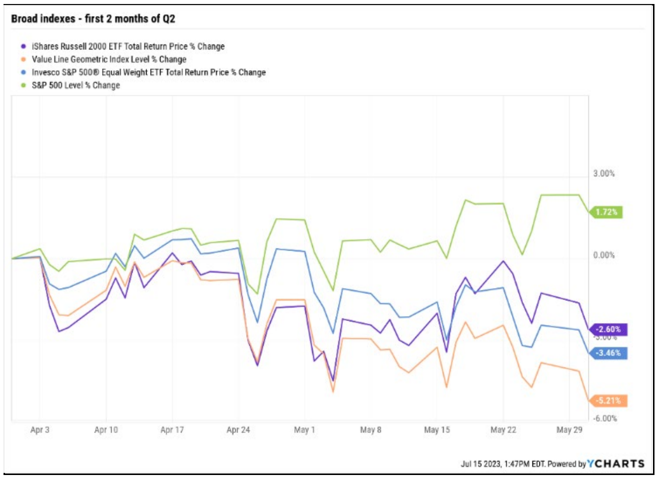
AXS DYNAMIC OPPORTUNITY FUND

Institutional: ADOIX   A Share: ADOAX

Quarterly Overview

Coming into Q2, the stock market still hadn't found its footing. For the first two months of the quarter, the "Magnificent 7" tech stocks made the cap-weighted indices appear to be on solid footing. But under the surface, the broader measures of the market fared much worse. Over that time period, the equal-weighted S&P fell nearly -3.46%, while the broader Value Line Index fell over -5.21%, as seen in this chart.



As such, it was difficult for the AXS Dynamic Opportunity Fund to make up lost ground from earlier in the year while the market was languishing like this. Breakouts were few and far between, and many of the ones that did come through our screens didn't have the normal follow-through to the upside seen in more solid markets.

But in May we started to see a change of character in the market. More stocks started breaking out and showing up in our screens. Moreover, they began to exhibit better leadership qualities and help generate positive performance. With the help of Nvidia (NVDA) – more on that later – the Fund outperformed the market nicely in May. This positive momentum carried over into June, and helped the Fund finish the quarter on a solid note. For Q2 as a whole, the Fund outperformed all of its closest relevant benchmarks.

While there still are several macro clouds (sharply inverted yield curve, the Leading Economic Index (LEI) still negative, etc.) on the horizon, the stock market does not seem fazed at the moment. Never underestimate the influence of positioning either. It appears many institutional investors were under-invested for this market and continue to scramble to add exposure and put money to work. Earnings estimates for most companies have not been revised higher, but stock prices have gone up resulting in broad multiple expansion. It remains surprising that one would see such multiple expansion amid a period of elevated inflationary pressures and a record rate hike campaign by the Federal Reserve. Economic history would have indicated that those conditions are associated with lower multiples for the market— but don't bother me with details!

Fund Performance as of 6/30/2023

			ANNUALIZED RATES OF RETURN		
(%)	3 MO	YTD	1 YEAR	5 YEAR	SINCE INCEPTION
Class I	4.33	2.67	-3.03	2.79	2.00
Class A	4.29	2.53	-3.25	2.62	1.79
Class A (with 5.75% max. sales charge)	-1.68	-3.35	-8.80	0.62	0.59
Wilshire Liquid Alternative Global Macro Index TR (WLQAGMT)	3.22	0.51	1.18	5.36	3.55

Fund inception date is 1/20/2015. The Gross Expense Ratio for the Institutional Class is 1.68% and for the A Share Class is 1.93%. 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 2.15% for Class I and 2.40% for Class A of the Fund's average daily net assets through at least 4/30/2025.

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. One cannot invest in an index.

On top of that you have the new "AI" frenzy. It's been building for months, but after Nvidia raised its guidance by an eye-popping amount last quarter, the Artificial Intelligence craze kicked into high gear. Soon after any company simply mentioning "AI" on their conference call saw a boost in their stock price. That is very reminiscent of the dot-com era of the late 1990s. Back then any company that mentioned "dot-com" in their calls would see huge rallies in their stock prices.

We know how that era ended. Stocks rallied into a speculative bubble, as the Fed continued to raise interest rates to cool things. Eventually, the bubble finally popped and the rest is stock market mania history.

Could the same thing happen this time? Anything is possible. But when the music stops playing, there are never enough chairs for everyone. Fortunately for our strategy, our hedge model will tell us when to reduce exposure. Stay tuned.

Commentary provided by Jordan Kahn, Portfolio Manager, AXS Investments. Past performance does not guarantee future results.

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DEFINITIONS OF TERMS AND INDICES

Leading Economic Index (LEI), also known as the Composite Index of Leading Indicators, is an index published monthly by The Conference Board that is used to predict the direction of global economic movements in future months.

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

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.

S&P 500 Total Return Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

IMPORTANT RISK DISCLOSURE

You could lose money by investing in the Fund. There can be no assurance that the Fund's investment objectives will be achieved. Below are some of the risks associated with investing in the Fund. See the prospectus for more.

Market Risk: The market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. **Equity Risk:** The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Acquiring Fund participate, or factors relating to specific companies in which the Fund invests. **Derivatives Risk:** Using derivatives, such as options, exposes the Fund to additional or heightened risks, including leverage risk, liquidity risk, valuation risk, market risk, counterparty risk, and credit risk. **Options Risk:** Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. The Fund may not fully benefit from or may lose money on an option if changes in its value do not correspond as anticipated to changes in the value of the underlying securities. **Short Sales Risk:** In connection with a short sale of a security or other instrument, the Fund is subject to the risk that instead of declining, the price of the security or other instrument sold short will rise in which case the Fund will experience a loss.

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