October 31, 2026
Mutual Fund Report - Alternative Arbitrage I (ARBNX)

MAINSTREET ADVISORS

FUND STRATEGY DESCRIPTION

The Arbitrage fund employs a event-driven strategy focused on capturing the price "spread" in announced corporate mergers and acquisitions. The process begins with rigorous fundamental analysis of publicly announced deals, where the investment team evaluates regulatory hurdles, shareholder approvals, and financing contingencies to determine the probability of a successful closing. Once a deal is selected, the fund typically purchases shares of the target company at a discount to the acquisition price. In stock-for-stock transactions, the team simultaneously shorts the acquiring company's stock to hedge against market fluctuations and isolate the deal premium. Risk management is central to the process; the team maintains a highly diversified portfolio to mitigate the impact of "deal breaks," where a transaction fails and the target's stock price drops.

FUNDAMENTALS

Morningstar Category:	Event Driven
Morningstar Rating:	* * *
Morningstar ESG Risk Rating:	* * *
Expense Ratio:	1.46%
Total Assets (Mil):	$874
12 Month Yield:	0.44%
Turnover Ratio:	220%
Number of Holdings:	87
Initial Minimum Investment:	$100,000
Redemption Fees:	None

PERFORMANCE*	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Arbitrage I	4.0%	6.0%	6.4%	4.0%	3.8%
Wilshire Liquid Alternative Event Driven	2.0%	2.9%	4.3%	2.2%	2.8%
Event Driven Category	3.7%	4.6%	7.2%	4.0%	4.7%
% Rank within Category	37%	33%	39%	49%	73%

Inception Date: 10-17-2003

THREE YEAR RISK MEASURES	ARBNX	MORNINGSTAR CATEGORY	WILSHIRE LIQ EVENT DRIVEN
Standard Deviation	2.52	4.03	2.50
Sharpe Ratio	0.69	0.59	-0.10
R-Squared vs. Wilshire Liq Event Driven	34.09	53.56	
Beta vs. Wilshire Liq Event Driven	0.59	0.71	
Alpha vs. Wilshire Liq Event Driven	1.88	2.12	
Correlation vs. Wilshire Liq Event Driven	0.58	0.73	

*Past performance is no guarantee of future results. Periods of greater than one year are annualized total return; returns for periods of one year or less are total return.

Disclosure

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Please carefully read fund prospectus and consider investment objectives, risks, charges, and expenses before investing as there is a possibility of loss. To obtain a current prospectus please contact MainStreet Advisors.

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