



ABRAHAM
TRADING COMPANY

Fortress Fund Letter to Shareholders

Salem Abraham, President
Abraham Trading Company
2nd & Main St, Canadian, TX 79014

July 1, 2022

Fellow Investors,

Our January letter to investors included the following: “Although interest rates and volatility present risks for equities, the diversifying strategies in the Fortress portfolio can benefit from market dislocation and may prove instrumental in navigating market turbulence. With our 30 plus years of experience in the alternatives space, we believe our team can provide insight and guidance to investors that want to diversify their investments beyond stocks and bonds. It’s always a good time to be diversified, and any battle is fought more successfully with veterans. We appreciate your investment with us. We look forward to navigating the market opportunities and perils ahead.” (Read the full letter [here](#).)

In many ways, that tells the tale of the first six months of 2022. As of June 30, 2022, Abraham Fortress Fund Class K Shares were down -3.86% YTD. The key factors that helped us outperform the market were (1) Lighter exposure to stocks than the average portfolio, (2) The inclusion of the diversifying strategies in the Fortress portfolio, and (3) Opportunistic hedges and active risk management.

(Letter continued on next page...)

	MTD (as of 06/30/22)	QTD (as of 06/30/22)	YTD (as of 06/30/22)	1 Year (through 06/30/22)	3 Year (through 06/30/22)	Since Inception (7/1/18 to 06/30/22)
Fortress Class K Shares	-3.48%	-5.72%	-3.86%	-0.54%	8.54%	6.21%
70/30 Blended Index ²	-6.37%	-12.44%	-17.26%	-13.99%	4.34%	4.92%
MSCI ACWI Index ³	-8.43%	-15.66%	-20.18%	-15.75%	6.21%	6.09%
U.S. Bond Index ⁴	-1.57%	-4.69%	-10.35%	-10.29%	-0.93%	1.20%

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted. For the most recent month-end performance information, please visit our website at www.abrahamtrading.com.

Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses. An investment of this nature is subject to a risk of loss. ¹Performance between 07/01/2018 and 10/13/2021 is from the Abraham Fortress Fund, LP, a Delaware Limited Partnership (the “Predecessor Fund”). Performance beginning on 10/14/2021 is for the Abraham Fortress Fund, an SEC-registered open-end mutual fund (the “Fund”). The Fund’s objectives, policies, guidelines, and restrictions are materially equivalent to those of the Predecessor Fund. Fortress Class K performance reflects proprietary performance from 7/1/2018 through 4/30/2021, when Salem Abraham’s proprietary investments represented over half of the fund’s assets. ²70/30 Portfolio uses 70% MSCI ACWI Index and 30% US Aggregate Bond Index, and its statistics used in the tables above reflect no deductions for fees, expenses, or taxes. ³MSCI ACWI is MSCI’s global stock index, and its statistics used in the tables above reflect no deductions for fees, expenses, or taxes. ⁴US Aggregate Bond is the US Aggregate Bond Index, a broad-based flagship benchmark that measures the investment grade USD-denominated fixed-rate taxable bond market, and its statistics used in the tables above reflect no deductions for fees, expenses, or taxes. Gross expense ratio: 0.74%, Net expense ratio: 0.65%. Please review fees and expenses in the prospectus. Actual expenses may differ. You may pay fees, such as commissions, which are not reflected here. The Fund has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses do not exceed 0.65% for K shares, effective until 10/13/23.

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Factor #1: Anyone familiar with our investment philosophy knows that we believe portfolios with 70-80% stock exposure are risky and poorly diversified. The Fortress Fund will generally have 30-60% in equities, and its current exposure sits at 42.5%. Fixed income exposure is approximately 15%, and our diversifying strategies exposure is 20%, leaving 20.5% in short-term T bills. It's important to remind everyone that the portfolio contains some leverage in the diversifying strategies bucket, and some of our equity exposure is achieved through treasuries combined with equity index futures¹, which also has leverage. When you read our semi-annual reports, you will see what appears to be high exposure to short-term T bills. However, those T-bills are often used to reduce leverage in other positions and can help fund stock index futures position¹. As ex hedge fund traders, we are familiar with the strategic use of derivatives, futures, and options.¹ The Fortress Fund benefits from that experience.

Given the discussion in the prior paragraph, I want to highlight the name of our firm. Abraham Trading Company is a peculiar name in the mutual fund space because of the word "trading." Most groups use the term "investment management." However, our team and investment philosophy grew out of trading skills and principles. We are proud of our company's trading heritage, and we believe it is an asset for portfolio building and management. The first two quarters of this year have given us an opportunity to show why our background is well suited for the current market environment. During tumultuous markets, it's important to have an experienced investment team who can be nimble when necessary.

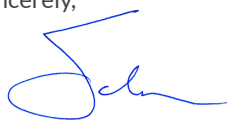
This leads us to Key Factor #2. We could not be more pleased with the diversifying strategies portion of the Fortress portfolio. This third pillar of the Fortress portfolio is designed to behave independently from the stock and bond markets, especially during volatile market downturns. We were happy to see this group of investments produce profits and offset losses from our stock and bond allocations. The first six months of 2022 clearly demonstrated why we believe diversification should be the bedrock principle of every portfolio and why we feel traditional stock/bond portfolios with heavy stock weightings are particularly unwise in today's markets.

Finally, we come to Key Factor #3. Risk management is in the DNA of our team and the Fortress Fund's investment philosophy. The ocean floor is littered with the bodies of investors who did not respect risk, failing to trim their sails or change course in the face of a storm. You don't drive the same speed when roads ice over. Why wouldn't we make adjustments in dangerous markets? In late January, with Russia reassuring Ukraine that they were only conducting military exercises, we reduced the fund's stock exposure from 50% down to 42.5%. Market volatility had picked up, and we felt it was prudent to have less equity exposure. In January, we also put on a small 5% long position in Brent Crude Oil futures. Our team has traded the crude oil market and almost every commodity market for over three decades. We liked the long position in crude oil. We also felt it could serve as an effective hedge that may profit if Russia invaded Ukraine, ideally offsetting some equity losses. Put options¹ on stock indexes were priced like flood insurance in New Orleans before a hurricane, so that was out of the question. We thought the crude oil position was a strategic and low cost partial hedge. That position was closed out and replaced with a long WTI Crude position in the December futures contract. We believe that this small position will continue to help counterbalance some equity exposure going forward. Also, longtime Fortress investors know that we typically have a long gold futures position of 0-10%. It has been at approximately 10% all year.

In short, this year has demanded trading agility and deep macro experience across all asset classes, particularly alternatives. Over the next 6 months, we believe investors will run the gauntlet in all asset classes amid sustained market volatility. Stock and bond portfolios were the golden goose for decades, but they are not always a recipe for steady profits, a smooth ride, or peaceful sleep. The answer to the puzzle before us is not in the rearview mirror. The market environment over the past three years shows how portfolios can potentially benefit from the broader diversification found in the Fortress Fund.

Past performance is no guarantee of future results, and diversification neither assures a profit nor guarantees against loss in a declining market. We have made missteps in the past, and our team knows we will make missteps again. However, the broad diversification of the Fortress Fund and the deep experience of our team means we can confidently embark on the journey ahead. We have not had any sleepless nights or upset stomachs thinking about our investments. In many ways, the team has enjoyed putting the portfolio to the test. Remember, our money is invested alongside yours. We appreciate your partnership and the confidence you have placed in us. Please call with any questions you may have.

Sincerely,



Salem Abraham, President

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RISKS OF INVESTING

The fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (806) 323-8000, or visiting www.abrahamtrading.com. Read it carefully before investing.

There is no guarantee that any investment will achieve its goals and generate profits or avoid losses. Investors should carefully consider investment objectives, risks, charges, and expenses of the investment company and the Abraham Fortress Fund before investing. Diversification does not assure a profit nor protect against loss in a declining market.

Mutual fund investing involves risk; principal loss is possible. Investments in debt securities involve credit risk and typically decrease in value when interest rates rise. Investments in lower rated and non rated securities involve greater risk. Investments in foreign securities involve political, economic, and currency risks, greater volatility, and differences in accounting methods. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management, and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The Fund may use leverage which may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the Fund to be more volatile than if leverage was not used. The Fund invests in small and mid-cap companies, which involve additional risks such as limited liability and greater volatility than large-cap companies. Investments related to gold are considered speculative and are affected by a variety of worldwide economic, financial, and political factors. The price of gold may fluctuate sharply over short periods of time, even during periods of rising prices. Full descriptions of risk factors can be found in the fund's prospectus at this link.

Shares of the Fund are only offered by current prospectus and are intended solely for persons to whom shares of the US registered funds may be sold. This document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of shares of the Fund in any jurisdiction in which such offer, solicitation, or sale would be unlawful. The SEC and the Commodity Futures Trading Commission have not approved or disapproved these securities or passed upon the accuracy or adequacy of this information. Any representation to the contrary is a criminal offense. There can be no assurance that the Fund will achieve its investment objectives. Before you decide to invest in the Fund, carefully consider these risk factors (described in the prospectus at this link), which may cause investors to lose money:

- Government-sponsored entities risk
- Foreign sovereign risk
- Interest rate risk
- Market risk
- Equity risk
- Fixed income securities risk
- Indirect fees and expenses risk
- Tax risk
- Leveraging risk
- Derivatives risk
- Cybersecurity risk
- Limited operating history
- Asset segregation risk
- Subsidiary risk
- Recent market events
- Currency risk
- ETF risk
- Gold risk
- Government-sponsored entities risk

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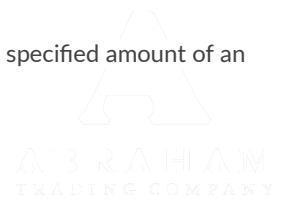
DEFINITIONS¹

Derivatives – Refers to a type of financial contract whose value is dependent on an underlying asset, group of assets, or benchmark.

Futures – Futures are derivative financial contracts that obligate parties to buy or sell an asset at a predetermined future date and price. The buyer must purchase or the seller must sell the underlying asset at the set price, regardless of the current market price at the expiration date. Underlying assets include physical commodities and financial instruments. Futures can be used for hedging or trade speculation.

Options – An option refers to a financial instrument that is based on the value of underlying securities such as stocks. An options contract offers the buyer the opportunity to buy or sell the underlying asset. Unlike futures, the holder is not required to buy or sell the asset if they decide against it. Options are used for hedging, income, or speculation.

Put Options – A put option is a contract giving the option buyer the right, but not the obligation, to sell a specified amount of an underlying security, at a predetermined price within a specified time frame.



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