

AXS MULTI-STRATEGY ALTERNATIVES FUND

Class R1: KCMTX Class I: KCMIX



Quarterly Performance Overview

The AXS Multi-Strategy Alternatives Fund's I and Investor share classes declined -8.17% and -8.21% during the three months ending March 2022, while the fund's benchmark HFRX Equity Hedge Index lost -0.30%. Notably, KCMIX ranked in Morningstar's **1st percentile for the 5 and 10-year periods** ending 3/31/2022, among 100 and 36 funds in the multistrategy category, respectively.

The equity market was down between -11% and -20% depending on the index during the first 10 weeks of the year before rallying in late March. It was the first 10% market correction since the Covid bottom in March 2020. The correction resulted from a combination of uncertainty stemming from the Russian/Ukrainian conflict and a more hawkish tone from the Federal Reserve in the face of persistent inflationary pressures.

Investors found no refuge from falling equities in the bond market. The 10-year Treasury yield climbed from 1.52% to a high of 2.48% in late March, and the aggregate bond market was down nearly 6% for the quarter. Commodities performed well, led by oil which gained 33% for the period in part due to the Russian/Ukrainian aggression.



**Morningstar
Category % Rank
5 Year**

1 Best=1
Worst=100

**Morningstar
Category % Rank
10 Year**

1 Best=1
Worst=100

In the Morningstar multistrategy category, KCMTX and KCMIX received an overall rating of 5 stars (124 funds), 3-year rating of 5 stars (124 funds), 5-year rating of 5 stars (100 funds), and a 10-year rating of 5 stars (36 funds), based on risk-adjusted returns as of 3/31/2022. For the 5 and 10-year periods ending 3/31/2022, Morningstar percentile rankings for KCMIX were 1 and 1, respectively. For KCMTX, the rankings were 2 and 1.

On a positive note, the latest Covid surge peaked in January. As an investment thesis for or against certain stocks/sectors, Covid's power has waned with its greatest lingering impact on the supply-chain.

PERFORMANCE ANALYSIS

The Fund's hedging program did not trigger during the first quarter, and thus the Fund employed normal gross/net exposure of 140%/100% for the entire period. The rules-based hedging program is more lenient in sustained bull markets, which can whipsaw hedgers.

Fund Performance as of 3/31/2022

(%)	ANNUALIZED RATES OF RETURN						
	Q1 2022	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Investor Class	-8.21	-8.21	10.12	9.09	9.38	8.45	7.02
Institutional Class I	-8.17	-8.17	10.24	9.33	9.61	-	9.42
HFRX Equity Hedge Index	-0.30	-0.30	8.92	6.91	4.66	3.67	1.18

For the Investor Class, the inception date is 8/4/2008 and the Gross/Net Expense Ratio is 2.28%/1.82%. For the Institutional Class, the inception date is 3/20/2017 and the Gross/Net Expense Ratio is 2.03%/1.65%. The since inception performance for the index is as of 8/4/2008. The Fund's investment advisor has contractually agreed to reduce its fees and/or absorb expenses of the Fund to ensure that the Fund's total annual operating expenses on an annual basis do not exceed 1.51% for Institutional shares and 1.68% for Investor shares of the Fund's average daily net assets, effective until January 31, 2023.

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.

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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Models & Stock Selection

The Fund maintained roughly equal-weight allocations to select quantitative stock models during the period. Below is a summary of the factor each model attempts to exploit, the universe of stocks from which it chooses, the number of holdings and maximum trade frequency.

Model	# of Holdings	Main Factor	Universe	Max. Trade Frequency
R&D 600	10	Quality	S&P 500 & Nasdaq 100	Weekly
Large Cap Earnings	10	Earnings Drift	S&P 500	Every 4 Weeks
FAANG	7	Growth	S&P 100	Buy & Hold
Foreign Sector ETF	11	Value	Sector/Foreign ETFs	Buy & Hold
Float Shrink	10	Growth	S&P 1500+Russell 1000	Every 6 Weeks
Small Value	10	Value	S&P 600	Weekly
Small Sentiment	10	Sentiment	Russell 2000	Weekly

The Foreign/Sector model which includes the Energy Sector SPDR ETF was the only model to produce gains in the quarter. The R&D model held its own against the broader market. The two small cap models underperformed their benchmarks, and the red hot Earnings model gave back some profits during the period:

Model	Start	End	Return
R&D 600	1-Jan	31-Mar	-5.52%
Large Cap Earnings	1-Jan	31-Mar	-14.05%
FAANG	1-Jan	31-Mar	-12.03%
Foreign Sector ETF	1-Jan	31-Mar	9.82%
Float Shrink	1-Jan	31-Mar	-9.10%
Small Value	1-Jan	31-Mar	-13.95%
Small Sentiment	1-Jan	31-Mar	-11.80%

XLE, the energy sector ETF, gained 39% in a quarter where stock indexes were down. As such, it led the Fund's winners by a large margin.

LARGEST CONTRIBUTORS	Contribution	Effective Weights
Energy Select Sector SPDR	1.31%	4.52%
Titan Machinery	0.29%	0.28%
Kelly Services	0.25%	0.59%
L3Harris Technologies	0.24%	0.78%
Corteva	0.23%	1.10%

Western Digital was punished by supply chain problems and lackluster guidance from management.

LARGEST DETRACTORS	Contribution	Effective Weights
Western Digital	-0.61%	2.14%
Netflix	-0.51%	1.00%
BlueLinx Holdings	-0.44%	0.49%
Direxion Daily S&P 500 Bull 3X	-0.42%	3.09%
Avery Denison	-0.39%	1.18%

Swaps

The swaps ended the period dollar neutral holding several market cap-weighted ETFs long while shorting the equal- and small-cap weighted ETFs. In aggregate, the swaps detracted from performance over the quarter by 0.003%.

Hedging

The Fund entered and closed the period gross 120% long equities and 20% short equities for net 100% long the equity market. As mentioned above, no hedge rules were triggered.

Holdings are subject to change and should not be considered investment advice.



Monthly Rates of Return – Investor Class as of 3/31/2022

(%)	JAN	FEB	MAR	Q1	APR	MAY	JUN	Q2	JUL	AUG	SEP	Q3	OCT	NOV	DEC	Q4	YTD
2022	-5.48	-3.49	0.62	-8.21													-8.21
2021	2.11	6.12	1.33	9.80	4.92	1.47	2.82	9.46	1.26	3.05	-3.23	0.98	6.26	-1.64	3.83	8.53	31.72
2020	-0.18	-7.95	-0.97	-9.00	-2.55	2.11	1.38	0.88	2.44	6.09	-3.30	7.96	-2.88	7.41	2.07	6.47	5.52
2019	5.47	2.00	-0.80	6.72	3.33	-8.09	7.39	1.98	1.85	-4.16	-0.72	-3.09	1.18	1.35	0.41	2.96	8.60
2018	4.00	-3.77	-0.45	-0.38	0.61	-0.23	0.08	0.45	1.06	3.51	-1.37	3.17	-1.83	4.24	-9.38	-7.26	-4.26
2017	1.31	4.04	-1.48	3.85	0.87	-1.64	0.71	-0.08	3.00	1.53	3.24	7.97	3.58	2.61	2.91	9.38	22.53
2016	-5.33	3.13	1.39	-1.01	-1.28	1.82	-0.51	0.00	3.59	-0.49	0.50	3.59	-0.49	2.82	2.00	4.35	7.00
2015	-2.58	4.88	-0.08	2.09	-0.87	2.63	-0.54	1.18	1.17	-7.63	-2.92	-9.28	4.55	0.25	-2.46	2.23	-4.19
2014	-5.53	5.03	-1.10	-1.87	0.32	2.22	3.87	6.51	-2.16	3.66	-2.50	-1.12	-0.30	2.50	-0.33	1.85	5.26
2013	6.23	0.96	4.16	11.72	0.92	2.31	-3.55	-0.42	6.61	-2.20	3.93	8.36	3.24	2.84	3.24	9.61	32.15
2012	5.36	4.61	1.84	12.25	-1.35	-3.56	-0.66	-5.50	0.19	1.33	2.44	4.01	-2.84	1.70	0.02	-1.17	9.03
2011	1.32	3.47	2.10	7.03	2.13	-4.34	-1.26	-3.53	-1.70	-4.94	-11.29	-17.11	6.06	-4.36	0.00	1.44	-13.18
2010	-4.61	3.62	5.38	4.16	0.43	-10.08	-5.65	-14.80	2.50	-4.97	7.89	5.09	1.42	1.03	5.47	8.07	0.80
2009	-2.68	-2.98	8.15	2.12	8.73	2.31	-3.24	7.64	4.06	0.68	5.32	10.34	-3.68	4.96	2.88	4.01	26.16
2008											-4.90	-4.90	-2.47	-0.55	0.09	-2.92	-7.67

Inception date is 8/4/2008 (partial month's return not included).

DEFINITIONS OF TERMS AND INDICES

Annualized Rate of Return (AROR): The geometric average return for a period greater than or equal to one year, expressed on an annual basis or as a return per year.

ETF (Exchange Traded Fund): A type of security involving a collection of securities that often tracks an underlying index, although they can invest in any number of industry sectors or use various strategies. ETF shares are listed on exchanges and trade throughout the day, like stocks.

"FAANG": An acronym that refers to the stocks of five prominent American technology companies: Facebook (FB), Amazon (AMZN), Apple (AAPL), Netflix (NFLX); and Alphabet (GOOG) (formerly known as Google).

Hedge: 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.

HFRX Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each index is a pure representation of its corresponding investment focus. It is not possible to invest directly in an index.

Long is the buying of a security such as a stock, commodity or currency with the expectation that the asset will rise in value.

S&P 500 Index (Standard & Poor's 500 Index) is a market-capitalization-weighted index of the 500 largest publicly-traded companies in the U.S. The **S&P 100** is a subset of the S&P 500 and comprises 100 major blue chip companies across multiple industry groups.

Short is a sale that is completed by the delivery of a security borrowed by the seller. Short sellers assume they will be able to buy the stock at a lower amount than the price at which they sold short.

Swap A derivative contract through which two parties exchange financial instruments. These instruments can be almost anything, but most swaps involve cash flows based on a notional principal amount to which both parties agree. Usually, the principal does not change hands.



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 may invest in small, less well-known companies, which may be subject to more erratic market movements than large cap stocks; foreign securities, which are subject to currency fluctuations and political uncertainty; and derivative securities, which may carry market, credit and liquidity risks. The Fund may also engage in short selling activities, which are more risky than long positions because the potential loss on a short sale is unlimited. The Fund may use leveraging and/or hedging techniques that could fail if changes in the value of the derivative do not correlate with the securities being hedged. These risks may result in greater share price volatility.

Risks of futures contracts may arise from an imperfect correlation between movements in the price of the instruments and the price of the underlying securities. The Fund's use of futures contracts exposes the Fund to leverage risk because of small margin requirements relative to futures contract value. Swap transactions may alter the Fund's exposure to long-term or short-term interest rates, foreign currency values, corporate borrowing rates, or other factors such as security prices or inflation rates and also may alter the Fund's volatility. Selling covered calls limits the upside potential of the underlying security. Selling put options may require the Fund to purchase the underlying securities during periods of declining prices. Premiums paid to purchase options lose value over time and may be lost entirely, if the option expires before it is feasible to be exercised. The protection from selling puts is limited to the strike price minus the premium paid. Investing in REITs involves risks similar to those associated with investing in small capitalization companies. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall. Exposure to the commodities markets (including financial futures markets) may subject the Fund to greater volatility.

Investors should carefully consider the investment objectives, risks, charges and expenses of AXS Multi-Strategy Alternatives 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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