

Stocks traded sideways then lower for the first 3 weeks of June, but rallied enough in the last week of the month to post positive returns for June, keeping the streak alive. Weakness in the first half of the month was attributed to profit taking, most notably among the cyclical stocks that had enjoyed outsized rallies. With the 10-yr yield declining, a narrative about “peak growth” began making the rounds and seemed to affect investor sentiment.

The Fed also met and said that they were in no rush to tighten monetary policy. Chair Powell said that the central bank is not going to preemptively raise rates and would give the market plenty of advanced notice. The lack of any hawkish commentary from the Fed led to further softness in bond yields, which further pressured cyclical stocks while buoying growth stocks.



Past performance does not guarantee future results

The economy is still in solid shape. GDP growth rates are strong, ISM manufacturing surveys are firmly expansionary, and consumer confidence remains high. The latest stress test on the 23 largest banks showed that all easily passed, and thus can raise dividends and/or increase buybacks. And OPEC+ hinted that they are closer to reaching a production agreement on oil that should stabilize the energy markets.

Although the backdrop for stocks remains favorable, the market environment has been choppy and uneven. If you’re just going by the S&P 500, you’re missing a lot of the underlying action. The S&P has been helped by the big mega cap stocks (FB became the latest \$1 trillion mkt cap company). But an index like the Russell 2000 has yet to surpass its March highs.

In this environment, we have attempted to stay disciplined and manage risk. Our portfolio is fairly balance between growth and value. Fortunately, the recent gains from the growth side of the equation have more than offset weakness from the value side of the ledger.



# ACM Dynamic Opportunity Fund

Monthly Commentary

June 2021

We thought by now the vacillations back and forth from growth to value would have subsided, and it would once again become more of a stock picker's market and less about factor-based allocations. But as the chart below shows, last month saw a wide discrepancy between the performance of growth vs. value, with growth outperforming by a wide market while value actually declined for the months. Again, this doesn't show up if you're just looking at the SPX and calling it a day.



The **ACM Dynamic Opportunity Fund (ADOIX)** returned +2.33% in June, topping the benchmark HFRX Index which returned +1.16% last month. YTD ADOIX has returned +7.27% vs. the HFRX which has returned +7.86%. Leading contributors came from alternative energy stocks, semis, genomics stocks. Laggards were auto-related stocks, energy and materials.

Our *dynamic hedge model* entered the month targeting 100% market exposure, and ended the month back at the 100% target exposure level. It briefly dipped to 75% mid-month, but hedging activity was mild due to only modest deterioration in our technical models.

*Sincerely,*

**Jordan L. Kahn, CFA**  
**Chief Investment Officer**



# ACM Dynamic Opportunity Fund

## Monthly Commentary

Sources: Standard & Poor's, Stockcharts.com, Morningstar, Briefing.com

**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. Morningstar 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 that 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/dynamic-fund-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.**

## 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.



**Alan Savoian**  
*Portfolio Manager*  
Alan has over 26 years of investment experience serving as a senior portfolio manager and equity analyst. Alan spent 18 years at William O'Neil & Co., where he successfully managed equities for the firm's proprietary portfolios.

## Fund Profile *As of 6/30/2021*

**Inception Date** 01/20/2015  
**Net Assets** 110.0m  
**Style** Hedged Equity  
**Benchmark** HFRX Eq. Hedge Index

### Risk Metrics *As of 6/30/2021*

**Beta (3-year)** 0.43  
**R-Squared** .49  
**Standard Deviation** 11.29  
**Treynor Ratio** 21.06

## Fund Overview

We strive to help our investors participate in the gains available from financial markets, while mitigating the downside risk

The ACM Dynamic Opportunity Fund is designed as a core investment for investors seeking long term capital appreciation with a short-term focus on capital preservation. The fund employs a dynamic strategy, which aims to actively participate during a rising market environment and mitigate downside risk when markets experience downturns.

## Performance

*As of 6/30/2021*

|                          | 1-mth  | 3-mth | YTD    | 1 Yr*  | 3 Yr*  | 5 Yr*  | Since Inception* |
|--------------------------|--------|-------|--------|--------|--------|--------|------------------|
| <b>ADOIX</b>             | 2.33%  | 4.86% | 7.27%  | 28.91% | 9.41%  | 9.02%  | 7.37%            |
| HFRX Eq Hedged           | 1.16%  | 5.07% | 7.86%  | 20.40% | 4.11%  | 4.08%  | 3.21%            |
| Morningstar L/S Category | -0.20% | 3.85% | 9.18%  | 22.90% | 7.45%  | 7.00%  | 4.50%            |
| S&P 500                  | 2.22%  | 8.17% | 14.41% | 38.62% | 16.49% | 15.41% | 12.41%           |

*\*As of 6/30/21*

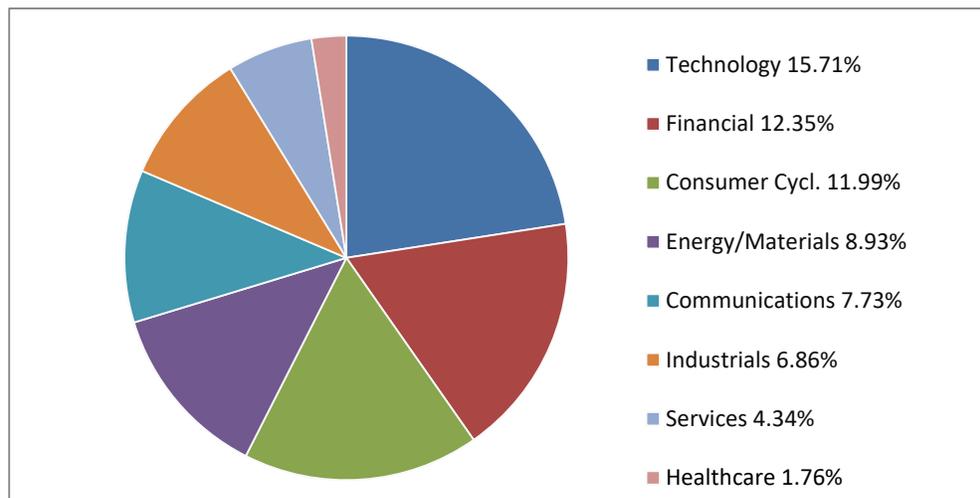
**Investments in mutual funds involve risks. Performance is historic and does not guarantee future results. Investment principal value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the Fund's prospectus please call the Fund at 1-844-798-3833. You can also obtain a prospectus at [www.ACM-funds.com](http://www.ACM-funds.com).**

**The fund's maximum sales charges for Class "A" shares is 5.75%. Gross expense ratios are 2.07% for Class A shares and 1.82% for Class I Shares. The Adviser has contractually agreed to reduce its fees and reimburse expenses of the Fund, at least until April 30, 2022, to ensure that the net annual fund operating expenses will not exceed 2.40% for Class A shares and 2.15% for Class I shares.**

**These fee waivers and expense reimbursements are subject to possible recoupment from each Fund within three years after the fees have been waived or reimbursed. You should be aware that the Fund's past performance (before and after taxes) may not be an indication of how the Fund will perform in the future. Although Class A Shares would have similar returns to Class I shares because the classes are invested in the same portfolio of securities, the returns for Class A shares are different from Class I shares because Class A shares have different expenses than Class I shares. Updated performance information is available at no cost by visiting [www.ACM-funds.com](http://www.ACM-funds.com) or by calling 1-844-798-3833. Actual Total Annual Operating Expenses of 1.95% for Class A and 1.70% for Class I from the prospectus.**

## Sector Weightings

*As of 6/30/2021*



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

| Top 10 Positions            |       |
|-----------------------------|-------|
| Stock                       | Wtg   |
| Amazon.com Inc.             | 3.02% |
| Alphabet Inc.               | 2.66% |
| Generac Holdings Inc.       | 2.64% |
| Apple Inc.                  | 2.61% |
| Snap Inc.                   | 2.54% |
| Facebook Inc.               | 2.53% |
| Advanced Micro Devices Inc. | 2.43% |
| Citigroup Inc.              | 2.25% |
| B Riley Financial Inc.      | 2.06% |
| ConocoPhillips              | 1.94% |

| Fund Characteristics |           |
|----------------------|-----------|
| # Holdings           | 43        |
| Avg. Market Cap      | \$56,919m |
| Avg. P/E             | 25.2      |
| Avg. ROE             | 23.4%     |
| Gross Long Exposure  | 69.7%     |
| Gross Short Exposure | -0.9%     |
| Net Market Exposure  | 68.8%     |
| Beta Adj. Exposure   | 87.3%     |

Current and future portfolio holdings are subject to risk and change.

| Yearly Returns           | 2015*  | 2016   | 2017   | 2018   | 2019   | 2020   |
|--------------------------|--------|--------|--------|--------|--------|--------|
| ADOIX                    | 5.73%  | -4.67% | 17.86% | -0.97% | 2.36%  | 22.47% |
| HFRX Eq Hedged           | -1.61% | 0.10%  | 9.98%  | -9.42% | 10.71% | 4.60%  |
| Morningstar L/S Category | -2.20% | 2.34%  | 11.18% | -6.73% | 11.90% | 7.89%  |
| S&P 500                  | 1.06%  | 9.54%  | 19.42% | -6.24% | 28.88% | 16.26% |

\*Inception Date 1/20/2015

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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 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 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 investment strategies or attract sufficient assets. Purchased put options may decline in value or expire worthless and may have imperfect correlation 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 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 the 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 purchased. 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 or instrument. The Fund's losses are potentially large in a short position transaction.

Price to Earnings (P/E) is a valuation ratio of a company's current share price compared to its per share earnings. Gross Long and Short Exposure is the percentage in securities that are expected to rise and decline, respectively. Beta is a measure of systemic risk. Standard Deviation is a statistical measurement. It sheds light on the historical volatility of that investment. The greater the standard deviation of a security, the greater the variance between each price and the mean, indicating a larger price range. Treynor ratio – A performance metric for determining how much excess return was generated for each unit of risk taken on by a portfolio. HFRX Equity Hedge Index – tracks strategies that maintain positions both long and short in primarily equity and equity driven securities. S&P 500 Index – tracks 500 individual stocks chosen for market size, liquidity and industry grouping, among other factors.

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.