

# ABSOLUTE CAPITAL OPPORTUNITIES FUND [ CAPOX ]

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Q124 FUND INTRODUCTION

Data Through 12/31/23

## PRINCIPAL INVESTMENT RISKS

The Fund's net asset value and investment return will fluctuate based upon changes in the value of its portfolio securities. There is no assurance that the Fund will achieve its investment objective, and an investment in the Fund is not by itself a complete or balanced investment program. For a complete description of the Fund's principal investment risks, please refer to the prospectus.

The Fund may be exposed to varying forms of risk. The Fund is non-diversified and may focus its investments in the securities of a comparatively small number of issuers. Concentration in securities of a limited number of issuers exposes a fund to greater market risk and potential monetary losses than if its assets were diversified among the securities of a greater number of issuers. The Fund may invest in small- and medium-sized companies which involve greater risk than investing in larger, more established companies, such as increased volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources.

The Fund may invest in foreign or emerging markets securities which involve special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets.

The Fund may invest in debt securities which are subject to interest rate risk. An increase in interest rates typically causes a fall in the value of the debt securities in which the Fund may invest. The Fund may also invest in high yield, lower rated (junk) bonds which involve a greater degree of risk and price fluctuation than investment grade bonds in return for higher yield potential.

The Fund may purchase securities of companies in initial public offerings. Special risks associated with these securities may include a

limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. The Fund may leverage transactions which include selling securities short as well as borrowing for other than temporary or emergency purposes. Leverage creates the risk of magnified capital losses.

The Fund may also invest in derivatives which can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. The Fund may invest in options and futures which are subject to special risks and may not fully protect the Fund against declines in the value of its stocks. In addition, an option writing strategy limits the upside profit potential normally associated with stocks. Futures trading is very speculative, largely due to the traditional volatility of futures prices.

If the Fund buys back a security it has sold short at a higher price, the Fund will incur a loss on the transaction. Because the loss on a short sale stems from increases in the value of the security sold short, the extent of such loss is theoretically unlimited. Short sales may decrease the liquidity of the Fund and may create leverage, which may cause relatively smaller adverse market movement to have a disproportionate impact on the Fund's performance.

**Investors should carefully consider the Fund's investments objectives, risks, charges and expenses before investing. This and other information is in the prospectus, a copy of which may be obtained by calling (888) 992-2765 or visiting the Fund's web site: [www.absoluteadvisers.com](http://www.absoluteadvisers.com). Please read the prospectus carefully before you invest.**

## The Fund

The Absolute Capital Opportunities Fund (CAPOX) was launched in 2015 and is modeled on a hedged strategy managed by Kovitz Investment Group with a 25-year track record. The Fund utilizes a value based long-short equity strategy run with a long-term time horizon, while dynamically hedging overall market exposure. The Fund seeks to provide long-term capital appreciation with an emphasis on risk adjusted returns.

- ❖ **Absolute Investment Advisers**, the Fund's Adviser, was founded in 2004 and specializes in implementing alternative strategies in liquid investment structures.
- ❖ **Kovitz Investment Group**, the Fund's Sub-Adviser, was founded in 2003 and manages over \$7b in assets across multiple investment strategies and asset classes.

FUND PERFORMANCE

PERFORMANCE: Inception Date: 12/30/15				Annualized Returns through 12/31/23			ANNUAL TOTAL RETURNS			
Cumulative Returns through 12/31/23				Annualized Returns through 12/31/23			YEAR	CAPOX	HFRX EH	HFRX MN
TOTAL RETURNS at NAV	December 2023	Year to Date	Inception to date	1 Year	5 Year	Inception to Date				
<b>ABSOLUTE CAPITAL OPPORTUNITIES FUND (CAPOX)</b>	5.40%	6.91%	28.16%	6.91%	1.24%	3.15%	2016	7.90%	0.10%	-5.08%
HFRX EQUITY HEDGE INDEX	1.60%	6.90%	33.78%	6.90%	6.09%	3.70%	2017	5.37%	9.98%	1.73%
HFRX EQUITY MARKET NEUTRAL INDEX	0.56%	4.16%	-7.36%	4.16%	-0.15%	-0.95%	2018	5.99%	-9.42%	-3.16%
S&P 500 INDEX	4.54%	26.29%	167.71%	26.29%	15.68%	13.08%	2019	3.82%	10.71%	1.87%
							2020	8.22%	4.60%	-3.92%
							2021	-5.22%	12.14%	0.97%
							2022	-6.59%	-3.18%	-0.08%
							2023	6.91%	6.90%	4.16%

*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Annualized returns current to the most recent month end can be obtained by calling the Fund at 888-99-ABSOLUTE. Some of the Fund's fees were waived or expenses reimbursed; otherwise, returns would have been lower.*

*The Fund's total annual operating expense ratio is 1.79% (gross) and 1.62% (net). However, the Fund's Adviser has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses to 1.48% (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, broker fees, proxy expenses and extraordinary expenses) through July 31, 2025 (the "Expense Cap"). This Expense Cap, may only be raised or eliminated with which the consent of the Board of Trustees.*

**CAPOX vs HFRX EQUITY HEDGE INDEX & HFRX EQUITY MARKET NEUTRAL INDEX**

Cumulative Returns Since Inception 12/30/2015 to 12/31/2023



See last page for term and index definitions.  
Performance data quoted represents past performance and is no guarantee of future results



### Beta

CAPOX beta to S&P 500 Index: **0.11**

HFRX Equity Hedge Index beta to S&P 500: **0.29**

HFRX Equity Market Neutral beta to S&P 500: **0.07**

### Correlation

CAPOX correlation to S&P 500 Index: **0.28**

HFRX Equity Hedge correlation to S&P 500: **0.79**

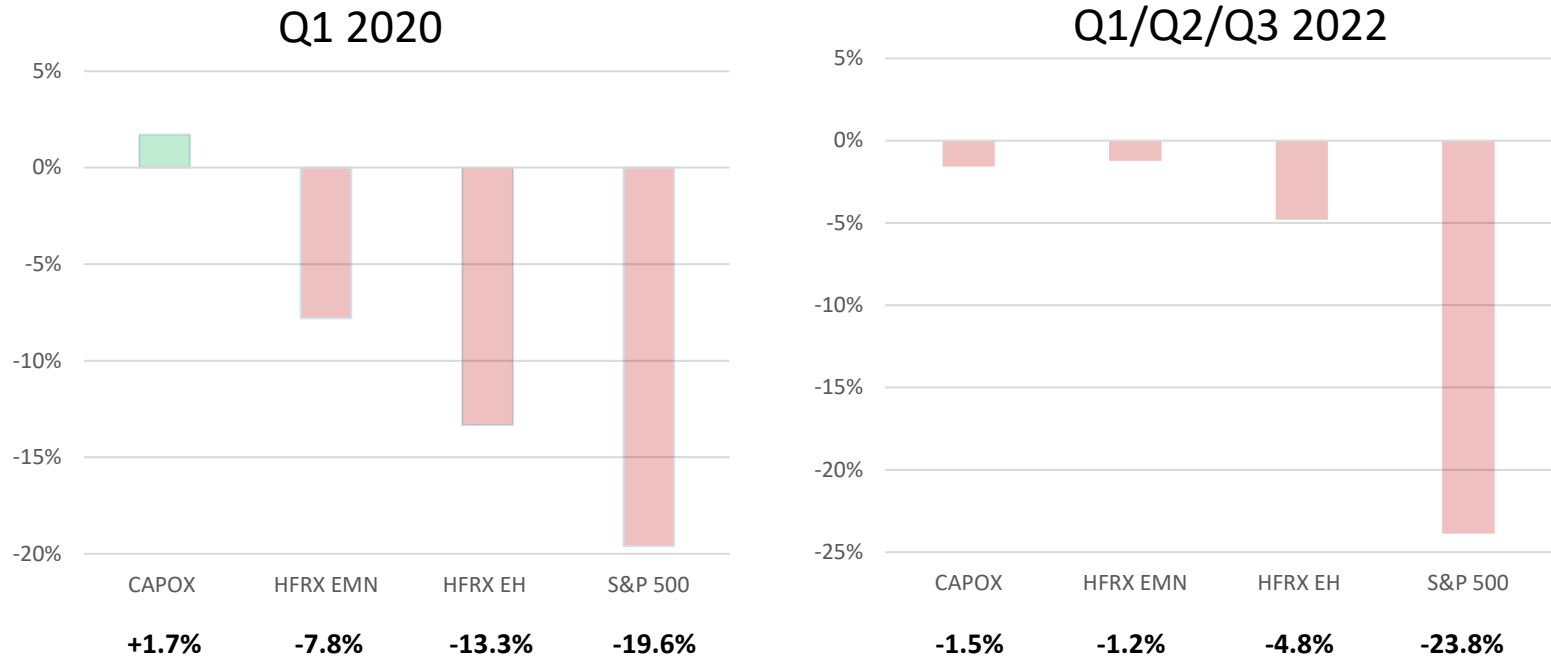
HFRX Eq Mkt Neutral correlation to S&P 500: **0.30**

Since Inception (12/30/15) to 12/31/2023 | Source: Bloomberg & Morningstar

*See last page for term and index definitions.*

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## Performance During Recent Market Drawdowns



Source: Bloomberg

*See last page for term and index definitions.*

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## Differentiators (What's Different about the Fund?)

- Lower net exposure than many long-short funds but more flexible net exposure than many market neutral funds  
*Many long-short funds operate in a tight range of net exposures*
- Significant use of options, especially to achieve short exposure  
*Shorting individual stocks has been a source of negative alpha for many long-short funds*
- Return potential can come from stock selection, broad market moves, or volatility  
*Many long-short funds rely on a single source of returns*
- Performance has been alpha-oriented rather than beta-oriented  
*Many long-short funds just rise and fall with broader equity market indices*

*See last page for term and index definitions.*

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## Portfolio Management

### **Mitchell A. Kovitz, CFA**

Founder & Principal, Co-Chief Investment Officer

- Industry start: 1989
- Firm start: 2003
- Education: University of Illinois at Urbana –Champaign, BS; University of Illinois, MST

### **Joel D. Hirsh, CFA**

Principal, Co-Chief Investment Officer

- Industry Start: 2004
- Firm Start: 2006
- Education: University Of Michigan, BA

### **Mark C. Rosland**

Principal, Portfolio Manager

- Industry Start: 2001
- Firm Start: 2003
- Education: University of Iowa, BA

*The HFRX (Hedge Fund Research) Equity Hedge Index includes strategies that maintain positions both long and short in primarily equity and equity derivative securities. Equity Hedge managers typically maintain at least 50%, and may in some cases be substantially entirely invested in equities, both long and short.*

*HFRX Equity Market Neutral Index measures the performance of strategies that employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies in which the investment thesis is predicated on the systematic analysis of common relationships between securities.*

*Correlation is a statistic that measures the degree to which two securities move in relation to each other*

*Alpha is the excess returns earned on an investment above the benchmark return and is often considered to represent the value that a portfolio manager adds to or subtracts from a fund's return.*

*Beta is the measure of a fund's relative volatility as compared to the S&P 500 Index which by definition is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the Index in up markets and 10% worse in down markets.*

*The S&P 500, or simply the S&P, is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States.*

*Options are financial derivatives that give buyers the right, but not the obligation, to buy or sell an underlying asset at an agreed-upon price and date.*

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