Dear xxxx;

“The market can remain irrational longer than you can remain solvent.” This quote is often uttered by market participants betting against some aspect of the market. In my last email, I predicted there would be a market pullback this summer. I was wrong. Had I adjusted my investments in anticipation of this drop, I would have been wrong, and mine and my client’s losses would have compounded as the market continued to rise. My letters will continue to offer market commentary and forward-looking predictions where applicable, but your investments are, were, and will continue to be long-only diversified holdings based upon your unique risk tolerance.

As we look back on the summer, we at GA Pincus Funds continue to be amazed at not only the staying power, but the rising power of the US and international stock markets given the general malaise felt throughout the globe. This summer has brought to light a strange juxtaposition between financial and non-financial news. On one hand, the US and international stock markets are soaring to new heights almost daily. Corporate earnings exceeded expectations, dividends are increasing, personal incomes are up, M&A activity is on the rise, and there is even a glimmer of hope that a tax reform bill will pass in 2017.

But that’s where the good news stops. The other side of the spectrum is the profound sadness found in the non-financial news. Acts of terror are on the rise, there is a constant threat of nuclear war from North Korea, right-wing extremism in America is getting a voice in the oval office, hurricanes are ravaging the Caribbean, Texas, and Florida, while Mexico had three catastrophic earthquakes in sixteen days.

The question remains, will this global turmoil bring down the markets? Through 9/30, that answer has been no. Year to date, The Wilshire 5000, the broadest composite of US-based companies, is up 11.98% while the MSCI World ex US is up 18.57%. As we look forward into Q4, most market participants have regained new hope that something can be done to improve the US tax code. Barring an actual act of war from North Korea, GA Pincus Funds believes that tax reform hopes may be enough to counteract the world’s sadness and continue to propel the market ahead.

As you know, your portfolio is comprised of a mixture of ETFs comprising numerous different correlated and uncorrelated asset classes. By developing this unique mix of securities, GA Pincus Funds provides you with a blended exposure to the world economy. Not all quarters will be perfect, but our overall goal is to produce quarterly returns that beat your blended benchmark by 0.25%. We hope to be more successful next quarter.

Performance:

Q3, 2017:
9/30 Account Value: $16,274.51
Account Performance: +9.75%
Benchmark Performance: +5.82%
Net: +3.93%

Since Inception:
9/30 Account Value: $16,274.51
Account Performance: +8.50%
Benchmark Performance: +4.78%
Net: +3.72%

Based on the 9/30 closing value of your account**, $16,274.51,** we have withdrawn **$40.69** for our fee. This is calculated as 0.0025 * Your 9/30 Closing AUM.

Benchmark Adjustment:
After extensive research and much consideration, we have decided to adjust your US benchmark index from the MSCI USA to the Wilshire 5000. The Wilshire 5000 is comprised of every publicly traded company in the US weighted by market capitalization. Since your US equity holdings contain companies of all sizes, we believe the Wilshire 5000 is a better representation than the MSCI USA. Our goal is to use a benchmark that most closely aligns with the positions held within your account.

It is impossible to predict whether and by how much the market will increase or decrease. Our algorithm rebalances your accounts according to changes in the relative weightings of the securities you hold. As one security becomes too heavily weighted the algorithm sells shares in that security. Conversely, as one security becomes too lightly weighted, the algorithm purchases shares of that security. Instead of rebalancing based on time (as most managers do), this algorithm rebalances based a securities' relative weighting in the portfolio. This gives GA Pincus Funds a long-term advantage. No matter what the market does in the future or has done in the past, as long as your time horizon is long enough (>1 year), this algorithm has proven itself to be successful at producing benchmark-beating results (alpha).

I am always available to answer any questions you may have.

Best wishes,

Gabriel

GA Pincus Funds
Gabriel Pincus, President
540 North State Street, Suite 4711
Chicago, IL 60654

www.gapincusfunds.com
m: 917-597-1450
e: gabriel@gapincusfunds.com