

December was mostly a ‘risk-on’ environment for income investors. Equity markets were in rally mode, and recession fears continued to fade amid optimism about the Phase One trade deal with China, and a general sense that the global economy had bottomed and was seeing improved fundamental data.

With fears of an economic slowdown fading, Treasuries fell out of favor, allowing yields to drift higher. The yield on the 10-yr T-Note rose 15 basis points over the course of the month. Safe-haven sectors like Treasuries and taxable munis sold off and were laggard performers for the month. Leading sectors were mortgage REITs, convertibles, bank loans, and high yield bonds.



Past performance does not guarantee future results.
 The blue line above represents the 50-day moving average of the 10-Year US Treasury Index.

For its part, the Fed continued to signal that it was on hold for the foreseeable future. There were also comments from some of the regional Fed presidents that the opinion within the FOMC is that they would like to see inflation get back above their target (2.0%) and stay there for awhile before they look to raise rates again. Seems the Fed is worried that the trend towards disinflation could take hold, so they are open to the idea of letting the economy “run hot” for a bit before moving to tighten monetary policy.

With the animal spirits starting to awake among investors as we enter 2020, the Fed should be careful what it wishes for. A strong consumer, solid economy, and rising equity and real estate markets could foment an upside blowoff scenario that might require the Fed intervening to cool things off. That’s not our base forecast, but it certainly is within the realm of possibility.



ACM Tactical Income Fund

Monthly Commentary

December 2019

The **ACM Tactical Income Fund** (TINIX) performed well in December, while the benchmark Agg was down slightly for the second consecutive month. The Fund closed out its first year of operations on a strong note, with solid performance for the year as a whole. We also heard many investors were pleased with the above-average distributions the Fund paid along the way.

We are optimistic for the year ahead, as the Fund continues to grow and achieve scale.

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, Bespoke Investment Group

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 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.