

# Grizzly Short Fund



## INVESTMENT OBJECTIVE

- Capital appreciation, particularly when the stock market is declining

## INVESTMENT APPROACH

The Grizzly Short Fund endeavors to remain 100% short individual stocks at all times. Short-selling involves the sale of borrowed securities. When the Fund sells a stock short, it incurs an obligation to replace it at whatever the price may be at the time of repurchase. The Fund will realize a gain if it buys the shares back at a price lower than that which the Fund received when it sold the borrowed shares; it will realize a loss if the price of the stock is greater at repurchase than it was when sold short.

A disciplined, quantitative investment approach is used to select stocks for short-selling. This proprietary analysis is designed to assess the underlying health of individual securities in the universe of

eligible stocks. The quantitative approach removes personal bias and emotion from influencing decisions when attempting to identify stocks that appear vulnerable to price decline. As a means of moderating portfolio risk, the Fund avoids significant overweights in single equity sectors and equity industry groups; and eligible stocks must be Large Cap, U.S.-traded issues with ample liquidity.

Grizzly Short Fund investors should expect the best overall results to be achieved in declining markets. In rising stock market conditions, the risk of loss is likely. However, there is no guarantee the Fund will perform as intended, and may lose value regardless of market movement.

## INVESTMENT RATIONALE FOR 100% SHORT

In all market settings there will be stocks that are overvalued by the market, and capital appreciation may be realized by short-selling those stocks. Unwarranted overvaluation can occur when pervasive upside market momentum bids up prices indiscriminately. A company lacking the

financial strength to support an elevated market valuation will ultimately be flushed out, and its stock price will correct back to a realistic level. Hence, in all market environments the Grizzly Short Fund has the potential to uncover weakness and attempt to profit through short-selling.

## INVESTMENT SUITABILITY

- Investors attempting to profit from a downside stock market correction
- Investors attempting to tactically hedge a portion of their long-stock portfolio
- Investors attempting to offset appreciated assets' capital gains exposure
- Seasoned professionals executing sophisticated, proprietary tactics

## FUND INFORMATION

Symbol: GRZZX  
 Individual Retirement Account (IRA): \$1,000  
 Regular (non-IRA) Account: \$10,000  
 CUSIP: 527289300

## INVESTMENT RISK

**Short-Selling Risk:** Short-sales involve selling a security in anticipation that the price will decline. Fund will suffer a loss if it sells a security short and the value of the security rises rather than falls.

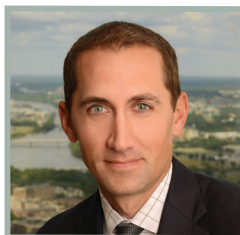
**Rising Stock Market Risk:** In rising markets the risk of loss will be greater than in declining markets. Over time the stock market has risen more often than it has declined.

**High Portfolio Turnover Risk:** Annual turnover rate may exceed 100%, resulting in more transaction costs such as brokerage commission, mark-ups, or mark-downs. High turnover may also result in increased taxes on realized gains.

**INVESTMENT  
ADVISER****Leuthold Weeden Capital Management, LLC**

Leuthold Weeden Capital Management is the Adviser to Leuthold Funds. The Minneapolis-based investment research firm was founded in 1981 by Steven C. Leuthold; asset management operations were launched in 1987. Investment portfolios are team-managed, and under the advisement of an investment strategy committee composed of portfolio managers and senior analysts.

The Leuthold Group, LLC, the managing member of the Adviser, is majority employee-owned and independent.

**PORTFOLIO  
MANAGEMENT  
TEAM**

**Greg Swenson, CFA**  
*Co-Portfolio Manager*



**Kristen Hendrickson, CFA**  
*Co-Portfolio Manager*

**LEUTHOLD  
FUND  
STRATEGIES****Tactical Asset Allocation (Domestic & Global)**

- Assets are allocated among common stocks, corporate bonds, government bonds, real estate investment trusts (REITs), commodities (physical commodities and commodity-based exchange-traded funds), and money market instruments. Asset class hedges may be applied; domestic and foreign securities are employed
- Allocations are flexible and adjusted throughout the market cycle to reflect the Adviser's assessment of risk & reward among asset class opportunities

**Long-Only Equity (Domestic & Global)**

- Domestic and globally traded securities, driven by strategies based on industry group selection and rotation

**Short-Only Equity**

- Actively managed, unleveraged, 100% short portfolio (not an index short)

**INVESTOR  
SERVICES**

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Investors should consider the investment objective, risks, charges and expenses of the investment company carefully before investing. The Prospectus contains this and other information about the Fund. For current Prospectus, call toll-free: 1-800-273-6886, or go to [www.LeutholdFunds.com](http://www.LeutholdFunds.com); Please read the Prospectus carefully before you invest. Distributor - Rafferty Capital Markets, LLC, Garden City, NY, 11530

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