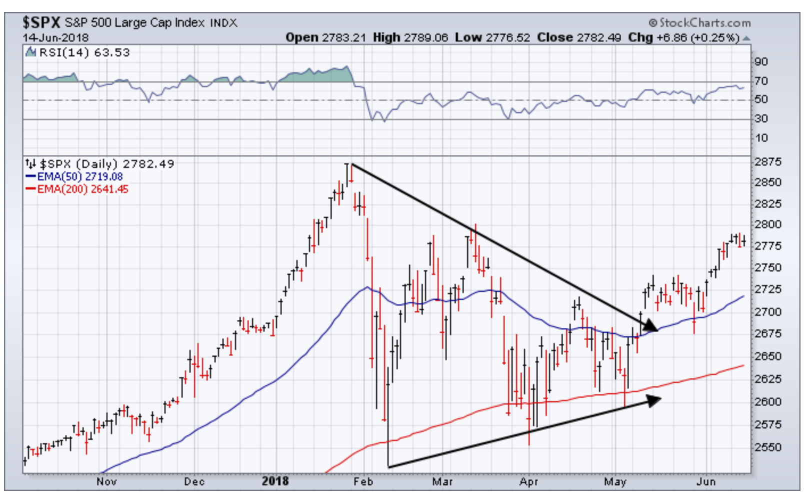
May 2018

The **ACM Dynamic Opportunity Fund** (ADOIX) outperformed nicely last month and returned +1.95% in May versus +0.30% for the HFRX Equity Hedge Index and +0.86% for the Morningstar Long/Short Category. YTD the Fund has returned +2.53% versus +0.92% for the HFRX Index and 0.17% for the Morningstar Long/Short Category. Outperformance came mostly from technology holdings, as well as some financials, and a few services companies.

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** helped us maintain a fair amount of market exposure during the month, which aided performance. The hedge model entered the month of May at just 50% net long, but quickly ramped back up to 100% net long target exposure. It remained near 100% for most of the month, and averaged 90% for all of May.



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.

Last month we showed the chart above and the narrowing consolidation pattern that was emerging. At the time, we felt that the odds favored a breakout to the upside. Fast forward, and we can see that said breakout did in fact occur to the upside and after a brief consolidation of the breakout, the S&P 500 Index has continued to make upward progress. The latest earnings season supported the bullish bias, as a record number of companies topped earnings and revenue estimates. This momentum should carry into the next quarter as well, and forward guidance from many management teams supports this.

The chart below shows the price action in the Nasdaq, which is more heavily populated with growth stocks (tech, biotech, etc.). The Nasdaq continues to be the leading index this year, and recently broke out to new all-time highs. While many pundits continue to call for a rotation into lagging sectors, we try to focus on where leadership is coming from and take advantage of it. Many of our biggest winners this year are from areas like tech, fintech, and business services.

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There have been many big picture items that have added to the uncertainty picture for this market, including *tariffs and trade disputes, N. Korea, Central bank policies, and mid-term elections.* The market is good at pricing in outcomes, but doesn't like uncertainty. Most of these concerns have started to come into more clear focus, which is positive for stocks. We still think the current picture for stocks has an upward bias in the near-term, and barring any huge surprises in the mid-term elections there could be even more upside for stocks later in the year.

Investors are certainly wondering how much gas is left in the tank for this bull market? While that is often the toughest thing to time, we do believe there is more room to the upside. The brief window of outright enthusiasm for stocks witnessed in January could make another appearance before any major top gets cemented. Many leading stocks still look healthy to us, as does most of the overall market.

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.

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