of Fabrics & Similar Material - 1.40%	
59,613 Under Armour, Inc. Class A *	531,152
Business Services - 4.33%	
406,822 Conduent, Inc. *	1,639,493
Construction Special Trade Contractors - 0.22%	
7,088 Matrix Service Co. *	81,725
Crude Petroleum & Natural Gas - 4.48%	
34,068 Antero Resources Corp. *	976,048
232,538 Tetra Technologies, Inc. *	720,868
	1,696,916
Cutlery, Handtools & General Hardware - 1.87%	
66,837 Hillman Solutions Corp. Class A *	705,799
Deep Sea Foreign Transportation of Freight - 1.03%	
21,565 Ardmore Shipping Corp. (Bermuda)	390,326
Electric Lighting & Wiring Equipment - 3.07%	
71,894 LSI Industries, Inc.	1,161,088
Electric & Other Services Combined - 1.31%	
7,750 Allete, Inc.	497,472
Electric Services - 1.02%	
2,175 Talen Energy Corp. *	387,672
Fire, Marine & Casualty Insurance - 7.10%	
86,697 SiriusPoint Ltd. (Bermuda) *	1,243,235
37,386 Tiptree, Inc. Class A	731,644
33,966 United Fire Group, Inc.	710,908
	2,685,787
Footwear, (No Rubber) - 1.84%	
40,000 Wolverine World Wide, Inc.	696,800
Glass Containers - 0.69%	
20,000 O-I Glass, Inc. *	262,400

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

THE ADIRONDACK SMALL CAP FUND

SCHEDULE OF INVESTMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

<u>Shares</u>	<u>Fair Value</u>
Household Audio & Video Equipment - 1.48%	
31,094 Knowles Corp. *	\$ 560,625
Industrial Inorganic Chemicals - 3.55%	
90,704 LSB Industries, Inc. *	729,260
41,853 Tronox Holdings PLC Class A (United Kingdom)	612,309
	1,341,569
Insurance Agents, Brokers & Service - 1.97%	
68,032 Crawford & Co. Class A	746,311
Laboratory Analytical Instruments - 0.97%	
136,631 Harvard Bioscience, Inc. *	367,537
Life Insurance - 3.32%	
183,332 Genworth Financial, Inc. Class A *	1,255,824
Meat Packing Plants - 1.44%	
174 Seaboard Corp.	545,838
Metal Mining - 3.66%	
40,203 Cleveland Cliffs, Inc. *	513,392
187,448 Ferroglobe PLC (United Kingdom)	869,759
	1,383,151
Mining, Quarrying of Nonmetallic Minerals (No Fuels) - 1.40%	
19,359 MDU Resources Group, Inc.	530,630
Oil & Gas Field Machinery & Equipment - 0.65%	
66,116 Drilling Tools International Corp. *	246,613
Pharmaceutical Preparations - 2.03%	
29,269 Perrigo Co. PLC (Ireland)	767,726
Plastics, Foil & Coated Paper Bags - 2.43%	
80,007 Pactiv Evergreen, Inc.	920,881
Printed Circuit Boards - 3.54%	
5,360 Celestica, Inc. (Canada) *	274,003
3,225 Sanmina Corp. *	220,751
46,250 TTM Technologies, Inc. *	844,063
	1,338,817
Retail-Miscellaneous Retail - 2.68%	
90,441 EZCORP, Inc. Class A *	1,013,844
Security Brokers, Dealers & Flotation Companies - 3.28%	
40,800 Virtu Financial, Inc. Class A	1,242,768

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THE ADIRONDACK SMALL CAP FUND

SCHEDULE OF INVESTMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

<u>Shares</u>	<u>Fair Value</u>
Services-Computer Integrated Systems Design - 4.96%	
38,180 Kyndryl Holdings, Inc. *	\$ 877,376
42,764 Unisys Corp. *	242,900
78,133 Veradigm, Inc. *	757,890
	1,878,166
Services-Computer Processing & Data Preparation - 0.41%	
7,411 DXC Technology Co. *	153,778
Services-Business Services - 0.05%	
7,159 Research Solutions, Inc. *	19,544
Services-Engineering Services - 1.86%	
61,770 Mistras Group, Inc. *	702,325
Services-Nursing & Personal Care Facilities - 2.04%	
68,961 Healthcare Services Group, Inc. *	770,294
Special Industry Machinery - 1.72%	
115,489 Manitex International, Inc. *	650,203
Sporting & Athletic Goods - 1.47%	
123,475 Clarus Corp.	555,638
State Commercial Banks - 3.54%	
40,542 Trustco Bank Corp. NY	1,340,724
Surgical & Medical Instruments & Apparatus - 3.73%	
73,916 Accuray, Inc. *	133,049
81,743 Orthofix Medical, Inc. *	1,276,826
	1,409,875
Telephone & Telephone Apparatus - 1.81%	
18,000 ADTRAN Holdings, Inc. *	106,740
6,762 Ciena Corp. *	416,472
23,872 Infinera Corp. *	161,136
	684,348
Water Supply - 2.05%	
71,937 Pure Cycle Corp. *	774,761
	34,463,974
TOTAL FOR COMMON STOCKS (Cost \$25,617,433) - 91.08%	
REAL ESTATE INVESTMENT TRUSTS - 6.08%	
15,570 Brixmor Property Group, Inc.	433,780
65,530 Chatham Lodging Trust	558,316
67,246 Healthcare Realty Trust, Inc.	1,220,515
5,004 JBG Smith Properties	87,470
	2,300,081
TOTAL REAL ESTATE INVESTMENT TRUSTS (Cost \$1,736,790) - 6.08%	

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THE ADIRONDACK SMALL CAP FUND

SCHEDULE OF INVESTMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

<u>Shares</u>	<u>Fair Value</u>
SHORT-TERM INVESTMENT - 3.02%	
1,144,018 Federated Treasury Obligation Fund - Institutional Shares 4.80% **	\$ 1,144,018
TOTAL SHORT-TERM INVESTMENT (Cost \$1,144,018) - 3.02%	<u>1,144,018</u>
TOTAL INVESTMENTS (Cost \$28,498,241) - 100.18%	37,908,073
LIABILITIES LESS OTHER ASSETS, NET - (0.18)%	<u>(68,376)</u>
NET ASSETS - 100.00%	<u>\$37,839,697</u>

* Non-income producing securities during the period.

** Variable rate security; the money market rate shown represents the yield at September 30, 2024.

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

THE ADIRONDACK SMALL CAP FUND

STATEMENT OF ASSETS AND LIABILITIES SEPTEMBER 30, 2024 (UNAUDITED)

Assets:		
Investments in Securities, at Fair Value (Cost \$28,498,241)	\$	37,908,073
Cash		1,000
Receivables:		
Securities Sold		2,157
Dividends and Interest		33,850
Shareholder Subscriptions		24,459
Prepaid Expenses		20,851
Total Assets		<u>37,990,390</u>
Liabilities:		
Securities Purchased		53,597
Shareholder Redemptions		49,094
Due to Advisor		25,714
Due to Trustees		3,100
Accrued Expenses		19,188
Total Liabilities		<u>150,693</u>
Net Assets	\$	<u>37,839,697</u>
Net Assets Consist of:		
Paid In Capital	\$	29,240,703
Distributable Earnings		8,598,994
Net Assets, for 1,281,546 Shares Outstanding	\$	<u>37,839,697</u>
Net Asset Value Per Share	\$	<u>29.53</u>

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THE ADIRONDACK SMALL CAP FUND

STATEMENT OF OPERATIONS

For the Six Months Ended September 30, 2024 (UNAUDITED)

Investment Income:	
Dividends	\$ 238,730
Interest	40,911
Total Investment Income	<u>279,641</u>
Expenses:	
Advisory	195,362
Transfer Agent	22,549
Legal	5,112
Custodian	5,490
Audit	7,754
Trustees	9,000
Chief Compliance Officer	9,669
Insurance	4,617
Registration and Filing Fees	13,495
Printing and Mailing	6,088
Miscellaneous Fees	3,304
Total Expenses	<u>282,440</u>
Fees Waived by the Adviser	(14,722)
Net Expenses	<u>267,718</u>
Net Investment Income	<u>11,923</u>
Realized and Unrealized Gain on Investments:	
Realized Gain on Investments	1,399,807
Net Change in Unrealized Appreciation on Investments	1,442,321
Realized and Unrealized Gain on Investments	<u>2,842,128</u>
Net Increase in Net Assets Resulting from Operations	<u><u>\$2,854,051</u></u>

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THE ADIRONDACK SMALL CAP FUND

STATEMENTS OF CHANGES IN NET ASSETS

	(Unaudited) Six Months Ended <u>9/30/2024</u>	Year Ended <u>3/31/2024</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income (Loss)	\$ 11,923	\$ (54,489)
Net Realized Gain on Investments	1,399,807	3,313,758
Unrealized Appreciation on Investments	<u>1,442,321</u>	<u>2,159,621</u>
Net Increase in Net Assets Resulting from Operations	<u>2,854,051</u>	<u>5,418,890</u>
Distributions to Shareholders:		
Distributions	<u>-</u>	<u>-</u>
Total Dividends and Distributions Paid to Shareholders	<u>-</u>	<u>-</u>
Capital Share Transactions	<u>(1,031,795)</u>	<u>(3,817,695)</u>
Total Increase in Net Assets	1,822,256	1,601,195
Net Assets:		
Beginning of Period/Year	<u>36,017,441</u>	<u>34,416,246</u>
End of Period/Year	<u><u>\$37,839,697</u></u>	<u><u>\$36,017,441</u></u>

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THE ADIRONDACK SMALL CAP FUND

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period/year.

	(Unaudited)	Years Ended					
	Six Months	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	
	Ended						
Net Asset Value, at Beginning of Period/Year	9/30/2024	\$ 27.32	\$ 23.34	\$ 23.17	\$ 21.35	\$ 10.99	\$ 17.24
Income From Investment Operations:							
Net Investment Income (Loss) *	0.01	(0.04)	(0.03)	(0.10)	(0.06)	0.01	
Net Gain (Loss) on Securities (Realized and Unrealized)	2.20	4.02	0.20	1.92	10.44	(6.21)	
Total from Investment Operations	2.21	3.98	0.17	1.82	10.38	(6.20)	
Distributions:							
Net Investment Income	-	-	-	-	(0.02)	-	
Realized Gains	-	-	-	-	-	(0.05)	
Total from Distributions	-	-	-	-	(0.02)	(0.05)	
Net Asset Value, at End of Period/Year	\$ 29.53	\$ 27.32	\$ 23.34	\$ 23.17	\$ 21.35	\$ 10.99	
Total Return **	8.09%	(b) 17.05%	0.73%	8.52%	94.50%	(36.07)%	
Ratios/Supplemental Data:							
Net Assets at End of Period/Year (Thousands)	\$ 37,840	\$36,017	\$34,416	\$46,702	\$56,464	\$ 62,450	
Before Waivers and Reimbursements							
Ratio of Expenses to Average Net Assets	1.56%	(a) 1.59%	1.59%	1.43%	1.45%	1.35%	
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.02)%	(a) (0.27)%	(0.27)%	(0.45)%	(0.38)%	0.09%	
After Waivers and Reimbursements							
Ratio of Expenses to Average Net Assets	1.48%	(a) 1.48%	1.48%	1.43%	1.45%	1.35%	
Ratio of Net Investment Income (Loss) to Average Net Assets	0.07%	(a) (0.16)%	(0.16)%	(0.45)%	(0.38)%	0.09%	
Portfolio Turnover	16.65%	(b) 32.99%	28.07%	21.81%	32.52%	32.96%	

* Per share net investment income (loss) has been determined on the basis of average shares outstanding during the year.

** Assumes reinvestment of dividends.

(a) Annualized.

(b) Not annualized.

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THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 (UNAUDITED)

Note 1. Organization

The Adirondack Small Cap Fund (the “Fund”) is the only series of Adirondack Funds (the “Trust”), an open-end, diversified, investment company that was organized as an Ohio business trust on December 8, 2004. The Trust is permitted to issue an unlimited number of shares of beneficial interest of separate series. The Fund commenced investment operations April 6, 2005. The Fund’s investment objective is long-term capital appreciation. The Fund’s principal investment strategy is to invest in a diversified portfolio of equity securities of small capitalization companies that the Fund’s investment advisor, Adirondack Research & Management, Inc. (the “Advisor”), believes are undervalued.

Note 2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946, including Financial Accounting Standards Board Accounting Standards Update 2013-08 applicable to investment companies.

Security Valuation: All investments in securities are recorded at their estimated fair value according to the procedures described in Note 3.

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 Fund does 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 realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses 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 Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

Federal Income Taxes: The Fund makes no provision for federal income or excise tax. The Fund intends to qualify each year as a “regulated investment company” (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense. Therefore, no federal income tax or excise provision is required.

THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2021-2023) or expected to be taken in the Fund's 2024 tax returns. The Fund identifies its major tax jurisdiction as U.S. federal, however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the six months ended September 30, 2024, the Fund did not incur any interest or penalties.

Distributions to Shareholders: The Fund intends to distribute to its shareholders substantially all of its net realized capital gains and net investment income, if any, at year-end. Distributions will be recorded on the ex-dividend date.

Security Transactions and Investment Income: The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums are amortized over the useful lives of the respective securities. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from these estimates.

Reclassifications: The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from GAAP. These differences are due to different treatments for items such as net short-term gains, deferral of wash sales losses, flow through income from real estate investment trusts and net investment losses. Permanent differences such as tax return of capital, capital gains retained and net investment losses, if any, would be reclassified against capital.

Note 3. Security Valuations

Processes and Structure

The Board of Trustees has adopted guidelines for valuing securities including in circumstances in which market quotes are not readily available and the Board of Trustees has the responsibility for determining fair value prices.

THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

Fair Value Pricing Policy

If market quotations are not readily available, the security will be valued at fair value (the amount which the owner might reasonably expect to receive for the security upon its current sale) as determined in good faith by the Board of Trustees (“Fair Value” Pricing). The Board of Trustees uses reasonable diligence in determining whether market quotations are readily available. If, for example, the Board of Trustees determines that one source of market value is unreliable, the Board of Trustees will diligently seek market quotations from other sources, such as other brokers or pricing services, before concluding that market quotations are not available. Fair Value Pricing is not permitted when market quotations are readily available.

Hierarchy of Fair Value Inputs

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- *Level 1.* Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has 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 that relevant observable inputs are not available, representing the company's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that 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 ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

Fair Value Measurements

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

Equity securities (common stocks and real estate investment trusts). Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, exchange traded funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in Level 2. Preferred stock and other equities traded on inactive markets or valued by reference to similar instruments are also categorized in Level 2.

Short term investments. Investments in other open-end investment companies, including money market funds, are valued at the investment company's net asset value per share. These securities will be categorized in Level 1 of the fair value hierarchy.

The following table summarizes the inputs used to value the Fund's assets and liabilities measured at fair value as of September 30, 2024:

<i>Categories</i>	Financial Instruments—Assets			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
Common Stocks *	\$ 34,463,974	\$ -	\$ -	\$ 34,463,974
Real Estate Investment Trusts	2,300,081	-	-	2,300,081
Short-Term Investment	1,144,018	-	-	1,144,018
	<u>\$ 37,908,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,908,073</u>

The Fund did not hold any Level 3 assets during the six months ended September 30, 2024. The Fund did not hold any derivative instruments at any time during the six months ended September 30, 2024. There were no significant transfers into and out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of all levels at the end of the reporting period.

* Industry classifications of these categories are detailed on the Fund's Schedule of Investments.

Note 4. Investment Management Agreement and Related Party

The Fund has a management agreement (the "Agreement") with the Advisor to furnish investment advisory and management services to the Fund. Gregory A. Roeder and Matthew Reiner, each an officer of the Fund, are shareholders of the Advisor. Under the Agreement, the Advisor earns a monthly fee from the Fund. The monthly fee is based on an annual rate of

THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

1.08% of the Fund's average daily net assets. The Advisor agreed to waive fees or reimburse the Fund should the total operating expenses of the Fund exceed 1.48% until August 1, 2025. The Advisor's obligation to waive fees or reimburse expenses excludes brokerage fees and commissions, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), taxes, extraordinary expenses, and costs of acquired funds. Any waiver or reimbursement by the Advisor is subject to repayment by the Fund within three years after the waived and/or reimbursed expenses occurred, if the Fund is able to make repayment without exceeding the lessor of its current expense limitation or the expense limitation in effect at the time of the reduction, and the repayment is approved by the Board of Trustees. For the six months ended September 30, 2024, the Advisor earned advisory fees of \$195,362. As of September 30, 2024, the Fund owed the Advisor \$25,714. For the six months ended September 30, 2024, the Advisor waived fees of \$14,722.

The Advisor has the ability to recoup previously waived fees or expenses in accordance with the Expense Limitation Agreement as follows:

<u>Fiscal Year End</u>	<u>Expiration</u>	<u>Amount</u>
March 31, 2023	March 31, 2026	\$40,114
March 31, 2024	March 31, 2027	\$36,739

Related Party

An employee of the Advisor is also, independently, the Chief Compliance Officer of the Fund. The Board of Trustees approves the annual compliance officer fees paid directly by the Fund to this individual. This individual was the Chief Compliance Officer of the Fund before becoming an employee of the Advisor.

Note 5. Capital Share Transactions

The Fund is authorized to issue an unlimited number of shares of separate series. The total paid-in capital was \$29,240,703 as of September 30, 2024. Transactions in capital for the six months ended September 30, 2024 and year ended March 31, 2024 were as follows:

	<u>September 30, 2024</u>		<u>March 31, 2024</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	45,240	\$ 1,248,834	47,607	\$ 1,164,631
Shares reinvested	-	-	-	-
Shares redeemed	(81,831)	(2,280,629)	(204,002)	(4,982,326)
Net decrease	<u>(36,591)</u>	<u>\$ (1,031,795)</u>	<u>(156,395)</u>	<u>\$ (3,817,695)</u>

Note 6. Investment Transactions

For the six months ended September 30, 2024, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$5,836,076 and \$6,656,133, respectively.

Note 7. Tax Matters

As of March 31, 2024, the tax basis components of unrealized appreciation (depreciation) and cost of investment securities were as follows:

THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

Federal tax cost of investments, including short-term investments *	<u>\$ 29,228,279</u>
Gross tax appreciation of investments	\$ 9,796,110
Gross tax depreciation of investments	<u>(3,157,627)</u>
Net tax appreciation of investments	<u>\$ 6,638,483</u>

* The difference between the book cost and tax cost of investments represents the tax deferral of losses on wash sales.

The Fund's distributable earnings on a tax basis is determined only at the end of each fiscal year. As of March 31, 2024, the Fund's most recent fiscal year end, the components of distributable earnings on a tax basis were as follows:

Long-term Capital Loss Carryforward – Non-expiring	\$ (839,761)
Short-term Capital Loss Carryforward – Non-expiring	(23,889)
Post December Loss - Deferred	(29,890)
Net Unrealized Appreciation of Investments	<u>6,638,483</u>
Total Distributable Earnings	<u>\$ 5,744,943</u>

Under current tax law, net capital losses realized after October 31 and net ordinary losses incurred after December 31 may be deferred and treated as occurring on the first day of the following year. The Fund utilized \$3,265,101 of capital loss carryforwards during the fiscal year March 31, 2024.

As of March 31, 2024, the Fund has a capital loss carryforward available for federal income tax purposes, which can be used to offset future capital gains, as follows:

Long-term non-expiring	\$ 839,761
Short-term non-expiring	\$ 23,889

The Fund has recorded a reclassification in the capital accounts. As of March 31, 2024, the Fund recorded permanent book/tax differences of \$29,330 from net investment loss to paid-in-capital. This reclassification has no impact on the net asset value of the Fund.

Ordinary income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States.

No distributions were paid during the six months ended September 30, 2024 and year ended March 31, 2024.

Note 8. Commitments and Contingencies

In the normal course of business, the Fund may enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, management considers the risk of loss from such claims to be remote.

THE ADIRONDACK SMALL CAP FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

Note 9. Control and Ownership

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of a fund under section 2(a)(9) of the Investment Company Act of 1940, as amended. As of September 30, 2024, National Financial Services Corp., for the benefit of its customers, owned approximately 33% of the Fund.

Note 10. Risk Factors

Overall market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions and depressions, climate change and climate-related events or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund's net asset value, and may impair market liquidity, thereby increasing liquidity risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates can have the same impact on all types of securities and instruments.

Note 11. New Accounting Pronouncements

In September 2023, the SEC adopted a final rule relating to "Names Rule" under the 1940 Act. The amendments expanded the rule to require more funds to adopt an 80 percent investment policy, including funds with names suggesting a focus in investments with particular characteristics (e.g., growth or value) or with terms that reference a thematic investment focus (e.g., environmental, social, or governance factors). The amendments will require that a fund review its name for compliance with the rule. If needed, a fund may need to adopt an 80 percent investment policy and review its portfolio assets' treatment under such policy at least quarterly. The rule also requires additional prospectus disclosure and reporting and record keeping requirements. The amendments became effective on April 9, 2024. The compliance date is February 9, 2026 for Funds with more than \$1 billion in assets and August 9, 2026 for Funds with less than \$1 billion in assets. The Fund is in compliance with this new rule.

Note 12. Subsequent Events

Management has evaluated the impact of all subsequent events on the Fund through the issuance of these financial statements and has noted no such events requiring disclosure.

THE ADIRONDACK SMALL CAP FUND

ADDITIONAL INFORMATION SEPTEMBER 30, 2024 (UNAUDITED)

Proxy Voting - A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, are available without charge upon request by (1) calling the Fund at (888) 686-2729 and (2) from Fund documents filed with the SEC on the SEC's website at www.sec.gov. A review of how the Fund voted on company proxies can be obtained at the Fund's transfer agent's website, www.mutualss.com.

Renewal of Management Agreement - At a meeting of the Board of Adirondack Funds (held May 17, 2024), the Board of Trustees considered renewal of the advisory contract ("Management Agreement") with Adirondack Research & Management, Inc. ("ARMI" or "Advisor"). The Trustees relied upon the advice of legal counsel and their own business judgment in determining the material factors to be considered in evaluating the Management Agreement, and the weight to be given to each such factor. The conclusions reached by the Trustees were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching conclusions with respect to the Management Agreement.

The Board considered several items when determining whether to renew the Management Agreement, including:

1. Quality/Nature of Services of ARMI to the Fund.

The Trustees agreed that they were satisfied with the quality and nature of services the Fund receives from the Advisor; those services were consistent with what the Trustees expected. Among other factors, the Trustees noted that:

- The Advisor continued to provide administrative services to the Fund at no cost to the Fund, when normally these services are provided by an administrator and charged to the shareholder.

2. Performance

The Trustees reviewed the Fund's performance and were pleased with its strong short and long term performance. The Fund outperformed its

THE ADIRONDACK SMALL CAP FUND

ADDITIONAL INFORMATION (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

benchmark for the 3-year, 5-year, and Since Inception periods, and its peer group over the 3-year period.

3. Management Fee

Taking into consideration the Advisor's quality of service, the Board deemed the Management Fee reasonable. The Management Fee remains at 1.08% (above the average (0.96%) and median (0.95%) for no load, non-institutional, actively managed open-end small cap value funds with less than \$100MM in assets). The Management Fee at 1.08% is less than the high advisory fee for no load, non-institutional, actively managed open-end small cap value funds with less than \$100MM in assets at 1.48%. The annualized Expense Ratio is 1.48% (slightly above the average (1.45%) and median (1.41%) expense ratio for no load, non-institutional, actively managed open-end small cap value funds with less than \$100MM in assets). The annualized Expense Ratio at 1.48% is less than the high Expense Ratio for no load, non-institutional, actively managed open-end small cap value funds with less than \$100MM in assets at 2.63%. The Morningstar small cap value category average expense ratio is 1.23%; the median is 1.10%. Per Morningstar, the Fund overall is rated 3 Stars (out of 5). The Fund is rated 4 Stars for the 3-year period, 3 Stars for the 5-year period, and 2 Stars for the 10-year period, and the expense level is "High" according to Morningstar.

The Advisor points out that it does not try to pass along any Shareholder Servicing fees to the Fund (platform fees associated with Shareholder Servicing). Shareholder Servicing is the second highest expense of the Advisor for the Fund (after personnel). The Fund is at \$36MM in AUM. The Advisor has lowered its fee when economies of scale have allowed.

4. Profitability

The Trustees reviewed the profitability of the Advisor. Specifically, the Trustees considered the gross and net advisory fees earned by the Advisor as well as the direct expenses of the Advisor for servicing the Fund. The Trustees were reminded that they should consider the Advisor's net profit before taking into account any marketing and distribution expenses. The Trustees reviewed the revenue, recoupment, and finances of the Advisor and assessed the Advisor's financial condition from its income statement

THE ADIRONDACK SMALL CAP FUND

ADDITIONAL INFORMATION (CONTINUED) SEPTEMBER 30, 2024 (UNAUDITED)

and balance sheet. The Trustees concluded the Advisor's profitability to be not excessive both in terms of dollars earned and as a percentage of revenue considering the services provided by the Advisor.

5. Economies of Scale

Per the Fund's Annual Report, the Total Annual Fund Operating Expense Ratio for the Fiscal Year ended March 31, 2024 (after waivers/reimbursements by the Advisor) was the same as last year at 1.48%. The Fund benefitted from leverage on other shareholder expenses (printing/ mailing costs down ~\$3,100 and insurance down \$120). The hope is to keep expenses relatively stable/declining slightly by watching expenses closely and taking cost savings when available. The Trustees also agreed that, in light of all of the information considered, the absence of breakpoints was acceptable.

Having requested and received such information from the Advisor as the Trustees believed to be reasonably necessary to evaluate the terms of the advisory agreement, upon motion duly made and seconded, the renewal of the Management Agreement was approved by the unanimous vote of the Trustees, including those Trustees who are not "interested persons" of the Trust as defined in the 1940 Act.

Board of Trustees

Wade Coton
Kevin Gallagher
Norman Joseph Plourde

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Shareholders' Servicing Agent,
Transfer Agent**

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This report is provided for the general information of the shareholders of The Adirondack Small Cap Fund. This report is not intended for distribution to prospective investors in the Fund, unless preceded or accompanied by an effective prospectus.