

## CVR Quarterly Letter – Q1 2018

We hope our investors will find the following CVR Quarterly Letter informative. Your feedback is welcome at [info@cvmfunds.com](mailto:info@cvmfunds.com).

### Important Information

*Before investing in CVR Dynamic Allocation Fund you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other important information is contained in the Fund's prospectus, a copy of which may be obtained by calling (855) 328-7691 or by visiting the Fund's website at [www.cvmfunds.com](http://www.cvmfunds.com). Please read the prospectus carefully before investing.*

### Performance (%)\*

	Q1 2018	YTD	1 Year	Since Inception 12/30/13
CVRAX	-2.65	-2.65	1.81	3.07
HFRX Equity Hedge Index	1.17	1.17	8.35	2.39

\*Returns greater than one year are annualized

Expense Ratios (%)	Gross	Net** (what you pay)
CVRAX	2.24	1.65
CVRVX	2.49	1.90

Investment Minimums	Initial	Additional
CVRAX	\$5,000	None
CVRVX	\$2,500	\$100

*Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. For the most recent month-end performance, please call 855-328-7691. \*\*The Adviser has contractually agreed to waive fees and/or reimburse expenses through April 1, 2019.*

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The CVR Dynamic Allocation Fund (“the Fund”) is rule-based, unemotional and repeatable. It seeks to enhance a traditional 60/40 portfolio by offering the potential for equity-like returns in risk-on markets and capital protection in risk-off markets.

### Q1 Commentary

Equity markets started the year on a high note, supported by a strengthening global economy, strong corporate earnings and U.S. tax cuts passed before year-end. The major averages climbed 5%+ for the month of January. However, February saw a meaningful spike in equity volatility as markets reacted to rising bond rates and the threat of inflation, contributing to a retracement of January’s gains. The heightened volatility continued in March as markets tried to balance a strong global economy against the prospect of a global trade war.

Despite the market’s uncertainty, Jerome Powell took the helm of The Federal Reserve and maintained its path towards interest rate normalization, increasing interest rates by 0.25% at his first meeting as Chairman on March 21<sup>st</sup>. The Fed maintained its forecast for two additional rate hikes for the remainder of 2018.

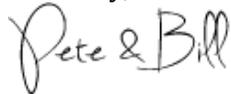
The CVR Dynamic Allocation Fund returned -2.65% during the first quarter vs its benchmark, the HFRX Equity Hedge Index, which returned +1.17%. The Fund finished the quarter holding 18% cash. Our equity risk models responded to the uptick in volatility during the quarter by raising cash. Our equity holdings continue to favor mid-cap value stocks, which offer a compelling risk/reward relative to the S&P 500.

As a reminder, the CVR Dynamic Allocation Fund provides:

- Historically less risk than the S&P 500
- Beta of .81 and R-squared of 75
- Systematic capital protection in risk-off markets

We remain confident in our investment process and steadfast in our commitment to delivering long term equity returns with less risk than the market.

Sincerely,



Peter Higgins & Bill Monaghan  
Founders / CVR Portfolio Funds

### **Risk Disclosure**

All investing involves risk including the possible loss of principal. There can be no assurance the Fund will achieve its investment objectives. In addition to the general risks of investing, the Fund is subject to additional risks including commodities risk, derivatives risks, ETF risk, risks of foreign investing and model and data risks. Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Derivatives, such as options, futures and swaps, can be volatile, and a small investment in a derivative can have a large impact on the performance of the Fund as derivatives can result in losses in excess of the amount invested. Shares of an ETF may trade at a premium or discount to the net asset value of its portfolio securities. Foreign investments may be subject to additional risks, which include international trade, currency, political, regulatory and diplomatic risks, which may affect their value. Given the complexity of the investments and strategies of the Fund, the Adviser relies heavily on quantitative models and data supplied by third parties. Models and Data may prove to be incorrect or incomplete and expose the Fund to potential risks. Please see the prospectus for a complete discussion of the Fund's risks.

**Standard Deviation** is a measure of the dispersion of a set of data from its mean. Beta is the measure of a fund's relative volatility as compared to the S&P 500 Index. Beta attempts to measure the relative risk. A Beta rating above 1.0 indicates greater volatility than the market. A Beta rating below 1.0 indicates lower volatility than the market. **Sharpe Ratio** is a risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance. **R-Squared** is the measure of percentage movement of a fund compared to the S&P 500 Index. A high R-Squared (between 85 and 100) indicates the Fund's performance patterns have been in line with the Index. **The S&P 500 Total Return Index** is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market. All returns reflect reinvested dividends and capital gains distributions. One cannot invest directly in an index. **Liquid Alternatives** are any nontraditional asset with potential economic value that would not be found in a standard investment portfolio and trades with daily liquidity.

The Fund is distributed by Foreside Fund Services, LLC

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**C**ORRELATION  
Monitor Correlations

**V**OLATILITY  
Manage Volatility

**R**ISK  
Respond to Risk