

STRATEGIES FOR TODAY'S MARKETS

AXS Investments manages an array of alternative strategies designed to help investors stay on track as economic and financial market conditions shift. Here we address timely investment themes and strategies that may fit your needs.

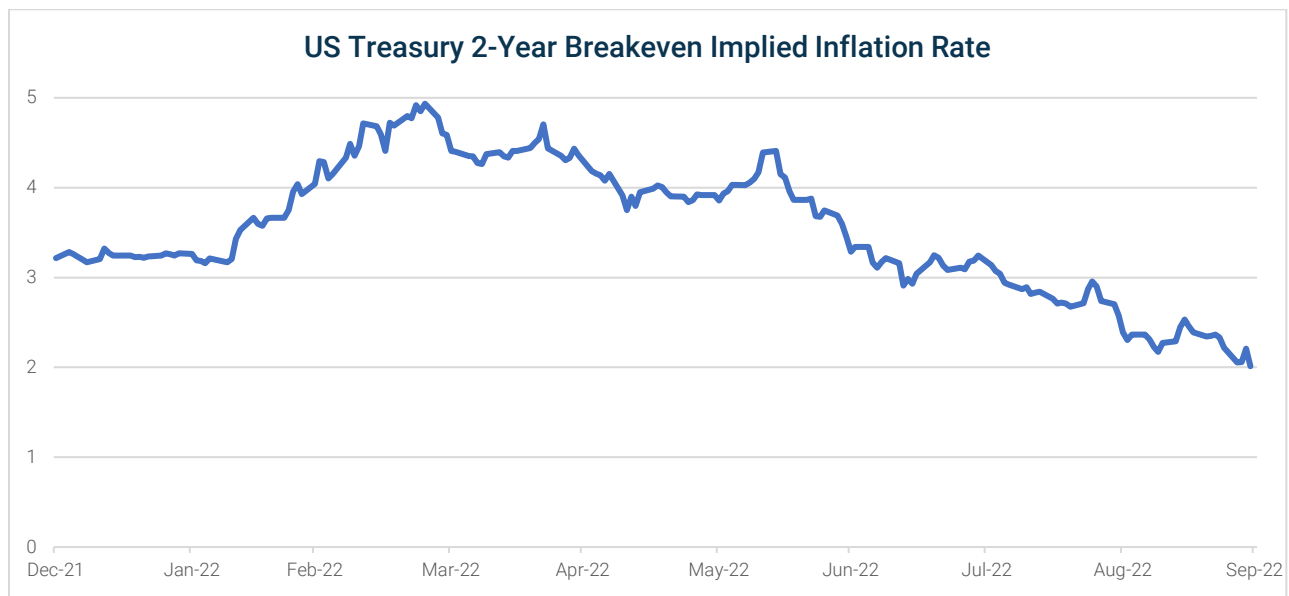
Overall Market View

EQUITY MARKET

September saw a stronger than expected CPI report and an FOMC meeting where Powell reiterated what he said at Jackson Hole. The basic idea is that the Fed is telling us not to expect a pivot anytime soon and that they are willing to potentially tank the economy to tame inflation. Some indices have already retested the June lows, and others are getting closer. While the market is extremely oversold in the short term, any bounce is likely to be short lived, and the path of least resistance remains to the downside.

FIXED INCOME MARKET

As inflation crosswinds continue to buffet capital markets daily, more often being experienced as full force headwinds, it's worth revisiting a very meaningful indicator we looked at here a couple of months ago. To refresh where we left off, the inflation forecast implied in the 2-year Treasury market after hitting its 2022 peak of 4.93% on March 5th, had fallen to 3.23% on July 29th. These values reflect the expected average inflation rate over the next two years implied in the Treasury inflation protected security ("TIPS") market. The updated reading as of September 29th shows it has declined further still to close at 2.01%, remarkably less than half its March peak and in line with the Fed's stated inflation target. Despite the brutality in equity and debt markets which began in mid-August and continued through September, the implied inflation rate does suggest this very large and liquid market is increasingly comfortable with inflation getting down to the Fed's target.



Sources: AXS Investments and Bloomberg.

SHORT TERM – Expect More Downside

The short-term trend is decidedly down. Strategies that can shift toward cash or shorts could be emphasized, as well as uncorrelated exposure to diversified futures.

Relevant strategies:

AXS Chesapeake Strategy Fund (EQCHX)

A long-term trend following strategy run by legendary investor Jerry Parker that invests in up to 100 global futures markets. [Fact Sheet](#)

AXS Market Neutral (COGIX)

A market neutral fund utilizing a proprietary *ROTA/ROME*[®] methodology to identify companies whose intrinsic value diverges from current stock prices. [Fact Sheet](#)

INTERMEDIATE TERM – Expect More Downside

The intermediate term trend is decidedly to the downside. However, there could be opportunities to buy the dip in energy and commodity stocks.

Relevant strategy:

AXS Astoria Inflation Sensitive ETF (PPI)

Combines in a single ticker a diversified portfolio of inflation-sensitive investments that mitigate inflation's harmful effects and potentially benefit from rising prices. [Fact Sheet](#)

AXS Alternative Value Fund (COGVX)

An equity value fund with a distinct approach to holding undervalued S&P 500 stocks with high return on total assets (ROTA), high return on market value of equity (ROME) and low beta. [Fact Sheet](#)

LONG TERM – Watch for a Third Leg Down

Many technicians have argued that bear markets typically have three legs down, and so far we have only seen two. Longer term, a third leg down could set up some great buying opportunities off the lows.

Relevant strategies:

AXS Thomson Reuters Venture Capital Return Tracker Fund (LDVIX)

Designed to give investors exposure to venture capital returns in a daily liquid transparent vehicle. [Fact Sheet](#)

AXS Thomson Reuters Private Equity Return Tracker Fund (LDPIX)

Designed to give investors exposure to private equity returns in a daily liquid transparent vehicle. [Fact Sheet](#)

TAKE ACTION

Please visit www.axsinvestments.com for more details and literature. You may contact AXS Investments at info@axsinvestments.com or 833.AXS.ALTS to learn how to get started.



DEFINITIONS

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of 1 indicates that the security's price will move with the market. A beta of less than 1 means that the security will be less volatile than the market.

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.

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.

IMPORTANT RISK INFORMATION

There are risks involved with investing including the possible loss of principal. Diversification does not guarantee investment returns or eliminate the risk of loss. Past performance does not guarantee future results.

The AXS Chesapeake Strategy 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. For more risk information, click [here](#).

The AXS Market Neutral Fund's assets will fluctuate as the equity market fluctuates, although the beta-adjusted market neutral focus of the Fund should reduce the effect of general market fluctuations on the valuation of the Fund as a whole. For more risk information, click [here](#).

The AXS Astoria Inflation Sensitive ETF may invest a larger portion of its assets in one or more sectors than many other funds, and thus will be more susceptible to negative events affecting those sectors. There is no guarantee the sectors or asset classes the advisor identifies will benefit from inflation. For more risk information, click [here](#).

The AXS Alternative Value Fund's assets will fluctuate as the equity market fluctuates. 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. For more risk information, click [here](#).

The AXS Thomson Reuters Venture Capital Return Tracker Fund seeks to generate returns that mimic the aggregate returns of U.S. venture capital-backed companies as measured by the Thomson Reuters Venture Capital Index (TRVCI). There is a risk that the Fund's return may not match or achieve a higher degree of correlation with the return of the TRVCI. For more risk information, click [here](#).

The AXS Thomson Reuters Private Equity Return Tracker Fund seeks to generate returns that mimic the aggregate returns of U.S. private equity-backed companies as measured by the Thomson Reuters Private Equity Buyout Index (TRPEI). There is a risk that the Fund's return may not match or achieve a higher degree of correlation with the return of the TRPEI. For more risk information, click [here](#).

Investors should carefully consider the investment objectives, risks, charges and expenses of AXS funds. 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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