

## CVR Quarterly Letter – Q2 2016

We hope our investors will find the following CVR Quarterly Letter informative. Your feedback is welcome at [info@cvrfunds.com](mailto:info@cvrfunds.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.cvrfunds.com](http://www.cvrfunds.com). Please read the prospectus carefully before investing.**

### Performance (%)\*

	Q2 2016	YTD	1 Year	Since Inception 12/30/13
CVRAX	-0.73	-1.75	-11.55	-1.60
S&P 500 Index	2.46	3.84	3.99	7.63
HFRX Equity Hedge Index	-1.01	-3.92	-8.33	-1.87

\*Returns greater than one year are annualized

Expense Ratios (%)	Gross	Net** (what you pay)
CVRAX	2.39	1.65
CVRVX	2.64	1.90

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

**Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Mutual fund performance changes over time and currently may be significantly lower than stated above. For the most recent month-end performance, please call 855-328-7691. \*\*The Adviser has contractually agreed to waive fees and/or reimburse expenses until March 31, 2017.**

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The CVR Dynamic Allocation Fund (“the Fund”) is rule-based, unemotional and repeatable. Designed to participate in upward trending markets and to minimize losses in difficult markets, leading to the potential for an improved up/down capture ratio.

### Q2 Commentary

The historic vote on June 23rd by the citizens of the United Kingdom to exit the European Union was the most significant event impacting global markets during the second quarter. It's difficult to fool the markets in this age of ubiquitous information, but even British bookmakers were caught on the wrong side of Brexit, contributing to a 30% spike in equity volatility during the month of June.

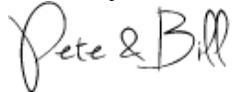
Despite a sharp multi-day selloff following the Brexit vote that led to a greater than 5% drop in the major averages, the S&P 500 rallied strongly the last few days of June to deliver a 2.46% return for the second quarter. The HFRX Equity Hedge Index returned -1.01% and the CVR Dynamic Allocation Fund returned -0.73% over the same period.

The move higher in S&P 500 was fueled by the continued turnaround in Energy (+ 11.62%), a rebound in Healthcare (+6.27%), as well as strong moves in Utilities (+6.79%) and Telecom Services (+7.06%). The CVR Dynamic Allocation Fund had a mixed performance contribution from its underlying strategies: Focused Equity (-2.13%), Defensive Equity (+2.58%) and Absolute Return (-1.80%). Of note, the Fund's risk models had no meaningful uptick during the Brexit event, suggesting support for the current risk-on stance.

As a reminder, the CVR Dynamic Allocation Fund is a hedged equity alternative that seeks to:

- Deliver better upside capture than hedged equity
- Take less risk than the market
- Sidestep the worst of the market's declines

Sincerely,



Peter Higgins & Bill Monaghan  
Founders

CVR Portfolio Funds  
[www.CVRFunds.com](http://www.CVRFunds.com)

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**C**ORRELATION  
Monitor Correlations

**V**OLATILITY  
Manage Volatility

**R**EBALANCE  
Opportunistically Rebalance

### 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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