

Class A: RFXAX | Class C: RFXCX | Class I: RFXIX

## The Importance of Taking a Long-Term Outlook on This Senior Mortgage Bond Strategy

The **Rational Special Situations Income Fund (RFXIX)** seeks total return consisting of capital appreciation and income by investing in senior mortgage bonds. The focus on seasoned, senior, floating rate bonds reduces the two primary traditional risks associated with fixed income: credit risk and interest rate risk. Additionally, the fund's emphasis on special situations opportunities within the asset class historically provided asymmetric upside return potential, meaning that successful actions led to positive performance while unsuccessful actions result in baseline asset class returns. Special situations trades have included cases where bonds were being serviced incorrectly or cases where there were unusual features of the bond that the market failed to price.

RFXIX has had a history of significant outperformance with low correlation to the Bloomberg US Agg TR Index benchmark (only 0.13 since inception). We believe the key to successfully incorporating RFXIX into a portfolio is holding the strategy for the long-term.

## Rational Special Situations Income Fund

RFXAX | RFXCX | RFXIX



RFXIX rated 5 stars by Morningstar for the period ending 6/30/2024, based on 3-year risk adjusted returns, out of 316 funds in the Multisector Bond category.

## Rolling Returns for All Time Periods

Rolling 1-Year Return Analysis (Feb 2009 – June 2024)

	RFXIX	Agg
Number of 12-Month Periods	174	174
Average 12-Month Annualized Return	12.18%	2.50%
Best 12-Month Annualized Return	62.33%	11.68%
Worst 12-Month Annualized Return	-3.20%	-15.68%
Standard Deviation of 12-Month Periods	13.01%	5.13%
Profitable Periods (%)	94%	71%
Average Profitable Period Return (Annualized)	13.11%	4.90%
Unprofitable Periods (%)	6%	29%
Average Unprofitable Period Return (Annualized)	-1.54%	-3.44%

Rolling 3-Year Return Analysis (Feb 2009 – June 2024)

	RFXIX	Agg
Number of 36-Month Periods	150	150
Average 36-Month Annualized Return	10.80%	2.42%
Best 36-Month Annualized Return	28.83%	7.52%
Worst 36-Month Annualized Return	1.79%	-5.57%
Standard Deviation of 36-Month Periods	6.82%	3.02%
Profitable Periods (%)	100%	83%
Average Profitable Period Return (Annualized)	10.80%	3.55%
Unprofitable Periods (%)	0%	17%
Average Unprofitable Period Return (Annualized)	n/a	-3.24%

## Rolling Returns Excluding 2009 & 2010

The asset class had exceptionally strong returns in 2009 and 2010. Even excluding this, RFXIX has been a compelling investment opportunity.

Rolling 1-Year Return Analysis (Feb 2011 – June 2024)

	RFXIX	Agg
Number of 12-Month Periods	151	151
Average 12-Month Annualized Return	9.39%	1.86%
Best 12-Month Annualized Return	43.10%	11.68%
Worst 12-Month Annualized Return	-3.20%	-15.68%
Standard Deviation of 12-Month Periods	9.48%	5.17%
Profitable Periods (%)	93%	67%
Average Profitable Period Return (Annualized)	10.25%	4.49%
Unprofitable Periods (%)	7%	33%
Average Unprofitable Period Return (Annualized)	-1.54%	-3.44%

Rolling 3-Year Return Analysis (Feb 2011 – June 2024)

	RFXIX	Agg
Number of 36-Month Periods	127	127
Average 36-Month Annualized Return	8.79%	1.87%
Best 36-Month Annualized Return	21.86%	5.73%
Worst 36-Month Annualized Return	1.79%	-5.57%
Standard Deviation of 36-Month Periods	5.18%	2.89%
Profitable Periods (%)	100%	80%
Average Profitable Period Return (Annualized)	8.79%	3.12%
Unprofitable Periods (%)	0%	20%
Average Unprofitable Period Return (Annualized)	n/a	-3.24%

**There is no assurance that any investment strategy will generate profits or avoid losses.**

**Performance (%): Ending June 30, 2024**

Annualized if greater than a year

Share Class/Benchmark	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
<b>Class I</b>	<b>5.15</b>	<b>6.59</b>	<b>3.50</b>	<b>3.70</b>	<b>6.31</b>	<b>12.25</b>
Bloomberg US Agg TR Index	-0.71	2.63	-3.02	-0.23	1.35	2.62
Bloomberg MBS TR Index	-0.98	2.12	-2.92	-0.76	0.89	2.01
<b>Class A</b>	<b>5.03</b>	<b>6.34</b>	<b>3.25</b>	<b>3.44</b>	<b>6.05</b>	<b>11.98</b>
<b>Class C</b>	<b>4.66</b>	<b>5.57</b>	<b>2.49</b>	<b>2.68</b>	<b>5.26</b>	<b>11.14</b>
<b>Class A w/ Load</b>	<b>0.06</b>	<b>1.31</b>	<b>1.59</b>	<b>2.44</b>	<b>5.53</b>	<b>11.62</b>

\*Inception: 02/01/2009. The performance shown prior to July 17, 2019 is that of the Predecessor Fund, which reflects all of the Predecessor Fund's actual fees and expenses adjusted to include any fees of each share class.

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. 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).

The Fund's maximum sales charge for Class "A" shares is 4.75%. Gross expense ratios for the fiscal year were 2.07%, 2.76%, and 1.81% for Class A, C, and I share, respectively. Maximum Deferred Sales Charge of 1.00% on Class C Shares applies to shares sold within 12 months of purchase. 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.

Past performance is not a guarantee 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.

### Important Risk Considerations

Investing in the Fund carries certain risks. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. Investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategies. The Fund is subject to concentration risk. When the Fund invests in asset-backed securities and mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities. Interest rate risk is the risk that bond prices overall, including the prices of securities held by the Fund, will decline over short or even long periods of time due to rising interest rates. Bonds with longer maturities tend to be more sensitive to interest rates than bonds with shorter maturities. Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. Credit risk is the risk that the issuer of a security will not be able to make principal and interest payments when due. These factors may affect the value of your investment.

The Fund commenced operations by acquiring all of the assets and liabilities of ESM Fund I, L.P. (the "Predecessor Fund") in a tax-free reorganization on July 17, 2019 (the "Reorganization"). In connection with the Reorganization, investors in the Predecessor Fund received Institutional Shares of the Fund. The Fund's investment objectives, policies, guidelines and restrictions are, in all material respects, equivalent to those of the Predecessor Fund. However, the Predecessor Fund was not registered under the 1940 Act and, therefore, was not subject to certain investment restrictions, limitations and diversification requirements that are imposed by the 1940 Act or Subchapter M of the Internal Revenue Code, which, if they had been applicable, might have adversely affected the Predecessor Fund's performance. The Fund's Sub-Advisor was the investment adviser to the Predecessor Fund. The Fund's fees and expenses are expected to be higher than those of the Predecessor Fund, so if the Fund's expenses were applied to the Predecessor Fund's performance, the performance would have been lower.

RFXIX rated 5 stars by Morningstar for the Overall period ending 6/30/2024, based on risk adjusted returns, out of 316 funds in the Multisector Bond category. RFXAX and RFXCX also received 5-stars for the Overall and 3-year periods based on risk adjusted returns out of 316 funds in the Multisector Bond Category. © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life sub-accounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics.