

The investments gods smiled on the U.S. equity markets in the fourth quarter. Even better, the SteepleView Fund outperformed the market's strong showing, as measured by the S&P 500. The fourth quarter performance for the Fund was +9.41% versus S&P 500 performance of +6.70%. Our move more heavily into financial stocks and away from energy paid off. But before we break a shoulder slapping ourselves on the back, our performance since the Fund's inception needs to be seen through the prism of our investment philosophy, which produced only fair, market-equaling returns early in 2006.

Grisanti Brown & Partners has always invested in two distinct concepts of value: assets at a discount and cash flow at a discount. Briefly put, an assets-at-a-discount investment is one that relies on the intrinsic value of the company's underlying assets to support a much higher stock price over the long term (3-4 years). At a poor point in the cycle, assets sell off. For example, when tanker rates were low, it was possible to find a tanker company selling for 40% of the value of its tankers. In this case, we focus on underlying asset value and less on earnings power (of course, at the end of the day the two are related). Also, if our investment relies on the current (and not the future) value of assets, management must be competent, but they need not be the best in their field.

On the other hand, when making a cash-flow-at-a-discount investment, we are estimating that a company can produce enough cash flow in the future to justify a much higher share price. Here, strong earnings (or cash flow) growth and management's ability to execute are crucial, because, as opposed to the asset investment thesis, future performance is required to realize the cash flow that will support a higher share price. Out-of-favor, well managed companies like **American International Group** or **Microsoft** can fit this model if their share price falls far enough and their prospects, in our assessment, remain strong.

To make it into the Fund, an idea must fit into one of these two categories, and some of our favorites fit into both, a rare but most welcome occurrence. For a number of years, roughly starting with the Iraq war and the coincident rise in commodity prices, companies involved in commodities (hard assets) had been the predominant of the two themes. We were far from prescient; we were simply attracted to cheap assets. For example, in late 2002 oil was selling at \$18 a barrel, the economy was emerging from a recession and certain drilling stocks were selling for less than the value of their plant and equipment. The Adviser's hard asset plays included these drillers, oil, gas, coal, refining, steel, iron ore, tankers and chemicals. For the most part they performed quite well as the Adviser bought these stocks in a time of unparalleled commodity inflation. We began selling many of those hard asset stocks in late 2005 (just as the Fund commenced operations) because they had reached valuations where the slightest change in outlook, including a moderation in the price of the underlying commodity, could lead to substantial loss of capital.

At the same time, the Federal Reserve seemed similarly concerned about surging commodity prices and continued to raise interest rates throughout 2005 and early 2006. Those rate hikes produced a flat yield curve, which in turn created a flight of capital away

from financial assets. The Adviser began buying select financial stocks in late 2005, not because they were “financials”, but each company that we purchased was compelling compared to other available investments (both within and outside of the financial sector) in terms of fundamentals and valuation. These investments, which comprise the largest segment of the Fund, fall into our second category of value investment: cash flow at a discount. Over the 15 months of the Fund’s operation, we have made the portfolio into a predominantly cash flow reliant investment vehicle, relying only to a lesser extent on hard asset appreciation. The Adviser’s similar move towards financial stocks in 1999 resulted in strong positive performance for its clients in 2000 and 2001, years in which the market (as measured by the S&P 500) was down.

For the first seven months of 2006, the market and the Fund languished. Energy stocks continued to rise, and financials suffered. The Fund under-performed the S&P 500, not what fee paying shareholders wanted from us, and certainly not what we expected of ourselves. We also remember, however, that it is hard enough picking the winners without having to pick the exact month that they deliver. That is why the Adviser typically has a four year average holding period -- some of the best investments have been late bloomers-- and that is why we slept relatively comfortably early in 2006 even as our new stock selections had yet to show their merit.

Much changed for us at the end of July when the Federal Reserve stopped raising interest rates, in response to a slowing economy. Concerns about housing especially caused the market to rethink its thesis that the economy was too hot, and interest rates had to head higher to stall the rampant growth. Now the fear is that the weak housing sector will pull the economy down into recession. When the bogeyman shifts from inflation to recession, financial stocks start to outperform. Energy stocks backed off their highs and are down substantially since then. Both of these developments would have been bad news in 2005, but the focus on financials rather than energy companies paid off. We do not believe that a recession lies ahead in 2007-- we think the likelier outcome is a soft landing similar to 1995, a strong year for the market-- but we could be wrong. The Adviser’s investment strategy is long term, and we believe the prices we have paid for our investments will be seen as attractive at the end of our long-term holding period, even if we must live through a recession to get there.

As a final observation, we do not want to leave you with the impression that we think the recent global upturn and resulting commodity price boom is a temporary phase. We think oil, gas, coal, steel, copper and other hard assets will remain in tighter supply (with the resulting upward pressure on their prices) for the indefinite future, but we believe the stocks of these companies already reflect that rosy scenario (rosy at least in the eyes of the commodity producers-- not so rosy for the owner of an SUV with a 60 gallon tank). One of our bedrock principles is that when everyone agrees on the surrounding condition -- in this case a burgeoning world economy with China and India sucking up extra commodity production-- there is little money to be made investing on that thesis. When we sold our technology stocks in late 1998 it wasn’t because we thought technology was passé-- in fact it was easy to predict the internet would continue to grow geometrically for years. Rather, we sold them because in our opinion smart

investors had made their money, valuations were over-extended and it was time to get out. Furthermore, shares of other companies had become much more compelling, in part because so much capital had been drawn to technology. In late 2006, hard asset investments have that same, tired buzz about them, and have also drawn money away from other, now cheaper areas, such as financials.

The Adviser made one new investment in the fourth quarter, a financial services company called **Capital One Financial**. Most people know of this company from their TV commercials hawking their credit card, with the tag line “What’s in your wallet?”. Over the last two years Capital One has diversified outside the credit card arena by first buying Hibernia, a Louisiana based bank, and then North Fork, a New York based bank. After these transactions, credit cards represent 50% of earnings, banking 34%, auto finance 4% and other lending 6%, transforming the company into a truly diversified financial services company. The shares trade at under 10 times 2007 earnings estimates. Also, we believe that once Capital One is able to fully integrate North Fork, the company will be able to produce significant earnings growth in 2008 and beyond. The market is concerned about the U.S. consumer and, we believe, overly negative towards Capital One. This is not a new company and it has historically not only been able to succeed throughout a cycle, but typically fairs better than its competition.

As for what lies ahead, the market has had a remarkable run in late 2006, both in its total return and its lack of volatility-- it has gone higher in a slow but steady manner since August. That will surely stop. When it does, the Adviser is prepared to invest in several specific new ideas if given some reasonable valuations, and we are near taking profits in a few securities. We see the pendulum’s swing towards cash flow stories and away from hard assets continuing, as these are typically multi-year cycles. We never foreclose one type of value investment (asset or cash flow) to invest exclusively in the other. Rather, at different periods one predominates and the other becomes the “exception”. Right now the purchase of a hard asset investment would be an exception to the current direction of favorable valuations. (In fact one potential investment that we are prepared to buy if valuations abate is one of those hard asset “exceptions”.)

With the start of 2007, we have an important transition to inform you about, one which we have been anticipating for several years. The firm changed its name, as of January 1, 2007, to Grisanti Brown & Partners LLC. William Spears, one of our co-founders and portfolio managers, retired from the firm on December 31, 2006, and no longer has any ownership interest in the firm. Jared Leon, an integral part of our investment team for almost ten years, and David Salomon, our chief operating officer who joined us in 2003, now complete the partnership. We will work with Bill for a period of six months ending June 30, 2007, to ensure that there is an orderly transition for those of his high net worth clients, some of whom have been with him for more than twenty years, who will be clients of his new independent advisor firm.

Grisanti Brown & Partners starts the new year with over \$2.5 billion in assets. We manage money for more than 180 institutional clients and high-net worth families. We have also created a first class support team, with an emphasis on organizational

excellence. Our chief financial officer, our head of operations, our chief compliance officer and our head trader all exhibit the highest levels of professionalism, consistent with what one might expect to find at a much larger financial institution. Looking toward the future, we plan on bringing you the same high quality portfolio management and insightful analysis that we have in the past.

Grisanti Brown & Partners LLC's investment team -- Chris Grisanti, Vance Brown and Jared Leon -- remain committed to identifying very select investment opportunities. We will continue to create a portfolio of well-researched, long term, under-appreciated (pun intended) and concentrated investments for the SteepleView Fund.

Christopher C. Grisanti
Portfolio Manager

Vance C. Brown
Portfolio Manager

Jared S. Leon
Portfolio Manager

Grisanti Brown & Partners LLC – Adviser to the SteepleView Fund

For the period from its inception date of October 21, 2005 through December 31, 2006, the SteepleView Fund's performance was +18.36% (annualized). Also, performance for the calendar year ended December 31, 2006 was +16.39%.

Past performance is not indicative of future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please visit the Fund's website at www.steepleviewfund.com. or call 1-866-SPL-VIEW. A portion of the fees charged to the Fund have been waived. Returns prior to waiving fees are lower than the actual returns shown.

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.steepleview.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 December 31, 2006, 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 December 31, 2006

Ticker	Security Description	Percentage of Market Value
ACE	Ace Ltd	5.39%
FNM	Fannie Mae	5.29%
CMCSA	Comcast Corp. Class A	5.11%
DD	Dupont (E I) de Nemours	5.10%
AIG	American International Group	5.04%
FWLT	Foster Wheeler Ltd	5.01%
LM	Legg Mason	4.89%
TWX	Time Warner Inc.	4.89%
HON	Honeywell International	4.83%
MSFT	Microsoft	4.46%

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