Dear xxxx;

2017 is officially in the history books and it certainly was an interesting year. Highlights include: North Korean provocation, terrorism, cyber-terrorism, Saudi shakeup, global warming and associated natural disasters, continued rise of global populism, cryptocurrencies, US tax overhaul, and the uniquely smooth straight-line 20% annual gain enjoyed by almost all US and International stock markets.

It will take months if not years to fully comprehend the full impact of the Tax Cuts & Jobs Act (TCJA) on both individuals and corporations. The most significant ramification of the TCJA as it relates to investment management is that your quarterly management fees are no longer deductible. This change will decrease the effective performance of anyone who pays for financial management whether it be with GA Pincus Funds, a robo-advisor, or a hedge fund. On the flip side, the corporate tax cuts will likely lead to increased dividends and share-buybacks improving the performance of the equity securities you are invested in.

As you are by now aware the TCJA caps mortgage interest deductions at $750,000 and state, local, sales, and real estate taxes at $10,000. These changes are poised to substantially alter the existing real estate industry. Purchasing a home in a blue state has officially become less desirable. As owners shift to renters, rents will rise, harming the individual and benefitting real estate developers and REITs. The wealthy may use their assets to purchase rental properties, creating pass-through entities, taking advantage of the new lower tax on corporations. Thus, it is our belief that the TCJA will further drive a stake between the haves and have nots.

As we look forward at 2018, GA Pincus Funds believes the immediate impact of the TCJA will continue to propel the US stock market higher. We predict that most of 2018 will be smooth sailing; however, towards the end of the year the market may falter. We believe the downside to releasing a massive tax break during a robust bull market is that when the economy decides to pull back it will pull back much harder and much faster due to the accelerated market runup caused in part by the introduction of the new bill.

Before we worry about the dangers of tomorrow, let us instead be happy about these last 365 days. 2017 was a tremendous year not only for the US stock market but also for most international stock markets as well. As a client of GA Pincus Funds, you should be able to look back on 2017 as a financially successful year. In 2017 our algorithmic strategy helped you to increase your net worth by

$$$$$$$

<u>Performance:</u>

Q4, 2017:
12/31 Account Value: $16,274.51
Account Performance: +9.75%
Benchmark Performance: +5.82%
Net: +3.93%

Since Inception:
12/31 Account Value: $16,274.51
Account Performance: +8.50%
Benchmark Performance: +4.78%
Net: +3.72%

Based on the 12/31 closing value of your account**, $16,274.51,** we have withdrawn **$40.69** for our fee. This is calculated as 0.0025 * Your 12/31 Closing AUM.

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).

You will receive your 2017 1099 from TD Ameritrade in mid-February 2018. Please wait until you receive this document to file your taxes.

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

Best wishes for a happy and healthy 2018,

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