

# **Potomac Funds**

**Potomac Tactically Passive Fund**  
**Ticker CRTPX**

**Prospectus**  
February 11, 2026

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved of these securities, nor has the Commission determined that this Prospectus is complete or accurate. Any representation to the contrary is a criminal offense.

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## **Summary Section – Potomac Tactically Passive Fund**

### **Investment Objective**

The Potomac Tactically Passive Fund (the “Fund”) seeks long-term capital appreciation.

### **Fees and Expenses of the Fund**

The following table describes the expenses and fees that you may pay if you buy and hold shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table and example below.**

#### **Shareholder Fees** (fees paid directly from your investment)

Redemption Fees	None
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#### **Annual Fund Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	1.25%
Distribution 12b-1 Fees	0.00%
Other Expenses	0.50%
Acquired Fund Fees and Expenses	<u>0.06%</u>
Total Annual Fund Operating Expenses	1.81%

### **Expense Example**

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all your shares at the end of those periods. The example also assumes that your investment has a 5% annual return each year and that the Fund's operating expenses remain the same each year. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years
\$184	\$569

## **Portfolio Turnover**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. As of the date of this Prospectus, the Fund has not yet commenced operations and therefore does not have any portfolio turnover information available.

## **The Principal Investment Strategy of the Fund**

The Fund seeks long-term capital appreciation by constructing a portfolio that is comprised, under normal market conditions, of exchange traded funds ("ETFs"), and/or cash and cash equivalents. The ETFs in which the Fund may invest are referred to as "underlying funds" throughout this Prospectus. The underlying funds generally invest in equity securities and/or fixed income securities. The underlying funds may invest in small and medium capitalization companies. The Fund expects to rebalance its investments in underlying funds on an ongoing basis as market movements dictate and there is no limitation on the amount of the Fund's assets that may be invested in these types of underlying funds.

Potomac Fund Management, Inc., the investment advisor to the Fund (the "Advisor"), utilizes technical analysis based quantitative systems to guide its decision-making process for the Fund. The Advisor applies a tactical risk management overlay to a basket of passive broad based index ETFs.

The Advisor's investment process seeks to identify trends to determine the strength or weakness in the current market environment. This part of the Advisor's process analyzes over 100 technical trading indicators built through a multitude of programming platforms. Each indicator is rigorously tested on an individual basis to determine the combinations that provide what the Advisor perceives to be the best indication of market direction. The technical trading indicators are then combined into sophisticated algorithmic composites that guide the Advisor's decision-making process.

The Fund will generally use funds that hold a broad-based basket of equity securities. If the Advisor's algorithmic composites point to a rising market, the Fund will invest in ETFs that provide exposure of a particular market index, such as the S&P® 500 Index. During downward trending markets, the Advisor seeks to limit the Fund's exposure to equity ETFs and increase the Fund's exposure to fixed income ETFs, and/or cash and cash equivalents in an overall effort to reduce downside exposure. Risk-managed policies employ the use of cash or money market funds during adverse conditions; these positions could at times be 100%.

To generate additional income, the Fund may lend its portfolio securities to financial institutions. Loaned securities will be secured by cash collateral that the Fund may invest in high quality short-term debt obligations, government obligations, bank guarantees or money market mutual funds.

The Fund is a "non-diversified" fund, which means it can invest in fewer securities at any one time than a diversified fund and can invest more of its assets in securities of

a single issuer than a diversified fund. The Fund may invest a significant percentage of its assets in a limited number of securities. Also, the Fund may invest in a limited number of sectors but has no intention to concentrate its investments in any particular industry. The Fund may also engage in short-term trading and have a portfolio turnover rate significantly in excess of 100%.

## **The Principal Risks of Investing in the Fund**

**Risks of Exchange Traded Funds.** To the extent that the Fund invests in ETFs, the Fund will indirectly bear its proportionate share of any expenses (such as operating expenses and advisory fees) that may be paid by the underlying funds. These expenses would be in addition to the advisory fee and other expenses that the Fund bears in connection with its own operations. Investment in an ETF carries security specific risk and the market risk. Also, if the area of the market representing the underlying index or benchmark does not perform as expected for any reason, the value of the Fund's investment in the ETF may decline. In addition, due to transactions via market prices rather than at net asset value, the performance of an ETF may not completely replicate the performance of the underlying index. The other Principal Risks described below may also be associated with any of the underlying ETFs and mutual funds, and, as a result, to the extent that the Fund invests in ETFs and mutual funds, the Fund will be exposed to any risks specifically associated with such underlying ETF or mutual fund.

**Portfolio Turnover Risk.** The Fund may engage in short-term trading to try to achieve its objective and may have portfolio turnover rates significantly in excess of 100%. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once during the course of a year. How long the Fund holds a security in its portfolio is generally not a factor in making buy and sell decisions. Increased portfolio turnover may cause the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance, and may produce increased taxable distributions. The distributions may be taxable as short-term capital gains which are taxed at ordinary income tax rates rather than at the lower long-term capital gains tax rates. Some or all of the distributions may be short-term capital gains.

**Risk of Non-Diversification.** The Fund is a non-diversified fund, which means that it has the ability to take larger positions in a smaller number of securities than a fund that is "diversified." Non-diversification increases the risk that the value of the Fund could go down because of the poor performance of a single investment. Because the Fund may invest a significant percentage of its assets in a single ETF, mutual fund and/or money market fund, and at times may hold only one such position along with a cash or cash equivalent position, there is a risk that events negatively affecting these fewer positions will have a greater negative impact on the Fund's performance.

**Sector Risk.** Sector risk is the possibility that all stocks within the same group of industries will decline in price due to sector-specific market or economic developments. The Fund may be overweight in certain sectors at various times.

**Management Risks.** The Advisor's implementation of the Fund's strategy may fail to produce the intended results. In circumstances where the Advisor establishes high-conviction positions, it is possible the results of the trend analysis will be incorrect and the high-conviction trade will not produce the desired results. At times, the Advisor may determine to hold significant portions of the Fund's assets in cash and cash

equivalents, and in such scenarios may detract from the Fund's ability to achieve its objective.

**Quantitative/Trend Model Risk.** The risk that investments selected using quantitative models to identify market trends may perform differently from the market as a whole or from their expected performance. There can be no assurance that use of a quantitative trend model will enable the Fund to achieve positive returns or outperform the market.

**Securities Lending Risk.** To generate additional income, the Fund may lend its portfolio securities to financial institutions. Loaned securities will be secured by cash collateral that the Fund may invest in high quality short-term debt obligations, government obligations, bank guarantees or money market mutual funds. Securities lending involves two primary risks: "investment risk" and "borrower default risk." Investment risk is the risk that the Fund will lose money from the investment of the cash collateral. Borrower default risk is the risk that the Fund will lose money due to the failure of a borrower to return a borrowed security in a timely manner.

**The Fund may invest in ETFs and securities that carry the risks described below:**

**Risks in General.** Domestic economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets in which the Fund invests. There is a risk that these and other factors may adversely affect the Fund's performance. You could lose money by investing in the Fund.

**Risks of Equity Securities.** The risks associated with investing in equity securities of companies include the financial and operational risks faced by individual companies, the risk that the stock markets, sectors and industries in which the Fund invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

**Risks of Fixed Income Securities.** Fixed income securities fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than the market price of shorter-term securities.

**Risks of Small and Medium Capitalization Companies.** The underlying funds invest in the stocks of small and medium capitalization companies, which may subject the Fund to additional risks.

## **Performance History**

Past performance (before and after taxes) of the Fund is no guarantee of how it will perform in the future. Past performance provides some indication of the risks of investing in the Fund. There is no performance information for the Fund since the Fund has not completed one full calendar year of operation as of the date of this prospectus. Performance data current to the most recent month end may be obtained by calling 1-888-774-6679.

## **Management**

### **Investment Advisor**

Potomac Fund Management, Inc.

### **Portfolio Managers**

Manish Khatta is the lead portfolio manager and has managed the Fund since its inception in February 2026. Mr. Khatta is the CEO and Co-CIO of the Advisor. Dan Russo is the assistant portfolio manager and has helped manage the fund its inception in February 2026. Mr. Russo is a portfolio manager and Co-CIO of the Advisor.

*For important information about purchase and sale of fund shares, tax information and financial intermediary compensation, please turn to the sections of this prospectus entitled “Purchase and Sale of Fund Shares,” “Tax Information,” and “Payments to Broker-Dealers and Other Financial Intermediaries”.*

## **General Summary Information**

### **Purchase and Sale of Fund Shares**

The minimum initial and subsequent investment amounts for various types of accounts offered by the Fund is shown below.

	<u>Initial</u>	<u>Additional</u>
Regular Account	\$5,000	\$100
Automatic Investment Plan	\$1,000	\$100*
IRA Account	\$1,000	\$100

\*An Automatic Investment Plan requires a \$100 minimum automatic monthly investment.

Investors may purchase or redeem Fund shares on any business day through a financial intermediary, by mail (Potomac Funds, c/o Paralel Technologies, LLC, 1700 Broadway, No. 2100, Denver, CO 80290), by wire, or by telephone at 1-888-774-6679. Purchases and redemptions by telephone are only permitted if you previously established this option on your account.

### **Tax Information**

Each Fund's distributions are taxable and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or individual retirement account where distributions may be taxed when withdrawn from the tax deferred arrangement.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's web site for more information.

### **Investment Objective, Principal Investment Strategies, Related Risks, and Disclosure of Portfolio Holdings**

#### **Investment Objective**

- The Potomac Tactically Passive Fund seeks long-term capital appreciation.

The Fund's investment objective is not fundamental, and it may be changed without shareholder approval, although the Fund will provide 60 days' advance notice of any such change. The Fund is classified as "non-diversified" funds, which means they can invest in fewer securities at any one time than a diversified fund and can invest more of their assets in securities of a single issuer than a diversified fund. The Fund may also engage in short-term trading and have a portfolio turnover rate significantly in excess of 100%.

## **The Investment Selection Process Used by the Fund**

Under normal market conditions, the Fund invests in exchange traded funds ("ETFs") and/or cash and cash equivalents. The underlying ETFs generally invest in equity and fixed income securities.

### **Potomac Tactically Passive Fund**

The Fund seeks long-term capital appreciation by constructing a portfolio that is comprised, under normal market conditions, of exchange traded funds ("ETFs"), and/or cash and cash equivalents. The ETFs in which the Fund may invest are referred to as "underlying funds" throughout this Prospectus. The underlying funds generally invest in equity securities and/or fixed income securities. The underlying funds may invest in small and medium capitalization companies. The Fund expects to rebalance its investments in underlying funds on an ongoing basis as market movements dictate and there is no limitation on the amount of the Fund's assets that may be invested in these types of underlying funds.

Potomac Fund Management, Inc., the investment advisor to the Fund (the "Advisor"), utilizes technical analysis based quantitative systems to guide its decision-making process for the Fund. The Advisor applies a tactical risk management overlay to a basket of passive broad based index ETFs. The systems utilized by the Fund attempt to assess the level of market risk that exist at any particular time, which, in turn, guides the Advisor's determinations as to whether the Fund should be fully invested in the market or hold more significant cash positions.

The Advisor's investment process seeks to identify trends to determine the strength or weakness in the current market environment. This part of the Advisor's process analyzes over 100 technical trading indicators built through a multitude of programming platforms. Each indicator is rigorously tested on an individual basis to determine the combinations that provide what the Advisor perceives to be the best indication of market direction. The technical trading indicators are then combined into sophisticated algorithmic composites that guide the Advisor's decision-making process. The raw data used in our systems include, but are not limited to: S&P 500, Dow Jones Industrial Average, Russell 2000, S&P 400 Mid Cap, NASDAQ 100, Dow Transports, Dow Utilities Dow Corporate Bonds, Index Advance Decline, Trading Volume and High/Lows, Prime Rate, Discount Rate, Treasury Bill Rate, Fed Funds Rate, Commodity Research Bureau, Commercial Longs and Shorts, NYSE Short Interest, AAII Bullish and Bearish Percentages. The raw data is analyzed using technical tools, such as *moving averages, Bollinger bands, relative strength, stochastics, oscillators, intermarket analysis, trend following and counter trend analysis*.

The Fund will generally use funds that hold a broad-based basket of equity securities. If the Advisor's algorithmic composites point to a rising market, the Fund will invest in ETFs that provide exposure of a particular market index, such as the S&P® 500 Index. During downward trending markets, the Advisor seeks to limit the Fund's exposure to equity ETFs and increase the Fund's exposure to fixed income ETFs, and/or cash and cash equivalents in an overall effort to reduce downside exposure. Risk-managed policies employ the use of cash or money market funds during adverse conditions; these positions could at times be 100%.

To generate additional income, the Fund may lend its portfolio securities to financial institutions. Loaned securities will be secured by cash collateral that the Fund may invest in high quality short-term debt obligations, government obligations, bank guarantees or money market mutual funds.

The Fund is a "non-diversified" fund, which means it can invest in fewer securities at any one time than a diversified fund and can invest more of its assets in securities of a single issuer than a diversified fund. The Fund may invest a significant percentage of its assets in a limited number of securities. Also, the Fund may invest in a limited number of sectors but has no intention to concentrate its investments in any particular industry. The Fund may also engage in short-term trading and have a portfolio turnover rate significantly in excess of 100%.

## **Defensive Positions**

The Fund may hold all or a portion of its assets in cash or cash-equivalents like money market funds, certificates of deposit, short-term debt obligations, and repurchase agreements, either due to pending investments, when investment opportunities are limited or market conditions are adverse. Under these circumstances, the Fund may not participate in stock market advances or declines to the same extent it would, had it remained more fully invested in common stocks. If the Fund invests in shares of a money market fund, shareholders of the Fund generally will be subject to duplicative management and other fees and expenses. As a result of engaging in these temporary measures, the Fund may not achieve its investment objective.

## **The Principal Risks of Investing in the Fund**

**Risks of Exchange Traded Funds.** To the extent the Fund invests in ETFs the Fund will indirectly bear its proportionate share of any expenses (such as operating expenses and advisory fees) that may be paid by the underlying funds. These expenses would be in addition to the advisory fee and other expenses that the Fund bears in connection with its own operations. Investment in an exchange traded fund (ETF) carries security specific risk and the market risk. Also, if the area of the market representing the underlying index or benchmark does not perform as expected for any reason, the value of the Fund's investment in the ETF may decline. In addition, due to transactions via market prices rather than at net asset value, the performance of an ETF may not completely replicate the performance of the underlying index. The Fund will indirectly pay its proportionate share of any fees and expenses paid by the ETF in which it invests in addition to the fees and expenses paid directly by the Fund, many of which may be duplicative. The Fund will also incur brokerage costs when it purchases ETFs. As a result, the cost of investing in the Fund generally will be higher than the cost of investing directly in ETFs. Additionally, ETFs are subject to the following risks: (i) the market price of an ETF's shares may be above or below its net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate; and (iv) underlying ETF shares may be delisted from the exchange or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) temporarily stop stock trading.

**Portfolio Turnover Risk.** The Fund may engage in short-term trading to try to achieve its objective and may have portfolio turnover rates significantly in excess of 100%. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all the

securities in its portfolio once during the course of a year. How long the Fund holds a security in its portfolio is generally not a factor in making buy and sell decisions. Increased portfolio turnover may cause the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance, and may produce increased taxable distributions. The distributions may be taxable as short-term capital gains which are taxed at ordinary income taxation rates rather than at the currently lower long-term capital gains taxation rates. It is likely that all or most of the distributions will be short-term capital gains.

**Risk of Non-Diversification.** The Fund is non-diversified fund, which means that the Fund have the ability to take larger positions in a smaller number of securities than a fund that is "diversified." Non-diversification increases the risk that the value of the Fund could go down because of the poor performance of a single investment. Because the Fund may invest a significant percentage of its assets in a single ETF, mutual fund and/or money market fund, and at times may hold only one such position along with a cash or cash equivalent position, there is a risk that events negatively affecting these fewer positions will have a greater negative impact on the Fund's performance.

**Sector Risk.** Sector risk is the possibility that stocks within the same group of industries will decline in price due to sector-specific market or economic developments. If the Advisor invests a significant portion of its assets in ETFs in a particular sector, the Fund is subject to the risk that companies in the same sector are likely to react similarly to legislative or regulatory changes, adverse market conditions and/or increased competition affecting that market segment. The sectors in which the Fund may be overweight will vary.

**Management Risks.** The Advisor's implementation of the Fund's strategy may fail to produce the intended results. In circumstances where the Advisor establishes high-conviction positions, it is possible the results of the trend analysis will be incorrect and the high-conviction trade will not produce the desired results. At times, the Advisor may determine to hold significant portions of the Fund's assets in cash and cash equivalents, and in such scenarios may detract from the Fund's ability to achieve its objective.

**Quantitative/Trend Model Risk.** The risk that investments selected using quantitative models to identify market trends may perform differently from the market as a whole or from their expected performance. There can be no assurance that use of a quantitative trend model will enable the Fund to achieve positive returns or outperform the market.

**Securities Lending Risk.** To generate additional income, the Fund may lend its portfolio securities to financial institutions. Loaned securities will be secured by cash collateral that the Fund may invest in high quality short-term debt obligations, government obligations, bank guarantees or money market mutual funds. Securities lending involves two primary risks: "investment risk" and "borrower default risk." Investment risk is the risk that the Fund will lose money from the investment of the cash collateral. Borrower default risk is the risk that the Fund will lose money due to the failure of a borrower to return a borrowed security in a timely manner.

**The Fund may invest in ETFs and securities that carry the risks described below:**

**Risks in General.** Domestic and foreign economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets of the Fund's investments. There is a risk that these and other factors may adversely affect the Fund's performance. You should consider your own investment goals, time horizon, and risk tolerance before investing in the Fund. An investment in the Fund may not be appropriate for all investors and is not intended to be a complete investment program. An investment in the Fund is not a deposit in the bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. You may lose money by investing in the Fund.

**Risks of Equity Securities.** Overall stock market risks may affect the value of the Fund. These risks include the financial risk of selecting securities that do not perform as anticipated, the risk that the stock markets in which the Fund invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change. Many factors affect the performance of each company, including the strength of the company's management or the demand for its product or services. You should be aware that the value of a company's share price may decline as a result of poor decisions made by management or lower demand for the company's products or services. In addition, a company's share price may also decline if its earnings or revenues fall short of expectations. There are overall stock market risks that may also affect the value of the Fund. Over time, the stock markets tend to move in cycles, with periods when stock prices rise generally and periods when stock prices decline generally. The value of the Fund's investments may increase or decrease more than the stock markets in general. Common stocks, preferred securities, and warrants are examples of equity securities.

**Risks of Fixed Income Securities.** Fixed income securities fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than the market price of shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments. Government bonds and corporate bonds are examples of fixed income securities.

**Risks of Small and Medium Capitalization Companies.** The underlying funds invest in the stocks of small and medium capitalization companies, which may subject the Fund to additional risks. The earnings and prospects of these companies are more volatile than larger companies. Small and medium capitalization companies may have limited product lines and markets and may experience higher failure rates than do larger companies.

## **Portfolio Holdings Disclosure**

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information ("SAI") and on the Fund's website at <https://potomacfunds.com>.

## **Management**

### **The Investment Advisor**

Potomac Fund Management, Inc. ("Potomac") is the investment advisor of the Fund and has responsibility for the management of the Fund's affairs, under the supervision of the Trust's Board of Trustees. The Advisor is a registered investment advisor controlled by Manish Khatta. The Fund's investment portfolio is managed on a day to day basis by Manish Khatta and Dan Russo. The Advisor provides investment advice to individuals, pensions, profit sharing plans, trusts, estates, other investment advisors, and to corporations and other business entities.

Manish Khatta is the lead portfolio manager and has managed the Fund since its inception in February 2026. Mr. Khatta is the CEO and Co-CIO of the Advisor. Dan Russo is the assistant portfolio manager and has helped manage the fund its inception in February 2026. Mr. Russo is a portfolio manager and Co-CIO of the Advisor.

The Advisor's address is 7373 Wisconsin Ave., Suite #750, Bethesda, MD 20814.

Manish Khatta holds a BS degree in Finance from the University of Maryland. He has been a full-time employee with Potomac since January 2002 and in January 2013 he became Chief Executive Officer of the firm. Manish has spent his career creating and refining trading strategies built on mathematical computations and number crunching. Manish programmed the initial work behind Potomac's mechanical trading systems. Dan Russo has been in the securities industry since 2000. He holds an MBA degree in Finance from Fordham University in New York City and a B.S. degree in Finance from Long Island University, C.W. Post. He is also a Charted Market Technician, having earned the right to use that designation in 2012. Dan has experience with a wide range of institutional investors, working with them to perform fundamental, technical, and quantitative research to navigate the market and generate actionable trading and investment ideas.

The Fund's SAI provides information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of Fund shares.

The Advisor manages the investment portfolio of the Fund, subject to the policies adopted by the Trust's Board of Trustees. Under the Management Agreement, the Advisor, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment, and executive personnel necessary for managing the assets of the Fund. For its services the Advisor receives an investment management fee equal to 1.25% of the Fund's average daily net assets up to \$100 million, 1.00% of the Fund's average daily net assets between \$100 million and \$200 million and 0.90% of the Fund's average daily net assets in excess of \$200 million. A discussion regarding the basis of the Board of Trustees' approval of the

Management Agreement between the Trust and the Advisor will be available in the Fund's semi-annual report filed on Form N-CSR for the period ending June 30, 2026.

Under the Services Agreement the Advisor receives an additional fee of 0.50% of the Fund's average daily net assets up to \$25 million, and 0.20% of such assets in excess of \$25 million for services provided under the agreement and is also obligated to pay the operating expenses of the Fund excluding management fees, brokerage fees and commissions, 12b-1 fees (if any), taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), ADR fees, the cost of acquired funds and extraordinary expenses.

Under the Services Agreement the Advisor supervises the Fund's business affairs. The Advisor coordinates for the provision of the services of a Chief Compliance Officer for the Trust with respect to the Fund, executive and administrative services including, but are not limited to, the coordination of all third parties furnishing services to the Fund, review of the books and records of the Fund maintained by such third parties, and such other actions with respect to the Fund as may be necessary in the opinion of the Advisor to perform its duties under the Services Agreement.

## **Shareholder Information**

### **Pricing of Fund Shares**

The price you pay for a share of each Fund, and the price you receive upon selling or redeeming a share of each Fund, is called the Fund's net asset value ("NAV"). The NAV is calculated by taking the total value of the Fund's assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent:

Net Asset Value = Total Assets - Liabilities / Number of Shares Outstanding

The NAV is generally calculated as of the close of trading on the New York Stock Exchange (normally 4:00 p.m. Eastern time) every day the Exchange is open for trading. The New York Stock Exchange generally is open every day other than weekends and holidays. All purchases, redemptions or reinvestments of Fund shares will be priced at the next NAV calculated after your order is received in proper form by the Fund's Transfer Agent, Paralel Technologies, LLC. The Fund's Board of Trustees has chosen to designate the Advisor as "valuation designee" to perform certain valuation functions. The Fund's assets are generally valued at their market value. If market prices are not available or, in the valuation designee's opinion, market prices do not reflect fair value, or if an event occurs after the close of trading (but prior to the time the NAV is calculated) that materially affects fair value, the valuation designee may value the Fund's assets at their fair value according to policies approved by the Fund' Board of Trustees. For example, if trading in a portfolio security is halted and does not resume before the Fund calculates its NAV, the valuation designee may need to price the security using the Fund's fair value pricing guidelines. Without a fair value price, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of the Fund's portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the Fund' NAV by short-term traders. The Fund may use pricing services to help determine market value. With respect to any portion of the Fund's assets that are invested in one or more open-end

management investment companies that are registered under the Investment Company Act, the Fund's net asset value is calculated based upon the net asset values of the registered open-end management investment companies in which the Fund invests. The prospectuses for these investment companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.

### **Customer Identification Program**

### **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

*To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that, when you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask for identifying documents and may take additional steps to verify your identity. We may not be able to open an account or complete a transaction for you until we are able to verify your identity.*

### **Investing in the Fund**

You may purchase shares through a brokerage firm or other financial institution that has agreed to sell the Fund' shares. The Fund reserve the right to change the amount of these minimums from time to time or to waive them in whole or in part for certain accounts. Investment minimums may be higher or lower to investors purchasing shares through a brokerage firm or other financial institution.

#### **Minimum Investments**

	<u>Initial</u>	<u>Additional</u>
Regular Account	\$5,000	\$100
Automatic Investment Plan	\$1,000	\$100*
IRA Account	\$1,000	\$100

\*An Automatic Investment Plan requires a \$100 minimum automatic monthly or quarterly investment.

### **Investments Made Through Brokerage Firms or Other Financial Institutions**

The Fund may be purchased through broker dealers and other intermediaries. If you invest through a brokerage firm or other financial institution, the policies and fees may be different than those described here. Financial advisers, financial supermarkets, brokerage firms, and other financial institutions may charge transaction and other fees and may set different minimum investments or limitations on buying or selling shares. Such brokers are authorized to designate other intermediaries to receive purchase and redemption orders on the Fund' behalf. Consult a representative of your financial institution if you have any questions. The Fund will be deemed to have received a purchase or redemption order when an authorized broker or, if applicable, a broker's authorized designee, received the order. Customer orders will be priced at the Fund' net asset value next computed after they are received by an authorized broker or the broker's authorized designee. Your financial institution is responsible for transmitting your order in a timely manner.

## Payment

All purchases must be made in U.S. dollars and checks must be drawn on U.S. banks. No cash, money orders, traveler's checks, credit cards, credit card checks, third-party checks or other checks deemed to be high-risk checks will be accepted. A \$20 fee will be charged against your account for any payment check returned to the transfer agent or for any incomplete electronic fund transfer, or for insufficient funds, stop payment, closed account or other reasons. If a check does not clear your bank or the Fund is unable to debit your pre-designated bank account on the day of purchase, the Fund reserves the right to cancel the purchase. If your purchase is canceled, you will be responsible for any losses or fees imposed by your bank and losses that may be incurred as a result of a decline in the value of the canceled purchase. The Fund (or Fund agent) have the authority to redeem shares in your account(s) to cover any losses due to fluctuations in share price. Any profit on such cancellation will accrue to the Fund. Your investment in the Fund should be intended to serve as a long-term investment vehicle. The Fund is not designed to provide you with a means of speculating on the short-term fluctuations in the stock market. The Fund reserves the right to reject any purchase request that it regards as disruptive to the efficient management of the Fund, which includes investors with a history of excessive trading. The Fund also reserves the right to stop offering shares at any time.

## Types of Account Ownership

You can establish the following types of accounts by completing a Shareholder Account Application:

- **Individual or Joint Ownership.** Individual accounts are owned by one person. Joint accounts have two or more owners.
- **A Gift or Transfer to Minor.** (UGMA or UTMA) A UGMA/UTMA account is a custodial account managed for the benefit of a minor. To open an UGMA or UTMA account, you must include the minor's social security number on the application.
- **Trust.** An established trust can open an account. The names of each trustee, the name of the trust and the date of the trust agreement must be included on the application.
- **Business Accounts.** Corporations and partnerships may also open an account. The application must be signed by an authorized officer of the corporation or a general partner of a partnership.
- **IRA Accounts.** See "Tax-Deferred Plans".

## Instructions for Opening and Adding to an Account

### TO OPEN AN ACCOUNT

#### By Mail

Complete and sign the Shareholder Application or an IRA Application.

Make your check payable to Potomac Funds.

- For IRA accounts, please specify the year for which the contribution is made.

**Mail or overnight the application and check to:**

*Regular Mail via US Postal Service:*

Potomac Funds  
PO Box 2170  
Denver, Colorado 80201

*Overnight Delivery*

Potomac Funds  
c/o Paralel Technologies  
1700 Broadway, Suite 2100  
Denver, CO 80290

**TO ADD TO AN ACCOUNT**

**By Mail**

Complete the investment slip that is included with your account statement and write your account number on your check. If you no longer have your investment slip, please reference your name, account number, and address on your check.

**Mail or overnight the slip and the check to:**

*Regular Mail via US Postal Service:*

Potomac Funds  
PO Box 2170  
Denver, Colorado 80201

*Overnight Delivery*

Potomac Funds  
c/o Paralel Technologies  
1700 Broadway, Suite 2100  
Denver, CO 80290

NOTE: The Fund does not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, when you deposit your account application form, additional purchase request or redemption request in the mail, or use other delivery services, or if your documents are simply in the Transfer Agent's post office box, that does not mean that the Fund's Transfer Agent actually received those documents.

**TO OPEN AN ACCOUNT**

**By Wire**

Call 1-888-774-6679 for instructions and to obtain an investor account number or an IRA account number prior to wiring to the Fund.

## **TO ADD TO AN ACCOUNT**

### **By Wire**

Call 1-888-774-6679 for instructions.

### **Telephone and Wire Transactions**

With respect to all transactions made by telephone, the Fund and their transfer agent will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. Such procedures may include, among others, requiring some form of personal identification prior to acting upon telephone instructions, providing written confirmation of all such transactions, and/or tape recording all telephone instructions. If reasonable procedures are followed, then neither the Fund nor the transfer agent will be liable for any loss, cost, or expense for acting upon an investor's telephone instructions or for any unauthorized telephone redemption. In any instance where the Fund's transfer agent is not reasonably satisfied that instructions received by telephone are genuine, neither the Fund nor the transfer agent shall be liable for any losses which may occur because of delay in implementing a transaction.

If you purchase your initial shares by wire, the transfer agent first must have received a completed account application and issued an account number to you. The account number must be included in the wiring instructions as set forth above. The transfer agent must receive your account application to establish shareholder privileges and to verify your account information. Payment of redemption proceeds may be delayed, and taxes may be withheld unless the Fund receives a properly completed and executed account application.

Shares purchased by wire will be purchased at the NAV next determined after the transfer agent receives your wired funds and all required information is provided in the wire instructions. If the wire is not received by 4:00 p.m. Eastern time, the purchase will be effective at the NAV next calculated after receipt of the wire.

### **Tax-Deferred Plans**

If you are eligible, you may set up one or more tax-deferred accounts. A tax-deferred account allows you to shelter your investment income and capital gains from current income taxes. A contribution to certain of these plans may also be tax deductible. Tax-deferred accounts include retirement plans described below. Distributions from these plans are generally subject to an additional tax if withdrawn prior to age 59 1/2 or used for a nonqualifying purpose. Investors should consult their tax advisers or legal counsel before selecting a tax-deferred account.

You will be charged an annual account maintenance fee of \$8 for each tax-deferred account you have with the Fund. You may pay the fee by check or have it automatically deducted from your account (usually in December). The custodian reserves the right to change the amount of the fee or to waive it in whole or part for certain types of accounts.

## **Types of Tax-Deferred Accounts**

- **Traditional IRA**  
An individual retirement account. Your contribution may or may not be deductible depending on your circumstances. Assets can grow tax-deferred and distributions are taxable as income.
- **Roth IRA**  
An IRA with non-deductible contributions, tax-free growth of assets, and tax-free distributions for qualified distributions.
- **Spousal IRA**  
An IRA funded by a working spouse in the name of a non-earning spouse.
- **SEP-IRA**  
An individual retirement account funded by employer contributions. Your assets grow tax-deferred and distributions are taxable as income.
- **Keogh or Profit Sharing Plans**  
These plans allow corporations, partnerships and individuals who are self-employed to make tax deductible contributions for each person covered by the plans.
- **403(b) Plans**  
An arrangement that allows employers of charitable or educational organizations to make voluntary salary reduction contributions to a tax-deferred account.
- **401(k) Plans**  
Allows employees of corporations of all sizes to contribute a percentage of their wages on a tax-deferred basis. These accounts need to be established by the trustee of the plan.

## **Automatic Investment Plans**

By completing the Automatic Investment Plan section of the account application, you may make automatic monthly investments (\$100 minimum per purchase) in the Fund from your bank or savings account. Your initial investment minimum is \$1,000 if you select this option. Shares of the Fund may also be purchased through direct-deposit plans offered by certain employers and government agencies. These plans enable a shareholder to have all or a portion of his or her payroll or Social Security checks transferred automatically to purchase shares of the Fund.

## **FOR INVESTING**

### **Automatic Investment Plan**

For making automatic investments from a designated bank account.

### **Payroll Direct Deposit Plan**

For making automatic investments from your payroll check.

## **Dividend Reinvestment**

All income dividends and capital gains distributions will be automatically reinvested in shares of the Fund unless you indicate otherwise on the account application or in writing.

## **Instructions for Selling Fund Shares**

You may sell all or part of your shares on any day that the New York Stock Exchange is open for trading. Your shares will be sold at the next NAV per share calculated after your order is received in proper form by the transfer agent. The proceeds of your sale may be more or less than the purchase price of your shares, depending on the market value of the Fund's securities at the time of your sale. Your order will be processed promptly and you will generally receive the proceeds within seven days after receiving your properly completed request. The Fund will not mail any proceeds unless your investment check has cleared the bank, which may take up to fifteen calendar days. This procedure is intended to protect the Fund and its shareholders from loss. If the dollar or share amount requested is greater than the current value of your account, your entire account balance will be redeemed. If you choose to redeem your account in full, any automatic services currently in effect for the account will be terminated unless you indicate otherwise in writing.

### **TO SELL SHARES**

#### **By Mail**

Write a letter of instruction that includes:

- The names(s) and signature(s) of all account owners.
- Your account number.
- The dollar or share amount you want to sell.
- Where to send the proceeds.
- If redeeming from your IRA, please note applicable withholding requirements.
- Obtain a signature guarantee or other documentation, if required.

#### **Mail or overnight your request to:**

*Regular Mail via US Postal Service:*

Potomac Funds  
PO Box 2170  
Denver, Colorado 80201

*Overnight Delivery*  
Potomac Funds  
c/o Paralel Technologies  
1700 Broadway, Suite 2100  
Denver, CO 80290

#### **By Telephone**

- You will automatically be granted telephone redemption privileges unless you decline them in writing or indicate on the appropriate section of the account application that you decline this option. Otherwise, you may redeem Fund shares

by calling 1-888-774-6679. Redemption proceeds will only be mailed to your address of record.

- You may only redeem a maximum of \$25,000 per day by telephone.
- You will not be able to redeem by telephone and have a check sent to your address of record for a period of 15 days following an address change.
- Unless you decline telephone privileges in writing or on your account application, as long as the Fund takes reasonable measures to verify the order, you may be responsible for any fraudulent telephone order.

For specific information on how to redeem your account, and to determine if a signature guarantee or other documentation is required, please call toll-free in the U.S. 1-888-774-6679.

### **Additional Redemption Information**

The Fund typically expects to meet redemption requests through cash holdings or cash equivalents and expects to use cash holdings or cash equivalents on a regular basis. To the extent cash holdings or cash equivalents are not available to meet redemption requests the Fund will meet redemption requests by selling portfolio assets.

### **Signature Guarantees**

Signature guarantees are designed to protect both you and the Fund from fraud. A signature guarantee of each owner is required to redeem shares in the following situations:

- If you change ownership on your account.
- If a change of address request has been received by the transfer agent within the last 15 days.
- If you wish to redeem \$25,000 or more from any shareholder account.

Signature guarantees can be obtained from most banks, savings and loan associations, trust companies, credit unions, broker-dealers, and member firms of a national securities exchange. Call your financial institution to see if they have the ability to guarantee a signature. **A notary public cannot provide signature guarantees.**

The Fund reserves the right to require a signature guarantee under other circumstances or to delay a redemption when permitted by Federal Law. For more information pertaining to signature guarantees, please call 1-888-774-6679.

### **Corporate, Trust and Other Accounts**

Redemption requests from corporate, trust, and other accounts may require documents in addition to those described above, evidencing the authority of the officers, trustees or others. In order to avoid delays in processing redemption requests for these accounts, you should call the transfer agent at 1-888-774-6679 to determine what additional documents are required.

## **Address Changes**

To change the address on your account, call the transfer agent at 1-888-774-6679 or send a written request signed by all account owners. Include the account number(s) and name(s) on the account and both the old and new addresses. Certain options may be suspended for a period of 15 days following an address change.

## **Transfer of Ownership**

In order to change the account registration or transfer ownership of an account, additional documents will be required. In order to avoid delays in processing these requests, you should call the transfer agent at 1-888-774-6679 to determine what additional documents are required.

## **Redemption Initiated by the Fund**

Because there are certain fixed costs involved with maintaining your account, the Fund may require you to redeem all of your shares if your account balance falls below \$500. After your account balance falls below the minimum balance, you will receive a notification from the Fund indicating its intent to close your account along with instructions on how to increase the value of your account to the minimum amount within 60 days. If your account balance is still below \$500 after 60 days, the Fund may close your account and send you the proceeds. This minimum balance requirement does not apply to accounts using automatic investment plans, to IRAs, and to other tax-deferred investment accounts. The right of redemption by the Fund will not apply if the value of your account balance falls below \$500 because of market performance. All shares of the Fund is also subject to involuntary redemption if the Board of Trustees determines to liquidate the Fund. Any involuntary redemption will create a capital gain or loss, which may have tax consequences about which you should consult your own tax adviser.

## **Shareholder Communications**

### **Account Statements**

Every quarter, shareholders of the Fund will automatically receive regular account statements. You will also be sent a yearly statement detailing the tax characteristics of any dividends and distributions you have received.

### **Confirmations**

Confirmation statements will be sent after each transaction that affects your account balance or account registration.

### **Regulatory Reports**

Financial reports will be published semi-annually. The Fund have discontinued mailing paper copies of the Fund' financial reports as permitted by new regulations adopted by the SEC, unless you specifically request paper copies from the Fund. The reports will remain available to you on the Fund' website ([www.potomacfunds.com](http://www.potomacfunds.com)) and you will be notified by mail each time a report is posted and provided with a link to access the report. Annual reports will include audited financial statements. For any shareholder that requests paper copies only one copy of each report will be mailed to each taxpayer identification number even though the investor may have more than one account in the Fund.

## **Dividends and Distributions**

The Fund intends to pay distributions on at least an annual basis and expects that distributions will consist primarily of capital gains. You may elect to reinvest income dividends and capital gain distributions in the form of additional shares of the Fund or receive these distributions in cash. Dividends and distributions from the Fund is automatically reinvested in the Fund, unless you elect to have dividends paid in cash. Reinvested dividends and distributions receive the same tax treatment as those paid in cash. If you are interested in changing your election, you may call the transfer agent at 1-888-774-6679 or send a written notification to:

*Regular Mail via US Postal Service:*

Potomac Funds  
PO Box 2170  
Denver, Colorado 80201

## **Market Timing**

The Fund discourages market timing. Market timing is an investment strategy using frequent purchases, redemptions and/or exchanges in an attempt to profit from short term market movements. Market timing may result in dilution of the value of Fund shares held by long term shareholders, disrupt portfolio management and increase Fund expenses for all shareholders. The Board of Trustees also has adopted a policy directing the Fund to reject any purchase order with respect to one investor, a related group of investors or their agent(s), where it detects a pattern of purchases and sales of the Fund that indicates market timing or trading that it determines is abusive. This policy applies uniformly to all Fund shareholders. While the Fund attempt to deter market timing, there is no assurance that they will be able to identify and eliminate all market timers. For example, certain accounts called "omnibus accounts" include multiple shareholders. Omnibus accounts typically provide the Fund with a net purchase or redemption request on any given day where purchasers of Fund shares and redeemers of Fund shares are netted against one another and the identity of individual purchasers and redeemers whose orders are aggregated are not known by the Fund. The netting effect often makes it more difficult for the Fund to detect market timing, and there can be no assurance that the Fund will be able to do so. However, the Fund will establish information sharing agreements with intermediaries as required by Rule 22c-2 under the 1940 Act and otherwise use reasonable efforts to work with intermediaries to identify excessive short-term trading in underlying accounts. The Fund may invest in small- to mid-capitalization companies and therefore may have additional risks associated with market timing. A shareholder may seek to engage in short-term trading to take advantage of these pricing differences and therefore could dilute the value of Funds shares held by long term shareholders, disrupt portfolio management and increase Fund expenses for all shareholders.

## **Taxes**

Fund dividends and distributions are taxable to most investors (unless your investment is made through an individual retirement account or other tax-deferred account). Dividends paid by the Fund out of net ordinary income and distributions of net short-term capital gains are taxable to the shareholders as ordinary income.

Distributions by the Fund of net long-term capital gains to shareholders are generally taxable to the shareholders at the applicable long-term capital gains rate, regardless of how long a shareholder has held shares of the Fund.

Redemptions of shares of the Fund are taxable events for which you will generally realize a gain or loss. The amount of the gain or loss and the rate of tax will depend mainly upon the amount paid for the shares, the amount received from the redemption, and how long the shares were held.

The Fund's distributions may be subject to U.S. federal income tax whether received in cash or reinvested in additional shares. In addition to U.S. federal income taxes, you may be subject to state and local income taxes on distributions.

The Fund may be required to backup withhold U.S. federal income tax (presently at the rate of twenty-four percent (24%) on all taxable distributions payable to shareholders who fail to provide the Fund with their correct taxpayer identification numbers or to make required certifications, or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the Internal Revenue Service ensures it will collect taxes otherwise due. Any amounts backup withheld may be credited against a shareholder's U.S. federal income tax liability.

The Fund must report their shareholders' cost basis, gain/loss, and holding periods to the Internal Revenue Service on the Fund's shareholders' Consolidated Form 1099s when the Fund's shares are redeemed.

The Fund have chosen average cost as the standing (default) tax lot identification method for all shareholders. A tax lot identification method is the way the Fund will determine which specific shares are deemed to be redeemed when there are multiple purchases on different dates at differing net asset values, and the entire position is not sold at one time. The Fund' standing tax lot identification method is the method the Fund's shares will be reported on your Consolidated Form 1099 if you do not select a specific tax lot identification method. You may choose a method different than the Fund's standing method and will be able to do so at the time of your purchase or upon the redemption of the Fund's shares. Please consult your own tax adviser regarding your personal circumstances.

The Fund is responsible for maintaining accurate cost basis and tax lot information for tax reporting purposes. The Fund and their service providers do not provide tax advice. You should consult independent sources, which may include your own tax professional, with respect to any decisions you may make with respect to choosing a tax lot identification method.

At the time this prospectus was prepared, there were various legislative proposals under consideration that would amend the Internal Revenue Code. At this time, though, it is not possible to determine whether any of these proposals will become law and how these changes might affect the Fund or its shareholders.

The foregoing is not intended to be a full discussion of U.S. federal tax laws and the effect of such laws on you. Because everyone's tax situation is unique, always consult your own tax professional about U.S. federal, state, and local tax consequences of an investment in the Fund.

## Glossary of Terms

**Moving Average** - is the average closing price of a security over a defined period of time.

**Bollinger Bands** - are a type of price envelope developed by [John Bollinger](#). Price envelopes define upper and lower price range levels. Bollinger Bands are envelopes plotted at a standard deviation level above and below a simple moving average of the price. Because the distance of the bands is based on standard deviation, they adjust to volatility swings in the underlying price. Bollinger Bands use 2 parameters, Period and Standard Deviations, StdDev. The default values are 20 for period, and 2 for standard deviations, although you may customize the combinations. Bollinger bands help determine whether prices are high or low on a relative basis. They are used in pairs, both upper and lower bands and in conjunction with a moving average. Further, the pair of bands is not intended to be used on its own. Use the pair to confirm signals given with other indicators.

**Relative Strength** - is a ratio of a stock price performance to a market average (index) performance.

**Stochastics** – refers to a randomly determined process. A stochastic indicator is designed to display the location of the close (i.e. closing price of security) compared to the high/low range over a user defined number of periods.

**Oscillators** - is a [technical analysis](#) tool that constructs high- and low- bands between two extreme values, and then builds a trend indicator that fluctuates within these bounds. Traders use the trend indicator to discover short-term overbought or oversold conditions. When the value of the oscillator approaches the upper extreme value, technical analysts interpret that information to mean that the asset is overbought, and as it approaches the lower extreme, technicians consider the asset to be oversold.

**Intermarket Analysis** - involves looking at [asset classes](#) or financial markets that have strong correlations.

**Trend Following Analysis** - is a trading strategy according to which one should buy an asset when its price trend goes up, and sell when its trend goes down, expecting price movements to continue.

**Counter Trend Following Analysis** - is a type of [swing trading](#) strategy that assumes a current trading trend will reverse and attempts to profit from that reversal.

## **Other Fund Service Providers**

### **Custodian**

State Street Bank and Trust Company

### **Distributor**

Paralel Distributors, LLC

### **Fund Administrator**

Premier Fund Solutions, Inc.

### **Independent Registered Public Accounting Firm**

Cohen & Company, Ltd.

### **Investment Advisor**

Potomac Fund Management, Inc.

### **Legal Counsel**

Practus, LLP

### **Transfer Agent**

Paralel Technologies, LLC

## PRIVACY NOTICE

The following is a description of the Fund's policies regarding disclosure of non-public personal information that you provide to the Fund or that the Fund collects from other sources. In the event that you hold shares of the Fund through a broker-dealer or other financial intermediary, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with unaffiliated third parties.

**Categories of Information the Fund Collect.** The Fund collects the following nonpublic personal information about you:

- Information the Fund receive from you on or in applications or other forms, correspondence, or conversations (such as your name, address, phone number, Social Security Number, assets, income and date of birth); and
- Information about your transactions with the Fund, its affiliates, or others (such as your account number, balance, payment history, parties to transactions, cost-basis information, and other financial information).

**Categories of Information the Fund Discloses.** The Fund does not disclose any nonpublic personal information about their current or former shareholders to unaffiliated third parties, except as required or permitted by law. The Fund is permitted by law to disclose all of the information it collects, as described above, to its service providers (such as the Fund's custodian, administrator, and transfer agent) to process your transactions and otherwise provide services to you.

**Confidentiality and Security.** The Fund restricts access to your non-public personal information to those persons who require such information to provide products or services to you. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

## **Potomac Funds**

### **Where to Go for Information**

For shareholder inquiries, please call toll-free in the U.S. at 1-888-774-6679. You will also find more information about each of the Fund on our website at <https://potomacfunds.com> or in the following documents:

#### **Statement of Additional Information**

The Statement of Additional Information is on file with the Securities and Exchange Commission ("SEC"), contains additional and more detailed information about the Fund and is incorporated into this Prospectus by reference. The Fund publish Shareholder Reports (annual and semiannual reports) and in Form N-CSR that contain additional information about the Fund's investments. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. In Form N-CSR, you will find the Fund's annual and semi-annual financial statements.

You may obtain the SAI, Shareholder Reports and other information, such as the Fund's financial statements without charge by contacting the Fund at 1-888-774-6679 or on our Internet site at: [www.potomacfunds.com](http://www.potomacfunds.com). If you purchased shares through a Financial Intermediary, you may also obtain these documents, without charge, by contacting your Financial Intermediary.

Shareholder Reports and other information about the Fund is available on the EDGAR Database on the SEC's Internet site at <https://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

SEC file number 811-09781