



September 2017

The **ACM Dynamic Opportunity Fund (ADOIX)** bounced back in September and returned +1.71% versus +1.82% for the HFRX Equity Hedge Index, and +1.39% for the Morningstar Long/Short Equity category. Gains were fairly widespread, with leadership coming from the energy and industrials sectors – two sectors that had been lagging for most of the year. Healthcare stocks lagged.

Year-to-date the Fund has returned +14.17%, outperforming its benchmark HFRX Equity Hedge Index (+7.08%) by 709 basis points, and outperforming the Morningstar Long/Short category (+6.96%) by 721 basis points.

The month of September was another month characterized by low volatility in the equity markets, and one in which the major indexes continued their stair-step higher pattern. There was a brief dip in tech stocks late in the month, with the rotation benefitting energy and financial stocks. The former seemed to attract managers' attention as a beaten down area ripe for a bounce, while financials gained as the prospect for more rate hikes later this year began to be priced in the market.

Our **dynamic hedge model** entered the month of September targeting 95% net exposure to the market, and hovered in the 90-100% target range for the entire month. With many investors calling for a pullback and citing the historical precedent for declines in the month of September (vs. other months), the market again bucked that consensus. Our work shows that many investors remain underweight equities, and as year-end draws closer the prospect for performance-anxiety led buying could add further fuel to the existing bull market fire.

We don't buy the argument that stocks are overvalued here. The advance in stocks in recent months has been supported by a concomitant rise in corporate profit growth. This has been an earnings-led rally, and should continue with economic data strengthening and interest rates and inflation still at low levels historically.

Thank you for your continued support.

Sincerely,

*Jordan L. Kahn, CFA
Chief Investment Officer*

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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 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.