



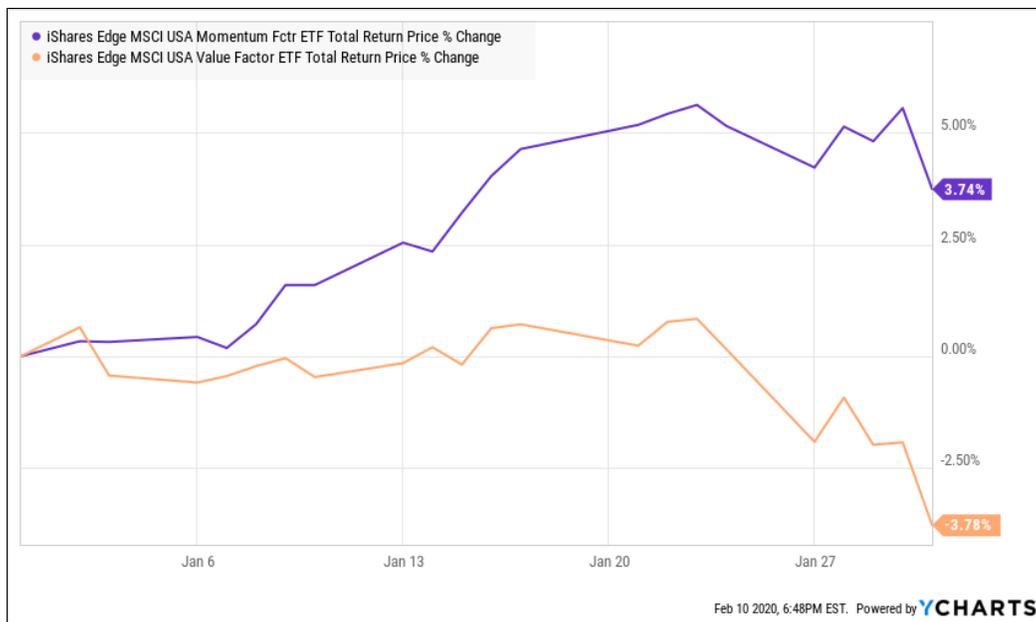
ACM Dynamic Opportunity Fund

Monthly Commentary

January 2020

Similar to how stocks closed out last year, the new year started out on a positive note – at least for a few weeks. Stocks rallied strongly in early January, losing some steam a few weeks into the month as fears about the coronavirus in China swirled and dominated the headlines. Although the news backdrop has continued to deteriorate, stocks have bounced back in early February (as this was going to press).

Strength in the month was characterized by growth stocks, which led their value brethren by a wide margin (see chart below). This is a theme that has dominated the landscape for the better part of the last few years. Periodically we see periods where investors sell growth stocks and flock to value stocks, in hopes that they are buying cheaper assets that will play catch up and outperform. But these periods have turned out to be fleeting rather than durable changes in the prevailing trend. Our Fund tries to identify and focus on market leadership, and take advantage of those trends. That has led to a portfolio that is tilted toward growth stocks, many of which have performed quite well and exhibited the type of market leadership we look for.



Past performance does not guarantee future results.

In January, leading stocks in the Fund were mainly from the tech sector, and a couple of tech-related industrial names. Laggards in the month were primarily stocks that either reside in China or have significant China-related revenue exposure. This will continue to be a theme to watch as the coronavirus news continues to unfold, and we can begin to quantify the damage to companies doing business in China.

The Fund maintained net long exposure close to 100% for most of the month. Our dynamic hedge model briefly touched the 60% exposure target for one day in late January. Otherwise, it continued its recent streak of signaling to stay fully invested, with very little in the way of ETF hedges.



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The **ACM Dynamic Opportunity Fund (ADOIX)** performed well again in January. The Fund was also solidly profitable in a month where the broad market (S&P 500) finished negative. Although we do expect volatility to be elevated this year relative to 2019, we are pleased with the recent performance and look forward to a profitable year ahead.

Thank you for your continued support.

Sincerely,

Jordan L. Kahn, CFA
Chief Investment Officer

Sources: Standard & Poor's, Stockcharts.com, Bespoke Investment Group

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.