



TACTICAL
FUND ADVISORS

2Q COMMENTARY 2024

www.tfafunds.com
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TFA Tactical Income Fund

Class I: TFAZX | Class A: TFALX

Sub-Advisor Commentaries

Heritage Capital Advisors, LLC

Synergy Asset Management, LLC



Performance

TFA Tactical Income Fund (Fund Inception 06/10/2019)

Performance

	2020	2021	2022	2023	YTD	1mo.	3mo.	6mo.	1yr.	3yr.	Since Inception (Annualized)
TFA Tactical Income I	2.99%	5.82%	-9.94%	-0.20%	-1.20%	0.74%	0.37%	-1.20%	0.00%	-3.72%	0.23%
Bloomberg Barclays US Aggregate Bond Index	7.51%	-1.54%	-13.01%	5.53%	-0.71%	0.95%	0.07%	-0.71%	2.63%	-3.02%	-0.01%
S&P 500 Total Return Index	18.40%	28.71%	-18.11%	26.29%	15.29%	3.59%	4.28%	15.29%	24.56%	10.01%	15.31%
Wilshire Target Income 10-Year Treasury +2% Index SM	3.75%	-0.77%									

Class A: TFAZX has a gross expense ratio of 2.23%

Class I: TFALX has a gross expense ratio of 2.48%

Performance Disclosure: The performance data quoted here represents past performance, pulled on 06/30/2024. 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. Since Inception performance is annualized. Past performance is no guarantee of future results. For performance data current to the most recent month end, please call 833-974-3787 or visit our website, www.tfafunds.com

**** Benchmark Disclosure:** Economic factors, market condition and investment strategies will affect the performance of any portfolio and there are no assurances that this strategy will match or outperform any particular benchmark. There also cannot be any assurance that any risk control and drawdown objectives can be met relative to the benchmark. Morningstar Multistrategy portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar's alternative category classifications, through either a single-manager or multi-manager approach. Funds in this category typically have a majority of their assets exposed to alternative strategies, but at a minimum, alternatives must comprise greater than 30% of the strategy's gross exposure. The category includes funds with static allocations to alternative strategies as well as those that tactically adjust their exposure to different alternative strategies and asset classes. Multistrategy funds typically aim to have low to modest sensitivity to traditional market indexes, although that may not be the case for strategies with lower alternatives allocations.

TFA Tactical Growth Allocat Fund

Class I: TFAFX | Class A: TFAEX

Sub-Advisor Commentaries

Heritage Capital Advisors, LLC

Howard Capital Management, LLC

Synergy Asset Management, LLC



Performance

Tactical Growth Allocation Fund (Fund Inception 06/10/2019)

Performance

	2020	2021	2022	2023	YTD	1mo.	3mo.	6mo.	1yr.	3yr.	Since Inception (Annualized)
Tactical Growth Allocation I	7.87%	16.18%	-24.14%	19.64%	13.35%	3.89%	4.58%	13.35%	19.12%	3.48%	5.94%
Wilshire Liquid Alternative TR USD**	3.19%	4.72%	-5.62%	4.42%	3.67%	0.30%	0.49%	3.67%	7.30%	1.37%	2.87%
Morningstar Mod Agg Tgt Risk TR USD	13.51%	14.04%	-15.48%	15.98%	5.71%	0.83%	0.28%	5.71%	12.92%	2.35%	7.93%

Class A: TFAFX has a gross expense ratio of 2.24%

Class I: TFAEX has a gross expense ratio of 2.49%

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TFA Quantitative Fund (TFAQX)

Sub-Advisor Commentary

Heritage Capital Advisors, LLC

Howard Capital Management, LLC



Performance

TFA Quantitative Fund (Fund Inception 05/18/2020)

Performance

	5/18/2020 - 12/31/2020	2021	2022	2023	YTD	1mo.	3mo.	6mo.	1yr.	3yr.	Since Inception (Annualized)
TFA Quantitative I	18.13%	11.02%	-25.15%	23.25%	17.52%	5.71%	6.66%	17.52%	21.83%	4.82%	8.92%
S&P 500 Total Return Index	28.51%	28.71%	-18.11%	26.29%	15.29%	3.59%	4.28%	15.29%	24.56%	10.01%	17.93%
Wilshire Liquid Alternative Index SM	9.30%	4.72%	-5.62%	6.19%	3.67%	0.30%	0.49%	3.67%	7.30%	1.37%	4.30%
Morningstar Agg Tgt Risk TR USD	32.49%	17.30%	-15.93%	18.30%	6.84%	0.80%	0.26%	6.84%	14.87%	3.47%	12.96%

TFAQX has a gross expense ratio of 3.16%

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TFA AlphaGen Growth Fund (TFAGX)

Sub-Advisor Commentary
Heritage Capital Advisors, LLC



Performance

TFA AlphaGen Growth Fund (Fund Inception 08/23/2021)

Performance

	8/23/2021– 12/31/2021	2022	2023	YTD	1mo.	3mo.	6mo.	1yr.	3yr.	Since Inception (Annualized)
TFA AlphaGen Growth I	1.80%	-21.36%	18.50%	13.36%	4.61%	5.03%	13.36%	19.59%	-	2.59%
S&P Target Risk Growth Index**	2.00%	-15.27%	15.38%	6.40%	1.27%	1.61%	6.40%	12.44%	2.49%	2.10%
S&P 500 Total Return Index	6.91%	-18.11%	26.29%	15.29%	3.59%	4.28%	15.29%	24.56%	10.01%	8.88%

TFAGX has a gross expense ratio of 2.08%

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Quarter in Review

AI-Focused Rally Steamrolls into Summer

Markets steamed higher during the second quarter, featuring the S&P 500 US large cap stock index up +4.4% ('SPY' Proxy ETF) for a third consecutive quarter of gains. Initially, there were concerns about rising interest rates due to an unexpected increase in the Consumer Price Index (CPI), which led to a rocky April. However, Jerome Powell, head of the Federal Reserve, reassured investors in May that rates wouldn't rise. Good news kept coming, including a May CPI report indicating falling inflation, with Powell then hinting at potential rate cuts this Fall. This, coupled with strong earnings from Artificial Intelligence linked technology companies like Nvidia, Advanced Micro Devices and Super Micro, pushed the S&P 500 to new record highs, up +15.2% year-to-date through the end of June.

However, the performance across other, more broad-based market indices was mixed. The Nasdaq and S&P 500, both large-cap, tech-heavy indices, performed well, while others like the Dow Jones Industrial Average and the small-cap focused Russell 2000 posted negative returns. Indeed, small-cap value companies as a group remained negative on the year. AI enthusiasm has continued to drive these differences, while non-tech sectors, such as financials and industrials, reflected growing concerns about economic growth.

In the bond market, shorter-duration bonds outperformed those with longer durations, reflecting expectations of imminent Fed rate cuts. Lower-quality, but higher-yielding "junk" bonds rose modestly, reflecting continued investor optimism towards corporate profits with odds of a September rate cut currently hovering near 90% (CME Group). For the quarter, the Bloomberg US Aggregate Bond index finished flat, and was slightly negative on the year at -0.7% ('AGG').

Portfolio Enhancements/Changes

As always, Heritage strategies continued to algorithmically adjust positioning during the quarter. However, there were no material changes to the portfolio approach. To review, Heritage employs multiple methodologies, multiple strategies, multiple managers, and multiple time frames. It is our belief that such an approach represents a more modern method of portfolio design and diversification.

Looking Forward

Headed into 2023, the trading tone has improved but the macro view remains uncertain. As usual, earnings will be especially important as to where markets go from here. Many reports including home sales, manufacturing, and services have slowed substantially all while jobs numbers have remained robust. However, strong jobs have led into recession before in the 1970s, so it would not be without precedent for a sharper slowdown to materialize (CNN, "Don't be fooled, a recession really is coming...", 1/13/23). However, China's reopening could likewise buoy the global economy, and the possibility of a "soft landing" remains plausible. If we do see a recession, it will certainly have been one of the most anticipated economic events in history. Speaking of which, the average historical recovery after years like 2022 has been +27.1%, with only two back-to-back down periods recorded since 1957. Time will tell what 2023 brings – meanwhile we remain flexible in our views with an eye towards capital preservation until markets further stabilize or an all-clear catalyst presents itself.

The views and opinions expressed herein are those of Heritage Capital Research and are subject to change without notice. The data and information provided is derived from sources deemed to be reliable but we cannot guarantee its accuracy. Investing in securities is subject to risk including the possible loss of principals.

Looking Forward

As we head into the third quarter, the overall outlook remains positive thanks to lower inflation, potential rate cuts, steady if slowing economic growth, and relatively strong earnings. However, risks remain including further slowing, disappointment if rates aren't cut, and surprise outcomes from the upcoming US elections. Importantly here, during national election cycles we often need to remind clients that our financial decision-making and our politics should likely remain separated for the best economic outcomes. Be assured we will continue to keep a close eye on the possibility of higher volatility into the elections.

However, should the fundamental backdrop change in any meaningful way, it is important to remember that our models are designed to reduce exposure to market risk and attempt to preserve capital during severely negative market environments.

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Important Disclosures

An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. There can be no assurance that the Fund will be successful in meeting its objectives. The risks associated with the Fund, detailed in the Prospectus, include the risks of investing in global stock and bond markets due to changes in currency exchange rates and unstable political, social, and economic conditions. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities. Investments in securities issued by smaller capitalization companies (including micro cap, small cap and mid cap) involve greater risk than investments in large capitalization companies. The value of securities issued by smaller capitalization companies may go up or down, sometimes rapidly and unpredictably, due to narrower markets and more limited managerial and financial resources than large cap companies. The Fund's investments in smaller capitalization companies may increase the volatility of the Fund's portfolio.

The fund is distributed by Matrix 360 Distributors, LLC , member FINRA/SIPC. There is no affiliation between Matrix 360 Distributors, LLC and Tactical Fund Advisors, LLC.

Tactical Fund Advisors, LLC, located at 11726 Seven Gables Rd, Symmes Township, Cincinnati, OH 45249, is an investment adviser registered with the Securities and Exchange Commission (SEC). Registration with the SEC as an investment adviser should not be construed to imply that the SEC has approved or endorsed qualifications or the services Tactical Fund Advisors, LLC offers, or that its personnel possess a particular level of skill, expertise or training. Additional information about Tactical Fund Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Risk Disclosures

Mutual Funds involve risk including the possible loss of principal. The Fund is new and has a limited history of operations. Therefore, limited performance information is presented for the Fund at this time.

The value of a specific security can be more volatile than the market as a whole, and can perform differently from the value of the market as a whole. The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results. Overall market risks may also affect the value of the Fund. Under certain market conditions the Fund may have significant investments in cash or cash equivalents.

Management Risk The portfolio managers' judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests or sells short may prove to be incorrect and there is no guarantee that the portfolio managers' judgment will produce the desired results. Additionally, the Adviser's judgments about the potential performance of the sub advisers may also prove incorrect and may not produce the desired results.

Model Risk Like all quantitative analysis, the sub advisers' investment models carry a risk that the mathematical models used might be based on one or more incorrect assumptions. Rapidly changing and unforeseen market dynamics could also lead to a decrease in short term effectiveness of the sub advisers' mathematical models. No assurance can be given that the Fund will be successful under all or any market conditions.

Options Risk There are risks associated with the sale and purchase of call and put options. As a seller (of a put option, the Fund will tend to lose money if the value of the reference index or security falls below the strike price. As the seller (of a call option, the Fund will tend to lose money if the value of the reference index or security rises above the strike price. As the buyer of a put or call option, the Fund risks losing the entire premium invested if the value of the reference index or security is below (above) the call (put) strike at maturity.

Portfolio Turnover Risk A higher portfolio turnover may result in higher transactional and brokerage costs associated with the turnover which may reduce the Fund's return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase the Fund's realized capital gains or losses, which may affect the taxes you pay as a Fund shareholder.

Short Position Risk The Fund may also take short positions, including shares of an ETF. A "short" position is, in effect, similar to a sale in which the Fund sells a security it does not own but, has borrowed in anticipation that the market price of the security will decline. The Fund must replace a short security position by purchasing it at the market price at the time of replacement. Therefore, the potential loss on a "short" position is unlimited.

Carefully consider the Fund's investment objectives, risks and expenses carefully before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 833-974-3787 by visiting www.tfafunds.com. Read the prospectus carefully before investing. Investing involves risk, including possible loss of capital.