

Needham Small Cap Growth Fund

Institutional Class | NESIX

Semi-Annual Shareholder Report | June 30, 2026

This semi-annual shareholder report contains important information about the Needham Small Cap Growth Fund ("the Fund") for the period of January 1, 2026 to June 30, 2026. You can find additional information about the Fund at www.needhamfunds.com/resources-forms. You can also request this information by contacting us at 1-800-625-7071.

What Were the Fund Costs for the Last Six Months? (Based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment*
Institutional Class	\$84	1.18%

* Annualized

How Did the Fund Perform Over the Last Six Months and What Affected its Performance?

Performance

For the six-month period ended June 30, 2026, the Needham Small Cap Growth Fund's Institutional Class returned 87.13%, significantly outperforming the Russell 2000 Growth Index's 22.18% and the Russell 3000 Index's 10.88%.

Small-cap equities were volatile early in 2026 as the U.S.-Iran war drove oil prices above \$100 per barrel and introduced broad market uncertainty. Volatility continued into April with the closing of the Strait of Hormuz, which pushed oil to a peak of \$126 per barrel, before a June memorandum of understanding between the United States and Iran eased tensions. Small-cap stocks staged a significant recovery in the second quarter as investor interest in the asset class accelerated, merger and acquisition activity picked up, and Information Technology led market gains.

The key factor affecting the Fund's performance was stock selection, particularly among semiconductor, communications infrastructure, and specialty materials holdings. Leading contributors for the period included Arteris, Inc. (AIP), which reported strong bookings and raised guidance; Vishay Intertechnology, Inc. (VSH), which advanced its capacity expansion strategy; and TTM Technologies, Inc. (TTMI) and nLIGHT, Inc. (LASR), which benefited from improving fundamentals and renewed investor confidence earlier in the period. The Fund's detractors were small relative to its contributors and included CoStar Group, Inc. (CSGP), Harmonic, Inc. (HLIT), and Lantronix, Inc. (LTRX).

Investment Themes

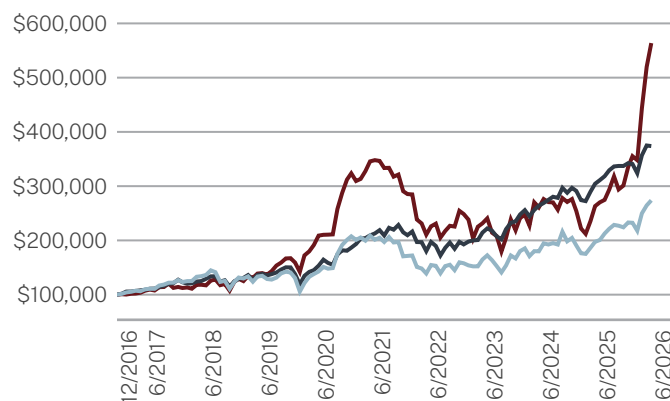
The Fund's major investment theme remains the importance of technology-driven infrastructure and industrial innovation. Portfolio companies sell products and services into data centers, communications infrastructure, semiconductor and advanced manufacturing facilities, defense systems, and specialty material markets. Needham Investment Management LLC, the Fund's investment adviser, believes that many of these industries continue to benefit from long-term capital spending trends and ongoing technological innovation.

How Did the Fund Perform Since Inception?*

The following graph compares the initial and subsequent account values at the end of each of the most recently completed annual periods for the life of the Institutional Class shares of the Fund since its inception. The graph assumes a \$100,000 initial investment at net asset value at the inception date of the Fund in an appropriate, broad-based securities market index and a more narrowly based index that reflects the market sector in which the Fund invests for the same period.

Cumulative Performance

— Needham Small Cap Growth Fund Institutional Class: \$563,707
 — Russell 3000 Index: \$373,848
 — Russell 2000 Growth Index: \$273,831



Annual Average Total Return % (as of June 30, 2026)

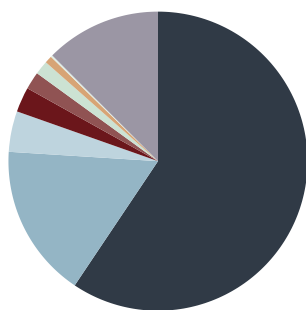
	1 Year	5 Year	Since Inception (12/30/2016)
Institutional Class	114.10	10.27	19.96
Russell 3000® Index	22.82	12.31	14.89
Russell 2000® Growth Index	38.74	5.57	11.19

* **The Fund's past performance is not a good predictor of the Fund's future performance.** The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares. All performance figures assume reinvestment of dividends and distributions.

Key Fund Statistics (as of June 30, 2026)

Net Assets	\$419,641,238
Number of Holdings	70
Portfolio Turnover	80%

What Sectors Did the Fund Invest In? (as of June 30, 2026) (as a percentage of net assets)



Information Technology	59.4%
Industrials	16.6%
Consumer Discretionary	4.4%
Health Care	2.7%
Materials	1.9%
Energy	1.5%
Utilities	0.8%
Real Estate	0.2%
Cash & Other	12.5%

Top Ten Issuers (as a percentage of net assets)

Dreyfus Treasury Securities Cash Management	14.3%
Arteris, Inc.	8.7%
Badger Meter, Inc.	5.1%
Vishay Intertechnology, Inc.	5.0%
Ambarella, Inc.	2.8%
Harmonic, Inc.	2.7%
Veeco Instruments, Inc.	2.6%
Calix, Inc.	2.4%
PDF Solutions, Inc.	2.4%
CEVA, Inc.	2.4%

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit www.needhamfunds.com/resources-forms

Householding

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Needham Funds, Inc. documents not be househanded, please contact Needham Funds, Inc. at 1-800-625-7071, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Needham Funds, Inc. or your financial intermediary.

