

Bond yields continued move lower in July, as a mix of short covering and fears about a Delta-induced slowdown permeated the bond market. While bond yields touched their lowest levels since February, yields across most of Europe moved lower as well such that our nominal yields in the U.S. still seem attractive in comparison. But the move still defies conventional wisdom in that a solid economic recovery alongside elevated inflation readings would normally be accompanied by much higher bond yields.

After making initial lows in yields mid-July, bond yields bounced sharply for a couple weeks but then retested the lows. Those moves presented more volatility that most bond investors are accustomed to, highlighting the uncertainty currently on display in fixed income land. There is uncertainty surrounding the peak growth theory, uncertainty about the transitory potential for inflation, and also the timing of monetary policy for a QE taper and an eventual rate hike.



Past performance does not guarantee future results.  
 The blue line above represents the 50-day moving average.

The response in the 10-year yield to recent inflation data has also been perplexing. To wit, when CPI inflation spiked to 4.2% in May, the 10-yr yield hit 1.70%. Two months later the CPI rate had risen to a multi-decade high of 5.4%, but the 10-yr yield had eased all the way back to 1.42%. To say the bond market has bought into Chairman Powell’s transitory inflation theory would be putting it mildly. It seems at this juncture that there is a bit of complacency about persistent low yields, and that the risk is to the upside if delta worries subside, and the pace of the global economic reopening gains renewed steam.



# ACM Tactical Income Fund

## Monthly Commentary

July 2021

The **ACM Tactical Income Fund** (TINIX) returned -0.14% in July, while the Barclays AGG index returned 1.12%. For the YTD period, TINIX has returned +2.32% vs. the AGG index which is still negative at -0.50%. TINIX is now ahead of both of its closest benchmarks since inception as well (see fact sheet).

Positive contributors to performance came from taxable and hi-yield munis, emerging market bonds, and preferreds. Negative contributors were mortgage REITs MLPs, and convertibles.

We want to thank all of you for your continued support.

*Sincerely,*

*Jordan L. Kahn, CFA  
Chief Investment Officer*

Sources: Standard & Poor's, Stockcharts.com, Briefing.com

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/tactical-income-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 Tactical Income Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 844-798-3833. The prospectus should be read carefully before investing. The ACM Tactical Income 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.**

## Portfolio Management



**Jordan L. Kahn, CFA**  
Chief Investment Officer  
Mr. Kahn has 25 years of experience in the investment industry serving as a senior portfolio manager, equity research analyst, and investment consultant. Mr. Kahn received his Master's of Science in Financial Markets and Trading from the Stuart School of Business at the Illinois Institute of Technology.

## Fund Profile As of 7/31/2021

**Inception Date** 12/31/2018  
**Style** Tactical Income  
**Benchmark** Barclay's US Aggregate

## Risk Metrics As of 7/31/21

**Beta** 0.49  
**Standard Deviation** 4.37

## Fund Overview

The ACM Tactical Income Fund is designed as a core investment for investors seeking income generation, while also focusing on capital preservation. The fund employs a tactical strategy which aims to capture attractive income opportunities and mitigate downside risk when markets experience downturns.

We strive to help our investors participate in the gains available from financial markets, while mitigating the downside risk

## Performance

As of 7/31/2021

	1-mth	3-mth	YTD	1-Yr*	Since Inception*
<b>TINIX</b>	-0.14%	0.33%	2.32%	7.96%	6.04%
Barclays US Agg Bond	1.12%	2.16%	-0.50%	-0.33%	5.76%
Morningstar NT Bond	-0.01%	0.71%	1.84%	7.92%	4.56%

\*As of 6/30/21

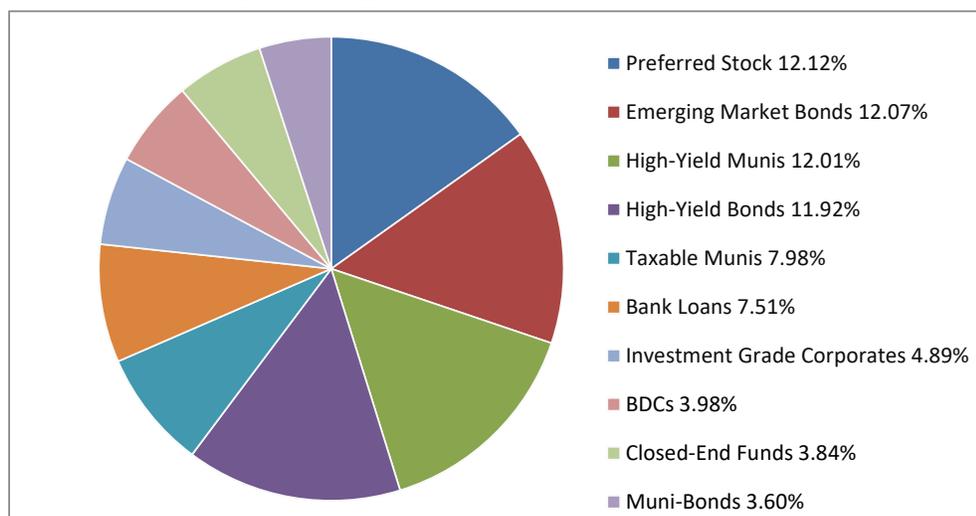
*Investments in mutual funds involve risks. Performance is historic and does not guarantee future results. Investment principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the Fund's prospectus please call the fund at 1-844-798-3833. You can also obtain a prospectus at [www.ACM-funds.com](http://www.ACM-funds.com).*

*The fund's maximum sales charges for Class "A" shares is 5.75%. Actual Total Annual Fund Operating Expenses are 2.36% for Class A and 2.11% for Class I shares. The adviser has contractually agreed to reduce its fees and reimburse expenses of the Fund, at least until April 30, 2022, to ensure that the net annual fund operating expenses will not exceed 2.25% for Class A shares and 2.00% for Class I shares, subject to possible recoupment from the Fund in future years.*

*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 1-844-798-3833.*

## Sector Weightings

As of 7/31/2021



There is no assurance that the Fund will achieve its investment objectives.

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Mutual funds involve risk including possible loss of principal. Adverse changes in currency exchange rates may erode or reverse any potential gains from the Fund's Investments. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks 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 underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. In addition to the risks generally associated with investing in securities of foreign companies, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.

Investors bear the risk that the Fund may not be able to implement its investments strategies or attract sufficient assets. Purchased put options may decline in value or expire worthless and may have imperfect correlation to the value of the Fund's portfolio securities. Written call and put options may limit the Fund's participation in equity market gains and may amplify losses in market declines. The Fund's losses are potentially large in a written put or call transaction. If unhedged, written calls expose the Fund to potentially unlimited losses. The Fund will incur a loss as a result of a short position if price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is purchase. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security of instrument. The Fund's losses are potentially large in a short position transaction.

Beta is a measure of systemic risk. Standard Deviation is a statistical measurement. It sheds light on the historical volatility of that investment. The greater the standard deviation of a security, the greater the variance between each price and the mean, indicating a larger price range.

Investors are not able to invest directly in the indices referenced in this illustration and unmanaged index returns do not reflect any fees, expenses or sales charges.