



# Grizzly Short Fund

## INVESTMENT OBJECTIVE

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

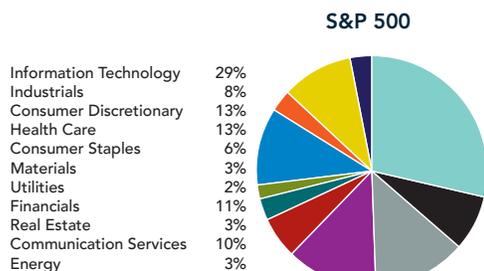
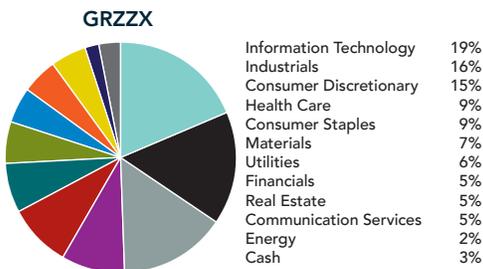
## FUND INFORMATION

Symbol ..... GRZZX  
 Inception ..... 06.19.00  
 Cusip ..... 527289797  
 Initial Investment ..... \$10,000  
 Net Assets ..... \$66.8 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 12.31.21



## Q4 MARKET OVERVIEW

Equity markets continued their ascent in the fourth quarter, topping off a year of persistent new highs. Large-caps continued to outperform mid- and small-caps ("SMIDs"), and the S&P 500 ultimately surpassed all major market indexes in 2021—some of which trailed significantly.

Value stocks also did well, particularly in periods of sharply rising interest rates, which is a stark reversal from the growth/momentum trade that reigned in 2020. Of note, the shift in factor leadership was obscured if one solely observed the major large-cap/market capitalization-weighted indexes. Although value strength was present across the market-cap spectrum, it was especially apparent with SMID-cap stocks.

Profitability factors were additional winners for the quarter and 2021, as quality came to the forefront. At the sector level, these trends were evident, and "selection" mattered. Case in point, the more speculative Application Software group was one of the worst-performers over the quarter, while Semiconductor-related groups were among the very best.

## OVERVIEW (CONTINUED)

The relentless climb in the equity markets continued to weigh on the absolute return of our 100% short strategy. Still, the Grizzly Short Fund notched impressive relative performance for both the quarter and year, as investors are seeking higher quality over speculative investments.

## Q4 PERFORMANCE POSITIVES

- Investors' shift toward higher quality was a big boon. Info Tech stock selection accounted for nearly one-half the Fund's relative outperformance. Exposure leaned heavily toward underperforming high-valuation and unprofitable stocks, while it dodged higher-quality names, which were market leaders.
- Selection among consumer stocks was also additive for the quarter.

## Q4 PERFORMANCE DETRACTORS

- Having underweight exposure to one of the quarter's worst-performing sectors—Financials—was a drag.
- An overweight in Utilities, and even more so, our selection within the sector was a negative for performance.

TOTAL RETURNS AS OF DECEMBER 31, 2021	GRZZX	S&P 500	S&P 400 MidCap
December 2021	-2.37%	4.48%	5.08%
Q4 2021	-2.10	11.03	8.00
1-Year	-15.87	28.71	24.76
3-Year	-29.63	26.07	21.41
5-Year	-22.44	18.47	13.09
10-Year	-18.56	16.55	14.20
20-Year	-13.50	9.52	10.56
Since Inception	-10.89	7.62	9.91

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](http://LeutholdFunds.com) or call 800.273.6886.

Returns less than 1-year are not annualized. 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. Inception date is 6.19.00. Benchmark comparators: S&P 400 (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. 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](http://LeutholdFunds.com). Please read the Prospectus carefully before investing.*

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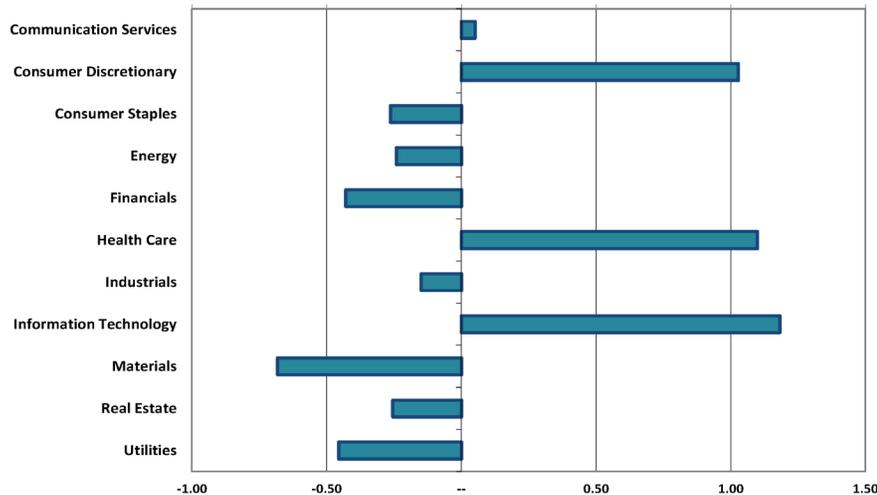
## LARGEST INDUSTRY GROUP SHORT WEIGHTS VS. S&P 500 LONG WEIGHTS

	FUND	S&P 500
Application Software	7%	2%
Internet Services & Infrastructure	5%	0%
Specialty Chemicals	3%	1%
Aerospace & Defense	3%	1%
Health Care Equipment	3%	3%
Specialized REITs	2%	1%
Household Products	2%	2%
Casinos & Gaming	2%	0%
Financial Exchanges & Data	2%	1%
Packaged Food & Meats	2%	1%
Interactive Media & Services	2%	6%

## EQUITY CHARACTERISTICS

	FUND	S&P 500
Median Market Cap.	\$26,538MM	\$34,176MM
Wtd. Median P/E	48.3x	31.6x
Price/Cash Flow	31.4x	27.4x
Price/Book	7.2x	7.8x
ROA	4.1%	9.0%
ROE	9.6%	19.0%
Operating Margin	14.8%	22.1%
Net Margin	8.9%	17.3%
LT Debt/Capital	43.5%	37.7%
Number of Holdings	678	500
Beta (wtd. median of equities)	1.03x	

## GRIZZLY SHORT FUND Q4 2021 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" 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 Prospectus dated 1.31.21, annual net operating expense charged to shareholders (excluding acquired fund fees and dividends on short positions) is **1.60%**; annual gross operating expense (including acquired fund fees and dividends on short positions) is **2.97%**. There are no fee waivers or expense reimbursements; see Prospectus for more details.

DOFU: 01.28.22

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  
info@LeutholdFunds.com

Leuthold Weeden Capital Management  
serves as the adviser to Leuthold Funds