ABSOLUTE STRATEGIES FUND

PORTFOLIO COMMENTARY - ASFIX

NOVEMBER 2019

ABSOLUTE FUNDS

Absolute Funds

The financial landscape continues to be riddled with over-valued assets, divergent trends and central bank confusion. Less than 12 months ago, the Federal Reserve was in the midst of an interest rate hike campaign in reaction to a strengthening economy and an uptick in inflation. Financial markets responded negatively, so the Fed immediately ceased rate hikes. Shortly thereafter, the Fed (and nearly every global central bank) initiated a dovish tone that led to rate cuts along with some kind of additional effort to add massive overnight liquidity; this is now known as "not-QE" (not Quantitative Easing). Financial markets responded in traditional fashion and have once again reached exuberant levels.

The above chronology begs a few questions:

- Can financial markets function without constant, massive central bank liquidity?
- If everything is so great, what happens when inflation and interest rates begin to normalize?
- What if corporate profit margins revert to the mean along with a normalization of interest rates?
- What would a simple "reversion to the mean" in global financial markets look like?
- How would this impact a typical portfolio that is heavily weighted towards a combination of past performance and highly correlated asset classes?

As always, market outcomes can vary and unknown situations can arise. Such outcomes and situations become ever more serious when markets trade near extreme levels. It's no secret that bond markets and interest rates have been at historic levels, but equity markets have also been hovering at levels not seen outside of 1929 and 2000.

The broadest view of equity valuation metrics are right up against the highest levels observed during the 1999-2000 peak; these metrics include Price to Revenue, Enterprise Value to EBITDA (Earnings before interest, tax, depreciation and amortization), and Market Capitalization to GDP (Gross Domestic Product).

S&P 500 Historical Price to Sales Ratio

1991 - 2019

Source: Bloomberg **Past Performance Does Not Guarantee Future Results.** It is not possible invest directly in an index.

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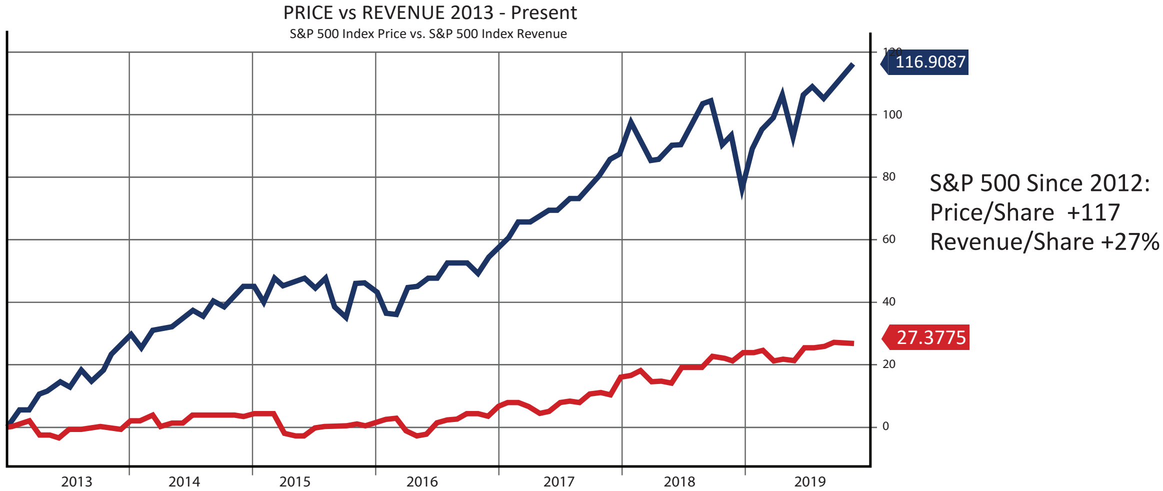
Perhaps what is most revealing is the continued lack of real growth accompanying the aggressive rise in asset prices. The following chart illustrates the elevation in price of the S&P 500 versus revenue growth per share since 2012; price has risen 117% while revenue/share has grown only 27%:



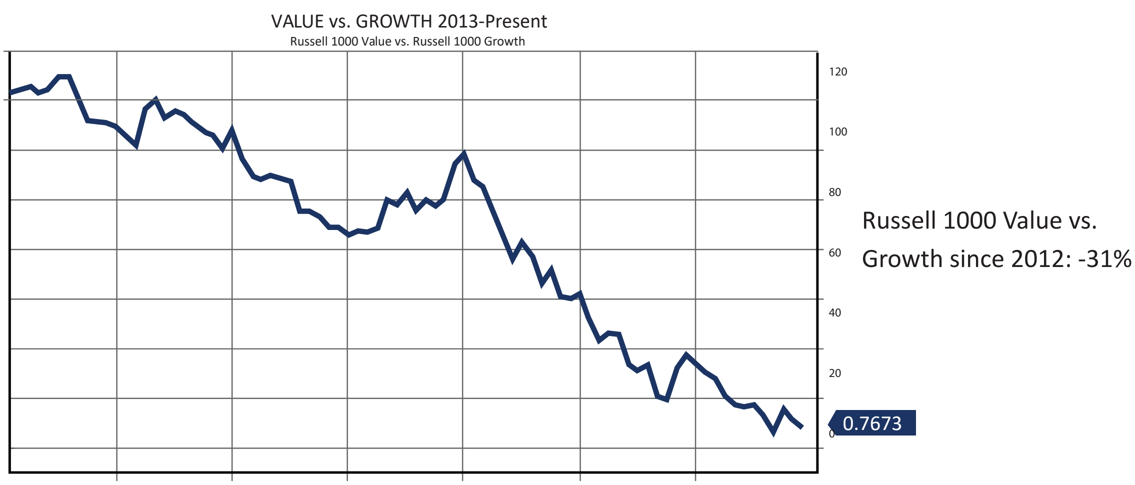
Source: Bloomberg **Past Performance Does Not Guarantee Future Results.** It is not possible invest directly in an index.

This mis-match is astonishing considering the sentiment and excitement over growth stocks -- where is the growth? In order for this simple economic gap to close, there likely needs to be a substantial drop in asset prices, a substantial pick-up in revenue growth, or some combination of the two. However, any increase in revenue growth could also likely coincide with inflation and/or a decline in profit margins. This may then result in a re-evaluation of equity risk premiums and much lower valuations.

Now imagine what transpires if restrictions or limitations are placed on corporate stock buybacks. Also consider the impact to passive investments if anti-trust efforts to break up large, index-heavy corporations are successful.

All of the above can happen and may very well happen. It could also occur at different points across a market cycle. This is why we believe portfolio diversification has always been the most important aspect of asset allocation*. The difficulty for prudent investors is fundamentals and diversification have been deemed largely irrelevant over the past 5-6 years. Any truly disciplined and diversified approach has been punished. This has also been a painful stretch for value investing, and an especially painful stretch for long/short, market neutral, or short-biased value investing.

The largest detractor for our Funds' equity performance has been the historic under-performance of value vs growth over this time. The gap has grown to over 30%.



Source: Bloomberg **Past Performance Does Not Guarantee Future Results.** It is not possible invest directly in an index.

*Diversification does not assure a profit or protect against a loss

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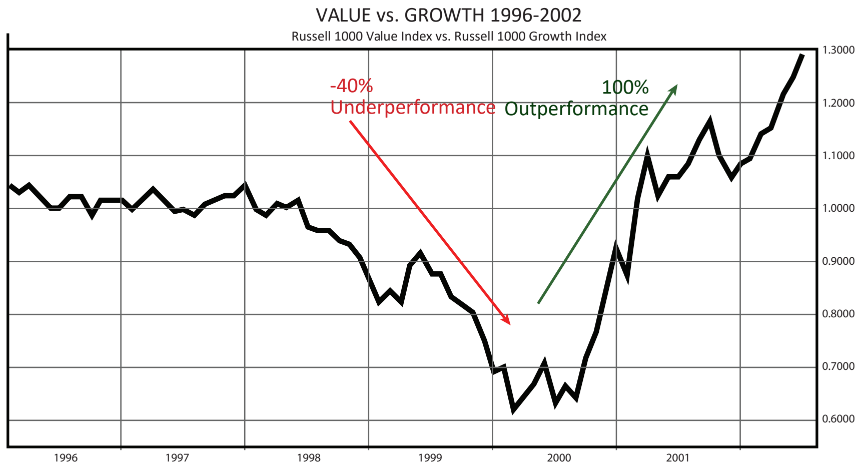
What's most implausible regarding value vs growth performance is that revenue/share has grown approximately 30% for the Russell 1000 value index vs 1% for the Russell 1000 growth index over the past 3 years.

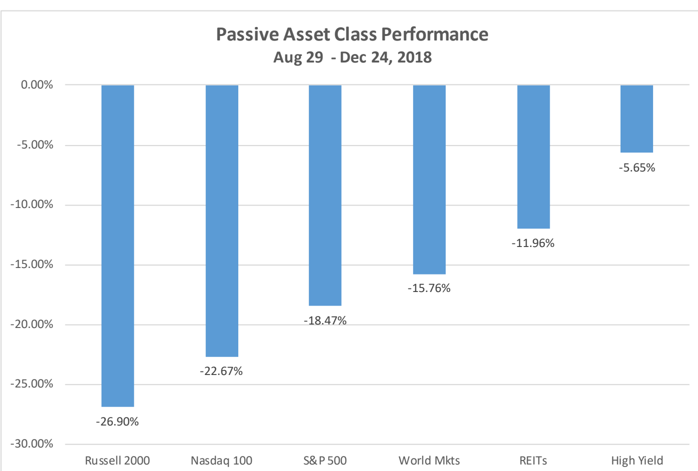
Value investing, which over long periods of time has tended to perform well, has gone through a period of difficulty almost on par with the late 1990s tech bubble (over 40% under-performance). However, that period then resulted in an enormous inversion of value vs growth performance for the next 6 years and value outperformed growth by greater than a 2:1 margin:



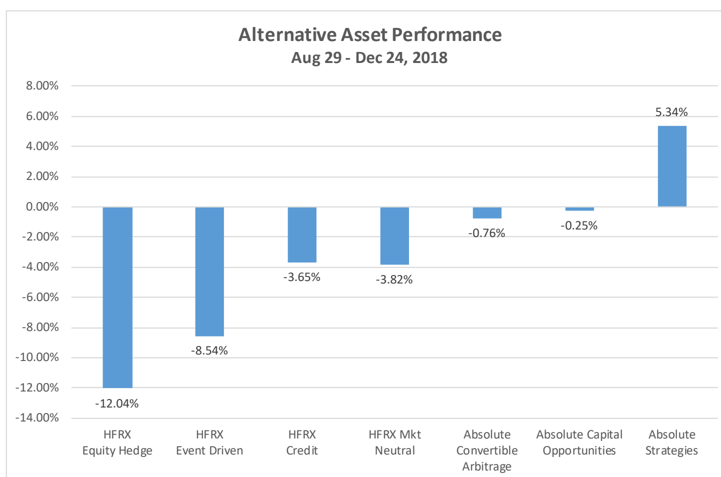
Source: Bloomberg **Past Performance Does Not Guarantee Future Results.** It is not possible invest directly in an index.

In an environment littered with passive, non-managed investment products, it would seem prudent to make an effort to include at least some non-correlated allocations within a portfolio seeking to obtain diversification. It's hard to make an argument that any combination of long-only passive or beta-style vehicles can achieve ANY form of diversification. A simple back-test of financial market stress within the past couple years provides a fairly clear picture of the correlated risk that currently exists across investor portfolios. This does not even anticipate the likelihood of inflation or an interest rate spike. You do not need a quantitative asset-allocation model to know EVERYTHING will correlate to 1.0 when a violate risk-off environment occurs; especially since many market participants are investing the same way.

The following is a snapshot of both passive and alternative asset performance during the Fall 2018 drawdown:



High Yield = iShares iBoxx High Yield Corporate Bond ETF, REITS = Dow Jones Equity REIT Total Return Index, World Markets = MSCI ACWI Index



Absolute Convertible Arbitrage = ARBIX, Absolute Capital Opportunities = CAPOX, Absolute Strategies = ASFIX

Source: Bloomberg **Past Performance Does Not Guarantee Future Results.** It is not possible invest directly in an index.

Our Funds are focused on processes and strategies to create various forms of alpha in both equity and credit markets. Focusing on alpha, whether it be a long-only, neutral or short biased, can assist investors and asset allocators to achieve diversification and can help maintain a prudent assessment of financial market history. Not all market cycles provide a beneficial backdrop for achieving alpha performance, but these strategies do tend to perform best during the most difficult environments for passive, beta-style investments.

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.

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FUND PERFORMANCE INFORMATION / DISCLOSURE

Average Annual Total Returns Periods Ended September 30, 2019	1-Year	5-Year	10-Year
Absolute Strategies Fund Institutional Shares	3.34%	-1.81%	0.10%
HFRX Global Hedge Fund Index	0.01%	0.32%	1.07%
S&P 500® Index	4.25%	10.84%	13.24%
Bloomberg Barclays U.S. Aggregate Bond Index	10.30%	3.38%	3.75%
MSCI World Index	1.83%	7.18%	9.01%

Performance data quoted represents past performance and is no guarantee of future results. As stated in the current prospectus, the Absolute Strategies Fund's total annual operating expense ratio (gross) for Institutional Shares is 2.44% and the net expense ratio is 1.80% through August 1, 2020. However, the Absolute Strategies Fund's Adviser has contractually agreed to waive its fee and/ or reimburse the Absolute Strategies Fund expenses to limit Total Annual Fund Operating Expenses to 1.99% (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 fees, proxy expenses and extraordinary expenses, may only be raised or eliminated with the consent of the Board of Trustees.

Average Annual Total Returns Periods Ended September 30, 2019	1-Year	Since Inception 12/30/15
Absolute Capital Opportunities Fund Institutional Shares	4.15%	5.93%
HFRX Equity Hedge Index	-1.40%	1.91%
S&P 500® Index	4.25%	12.53%

As stated in the current prospectus, the Absolute Capital Opportunity Fund's total annual operating expense ratio (gross) is 3.25% and the net expense ratio is 3.06% through August 1, 2020. However, the Absolute Capital Opportunity Fund's Adviser has contractually agreed to waive its fee and/or reimburse the Absolute Capital Opportunity Fund expenses to limit Total Annual Fund Operating Expenses to 1.75% through August 1, 2020 (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 fees, proxy expenses and extraordinary expenses, may only be raised or eliminated with the consent of the Board of Trustees.

Average Annual Total Returns Periods Ended September 30, 2019	1-Year	5-Year	10-Year
Absolute Convertible Arbitrage Fund Institutional Shares	5.07%	4.27%	5.24%
HFRX Fixed Income Convertible Arbitrage Index	0.94%	1.20%	3.11%
Bloomberg Barclays U.S. Aggregate Bond Index	10.30%	3.38%	3.75%
iBoxx High Yield Index	6.86%	4.97%	7.07%
S&P 500® Index	4.25%	10.84%	13.24%

As stated in the prospectus, the Absolute Convertible Arbitrage Fund's Total Annual Operating Expense ratio (gross) for Institutional Shares is 2.19% and the net expense ratio is 1.74% through August 1, 2020. However, Absolute Investment Advisers LLC, the Absolute Convertible Arbitrage Fund's Adviser, has contractually agreed to waive its fee and/or reimburse Absolute Convertible Arbitrage Fund expenses to limit Total Annual Fund Operating Expenses to 1.40% through August 1, 2020 (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.

DEFINITIONS:

The S&P 500® Index ("S&P 500") is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad based measurement of the U.S. dollar-denominated, investment-grade, fixed-rate, SEC registered taxable bond market. The HFRX Global Hedge Fund Index is a broad-based measurement of the performance of the hedge fund universe; it is comprised of eight strategies - convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset-weighted based on the distribution of assets in the hedge fund industry. The MSCI World Index measures the performance of a diverse range of 24 developed countries' stock markets including the United States and Canada, and countries in Europe, the Middle East; Asia and the Pacific. The HFRX Equity Hedge Index measures the performance of strategies that maintain positions both long and short in primarily equity and equity derivative securities. The HFRX Fixed Income Convertible Arbitrage Index measures the performance of hedge fund strategies that are predicated on realizing of a spread between related instruments at least one of which is a convertible fixed income instrument. The iBoxx 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. The total return of the indices include the reinvestment of dividends and income. The total return of each Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Funds are professionally managed, while the indices are unmanaged and are not available for investment.

Alpha is the measure of performance on a risk-adjusted (beta) basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. Beta is a measure of a fund's relative volatility as compared to the S&P 500 which by definition is 1.00. Accordingly a fund with a 1.10 beta is expected to perform 10% better than the S&P 500 in up markets and 10% worse in down markets. The HFR Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. One cannot invest directly in an index.

Additional Risks: Since the Fund utilizes a multi-manager strategy with multiple subadvisers, it may be exposed to varying forms of risk. 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 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 the Fund may invest in.

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's distressed debt strategy may involve a substantial degree of risk, including investments in sub-prime mortgage securities.

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.

Investors should carefully consider the Fund's investment 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. Please Read the prospectus carefully before you invest.

ABSOLUTE
STRATEGIES FUND

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