

KCM Macro Trends Fund



LONG/SHORT EQUITY

CLASS R1: KCMTX • CLASS I: KCMIX

Investment Objective

The fund pursues long-term growth of capital through a portfolio invested across global asset classes, long or short, while managing volatility and market risk.

Identifies opportunities to adjust with the market

We use quantitative methods to identify market opportunities and can dynamically reallocate by hedging as market conditions change.

Focus on downside risk management

We invest in asset classes intended to generate returns that are less correlated to the overall direction of markets in an effort to mitigate downside risk.

Portfolio Management

Marty Kerns, Since Inception
Parker Binion, Since 1/31/16

Fund Information

	KCMTX	KCMIX
Fund Inception	8/4/08	3/20/17
Total Net Assets (\$ in millions)	88.2	
Number of Holdings	69	
Load Type	None	None
Minimum Investment	\$5,000	\$250,000
Expense Ratio	1.65%	1.40%
Turnover Rate	318%	
CUSIP	66537T430	66539A827

Top 10 Holdings (%)¹

Consumer Staples Select Sector SPDR Fund	5.70
Consumer Discretionary Select Sector SPDR Fund	3.93
Anthem Inc	3.77
Caterpillar Inc	3.62
Goldman Sachs Group, Inc.	3.19
American Express Co	3.16
International Business Machines Corp	2.99
McDonald's Corp	2.98
Wal-Mart Stores Inc	2.80
United Technologies Corp	2.59
% of Total Net Assets	Top 10: 34.66

Top Sectors (%)

Consumer Discretionary	22.91
Financials	18.51
Technology	16.40
Health Care	13.40
Consumer Staples	12.67
Industrials	7.81
Materials	2.67
Telecommunications	2.34
Real Estate	1.51
Utilities/Energy	-
Cash	1.36

Morningstar Rating²



Morningstar Rankings (Multialternative category)

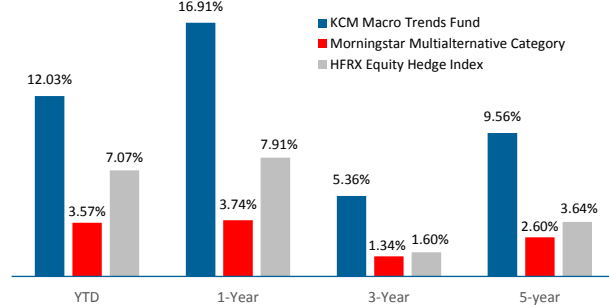
	1 yr.	3 yrs.	5 yrs.	10 yrs.
Fund ranking (percentile)	1	5	1	N/A
No. of Funds in category	364	234	147	N/A

Performance vs. Key Benchmarks

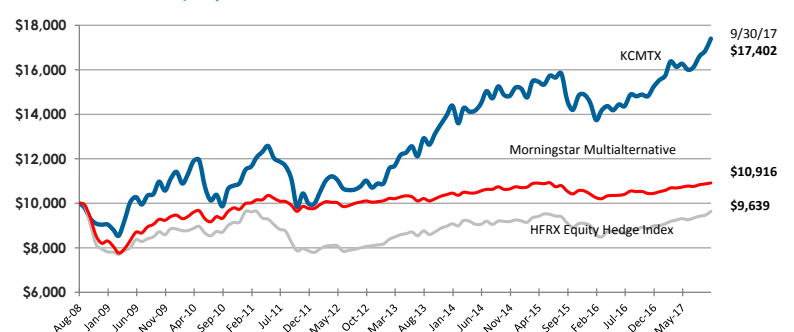
	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.	Since Inception (8/4/08)
KCM Macro Trends Fund	12.03%	16.91%	5.36%	9.56%	N/A	6.24%
Morningstar Multialternative Category	3.57%	3.74%	1.34%	2.60%	N/A	0.96%
HFRX Equity Hedge Index	7.07%	7.91%	1.60%	3.64%	N/A	-0.40%

Performance data shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data shown. Please call 800.945.2125 for performance data current to the most recent month end. The fund's total annual operating expense ratio is 1.65%. The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features.

Consistently Outperformed its Morningstar Category and Benchmark Index



Performance of a \$10,000 Investment



1. The top 10 holdings and top sectors are by size, and may not be representative of the fund's current or future investments and may change at any time. 2. The overall Morningstar rating is derived from a weighted average of three-, five- and 10-year rating metrics, as applicable, excluding sales charges and including fees and expenses. The top 10% of funds in a category receive five stars, the next 22.5% four stars, the next 35% three stars, the next 22.5% two stars and the bottom 10% one star. KCMTX was rated against 253 and 154 U.S.-domiciled Multialternative funds for the three- and five-year periods ending 9/30/17. KCMTX received Morningstar ratings of five stars for the three-year period, and five stars for the five-year period. The KCM Macro Trends Fund is distributed by Northern Lights Distributors, LLC. Kerns Capital Management, Inc. and Northern Lights Distributors, LLC are not affiliated. The Morningstar Multialternative Category includes funds that have a majority of their assets exposed to alternative strategies, including long/short strategies, and can include funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. Source: Morningstar, Inc. The HFRX Equity Hedge Index is an unmanaged index designed to measure daily performance representative of long-short equity hedge funds. Source: Hedge Fund Research, Inc.

Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus, which contains this and other important information about the fund, visit www.kernscapital.com. Read the prospectus carefully before investing.

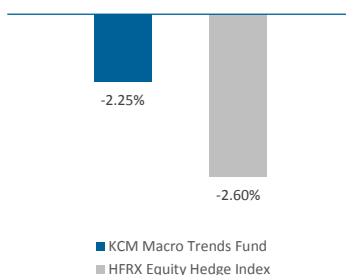
Not FDIC insured • No bank guarantee • May lose value

Kerns Capital Management, Inc.
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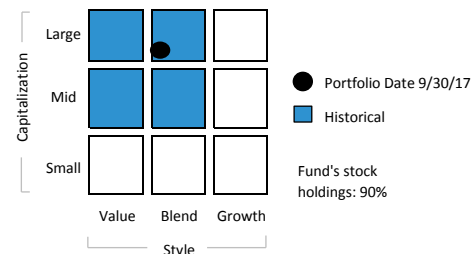
Risk Measures vs. HFRX (3-Year)

	Class R1
Alpha	3.12
Beta	1.40
R-Squared	0.61
Correlation	0.78
Sharpe Ratio	0.58
Standard Deviation	9.23

Maximum Drawdown (1-Year)



Style Map



Opportunity Set ¹

Asset Classes	Equity, Fixed Income, Commodities, REITs, Currency, Alternatives
Holdings	Equity Securities, Bonds, ETFs, Options, Futures

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.31	4.04	-1.48	0.87	-1.64	0.71	3.00	1.53	3.24				12.03
2016	-5.33	3.12	1.39	-1.28	1.82	-0.51	3.59	-0.49	0.50	-0.49	2.82	2.00	7.00
2015	-2.58	4.88	-0.08	-0.87	2.63	-0.54	1.17	-7.63	-2.92	4.55	0.25	-2.46	-4.19
2014	-5.53	5.03	-1.10	0.32	2.22	3.87	-2.16	3.66	-2.50	-0.30	2.50	-0.33	5.26
2013	6.23	0.96	4.16	0.92	2.31	-3.55	6.61	-2.20	3.93	3.24	2.84	3.24	32.15
2012	5.36	4.61	1.84	-1.35	-3.56	-0.66	0.19	1.33	2.44	-2.84	1.70	0.02	9.03

Fund Managers



Martin L. Kerns, II
B.B.A., University of Texas at Austin
J.D., South Texas College of Law



Parker B. Binion
A.B., Duke University
J.D. with Honors,
University of Texas at Austin

DEFINITIONS AND IMPORTANT INFORMATION

1. **Opportunity Set** represent the fund's potential investment universe, and may not be descriptive of the fund's current holdings. **Alpha** is a risk-adjusted, annualized performance measure relative to a fund's benchmark. A positive (negative) alpha indicates stronger (poorer) fund performance than predicated by the fund's level of risk measured by beta. We assume a risk-free rate of 0%. **Beta** is a measure of the volatility of a fund relative to its benchmark index. A beta greater (less) than 1 is more (less) volatile than the index. **Correlation** is a measure of how investments move in relation to one another. **Drawdown** is the peak-to-trough decline during a specific recorded period. **Gross Expense Ratio** is the total annual fund or class operating expense ratio from the most recent prospectus (before waivers or reimbursements) and is generally based on amounts incurred during the most recent fiscal year. **HFRX Equity Hedge** strategies maintain positions both long and short in primarily equity and equity derivative securities. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus. **Long** is the buying of a security such as a stock, commodity or currency with the expectation that the asset will rise in value. **Management Fee** is the fee paid by the fund to Kerns Capital Management, Inc. for managing its investments and business affairs. **Morningstar Averages** represent the average return of all funds within their respective fund investment category. The number of funds in each category periodically changes. Each Morningstar Average reflects the performance (excluding sales charges) of funds with similar objectives. **Net Expense Ratio** is the total annual fund or class operating expense ratio from the most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses for no less than one year from the effective date of the fund's registration statement. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. **R-Squared** measures how a fund's performance correlates with a benchmark index's performance and shows what portion of it can be explained by the performance of the overall market/index. R-Squared ranges from 0, meaning no correlation, to 1, meaning perfect correlation. An R-Squared value of less than 0.5 indicates that annualized alpha and beta are not reliable performance statistics. **Relative Volatility** compares a fund's volatility to a benchmark index. A relative volatility greater (less) than 1 means the fund's returns have been more (less) variable. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. The higher the ratio, the better the fund's return per unit of risk. We assume a risk-free rate of 0%. **Standard Deviation** measures the historical volatility of a fund. The greater the standard deviation, the greater the fund's volatility. We report annualized standard deviation by multiplying monthly deviation by the square root of 12. **Short** is a sale that is completed by the delivery of a security borrowed by the seller. Short sellers assume they will be able to buy the stock at a lower amount than the price at which they sold short. **Style Maps** estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each Style Map. The position of the most recent publicly released full holdings is denoted on the Style Map with a dot. Historical Style Map characteristics are calculated for the shorter of either the past three years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. **Turnover Rate** is the lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund. • It is not possible to invest directly in an index. All market indices are unmanaged. • Third-party trademarks and service marks are the property of their respective owners. • Information provided is unaudited.

Mutual funds involve risk including possible loss of principal. The fund may invest in small, less well-known companies, which may be subject to more erratic market movements than large-cap stocks; foreign securities, which are subject to currency fluctuations and political uncertainty; and derivative securities, which may carry market, credit, and liquidity risks. The fund may also engage in short selling activities, which are more risky than long positions because the potential loss on a short sale is unlimited. The fund may use leveraging and/or hedging techniques that could fail if changes in the value of the derivative do not correlate with the securities being hedged. These risks may result in greater share price volatility.

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