



Multi Cap Growth

# SPARROW I GROWTH FUND

www.sparrowcapital.com

**Class A: SGFFX**  
Cusip # 846571107  
**Class C: SGFCX**  
Cusip # 846571404  
**Class No-Load: SGNFX**  
Cusip # 846571206

## Strategy

The Sparrow Growth Fund is a diversified portfolio that seeks long-term capital appreciation. The advisor to the fund is Sparrow Capital Management, a Registered Investment Advisor. The Fund may invest in stocks of all market capitalization ranges, it is anticipated that the majority of the Fund's investments will be in common stocks of growth companies. The advisor seeks to limit investment risk by diversifying the fund's investments across a broad range of economic sectors.

## Philosophy

At the heart of the Sparrow Growth Fund investment is the belief that above average earnings per share growth creates shareholder value. Based on this fundamental principle, the fund is a highly diversified, multi-cap growth portfolio for investors who seek long-term capital appreciation.

Our focus is to find stocks that have positive earnings and price growth, improving fundamentals, attractive risk/reward characteristics, and are selling at a reasonable discount to our estimate of their intrinsic value. We also want shareholder friendly management teams, strong balance sheets, and free cash flow.

The Result: Our philosophy seeks to generate a highly diversified, multi-capitalization, growth stock portfolio for investors who seek capital appreciation.

## Fund Profile As Of 6/30/2020

Total Net Assets: \$34.8 Million  
Total Number of Holdings: 119  
Investment Style: Core Growth  
Benchmark : S&P 500  
Established: October 4, 1998  
Portfolio Manager: Gerald Sparrow, MBA, CIO

## Fund Characteristics

SECTOR WEIGHTINGS	% of Total Net Assets
Communications	4%
Consumer Discretionary	6%
Healthcare	40%
Financials	4%
Industrials	2%
Information Technology	12%
Oil & Gas	1%
Technology	30%
Telecommunications	1%

## TOP 5 HOLDINGS

Shopify, Inc.	3.77%
Coupa Software, Inc.	2.65%
Netflix, Inc.	2.59%
RingCentral, Inc	2.39%
Tandem Diabetes Care, Inc.	2.38%

6/30/2020	A Shares SGFFX Inception 10/4/98				C Shares SGFCX Inception: 1/5/2012			
	Average Annual	W/Load	Total Returns	W/ Load	Average Annual	Total Returns		
YTD			31.70%	23.13%	YTD	31.10%		
1 Year	28.65%	20.25%	28.65%	20.25%	1 Year	27.76%	27.76%	
3 Year	27.73%	25.00%	108.40%	95.30%	3 Year	27.04%	105.04%	
5 Year	15.20%	13.71%	102.89%	90.11%	5 Year	14.59%	97.58%	
10 Year	16.11%	15.38%	345.36%	318.24%	Since Inception	14.85%	223.98%	
Since Inception	7.17%	6.87%	350.96%	323.68%	<i>No Contingent Deferred Sales Charge</i>			

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) Class A Shares 5.75% Expense Ratio 2.05%  
Total Annual Fund Operating Expenses for Class A Shares are 2.05% - Class C Shares are 2.54%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-888-727-3301.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-888-727-3301. Read it carefully before investing.

Information provided with respect to the Fund's Profile and Characteristics are as of June 30, 2020 and are subject to change at any time.

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

All mutual funds carry a certain amount of risk. An investment in the Fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund is not a complete investment program. As with any mutual fund investment, the Fund's return will vary and you could lose money. The following are the principal risks of investing in the Fund:

- **Market Risk.** Overall stock market risks may affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets and could cause the Fund's share price.
- **Company Risk.** The value of the Fund may decrease in response to the activities and financial prospects of an individual company in the Fund's portfolio. The value of an individual company can be more volatile than the market as a whole.
- **Growth Style Investing Risk.** If the adviser's perceptions of a company's growth potential are wrong, the securities purchases may not perform as expected, reducing the Fund's return.
- **Management Risk.** If the adviser's assessment of the prospects for individual securities is incorrect, it could result in significant losses in the Fund's investment in those securities, which can also result in possible losses overall for the Fund.
- **Mid Cap Risk.** Stocks of mid-cap companies are riskier than stocks of larger companies. Many of these companies are young and have a limited track record. Their securities may trade less frequently and in more limited volume than those of more mature companies. Mid-Cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition.
- **Small Cap Risk.** To the extent the Fund invests in small-cap companies, the Fund will be subject to additional risks. These include:
  - The earnings and prospects of smaller companies are more volatile than larger companies.
  - Smaller companies may experience higher failure rates than do larger companies.
  - The trading volume of securities of smaller companies is normally less than that of larger companies and therefore, may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
  - Smaller companies may have limited markets, product lines or financial resources and may lack management experience.
- **Fixed Income Risk.** The issuer of a bond may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. The value of fixed income securities generally decreases when interest rates rise and increases when interest rates fall.
- **Foreign and Emerging Markets Securities Risk.** Common stocks of companies in foreign countries may experience more rapid and extreme changes in value than securities of U.S. companies because the securities markets of many foreign countries are relatively smaller than those in the U.S. Foreign issuers are not subject to the same degree of regulation as U.S. issuers. Also, nationalization, expropriation or confiscatory taxation of political changes could adversely affect the Fund's investments in foreign securities.
- **Sector Risk.** If the Fund's portfolio is over weighted in a certain industry sector, any negative development affecting that sector will have a greater impact on the Fund than a fund that is not over weighted in that sector.
- **ETF Risk and Other Investment Company.** When the Fund invests in ETF's and other investment companies, it will indirectly bear its proportionate share of any fees and expenses payable directly by the underlying ETF's or other investment company. Therefore, the Fund will incur higher expenses. In addition, **ETF's** are also subject to the following risks (i) the market price of an ETF's shares may trade 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, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally; or (iv) the ETF's may fail to achieve close correlation with the index that it tracks due to a variety of factors, such as rounding of prices and changes to the index and/or regulatory policies, resulting in the deviating of the ETF's returns from that of the index.
- **Portfolio Turnover Risk.** The Fund may experience high portfolio turnover. Increased portfolio turnover may cause the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance, and may produce taxable distributions, significant portions of which are short-term capital gains that are taxable as ordinary income.