

# LONGBOARD

## LONGBOARD ALTERNATIVE GROWTH FUND

Monthly  
Portfolio Update And Commentary  
October 2017

Assets as of October 31, 2017  
**\$ 14,090,349**

### HOW TO INVEST

Visit [longboardmutualfunds.com](http://longboardmutualfunds.com)  
Call us at **800.290.8319**

## FUND PERFORMANCE

(Performance as of 10/31/17)

CLASS	I (NAV)*	A (NAV)**	A (MaxLoad)***
TICKER	LONGX	LONAX	LONAX
1M	6.29%	6.28%	0.20%
3M	9.80%	9.79%	3.53%
6M	13.30%	13.28%	6.74%
YTD	20.56%	20.24%	13.28%
1Y AS OF 9/30/17	22.83%	22.46%	15.43%
1Y AS OF 10/31/17	34.52%	34.10%	26.44%
2Y AS OF 9/30/17	9.24%	N/A	N/A
2Y AS OF 10/31/17	11.22%	N/A	N/A
SINCE INCEP TO 9/30/17	6.54%	7.96%	4.48%
SINCE INCEP TO 10/31/17	8.83%	11.11%	7.69%

\*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.

# LONGBOARD

## RECAP

The fund returned +6.29% in October as equities rallied across the board, particularly in the technology and industrial sectors.

It was a good month for trend following on U.S. equities with stocks defying their historical pattern for October turbulence. U.S. indices made new record highs while volatility registered its lowest average reading ever. Notable gains came from long positions in utilities and technology companies, which rallied on the back of robust earnings reports. Some winning names in the broader stock market included Microsoft, Amazon, Alphabet, and more recently, Apple. Other outperformers included industrial stocks, like mining equipment-maker Caterpillar, and glassmaker Corning. Underperforming sectors included financials, biotechs, small caps and consumer staples.

Portfolio holdings are subject to change at any time and should not be considered investment advice.

The U.S. central bank left interest rates unchanged at its Federal Open Market Committee (FOMC) meeting. Despite the Fed's current trajectory of boosting short-term interest rates, longer-term rates continued to fall. This growing divergence caused the U.S. yield curve to flatten the most in a decade, creating headwinds for financial firms. Conversely, lower long-term interest rates spurred utility stocks as investors reached for the sector's relatively high dividend payments. Other sectors moved on their own unique fundamentals. Biotech stocks lost ground on several high-profile earnings disappointments. These included quarterly reports from Celgene and Biogen. Consumer staples sold off on concerns that Amazon's disruptive reach would spread further into the grocery and consumer packaged goods industries.

## OUTLOOK

October's price movements reflected a common theme of recent years: unpredictability. In contrast with the downside surprises of 2016, the market mostly has surprised to the upside in 2017. Despite the growing chorus of skepticism, stocks continue to climb the "wall of worry" and volatility continues its dive to new record lows. As we pass the anniversary of last year's U.S. election, it's instructive to remember how few predicted the subsequent year of price movements. Looking ahead, we suspect the next 12 months will prove equally unforeseeable.

In the long term, we know that market trends will eventually shift. But for now, the trends among global risk assets remain positive. Even fundamental metrics like earnings show signs of promise—with 3rd quarter S&P 500 earnings on pace to grow by 7% versus last year's comparable quarter. Given these trends, and the inherent difficulty in predicting the future, we believe a rules-based approach can continue yielding healthy profits in today's market. We also believe that our disciplined process can limit downside risk when the current trend inevitably changes.

# LONGBOARD

## 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.

---

8322-NLD-11/13/2017