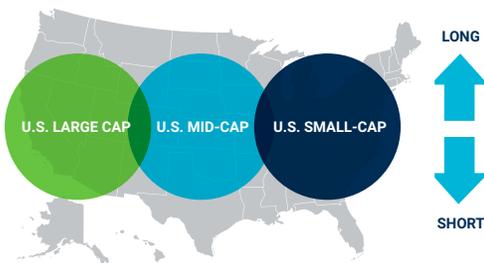




Alternative Growth Fund

Monthly Portfolio Update & Commentary | January 2019



The Longboard Alternative Growth Fund I (LONGX) received 3 stars from Morningstar out of 199 long/short equity funds for the 3-year period ending December 31, 2018 based on risk adjusted returns.

RECAP

The Longboard Alternative Growth Fund returned -4.09% in January, while the S&P 500 rebounded sharply from December lows posting an 8.01% gain.

As we discussed in last month's commentary the fund had shifted into a defensive posture helping it post a modest gain while broad indexes fell. This tactical shift paid dividends in December but quickly reversed as the market rallied sharply in January, despite a U.S. Federal Government shutdown and continued concerns about Chinese growth. With prices at more reasonable levels after declines in Q4, investors turned their attention to earnings. Previously lowered earnings estimates provided a low enough bar for most companies to clear and allow investors to breathe a sigh of relief.

Aside from earnings, market participants continued to focus intensely on central bank intervention. Some believed the market reversal was in response to the Federal Reserve "feeling the market" as President Trump had implored. Early in January the chairman Jerome Powell issued dovish statements, specifically using the word "patience" when referring to the Fed's policies moving forward. This sentiment was echoed after the FOMC meeting at the end of the month where the Quantitative Tightening plan which had been described as on auto-pilot was changed to being more flexible. Global concerns were eased as the ECB, the Bank of Japan and the Peoples Bank of China continued to pledge market support.

FUND PERFORMANCE

(Performance as of 12/31/18)

CLASS	TICKER	1Y AS OF 12/31/18	3Y AS OF 12/31/18	SINCE INCEP TO 12/31/18
I (NAV)*	LONGX	-7.43%	4.38%	3.60%
A (NAV)**	LONAX	-7.69%	4.09%	3.61%
A (Max Load)**	LONAX	-13.06%	2.06%	1.62%
Assets as of 1/31/19	\$10,827,888	*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.

January 2019 Longboard Alternative Growth Fund: Monthly Commentary

Despite all 11 sectors posting a positive month, the fund suffered as it was net short the Industrial and Energy sectors, which posted the strongest gains.

OUTLOOK

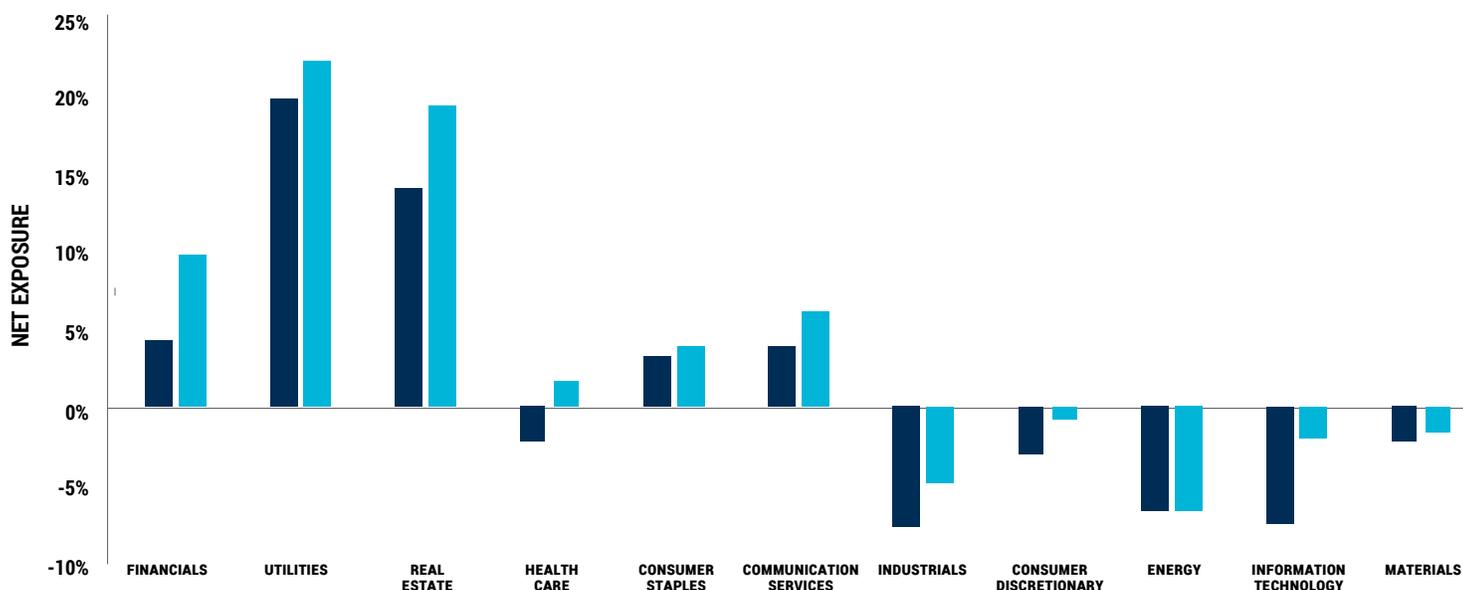
Sharp reversals can cause the Longboard Alternative Growth Fund problems. The Fund was able to avoid the lower leg of the downside in December, only to underperform in January. Despite the amount of positions in the portfolio remaining nearly constant overall, market exposure increased throughout the month. Because the individual positions did not change much, our directional exposure stayed the same in all sectors aside from

Health Care (short to long). We remain short the Industrial and Energy sectors while our greatest long exposure continues to be more in defensive sectors such as Real Estate and Utilities.

Moving forward the fund remains in a wait and see mode. Overall exposure has ticked up but remains well below where it has been over the past several years. If this rally continues you can expect the fund to start adding more positions and participating in the uptrend. However, if earnings slow or China's growth concerns resurface, the fund will tactically cut exposure closer to levels seen in December.

NET EXPOSURE BY SECTOR

AS OF JAN. 31, 2019 ■ 31-DEC ■ 31-JAN



Source: Longboard

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

HOW TO INVEST

Visit longboardfunds.com or call us at 800.290.8319



LONGBOARD



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The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

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 Advisor’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.

Beta: A measure of a fund’s sensitivity to market movements.

S&P 500: A stock market index based on the market capitalization of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor’s.

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