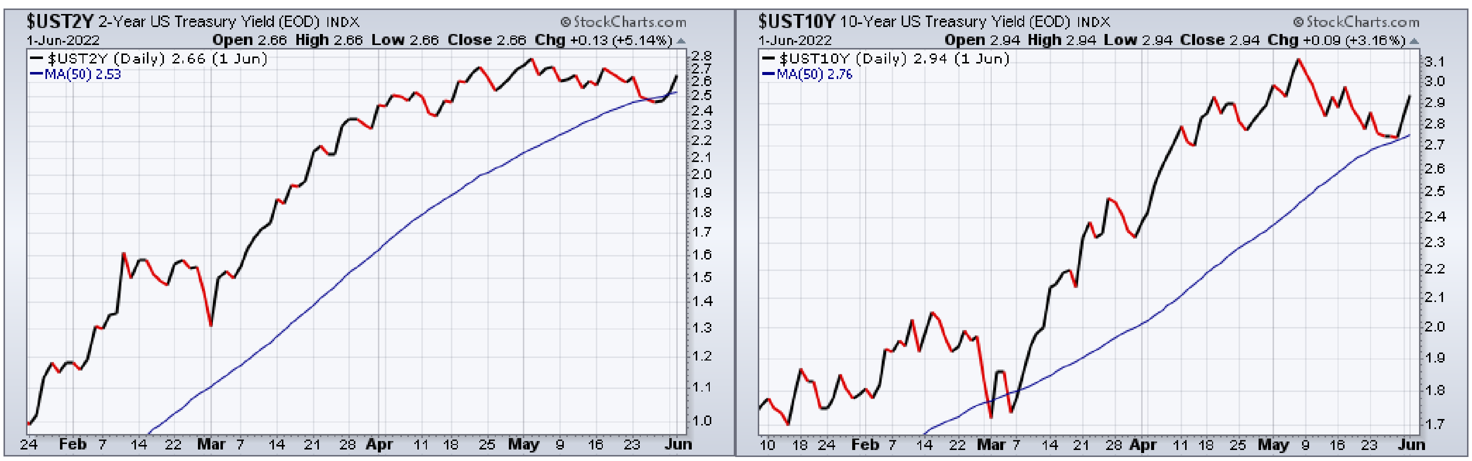
ACM Tactical Income Fund

Monthly Commentary

May 2022

Fixed income markets were mostly flattish in May, in terms of the 10-year yield finishing the month just 4 basis points lower than where it started. There was some volatility along the way, but not as much as prior months. That had some market participants hopeful that maybe the worst was behind us. After all, the AGG is having one of its worst starts to a year in the history of the index.

But before a true, sustainable rally can unfold the market likely wants to see more durable signs that inflation has peaked and additionally signs that the Fed has moved away from “peak hawkishness”. Currently, each time the Fed speaks it seems to ratchet up the hawkishness to another level. The Fed has begrudgingly realized it is way behind the curve and is doing its best to play catch-up. In May, the Fed implemented its biggest rate hike in two decades – a 50 basis point hike. That brought the fed funds rate to a range of 0.75% - 1.00%, still well below both the 2-year Note (see below) and below the Fed’s preferred measure of inflation (core PCE).



Past performance does not guarantee future results.
The blue line above represents the 50-day moving average.

As such, the market is now pricing in a fed funds rate of 2.75% - 3.0% by year’s end. If that’s accurate, it will entail a whole lot more hikes from the Fed. Chair Powell acknowledged that 50 bps moves are on the table for the next few meetings, but that 75 bps is “not something the committee is actively considering”. If that’s true, he better hope the CPI stops printing record levels of inflation. Right now it seems like several of the inputs to the inflation index continue to hit new price highs.

Although the Fed can never admit it or say it aloud, it knows it must put the economy into recession to dampen demand sufficiently to really bring down inflation to levels they consider palatable. So, the paradox here is that the Fed needs to ramp up its rate hikes to combat inflation, at the same time the economy is already slowing. This almost ensures that the Fed will once again go too far in raising the fed funds rate, only to have to pivot and cut rates if the economy begins to swoon too much. But maybe they already realize this?

This could also be why the 5-yr TIPS breakevens, as an inflation gauge, still haven't moved higher since their March peak and currently indicated inflation expectations of around 2.96%. The market doesn't see inflation being a long-term problem, but rather a big near-term problem that the Fed is going to have to crush.

The **ACM Tactical Income Fund** (TINIX) continued to focus on playing defense last month, while putting a little cash to work. The Fund returned -0.33% in May. The Fund is down -4.66% YTD, which remains far less than the Bloomberg AGG which is down -8.92% this year.

The Fund continues to hold a record cash balance (roughly 75%), which keeps us in a defensive position. Should the trends change, and more areas of the income markets start to trend higher, we will look to invest that cash and recoup some or all of the early declines we have seen thus far in 2022.

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, Briefing.com*

ACM Tactical Income Fund
Class I
TINIX | May 2022 Fact Sheet

Portfolio Management

Jordan L. Kahn, CFA
Chief Investment Officer
Mr. Kahn nearly 30 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.

Fund Profile *As of 5/31/2022*

Inception Date	12/31/2018
Style	Tactical Income
Benchmark	Bloomberg US Aggregate

Risk Metrics *As of 5/31/22*

Beta	0.54
Standard Deviation	4.81

Fund Overview

The ACM Tactical Income Fund is designed as a core investment for investors seeking income generation, while also focusing on capital preservation. The fund employs a tactical strategy which aims to capture attractive income opportunities and mitigate downside risk when markets experience downturns.

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

Performance *As of 5/31/2022*

	1-mth	3-mth	YTD	1-Yr*	3-Yr*	Since Inception*
TINIX	-0.33%	-2.09%	-4.66%	-3.38%	2.47%	2.80%
Bloomberg US Agg Bond	0.64%	-5.86%	-8.92%	-4.15%	1.69%	2.47%
Morningstar NT Bond	-0.40%	-2.50%	-4.23%	-4.27%	1.62%	1.62%

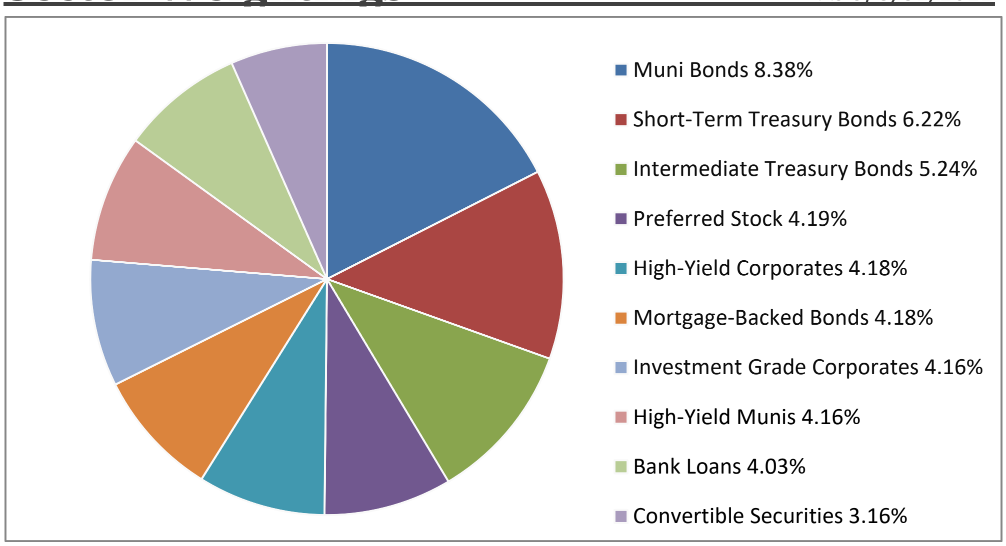
*As of 3/31/22

Investments in mutual funds involve risks. Performance is historic and does not guarantee future results. Investment principal value will fluctuate with changing market conditions 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.

The fund's maximum sales charges for Class "A" shares is 5.75%. Actual Total Annual Fund Operating Expenses are 2.36% for Class A and 2.11% 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 2.07% for Class A shares and 1.82% for Class I shares, subject to possible recoupment from the Fund in future years.

Please review the fund's prospectus for more information regarding the fund's fees and expenses. For performance information current to the most recent month-end, please call toll-free 1-844-798-3833.

Sector Weightings *As of 5/31/2022*



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

Investors should carefully consider the investment objectives, risks, charges and expenses of the ACM Tactical Income 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 Tactical Income Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Northern Lights Distributors, LLC and ACM Funds, LLC are not affiliated.

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 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 investments strategies or attract sufficient assets. Purchased put options may decline in value or expire worthless and may have imperfect correlati0on 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 de 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 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 purchase. 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 of instrument. The Fund's losses are potentially large in a short position transaction.

***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.*

*The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged, fixed income, market-value-weighted index generally representative of investment grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The Bloomberg U.S. Aggregate Bond Index figures do not reflect any fees, expenses, or taxes. An investor cannot invest directly in an index.*

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