

ABSOLUTE CAPITAL OPPORTUNITIES FUND

PORTFOLIO COMMENTARY - CAPOX

Q4 2019

KOVITZ INVESTMENT GROUP
is based in Chicago, IL and
is the Portfolio Manager of the
Absolute Capital Opportunities Fund

The Absolute Capital Opportunities Fund (CAPOX) gained 3.82% in the year ended 2019, net of fees. By comparison, the HFRX Equity Hedge Index (“HFRX”) gained 10.71% over the same period. We are pleased with the Fund’s results given that it didn’t rely on broader market beta to generate a positive return.

Our investment approach is to be flexible with net exposures over time. The Fund’s positioning is adjusted based on an ongoing assessment of favorable returns relative to the amount of risk assumed. In this regard, the Fund has been running with net exposure closely resembling a market neutral strategy for the past several years. Relative to the 1.87% loss registered by the HFRX Market Neutral Index in 2019, the Fund’s gain measures quite favorably on this additional risk-adjusted comparison. The Market Neutral Index may not be a perfect long-term benchmark but may be helpful in understanding the Fund’s recent alpha oriented performance.

Viewed over the past two years, which consisted of one positive and one negative year for equity markets, the Fund has out-performed both lower net exposure funds (market neutral index) and moderate net exposure funds (equity hedge index).

	Annualized Returns through 12/31/19			Cumulative Returns through 12/31/19		
	Fund (net)	HFRX Equity Hedge	HFRX Market Neutral	Fund (net)	HFRX Equity Hedge	HFRX Market Neutral
One Year:	3.82%	10.71%	-1.87%	3.82%	10.71%	-1.87%
Two Year:	4.88%	0.14%	-2.52%	10.04%	0.29%	-4.97%

Source: Bloomberg

Looking forward, we believe the Fund’s long portfolio, in aggregate, is currently priced at a significant discount to our conservative estimate of its worth. At the same time, we feel the quality of the underlying businesses is as high or higher than it has ever been.

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In terms of the Fund’s risk structure, the persistence of an environment defined by low interest rates and low implied volatility continues to provide attractive, cost-effective opportunities to hedge against both downside risk and upside risk. Therefore, the Fund remains significantly hedged against a rapid decline in the broader equity market, even though we can never be sure if/when such a decline will occur.

Each individual investor has his or her own unique risk tolerance. Almost all investors arrive at some balance of risk and reward, usually through an asset allocation mix of stocks and bonds. Within that framework, we believe the Absolute Capital Opportunities Fund (CAPOX) can play a valuable role.

Best Regards,
Kovitz Investment Group

See Reverse for Risks & Definitions

Quarter-End Performance for CAPOX: As of 12/31/19, the 1 year, 3 year and annualized since inception (12/30/15) performance for the Absolute Capital Opportunities Fund was 3.82%, 5.06% and 5.76% respectively. 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.

The 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 Fund's Adviser has contractually agreed to waive its fee and/or reimburse 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

DEFINITIONS: The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. HFRX (Hedge Fund Research) Market Neutral Index: Equity Market Neutral strategies employ quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities and typically maintain characteristic net equity market exposure no greater than 10% long or short. HFRX Equity Hedge Index: Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. Equity Hedge managers would typically maintain at least 50%, and may in some cases be substantially / entirely invested in equities, both long and short. It is not possible to invest directly in an index. 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. An investment strategy or portfolio is considered market-neutral if it seeks to avoid some form of market risk entirely, typically by hedging.

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'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 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. Please read the prospectus carefully before you invest.



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Distributor: Foreside Fund Services, LLC

SKU: CAP-COMM-Q419