ASCENDANT CAPITAL MANAGEMENT

April 2018

The **ACM Dynamic Opportunity Fund** (ADOIX) returned -1.05% in April versus -0.55% for the HFRX Equity Hedge Index. Underperformance stemmed from a few earnings-related reactions to the downside in select long positions, as well as declines in our hedge portfolio. Given that the stock market was still mired in a correction during April, the Fund was mostly in a defensive posture and overall exposure was limited for most of the month.

The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until April 30, 2018, 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, subject to possible recoupment from the Fund in future years. 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. For performance information current to the most recent month-end, please call toll-free 844-798-3833

Our **dynamic hedge model** was volatile during the month, as the major indexes bounced above and below their respective moving averages. The hedge model entered the month of April at 40% net long. It got as low as 25% during the early part of the month, briefly touched the 100% long level around mid-month, before ultimately finishing the month back at the 40% long level.

Past performance does not guarantee future results. The blue line above represents the 50-day moving average of the S&P 500 Index. The red line above represents the 200-day moving average of the S&P 500 Index.

By our work, the stock market appears to be successfully consolidating and working off the extreme overbought conditions reached in late January. As the chart above shows, after the initial pullback, the SPX started forming a "triangle formation". Triangle formations generally continue to narrow until a breakout emerges. Recent action looks like said breakout is occurring to the upside. This is a bullish development, and supports our thesis that the fundamental tailwinds that are supportive of stocks remain in place, and should help the market work its way back to new highs at some point.

The tax cuts continue to have a favorable impact on underlying earnings. Unlike most years, forward earnings estimates (for 2019) continue to see upward revisions. This helps support the valuation thesis that stocks are not yet overvalued. Moreover, we have only just started to hear from corporate managements about the hundreds of billions of dollars in repatriated assets, and how they plan to use all that cash. While there will be some capex and wage increases, the bulk of the repatriated cash is likely to be used for increased dividends and share buybacks – both of which are stock market friendly.

Couple the above with improving economic growth, and we think you have a backdrop that is conducive to a continuation of this longstanding bull market. Of course there are things one can point to that are far from rosy – rising interest rates, trade war concerns, rising gas prices, etc – but we would argue that those are the typical concerns that keep the proverbial 'wall of worry' intact. And we know from history that a bull market loves to climb a wall of worry.

Thank you for your continued support.

Sincerely,

Jordan L. Kahn, CFA
Chief Investment Officer

Sources: *Standard & Poor's, Morningstar, HFR*

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. VIX Index – The CBOE Volatility Index, known by its ticker symbol VIX, is a popular measure of the stock market expectation of volatility implied by S&P 500 index options, calculated and published by the Chicago Board Options Exchange. (CBOE) It is colloquially referred to as the fear index or the fear gauge. 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. Reflation Trade- A fiscal or monetary policy designed to expand a country's output and curb the effects of deflation.

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/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.