



Accelerate Absolute Return Fund

What does the Fund offer?

The Accelerate Absolute Return Fund (the Fund) is a systematic long-short equity fund that seeks to **achieve attractive risk-adjusted returns with low correlation to the broad North American equity markets.**

The Fund aims to generate positive returns irrespective of market direction.

The Fund can hedge downside risk, manage volatility and provide uncorrelated returns.

Which Investors is the Fund Suitable for?

- Those seeking returns largely uncorrelated to the broader markets
- Those who want a tool to mitigate downside risk and lower volatility
- Those who prefer systematic, robust investment processes that are unaffected by manager emotion
- Those who want effective diversification from an alternatives exposure without compromising liquidity
- Those seeking equity like annualized long-term returns

How the Strategy Works

Buying Good Stocks (Long)

Our multi-factor model identifies a basket of stocks that are expected to outperform in the near term. These stocks are bought.

Selling Bad Stocks (Short)

Our multi-factor model identifies a basket of stocks that are expected to underperform in the near term. These stocks are sold short.

Unlike standard equity funds, the Fund has the ability to generate returns from both outperforming and underperforming stocks **simultaneously.**

The Fund is rebalanced monthly to ensure an investment portfolio that maximizes the potential for return.

For every dollar invested in the Fund, it generally has \$1.10 in long exposure and \$0.50 in short exposure.

How the Fund Invests

Equity - Long Exposure (Typically 110%)

Canadian and U.S. equities

Rationale

These positions can provide capital appreciation and are chosen based on the Fund's multi factor model. We believe these companies will outperform the broader market.

Equity - Short Exposure (Typically 50%)

Canadian Equities and U.S. Equities

Rationale

These short positions can provide capital appreciation regardless of market direction which can significantly mitigate portfolio drawdowns in adverse market conditions.

These positions are chosen based on the Fund's multi factor model. Cash raised by short selling stocks contributes to additional return through interest income.

Net Exposure

Generally the Fund will maintain a net exposure of 60%. The portfolio contains Canadian and US securities, however it will typically have more US exposure.

Details

Ticker: HDGE

Management Fee: 0%

Performance Fee: 20% of outperformance over a high watermark

Fund Rebalance: Monthly

Risk Classification: Medium



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How do you use the Fund in a portfolio?

The Fund offers beta-neutral equity exposure and comparable returns to the broader North American equity market with less than equity volatility. It is also largely uncorrelated to the equity market and provides diversification benefits. Investors enjoy equity returns but are often emotionally driven to sell or modify their equity positions during extremely turbulent markets. HDGE helps alleviate this.

In addition, Investment Advisors may be tempted to exit equity positions when they feel markets are due for a correction. The Fund seeks to help alleviate those situations by smoothing or growing overall investment value during normal market conditions and protecting investment value during more severe market conditions. The Fund's short positions may lead to strong positive performance when the broad market is declining.

The Fund's goal is to help create an overall more comfortable investment experience for investors. In turn, this will keep them invested and maximize the chance for success. We believe it works best as a meaningful part of your overall equity allocation in a diversified portfolio.

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DISCLAIMER: Past performance is not indicative of future results. Performance is net of all estimated trading fees and performance fees. Investing involves varying degrees of risk and there can be no assurance that the future performance of any investment strategy will be profitable. This does not constitute investment advice. For a full list of securities, please go to www.AccelerateShares.com.