

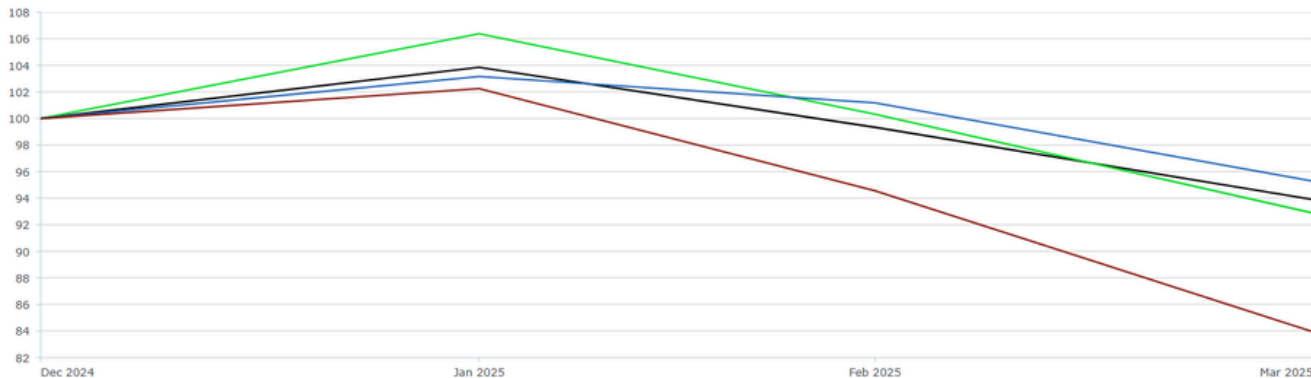
1Q25 Quarterly Commentary

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Investment Style: Mid Cap Growth

MARKET REVIEW AND MACRO OBSERVATIONS

- In 1Q25, the Russell Midcap Growth Index declined by -7.12%, the S&P MidCap 400 fell -6.10%, and the Russell 3000 was down -4.72%. The indices were positive in January and part of February but declined significantly in March.
- Inflation continued to ease, with the Consumer Price Index rising just 2.4% in March—the lowest level since 2021. Meanwhile, the unemployment rate remained low at 4.1% in February.¹ The Atlanta Fed’s GDPNow model projected 1Q25 GDP growth—adjusted for gold imports—at -0.5%.²
- Tariff threats and trade policy dominated headlines during the quarter, introducing uncertainty into both markets and business outlooks. Following the pullback, we believe valuations for companies providing “picks and shovels” for U.S. infrastructure appear increasingly attractive.



	RETURN
Needham Growth Institutional	(16.06)
Russell 3000	(4.72)
Russell Midcap Growth	(7.12)
S&P 400	(6.10)

Source: Zephyr Informais

IMPACTS ON PORTFOLIO PERFORMANCE

- In 1Q25, the Fund’s Institutional (NEEIX) and Retail (NEEGX) share classes returned -16.06% and -16.16%, respectively, underperforming the benchmarks.
- Top Contributors:
 - Super Micro Computer, Inc. (SMCI) filed its delayed financials on time in February. The delay stemmed from a governance disagreement with its auditor, not accounting issues.
 - Nova Ltd. (NVMI) is a metrology equipment provider for the semiconductor industry that posted a strong quarter. Although the stock declined on broader concerns about semiconductors and China, it was a top contributor due to our partial exit at higher prices.
 - Gilead Sciences, Inc. (GILD) reported strong results for its HIV treatment, Biktarvy.
- Top Detractors:
 - The Trade Desk, Inc. (TTD) missed expectations for the first time in 33 quarters. TTD operates a leading ad-buying

- platform for streaming media. We've held the stock since its 2015 IPO.
- Parsons Corp. (PSN) is a leader in critical infrastructure and federal cybersecurity solutions, Parsons was negatively impacted by contract reviews under the new administration.
- PDF Solutions, Inc. (PDFS) is a semiconductor data analytics leader. Despite solid 4Q24 results and guidance, concerns around Intel (INTC) as a key customer weighed on the stock.

PORTFOLIO CHANGES

- The Fund remained fully invested at quarter-end and initiated a new position in Camtek Ltd. (CAMT), a provider of advanced semiconductor packaging inspection systems.
- The Fund exited Altair Engineering, Inc. (ALTR) upon its pending acquisition by Siemens Corp. (SIEGY), as well as Badger Meter, Inc. (BMI), Cognex Corp. (CGNX), and Carter's, Inc. (CRI). We viewed Carter's as the leader in baby clothing, which we thought to be a durable category, selling at an attractive stock price. We were wrong, as even their lower income consumers suffered due to inflation. We took the tax loss.

OPPORTUNITIES & LOOKING FORWARD

- Our core investment theme remains focused on U.S. infrastructure—specifically, the underappreciated providers of the tools and technologies that enable it. Our portfolio companies support data centers, life sciences labs, semiconductor fabs, manufacturing facilities, transportation hubs, and energy systems. After decades of underinvestment, we believe the U.S. is poised for a multi-year tailwind in these areas.
- Four areas present throughout our investments:
 - Semiconductor manufacturing
 - Data Centers/AI processing
 - U.S. Manufacturing
 - Defense technology
- We believe the AI buildout is still in an early stage. Economic returns on AI projects could be a big deal for productivity and the economy. We are hearing from companies about increases in sales from the application of AI.

[1] <https://www.bls.gov/news.release/cpi.t02.htm>

[2] <https://www.atlantafed.org/-/media/documents/cqer/researchcq/gdpnow/RealGDPTrackingSlides.pdf>

	3 MO	YTD	1YR	3YR	5YR	10YR	SINCE INCEPT.
Needham Growth Fund Inst Class**	-16.06%	-16.06%	-25.08%	-1.63%	12.91%	7.92%	12.20%
After Taxes on Distributions	-16.06%	-16.06%	-25.71%	-2.03%	11.97%	6.34%	10.86%
After Taxes on Distributions & Redemptions	-9.51%	-9.51%	-14.22%	-1.18%	10.39%	6.03%	10.44%
Needham Growth Fund Retail Class	-16.16%	-16.16%	-25.43%	-2.05%	12.44%	7.43%	11.72%
After Taxes on Distributions	-16.16%	-16.16%	-26.09%	-2.47%	11.48%	5.84%	10.37%
After Taxes on Distributions and Redemptions	-9.57%	-9.57%	-14.40%	-1.49%	10.01%	5.63%	9.99%
S&P MidCap 400 Index	-6.10%	-6.10%	-2.71%	4.42%	16.91%	8.43%	10.84%
Russell 3000 Index	-4.72%	-4.72%	7.22%	8.22%	18.18%	11.80%	9.74%
Russell Midcap Growth Index	-7.12%	-7.12%	3.57%	6.16%	14.86%	10.14%	9.64%

Average Annual Returns as of March 31, 2025. The Needham Growth Fund inception date is January 1, 1996.

**Performance for any periods prior to the inception date of Institutional Class Shares are based on the historical performance of the Retail Class Shares adjusted to assume the expenses associated with Institutional Class Shares.

Investment returns and principal value will fluctuate, and when redeemed, shares may be worth more or less than their original cost. Performance data quoted represents past performance and does not guarantee future results. Current performance may be higher or lower than these results.

Current month-end performance and a copy of the prospectus are available at www.needhamfunds.com or by contacting the Fund's transfer agent, U.S. Bancorp Fund Services, LLC at 1-800-625-7071.

The Needham Growth Fund's Gross Expense Ratio is 1.75% for the Retail Class and 1.47% for the Institutional Class. The Needham Growth Fund's Net Expense Ratio is 1.71% for the Retail Class and 1.23% for the Institutional Class. The Net Expense Ratio reflects a contractual agreement by the Fund's investment adviser to waive its fee and/or reimburse the Fund through April 29, 2026 to the extent the Gross Expense Ratio exceeds 1.95% and 1.21% of the average daily net assets of Retail Class Shares and Institutional Class Shares (Expense Cap), respectively. The Expense Cap excludes taxes, interest, brokerage, dividends on short positions, fees and expenses of "acquired funds," extraordinary items and shareholder redemption fees but includes the management fee.

[Needham Growth Fund Fact Sheet](#) [Prospectus](#)

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All three of the Needham Funds have substantial exposure to small and micro capitalized companies. Funds holding smaller capitalized companies are subject to greater price fluctuation than those of larger companies. Portfolio holdings are subject to change. Needham Growth Fund's ownership as a percentage of net assets in the stated securities as of March 31, 2025: SMCI: 7.29%, NVMI: 3.57%, GILD: 0.59%, TTD: 1.96%, PSN: 3.74%, PDFS: 4.23%, INTC: 0.00%, CAMT: 0.21%, ALTR: 0.00%, SIEGY: 0.00%, BMI: 0.00%, CGNX: 0.00% and CRI: 0.00%.

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