



## Investment Objective

The Broadview Opportunity Fund seeks capital appreciation

## Investment Strategy

The Broadview Opportunity Fund invests in stocks of companies of all sizes, but primarily invests in smaller capitalization (namely, less than \$5 billion market capitalization) United States companies, that have substantial capital appreciation potential. Many of these companies have little or no following by the major stock brokerage firms. The investment team seeks to purchase equity of businesses that are selling at what it believes are substantial discounts to prices that accurately reflect their future earnings prospects.

## Investment Process

Pure bottom-up ideas are internally generated. The investment team exploits industry experience and contacts with suppliers, customers and competitors to identify companies that might be candidates for the portfolio. If a company meets most, but not all of our criteria, they are added to an extensive list of similar companies which are continuously monitored.

Broadview uses Five Pillar Analysis to determine if a company will be added to the portfolio. The five points are as follows:

**STRONG BUSINESS TRAITS:** Highly recurring revenue, return on investment capital, controllable destiny

**DEFENDABLE MARKET NICHE:** Strategic value, barriers to entry, difficult to duplicate

**ATTRACTIVE GROWTH POTENTIAL:** Focus on 2-3 year time horizon, we own companies don't rent stocks, across all industries

**CAPABLE MANAGEMENT:** History of successful strategic decisions, effective use of free cash flow, aligned with shareholders

**DISCOUNT TO PRIVATE MARKET VALUE (PMV):** Substantial discount at purchase, risk control, requires patience and discipline

Companies meeting all Five Pillars are added to the portfolio. While not an automatic sell, any company in the portfolio can be removed for violation of any of the Five Pillars.

As of September 30, 2017

## Fund Information

|                            |              |
|----------------------------|--------------|
| Net Asset Value (NAV)      | \$36.09      |
| Total AUM (Millions)       | \$611.7      |
| Ticker                     | BVAOX        |
| Cusip                      | 111328100    |
| Inception Date             | 12/16/1996   |
| Management Fee             | 1.00%        |
| Other Expenses             | 0.27%        |
| <i>Total Expense Ratio</i> | <i>1.27%</i> |

## Top 10 Holdings (as % of Total Portfolio)

|      |                           |       |
|------|---------------------------|-------|
| MTG  | MGIC Investment Corp.     | 5.64% |
| HLS  | HealthSouth Corp.         | 2.73% |
| COBZ | CoBiz Financial, Inc.     | 2.51% |
| ZION | Zions Bancorp.            | 2.45% |
| CVLT | CommVault Systems, Inc.   | 2.41% |
| WAL  | Western Alliance Bancorp. | 2.34% |
| VMC  | Vulcan Materials Co.      | 2.16% |
| SUM  | Summit Materials, Inc.    | 2.16% |
| MAS  | Masco Corp.               | 2.15% |
| FOE  | Ferro Corp.               | 2.04% |

## Fund Characteristics

|                                |         |
|--------------------------------|---------|
| Median Market Cap (\$Mil)      | \$2,660 |
| Growth Rate (3-5 Yr)           | 13.8%   |
| P/E ratio (trailing one year)  | 24.8x   |
| P/E ratio (forward 4 quarters) | 19.8x   |
| Enterprise Value to EBITDA     | 12.9x   |
| Enterprise Value to Sales      | 2.0x    |
| Number of Holdings             | 79      |
| Portfolio Turnover Rate        | 40%     |

Source: Broadview Advisors/Factset

## Sector Diversification (as % of Total Portfolio)

|                                 |        |
|---------------------------------|--------|
| Financials                      | 20.83% |
| Industrials                     | 16.78% |
| Health Care                     | 12.40% |
| Industrials                     | 11.81% |
| Materials                       | 11.40% |
| Consumer Discretionary          | 5.84%  |
| Consumer Staples                | 2.61%  |
| Energy                          | 2.51%  |
| Cash, Cash Equivalents, & Other | 15.04% |

Holdings and characteristics are subject to change without notice.

There is no assurance the stated objective will be met or the investment process will consistently lead to successful investing. Investing involves risk, including the possible loss of principal.

**An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus containing this and other information, please call (855) 846-1463 or access the file here (pdf). Read the prospectus carefully before you invest.**

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# BROADVIEW OPPORTUNITY FUND (BVAOX)

Performance data quoted represent past performance. Past performance is no guarantee of future results and investment returns and principal value of the Fund will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For current month end performance, visit [www.bvafunds.com](http://www.bvafunds.com) or call (855) 846-1463.

Total return includes reinvestment of dividends and capital gains.

There is no assurance the stated objective will be met or the investment process will consistently lead to successful investing. Investing involves risk, including the possible loss of principal.

The hypothetical example of a \$10,000 investment does not represent the returns of any particular investment.

**P/E Ratio** - Price to Earnings Ratio is the sum of a company's price-to-earnings, calculated by taking the current stock price and dividing it by the trailing earnings per share for the period.

For a glossary of investment terms (pdf), visit [www.bvafunds.com](http://www.bvafunds.com) or call (855) 846-1463.

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BVA000204 - expires January 31, 2017

**BROADVIEW**  
FUNDS

## Investment Results (%)

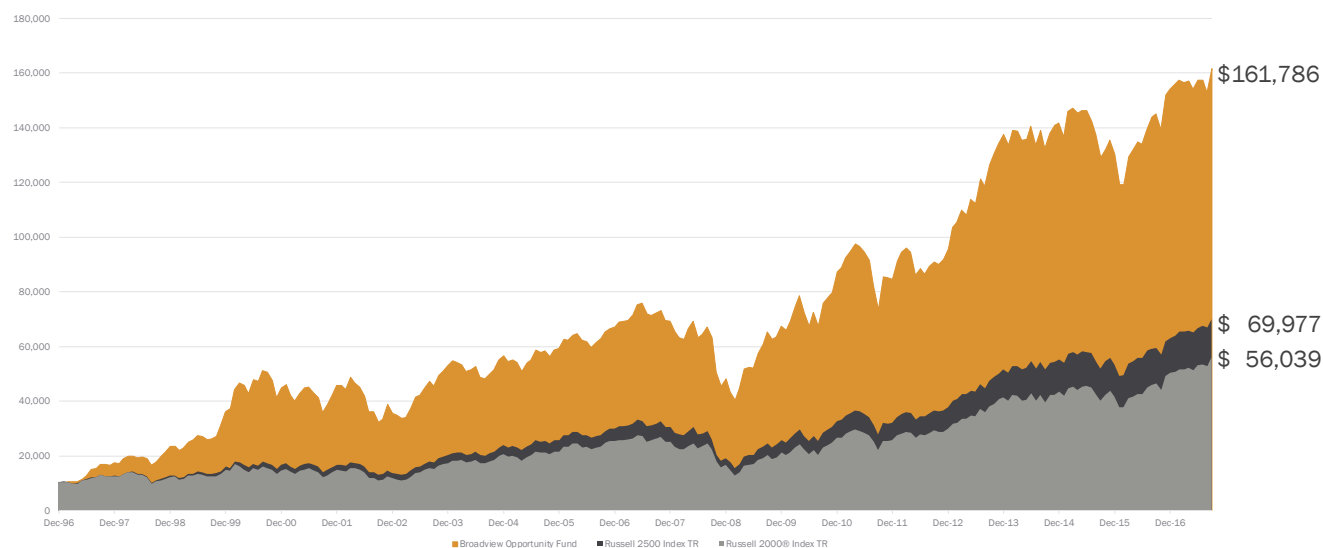
|                            | Quarter | YTD <sup>1</sup> | 1 Yr  | Average Annual Rate of Return |       |       |       |       |           |
|----------------------------|---------|------------------|-------|-------------------------------|-------|-------|-------|-------|-----------|
|                            |         |                  |       | 3 Yr                          | 5 Yr  | 10 Yr | 15 Yr | 20 Yr | Inception |
| Broadview Opportunity Fund | 2.80    | 5.07             | 11.58 | 6.90                          | 12.22 | 8.39  | 11.33 | 11.99 | 14.33     |
| Russell 2500 Index         | 4.74    | 11.00            | 17.79 | 10.60                         | 13.86 | 8.19  | 11.85 | 8.71  | 9.81      |
| Russell 2000 Index         | 5.67    | 10.94            | 20.74 | 12.18                         | 13.79 | 7.85  | 11.37 | 7.53  | 8.64      |

|                            | 2016  | 2015  | 2014 | 2013  | 2012  | 2011  | 2010  | 2009  | 2008   | 2007  |
|----------------------------|-------|-------|------|-------|-------|-------|-------|-------|--------|-------|
| Broadview Opportunity Fund | 18.04 | -7.90 | 3.06 | 43.48 | 13.33 | -3.37 | 29.55 | 40.16 | -30.47 | 3.38  |
| Russell 2500 Index         | 17.59 | -2.90 | 7.07 | 36.80 | 17.88 | -2.51 | 26.71 | 34.39 | -36.79 | 1.38  |
| Russell 2000 Index         | 21.31 | -4.41 | 4.89 | 38.82 | 16.35 | -4.18 | 26.85 | 27.17 | -33.79 | -1.57 |

Source: Broadview Advisors/Russell. <sup>1</sup>Returns not annualized

## The Value of a \$10,000 Investment in Broadview Opportunity Fund from Its Inception (12/16/1996) to 9/30/2017 as Compared to Russell 2500 Index and Russell 2000 Index



Economic growth has clearly accelerated throughout 2017 here in the United States as well as much of the rest of the world. Growth momentum looks likely to continue for the foreseeable future. U.S. tax reform finally seems possible, if not likely. Lower corporate taxes could add 6% to 7% to corporate earnings next year. We believe the economy is strong enough to handle a few more rounds of interest rate increases which the Fed seems destined to engineer. In our opinion, this is a fairly positive background for equity prices, again, for the near to intermediate-term time frame.

Eventually, the cycle will end. The U.S. is near full employment and equity prices are, generally speaking, rich. We will be watching for signs of excessive optimism, but for now we like the Fund's portfolio and are finding opportunities to deploy cash. Indeed, following a very frustrating period, it appears that the Fund's holdings are starting to participate in the rally. This is very encouraging.