

# ABSOLUTE FLEXIBLE FUND

## QUARTERLY FACT SHEET - FLXIX

Q3 2022



### FUND INFORMATION

**Ticker:** FLXIX (Open-End 40 Act)

**Inception Date:** June 30, 2022

**Share Class:** I-Share

**Investment Objective:** Seeks to achieve positive absolute returns over the long-term with low volatility when compared to traditional market indices. .

**Minimum:** No minimum for fee-based advisory accounts (see prospectus)

**Shareholder Servicing / Fund Admin:** Apex Fund Services

**Custodian:** Union Bank

**Distributor:** Foreside Fund Services, LLC

**The Absolute Flexible Fund** is a concentrated, best ideas convertible bond fund with the flexibility to adjust individual security hedging in order to pursue attractive exposure-based opportunities. Unlike a traditional convertible arbitrage strategy the Fund's equity exposure will not always be fully hedged.

The Fund focuses on convertible bonds that are trading below par and/or where downside is limited by the credit/maturity of the convertible security. In the environments where these opportunities are available, this approach may create meaningful potential upside asymmetry if the unhedged equity security increases in value.

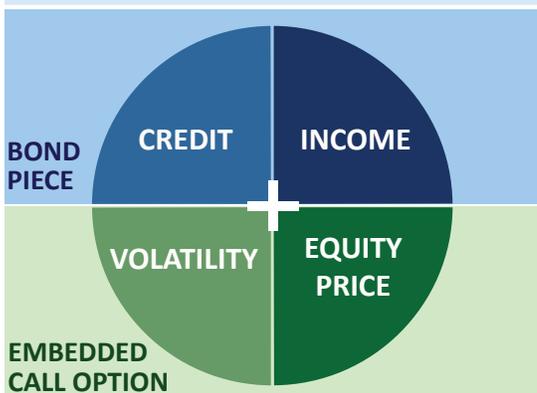
COMPARATIVE RETURNS: Strategy Inception Date: 6/30/2022		
	Q322 2022	Inception to Date
Absolute Flexible Fund (FLXIX)	-0.90%	-0.90%
Bloomberg US Convertible Bond Index	-0.31%	-0.31%
HFRX Fixed Income Convertible Arbitrage Index	-1.50%	-1.50%
IBoxx High Yield Index	-0.70%	-0.70%
Bloomberg Aggregate Index	-4.75%	-4.75%
S&P 500 Index	-4.88%	-4.88%

*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. To obtain performance information current to the most recent month-end, call the Fund at 888-99-ABSOLUTE. Returns include the reinvestment of dividends and capital gains. Some of the Fund's fees were waived or expenses reimbursed; otherwise, returns would have been lower.*

### CONVERTIBLE BOND ATTRIBUTES & FUND DIFFERENTIATORS

- A convertible bond is a corporate bond with additional feature to "convert" the bond into equity at or above a predetermined price.
- For this reason, a convertible bond is often viewed as a bond with "embedded call option" on the company's stock

#### 4 MAJOR COMPONENTS TO A CONVERTIBLE BOND



#### 3 DIFFERENT APPROACHES:

-  CONVERTIBLE BOND  
Long
-  CONVERTIBLE ARBITRAGE  
Equity exposure is hedged out continuously
-  FLXIX  
Flexible (opportunistic) approach to equity exposure

#### WHAT MAKES FLXIX DIFFERENT?

Because of their conversion feature, many convertible bonds have a large amount of equity sensitivity.

Traditional convertible arbitrage buys the convertible bond and shorts the underlying stock to hedge out the equity sensitivity.

The Absolute Flexible Fund will use a flexible approach in order to pursue opportunities that may come from that equity exposure.

Visit [AbsoluteAdvisers.com](https://AbsoluteAdvisers.com) for additional information and a list of frequently asked questions.

*As stated in the prospectus, the Absolute Flexible Fund's Total Annual Operating Expense ratio (gross) for Institutional Shares is 2.36% and the net expense ratio is 1.74% through August 1, 2023. However, Absolute Investment Advisers LLC, the Fund's Adviser, has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses to 1.49% through August 1, 2023 (the "Expense Cap"). This Expense Cap, which excludes all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, broker charges, proxy expenses and extraordinary expenses, may only be raised or eliminated with the consent of the Board of Trustees.*

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INVESTMENT ADVISERS  
888-99-ABSOLUTE  
[www.absoluteadvisers.com](https://www.absoluteadvisers.com)

The experienced investment team utilizes intensive fundamental research for sourcing ideas and constructing portfolios of small/mid capitalization convertible securities. Their versatile understanding of total return, credit, and volatility provides the foundation for successful portfolio diversification and risk management.

## PORTFOLIO MANAGEMENT BIOGRAPHIES:

**Eric Hage - Absolute Investment Advisers LLC, Managing Director & Portfolio Manager**

2002-2021, Mohican Financial Management, LLC, Co-Founder, CIO & Portfolio Manager. (Mohican was sub-adviser for the Absolute Convertible Arbitrage Fund.)

1999-2002 Salomon Smith Barney, Director of Convertible Arbitrage

1994-1999 Salomon Smith Barney, Institutional Trader of Convertible Securities

1991-1994 Bear Stearns, Managing Director & Co-Head of Sales of Convertible Securities

1989-1991 Smith Barney, Assistant Trader of Convertible Securities

Columbia University Business School, MBA, Cornell University, B.S. in Economics

**Daniel Hage - Absolute Investment Advisers LLC, Managing Director & Portfolio Manager**

2002 – 2021 Mohican Financial Management, LLC, Co-Founder, CCO & Portfolio Manager. (Mohican was sub-adviser for the Absolute Convertible Arbitrage Fund.)

2002- Present Mohican Financial Management, Senior Trader

2000-2002 CIBC World Markets, Sales Manager of Convertible Securities

1998-2000 Fahnstock, Convertible Bond Broker

1995-1997 Murphy & Durieu, International & Domestic Convertible Bond Broker

University of Albany, MBA, LeMoyne College, B.S. in Business Administration

**DEFINITIONS** *The HFRX (Hedge Fund Research) Fixed Income Convertible Arbitrage Index includes strategies in which the investment thesis is predicated on a realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. The iBoxx USD Liquid High Yield Index consists of liquid USD high yield bonds, selected to provide a balanced representation of the broad USD high yield corporate bond universe. 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.*

Past performance does not guarantee future results. 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.

Asset allocation decisions may not always be correct and may adversely affect Fund performance. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on a convertible security's investment value. Debt securities have interest rate, inflation and credit risks and are subject to prepayment and default risk. High yield and junk securities involve greater risk and tend to be more sensitive to economic conditions and credit risk. Short sales may be considered speculative and it may be difficult to purchase securities to meet delivery obligations. 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. Diversification does not prevent loss or enhance returns. Foreign investments present additional risk due to

currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks. Small, mid and large cap stocks are subject to substantial risks such as market, business, size volatility, management experience, product diversification, financial resource, competitive strength, liquidity, and potential to fall out of favor that may cause their prices to fluctuate over time, sometimes rapidly and unpredictably. The Fund is actively managed and may experience high turnover. This may cause higher fees, expenses and taxes, which could detract from Fund performance.

These views are subject to change at any time based on market and other conditions, and Absolute Investment Advisers disclaims any responsibility to update such views. No forecasts can be guaranteed. These views may not be relied upon as investment advice or as an indication of trading intent on behalf of any Absolute Investment Advised investment product.

**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.**

Distributor: Foreside Fund Services, LLC



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