

January 4, 2010

Dear Shareholders,

Prosperity ends in a crisis. The error of optimism dies in the crisis, but in dying it gives birth to an error of pessimism. This new error is born not an infant, but a giant.

-- Arthur Pigou, British Economist (1887-1959)

The Mayan calendar does not extend past 2012, causing a dedicated few to say the world will end that year. Cynical Wall Street investors find it easy to laugh at such predictions, but we think they have a short memory. Nine months ago, many of them thought the financial world was ending in 2009, three years earlier than Mayan estimates. As far as we can tell, it didn't. So now, we are faced once again with the question we've been asking all year, with important investment consequences – what happens if the world *doesn't* end?

We are not, I think, overly optimistic about the economy, which we see emerging into an anemic growth mode. But we do see opportunity, even in a lackluster environment, caused by the phenomenon of pessimism that Arthur Pigou mentions in the quote above. It is the natural instinct of investors to be most pessimistic about the future when their circumstances (and the asset values of their investments, from stocks to homes) have collapsed. We believe there is an important gap between what the general consensus expects -- which we think is a continued moribund economy and long-term rising unemployment -- and what may actually come to pass -- which we believe will be sluggish growth and a gradually improving employment picture. In short, a mediocre outcome will seem like a blessing. This disparity between dire expectations and a reality in which we muddle through has created certain opportunities, which we believe the Fund is poised to take advantage of, and which are discussed in this letter. First, though, an update of where we've been in 2009.

In any other year, Fund appreciation of over 20% would be a cause for celebration. The more natural reaction after what we've all been through in 2008 is a huge sigh of relief. Here is a frank review of the year's strong points and weak points for the Fund. First, on the positive side, we did several things right in 2009. One main driver of strong performance was making the choice in late 2008/early 2009 to deploy spare cash into the declining market. The 20% cash horde at the end of November 2008 had been lowered to 7% by March and 4% by May. More importantly, the bulk of that cash was used to make investments in severely depressed financial stocks. **Goldman Sachs, JP Morgan and Bank of America**, all new purchases from late 2008/early 2009, were exceptional performers. (More on their future prospects later in this letter). We also judged correctly the ability of the world outside the United States to emerge more quickly from 2008's sharp economic decline. Our large technology position (an historically unusual holding for our value-oriented firm), invested in companies with large overseas revenues, performed quite well. **Microsoft** was up 61%, **Hewlett Packard**, 43%, **Cisco** 47%, and new 2009 investment **Applied Materials** was up 60% since our initial purchase in February (we later added more). Finally, a couple of value

(i.e., non-luxury) retailers also delivered strong returns. We believe that **Walgreens** (up 51%) and **Target** (up 42%) have the right products for a more frugal era, and, at Walgreens, the turnaround story is producing good results. Stock picking mattered a lot in that case, by the way: shares of drugstore rival CVS were up only 13%, underperforming Walgreens by 38 percentage points.

On the negative side, while we did not react in a herd mentality for the most part last Winter by selling investments at a loss, there was one sad exception. We sold **Federal Express** near the bottom in March, fearing dismal earnings in the economic downturn. For a different reason, we also sold health insurer Wellpoint in the summer because the first draft of healthcare legislation was sharply punitive to the health insurers. Those were mistakes -- FedEx cut costs well and preserved earnings, and the legislation was re-written, sparing the HMOs -- and both those stocks are up sharply after we sold them. (You can tell the market had a strong year when our worst missteps were stocks we *didn't* own.) There were some disappointments within the portfolio as well. Laggards in 2009 were, not surprisingly, stocks with defensive characteristics. Our two insurance investments, **Chubb** and **Axis**, were up, but only in the single digits, a disappointment in such a strong year. Our major healthcare investment, **Pfizer** was also an underperformer, but in the fourth quarter it completed its acquisition of Wyeth, increased its dividend, and rose 11%.

Looking ahead, we believe 2010 presents great opportunities for active managers. In 2008 almost 95% of the stocks in the S&P 500 Index were down, a 70-year record. This past year, almost 90% of stocks rose. In contrast, we believe 2010 will be a return to a stock-pickers market, characterized by lower volatility, less extreme returns and lower correlations among stocks and industry groups. This is a combination that in the past has led active managers to outperform their benchmarks. In that regard, the Fund's concentrated portfolio of 25 stocks attempts to take advantage of those companies that have individual reasons for outperforming what may well be a mediocre market. In an effort to be transparent, and because of our long-term investment philosophy in which we do not trade positions often, we are able to enclose a description of the rationale behind each of those investments.

Three new purchases in the fourth quarter -- our only stock purchases in the second half of 2009 -- underscore that we think value can be found in a variety of sectors. **Teva Pharmaceuticals** is the world's largest maker of generic drugs. Because of fears over the pending healthcare legislation and slowing growth, the shares are selling at a 20-year-low PE ratio of 11. Earnings could jump over 30% in 2010, and be able to sustain double-digit growth thereafter. We believe after healthcare reaches *any* kind of political conclusion, a weight will be lifted from these stocks. While legislation in its current form could be harmful to certain healthcare companies, the generic drug makers should benefit from the push to control costs and the additional people covered. Additionally, Teva is a global growth play, as the United States is the country that has the highest penetration of generics (versus branded drugs), and their growth abroad is quite strong.

In an example of a completely different kind of investment, we also bought shares in **Terex Corporation**, a maker of cranes, aerial work platforms (known to the rest of the world as “cherry pickers”) and construction equipment. This company had its earnings decimated in the 2008 downturn, and lost money in 2009. The stock sold for \$97 two years ago, but we paid about \$20 when we purchased it several weeks ago. We believe as the construction market for roads and commercial buildings like hospitals and schools comes back with the stimulus program, Terex will begin to earn money again, and has the potential to earn \$6 a share by 2013. Also, one-third of its business is in emerging markets, where infrastructure spending should be much greater than in the United States over the next decade. For those reasons we think this economically sensitive stock could double over the next three years.

Finally, in an example of a special situation that can perform well regardless of the market, we purchased shares of **Lear Corporation** as it emerged from bankruptcy in the fourth quarter. A well-run company that makes seats for cars all over the world, when auto sales were halved in 2008, the company did not have enough liquidity to survive. Bankruptcy eliminated most of its debts (turning them into equity), and we believe the company could earn more than \$11 a share in a couple of years as worldwide auto sales recover. Again, this investment relies more on *non-U.S.* growth (more than 64% of Lear’s sales are in Europe and Asia) than on a recovery in the United States.

Twenty-five stocks are more than we usually own in the Fund, and we believe that there are some holdings that are approaching full value. The financial sector, which provided such strong returns this year, has already been the source of some profits (we sold Annaly Capital this quarter at a nice gain and have trimmed our position in Goldman Sachs). But we have retained JP Morgan, even though it has more than doubled since its purchase in March. That is because, according to our financial models, JP Morgan is undervalued based on 2013 earnings power. JP Morgan has taken advantage of the financial crisis to add the assets of Bear Stearns and Washington Mutual to its balance sheet at fire sale prices and with government assistance. We believe it is the best run money center bank and could earn more than \$6 a share in 2013, with the stock possibly selling at \$70 or 80% higher than current levels. Likewise, Bank of America remains out of favor, but if it can earn even a sub-par return on equity of 13%, it could make more than \$2.50 a share by 2013, and the stock could trade much higher.

When we look ahead, we like the pessimism we still perceive, and we believe the Fund’s holdings are real values that can climb the proverbial wall of worry. We encourage you to learn the reasoning behind these investments in the enclosed summary. **But we would like to sound a warning.** What we don’t like is the toxic combination of enormous Federal deficits and a political system that does not have the will to fix them. We believe this issue must start to be addressed in some credible way prior to the end of 2010 in order for the U.S. to preserve the value of its currency and its ability to sell its debt securities. Our largest fear is not a double-dip recession, which we think is unlikely and would in any event only postpone an eventual recovery. Rather, our lay-awake-at-night dread is the erosion of the creditworthiness of the United States and the position of the dollar as the world’s reserve currency. That can lead to consequences we can only

dream about (if we could fall asleep), but all those dreams are nightmares. We do not think this issue will come home to roost immediately, but this factor is crucial and is one we will keep an eye on very carefully.

Rather than end on that somber note, as the worst decade in the history of the S&P 500 comes to an end we'd like to leave you with some verses from "The Darkling Thrush" by Thomas Hardy. He wrote them in London on New Year's Eve 1899, when Europe was mired in economic depression, and Londoners had little hope for a better future. As he described the dismal state of affairs at the beginning of his new century, Hardy noticed a thrush singing in the frigid evening:

*So little cause for carolings Of such ecstatic sound
Was written on terrestrial things Afar or nigh around,
That I could think there trembled through His happy good-night air
Some blessed Hope, whereof he knew And I was unaware.¹*

On that note, we wish you the very best of new years, and welcome your comments, questions or concerns.

Grisanti Brown & Partners LLC- Adviser to the Grisanti Brown Value Fund

¹ The entire 32 line poem can be found at <http://rpo.library.utoronto.ca/poem/917.html>.

Before investing you should carefully consider the Fund's investment objective, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting our website at www.gbpffunds.com or by calling 1-866-775-8439. Please read the prospectus carefully before you invest.

The views presented in the letter were those of the Fund managers as of December 31, 2009 and may not reflect their views on the date this letter is first published or at anytime thereafter. These views are intended to assist the shareholders in understanding their investment in the Fund and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

Past performance is no guarantee of future results. All investing involves risk, including the possible loss of principal. As a non-diversified fund, the Fund may focus a larger percentage of its assets in the securities of fewer issuers. Concentration of the Fund in a limited number of securities exposes the Fund to greater market risk than if its assets were diversified among a greater number of issuers. Investments in smaller companies generally carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock.

Top 10 Holdings*

as of December 31, 2009

Ticker	Security Description	Percentage of Market Value
FISV	FISERV INC.	6.2%
HPQ	HEWLETT-PACKARD	6.0%
BAC	BANK OF AMERICA CORP.	5.6%
PFE	PFIZER	5.4%
WMB	WILLIAMS COS INC.	5.4%
TEVA	TEVA PHARMACEUTICALS	4.7%
JPM	JP MORGAN CHASE	4.7%
NAV	NAVISTAR INT'L	4.6%
SCHW	SCHWAB (CHARLES) CORP.	4.5%
CB	CHUBB CORP.	4.4%

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* Holdings are subject to change