

LONGBOARD

LONGBOARD ALTERNATIVE GROWTH FUND

Monthly
Portfolio Update And Commentary
September 2017

Assets as of September 30, 2017
\$ 13,183,856

HOW TO INVEST

Visit longboardmutualfunds.com
Call us at **800.290.8319**

FUND PERFORMANCE

(Performance as of 9/30/17)

| CLASS | I (NAV)* | A (NAV)** | A (MaxLoad)*** |
|---------------------------|----------|-----------|-------------------|
| TICKER | LONGX | LONAX | LONAX |
| 1M | 2.29% | 2.29% | -3.59% |
| 3M | 5.04% | 5.03% | -1.05% |
| 6M | 9.71% | 9.57% | 3.30% |
| YTD | 13.42% | 13.13% | 6.58% |
| 1Y AS OF 9/30/17 | 22.83% | 22.46% | 15.43% |
| 2Y AS OF 9/30/17 | 9.24% | N/A | N/A |
| SINCE INCEP TO 9/30/17 | 6.54% | 7.96% | 4.48% |

*INCEPTION DATE: 3/19/15 **INCEPTION DATE: 12/09/15

The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. For performance information current to the most recent month-end, please call toll-free 855.294.7540

*** Inclusive of maximum sales load of 5.75%. Total annual operating expenses are 2.24% and 1.99% for Class A and I respectively.

Long: Buying an asset such as a stock, commodity or currency, with the expectation that the asset will rise in value.

Short: Selling an asset such as a stock, commodity or currency, with the expectation that the asset will decrease in value.

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RECAP

The fund returned +2.29% in September. We made broad gains in stocks, as the equities bull market progressed both in the United States and around the globe. Notable gains came from long positions in financials, healthcare, biotechnology and other technology stocks.

The U.S. Federal Reserve (Fed) announced its intention to reduce the size of its \$4 trillion balance sheet as early as October, while also hinting at another possible rate hike before year's end. This sent interest rates and the U.S. dollar higher—moves which rippled across equity markets. September also brought renewed hopes for tax reform from the Trump administration, sending small-cap stocks soaring.

Rising U.S. interest rates boosted financial stocks across the board. Investors bet that higher yields would boost the profitability of U.S. lending institutions. Smaller-capitalization regional banks outperformed, fueled by higher rates and hopes for tax reform. Large-caps and technology firms transitioned from leaders to laggards, due to headwinds from the rising U.S. dollar. Biotechnology firms continued their recent trend of outperformance, which created healthy profits for the fund's exposure to upward-trending, health care stocks.

OUTLOOK

The fund's trend following strategy appears well suited for today's market environment, where sticking with winning stocks and sectors has contributed to gains. In the same way, exiting and avoiding downward-trending stocks minimized the drag on our winning positions. This year's outperformance of biotechs versus energy stocks illustrates some of the persistent sector trends. More recently, the macro-driven outperformance of financials and small caps became a significant trend development within the U.S. stock market.

In the fourth quarter, the fund's portfolio can benefit from any further upside in U.S. equities. While it's true that today's bull market may appear extended on the surface, we note that the largest gains often come in the late stages of mature bull markets. It's true that the macro backdrop is shifting from easier to tighter monetary conditions. However, the chorus of cautious voices provides enough pessimism to keep the "wall of worry" standing. Indeed, as the chorus grows louder calling for the next bear market, we believe that long exposure to U.S. equities may become the ultimate contrarian bet. For now, the broad-based uptrend among U.S. equities remains intact. As disciplined, rules-based trend followers this means we remain long U.S. stocks. Going forward, we remain committed to respecting price action and controlling risk.

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PROSPECTUS OFFERING DISCLOSURE

Investors should carefully consider the investment objectives, risks, charges and expenses of the Longboard Alternative Growth Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 855.294.7540. The prospectus should be read carefully before investing.

The Longboard Alternative Growth Fund is distributed by Northern Lights Distributors, LLC, a FINRA/SIPC member. Longboard Asset Management, LP, is not affiliated with Northern Lights Distributors, LLC.

MUTUAL FUND RISK DISCLOSURE

Mutual funds involve risk including possible loss of principal.

There is a risk that issuers and counterparties will not make payment on securities and other investments held by the fund, resulting in loss. The fund's use of derivatives (including futures, forward contracts and swap agreements) involves risks different from and possibly greater than those associated with investing directly in securities including leverage risk, counterparty default risk, tracking risk and liquidity. The price of equity security fluctuates based on changes in a company's financial condition and overall market and economic conditions. Investments in ETFs may involve extra expenses and may not perform as expected and may not replicate the performance of the underlying index.

Fixed income securities could lose value due to interest rate changes. ADRs are subject to fluctuations in foreign currencies, political and economic instability, differences in financial reporting, security regulation, trading and taxation issues. The successful use of forward and futures contracts draws on the Adviser's skill and experience in predicting market movement. Risks include imperfect correlation, illiquid secondary markets, unanticipated market movements, counterparty default, and potentially selling securities when disadvantageous to do so. The success of the fund's hedging strategy is subject to the Adviser's ability to correctly assess market performance and correlation of the instruments used in the hedging strategy and the investments in the portfolio.

The fund may trade more, incurring higher brokerage fees and tax liability to shareholders. The fund has a limited history of operation and an investment entails a high degree of risk. Large Cap companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes. Small Cap and Mid-Cap companies may be volatile and vulnerable to adverse business or economic events. The fund is 'non-diversified' and changes in the value of a single security may have a significant effect on the fund's value. The fund may have investments that appreciate or decrease significantly over short periods. The value of REIT securities may be adversely affected by changes in the value of the underlying property the REIT holds. Short positions may be considered speculative and losses are potentially unlimited.

3796-NLD-10/12/2017