AXS MULTI-STRATEGY ALTERNATIVES FUND

Class R1: KCMTX   Class I: KCMIX

Fund Performance as of 12/31/2019

(%)	Q4 2019	2019	ANNUALIZED RATES OF RETURN 1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Class R1	2.96	8.60	8.60	8.41	5.49	5.66	6.17
Class I	3.11	8.93	8.93	-	-	-	7.68
HFRX Equity Hedge Index	2.63	10.71	10.71	3.32	1.52	1.16	0.03

For Class R1, the inception date is 8/4/2008 and the Gross Expense Ratio is 1.48%. For Class I, the inception date is 3/20/2017 and the Gross Expense Ratio is 1.23%. The since inception performance for the index is as of 8/4/2008. 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

KERNS CAPITAL MANAGEMENT

For Q4 2019, the AXS Multi-Strategy Alternatives Fund gained 3.11%, as compared to the HFRX Equity Hedge Index benchmark, which returned 2.63% for the same period. For the calendar year 2019, the Fund returned 8.93% compared to 10.71% for HFRX.

MARKET COMMENTARY

Two market factors impacted the performance of the Fund in Q4.

First, stocks broke out of a five-month trading range in early October to lead the S&P 500 to its second-best quarter since 2013. The move was powered by a strong economy buttressed by 1) the Federal Reserve expanding its balance sheet to provide liquidity to the market after the repo scare in September, and 2) the announcement on October 11 of a potential Phase 1 deal with China. Not even the impeachment of President Trump could derail the market.

Mega-cap growth names benefited the most from these developments and led the market up, with Nasdaq components Apple, Amgen, Biogen, Netflix and Nvdia each returning more than 20% for the quarter. While the small cap Russell Index performed well, both the Midcap and the S&P 500 equal weight indexes trailed the S&P 500 cap weight index significantly, indicating that roughly a thousand medium-sized rank and file stocks did not perform as well on the whole compared to their mega- and small-cap peers.

Secondly, volatility evaporated. Beginning on October 8, the S&P 500 saw just one pullback greater than 1%, and it was less than 2%. The VIX, which spent most of May, June, August and September above 15, fell below that level in mid-October and essentially stayed there for the balance of the quarter.

PERFORMANCE ANALYSIS

Over the quarter, the Fund invested roughly 80% of its AUM in various quantitative equity strategies, and approximately 40% of its AUM in long and short equity swaps to hedge the portfolio. The Fund ended the quarter at 120% long (including the 20% long swap) and 20% short for net exposure of 100%.

Models & Stock Selection

Here is a summary of the quantitative stock models used during the fourth quarter:

Model	Start	End	Return
Blue Chips	Oct. 1	Dec. 31	4.4%
Float Shrink	Oct. 1	Dec. 31	7.7%
FAANG	Oct. 1	Dec. 31	17.2%
Sentimental Value	Nov. 4	Dec. 31	3.2%
All Cap Earnings	Oct. 1	Dec. 31	-4.7%
Large Cap Earnings	Oct. 1	Dec. 31	7.2%

The models are essentially weighted equally. We made the decision to add the Sentimental Value model in November based on our view that value was extremely oversold and due for a bounce back.

For the most part, the models performed well compared to the universes from which each model's stocks were selected. The Blue Chips model was penalized for focusing on the smaller companies of the Dow Industrials, precluding it from holding Apple which led the Dow index in Q4.

All Cap Earnings underperformed, as it is prone to do from time to time. The model focuses on companies with approaching earnings announcements. A disproportionate number of these companies disappointed. We remain invested in the model because, historically, this sort of lagging performance has often resulted in quick turnarounds and substantial outperformance.

Below are the largest contributors and detractors to performance from our stock selections for the quarter along with their weights as of 12/31/19:

LARGEST CONTRIBUTORS	Contribution %	Weights %
Apple	0.97	3.17
Netflix	0.49	3.05
Koppers Holdings	0.49	0.00
Biogen	0.47	1.39
Facebook	0.35	0.00
Alphabet	0.35	2.86
Sleep Number	0.27	0.00

LARGEST DETRACTORS	Contribution %	Weights %
MTS Systems	-0.34	0.00
Apogee Enterprises	-0.28	0.00
Herman Miller	-0.23	0.00
Azz	-0.21	1.27
Quanex Building Prods.	-0.19	0.00
Casey’s General Stores	-0.18	0.00
Agilysis	-0.18	0.00

As seen in the model performance above, FAANG components led the way in Q4. All of the detractors were selected in the All Cap Earning model, as was Koppers Holdings among the large gainers. Each stock in this model was driven by earnings that surprised market participants.

Swaps

We began the quarter long low volatility stocks and short high volatility stocks. We adjusted the swaps in early November to long low volatility & value, short high volatility & momentum. Recall that we also added the Sentimental Value model in early November, as our analysis favored a rotation into value.

However, in December we adjusted the swaps to long low volatility & mega-cap stocks, short high volatility & equal-weight index ETFs. It had become clear to us that a handful of stocks were leading the S&P 500 upwards, and our adjustment sought to capitalize on that phenomenon.

With volatility disappearing from the market, the volatility hedge negatively impacted swap performance. Overall, the swap hedge lost $290K in October, $1.518M in November and $445K in December. Interest on collateral securing the swaps and investments designed to replace the performance of the pledged collateral gained over $1M. The swaps therefore resulted in a net loss of approximately $1.25M for the quarter, impacting performance by 1.6%.

Hedging

Outside of the swaps, we did not hedge the portfolio in Q4.

Commentary provided by Kerns Capital Management, who serves as the Sub-Adviser for AXS Multi-Strategy Alternatives Fund and is not affiliated with AXS Investments

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 for the market's five most popular and best-performing tech stocks, Facebook, Apple, Amazon, Netflix and Alphabet’s Google.

Float Shrink: A strategy of buying stocks in companies with good fundamentals where management is buying back stock (i.e., shrinking the float of outstanding shares).

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. All market indices are unmanaged.

Sentimental Value: A strategy of buying stocks in companies valued highly based on sentiment, rather than on purely financial metrics.

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.

VIX (CBOE Volatility Index): A real-time market index that represents the market's expectation of 30-day forward-looking volatility, providing a measure of market risk and investor sentiments.

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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