



In an effort to raise the bar even higher and create more credibility and respect in our industry, Potomac Fund Management, Inc. has hired Alpha Performance Verification Services to help us in maintaining Global Investment Performance Standards (GIPS®) compliance. Alpha Performance Verification Services provides GIPS® verification and compliance consultation services to the investment management industry. Maintaining these new standards allows us to compete at the highest levels with the largest firms in the country.

### **What is GIPS®?**

The GIPS® standards are ethical standards for investment performance presentation to ensure fair representation and full disclosure of an investment management firm's performance.

Verification is the independent review of an investment management firm's claim of compliance with the GIPS® standards.

Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis.

Verification is firm wide and cannot be carried out for a single composite. A composite specific performance examination can be conducted on a particular composite, but only in conjunction with a firm-wide verification.

For more information on the GIPS® Standards, please visit [www.gipsstandards.org](http://www.gipsstandards.org).

For more information on Alpha Performance Verification Services, please visit [www.alphaverification.com](http://www.alphaverification.com).

### **Why does Potomac Fund Management report both composite and representative account results?**

When Potomac Fund Management, Inc. was founded in 1987 the technology was not available to construct and comply with current GIPS® verification standards. GIPS® require that firms must, at a minimum, have performance going back five years or since inception in order to be compliant. Potomac decided to take on the arduous task of bringing all of our records, starting in 2002, into compliance with GIPS® standards. However, in order to communicate to investors the true value added from our services we needed to also keep the long-standing track record of our representative accounts. Therefore, we made the decision to report both composite and representative account results.



# POTOMAC

## GIPS REPORT 2022

Potomac Fund Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Potomac Fund Management, Inc. has been independently verified for the periods January 1, 2002 through September 30, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis.

The Guardian Composite has been examined for the period January 1, 2002 through September 30, 2022. The Navigrowth Composite has been examined for the period January 1, 2002 through September 30, 2022. The Income Plus Composite has been examined for the period March 1, 2010 through September 30, 2022. The Advisor Express Composite has been examined for the period July 1, 2003 through September 30, 2022. The Bull Bear Composite has been examined for the period July 1, 2002 through September 30, 2022. The Focused Growth Composite has been examined for the period January 1, 2016 through September 30, 2022. The verification and performance examination reports are available upon request.

Potomac Fund Management, Inc. is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Beginning July 1, 2002, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of at least 10% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs, and the account re-enters the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all income. Performance was calculated using actual management fees. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year, presented gross of fees. The 3-Year Standard Deviation represents the annualized standard deviation of actual gross composite and benchmark returns, using the rolling 36 months ended each year-end. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request.

The current fee schedule is comprised of three parts: The Platform Fee (0-40bps), the Client Advisor/Solicitor Fee (0-150bps), and a Strategy Fee (0-50bps). Actual investment advisory fees incurred by clients may vary.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

\*Partial year of performance.

## GUARDIAN COMPOSITE

Period End	Total Firm Assets	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
	(thousands)	USD (thousands)	Number of Accounts	Composite Net	Benchmark	Composite Dispersion	Composite	Benchmark
2022 Q3	357,710	27,931	385	-8.07%	-17.78%	N/A	10.87%	9.43%
2021	387,040	29,781	321	6.86%	8.34%	0.47%	10.31%	6.62%
2020	248,020	23,162	197	0.30%	11.95%	0.36%	9.95%	7.03%
2019	138,213	31,608	286	15.53%	16.49%	0.93%	6.21%	4.36%
2018	132,998	30,405	293	2.02%	-1.26%	0.37%	6.29%	3.96%
2017	162,956	44,633	438	11.36%	9.66%	0.31%	5.06%	3.65%
2016	184,186	62,546	589	-3.92%	5.97%	0.26%	5.78%	4.04%
2015	190,301	64,347	662	-3.97%	1.06%	0.24%	4.91%	4.15%
2014	184,455	69,457	627	0.92%	8.68%	0.28%	5.02%	3.61%
2013	165,387	70,064	583	9.91%	9.03%	0.35%	6.07%	4.22%
2012	151,956	66,637	633	5.00%	8.36%	0.34%	7.52%	4.82%
2011	161,091	72,468	789	-3.43%	6.11%	0.36%	8.19%	6.88%
2010	194,592	95,966	927	1.84%	9.96%	0.30%	7.79%	8.75%
2009	199,169	89,278	825	12.98%	13.24%	0.36%	6.81%	8.24%
2008	132,323	63,475	681	-11.56%	-11.44%	0.50%	7.48%	6.75%
2007	154,366	74,364	708	2.08%	6.58%	0.44%	7.94%	6.39%
2006	144,640	52,389	526	15.71%	8.26%	1.41%	8.63%	3.01%
2005	97,316	32,502	394	5.33%	3.38%	0.37%	8.65%	3.26%
2004	63,714	29,191	379	10.43%	6.66%	1.26%	8.26%	4.11%
2003	44,630	22,768	352	21.67%	12.35%	2.27%		
2002	41,526	15,300	325	-3.39%	-1.68%	0.36%		

### Annualized Net Returns ending 2022Q3

1 Year	-5.74%
5 Years	3.66%
10 years	2.86%

***Guardian Composite** contains fully discretionary fee-paying accounts invested in the Guardian investment strategy Guardian is a tactical 'growth and income' strategy with the goal of conservatively participating in both equity and income markets, while avoiding catastrophic bear market losses. The strategy will rotate among a suite of affiliated tactical mutual funds overweighting positions that focus on balanced and conservative equity growth. The underlying funds utilize a combination of dynamic asset allocation and mechanical system trading. Additionally, they employ risk management techniques including the use of inverse and cash positions during adverse market conditions; cash positions could at times be 100%. For comparison purposes the composite is measured against a benchmark comprised of 35% S&P 500 TR and 65% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. The Guardian Composite was created May 1, 1996 and incepted June 1, 1996.*

## NAVIGROWTH COMPOSITE

Period End	Total Firm Assets	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
	(thousands)	USD (thousands)	Number of Accounts	Composite Net	Benchmark	Composite Dispersion	Composite	Benchmark
2022 Q3	357,710	19,390	326	-14.59%	-19.63%	N/A	13.24%	12.61%
2021	387,040	14,221	228	-0.41%	14.32%	0.54%	12.41%	9.80%
2020	248,020	17,280	168	14.54%	14.20%	0.60%	12.91%	10.51%
2019	138,213	15,217	180	5.14%	21.03%	0.49%	9.23%	6.58%
2018	132,998	12,386	135	7.37%	-2.12%	0.47%	8.90%	5.94%
2017	162,956	13,322	130	15.79%	13.29%	0.45%	7.41%	5.44%

2016	184,186	14,273	158	0.26%	7.84%	0.34%	8.00%	5.91%
2015	190,301	16,765	183	-5.74%	1.25%	0.24%	6.32%	5.97%
2014	184,455	16,769	177	0.05%	10.23%	0.27%	6.78%	5.14%
2013	165,387	14,266	149	16.30%	15.81%	0.41%	8.98%	6.50%
2012	151,956	12,222	132	10.42%	10.72%	0.43%	11.57%	7.96%
2011	161,091	15,271	200	-9.00%	4.99%	0.31%	12.33%	10.51%
2010	194,592	18,408	227	-0.13%	11.71%	0.33%	11.22%	12.72%
2009	199,169	12,038	120	17.44%	17.37%	0.42%	10.21%	11.68%
2008	132,323	8,240	98	-12.31%	-20.02%	0.70%	10.42%	8.93%
2007	154,366	12,199	126	-3.21%	6.30%	0.41%	11.74%	4.26%
2006	144,640	15,493	177	10.64%	10.54%	0.78%	11.14%	4.12%
2005	97,316	8,570	105	7.85%	3.88%	0.41%	10.83%	5.31%
2004	63,714	7,370	102	6.19%	7.97%	0.73%	9.42%	7.84%
2003	44,630	2,457	36	26.85%	17.24%	3.15%		
2002	41,526	723	12	-7.23%	-8.22%	2.15%		

### Annualized Net Returns ending 2022Q3

1 Year	-13.47%
5 Years	2.63%
10 years	3.37%

**Navigrowth Composite** contains fully discretionary fee-paying accounts invested in the Navigrowth investment strategy. Navigrowth is a tactical 'moderate growth' strategy with the goal of pursuing growth, primarily in the equity markets, while avoiding catastrophic bear market losses. The strategy will rotate among a suite of affiliated tactical mutual funds overweighting positions that focus on opportunistic domestic and global growth. The underlying funds utilize a combination of dynamic asset allocation and mechanical system trading. Additionally, they employ risk management techniques including the use of inverse and cash positions during adverse market conditions; cash positions could at times be 100%. For comparison purposes the composite is measured against a benchmark comprised of 55% S&P 500 TR and 45% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. The Navigrowth Composite was created and incepted November 1987.

### INCOME PLUS COMPOSITE

Period End	Total Firm Assets (thousands)	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
		USD (thousands)	Number of Accounts	Composite Benchmark Net	Composite Dispersion	Composite	Benchmark	
2022 Q3	357,710	5,331	71	-3.91%	-16.41%	N/A	6.79%	7.30%
2021	387,040	5,307	66	1.00%	4.02%	0.56%	5.47%	4.56%
2020	248,020	3,124	41	2.77%	10.12%	1.66%	5.25%	4.73%
2019	138,213	4,718	66	7.27%	13.13%	0.88%	2.36%	3.09%
2018	132,998	5,141	86	-1.07%	-0.68%	0.64%	2.60%	2.89%
2017	162,956	8,970	123	5.23%	7.00%	0.34%	2.62%	2.72%
2016	184,186	6,593	72	5.62%	4.55%	0.34%	3.03%	3.05%
2015	190,301	5,562	63	-2.53%	0.87%	0.43%	3.12%	3.14%
2014	184,455	5,254	57	2.57%	7.52%	0.65%	3.74%	2.79%
2013	165,387	9,359	111	-0.94%	4.17%	0.28%	3.87%	2.89%
2012	151,956	14,805	138	12.00%	6.58%	0.29%		
2011	161,091	8,996	94	1.27%	6.89%	0.23%		
2010*	194,592	5,907	71					

\*the composite has partial year performance from March 1, 2010

### Annualized Net Returns ending 2022Q3

1 Year	-3.53%
5 Years	1.26%
10 years	1.76%

**Income Plus Composite** contains fully discretionary fee-paying accounts invested in the Income Plus investment strategy. Income Plus is a tactical 'total return' strategy with the goal of providing stable and absolute returns under all market conditions. The strategy will rotate among a suite of affiliated tactical mutual funds overweighting positions that focus on low daily volatility. The underlying funds utilize a combination of dynamic asset allocation and mechanical system trading. Additionally, they employ risk management techniques including the use of inverse and cash positions during adverse market conditions; cash positions could at times be 100%. For comparison purposes the composite is measured against a benchmark comprised of 20% S&P 500 TR and 80% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. The Income Plus Composite was created and inceptioned March 1, 2010.

### ADVISOR EXPRESS COMPOSITE

Period End	Total Firm Assets	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
	(thousands)	USD (thousands)	Number of Accounts	Composite Net	Benchmark	Composite Dispersion	Composite	Benchmark
2022 Q3	357,710	6,372	25	-11.41%	-17.78%	N/A	12.92%	9.43%
2021	387,040	6,773	24	11.75%	8.34%	0.23%	12.33%	6.62%
2020	248,020	7,195	30	0.96%	11.95%	0.23%	12.14%	7.03%
2019	138,213	10,510	42	15.08%	16.49%	0.24%	7.29%	4.36%
2018	132,998	9,364	46	0.25%	-1.26%	0.33%	6.68%	3.96%
2017	162,956	15,649	73	13.30%	9.66%	0.23%	5.21%	3.65%
2016	184,186	18,219	93	-5.08%	5.97%	0.39%	5.95%	4.04%
2015	190,301	22,166	118	-2.95%	1.06%	0.76%	5.63%	4.15%
2014	184,455	45,943	196	3.89%	8.68%	0.60%	6.08%	3.61%
2013	165,387	45,160	204	11.72%	9.03%	0.42%	7.91%	4.22%
2012	151,956	38,134	189	10.64%	8.36%	0.80%	10.15%	4.82%
2011	161,091	34,330	213	-9.76%	6.11%	0.54%	10.63%	6.88%
2010	194,592	34,662	188	2.31%	9.96%	0.50%	9.25%	8.75%
2009	199,169	19,775	99	26.26%	13.24%	3.32%	6.82%	8.24%
2008	132,323	12,973	81	-7.84%	-11.44%	1.61%	8.67%	6.39%
2007	154,366	10,792	61	4.22%	6.58%	0.42%	10.62%	3.01%
2006	144,640	7,846	46	11.12%	8.26%	0.77%	11.69%	3.26%
2005	97,316	5,080	28	16.15%	3.38%	0.67%		
2004	63,714	4,562	28	13.75%	6.66%	0.43%		
2003*	44,630	1,402	10					

\*the composite has partial year performance from July 1, 2003

#### Annualized Net Returns ending 2022Q3

1 Year	-7.18%
5 Years	3.44%
10 Years	3.46%

**Advisor Express Composite** contains fully discretionary fee-paying accounts invested in the Advisor Express investment strategy. Advisor Express is a tactical 'conservative growth and income' strategy where investments are limited to mutual funds available in the large and broad-based Fidelity Funds universe. The strategy is unconstrained in nature which allows it to invest in a variety of asset classes both domestic and international. For comparison purposes the composite is measured against a benchmark comprised of 35% S&P 500 TR and 65% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. Effective 12/31/2017 any accounts traded directly at the fund company, using load shares, were removed as they are no longer representative of the overall composite. The Advisor Express Composite was created and inceptioned July 1, 2003.

### BULL BEAR COMPOSITE

Period End	Total Firm Assets	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
	(thousands)	USD (thousands)	Number of Accounts	Composite Net	Benchmark	Composite Dispersion	Composite	Benchmark
2022 Q3	357,710	139,052	1558	-15.20%	-19.63%	N/A	17.19%	12.61%
2021	387,040	132,790	1142	20.93%	14.32%	0.64%	16.63%	9.80%
2020	248,020	69,172	532	32.86%	14.20%	0.65%	15.87%	10.51%
2019	138,213	57,150	535	15.28%	21.03%	0.61%	10.98%	6.58%

2018	132,998	52,461	584	4.72%	-2.12%	0.57%	11.28%	5.94%
2017	162,956	62,992	717	10.25%	13.29%	0.54%	11.30%	5.44%
2016	184,186	56,015	597	5.66%	7.84%	0.47%	12.89%	5.91%
2015	190,301	33,615	406	0.05%	1.25%	0.55%	11.79%	5.97%
2014	184,455	14,302	163	15.41%	10.23%	1.04%	12.17%	5.14%
2013	165,387	5,274	66	30.78%	15.81%	0.76%	13.48%	6.50%
2012	151,956	3,675	59	19.24%	10.72%	0.97%	15.04%	7.96%
2011	161,091	4,373	83	-7.17%	4.99%	0.59%	14.00%	10.51%
2010	194,592	7,240	117	2.01%	11.71%	0.35%	12.23%	12.72%
2009	199,169	8,479	123	3.43%	17.37%	0.80%	10.16%	11.68%
2008	132,323	8,215	119	-5.76%	-20.02%	1.36%	8.74%	8.93%
2007	154,366	9,863	126	7.39%	6.30%	0.95%	8.63%	4.26%
2006	144,640	8,883	134	9.90%	10.54%	2.81%	7.44%	4.12%
2005	97,316	3,711	85	-3.19%	3.88%	0.25%	9.11%	5.31%
2004	63,714	716	26	15.97%	7.97%	0.26%		
2003	44,630	983	34	28.79%	17.24%	N/A		
2002*	41,526	612	25					

\*the composite has partial year performance from July 1, 2002

### Annualized Net Returns ending 2022Q3

1 Year	-10.81%
5 Years	11.44%
10 Years	12.11%

**Bull Bear Composite** contains fully discretionary fee-paying accounts invested in the Bull Bear investment strategy. Bull Bear is a tactical 'moderate growth' strategy with the goal of systematically pursuing growth, in the equity markets, while avoiding catastrophic bear market losses. The strategy will rotate among a suite of affiliated tactical mutual funds overweighting positions that focus on providing targeted leveraged exposure to a major market index. The underlying funds utilize a combination of dynamic asset allocation and mechanical system trading. Additionally, they employ risk management techniques including the use of inverse and cash positions during adverse market conditions; cash positions could at times be 100%. For comparison purposes the composite is measured against the 55% S&P 500 TR and 45% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. The Bull Bear Composite was created May 31, 2002 and inception July 1, 2002.

### FOCUSED GROWTH COMPOSITE

Period End	Total Firm Assets (thousands)	Composite Assets		Annual Performance Results			3 year Ex-Post Standard Dev	
		USD (thousands)	Number of Accounts	Composite Net	Benchmark	Composite Dispersion	Composite	Benchmark
2022 Q3	357,710	5,597	120	-12.42%	-17.78%	N/A	13.16%	9.43%
2021	387,040	7,128	110	16.73%	8.34%	0.56%	13.90%	6.62%
2020	248,020	5,719	94	2.19%	11.95%	N/A	13.21%	7.03%
2019	138,213	402	<6	32.08%	16.49%	N/A	9.61%	4.36%
2018	132,998	157	<6	8.46%	-1.26%	N/A	7.15%	3.96%
2017	162,956	127	<6	12.95%	9.66%	N/A		
2016	184,186	408	<6	1.64%	5.97%	N/A		

### Annualized Net Returns ending 2022Q3

1 Year	-5.10%
5 Years	9.43%
Inception	7.90%

**Focused Growth Composite** contains fully discretionary fee-paying accounts invested in the Focused Growth investment strategy. Focused growth is a tactical 'moderate growth' strategy that invests in mutual funds and ETFs. The strategy is highly concentrated and invests in a single S&P 500 Index fund when opportunities for growth appear to be strong. During a higher risk environment or the potential for a significant downturn, the strategy will move the portfolio to a money market or low volatility fund to minimize exposure to catastrophic losses. The decision to invest in the market is based on the evaluation of technical market indicators. For

*comparison purposes the composite is measured against 35% S&P 500 TR and 65% Bloomberg Barclays U.S. Aggregate TR, rebalanced monthly. The Focused Growth Composite was created and incepted January 1, 2016.*