BPV FAMILY OF FUNDS

BPV Wealth Preservation Fund

INSTITUTIONAL SHARES: BPVPX | ADVISOR SHARES: BPAPX

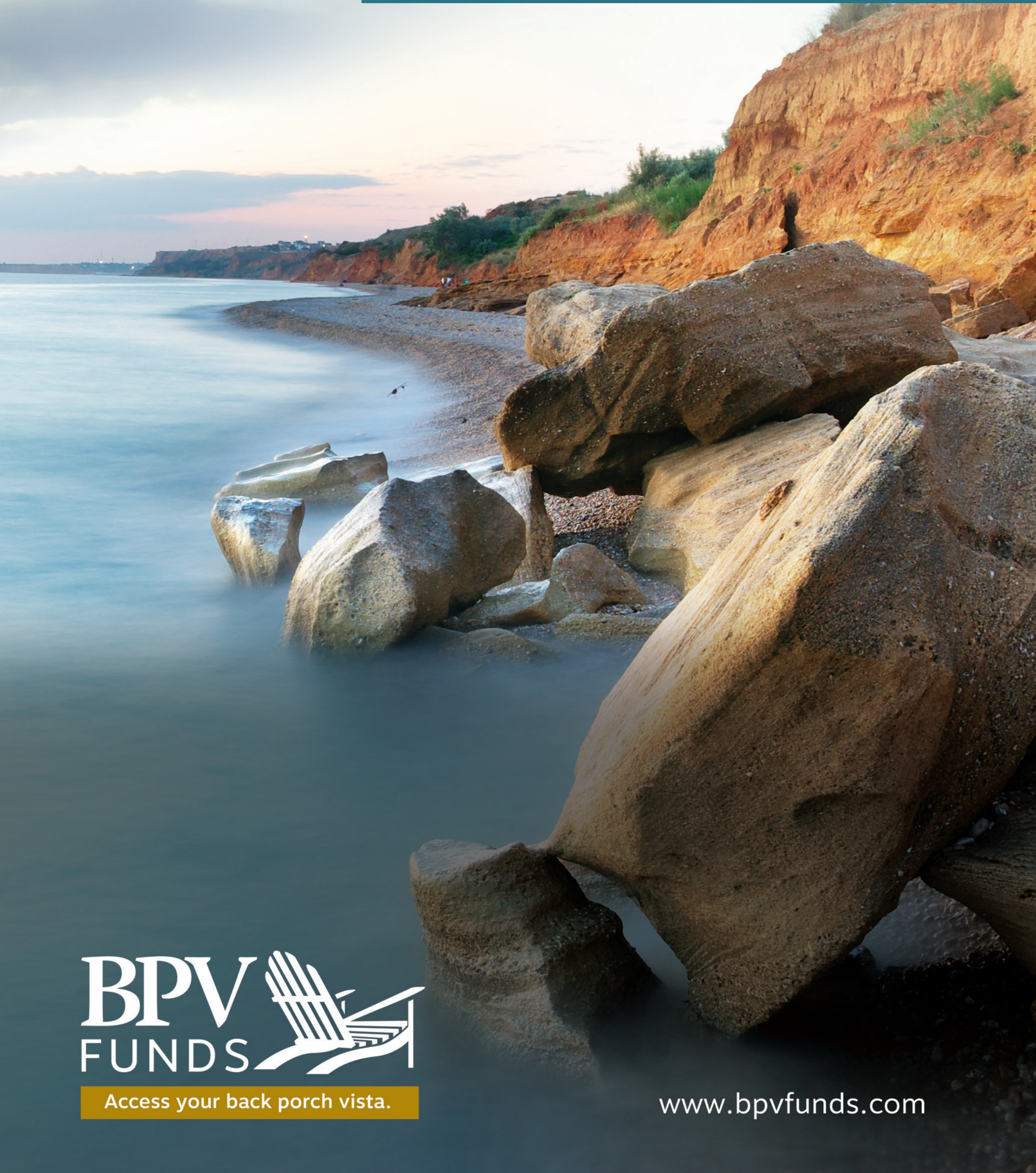
BPV Low Volatility Fund

INSTITUTIONAL SHARES: BPVLX

The world of derivatives is full of strange terms and intangible concepts, making it hard for the average investor to understand. For this reason, some go their whole lives without using them.

But derivatives have a long and storied history, as well as many potentially beneficial uses for your portfolio.

The Long and Short of Derivatives



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Derivatives Defined

In the most basic terms, a derivative is simply a contract, an agreement among traders to do something in the future. The name comes from the fact that the contract's value is derived from an underlying asset, which can be a commodity, stock or bond, ETF, currency, or even another contract. A derivative contract can be used to trade something now or in the future. This includes, for example, promises to transfer goods at a later date, contracts to lock in the price of goods, or the stock options that companies sometimes grant their employees.

Grain Central Station: Invitation to the opening of the Trade Building, 1885

Derivatives Past and Present

There is little record of derivatives throughout history, because they were largely traded over the counter in the form of private agreements. In fact, the term *derivative* wasn't even coined until 1982, in the New York Federal Court case of American Stock Exchange vs. Commodity Futures Trading Commission. However, the use of what we now call derivatives stretches back to ancient times. The first known derivatives included contracts to deliver future goods in Mesopotamia, inscribed onto durable clay tablets. The Greeks and Romans also used these types of contracts, and 17th century Amsterdam saw a great deal of tulip contracts created.

In the United States, derivatives exchanges cropped up as a way for farmers to hedge the risk associated with production of grain. In the mid-1800's, farmers would carry all their grain to Chicago to trade it at an annual meeting. However, the price wasn't known in advance, so during years where prices were low, it was cheaper to dump the excess product in the Chicago River, rather than carry it home. Later in the year, however, the grain supply might dwindle, creating a shortage and causing prices to spike. In response to this price volatility, a handful of traders created the Chicago Board of Trade, which established a central location to do business and store goods. This decreased price volatility and allowed for the creation of what was to become one of the largest derivatives markets in the world.

Introducing Options

One of the more frequently traded types of derivatives is options, contracts that allow the holder (purchaser) of the option to buy or sell the underlying instrument at a specified price at or before a specified date in the future. There are two main types of options. For simplicity's sake, let's assume that the underlying instrument is shares of stock. **Call options** give the holder an option to buy the stock at a given price in the future, while **put options** give the holder an option to sell the underlying stock at a given price in the future. The reason these contracts are called options is that if you're the one to buy an options contract, there's no obligation for you to buy or sell the stock—it's purely optional!

Using Options to Manage Risk

Worried about your stock dropping? Use a put for insurance.

If you're already confused, don't worry. Options are best illustrated through examples. Let's say you own a stock, and the market price is currently $15. You're worried that the stock price might go down, so you pay $2 for the right to sell your stock at $12. This way, if the stock drops below $12, you've got a convenient exit point. This transaction is known as a put option, and many investors use it as a form of insurance. The $2 you pay for the contract itself is what's known as an **options premium**.

Let's now consider the opposite case. There's a stock you're interested in, the market price is currently $15, and you think the price is going to rise. You might then pay an options premium for the right to buy the stock at $17. This way, if the stock price rises above $17, you can buy it for cheaper. This transaction illustrates the use of a call option.

Now here's the catch: in those previous examples, you were the one to buy the contract. In options-lingo, this is called the **long position**. But there's also a person on the other side of the transaction who is selling that contract; this is known as the **short position**.

The reason that the long position pays an options premium is to compensate the short position for the risk they take. When the short position sells a call option, there's a chance that the stock goes up, but they have to sell it for less than market value. Likewise, when the short position sells a put option, there's a chance that the stock goes up, but they have to buy it for more than market value. Options can be pretty risky business, so the buyer compensates the seller for bearing that risk.

Think a stock is going nowhere? Sell a call with an insurance premium.

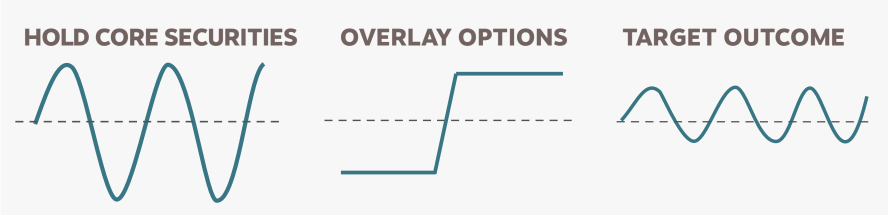
The Craft of Combining Options

These examples are extremely basic, but they begin to illustrate how options strategies can play a role in your portfolio. Worried about your stock dropping? Use a put for insurance. Think a stock is going nowhere? Sell a call option and supplement your income with an insurance premium.

Of course, these strategies can sometimes be risky and complicated, and they're best likened to tools. Using a saw, hammer, and drill without experience or supervision can be extremely dangerous, but a skilled carpenter can use them to craft wood into something beautiful. Likewise, a very skilled and experienced investor might combine multiple options strategies in an attempt to generate income and control risk. ■

Introducing BPV Hedged Equity

We invite you to take a closer look at the BPV Wealth Preservation and Low Volatility Funds, which use options strategies in an attempt to mitigate risk and generate a relative return. For more information, talk to your financial advisor or visit **BPVPX.COM** or **BPVLX.COM.**



BPV's Hedged Equity Process (Graphic display of market response is purely hypothetical and used for illustration purposes only.)

Objective

The investment objective of the Wealth Preservation and Low Volatility Funds is to simultaneously seek capital preservation while generating long-term capital appreciation.

Overview

The BPV Wealth Preservation and Low Volatility Funds seek controlled risk and a relative return using a hedged equity strategy. The Funds hold a core equity portfolio and employ a variety of option strategies in an attempt to reduce volatility, limit drawdown, and capture a percentage of movements in the equity market.

An investor should consider investment objectives, risks, charges, and expenses carefully before investing. Request a prospectus which contains this and other information by calling toll free (855) 784-2399 or visiting www.bpvfunds.com. Read the prospectus carefully before investing or sending money.

The BPV funds are distributed by Ultimus Fund Distributors, LLC. Ultimus Fund Distributors, LLC. is not affiliated with BPV Capital Management.

The BPV Family of Funds are offered only to United States residents, and information on this fact sheet is intended only for such persons. Nothing on this fact sheet should be considered a solicitation to buy or an offer to sell shares of any BPV Fund in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction.

The BPV Low Volatility Fund is new and has a limited operating history.

Important Risk Disclosure for the BPV Wealth Preservation and Low Volatility Funds

Mutual fund investing involves risk. Principal loss is possible. ETFs are subject to risk similar to those of stocks including those regarding short-selling and margin account maintenance. Diversification does not eliminate the risk of experiencing investment losses. There is no assurance that this investment strategy will consistently lead to successful investing.

Foreign investing involves special risks such as currency fluctuations and political uncertainty. Investments in ETFs and other registered investment companies subject the Fund to paying its proportionate share of those funds' fees and expenses.

The Fund's use of options involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. By investing in options, the Fund is subject to the risk of counterparty default, as well as the potential for unlimited loss.

Fixed income investments are subject to credit risk, which is the risk that a specific issuer of a fixed income security may default on its obligations to security holders.

An economic downturn or an increase in interest rates may have a negative or adverse effect on an issuer's ability to timely make payments of principal and interest. Increases in interest rates typically lower the present value of a company's future earnings stream. Accordingly, bond prices will generally decline when investors anticipate or experience rising interest rates.

BPV FUNDS

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