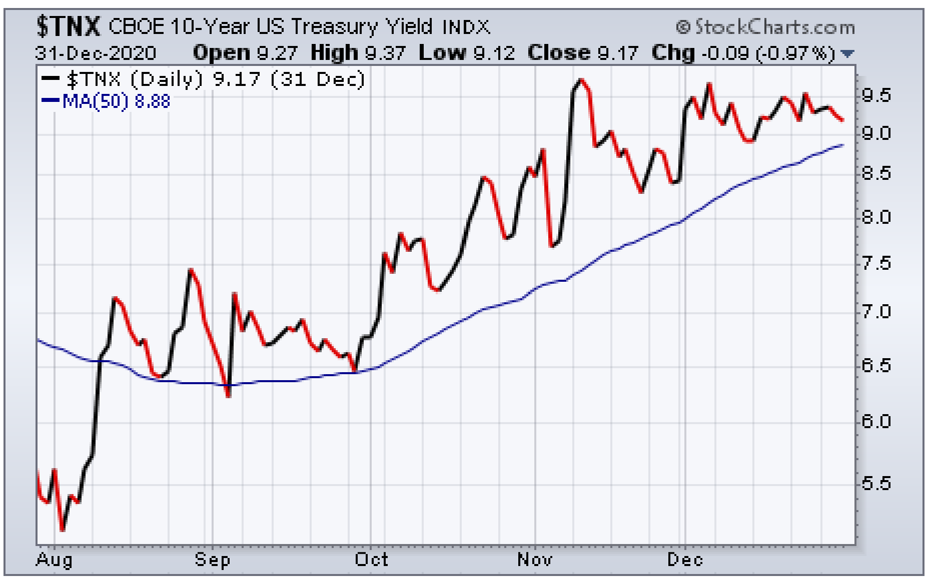
ACM Tactical Income Fund

Monthly Commentary

December 2020

Bond yields spent most of December consolidating in a sideways fashion. This tight trading pattern lends itself to an eventual breakout, so our guess is that we could see higher yields in January, but we digress. Treasuries traded mostly sideways in December, but with the stock market rallying financial markets in general were in ‘risk on’ mode. This helped the more credit-sensitive areas of the income markets outperform.

With expectations growing for a robust economic recovery in 2021, as the economy more fully re-opens, we are starting to see inflation expectation readings creep higher, as well as many energy and commodity prices. If bond yields follow suit, it will be a good sign (at least initially) that the Fed’s programs are actually achieving their desired intention. If we never saw any inflation or bond yields rising, that would be a bigger red flag for it would signal that this grand monetary experiment failed to achieve its objective. Then what??



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

A steeper yield curve is a confirmation from the bond market that it sees strong economic growth in the near future. But if bond yields get too high, that could stifle the economic rebound and hurt interest-rate sensitive areas like the housing market. It could also weigh on stocks as heightened inflation expectations tend to dampen P/E ratios. And the current P/E ratio on the S&P 500 is higher than we have seen in some time.

As such, if the 10-year Treasury yield moves too far, too fast, we could see the Fed stepping in to try to put a lid on things. This would entail the Fed altering its current monthly asset purchases (QE) from the short-end of the curve and focusing exclusively on the long-end. That’s called “yield curve control”, and though the Fed hasn’t resorted to this yet, they have mentioned the term in their FOMC minutes and in interviews. So we wouldn’t be shocked to see it implemented in practice.

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The **ACM Tactical Income Fund** (TINIX) returned +1.55% in December, which easily outpaced the AGG Index (+0.14%). For full year 2020, the Fund was up +7.26%, which is more than double the return of the Morningstar category (non-traditional bond funds), which was up +3.44% for the year.

2020 was a solid year for the Fund, despite the extreme volatility experienced in Q1. Our risk management strategy helped minimize losses during that time period, and put us in good shape to take advantage of the ensuing rebound in the income market. We hope 2021 offers similar fruitful investing, but without the gut wrenching volatility.

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*

ACM Tactical Income Fund
Class I
TINIX | December 2020 Fact Sheet

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 12/31/2020*

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

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

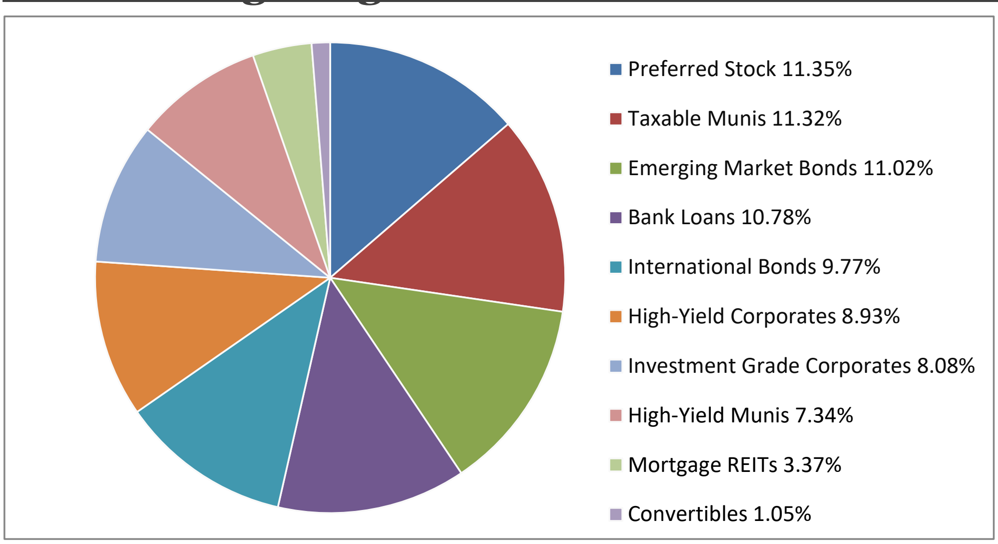
Performance *As of 12/31/2020*

	1-mth	3-mth	YTD	1-Yr*	Since Inception*
TINIX	1.55%	3.58%	7.26%	7.26%	6.30%
Barclays US Agg Bond	0.14%	0.67%	7.51%	7.51%	8.11%
Morningstar NT Bond	1.23%	3.57%	3.44%	3.44%	5.02%

**As of 12/31/20*

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. Actual Total Annual Fund Operating Expenses of 2.25% for Class A and 2.00% for Class I from the prospectus. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until April 30, 2021, to ensure that the net annual fund operating expenses will not exceed 2.13% for Class A shares and 1.88% 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

Sector Weightings *As of 12/31/2020*



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

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 1-844-798-3833. The prospectus should be read carefully before investing. The Tactical Income Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Norther Lights Distributors, LLC and ACM Funds, LLC are not affiliated.

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 correlati0on 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 de 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.

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.

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