



### Investment Objective<sup>1</sup>

The Grizzly Short Fund seeks capital appreciation through identifying stocks expected to decline in price, selling those stocks short.

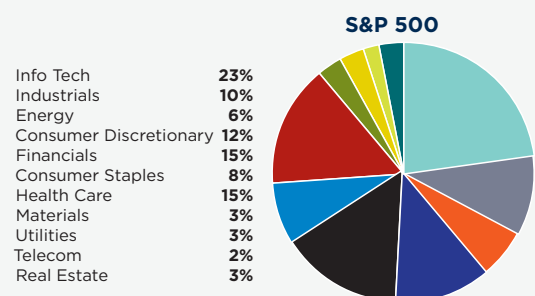
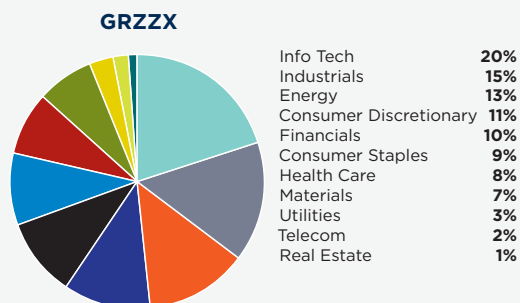
### Fund Information

Symbol	GRZZX
Inception	6.19.00
Cusip	527289300
Initial Investment	\$10,000
Net Assets	\$206 million
Portfolio Managers	Greg Swenson, CFA Kristen Perleberg, CFA

### Grizzly Short 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 as of 9.30.17



### Market Overview

Markets marched higher during the third quarter, led once again by risk assets. Small Cap stocks outperformed Large Caps; Emerging Markets bettered Developed Markets—and nearly doubled the S&P 500 gain. At the sector level, Information Technology continued to outperform while the commodity-related sectors, Energy and Materials, reversed to the upside. Alternatively, underperformance in defensive areas such as Consumer Staples persisted. Overall, broadly rising stock prices led to negative returns for the Grizzly Short Fund, but it still slightly outperformed the inverse of the S&P 500 due to both stock selection and sector allocation. New equity market highs undoubtedly create a challenging environment for this 100% short strategy, but stock valuations are reaching higher highs and the Fund remains positioned to pick out market laggards.

### Third Quarter Performance Positives

- Our stock picks among Industrials group holdings, the fund's largest sector overweight, contributed positively to return. Consumer Staples sector exposure was also additive.
- Despite a large position in the outperforming Energy sector, the overall contribution to return was only slightly negative, thanks to good stock selection among vulnerable E&P and Equipment companies.

### Third Quarter Performance Detractors

- Our overweight Materials position suffered from poor stock selection across a handful of Metals and Chemicals stocks.
- Info Tech exposure was the largest detractor to return, with Systems Software and Internet Software & Services groups prevalent among the negative contributors.

**Grizzly Short Fund**  
Average Annual Total Return as of September 30, 2017\*

	GRZZX	S&P MidCap <sup>2</sup>	S&P 500 <sup>2</sup>	MSTAR Bear Market <sup>2</sup>	Lipper Dedicated Short Bias <sup>2</sup>
September 2017	-3.42%	3.92%	2.06%	-3.69%	-3.41%
Q3 2017	-4.28	3.22	4.48	-7.92	-8.03
YTD	-14.76	9.40	14.24	-21.17	-20.56
1-Year	-12.97	17.52	18.61	-25.44	-22.48
3-Year	-10.02	11.18	10.81	-18.49	-18.02
5-Year	-13.45	14.43	14.22	-21.17	-21.60
10-Year	-11.57	9.00	7.44	-18.15	-17.14
15-Year	-12.79	11.97	10.04	-17.68	NA <sup>3</sup>
Since Inception <sup>3</sup>	-7.63	9.13	5.14	-12.17	NA <sup>3</sup>

\*Returns less than 1-year are not annualized. Per Prospectus dated 1.31.17, annual net operating expense charged to shareholders (excluding acquired fund fees and dividends on short positions) is 1.52%; annual gross operating expense (including acquired fund fees and dividends on short positions) is 2.80%. There are no fee waivers or expense reimbursements. See Prospectus for more detail.

**Performance data shown represents past performance and is no guarantee of future results. Investment return and principal will fluctuate so shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. For performance current to the most recent month-end, visit LeutholdFunds.com or call 800-273-6886.**

1 The Grizzly Short Fund has additional risks associated with short-selling: market risk, short sales risk, rising stock market risk, high portfolio turnover risk, and quantitative investment approach risk. Such risks are discussed in more detail in the Fund's Prospectus. 2 S&P MidCap is a capitalization-weighted index measuring the performance of the mid-range sector of the U.S. stock market. S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy. MSTAR Bear Market Average measures performance of funds in the Morningstar Bear Market category. Lipper Dedicated Short Bias, introduced in July 2003, consists of funds with a net short exposure to the market. These indexes cannot be invested in directly. Performance return figures are historical and reflect the change in share price, reinvested distributions, change in net asset value, and capital gains distributions, if any. 3 Inception date is 6.19.00.

**Investors should consider the investment objectives, 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 800-273-6886, or visit LeutholdFunds.com. Please read the Prospectus carefully before investing. Not FDIC Insured - No Bank Guarantee - May Lose Value Distributor: Rafferty Capital Markets, LLC, Garden City, NY 11530**



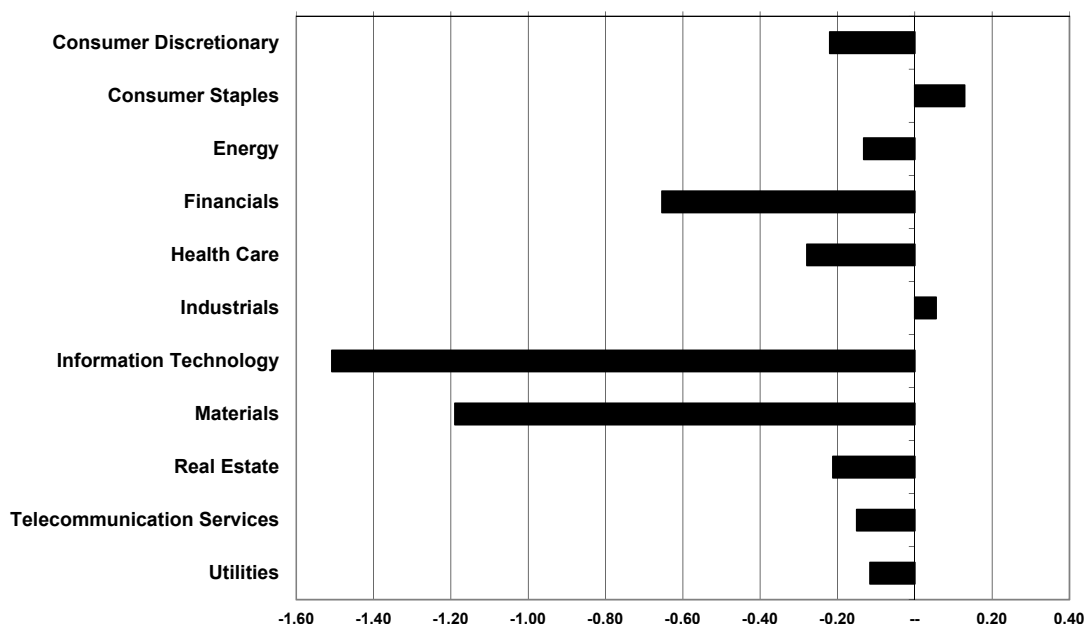
### Largest Industry Group Short Weights Vs. S&P 500 Long Weights

	FUND	S&P 500
Application Software	10%	1%
Packaged Foods & Meats	6%	1%
Oil & Gas Equipment & Services	6%	1%
Oil & Gas Exploration & Production	6%	1%
Health Care Equipment	5%	2%
Regional Banks	4%	1%
Semiconductors	4%	3%
Systems Software	4%	4%
Internet & Direct Marketing Retail	4%	3%
Research & Consulting Services	3%	0%
Electrical Comp. & Equip.	3%	1%
Specialty Chemicals	2%	1%

### Equity Characteristics<sup>1</sup> Vs. S&P 500

	FUND	S&P 500
Median Market Cap.	\$7,271MM	\$21,005MM
Wtd. Median P/E	44.0x	23.4x
Price/Cash Flow	21.1x	15.5x
Price/Book	3.6x	4.2x
ROA	1.4%	6.3%
ROE	5.0%	14.8%
Operating Margin	13.1%	22.6%
Net Margin	4.8%	12.9%
LT Debt/Capital	40.2%	41.4%
Number of Holding	79	500
Beta (Wtd. median of equities)	1.20x	

### Grizzly Short Fund Third Quarter Sector Contribution to Return



**Direct Shareholder Services/Account Inquiries:**  
(800) 273.6886

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- Paula Mikl • Marty Owens, CFA
- Hilary Sweeney, CFP

Leuthold Weeden Capital Management serves as  
adviser to Leuthold Funds

<sup>1</sup> "Median Market Cap" is the median total dollar value of all outstanding shares computed as shares times current market price; "Wtd. Median P/E" 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 stockholder's equity; "Beta" measures volatility versus the fund's benchmark: beta <1, fund is less volatile and beta >1 indicates fund is more volatile.

**Risks:** Short Selling Risk— 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. Rising Stock Market Risk— 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. High Portfolio Turnover Risk— annual portfolio turnover rate may exceed 100% and this will result in more transaction costs such as brokerage commissions or mark-ups or mark-downs. This could result in increased taxes on realized gains for shareholders. See the Prospectus for more details. DOFU: 10.25.17