Quarterly Overview

During Q3 2023, the fixed income market faced notable challenges. The incessant rise in bond yields made for stiff headwinds across fixed income markets. The Bloomberg U.S. Aggregate Bond Index* experienced a significant decline of -3.23% for the quarter, making it the most challenging quarter for bonds this year. The AXS Tactical Income Fund was able to move to a more defensive posture during the quarter, as conditions deteriorated. This enabled the Fund to experience a smaller decline vs. the broad market, with the Fund finishing down -0.72%.

The aggressive rise in Treasury yields during the quarter led to sharp losses in long-term Treasuries (TLT -13.10%, 3.20% of the portfolio as of 09/30/23). This also spilled over into other areas of the fixed income market, with corporate bonds (LQD -4.68%, 1.50% of the portfolio as of 09/30/23), emerging market bonds (EMB -3.47%, 0.00% of the portfolio as of 09/30/23), mortgage REITs (REM -2.94%, 0.00% of the portfolio as of 09/30/23), etc. The Fund tactically decreased exposure to the areas while increasing exposure to safer sectors such as T-bills, bank loans, floating-rate bonds, and even BDCs, which have held up surprisingly well. All of the aforementioned sectors had positive returns for the quarter.

Monetary policy remained the focal point of discussion amongst investors. Speculation arose regarding the Federal Reserve’s stance on interest rates, with the possibility of one more rate hike before year-end according to fed funds futures. In July, the Federal Reserve acted by increasing interest rates by 25 basis points as part of its proactive strategy to combat persistently high inflation levels, which have loomed for the past 18 months. These moves were closely watched as they shaped the investment landscape. Despite concerns over rising oil prices, the quarter brought better news on the inflation front. Year-on-year core inflation measures eased across most economies, prompting several major central banks to hint at pauses in further rate hikes. The Bank of England raised its base rate to 5.25% in August but maintained rates in September due to signs of slowing inflation. These shifts in central bank policy influenced market expectations and fixed income yields.

Global government bond yields, led by the United States, reached their peak in September before moderating toward the quarter’s end. The US 10-year yield surged from 3.81% to 4.57%, and the two-year yield rose from 4.87% to 5.05%. High-yield bonds demonstrated resilience, outperforming government bonds, with spreads narrowing in both investment grade and high yield sectors.

Source: Stockcharts.com, 10/6/2023

Q3 2023 was shaped by rising interest rates, evolving central bank policies, and changing economic dynamics. Our rules-based models remain agile and reactive to market changes. The uptrend in bond yields has weighed on most sectors, but if we see market conditions moderate and foster new uptrends in high-yielding areas we will react accordingly. Should the market continue to be weak we will get more defensive while generating yield where it is available.

Commentary provided by AXS Investments. Past performance does not guarantee future results.

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>SINCE INCEPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>-0.72</td>
<td>-0.35</td>
<td>-0.40</td>
<td>-1.71</td>
<td>0.75</td>
</tr>
<tr>
<td>Class A</td>
<td>-0.71</td>
<td>-0.64</td>
<td>-0.76</td>
<td>-1.95</td>
<td>0.49</td>
</tr>
<tr>
<td>Class A (with 5.75% max. sales charge)</td>
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<td>-6.40</td>
<td>-6.45</td>
<td>-3.88</td>
<td>-0.76</td>
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<tr>
<td>Bloomberg US Aggregate Bond Index*</td>
<td>-3.23</td>
<td>-1.21</td>
<td>0.64</td>
<td>-5.21</td>
<td>-0.23</td>
</tr>
</tbody>
</table>

Fund inception date is 12/31/2018. The Gross Expense Ratio/Net Expense Ratios for the Institutional Class are 2.70%/1.68% and for the A Share Class are 2.95%/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 2.00% for Class I and 2.25% 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.ATLS.

* Bloomberg U.S. Aggregate Bond Index is an unmanaged, fixed income, market value weighted index generally representative of investment grade fixed rate debt issues, including government, corporate, asset-backed and mortgage-backed securities with maturities of at least one year. One cannot invest in an index.
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.

ETF Risk: Investing in an ETF will provide the Fund with exposure to the securities comprising the index on which the ETF is based and will expose the Fund to risks similar to those of investing directly in those securities. Shares of ETFs typically trade on securities exchanges and may at times trade at a premium or discount to their net asset values. Fixed Income Securities Risk: The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changes in an issuer’s credit rating or market perceptions about the creditworthiness of an issuer. Generally fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, and longer-term and lower rated securities are more volatile than shorter-term and higher rated securities. Credit Risk: If an issuer or guarantor of a debt security held by the Fund defaults or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of the Fund’s portfolio will typically decline. 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.

Investors should carefully consider the investment objectives, risks, charges and expenses of AXS Tactical Income Fund. This and other important information about the Fund is contained in the Prospectus, which can be obtained by visiting www.axsinvestments.com. The Prospectus should be read carefully before investing.

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