



January 2017

The ACM Dynamic Opportunity Fund (ADOIX) bounced back nicely in January, outperforming most benchmark indices. The Fund returned +2.98% in January vs. +0.85% for the HFRX Equity Hedge Index and +1.28% for the Morningstar Long/Short Equity category.

In December 2016, large-cap tech stocks sold off for reasons that we believed had nothing to do with underlying fundamentals but rather portfolio managers' desire to raise cash to add to more cyclically-sensitive areas of the market. We decided to use the weakness to add to our tech positions, a move that paid off in January. To wit, some of our biggest winners for the month included the likes of Facebook\* and Amazon\*, as well as other less well known tech stocks. Laggards during the month mostly came the healthcare sector.

Our dynamic hedge model did a good job of targeting materially net long market exposure, at a time when many investors were calling for a correction in the market. The hedge model entered 2017 with a 75% net long reading, but spent most of the month in the 95-100% net long range.

We are encouraged by the continuation of the recent breakouts in the market as it looks like the extreme choppiness that characterized much of 2016 could be behind us. Additionally, there has been much chatter about the low correlation amongst stocks recently. We applaud such dynamics in the market, as it creates an environment where active management and stock picking may yield alpha generating opportunities. We continue to endeavor to find and take advantage of such opportunities.

Thank you for your continued support.

Sincerely,

Jordan L. Kahn, CFA

Chief Investment Officer

\*As of January 31st 2017 Facebook and Amazon made up 3.41% and 3.65%, respectively, of the fund's total assets.

*Defined Terms: 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. Alpha— Excess returns of a fund relative to the return of a benchmark index.*

*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 <a href="http://acm-funds.com/performance/">www.acm-funds.com/performance/</a>.*

*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.*

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