

We are pleased to report that the second quarter of 2007 was a strong one for the SteepleView Fund. Companies that rebuild neglected infrastructure and help to increase worldwide energy capacity were especially rewarding investments this quarter. The Fund performed well even though the financial stocks, the largest single sector, continue to bide their time (with one profitable exception). We made two new investments in the quarter, one in the infrastructure sector and another in the controversial mortgage industry. Below we review performance, new holdings, the continued heavy weighting in financials, the long-term case for infrastructure and the disconnect between the market's valuation and the stocks in the Fund.

Sometimes bigger is better. Fund performance benefited from two stocks that build really big things, like power plants, ports and refineries. **Foster Wheeler** was up over 50% in the quarter, and is up over 250% since its initial purchase in October 2005. The earnings estimates have also risen dramatically, and the stock, while not the bargain it once was, remains relatively inexpensive on a forward-looking earnings basis. The company builds power facilities, mostly overseas, and the ever-increasing global craving for energy is creating tremendous demand for its services. In the same neighborhood, one of the Fund's two new purchases for the quarter, **KBR** (formerly known as Kellogg, Brown & Root), also provides engineering and construction services to large customers in the energy industry. The stock was spun out of Halliburton in the first quarter, which is when the Fund started accumulating it, and is up over 29% since the initial purchase in March 2007. (This was the stock that we were in the process of buying and could not identify by name in the last quarterly letter.) We continue to believe that low energy and electricity prices for the last two decades have led to serious underinvestment in infrastructure, both in the United States and around the world. Demand will continue to rise as the worldwide economy improves, and we believe, to borrow the phrase of General Electric's CEO Jeff Immelt in his last quarterly update, the markets are in the early innings of a long term infrastructure play. We continue to analyze several other companies that will benefit from this trend, but are not yet ready to commit capital.

On the other hand, we have reduced the Fund's exposure to pure energy plays, like oil and gas production companies. We believe we will enjoy a much more favorable risk/reward ratio by investing in energy infrastructure and alternatives (like Archer Daniels Midland's ethanol business, discussed in the last letter). Imagine oil falling from \$68 a barrel to \$50. The Fund would certainly lose money in an oil and gas investment, which could drop by 25% or more. But we believe that the multi-year energy and power projects that Foster Wheeler and KBR are building will still be funded even with a lower oil price, so those investments should work out in the long run even in a weaker energy environment. While we do not think oil prices will drop precipitously from here, neither did we believe they would rise to \$70 a barrel (and we certainly were not alone in our disbelief). We want to state clearly that we cannot predict commodity prices, and our investments in these areas are not based upon any specific predictions about future energy prices other than they will remain generally higher than they were several years

ago as the supply of oil and natural gas is limited and demand ever-increasing. Our long term outlook – the Advisor’s average investment is historically held for over four years -- allows us to avoid what we regard as the impossible task of predicting short-term commodity price movements.

The Fund was also helped by **Fannie Mae**, the government sponsored mortgage company. At \$10.2 *trillion*, the U.S. mortgage market is the largest debt market in the world, far surpassing even the U.S. government debt market. While you have no doubt been reading about the sub-prime mortgage debacle, only 12% of all U.S. mortgages are sub-prime, and by law Fannie Mae is not allowed to purchase sub-prime mortgages. In fact, as buyers for mortgage assets disappear like mosquitoes in October, Fannie Mae remains a rock solid credit that has been able recently to buy creditworthy mortgages at attractive prices. Furthermore, as the mortgage market is rocked by sub-prime defaults, it is our opinion that political heat will be reduced on Fannie Mae, as its large size goes from being perceived as a threatening monopoly to a stabilizing triple-A lender of last resort. After all, providing liquidity to a scared mortgage market was the reason Fannie Mae was created after the Great Depression. The stock was up over 19% in the 2nd quarter.

Writing about Fannie Mae allows us to make a broader point about mortgages and contrarian stock picking in general. The mortgage market is deep and wide; there are some smart, temperate players and there are some greedy speculators. Not surprisingly, the former have generally been around longer, because the latter go out of business when the cycle turns against them. The more conservative companies do less well in the boom times, settling for returns on equity of 15-20% rather than 50-100%. But when the dual chickens of credit and fraud come home to roost, the high-fliers go into receivership or get sold at fire-sale prices. This casts a shadow over the whole group, including the more conservative participants, as investors need time to understand which companies own what kind of mortgage assets. The baby goes out with the bathwater and bargains can be found.

We believe we have found one such bargain in a company we have owned in the past, **MGIC Investment Corp.**, the Fund’s second new purchase of the quarter. MGIC is the largest mortgage insurer in the United States. In the “olden days” -- i.e., before 2004 -- if a would-be home buyer had less than 20% to put down, he or she needed mortgage insurance to fill that gap. But in recent years, if one looks at the problem mortgages described in the news, they are sub-prime and “exotic” in nature. These types of loans, for the most part, do not require mortgage insurance. In fact, one exotic, the “piggyback loan” was created just to get around the requirement for mortgage insurance. These loans are going bad at an alarming rate, and banks have stopped funding them. What this means, in short, is that the “olden days” are making a comeback. Purchasers must again have the requisite 20% down payment or MGIC (or a competitor) will have to supply mortgage insurance. These insurers will see losses, but the losses are not nearly as bad as the market thinks. Furthermore, MGIC has entered into a merger with one of its competitors, Radian. Once the merger is complete, sometime during the fourth quarter, the combined company will have a market cap of roughly \$8 billion. Once the deal

closes, the company plans an accelerated share repurchase of \$1 billion and should buy back an additional \$1.25 billion worth of stock during 2008, meaning over the next 18 months it will reduce the shares outstanding by 25%. In terms of valuation, at the end of March 2007 MGIC had a book value of \$54 per share. The Fund paid, on average, \$57 per share or only a slight premium to book value, close to its lowest valuation since going public in 1991. Also, MGIC is estimated to earn close to \$6 in 2007 and \$7 in 2008, equating to a P/E of 8.6x, significantly below the 10.3 historic multiple for forward earnings. We have met with management a number of times, most recently in May at the company's Milwaukee headquarters. We think they are the best in their industry.

MGIC represents yet another financial stock in the Fund. With the exception of Fannie Mae, these stocks have underperformed this year, and the Fund owns a large weighting. This quarter's strong performance came in spite of these holdings, and it is only fair to ask when or even whether these stocks are going to start pulling their weight. We simply do not know. They are inexpensive: the average P/E for the financials in the Fund is 10.4 times next year's earnings estimates, a 35% discount to the market. But there is a saying in our business: "A bargain that remains a bargain is not a bargain." As one would expect with a concentrated portfolio, each stock has its own story rather than simply being a "financial stock". For example, the Fund owns **Legg Mason**, the asset manager, **American International Group**, the international insurance company, and **Washington Mutual**, the savings and loan. Each is very different from the others and each was bought not for the short term, but to appreciate over a three- to four-year period. We continue to evaluate these and the other financial names, always with the sincere hope that we are able to admit a mistake and move on, tempered by a stubbornness and confidence in our research that made us hold 'losers' like **Hewlett Packard** and **Comcast** for a year or two before they paid off in spades. It is a judgment call, and the circumstances are always very specific, but we are spending a lot of time on this question.

In any number of meetings recently we have been asked about the market's valuation. We think it is high. Unfortunately -- or perhaps fortunately -- that sheds relatively little light on how well the Fund will fare in the future. The market's highest price/earnings valuation in our lifetimes occurred in March 2000, and it coincided with a peak for the S&P 500 Index that was not surpassed until this year (at lower valuations, as earnings had increased quite a bit in the succeeding seven years). But the Advisor's portfolios at the 2000 peak were actually valued quite reasonably, because the Advisor owned no technology stocks and lots of financials. In 2000 and 2001 the Advisor's composite was up nicely in a down market. It is just as fair to mention that a year earlier, in 1999, we had sold all our technology stocks and underperformed a soaring market led by wildly valued internet stocks. Our point is not that we will do well in the future, though we certainly hope to. Rather, we will not necessarily do what the market will do, and therefore market valuation is only of marginal value in predicting the Fund's returns. The valuation of the individual stocks in the Fund matters much more than market valuation. Right now, the Fund is a relatively inexpensive island in the sea of an expensive market.

Finally, we want to make a point about the difference between our investment philosophy and that of Wall Street investment houses. We believe that to deliver above average appreciation you must invest for a long period of time and be willing to commit capital to unpopular sectors and companies. It is *not* a positive factor in our research if the company we are contemplating for purchase is rated a “strong buy” by all the Wall Street firms. In fact, that would be a strong negative. When there is enormous consensus around a good idea, who is left to buy it? We much prefer ideas that are out of favor, that are rated “neutral” or “in line” or even “sell” by Wall Street firms, because, if we are right, there are lots of investors who will buy the shares *after* we have purchased and good things start to happen. Wall Street will eventually climb on the bandwagon, but will rarely stick its neck out early.

A case in point is Foster Wheeler. One of the Fund’s best investments since its inception, Foster Wheeler, was first purchased in October of 2005 at an average price of \$28.81. For several years we have followed the ups and downs of a company that almost went bankrupt (prior to the Fund’s investment), but whose future seemed bright because of the need for increased energy infrastructure. The stock has risen more than three fold since then, but on May 29, 2007 a rather famous -- and rather fantastically profitable -- investment bank upgraded the stock and placed it on its Recommended List, at a price of \$99.88. The stock had been rated “In Line” (neutral) from \$40, when the firm first started covering it, until this upgrade at \$99. We are not saying the stock will not do well from here -- in fact, we think it will, which is why we continue to own it. It is just that in order to invest for long term capital appreciation you have to take reasonable risks and invest *prior to good news and a bullish consensus forming*. That does not work with all our investments, but it worked with Foster Wheeler, and it will always remain our goal.

We appreciate your business and look forward to bringing you the third quarter report in the Fall.

Christopher C. Grisanti	Vance C. Brown	Jared S. Leon
Portfolio Manager	Portfolio Manager	Portfolio Manager

Grisanti Brown & Partners LLC- Adviser to the SteepleView Fund

For the period from its inception date of October 21, 2005 through June 30, 2007, the SteepleView Fund’s performance was +17.50% (annualized). Also, performance for the one year period ended June 30, 2007 was +24.04%. *Past performance is not indicative of future returns. Investment returns will fluctuate so that an investor's shares, when redeemed, may be worth more or less at redemption than their original cost. Current performance may be higher or lower than the performance data quoted. Periods shorter than one year are unannualized. For performance current to the most recent month-end, please visit our website at www.steepleviewfund.com or call 1-866-SPL-VIEW. As stated in the current prospectus, the Fund's gross operating expense ratio is 1.67%. The Fund's adviser has agreed to voluntarily waive a portion of its fee and/or reimburse expenses such that the total operating expense ratio does not exceed 0.99%.*

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.steepleviewfund.com or by calling 1-866-SPL-VIEW. Please read the prospectus carefully before you invest.

The views presented in the letter were those of the Fund managers as of June 30, 2007 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.

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. 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.

Top 10 Holdings

as of June 30, 2007

Ticker	Security Description	Percentage of Market Value
AIG	AMERICAN INTERNATIONAL GROUP	6.24%
HON	HONEYWELL INTERNATIONAL	5.87%
FNM	FANNIE MAE	5.69%
ACE	ACE LTD	5.36%
LM	LEGG MASON	5.05%
CMCSA	COMCAST CORP - A	4.96%
MTG	MGIC INVESTMENT CORP.	4.94%
ADM	ARCHER-DANIELS-MIDLAND	4.90%
TWX	TIME WARNER INC.	4.64%
FWLT	FOSTER WHEELER LTD	4.58%