



August 2018

The **ACM Dynamic Opportunity Fund (ADOIX)** returned +5.15% in August versus a negative -0.23% for the HFRX Equity Hedge Index and +1.25% for the Morningstar Long/Short Category. YTD the Fund continues to outperform its two closest benchmarks by a wide margin and has returned +7.74% versus +0.74% for the HFRX Index and +2.47% for the Morningstar Long/Short Category.

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.

Outperforming stocks in the Fund came primarily from the technology and consumer discretionary sectors. Laggards were from Chinese exposure, as well as energy and materials stocks.

Our **dynamic hedge model** once again did a good job of targeting materially net long market exposure during August. The model averaged 96% target exposure for the month. This helped the Fund have one of its best single months of performance in years. Interestingly, given that the HFRX Index had a negative return for the month tells us that many managers in our space continued to try to short the market, albeit unsuccessfully.

The market acted well in August, despite what many had predicted could be a turbulent seasonal period. We have mentioned the market's resilience to the continuation of headlines surrounding trade negotiations, tariffs, and Trump. When the market continues to rise in the face of negative headlines, it has to be construed as bullish. In the chart below, you can see the green horizontal line that represents the January highs in the stock market. Last month saw the S&P 500 break out to new all-time highs, which bodes well for continued strength into year-end, especially post mid-term elections.



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.

We have been saying since last Spring that we viewed the market action as bullish, and the bottoming process we witnessed at the time combined with the still positive fundamental backdrop for stocks meant that new highs for the market was likely in the cards in the back half of the year. It took awhile for that prognostication to come to fruition, but better late than never.

While there could always be another spike in volatility, possibly surrounding the China trade skirmish or the runup to the mid-term elections, we continue to view the positive tailwinds for the market as firmly intact. Many of the indicators we monitor to forecast economic weakness point to the low probability of a recession in the near to intermediate-term.

Thank you for your continued support.

Sincerely,

*Jordan L. Kahn, CFA
Chief Investment Officer*

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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.