

# RATIONAL NUWAVE ENHANCED MARKET OPPORTUNITY FUND

TICKERS: NUXAX | NUXCX | NUXIX



Best 40 Act Mutual Fund - US  
Performance Awards 2019<sup>i</sup>



Top Performer for the 2019  
Investors Choice Awards<sup>ii</sup>

rationalfunds

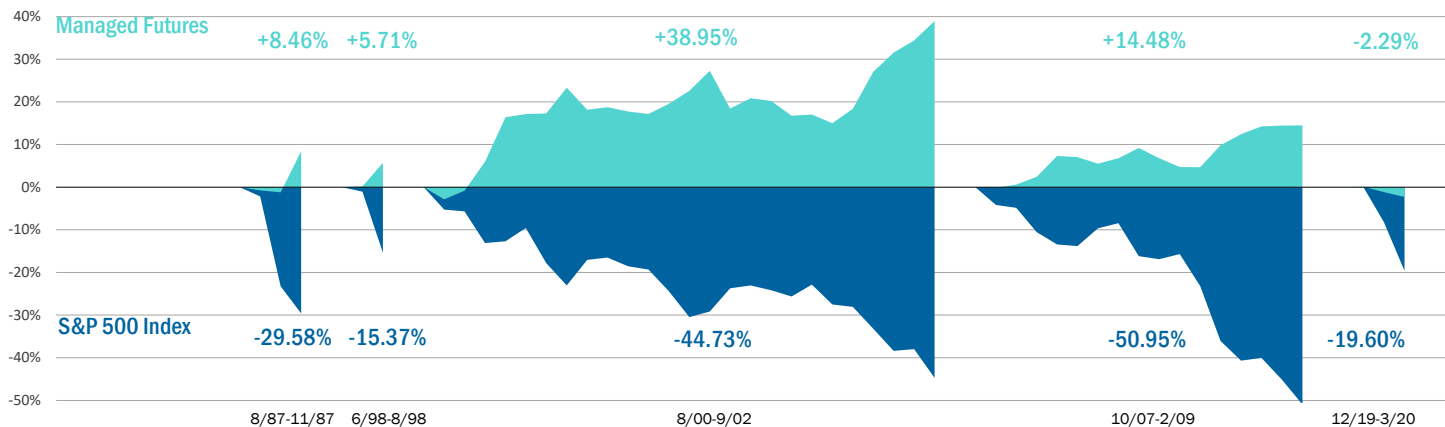
For Professional Use Only

## DEMONSTRATED PERFORMANCE DURING PERIODS OF STRESS

Managed Futures strategies have performed well during many shocks to global equity markets, including during the worst drawdowns and quarters of the S&P 500 Index since 1987.

### Worst 5 Drawdowns for the S&P 500 Index Vs. Managed Futures Index

January 1987 – March 2020



### Worst 15 Quarters for the S&P 500 Index Since Inception of Managed Futures Index

January 1987 – March 2020

Period	Event	S&P 500 Index	Managed Futures	Difference
4Q 1987	Black Monday- Global Stock Markets Crash	-22.5%	16.9%	39.4%
4Q 2008	Bear Market U.S. Equities led by Financials	-21.9%	9.1%	31.1%
1Q 2020	COVID-19 Outbreak	-19.6%	-2.3%	17.3%
3Q 2002	WorldCom Scandal	-17.3%	9.4%	26.7%
3Q 2001	Terrorist Attacks on World Trade Center & Pentagon	-14.7%	4.1%	18.8%
3Q 2011	European Sovereign Debt Crisis / Global Growth Fears	-13.9%	1.6%	15.5%
3Q 1990	Iraq Invades Kuwait	-13.7%	11.2%	25.0%
4Q 2018	Trade Tensions / Global Growth Slowdown	-13.5%	-2.1%	11.5%
2Q 2002	Continuing Aftermath of Technology Bubble Bursting	-13.4%	8.5%	21.9%
1Q 2001	Bear Market in U.S. Equities led by Technology	-11.9%	6.0%	17.8%
2Q 2010	Sovereign Debt Crisis	-11.4%	-1.9%	9.5%
1Q 2009	Continuing Bear Market U.S. Equities led by Financials	-11.0%	-1.8%	9.3%
3Q 1998	Russia Defaults on Debt / LTCM Crisis	-9.9%	10.6%	20.5%
1Q 2008	Credit Crisis / Commodity Prices Rally	-9.4%	6.4%	15.9%
3Q 2008	Credit Crisis / Government-Sponsored Bailout of Banks	-8.4%	-4.1%	4.3%

Managed Futures represented by the BarclayHedge BTOP50 Index.

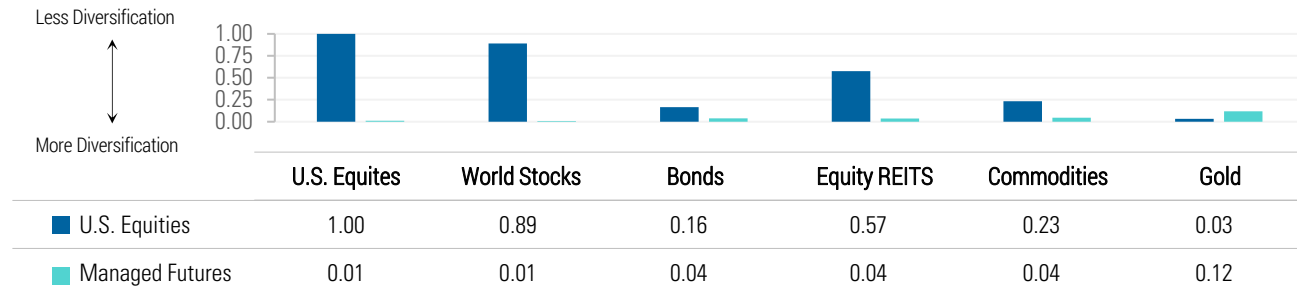
Past performance in no guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges. Managed Futures involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

# MANAGED FUTURES AND NON-CORRELATED EXPOSURE

Perhaps the most defining feature of managed futures as an asset class is its ability to produce non-correlated returns during various market environments. This aspect allows for drawdown management and the ability to produce returns during periods of equity market turmoil, both of which have contributed to the outperformance of managed futures since 1980. In fact, we believe that managed futures strategies are among the most compelling non-correlated strategies with an annual return of 9.04% compared to the return for the S&P 500 of 24.38% as of 12/31/19.

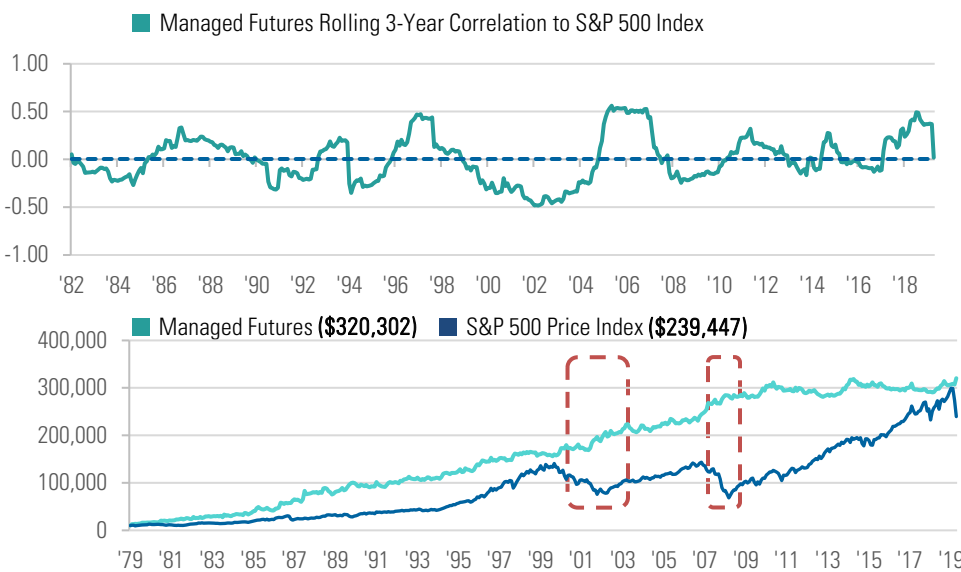
## Managed Futures Have Historically Delivered Diversified Returns Uncorrelated to Most Major Markets

Based on monthly return data from January 1980 to March 2020. Source: Bloomberg LP.



## A Non-Correlated Strategy: Historical Correlation and Corresponding Growth of \$10,000

Based on monthly return data for Barclay CTA Index (Managed Futures) and S&P 500 Price Index from January 1980 to March 2020. Source: Bloomberg LP.

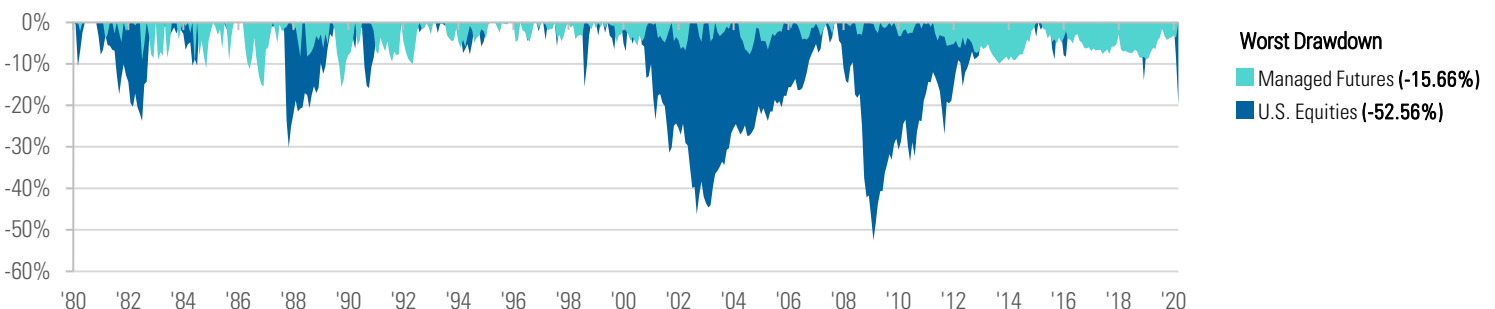


	Correlation	%
High	0.7 to 1.0	0.0%
Moderate	0.1 to 0.7	35.7%
None	-0.1 to 0.1	27.0%
Moderate Negative	-0.7 to -0.1	37.3%
Highly Negative	-1.0 to -0.7	0.0%
<b>Average</b>	<b>0.003</b>	

**Non-Correlated Example:**  
Overall outperformance and positive returns during periods of equity market turmoil.

## A Better Drawdown Profile: Historical Drawdowns for Managed Futures and U.S. Equities

Based on monthly return data for Barclay CTA Index (Managed Futures) and S&P 500 Price Index from January 1980 to March 2020. Source: Bloomberg LP.



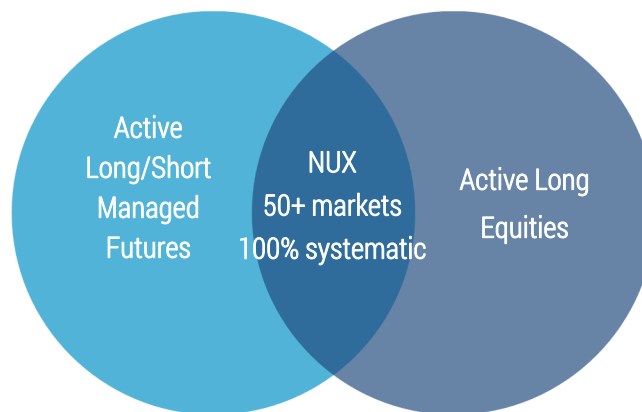
Source: Bloomberg LP.

## RATIONAL NUWAVE ENHANCED MARKET OPPORTUNITY FUND (NUXIX) (ACTIVE LONG EQUITIES + DIVERSIFIED MANAGED FUTURES)

- Seeks long-term capital appreciation by combining an actively managed U.S. equities component and a broadly diversified managed futures component, providing both long and short exposures across a wide variety of financial and commodity markets.
- Approximately, 75% of the Fund's assets are allocated to equity securities and 25% to commodity and financial futures, as well as cash and cash equivalents.
- Seeks to generate returns in excess of those derived from the S&P 500 Total Return Index (with the potential for less tail risk).
- NUXIX recorded gains of 3.00% for 2018, significantly outperforming the S&P 500 Total Return Index, while posting a sixth consecutive annual gain.

### Fund Investment Strategy

- Multi-model, actively-managed approach; "absolute return" strategy.
- Tactically trades both long and short across a diverse selection of liquid financial and commodity futures markets.
- Provides exposure to short-, intermediate- and long-term trading opportunities.
- Historically negatively correlated during stress periods for equities; a potential "shock absorber" for the portfolio.



- Actively-managed, quantitatively driven approach; trades an S&P 500 universe of large-cap U.S. equities.
- Provides dedicated long-only U.S. equity exposure; designed to closely track the S&P 500.

### Fund Portfolio Characteristics (Managed Futures Trend)

Pursues a multi-model approach to investing across a diverse selection of liquid financial and commodities markets in order to capture directional price behaviors.

Seeks to provide investors with trend exposure, as well as the potential for enhanced "alpha," through the systematic application of more than 200 individual trading models.

Provides exposure to short-, intermediate-and long-term trading opportunities without relying on simple momentum concepts.

Underlying trading models are selected based upon their individual risk/return characteristics, as well as their ability to smooth /diversify overall portfolio returns.

The successful use of futures and FX contracts draws upon the sub-adviser's skill and experience with the respect to such instruments and are subject to special risk considerations. The use of such derivatives and the resulting high portfolio turn-over may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives.

## Universe of Investments the Fund May Choose to Invest

Markets traded may include, but are not necessarily limited to, the following:

### Cash Equities

Diversified  
Universe of  
Large-Cap U.S.  
Equities

### Stock Indices

S&P 500  
Russell 2000  
Australian Shr Pr  
DAX 30  
FTSE 100  
CAC 40  
Nikkei 225  
TSE 60  
MIB  
IBEX 35  
TOPIX  
Hang Seng  
MSCI Taiwan  
S&P CNX Nifty  
KOSPI 200  
DJIA Index

### Fixed Income

Australian 10y Bds  
Euro Bund  
Tokyo JGB  
Long Gilt  
10 YR T-Notes  
Euribor  
Euro Dollar  
Short Sterling  
30 YR T-Bond

### Currencies

Australian Dollar  
British Pound  
Canadian Dollar  
Euro FX  
Japanese Yen  
Mexican Peso  
New Zealand Dlr  
South African Rnd  
U.S. Dollar Index

### Metals

Gold  
LME Aluminum  
LME Copper  
HGrade Copper  
Silver  
Platinum

### Energy

Brent Crude  
Crude Oil  
Gas Oil  
Heating Oil  
Natural Gas  
RBob Gasoline

### Agriculture

Corn  
Soybean  
Wheat  
Cotton  
Coffee  
Cocoa  
Live Cattle  
Lean Hogs  
Sugar  
Soy Meal  
Soybean Oil  
Feeder Cattle

## ABOUT NUWAVE INVESTMENT MANAGEMENT

**Troy W. Buckner** is the Founder and Managing Principal of NuWave Investment Management, LLC (“NuWave”). Mr. Buckner founded NuWave in 2000 and has for more than 15 years directly overseen the firm’s investment activities. Mr. Buckner’s primary responsibilities include the strategic management of the firm, as well as serving as Co-Head of Research. As the primary architect of NuWave’s investment style, Mr. Buckner remains intimately involved in the firm’s ongoing research efforts, as well as playing an active role in the design and implementation of NuWave’s proprietary modeling platform and trade execution infrastructure. Mr. Buckner’s extensive market experience is complemented by years of experience developing innovative investment methods. Prior to founding NuWave, Mr. Buckner had significant experience in the investment industry, having begun his career as an equities derivatives and portfolio sales specialist at Salomon Brothers, Inc. (1986–1989) before developing futures and equity based trading strategies at such firms as George E. Warren Corporation (1989–1991), Classic Capital (1994–1995) and Hyman Beck & Company (1995–2000). Mr. Buckner graduated Magna Cum Laude from the University of Delaware with a double major (finance/accounting) and a minor (economics) before earning his M.B.A from the University of Chicago.

**Craig A. Weynand** is the Chief Operating Officer and a Principal of NuWave Investment Management, LLC (“NuWave”). Mr. Weynand joined NuWave in March of 2009 and is directly responsible for the management and oversight of all aspects of the firm’s general business operations. Mr. Weynand began his career at Morgan Stanley and predecessors (1990–2003), where he held positions of increasing responsibility at various Morgan Stanley entities, culminating in the managerial oversight of CTA selection, manager due diligence, product development and performance reporting for the Managed Futures Department. Thereafter, Mr. Weynand served as General Counsel and a member of the Executive Management team at Campbell & Company, Inc. (2003–2005), where he was responsible for all aspects of legal affairs and regulatory compliance, as well as general oversight of the firm’s trade support and internal audit functions, before joining Graham Capital Management as Director of Investor Services (2006–2009), broadly overseeing the firm’s investor relations, marketing and product development efforts. Mr. Weynand received a J.D. from the Fordham University School of Law after earning a B.S. (double major in Marketing and International Business) and an M.B.A. from New York University’s Leonard N. Stern School of Business.

**NUXIX Performance (%): Ending March 31, 2020**

(Annualized if greater than 1 year)

	YTD	1yr	3yrs	5yrs	Inception*
Class I	-32.14	-22.37	-1.40	2.61	4.13
S&P 500 TR Index	-19.60	-6.98	5.10	6.73	9.62
SG CTA Mutual Fund Index	2.70	6.66	1.25	-2.16	0.69
Class A	-32.22	-22.62	n/a	n/a	-3.77
Class C	-32.31	-23.15	n/a	n/a	-4.48
S&P 500 TR Index	-19.60	-6.98	n/a	n/a	-0.35
SG CTA Mutual Fund Index	2.70	6.66	n/a	n/a	1.72
Class A w/ Sales Charge	-36.12	-27.05	n/a	n/a	-6.48

\*A&C Inception date: 02/28/2018, I Inception date: 03/31/2013

Maximum sales charge for Class A is 5.75%. Gross expenses are 3.70%, 4.45%, 3.36% for Class A, C, and I shares respectively. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. Results shown reflect the waiver, without which the results could have been lower. A fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. To obtain the most recent month end performance information or the Fund's prospectus please call 800-253-0412 or visit [www.RationalMF.com](http://www.RationalMF.com).

**Monthly Performance (Net of Fees): Ending March 31, 2020**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.19	-3.83	-29.57										-32.14
2019	5.35	0.98	2.19	2.59	-6.95	7.67	5.04	1.64	2.24	-0.45	2.99	-0.54	24.38
2018	1.78	-7.96	-0.73	0.94	0.80	1.72	2.53	8.35	2.10	-8.70	7.14	-3.55	3.00
2017	1.01	3.16	-1.47	3.42	2.46	-0.28	-3.29	0.49	-0.66	3.88	2.06	1.97	13.23
2016	1.16	7.29	-1.40	-0.81	-1.61	9.85	2.55	-2.33	1.22	-4.87	1.07	1.92	13.98
2015	-1.30	2.28	0.94	-3.63	1.33	-4.41	3.59	-5.95	4.03	2.41	5.73	-1.04	3.30
2014	-2.70	1.88	-0.63	1.48	-0.03	1.01	-1.81	4.16	1.24	0.71	2.69	-0.46	7.59
2013	-	-	-	2.92	-1.45	2.03	-0.81	-0.71	-0.63	-0.10	2.16	3.02	6.48

**Summary Statistics (Since Inception)**

<b>Compound Annualized Return</b>	4.13%
<b>Cumulative Return</b>	32.78%
<b>Percent Positive Months</b>	60.71%
<b>Annualized Standard Deviation</b>	16.31%
<b>Peak to Valley Drawdown</b>	-32.51%
<b>Average Monthly Gain/Loss</b>	0.89
<b>Sharpe Ratio (RF=1.0%)</b>	0.19

**Growth of \$1,000: Ending March 31, 2020**





## AWARD INFORMATION

<sup>i</sup> The HFM US Performance Awards showcase and reward those hedge funds and FoHFs that have outperformed their peers over the past 12 months and provide a platform to demonstrate these achievements in front of investors.

<sup>ii</sup> Investors Choice Top Performer award winners will be chosen based on their absolute returns in 2018 versus their peers. To decide the winners of the Investors Choice awards, institutional investors from around the world score the top performers on a range of qualitative criteria including investment processes, risk framework, transparency, team and ability to generate alpha. Judges review manager profiles and independently assign a score from 1 to 10 in each of the qualitative assessment areas for each fund. The winner is determined by combining the risk adjusted returns with the judges scores to determine the winner.

## IMPORTANT RISK DISCLOSURES

*Investing in the Fund carries certain risks. There is no assurance that the fund will achieve its investment objectives. The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives and the resulting high portfolio turn-over may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives. The Fund may experience losses that exceed those experienced by funds that do not use futures contracts, options and hedging strategies. Investing in commodities markets may subject the Fund to greater volatility than investments in traditional securities. Currency trading risks include market risk, credit risk and country risk. Foreign investing involves risks not typically associated with U.S. investments. Changes in interest rates and the liquidity of certain investments could affect the Fund's overall performance. The Fund is non-diversified and as a result, changes in the value of a single security may have significant effect on the Fund's value. When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities or derivatives owned by the Fund. Furthermore, the use of leveraging can magnify the potential for gain or loss and amplify the effects of market volatility on the Fund's share price. The Fund is subject to regulatory change and tax risks; changes to current rules could increase costs associated with an investment in the Fund. These factors may affect the value of your investment.*

*The Fund acquired all of the assets and liabilities of NuWave Equity Enhanced Fund, LP (the "Predecessor Fund") in a tax-free reorganization on March 1, 2018. In connection with this acquisition, shares of the Predecessor Fund were exchanged for Institutional Shares of the Fund. The Fund's investment objectives, policies, restrictions, and guidelines are, in all material respects, equivalent to the Predecessor Fund's investment objectives, policies, restrictions, and guidelines. The Fund's sub-adviser was the adviser to the Predecessor Fund. The financial statements for the Predecessor Fund can be found in the Fund's Statement of Additional Information. The performance information set forth above reflects the historical performance of the Predecessor Fund shares. From its inception date, the predecessor limited partnership was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act or the Code, if they had been applicable, it might have adversely affected its performance. In addition, the predecessor limited partnership was not subject to sales loads that would have adversely affected performance.*

*Performance of the predecessor fund is not an indicator of future results.*

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Rational Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (800) 253-0412 or at [www.RationalMF.com](http://www.RationalMF.com). The prospectus should be read carefully before investing. The Rational Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Rational Advisors, Inc. is not affiliated with Northern Lights Distributors, LLC.**



rationalfunds

For Professional Use Only