

The stock market didn't waste any time continuing its bullish ways as the New Year got underway. Stocks immediately started higher out of the gate, and continued that way up until about the last week of the month when they experienced a mild pullback.

There continue to be pockets of excess in the market, as well as specific examples of true manias. We can't recall seeing anything quite like the Reddit-induced short squeeze that took GME to the moon last month. There were other stocks involved of course, but GME will be remembered as the poster child for this crazy market interlude, and will likely be the culprit that will lead to plenty of Congressional hearings to "figure out the matter".



Past performance does not guarantee future results

While some large, long/short equity funds suffered enormous losses on their short positions, rest assured that our Fund was unaffected by the shenanigans. One of the specific reasons we cited when launching our Fund that we would not short individual stocks was that we didn't want to always be focused on which *other funds* were short our names, and how a manufactured short squeeze might affect our risk management.

There doesn't seem to be a lot of alpha being produced by short-sellers in recent years. At ACM, we prefer to add alpha with our long picks, and utilize hedges via shorting liquid index ETFs to manage our risk and adjust our net market exposure. Having a rules-based hedge model has served us in good stead over the last 6+ years, and produced a consistent track record of prudent risk management and a focus on minimizing downside risk. Not having a consistent process is likely one of the reasons that roughly 2/3's of the long/short equity funds in the Morningstar category since 2015 have closed their funds. (Per Morningstar, the number of long/short equity funds in 2015 was 439, and the number funds in the category currently with 5-year track records is just 148)



ACM Dynamic Opportunity Fund

Monthly Commentary

January 2021

Our *dynamic hedge model* entered the year targeting 100% net long exposure, and ended the month targeting 75% long exposure. The model has been correctly signaling to stay materially net long for a few months now. Still, we continue to monitor it daily and are well prepared to add to hedges quickly when the models start to pick up on deterioration in the underlying trends in the market.

Portfolio winners last month came more from individual stock selection as opposed to sector allocation. Outsized gains were seen in select cannabis names, renewable energy, and communications stocks. Laggards were a mix of payroll processors, credit card companies, and logistics stocks.

The **ACM Dynamic Opportunity Fund** (ADOIX) returned +2.63% in January, outperforming all of its relevant benchmarks. The HFRX Index returned -1.04% last month, while the Morningstar Long/Short category declined by -0.69%. The Fund also outperformed the broad market, with the S&P 500 declining -1.11% to start the year.

Thank you for your continued support. Stay safe out there.

Sincerely,

Jordan L. Kahn, CFA
Chief Investment Officer

Sources: Standard & Poor's, Stockcharts.com, Morningstar



ACM Dynamic Opportunity Fund

Monthly Commentary

Defined Terms: S&P 500 Index- The S&P 500 index is an unmanaged composite of large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. HFRX Equity Hedge Index– tracks strategies that maintain positions both long and short in primarily equity and equity driven securities. Morningstar Long/Short Equity Category- A composite of returns produced by Morningstar which can be used to compare the returns of other mutual funds in the same category. Long– the holder of the position owns the security and will profit if the price of the security goes up. Short-Short selling is the sale of a security that is not owned by the seller, or that the seller has borrowed. Short selling is motivated by the belief that a security’s price will decline, enabling it to be bought back at a lower price to make a profit. Derivative hedge – transaction that limits investment risk with the use of derivatives such as option contracts.

Investors are not able to invest directly in the indices referenced and unmanaged index returns do not reflect any fees, expenses or sales charges. For current performance information, please visit our performance page: <http://acm-funds.com/dynamic-fund-performance/>

There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

ETF’s are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

Investors should carefully consider the investment objectives, risks, charges and expenses of the ACM Dynamic Opportunity Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1- 844-798-3833. The prospectus should be read carefully before investing. The ACM Dynamic Opportunity Fund is distributed by Northern Lights Distributors, LLC, member.”<http://www.finra.org/>” FINRA. “<http://www.sipc.org/>” SIPC. Northern Lights Distributors, LLC and Ascendant Capital Management, LLC are not affiliated.

Portfolio Management



Jordan L. Kahn, CFA
Chief Investment Officer
Mr. Kahn has 25 years of experience in the investment industry serving as a senior portfolio manager, equity research analyst, and investment consultant. Mr. Kahn received his Master's of Science in Financial Markets and Trading from the Stuart School of Business at the Illinois Institute of Technology.



Alan Savoian
Portfolio Manager
Alan has over 26 years of investment experience serving as a senior portfolio manager and equity analyst. Alan spent 18 years at William O'Neil & Co., where he successfully managed equities for the firm's proprietary portfolios.

Fund Profile As of 1/31/2021

Inception Date 01/20/2015
Net Assets 92.3m
Style Hedged Equity
Benchmark HFRX Eq. Hedge Index

Risk Metrics As of 1/31/2021

Beta (3-year) 0.44
R-Squared .53
Standard Deviation 11.29
Treynor Ratio 13.75

Fund Overview

We strive to help our investors participate in the gains available from financial markets, while mitigating the downside risk

The ACM Dynamic Opportunity Fund is designed as a core investment for investors seeking long term capital appreciation with a short-term focus on capital preservation. The fund employs a dynamic strategy, which aims to actively participate during a rising market environment and mitigate downside risk when markets experience downturns.

Performance

As of 1/31/2021

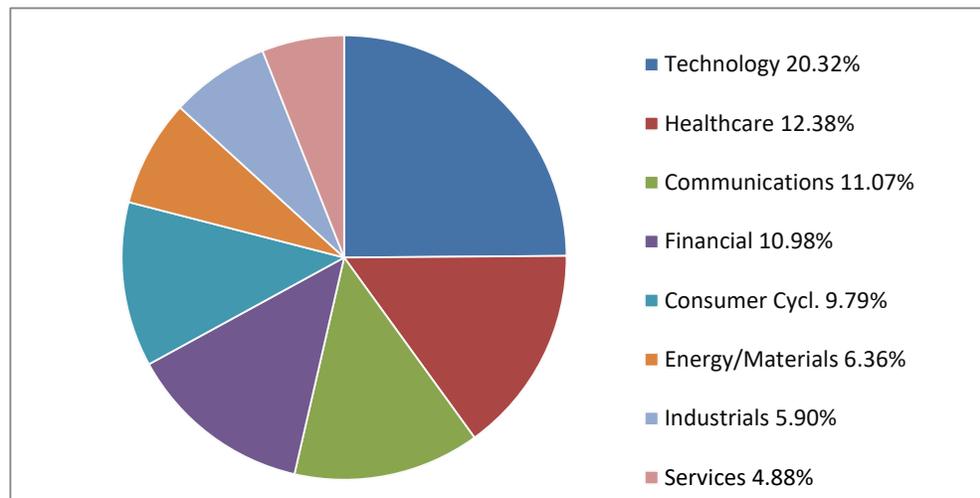
	1-mth	3-mth	YTD	1 Yr*	3 Yr*	5 Yr*	Since Inception*
ADOIX	2.63%	11.38%	2.63%	22.47%	7.46%	6.87%	6.75%
HFRX Eq Hedged	-1.04%	7.23%	-1.04%	4.60%	1.60%	2.92%	2.17%
Morningstar L/S Category	-0.69%	8.53%	-0.69%	7.89%	4.00%	5.07%	3.37%
S&P 500	-1.11%	13.59%	-1.11%	16.26%	12.00%	12.94%	10.97%

*As of 12/31/20

The fund's maximum sales charges for Class "A" shares is 5.75%. Investments in mutual funds involve risks. Performance is historic and does not guarantee future results. Investment principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the Fund's prospectus please call the Fund at 1-844-798-3833. You can also obtain a prospectus at www.ACM-funds.com. Gross expense ratios are 1.95% for Class A shares and 1.70% for Class I shares. The Adviser has contractually agreed to reduce its fees and reimburse expenses of the Fund, at least until April 30, 2021, to ensure that the net annual fund operating expenses will not exceed 2.40% for Class A shares and 2.15% for Class I shares. These fee waivers and expense reimbursements are subject to possible recoupment from each Fund within three years after the fees have been waived or reimbursed. You should be aware that the Fund's past performance (before and after taxes) may not be an indication of how the Fund will perform in the future. Although Class A shares would have similar returns to Class I shares because the classes are invested in the same portfolio of securities, the returns for Class A shares are different from Class I shares because Class A shares have different expenses than Class I shares. Updated performance information is available at no cost by visiting www.ACM-funds.com or by calling 1-844-798-3833. Actual Total Annual Operating Expenses of 1.95% for Class A and 1.70% for Class I from the prospectus.

Sector Weightings

As of 1/31/2021



There is no assurance that the Fund will achieve its investment objectives.

Top 10 Positions	
Stock	Wtg
Alphabet Inc.	2.97%
Apple Inc.	2.86%
PayPal Holdings Inc.	2.54%
Amazon.com Inc.	2.43%
Rocket Companies Inc.	2.27%
Spotify Technology S.A.	2.05%
Thermo Fisher Scientific Inc.	1.99%
UnitedHealth Group Inc.	1.81%
EPAM Systems Inc.	1.79%
Visa Inc.	1.78%

Fund Characteristics	
# Holdings	56
Avg. Market Cap	\$53,044M
Avg. P/E	28.6
Avg. ROE	9.1%
Gross Long Exposure	81.7%
Gross Short Exposure	-6.9%
Net Market Exposure	74.8%
Beta Adj. Exposure	96.1%

Yearly Returns	2015*	2016	2017	2018	2019	2020
ADOIX	5.73%	-4.67%	17.86%	-0.97%	2.36%	22.47%
HFRX Eq Hedged	-1.61%	0.10%	9.98%	-9.42%	10.71%	4.60%
Morningstar L/S Category	-2.20%	2.34%	11.18%	-6.73%	11.90%	7.89%
S&P 500	1.06%	9.54%	19.42%	-6.24%	28.88%	16.26%

*Inception Date 1/20/2015

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Mutual Funds involve risk including possible loss of principal. Adverse changes in currency exchange rates may erode or reverse any potential gains from the Fund's investments. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few. Investments in underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investments in foreign securities could subject the Fund to greater risks including currency fluctuation, economic conditions, and different governmental and accounting standards. In addition to the risks generally associated with investing in securities of foreign companies, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.

Investors bear the risk that the Fund may not be able to implement its investment strategies or attract sufficient assets. Purchased put options may decline in value or expire worthless and may have imperfect correlation to the value of the Fund's portfolio securities. Written call and put options may limit the Fund's participation in equity market gains and may amplify losses in market declines. The Fund's losses are potentially large in a written put or call transaction. If unhedged, written calls expose the Fund to potentially unlimited losses. The Fund will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is purchased. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security or instrument. The Fund's losses are potentially large in a short position transaction.

Price to Earnings (P/E) is a valuation ratio of a company's current share price compared to its per share earnings. Gross Long and Short Exposure is the percentage in securities that are expected to rise and decline, respectively. Beta is a measure of systemic risk. Standard Deviation is a statistical measurement. It sheds light on the historical volatility of that investment. The greater the standard deviation of a security, the greater the variance between each price and the mean, indicating a larger price range. Treynor ratio – A performance metric for determining how much excess return was generated for each unit of risk taken on by a portfolio. HFRX Equity Hedge Index – tracks strategies that maintain positions both long and short in primarily equity and equity driven securities. S&P 500 Index – tracks 500 individual stocks chosen for market size, liquidity and industry grouping, among other factors.

Investors are not able to invest directly in the indices referenced in this illustration and unmanaged index returns do not reflect any fees, expenses or sales charges.