Letter to Shareholders **December 31, 2012**

Dear Shareholder:

The Green Owl Intrinsic Value Fund (the "Fund") ended 2012 (12/31/12) with a net asset value of $11.83 per share, resulting in a gain of 2.45% for the quarter (assumes reinvestment of dividend and capital gain distributions). For the full year 2012, the Fund returned a positive 19.47%. Our benchmark, the Standard & Poor's 500, lost 0.38% for the quarter and was up 16.00% for the year.

The performance data quoted above represents past performance. ***Past performance is no guarantee of future results.*** *Current performance may be lower or higher than the performance data quoted. The investment return and principal value vary so that an investor's shares when redeemed may be worth more or less than the original cost. The gross total annual fund operating expense is 1.72%. The Adviser has contractually agreed to limit its fees and to assume other expenses of the Fund until October 31, 2014, so that the total annual fund operating expense does not exceed 1.40%.*

While pleased with the absolute return generated by the Fund in 2012, we are even more satisfied with the relative outperformance versus our benchmark. In a significantly rising market, we are more than content to be average, knowing that our management approach is better suited to outperform in down markets (which is how we prefer it to be). Our goal is for the value of our holdings to consistently decline less than the overall market when the market declines while participating fully, but not necessarily more so, when the market rises. Therefore, we consider outperforming during a year like 2012 where the market experiences an above-average return as gravy.

On a separate but related note, it is common for any self-respecting value investor to feel the opposite of how a client feels. When we perform well, we get nervous and sense fewer opportunities; when times are miserable, we feel the excitement of searching for bargains. Trust us - there will be periods in the future when the general investing public feels miserable, and we hope that, instead of experiencing dread, you will join us in feeling energized.

As 2013 begins, however, we are less nervous than we were during past periods where the market experienced above-average performance. Our outperformance over the last year was primarily driven by above-market returns in companies we own in the financial sector. We have been substantially overweight in this sector versus the S&P 500's weightings since the inception of the Fund. We feel that the valuations of many financial companies remain unsustainably low as the reverberations of the financial crisis continue to weigh on the sector. Even after the strong gains realized in 2012, we feel most of our financials, as well as the stocks we own in other sectors, continue to be undervalued relative to our estimates of intrinsic value. While we never know how the trajectory of returns will manifest itself over periods as short as the coming year, we are relatively confident that decent gains should be realized in the context of what could be considered a longer-term time frame.

Against a backdrop of continued macroeconomic and political uncertainty, we feel confident that the individual holdings that make up our portfolio have both the durability and resilience to weather the inevitable shocks, as well as a solid track record of adapting and growing through different types of economic and business environments. The portfolio is filled with competitively entrenched, financially strong, and attractively valued businesses with positions that are appropriately sized to our convictions. As a group, they are underleveraged, generate more cash than they need to fund their operations, and actively return this excess cash to shareholders in the form of dividends and stock buybacks. Yet, even after strong price appreciation in 2012, most of the stocks in our portfolio still have valuations that range from severely to modestly undervalued.

The results for our complete history through December 31, 2012, along with corresponding benchmark returns are provided below. Our goal is to outperform the S&P 500, which serves as a proxy for the total U.S. equity market, over the long term. The history of the Fund is relatively brief, but we are off to a solid start in realizing this goal

Green Owl vs. S&P 500
Annualized Equity Performance (Net of Fees)
As of 12/31/13

	Q4 2012	1-Year	Since Inception (12/28/2011)
Green Owl	2.45%	19.47%	19.18%
S&P 500	-0.38%	16.00%	15.19%

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-888-695-3729.

The stocks with the greatest return contribution to our quarterly performance were **CarMax (KMX)**, **Bank of America (BAC)**, **Lowes (LOW)**, **Bank of New York Mellon (BK)** and **Robert Half (RHI)**. The largest detractors from the Fund's performance were **Apple Inc. (AAPL)**, **Kohl's (KSS)**, **Bed Bath & Beyond (BBBY)**, **Target Corp. (TGT)** and **Wal*Mart (WMT)**.

One of our long-held investment beliefs is that over long time periods, stock prices should trend toward intrinsic business values. At the end of the December quarter, the Price-to-Value (P-V) Ratio of our portfolio was 76%, implying roughly 30% upside if our assumptions are realized and values just remain constant. (Recall that P-V is a metric we use to track the relationship between the prices of our holdings relative to our assessments of their intrinsic values.) We don't know the timing of when this gap will close, but it is our thesis that by not trading and by concentrating on a long-term, risk-minimizing approach, we will achieve good results over time.

Positioning for the Cliff

While most of the talking heads in the financial media were frightening investors into adopting a defensive stance as the fiscal cliff negotiations waxed and waned, we did not alter our portfolio positioning one iota. This was not because we felt a deal was imminent. In fact, we had little confidence an agreement would be reached before the imposed end of year deadline. We live in a polarized age. Each party holds tightly to its ideals, unable to compromise until reality, or the markets, forces them into an acceptable course of action (but only after seemingly trying all the others first). Yet we were (and are) content to hold our companies throughout this period of political uncertainty even though the probability of a severe downward market reaction increased with each passing day. Why? Because we felt confident that, regardless of the near-term outcome, the intrinsic values of the businesses we owned would not suffer irreparable harm. The fact of the matter is that it is extremely difficult for public servants to inflict any long-term damage to our economy and, hence, business values. The market moves up and down but businesses with solid fundamental strengths endure.

Operating in constant fear of day-to-day catalysts is in many ways exactly the opposite of how investing should be pursued. The negative case for the stock market is always more compelling than the bullish case. Pessimism always seems to sound more articulate and rational than optimism. This will always be the case because fear is a much more powerful and motivating emotion than joy. As James Grant recently wrote, "No one foresees tailwinds, only winds in their face." Yet, successful long-term investing in quality businesses must be based upon how the individual companies that you're invested in will perform in the future, not how the stock market might perform tomorrow. We choose to focus our energies on dissecting and analyzing company and industry-specific factors which provide the foundation for our investment decisions. Attempting to anticipate macroeconomic issues may prove futile, but company fundamentals, when correctly evaluated, remain the most durable way of ascertaining business values. We protect against worrisome events by investing in well-managed, financially strong, and competitively-advantaged businesses when they are selling at large discounts to our assessment of value and patiently waiting for the gap between price and value to close. Fortunately, companies such as these are built to weather most storms.

In our opinion, the most dependable way to consistently make money is to buy something for less than it's worth. Buying at a discount from intrinsic value and having the asset's price move towards that value doesn't require serendipity; it just requires sound reasoning, patience and a mindset that value exerts a magnetic pull on price over time. Negative shocks in the overall economy may prolong the ultimate payoff, but they will not permanently impact returns. This is the core of what we do and it will never be held hostage by politicians in Washington.

Portfolio Activity

We initiated two new positions during the quarter and eliminated one holding. We used the proceeds from the sale plus inflows into the Fund to add to several of our existing positions.

One of the two new positions we added was **American International Group (AIG)**, a company that was effectively nationalized at the height of the financial crisis when the government cobbled together a $182 billion rescue package. Fast forward to today: the government's stake has been all but eliminated (at a profit of over $20 billion) and the company bears little resemblance to the complex, unwieldy mix of businesses it once was. AIG has slimmed down to the point where it has two primary lines of business, property and casualty insurance and life insurance, and we consider both to be leaders in their respective markets.

However, it appears as if the market is still punishing the company for its old ways as its current price is roughly 50% of tangible book value. A valuation this low implies that the company will earn no more than a 3-4% return on equity, an estimate that we believe to be overly pessimistic. With the company rationalizing its non-core operations and executing an operational turnaround, we consider it a cheap restructuring play. We believe AIG's continued optimization of its portfolio of businesses should free up additional excess capital that, subject to regulatory approval, can likely be returned to shareholders primarily through share buybacks. With the company's shares selling below tangible book value, share repurchase activity would be highly accretive. In December, the lockup of AIG's interest in the stock of AIA Group, its listed, non-core Asian life insurance business, expired, which allowed the company to monetize its unencumbered 13.7% interest for $6.4 billion. Further, the recently announced sale of 90% of ILFC, AIG's aircraft lessor subsidiary, will not only generate $4+ billion in excess capital but also simplify the company's structure and reduce its cost of capital. Also, we think that the recently announced government's sale of its remaining stake in AIG will serve as a critical catalyst for the company, because it will allow the initiation of a dividend, a change in management's compensation structure to more closely align management's incentives with shareholders' interests, and the removal of the "overhang" of U.S. Treasury ownership. Given these multiple paths to value creation, we believe the price of AIG shares will ultimately trend towards book value, if not higher, over time.

The second position initiated during the quarter was **Leucadia National (LUK)**. Leucadia can be described as somewhat of a quirky company. It is a diverse holding company that makes direct investments in publicly traded companies and also holds an eclectic mix of operating businesses that includes beef processing, plastic and lumber manufacturing, gaming entertainment, and real estate. The company recently announced that it would acquire the remaining shares of the investment bank **Jefferies Group, Inc. (JEF)** in an all-stock deal. During 2011, Leucadia had made a significant investment in Jefferies (28% of Jefferies' shares for roughly $1 billion). This was an opportunistic purchase at a time when Jefferies was under pressure for amassing a portfolio of European sovereign debt. The companies have had a long history of collaboration and, because of that intimate relationship, Jefferies' CEO, Richard Handler, will become CEO of Leucadia after the deal closes. This solves a succession issue for the outgoing co-CEOs of Leucadia, although both will remain involved with the surviving company - one as Chairman and the other as a board director.

At the time of purchase, shares of Leucadia were trading at a 15% discount to book value, a level we thought to be far too low for the quality of Leucadia' assets and its long track record of compounding book value at above market rates. Instead of buying shares of Leucadia directly, we purchased shares in Jefferies (its acquisition target) for which we will receive Leucadia shares upon completion of the deal. We initiated our position in this manner because Jefferies was trading at a 6% discount to the terms at which Leucadia had agreed to purchase the company. This gap will necessarily close when the deal is finalized, at which point we will directly own shares of Leucadia. While we can never be 100% certain that the deal, which is expected to close in the first quarter of this year, will come to fruition, we have a high degree of confidence that it will.

Even though **Markel (MKL)** was slightly below our fair value estimate, we sold the position for risk management reasons. As both of our newly initiated positions were in the financial sector, we felt it prudent to scale back our exposure with the sale of Markel.

Among the current positions added to during the quarter were Apple, Bed Bath, Kohl's, Target, **Walt Disney Co. (DIS)** and **Wells Fargo & Company (WFC)**.

*As of 12/31/12, CarMax represented 4.2%, Bank of America 3.3%, Lowes 4.7%, Bank of New York Mellon 4.0%, Robert Half 3.0%, Apple Inc. 4.2%, Kohl's 3.7%, Bed Bath & Beyond 3.3%, Target Corp. 4.0%, Wal*Mart 2.6%, American International Group 2.0%, Jefferies Group 1.1%, Walt Disney 3.0% and Wells Fargo & Company 5.5% of the Fund's total net assets. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual stocks.*

The S&P 500 Index is a broad market-weighted average of U.S. blue-chip companies. This index is unmanaged and investors cannot actually make investments in this index.

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The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-888-695-3729.

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