AXS TACTICAL INCOME FUND

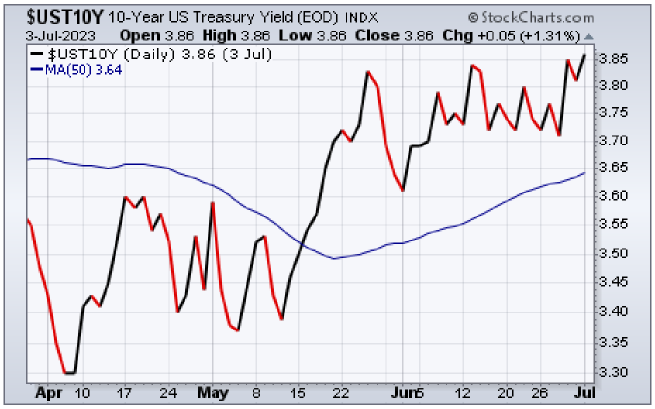
Institutional: TINIX   A Share: TINAX

Quarterly Overview

The Federal Reserve continued its rate hiking campaign in Q2, bringing the rate to its highest level in 17 years at 5.13% (at the midpoint). It also resumed the reduction of its balance sheet, which doesn't get near as much media attention as the interest rate hikes. The Fed had boosted its balance sheet in Q1 to add liquidity to the markets in response to the regional banking crisis. But the balance sheet has started to shrink again, highlighting the overall monetary tightening picture the Fed is trying to achieve.

Inflation has continued to come down slowly, mostly due to high base effects or the difficult year-over-year comparison levels. But employment has remained solid and consumer spending hasn't seen too large of a dropoff. The chart to the right shows the action in the 10-Year Treasury yield during Q2. Yields moved mostly higher throughout the quarter, possibly reflecting that the anticipated weakness in the economy has yet to come to fruition.

The upward trend in yields was a headwind for most income-oriented sectors. Treasuries, munis and corporate bonds were all lower for Q2, while more economically-sensitive areas like BDCs moved higher. The AXS Tactical Income Fund was able to eke out a positive return for the quarter, outpacing both the broader bond market as well as global bonds. We came into the quarter with high cash levels, due to tactically reducing exposure to many of the areas that got hit during the regional banking crisis in March. But as the second quarter wore on, we were able to put that money back to work and get more fully invested.



Source: Stockcharts.com, 7/3/2023

We continue to be excited about the prospect of getting more exposure to the higher yielding areas of the market. For the first time in over a decade we are again seeing areas of the income markets that are offering double-digit yields. These areas did experience significant volatility in Q1 when the banking crisis hit, but if markets stay calm in the second half of the year these sectors should fare better.

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

Fund Performance as of 6/30/2023

			ANNUALIZED RATES OF RETURN		
(%)	3 MO	YTD	1 YEAR	5 YEAR	SINCE INCEPTION
Class I	0.04	0.37	-1.73	-0.91	0.95
Class A	-0.09	0.07	-2.05	-1.18	0.67
Class A (with 5.75% max. sales charge)	-5.82	-5.73	-7.69	-3.10	-0.64
Bloomberg US Aggregate Bond Index*	-0.84	2.09	-0.94	-3.96	0.48

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.ALTS. One cannot invest in an index.

** 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.*

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.