

# Leuthold Grizzly Short Fund

## INVESTMENT OBJECTIVE

Capital appreciation by identifying stocks expected to decline in price, selling those stocks short.

#### **FUND INFORMATION**

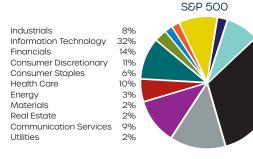
Symbol	GRZZX
Inception	06.19.00
Cusip	56167R507
Initial Investment	\$10,000
Net Assets	\$42.8 million
Portfolio Mgrs	Greg Swenson, CFA
	Phil Segner, CFA

#### GRIZZLY FUND APPROACH

Actively Managed (not an index short)
Target 100% Short At All Times
Futures/Options Not Employed
Leverage Is Not A Feature

## SECTOR WEIGHTS 12.31.24





Allocations may not add up to 100% due to rounding

#### **04 MARKET OVERVIEW**

With the largest ten firms in the S&P 500 averaging a +15% return, the index recorded a modest 2% advance in the fourth quarter. On the other hand, the median stock in the S&P 500 returned -2%, while domestic mid- and small-cap indexes were essentially flat. The last three months included two Federal Reserve rate cuts of 25 basis points¹ (bps) apiece; however, the yield curve steepened significantly as the 10-year Treasury yield increased by 80 bps. As the fourth quarter progressed, the number of rate cuts anticipated for 2025 shrank from six down to just two.

<sup>1</sup>One-hundred basis points are equivalent to 1%.

The Leuthold Grizzly Short Fund lost 1.64% during the quarter, roughly 70 bps better than the inverse S&P 500. Furthermore, over the last five calendar quarters, GRZZX (-16% return) performed substantially better than the S&P 500's inverse result (-40%). The Fund is well diversified across sectors, with the largest overweights being Industrials, Materials, and Energy. Info-Tech and Communication Services, which comprise 41% of the S&P 500, are the Fund's most significant underweights. Among industry exposures, the largest positions are Ground Cargo Transportation and Oil & Gas Exploration & Production.

### **04 PORTFOLIO OPPORTUNITIES**

- An underweight in Semiconductor stocks proved beneficial in Q4 after this group dragged down results last quarter.
- Equity selection among the Consumer Discretionary segment was a positive return driver. The Fund's positions lost less than half of the decline suffered by the inverse benchmark's associated sector investments.

### Q4 PORTFOLIO SHORTCOMINGS

- An underweight in the Health Care sector hurt performance, as stocks in those industries performed poorly during the quarter.
- The Fund's hefty overweight in equities from the Industrials sector was a disadvantage, both on an absolute basis (-50 bps contribution to return) and relative to the inverse results (+15 bps) of the S&P 500's respective holdings.

TOTAL RETURN	GRZZX	S&P 500	S&P 400 MidCap
December 2024	5.38%	-2.38%	-7.12%
Q4 2024	-1.64	2.41	0.34
YTD	-6.74	25.02	13.93
1-Year	-6.74	25.02	13.93
3-Year	-2.43	8.94	4.87
5-Year	-14.44	14.53	10.34
10-Year	-13.61	13.10	9.68
20-Year	-12.17	10.36	9.69
Since Inception	-9.89	7.78	9.28

Performance data are past results and are no guarantee of future results. Investment return and principal will fluctuate; when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than that shown. For performance as of the most recent month end, visit LeutholdFunds. com or call 800.273.6886.

Returns of one year or less are not annualized. Performance figures are historical and reflect the change in share price, reinvested distributions, change in net asset value, and capital gains distributions, if any. Inception date is 06.19.00; minimum investment \$10,000 (\$1,000 for an IRA). Benchmark comparators: S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy. S&P 400 (MidCap) is a capitalization-weighted index measuring the performance of the mid-range sector of the U.S. stock market. Russell 2000 is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell Index. These indexes cannot be invested in directly.

One should consider the investment company's investment objectives, risks, charges, and expenses carefully before investing. The Prospectus contains this and other information about the Fund. For current Prospectus, call 800.273.6886, or visit LeutholdFunds.com Please read the Prospectus carefully before investing.

 $Not\,FDIC\,Insured-No\,Bank\,Guarantee-May\,Lose\,Value\ \ \, Distributor:\,Quasar\,\,Distributors,\,LLC\,\,$ 



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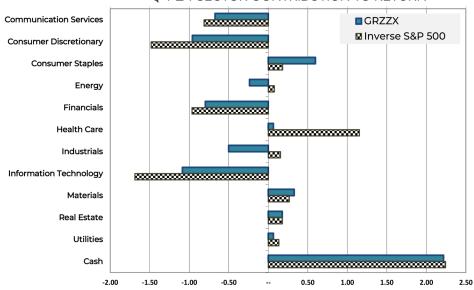
# LARGEST INDUSTRY GROUP WEIGHTS VS. S&P 500 WEIGHTS

	FUND	S&P 500
Oil & Gas Exploration & Production	5%	1%
Cargo Ground Transportation	4%	0%
Aerospace & Defense	4%	2%
Financial Exchanges & Data	4%	1%
Semiconductors	4%	11%
Life Sciences Tools & Services	3%	1%
Insurance Brokers	3%	1%
Restaurants	3%	1%
Health Care Equipment	3%	1%
Interactive Home Entertainment	2%	0%
Ind. Mchn./Supplies & Compnts.	2%	1%

## **EQUITY CHARACTERISTICS**

	FUND	S&P 500
Median Market Cap.	\$23,948MM	\$37,128MM
Wtd. Median P/E Ratio	38.3x	34.4x
Price/Cash Flow	23.1x	23.8x
Price/Book	5.4x	8.9x
ROA	7.0%	10.8%
ROE	13.7%	25.7%
Operating Margin	17.2%	24.6%
Net Margin	11.5%	17.6%
LT Debt/Capital	38.0%	36.5%
Number of Holdings	99	500
Beta (wtd. median of equities)	0.86x	-

## GRIZZLY SHORT FUND VS. S&P 500 Q4-24 SECTOR CONTRIBUTION TO RETURN



### IMPORTANT RISK INFORMATION

Fund will suffer a loss if it sells a security short and the value of the security rises rather than falls; additionally, the fund may be subject to expenses such as costs of borrowing and margin account maintenance. Since there is no maximum attainable price for a stock, short selling could result in unlimited loss. In rising stock markets, the risk of loss will be greater than in declining markets. Over time, stock markets have risen more often than they have declined. Annual portfolio turnover rate may exceed 100% and this will result in more transaction costs such as brokerage commissions or mark-ups/mark-downs. This could result in higher realized-gains' taxes for shareholders. See the Prospectus for more details.

Equity Characteristics: "Median Market Cap" is the median total dollar value of all outstanding shares computed as shares times current market price; "Wtd. Median P/E Ratio" is the weighted median of the current stock price divided by trailing annual earnings per share or expected annual earnings per share; "Price/Cash Flow" is the share price divided by the cash flow per share; "Price/Book" compares a stock's market value to the value of total assets less total liabilities (book value); "ROA" is Return on Assets, which is net income for the past 12 months divided by total average assets; "ROE" is Return on Equity, which is net income for the past 12 months divided by common stockholder equity; "Operating Margin" is operating income divided by net sales; "Net Margin" is net profit divided by revenue; "LT Debt/Capital" is long-term debt divided by the sum of long-term debt, preferred stock, and common stockholders' equity; "Beta" measures volatility versus the fund's benchmark (<1=less volatile; >1=more volatile).

Per the Prospectus dated 1.31.24, annual net operating expense charged to shareholders (excluding acquired fund fees and dividends on short positions) is **1.63%**; annual gross operating expense (including acquired fund fees and dividends on short positions) is **2.85%**. There are no fee waivers or expense reimbursements; see Prospectus for more details.

DOFU: 01.29.25

Direct Shareholder Services/Account Inquiries: 800.273.6886

Leuthold Funds c/o U.S. Bank Global Fund Services P.O. Box 701 Milwaukee WI 53201-0701

Questions About Investment Disciplines: 612.332.9141

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Leuthold Weeden Capital Management serves as the adviser to Leuthold Funds.