



August 2017

The **ACM Dynamic Opportunity Fund (ADOIX)** experienced a pullback in August, following seven consecutive positive months. In light of the strong moves in July in many of the Fund's positions, a period of consolidation is not that surprising. The Fund returned -0.64% in August versus +0.50% return for the HFRX Equity Hedge Index and +0.02% for the Morningstar Long/Short Equity category. Long positions returned -0.63%, while short positions returned -0.59%. Derivative hedge positions accounted for the difference.

Year-to-date the Fund has returned +12.25%, outperforming its benchmark HFRX Equity Hedge Index (+5.16%) by 709 basis points, and outperforming the Morningstar Long/Short category (+5.50%) by 675 basis points.

The month of August witnessed another brief and shallow pullback for equities. The S&P 500 Index pulled back less than 3% into late August, but rallied back towards the end of the month to recoup earlier losses. Our **dynamic hedge model** entered the month of August targeting 90% net long exposure to the market. As stocks began to trade lower, the target exposure from the hedge model also moved lower to as low as 30% near mid-August. But by month end, as market conditions improved the target exposure of our hedge model was back to 90% net long.

As August came to an end, it appeared that another shallow correction for stocks had run its course and the major indices would soon be back at new highs. We saw similar action in many of our portfolio holdings, and as the market continues to find its footing we would expect the leadership in many of our stocks that has existed for most of the year to resume.

Thank you for your continued support.

Sincerely,

*Jordan L. Kahn, CFA
Chief Investment Officer*

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. Morning Star 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. 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

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will decline, enabling it to be bought back at a lower price to make a profit. Derivative hedge – transaction the limits investment risk with the use of derivatives such as option contracts.

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.