

# ABSOLUTE CAPITAL OPPORTUNITIES FUND

MONTHLY FACT SHEET - CAPOX

JULY 2017



ABSOLUTE FUNDS

## UNIQUE LONG/SHORT APPROACH

The Fund's managers have a flexible, "go-anywhere" approach to long exposures, will vary their net exposures over time and will opportunistically use different securities to hedge or short. This contrasts sharply with many static exposure long/short equity funds.

## COMPLEMENTARY MANAGERS

The Fund combines two different, yet complementary approaches to fundamental value equity investing. Utilizing multiple managers may help provide smoothness of returns and diversification within the strategy. (See the monthly data below)

## MANAGER HISTORY

Kovitz and St. James were founded in 2003 & 1999 respectively. Since that time, they have demonstrated an ability to navigate a broad range of market environments. Manager historical performance is available in the prospectus.

PERFORMANCE			
	Cumulative Returns through 7/31/17		
TOTAL RETURNS at NAV	July 2017	Year to Date	2016
CAPOX	0.64%	2.69%	7.90%
HFRX EQUITY HEDGE INDEX	0.87%	4.64%	0.10%
MORNINGSTAR EQUITY LONG/SHORT	1.13%	5.73%	2.34%
S&P 500 INDEX	2.06	11.59%	11.96%

Annualized Returns through 6/30/17	
1 Year	Inception to Date
6.69%	6.62%

12 MONTH ROLLING STATISTICS			
STATISTICS	CAPOX	Morningstar Equity L/S	S&P 500
STANDARD DEVIATION	3.44%	5.7%	5.61%
BETA TO THE S&P 500	0.49	0.54	1.00
ALPHA	-2.16%	-0.81%	0.00%

Standard deviation is calculated using monthly data. Beta and alpha data is calculated by ©Morningstar.

## MONTHLY PERFORMANCE

### Monthly Fund Performance & Corresponding Manager Returns (Positive or Negative)

OBSERVATIONS: The two managers contrasting approaches to value equity investing generated very different and complementary monthly returns for the Fund.

	JUL 16	AUG 16	SEP 16	OCT 16	NOV 16	DEC 16	JAN 17	FEB 17	MAR 17	APR 17	MAY 17	JUNE 17	JULY 17
CAPOX (NET)	1.65%	-0.29%	0.19%	-0.38%	2.79%	0.37%	0.37%	1.66%	-0.36%	-0.46%	0.09%	0.73%	0.64%
KOVITZ (GROSS)	+	+	+	+	+	+	-	+	-	-	-	+	+
ST. JAMES (GROSS)	+	-	+	-	+	+	+	+	+	+	+	+	+

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.

## EXPOSURE BETA RANGE

The Fund's net exposure and beta to the equity market (S&P 500) is expected to be positive, with an anticipated beta range of 0.2 to 0.8.

## PORTFOLIO GUIDELINES

Allocated capital is expected to be split evenly between the two sub-advisers and rebalanced periodically.

## HEDGING

The strategy maintains a long bias. Hedging by the sub-advisers can be done using equity shorts, equity indicies, options and cash.

As stated in the prospectus, the Absolute Capital Opportunities Fund's Total Annual Operating Expense ratio for Institutional Shares is 4.37%. The Adviser has contractually agreed to waive through August 1, 2019, certain fees and/or reimburse expenses according to a formula explained further in the prospectus. The Fund's Net Annual Operating Expense ratio is 2.10%.

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.

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888-99-ABSOLUTE  
www.absoluteadvisers.com

## Sub-Advisers for the Absolute Capital Opportunities Fund:

### KOVITZ INVESTMENT GROUP, LLC

Founded 2003

#### Long/Short Equity

Chicago, IL.

Kovitz manages a Long/Short Equity strategy with an approach to investing based on Benjamin Graham's concept of "Margin of Safety". While Kovitz strives to maximize return, they believe the primary investment criterion should be safety of principal and a focus on minimizing permanent loss of capital. Their investment team focuses primarily on fundamental principles of balance sheet and cash flow analysis. Kovitz operated as an independent group within Rothschild Investment Corporation, from 1997 until their formation in 2003.

### ST. JAMES INVESTMENT COMPANY, LLC

Founded 1999

#### Opportunistic Equity

Dallas, TX.

St. James is an absolute return-oriented, "best ideas" equity manager whose philosophy focuses on valuation, independent fundamental research, and the view that risk is defined as a permanent loss of capital. They seek to make investments in a limited number of businesses that are purchased with a significant margin of safety. St. James utilizes a long term investment horizon and they are willing to be patient and hold cash in the absence of bargains.

## FIRM INFORMATION

**Absolute Investment Advisers LLC** is an Independent, employee-owned firm founded in 2004 by partners from various parts of the mutual fund, hedge fund and financial services industry.

**Portfolio Manager:** Jay Compson

## FUND INFORMATION

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

**Inception Date:** December 30, 2015

**Investment Objective:** Absolute Capital Opportunities Fund seeks to achieve long-term capital appreciation with a lower sensitivity to traditional financial market indices such as the Standard & Poor's 500® Index.

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

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

**Custodian:** State Street Bank

**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. The HFRX Global Hedge Fund Index, calculated by Hedge Fund Research, Inc., tracks the performance of international hedge funds and is designed to be representative of the overall composition 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. It is not possible to invest directly in an index or average. Standard Deviation indicates the volatility of a fund's total returns. In general, the higher the standard deviation, the greater the volatility of 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.*

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 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](http://www.absoluteadvisers.com). Please read the prospectus carefully before you invest.***



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