

# ABSOLUTE CONVERTIBLE ARBITRAGE FUND

## MONTHLY FACT SHEET - ARBIX

DECEMBER 2021



On August 14, 2017 Mohican Financial Management reorganized their existing hedge fund into the Absolute Convertible Arbitrage Fund (ARBIX). The inception date of the hedge fund was October 2002. With the transition, historical performance for the hedge fund becomes historical performance for the mutual fund (see figures below). In September 2021 Mohican was acquired by Absolute Investment Advisers LLC.

COMPARATIVE RETURNS: Strategy Inception Date: 10/01/2002

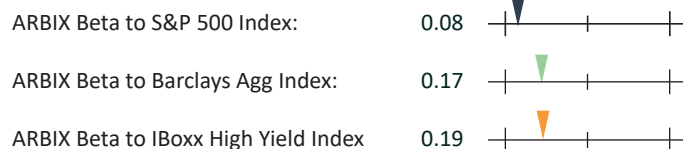
TOTAL RETURNS at NAV	Cumulative Returns through 11/30/21			Annualized Returns Since Strategy Inception through 12/31/21				
	December 2021	Year to Date	*Since 8/14/17 Conversion	1-Year	3-Year	5-Year	10-Year	Since Inception
Absolute Convertible Arbitrage Fund (ARBIX)	0.35%	2.95%	24.77%	2.95%	6.17%	5.26%	4.65%	6.71%
HFRX Fixed Income Convertible Arbitrage Index	0.31%	3.62%	27.93%	3.62%	8.16%	6.06%	4.28%	0.58%
Barclays Aggregate Index	-0.26%	-1.54%	15.61%	-1.54%	4.79%	3.57%	2.90%	4.06%
IBOxx High Yield Index	2.12%	4.48%	25.30%	4.48%	7.83%	5.60%	5.91%	7.04%
S&P 500 Index	4.48%	28.71%	109.30%	28.71%	26.07%	18.47%	16.55%	11.82%

\*Cumulative performance excludes performance prior to the Fund's conversion from a hedge fund

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.

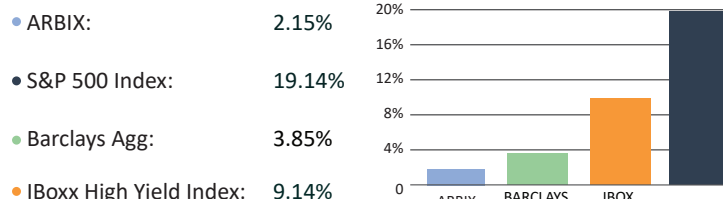
FUND ANALYTICS SINCE CONVERSION TO A MUTUAL FUND - 8/14/17 to 12/31/21 (quarter-end)

### HISTORICAL BETA:



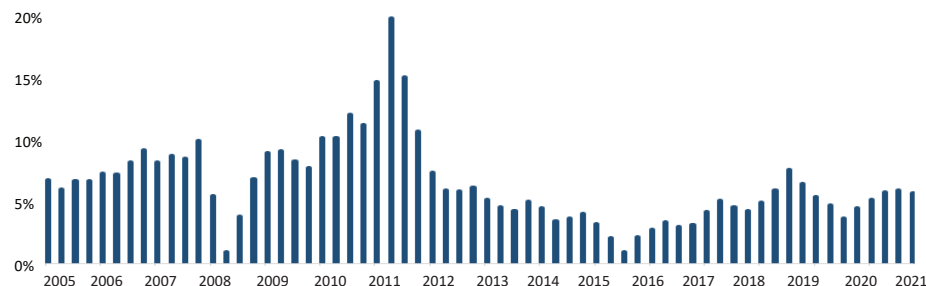
Index data from Bloomberg

### HISTORICAL VOLATILITY (Standard Deviation):



Calculated using weekly data. Index data from Bloomberg

ARBIX 3 YEAR ROLLING RETURNS, Quarterly (inception (10/2/2002) through 12/31/21 (quarter-end))



Zero rolling 3-year periods  
in negative territory

As stated in the prospectus, the Absolute Convertible Arbitrage Fund's Total Annual Operating Expense ratio (gross) for Institutional Shares is 1.90% and the net expense ratio is 1.59% through August 1, 2022. 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 1.20% through August 1, 2022 (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.

**ABSOLUTE**  
INVESTMENT ADVISERS  
888-99-ABSOLUTE  
www.absoluteadvisers.com

## PORTFOLIO MANAGEMENT

The Fund is a disciplined Convertible Arbitrage strategy with an investment objective focused on capital preservation. 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

## FUND INFORMATION

Strategy:	Convertible Arbitrage
Ticker:	ARBIX
Inception Date:	October 1, 2002
Conversion Date:	August 14, 2017
Custodian:	Union Bank
Administrator:	Apex Fund Services

## FUND EXPENSES EXPLAINED

Gross Expense Ratio:	1.90%
Net Expense Ratio:	1.59%
Expense Cap:	1.20%

See full expense explanation on page 1

**DEFINITIONS** The HFRX (Hedge Fund Research) Fixed Income Convertible Arbitrage Index includes strategies in which the investment thesis is predicated on 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. 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.

**HEDGE FUND CONVERSION** - In August 2017, a hedge fund managed by Mohican Financial Management LLC reorganized into the Fund. The Fund's performance for periods prior to the commencement of operations is that of the hedge fund and is based on calculations that are different from the standardized method of calculations adopted by the SEC. The performance of the hedge fund was calculated net of the hedge fund's fees and expenses. The performance of the hedge fund is not the performance of the Fund, has not been restated to reflect the fees, estimated expenses and fee waivers and/or expense limitations of the Fund, and is not necessarily indicative of the Fund's future performance. If the performance of the hedge fund had been restated to reflect the applicable fees and expenses of the Fund, the performance may have been lower. The hedge fund was not registered under the Investment Company Act of 1940 ("1940 Act") and was not subject to certain investment limitations, diversification requirements and other restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, which, if applicable, may have adversely affected its performance.

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.**

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