

Stocks made a lower high in mid-October relative to their September highs, and then continued to correct as pre-election angst started building. Earnings season also kicked into gear right around then, but it wasn't lackluster earnings reports that weighed on the market. Earnings reports for Q3 came in mostly ahead of expectations, without any major negative surprises. It was more likely that investor sentiment had growth too complacent, and many investors wanted to pare back risk ahead of the election uncertainty.

The October pullback halted right as the month ended. It appeared at the time like much of the risk investors wanted to pare back had been accomplished, and in a bullish sense the pre-election correction took out some of the uncertainty risk facing the market.



Past performance does not guarantee future results

Our dynamic hedge model started the month at 80%, and got as low as 40% late in the month. As downtrends take hold in the market, our exposure becomes lighter as we increase defensive hedges. When markets start to rebound, we look to decrease those hedges and add back exposure to our long portfolio of stocks.

Portfolio performance was a bit of a mixed bag in October. Names that did well included social media stocks, internet-related retailers, some software stocks, as well as solar stocks. Overall the portfolio was lower due to the overall market being down in the month, and taking most stocks with it. But strong performance among some individual names as well as profits on hedge positions helped the Fund fare better than the broader market in a down tape.

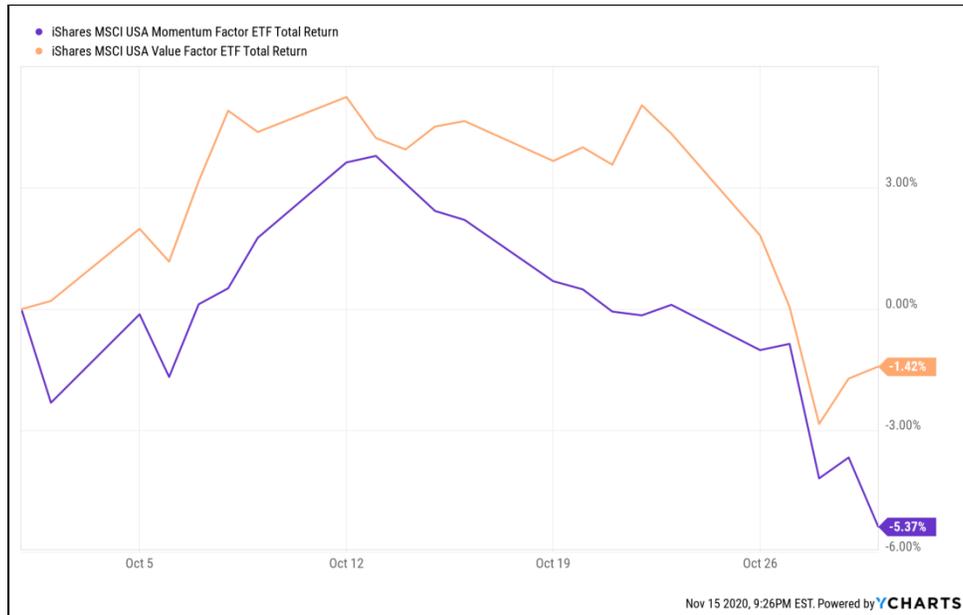


# ACM Dynamic Opportunity Fund

Monthly Commentary

October 2020

The **ACM Dynamic Opportunity Fund (ADOIX)** returned -0.69% in October, outperforming its peer group as well as the S&P 500 Index by a nice margin. On a ytd basis, the Fund remains a full well ahead of the broader market. And the performance of our peer category remains *negative* for the ytd period.



Past performance does not guarantee future results.

Growth stocks corrected more than value stocks, which isn't altogether surprising given how much they have outperformed so far this year. The performance discrepancy among these factor-based components hasn't been this wide since 1999. We suspect at some point the market will broaden out to more than just large-cap growth and tech. But it will likely take the economy being on more solid footing, which at this point feels like it will take the availability of a Covid vaccine embark on the road to normalcy.

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 10/31/2020

**Inception Date** 01/20/2015

**Net Assets** 78.9m

**Style** Hedged Equity

**Benchmark** HFRX Eq. Hedge Index

### Risk Metrics As of 10/31/2020

**Beta (3-year)** 0.46  
**R-Squared** .54  
**Standard Deviation** 11.03  
**Treynor Ratio** 8.96

## 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 10/31/2020

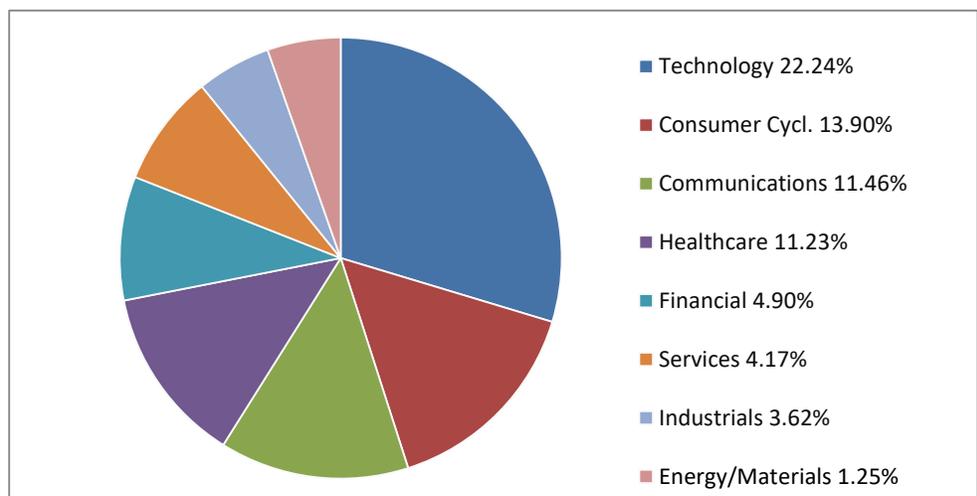
	1-mth	3-mth	YTD	1 Yr*	3 Yr*	5 Yr*	Since Inception*
<b>ADOIX</b>	-0.69%	2.65%	12.85%	19.67%	5.93%	5.21%	5.66%
HFRX Eq Hedged	-0.54%	2.17%	-3.47%	-2.11%	-0.12%	1.55%	0.33%
Morningstar L/S Category	-1.39%	-0.31%	-2.10%	3.75%	2.50%	4.10%	2.19%
S&P 500	-2.77%	-0.04%	1.21%	12.98%	10.11%	11.86%	9.34%

\*As of 9/30/20

*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 annual 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](http://www.ACM-Funds.com) or by calling 1-844-798-3833. Actual Total Annual Fund Operating Expenses of 1.95% for Class A and 1.70% for Class I from the prospectus. 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. Maximum sales charge for Class A shares is 5.75%. Please review the fund's prospectus for more information regarding the fund's fees and expenses.*

## Sector Weightings

As of 10/31/2020



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

Top 10 Positions	
Stock	Wtg
Alphabet Inc.	3.28%
Amazon.com Inc.	2.70%
O'Reilly Automotive Inc.	2.55%
Visa Inc.	2.54%
Lululemon Athletica Inc.	2.43%
PayPal Holdings Inc.	2.36%
Zoetis Inc.	2.21%
ServiceNow Inc.	2.21%
Facebook Inc.	2.17%
Taiwan Semiconductor Ltd.	2.13%

Fund Characteristics	
# Holdings	46
Avg. Market Cap	\$58,809m
Avg. P/E	35.6
Avg. ROE	32.6%
Gross Long Exposure	74.8%
Gross Short Exposure	-19.1%
Net Market Exposure	55.6%
Beta Adj. Exposure	65.3%

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

\*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.