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Subject: What Drives a Fund's Investment Performance?
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To:

Dear Friends and Family,

What drives a fund's investment performance? This is such an important topic and unfortunately this information is not adequately shared with retail investors.

Retail investors often attribute investment performance to luck. Wishing if only they had the good fortune to have invested in the right fund at the right time. Institutional investors, on the other hand, understand that while there are no guarantees with investing in the stock market, there is proactive analysis that can be done to help gauge if an investment in a fund provides a positive expectancy. So institutional investors work to understand a fund's investment process. They want to understand what drives returns. What is the thought process? Is there an investment edge? Is the investment process repeatable? Metrics regarding consistency, volatility, and outperformance all speak to the qualitative issues of an investment process. At BrightView, we believe so strongly in discussing all of this, that we provide all our prospective investors with a detailed Investment Plan providing complete transparency into how we think and act.

Towards working to better understand an investment process, it is also important to understand that every strategy is not ideal for every market environment. One should look to a fund's underlying benchmark index and the overall strategy applied to it, to see how they are performing. Then the particular nuances of an investment manager's approach and his or her value-add can be determined. It is reasonable, for example, to expect that if a fund's underlying index and/or strategy are up strongly, that a fund's returns will also be up strongly. Likewise if a fund's underlying index and/or strategy are flat, it is reasonable to expect that the fund's return will also be muted.

The BrightView Adaptive Fund utilizes a large-cap trend-following strategy. The hope is that over the intermediate to long-term that we will be able to capitalize on trends in bullish and bearish environments. While markets generally trend in one direction or another, in the past 18 months since our Fund launched, the S&P is effectively flat. There has been no trend. While we prefer trending environments, we have said from the beginning that our strategy and trading technology are adaptable enough to handle even flat or choppy markets.

BrightView has handled this less than ideal environment with returns that have been far higher, with far less volatility, with smaller drawdowns, and with far more consistency. The quality of our returns indicate an edge that is repeatable and that is not based on luck. While returns will never come in a straight line, we look forward to environments more favorable to our type of strategy. We believe that we have the potential to continue to do very well.

We welcome you to learn more about what we do and how we do it.

And by the way, our Fund finished today at another new all time closing high.

Michael Kerris

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