February 2019

The **ACM Dynamic Opportunity Fund** (ADOIX) returned +2.02% in February versus +1.16% for the HFRX Equity Hedge Index and +1.26% for the Morningstar Long/Short Category. The Fund outpaced its benchmarks, although it lagged the overall market as net exposure remained somewhat limited during the month. Additionally, individual stock volatility was elevated as earnings season continued.

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. For performance information current to the most recent month-end, please call toll-free 844-798-3833.

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.

Our **dynamic hedge model** continued to add exposure during the month, rebounding from the extreme position at which it entered the year. The hedge model generally fluctuated between 80%-90% during the month of February. Several of the major indices experienced continued uptrending action, while calls for an imminent pullback went unanswered.

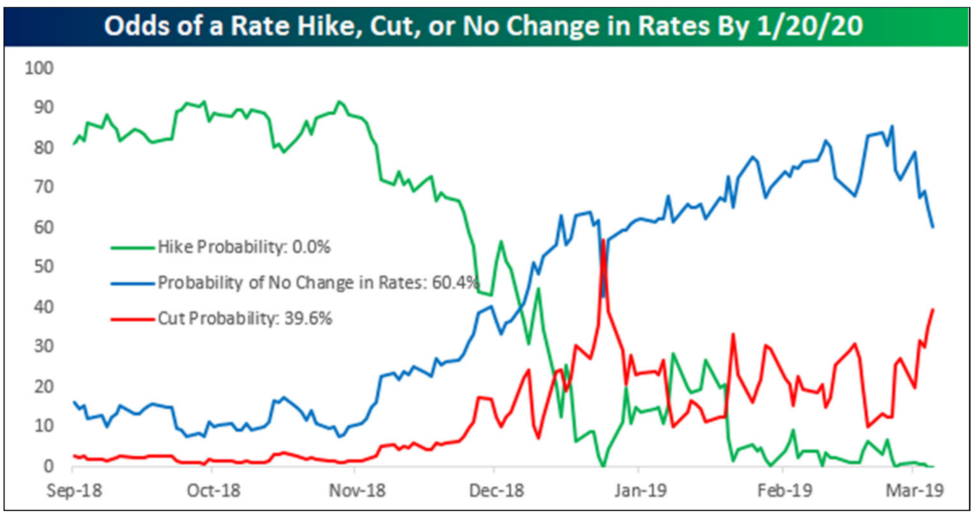
Past performance does not guarantee future results. The blue line above represents the 50-day moving average of the S&P 500 Index. The red line above represents the 200-day moving average of the S&P 500 Index.

The market experienced few pullbacks during February. The trading environment can best be described as a period where "bad news is good news". That is, even when economic data came in and painted a picture of slowing growth, stocks reacted positively. This likely has to do with the fact that at the end of

2018, investors were spooked by the hawkish stance of the Fed. They feared the Fed was being tone-deaf with regards to slowing data, and would continue to hike rates into a slowdown and thus foment a recession.

But in January the Fed notably changed its tone, such that it indicated it would adopt a much more patient approach to raising rates. This was music to the investors' ears, and stocks soared. That meant that future economic data showing continued slowing should not be feared as much, as it would cement the Fed's position on the sidelines. Of course, this can only last so long because at some point if economic data continues to slow it may impact corporate profits and eventually get reflected in stock prices and current valuations.

If one looks at the chart below, you can see that the probability of a rate hike (in the fed funds futures market) during 2019 essentially fell from near 100% last November all the way near 0% currently. Moreover, the odds of a rate cut rose from near 0% to roughly 40% over the same time period. With the Fed out of the picture for 2019, volatility in the stock market continued to decline last month. That likely meant that risk parity funds and algorithmic trading programs added equity exposure.



Past performance does not guarantee future results.
Source: *Bespoke Investment Group*

What we have seen in the market in recent years, is that this type of program trading tends to exaggerate short-term trends in the market, while doing a poor job of pricing in risk over longer time periods. As such, risk gets ignored for seemingly long periods of time, then explodes all at once. Mindful of this, we have elected to retain some of our hedges in the event volatility spikes again. Alas, this risk mitigation has not added much value in the short-term.

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.