

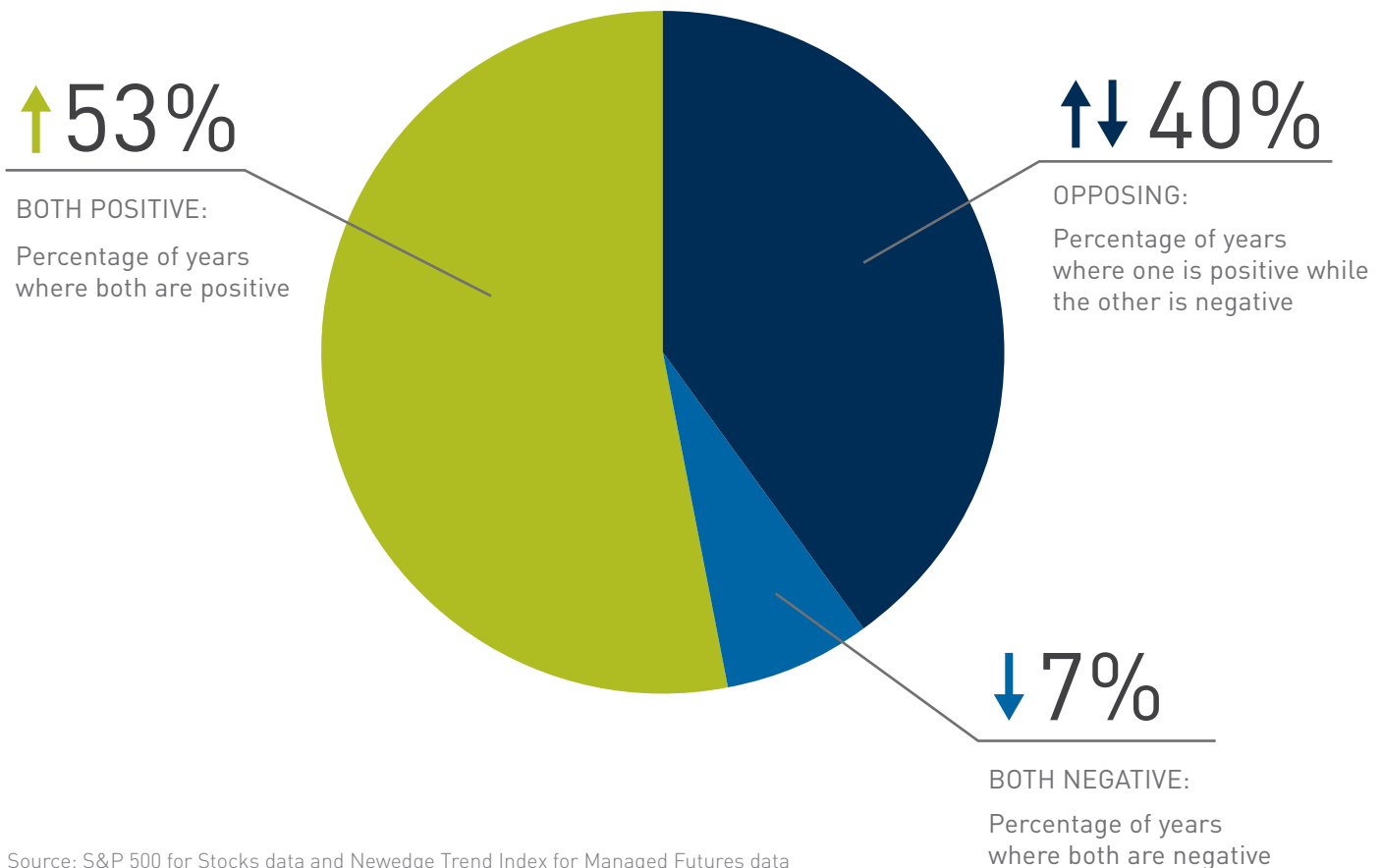
DO YOU KNOW WHAT NON-CORRELATION REALLY LOOKS LIKE?

If two assets are non-correlated, do they ever do the same thing at the same time? Are they always different? The answer might surprise you.

NOT OPPOSITE, JUST DIFFERENT

A common misconception people have about non-correlated assets is that they always move in opposite directions. The chart below, however, shows us what really happens when two investments are non-correlated: their performance relationship appears random. To illustrate the point, we compare the yearly performance over the past fifteen years of two non-correlated asset classes: US Stocks and Managed Futures.

YEARLY CORRELATION: MANAGED FUTURES VS. STOCKS (2000-2015)

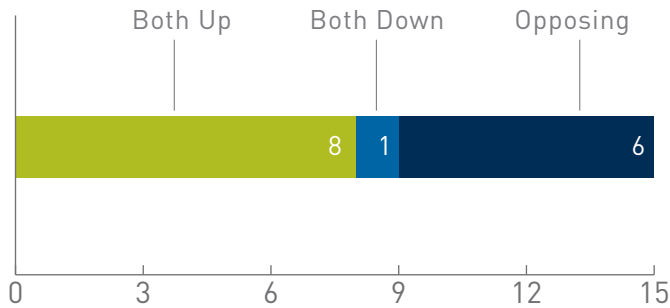


AN ALTERNATIVE PATH TO DIVERSIFICATION?

MANAGED FUTURES PERFORMANCE RELATIVE TO STOCKS (2000-2015)

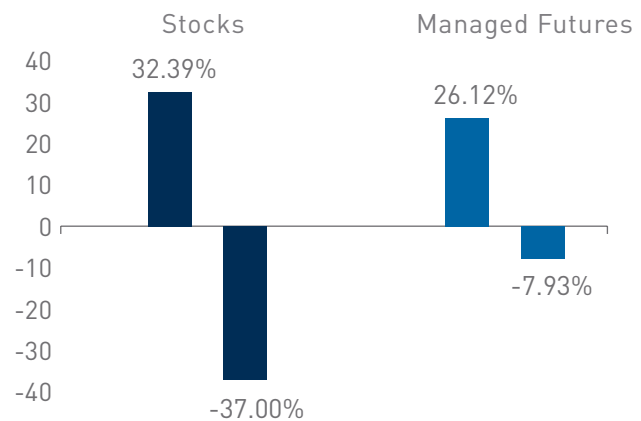
Managed Futures generate returns from very different sources than traditional long-only US Stocks. A typical Managed Futures fund holds long and short positions in global stocks, commodities, currencies, and fixed income futures markets. These returns come at different times and from markets all over the world, providing significant non-correlation to the US Stock Market. This has made Managed Futures an increasingly popular choice for diversifying one's portfolio versus other alternative investments.

YEARLY COMPARISON WITH STOCKS: Managed Futures were positively correlated in 8 out of 11 years that Stocks rose (2000-2015)



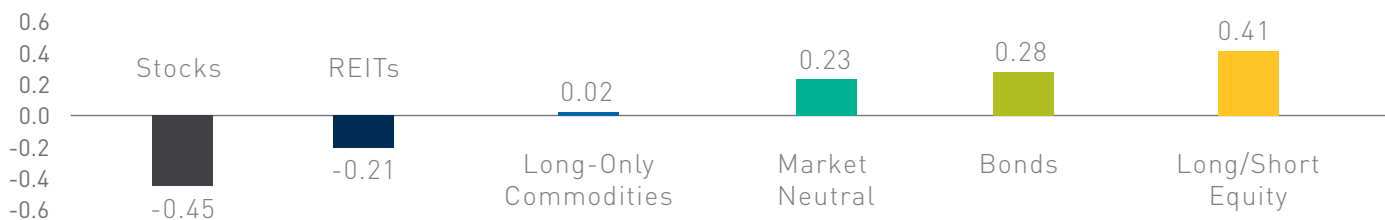
Source: S&P 500 for Stocks data and Newedge Trend Index for Managed Futures data

BIGGEST YEARLY GAINS AND LOSSES: Managed Futures tout historically lower maximum downside than Stocks — about 8% versus Stocks at 37% (2000-2015)



Source: S&P 500 for Stocks data and Newedge Trend Index for Managed Futures data

CORRELATION TO OTHER ALTERNATIVES: Not just a low correlation to Stocks, Managed Futures has shown low correlation to other asset classes (2000-2015)



Past performance is not indicative of future results.

Source: S&P 500 for Stocks data, Morningstar US REIT Index for REITs data, Morningstar Long-Only Commodity Index for Commodities data, Morningstar Market Neutral Index for Market Neutral data, Barclays US Bond Aggregate for Bonds data, Morningstar Global Long/Short Equity Index for Long/Short data, Newedge Trend Index for Managed futures data

There is a risk of substantial loss associated with trading commodities, futures, options, derivatives and other financial instruments. Before

trading, investors should carefully consider their financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when trading futures, commodities, options, derivatives and other financial instruments could lose the full balance of their account. It is also possible to lose more than the initial deposit when trading derivatives or using leverage. All funds committed to such a trading strategy should be purely risk capital. Managed Futures as a whole may not be indicative of any individual managed account. While Managed Futures can help enhance returns and reduce risk, they can also do just the opposite and result in further losses to a portfolio.

Disclosure

The material provided herein has been provided by Longboard Asset Management, LLC and is for informational purposes only. Longboard Asset Management, LLC serves as investment adviser to one or more mutual funds distributed through Northern Lights Distributors, LLC member FINRA/SIPC. Northern Lights Distributors, LLC and Longboard Asset Management, LLC are not affiliated.

There is a risk of substantial loss associated with trading commodities, futures, options, derivatives and other financial instruments. Before trading, investors should carefully consider their financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when trading futures, commodities, options, derivatives and other financial instruments could lose the full balance of their account. It is also possible to lose more than the initial deposit when trading derivatives or using leverage. All funds committed to such a trading strategy should be purely risk capital. Managed Futures as a whole may not be indicative of any individual managed account. While Managed Futures can help enhance returns and reduce risk, they can also do just the opposite and result in further losses to a portfolio.

Past performance is not an indication of future performance.

The information set forth herein has been obtained or derived from sources believed by Longboard Asset Management to be reliable. However, Longboard does not make any representation or warranty, express or implied, as to the information's accuracy or completeness, nor does Longboard recommend that the attached information serve as the basis of any investment decision.

This document has been provided to you for information purposes and does not constitute an offer or solicitation of an offer, or any advice or recommendation, to purchase any securities or other financial instruments, and may not be construed as such.

Longboard hereby disclaims any duty to provide any updates or changes to the analysis contained in this document.

Market analysis, returns, estimates and similar information, including statements of opinion/belief contained herein are subject to a number of assumptions and inherent uncertainties. There can be no assurance that targets, projects, or estimates of future performance will be realized.

Index performance in this document was sourced from third party sources deemed to be accurate, but is not guaranteed. All index performance is gross of fees and would be lower if presented net of fees. Investors cannot invest directly in the indices referenced in this document.

S&P 500 TR Index: A stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. In this presentation, the S&P 500 is presented as a total return index, which reflects the effects of dividend reinvestment.

Newedge Trend Index: A leading benchmark for tracking the performance of a pool of the largest managed futures trend following based hedge fund managers that are open to new investment. The Newedge Trend Index is equal-weighted and reconstituted annually.

Morningstar US REIT TR Index: The index is a free-float weighted index that tracks the performance of publicly listed Real Estate Investment Trusts (REITs). The qualifying REITs are identified by Morningstar's proprietary industry classification system, Global Equity Classification System (GECs).

Morningstar Long-Only Commodity TR Index: The index measures the performance of future contracts on eligible long commodities. Eligibility is defined as a commodity that has future contracts traded on one of the US exchanges and rank in the top 95% by the 12-month average of total dollar value of open interest. The index is reconstituted annually, on the third Friday of December each year. It is a fully collateralized commodity futures index.

Morningstar Market Neutral Index: The index consists of funds that attempt to eliminate the risks of the market by holding 50% of assets in long positions in stocks and 50% of assets in short positions. Funds in this group match the characteristics of their long and short portfolios, keeping factors such as P/E ratios and industry exposure similar. Stock picking, rather than broad market moves, should drive a market-neutral fund's performance.

Barclays US Aggregate A+ MV Index: The U.S. Aggregate Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. U.S. Agency Hybrid Adjustable Rate Mortgage (ARM) securities were added to the U.S. Aggregate Index on April 1, 2007, but are not eligible for the Global Aggregate Index. The U.S. Aggregate Index is a component of the U.S. Universal Index in its entirety. The index was created in 1986, with index history backfilled to January 1, 1976.

Morningstar Global Long/Short Equity TR Index: The index measures the performance of global highly liquid exchange listed futures contracts in equities. It has the ability to go both long and short, providing greater flexibility and the potential to capture both upward and downward movements in price.

Diversification does not eliminate the risk of experiencing investment losses.

3452-NLD-6/16/2015