

**AXS MANAGED FUTURES STRATEGY FUND**

Class I: MHFIX Class A: MHFAX Class C: MHFCX



**Fund performance as of 12/31/2019**

(%)	ANNUALIZED RATES OF RETURN						
	Q4 2019	2019	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>Class I</b>	-5.05	9.32	9.32	1.46	2.37	-	1.86
<b>Class A</b>	-5.13	9.03	9.03	1.23	2.14	1.96	1.96
<b>Class A (with 5.75% max. sales charge)</b>	-10.55	2.76	2.76	-0.77	0.94	1.35	1.35
<b>Class C</b>	-5.33	8.24	8.24	0.45	1.35	1.20	1.20
<b>BARCLAY BTOP50® Index</b>	-2.26	6.73	6.73	0.33	-0.89	0.79	0.79

Inception dates are 5/24/2011 for Class I and 12/31/2009 for Class A and C. The Total Annual Operating Expenses for Class I, A and C are 1.65%, 1.90% and 2.65%, respectively. The Fund's investment advisor has contractually agreed to waive its fees and/or absorb expenses of the Fund to ensure that the Fund's total annual operating expenses do not exceed on an annual basis: 1.70% Class I, 1.95% Class A, and 2.70% Class C of the Fund's average daily net assets effective until December 7, 2021. Performance would have been lower without fee waivers in effect.

The performance data quoted represents past performance and is no guarantee of future results. 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 may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 833.AXS.ALTS or visit the Fund's website at www.axsinvestments.com.

**Quarterly performance overview**



Following an excellent 3rd quarter, the Fund's Class I shares were down (-5.05%) for the quarter, but still ended the year up +9.32%.

**OCTOBER 2019**

The AXS Managed Futures Strategy Fund had a difficult October (-4.06%). Poor US, UK and European economic data led to **global slowdown worries** early during the month. However, these concerns started to ease when the initial phase of a trade deal was outlined, which involved the US holding off on tariff increases in exchange for some Chinese concessions. Optimism over the trade relationship continued through the rest of the month. Meanwhile, UK Prime Minister Boris Johnson secured a draft Brexit deal with the European Union. He lost the vote, but ultimately the UK was granted an extension of the October 31 deadline, paving the way for a general election.

- **Stock indices** mostly recovered their initial losses by the end of the month, with Asian and European markets leading the way. Quarterly

earnings were positive on average, which also drove equity indices higher through the second half of the month. The S&P 500® reached another new high.

- US and Eurozone government **bond yields** dropped in the first week amid concerns of a slowdown. However, later news of positive developments on the geopolitical front enticed market participants to sell safe-haven assets, boosting yields. The yield surge halted when the Fed announced its widely anticipated rate cut. The accompanying verbiage was, as always, open to interpretation. However, the market generally chose to focus on the resistance to future hikes, which led to a small recovery in global bond prices.
- In regard to **currencies**, the breakthrough in Brexit negotiations improved investor sentiment, with both the pound and Euro rallying through the month. Both the Australian and New Zealand Dollars also strengthened.

**MORNINGSTAR OVERALL**



MHFIX (I-share) received an overall rating of 4 stars in the Morningstar managed futures category. The Fund also earns a 3-star rating out of 99 funds and a 4-star rating out of 82 funds, based on three- and five-year risk-adjusted returns, respectively as of 12/31/2019.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar Rating is for the I share classes; other classes may have different performance characteristics.

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Performance and risk since inception Class I as of 12/31/2019

(%)	2019	2018	2017	2016	2015	2014	CUMULATIVE RETURN	ANNUALIZED ROR	MAXIMUM DRAWDOWN	STANDARD DEVIATION	CORRELATION VS. INDICES
<b>Class I</b>	9.32	-0.37	-4.11	4.46	3.06	10.09	17.17	1.86	-13.91	9.58	1.00
<b>Long Only Commodities</b>	17.63	-13.82	5.77	11.37	-32.86	-33.06	-50.07	-7.75	-62.38	18.08	-0.22
<b>Equities</b>	31.49	-4.38	21.83	11.96	1.38	13.69	193.95	13.35	-15.30	11.79	-0.01
<b>Managed Futures</b>	6.73	-4.60	-0.82	-4.44	-0.92	12.33	4.22	0.17	-16.11	6.56	0.84
<b>Fixed Income</b>	8.72	0.01	3.54	2.65	0.55	5.97	32.07	3.29	-3.67	2.90	0.47

Long Only Commodities: S&P GSCI® Total Return Index; Equities: S&P 500® Total Return Index; Managed Futures: Barclay BTOP50 Index®; Fixed Income: Barclays Capital US Aggregate Bond Index®. The start dates for cumulative returns is 6/1/11 for the Barclay BTOP50 Index and 5/24/2011 for the others.

- In **energy** markets, oil prices moved sideways initially as Russia said it would not cut production significantly, but the Saudis later affirmed that they would. Long positions in oils were profitable as prices rose amid trade optimism. Meanwhile, natural gas prices also rallied on expectations of higher demand.
- Continued automotive demand for palladium benefited long positions, as did the rally in prices of other precious **metals**, especially gold.
- Choppy market conditions in **agricultural** commodities led to losses, from mainly short positions.

NOVEMBER 2019

Performance reversed and was positive for November (+2.23%). Optimism increased in light of the ongoing trade talks and better economic data. The proposed US-China trade agreement appeared more holistic than initially anticipated, with the inclusion of Chinese intellectual property considerations. However, geopolitical uncertainty remained after President Trump signed a bill supportive of the Hong Kong demonstrators, which drew criticism from China. In Europe, Brexit continued to feature prominently as the UK Parliament was dissolved and campaigning began for the third general election in four years. Election polls predicted the Conservative Party would win with a firm majority.

- **Global stock markets** climbed higher on the back of positive trade and economic headlines. US equities hit further new highs as constructive developments around “Phase One” of the US-China trade agreement shaped headlines. European and Asian indices moved up albeit less, as the Purchasing Managers’ Index (PMI) survey results and earning reports both disappointed.
- In reaction to optimistic signals on the trade war front, government **bond yields** increased across developed markets. Risk-on sentiment was further supported by stronger economic data from the US and comments from Fed Chairman Powell that “sustained expansion of economic activity is likely.”
- In **currencies**, long US Dollar exposure vs. the Euro and the Yen was profitable. Meanwhile, the Australian Dollar fell on monetary easing prospects and the Chilean Peso plummeted in response to civil unrest.
- In volatile **energy** markets, crude oil prices experienced a modest rally on the back of the improved trade sentiment and expectations that OPEC would deepen production cuts. Natural gas dropped on predictions of warmer weather and increased output from shale basins.

- In **metals**, nickel prices fell as Indonesia eased its metal export ban, and Chinese steel production output appeared to weaken. Precious metals declined as investors reduced their exposure to safe-haven assets as the US dollar rallied.
- In **agricultural** commodities, sugar futures rose on production concerns linked to frost-damaged crops in the US.

DECEMBER 2019

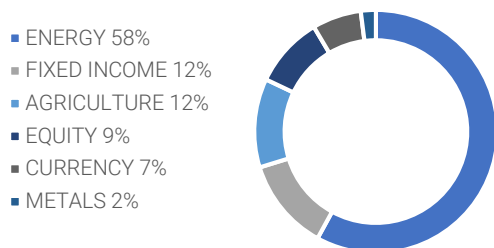
The Fund ended the year up despite a difficult December (-3.19%). Risk assets rallied as a preliminary trade deal between the US and China was announced, staving off the December 15 hike in tariffs. Meanwhile, the Conservative Party won the UK elections handily. Recessionary fears temporarily eased as economic growth indicators showed that the economy maintained a moderate pace of expansion, supported by a strong labor market. Meanwhile, China experienced an unexpected rebound in manufacturing.

- **Stock indices** experienced a shaky start as the US adopted a more aggressive trade stance by reinstating tariffs on Argentina and Brazil. However, improving geopolitics and upbeat economic data helped major stock indices end the month higher; the S&P 500® gained almost 31.5% for the year.
- **Bond yields** generally rose as risk sentiment improved, to the detriment of long positions. Sweden ended its five-year spell of negative interest rates, prompting speculation among investors that other central banks could reassess the efficacy of sub-zero rates.
- In **currencies**, rosier global growth prospects and improving relations between the US and China led to waning safe-haven demand for the US Dollar, which weakened against most major currencies as well as the Australian Dollar and some Latin American currencies. The election-driven rally in GBP was short-lived, however, as Mr. Johnson ruled out any extension to the transition period in which a trade deal with the EU must be negotiated.
- Long **agricultural** positions, particularly the soy complex, struggled as markets rallied broadly on the news of a partial US-China trade deal. Beijing committed to buy \$32 billion additional US agricultural products over the next two years.
- In **energies**, oil rallied after OPEC agreed on deeper than anticipated output cuts at the December meeting. The rally continued against a more buoyant demand outlook, driven by US-China trade optimism.
- In **metals**, palladium extended its 2019 rally, powered by a sustained global deficit.

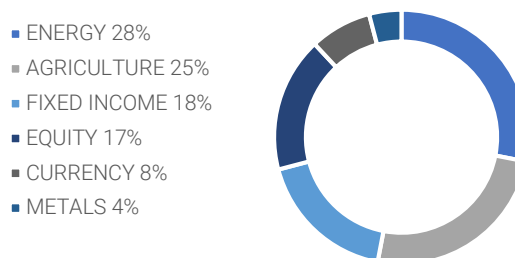


FUND EXPOSURE – Q3 VS. Q4 2019 (CLASS I)

Previous Quarter - 9/30/2019



Current Quarter - 12/31/2019



PORTFOLIO POSITIONING – Q4 2019

After a good run, the Fund underperformed equities this quarter. The S&P500 Total Return Index returned +9.07% while the Fund’s Class I shares earned -5.05%. Equity market volatility, as measured by the VIX® Index, was relatively high (17%-20%) during the first ten days of October but subsided dramatically thereafter and stayed within a narrow range (about 12% to 16%), ending the quarter and the year at under 14%.

The Fund also underperformed the Barclay BTOP50 Index, which was down -2.26% for the quarter. In terms of risk, the annualized volatility of the Fund’s Class I shares since inception is about 9.6%, compared to 11.8% for the S&P 500 Index. There were no changes to the Fund’s portfolio of trading programs. Only four trading programs had a good quarter, and they were significantly overshadowed by the negative performance of the remaining thirteen. This quarter’s top four contributors were two short-term trading programs and two global macro programs, one discretionary and one systematic. Negative contributions came mainly from a systematic global macro program with negative equity bias, a trend-following program, an adaptive machine-learning program, and an emerging markets currency trading program. The Fund’s fixed-income holdings contributed positively to performance.

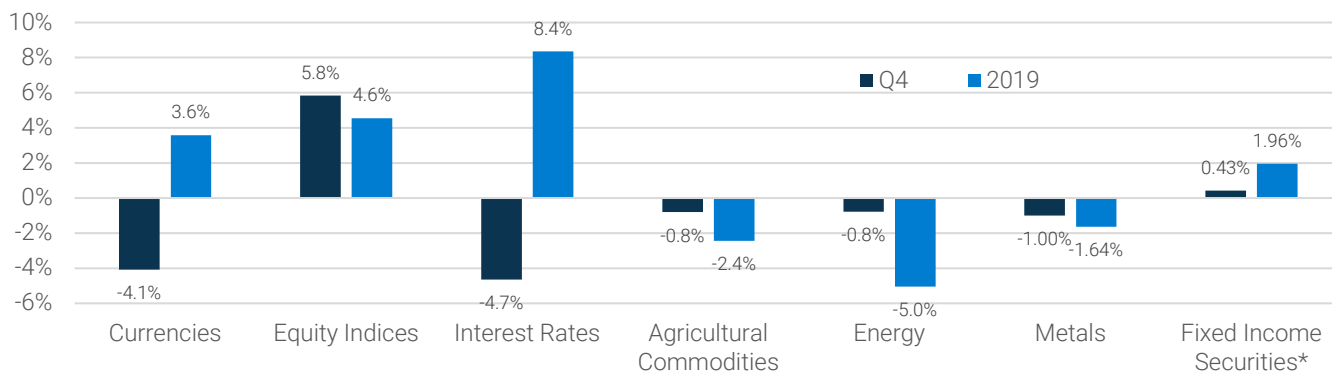
At the sector level, equity indices were the only positive contributor. Interest rates and currencies detracted the most from performance, followed by metals, agricultural commodities, and energy.

The Fund’s largest gross exposure as of quarter-end continued to be the energy sector (about 28%), followed by agricultural commodities (about 25% each), interest rates and equity indices (about 17% each), and currencies (about 8%), while metals remained the smallest (about 4%). Combined, the financial sectors represent about 42% of the Fund’s exposure, up significantly from about 28% at the end of Q3. In terms of net exposure, all sectors other than currencies net long. Note that net long/short currency position implies net long/short USD exposure.

**We believe ongoing concerns about the global economy and geopolitics persist.** Historically, futures trading strategies have tended to perform well in a variety of market conditions, perhaps particularly so during periods of market turbulence and volatility expansion. We continue to believe that a significant and strategic allocation to the asset class, while not a “hedge” for equities, has the potential to serve investors well in the long run.

*Commentary provided by Ampersand Investment Management, who serves as the Sub-Adviser for AXS Managed Futures Strategy Fund and is not affiliated with AXS Investments.*

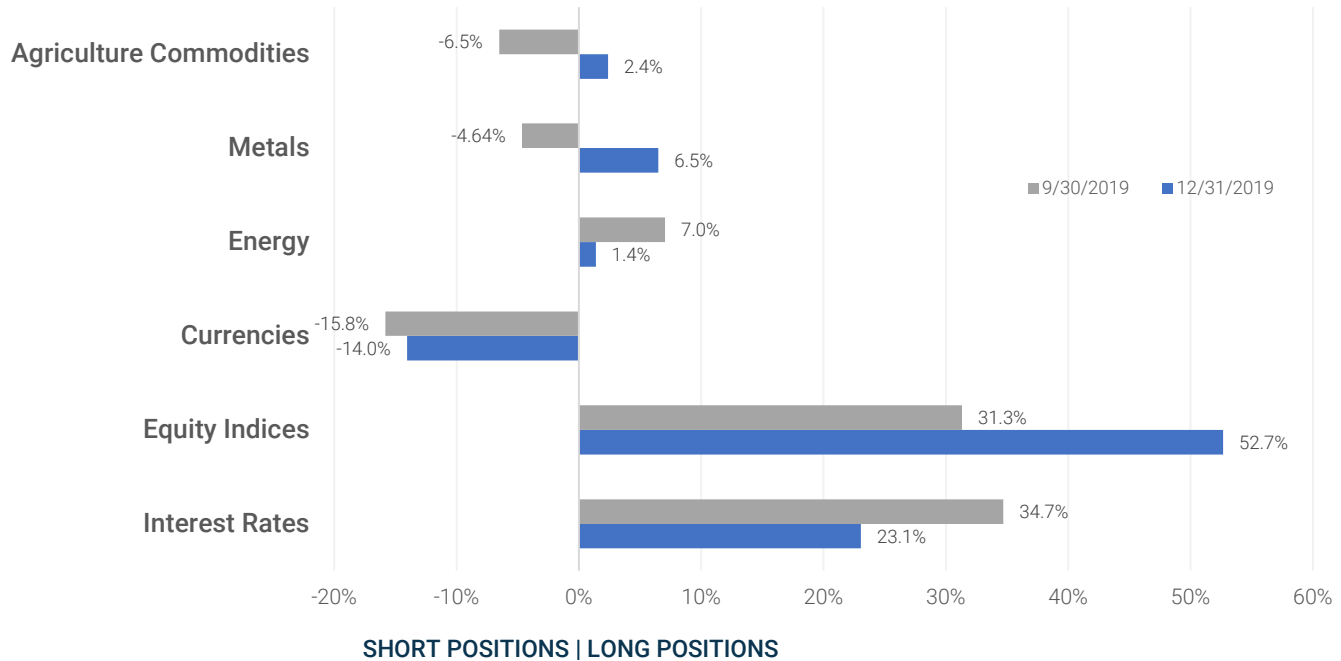
Performance attribution by sector



Source: Ampersand Investment Management and Bloomberg, LP. Sector performance attribution for the Fund’s managed futures portfolio is reported net of fees and expenses. Sector exposures and positions held may vary depending market conditions and may not represent current or future exposures. Portfolio positions are subject to change. \*Contribution from cash management.



Futures position transparency – Q3 vs. Q4 2019



Source: Ampersand Investment Management and Bloomberg, LP. Reflects broad sector net risk exposures. Sector exposures and positions held may vary depending on market conditions and may not be representative of the Fund's current or future exposures. Portfolio positions are subject to change and should not be considered investment advice. Attribution numbers have been rounded for ease of use. Performance is net of fees and includes fixed income. Past performance does not guarantee future results.

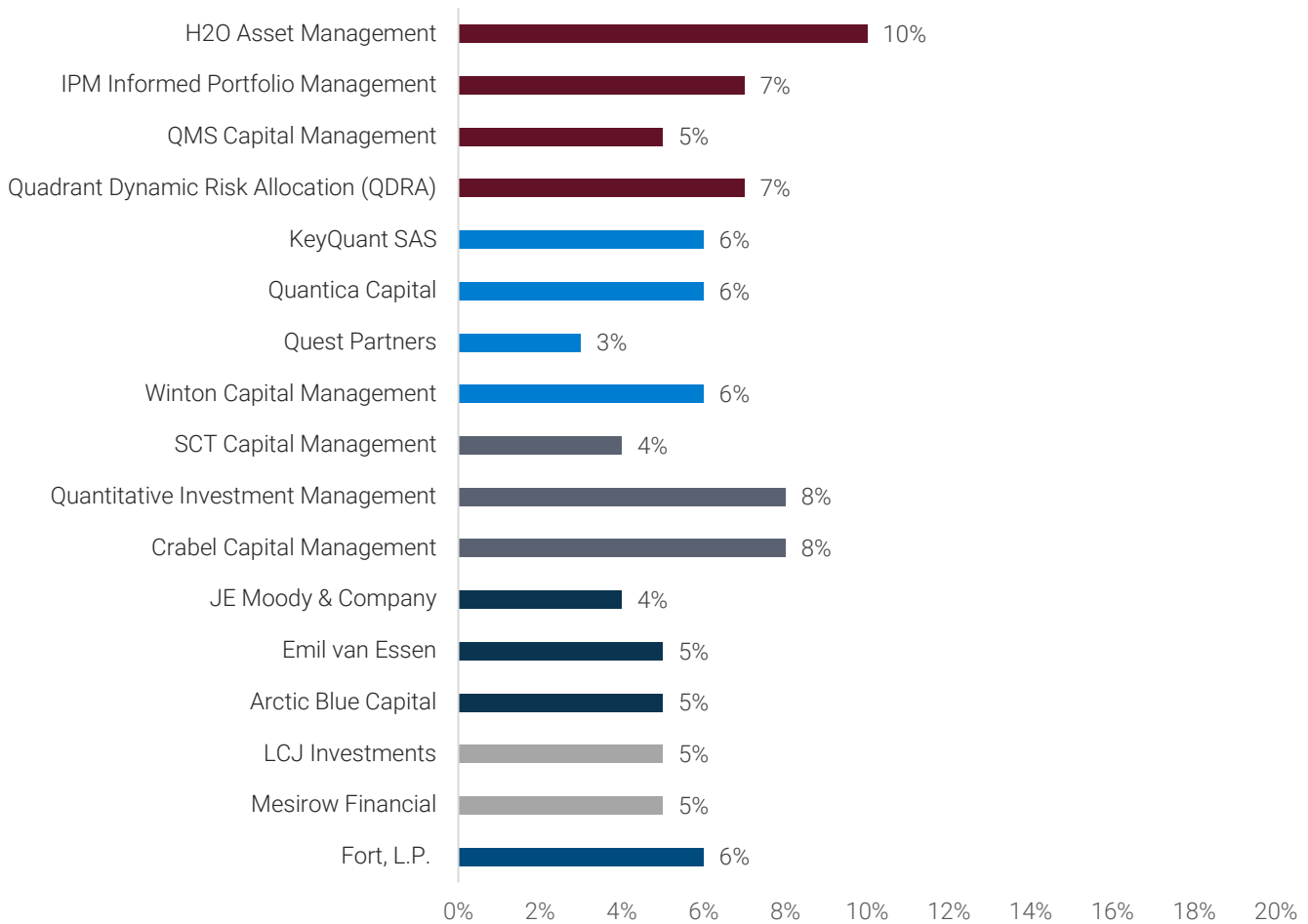
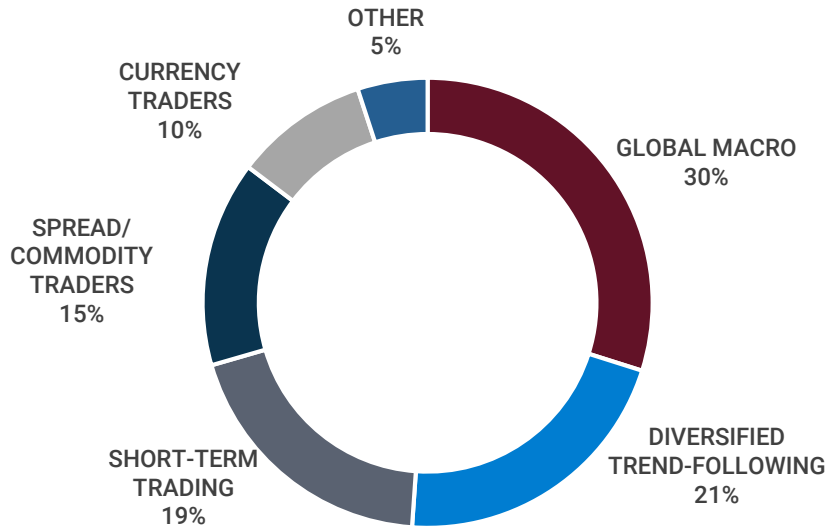
5-year correlation matrix of CTA programs as of 12/31/2019

CTA PROGRAM	Arctic Blue*	Crabel	Emil van Essen	FORT	H2O	IPM	J E Moody	KeyQuant	LCJ	Mesirow	QMS	QDRA	Quantica	QIM	Quest	SCT	Winton
Arctic Blue*	1.00																
Crabel	0.26	1.00															
Emil van Essen	0.19	-0.04	1.00														
FORT	0.33	0.32	0.09	1.00													
H2O	-0.04	-0.14	-0.07	-0.18	1.00												
IPM	-0.15	-0.05	0.08	-0.05	0.17	1.00											
J E Moody	0.03	0.20	-0.17	-0.04	0.20	-0.15	1.00										
KeyQuant	0.39	0.45	0.09	0.76	-0.12	-0.09	0.12	1.00									
LCJ	-0.02	0.16	-0.18	0.21	-0.09	-0.11	0.10	0.20	1.00								
Mesirow	-0.09	0.03	0.10	0.09	-0.19	-0.01	-0.02	0.11	0.28	1.00							
QMS	0.01	0.14	0.09	0.32	0.18	0.27	0.11	0.43	0.01	-0.14	1.00						
QDRA	-0.18	0.06	-0.09	0.15	-0.25	0.15	-0.02	0.26	0.44	0.33	0.26	1.00					
Quantica	0.43	0.48	0.11	0.80	-0.26	-0.05	-0.01	0.78	0.21	0.13	0.34	0.23	1.00				
Quantitative (QIM)	0.30	0.06	0.00	0.15	-0.20	-0.07	-0.15	0.10	-0.09	-0.10	-0.10	-0.07	0.12	1.00			
Quest	0.50	0.56	0.01	0.53	-0.17	-0.14	0.21	0.73	0.36	0.14	0.27	0.44	0.65	0.09	1.00		
SCT	0.30	0.42	0.07	0.68	-0.10	-0.15	0.13	0.68	0.15	0.19	0.19	0.21	0.71	0.22	0.62	1.00	
Winton	0.47	0.53	0.18	0.70	-0.15	-0.10	0.12	0.70	0.15	0.11	0.31	0.06	0.69	0.05	0.75	0.59	1.00

\* The calculation for Arctic Blue starts as of May 2017.



Portfolio allocations as of 12/31/2019



Performance attribution by CTA as of 12/31/2019 (Class I)

Commodity Trading Advisors	Oct	Nov	Dec	Q4	2019
Arctic Blue Capital	-0.33%	0.09%	0.20%	-0.04%	-1.18%
Crabel Capital Management	0.46%	0.04%	-0.06%	0.43%	0.75%
Emil van Essen	-0.79%	-0.02%	0.36%	-0.46%	-0.81%
Fort, L.P.	-0.43%	0.21%	-0.20%	-0.43%	1.81%
H2O Asset Management	0.77%	0.07%	0.59%	1.44%	1.88%
IPM Informed Portfolio Management	0.70%	-0.41%	0.46%	0.74%	-1.09%
JE Moody & Company	-0.17%	-0.04%	-0.06%	-0.28%	-1.49%
KeyQuant SAS	-0.92%	0.83%	-0.67%	-0.76%	3.72%
LCJ Investments	-0.30%	-0.13%	-0.09%	-0.53%	0.51%
Mesirow Financial	-0.71%	0.10%	-0.92%	-1.52%	0.69%
QMS Capital Management	0.36%	0.20%	-0.83%	-0.28%	-0.39%
Quadrant Dynamic Risk Allocation (QDRA)	-1.36%	-0.01%	-1.93%	-3.27%	-0.40%
Quantica Capital	-0.30%	0.33%	-0.30%	-0.29%	3.72%
Quantitative Investment Management	0.32%	0.82%	0.56%	1.72%	-0.29%
Quantmetrics	0.00%	0.00%	0.00%	0.00%	-0.02%
Quest Partners	-0.38%	0.05%	-0.01%	-0.33%	-0.17%
SCT Capital Management	-0.78%	0.18%	-0.44%	-1.05%	-0.07%
Winton Capital Management	-0.36%	-0.21%	0.01%	-0.57%	0.19%
FIXED INCOME SECURITIES*	0.16%	0.13%	0.14%	0.43%	1.96%
<b>Total</b>	<b>-4.06%</b>	<b>2.23%</b>	<b>-3.19%</b>	<b>-5.05%</b>	<b>9.32%</b>

\*Contribution from cash management.

**DEFINITIONS OF TERMS AND INDICES**

**Barclay BTOP50 Index®:** An index that seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure.

**Barclays Capital US Aggregate Bond Index®:** Covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors.

**Commodity Trading Advisor (CTA):** An individual or firm who provides individualized advice regarding the buying and selling of futures contracts, options on futures or certain foreign exchange contracts.

**Correlation:** A statistical measure of how two securities move in relation to each other.

**Drawdown:** A position or portfolio is in a drawdown when it incurs a loss relative to its all-time high profit or return. For example, a portfolio that starts off at \$100 today is worth \$100 tomorrow, and worth \$99 the day after is in a 10% drawdown, because it is down \$11 from the high of \$100.

**Futures** is a standardized contract between two parties to buy or sell a specified asset of standardized quantity and quality for a price agreed upon today (the futures price or strike price) with delivery and payment occurring at a specified future date, the delivery date. Gilts are bonds that are issued by the British government and generally considered low risk.

**Hedge** is making an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

**Long position** refers to buying a security such as a stock, commodity, or currency, with the expectation that the asset will rise in value.

**Purchasing Managers' Index (PMI):** An indicator of the economic health of the manufacturing sector.



**S&P 500® Total Return Index:** Widely regarded as the best single gauge of the US equities market, this world-renowned Index includes 500 leading companies in leading industries of the US economy.

**S&P GSCI® Total Return Index:** An index widely recognized as a leading measure of general price movements and inflation in the world economy. It is comprised of the principal physical commodities that are the subject of active, liquid futures markets and provides investors with a publicly available benchmark for investment performance in the commodity markets.

**Short position** is a position whereby an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future.

**Standard Deviation (Volatility)** is a measure of fluctuation in the value of an asset or investment. Lower volatility improves the stability and lowers the risk of an investment portfolio.

**VIX® (CBOE Volatility Index®):** A key measure of market expectations of near-term volatility conveyed by S&P 500® stock index option prices.

*Indices are unmanaged and not available for direct investment.*

## IMPORTANT RISK DISCLOSURE

Mutual funds involve risk including possible loss of principal. There is no assurance that the Fund will achieve its investment objective.

The Fund's indirect and direct exposure to foreign currencies subjects the Fund to the risk that those currencies will decline in value relative to the US Dollar, or, in the case of short positions, that the US Dollar will decline in value relative to the currency that the Fund is short. Currency rates in foreign countries may fluctuate significantly over short periods for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the US or abroad. In addition, the Fund may incur transaction costs in connection with conversions between various currencies. The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives.

The Fund may experience greater losses than those experienced by funds that do not use futures contracts and options. There may be an imperfect correlation between the changes in market value of the securities held by the Fund and the prices of futures and options on futures. Although futures contracts are generally liquid instruments, under certain market conditions there may not always be a liquid secondary market for a futures contract. As a result, the Fund may be unable to close out its futures contracts at a time that is advantageous. Trading restrictions or limitations may be imposed by an exchange, and government regulations may restrict trading in futures contracts and options. Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in securities. The Fund is subject to liquidity risk primarily due to its investments in derivatives. Investments in illiquid securities or derivative instruments involve the risk that the Fund may be unable to sell the security or derivative instrument or sell it at a reasonable price.

***Investors should carefully consider the investment objectives, risks, charges and expenses of AXS Managed Futures Strategy Fund. This and other important information about the Fund is contained in the Prospectus, which can be obtained by calling 833.AXS.ALTS (833.297.2587). The Prospectus should be read carefully before investing.***

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