Quarterly Overview

The AXS Alternative Value Fund declined by -4.10% during the third quarter underperforming the Morningstar US Large Value TR USD Index by 1.58%. Year to-date, the Fund declined -5.01% underperforming the Morningstar US Large Value TR USD Index by 9.20%. Again, the underperformance can be explained by the poor performance of the valuation factor during the quarter and the poor performance of stocks with low price volatility.

The Fund utilizes our proprietary ROTA/ROME® investment selection and portfolio construction methodology, which focuses on a company’s Return on Total Assets ("ROTA") and Return on Market Value of Equity ("ROME"). This model identifies companies whose per share intrinsic value has diverged significantly from the current market price of its stock. We believe that companies that exhibit sustainable long-term high ROTA are higher quality companies that most likely have a competitive advantage within the marketplace. ROME is a measure of profit yield, and like a yield on a bond, the higher the ROME, the cheaper the stock. Conversely, low ROME indicates that a stock is inexpensive.

OVERALL MARKET

The S&P 500 declined -3.27% in the third quarter of 2023 and gained 13.07% YTD, both on a total return basis. "Value" stocks slightly outperformed as the Morningstar US Large Value TR USD Index declined -2.52% during the third quarter, but gained 1.78% on a total return basis.

The Cyclically Adjusted Price-to-Earnings ("CAPE") multiple is an interesting very long-term valuation indicator for the S&P 500 that we follow. The chart on the next page shows that the CAPE multiple of the S&P 500 at the beginning of period has been a useful guide in the past when estimating index returns over the following 10 years. The current CAPE multiple is 30.8x, which is up from the revised CAPE multiple of 30.1x from our last quarterly commentary.

The CAPE model correlates a CAPE multiple at the start of an historical 10-year period with the total return over the following 10 historical years. In the past, a CAPE multiple of 30.8x correlated with a subsequent annualized 10-year return of 5.0% for the S&P 500, which is below the long-run S&P 500 average return. This conclusion is confirmed by the ROME of the S&P 500 as a whole of approximately 5.4%, as of 9/30/2023. Both the CAPE and ROME level indicate an expensive stock market in our view, even as additional headwinds such as lower than trend economic growth and rising interest rates add further pressure to stock market returns. The significant potential danger that concerns us is if market participants become careless with risk in an effort to chase higher returns. Those types of manias can exacerbate market crashes.

Fund Performance as of 9/30/2023

<table>
<thead>
<tr>
<th>(%)</th>
<th>3 MO</th>
<th>YTD</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>SINCE INCEPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>COGVX</td>
<td>-4.10</td>
<td>-5.01</td>
<td>8.98</td>
<td>12.01</td>
<td>9.51</td>
<td>10.86</td>
</tr>
<tr>
<td>COGLX</td>
<td>-4.18</td>
<td>-5.09</td>
<td>8.79</td>
<td>11.76</td>
<td>9.37</td>
<td>10.67</td>
</tr>
<tr>
<td>Russell 1000 Value Index</td>
<td>-3.16</td>
<td>1.79</td>
<td>14.44</td>
<td>11.05</td>
<td>6.23</td>
<td>7.89</td>
</tr>
</tbody>
</table>

Fund inception date is 10/3/2016. The Gross/Net Expense Ratio for the Institutional Class is 2.17%/1.53% and for the Investor Class is 2.42%/1.78%. 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 do not exceed on an annual basis 0.85% for Class I and 1.10% for Class A of the Fund’s average daily net assets, effective until 1/31/2024.

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.
STRATEGY OUTLOOK

The year 2023 has been an odd one in the financial markets. Investment factors that typically generate excess returns – such as attractive valuations, strong balance sheets that earn high returns on capital, and low price volatility – are performing poorly at the same time. A recent Wall Street Journal article called this phenomenon a "dash for trash" ("Markets Ignore the Looming Debt Peril," July 5, 2023). In the corporate debt markets, the lowest rated credits (CCC rated) have materially outperformed AA investment grade rated credits. In the equity markets, the stock of leveraged, speculative companies with little or no earnings have meaningfully outperformed the stocks of strong stable companies mentioned above. This seems especially reckless given the ongoing crisis in the regional banks due to the rise in interest rates. Also, the Federal Reserve is expected to continue to raise interest rates, only pausing to help the regional banks stabilize. If credit becomes significantly constrained, the bounce in the prices of these low-quality assets could significantly reverse and move towards the lows seen in 2022.

Fortunately, we still do see some areas of the stock market that provide opportunity even though the market, as a whole, appears expensive. We believe Value-Based investment strategies like the one employed in the Funds are an option and we believe the rotation into more value-oriented stocks that was witnessed during 2022 will continue.

From a ROME perspective, which is the primary valuation metric that drives our quantitative investment process, the average ROME of the top half of the S&P 500 (the cheapest 250 stocks) was approximately 9.4% as of 9/30/2023. The average ROME of the bottom half of the S&P 500 (the most expensive 250 stocks) was approximately 1.4%. We view the 9.4% as generally a fair price to pay (bordering on inexpensive) for stocks in today’s market, but the 1.4% to be extremely expensive. The cheap stocks are cheap, and the expensive stocks are very expensive.

Additionally, the spread between the high and low ROMEs – that is, the valuation spread between the cheap and the expensive stocks – is wide, thereby providing an attractive opportunity to distinguish between cheap and expensive stocks. Our conclusion is that while the stock market as a whole is not particularly attractive in light of current conditions, there is increasingly a group of extremely expensive stocks and an oasis of very reasonably priced (if not inexpensive) stocks providing an opportunity for both long-only, value-oriented investors and those investors interested in the arbitrage opportunity between these cheap and expensive stocks in a long/short, market neutral fashion.

Commentary provided by Cognios Capital, who serves as the Sub-Adviser for AXS Alternative Value Fund and is not affiliated with AXS Investments. Past performance does not guarantee future results.
DEFINITIONS OF TERMS

Cyclically-Adjusted Price-to-Earnings ("CAPE") ratio is a valuation measure that uses real earnings per share over a 10-year period to smooth out fluctuations in corporate profits that occur over different periods of a business cycle.

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

Return on Market Value of Equity (ROME) is a comparative valuation measure used to determine whether a particular stock price is more or less expensive than another stock price.

Return on Total Assets (ROTA) is an unlevered metric of a company’s profits divided by its tangible assets.

Russell 1000 Index represents the 1,000 top companies by market capitalization in the US. The Russell 1000 Growth Index includes firms whose share prices have higher price-to-book ratios and higher expected earnings growth rates, while the Russell 1000 Value Index includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

S&P 500® Total Return Index is an index representing the investment return received each year, including dividends, when holding the S&P 500 index, a market-capitalization-weighted index of the 500 largest publicly traded companies in the U.S.

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 value of the Fund’s assets will fluctuate as the equity market fluctuates. Different investment styles tend to shift in and out of favor depending upon market and economic conditions, as well as investor sentiment. A fund may outperform or underperform other funds that employ a different investment style, and the stocks selected by the fund manager may not increase in value as predicted. Value investing is subject to the risk that the market will not recognize a security’s inherent value for a long time or at all, or that a stock judged to be undervalued may actually be appropriately priced or overvalued. The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments and changes in the regulatory environments of foreign countries.

Investors should carefully consider the investment objectives, risks, charges and expenses of AXS Alternative Value 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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