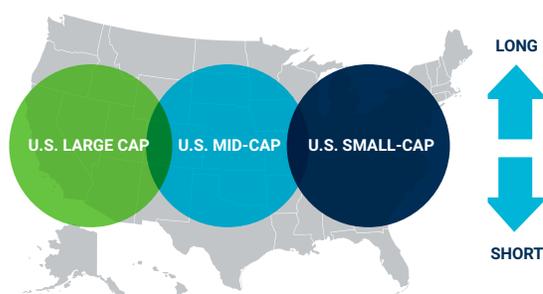


# Alternative Growth Fund

## Monthly Portfolio Update & Commentary | April 2019



The Longboard Alternative Growth Fund I (LONGX) received 3 stars from Morningstar out of 205 long/short equity funds for the 3-year period ending March 31, 2019 based on risk adjusted returns.

### Recap

The Longboard Alternative Growth Fund returned +0.40% in April, posting its third consecutive positive month while the S&P 500 was up +4.05%.

The overall market continued to march higher with the S&P 500 setting multiple closing records to end the month. This means we have erased the disastrous Q4 of 2018 to continue the longest bull market in history. We are starting to see more sector divergence with 8 of 11 sectors up on the month vs. 9 last month and all 11 up in January and February. The fund's underperformance compared to the benchmark was largely due to this deviation. Real estate was the fund's largest exposure heading into April and that sector had negative returns for the month. Our second largest position was utilities, which posted modest gains compared to the overall market. Healthcare, our 4th largest weighting heading into April, was also a significant drag as that sector fell on political pressure. This ended up being the only sector where we decreased exposure. We continued to have strong performance in information technology and bumped that up to our second largest position.

April appeared to offer a break from the constant cycle of U.S. / China trade talks and continued Fed watch. That doesn't mean there was not drama with the Mueller report, speculation on Federal Reserve Board nominations and continued tariff talks; it just had little market impact. Stocks exhibited a slow and steady climb for the month as companies continued to beat lowered earnings and guidance hurdles while buybacks buoyed prices.

## FUND PERFORMANCE

AS OF 3/31/2019

CLASS	TICKER	1 YR AS OF 3/31/19	3 YR AS OF 3/31/19	SINCE INCEP TO 3/31/19
I (NAV)*	LONGX	-3.72%	6.42%	3.74%
A (NAV)**	LONAX	-4.03%	6.12%	3.74%
A (Max Load)***	LONAX	-9.52%	4.03%	1.90%

AUM (as of 4/30/19)	\$10,519,727
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\*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.

# April 2019 Longboard Alternative Growth Fund: Monthly Commentary

## Outlook

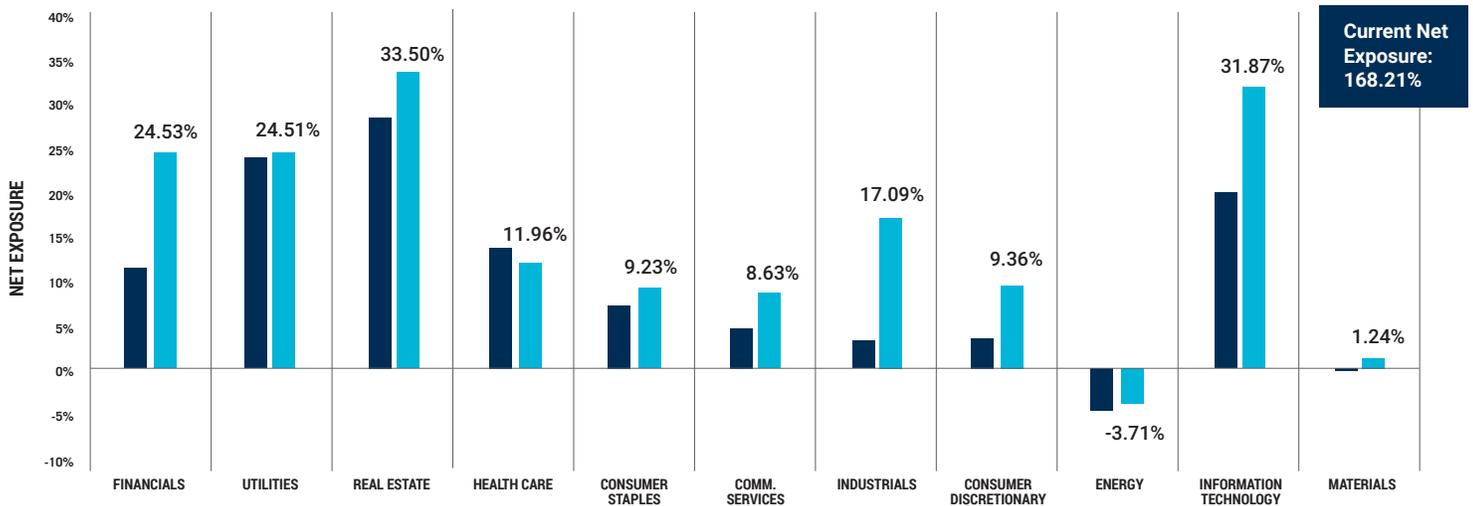
This continued rally and subdued volatility allowed the fund to continue adding positions. The fund added over 100 names during the month across all sectors including companies such as Lowe's, Qualcomm, United Technologies, and JPMorgan Chase. Combining strong market breadth with low volatility meant the fund's net exposure increased to 168% to end the month, up from 110%. It should be noted that our diversification improved over the month by adding significantly to financials, industrials, and information technology. Our only short remaining sector is energy, which posted another down month in April.

In the coming months we expect the fund to be able to fully participate in a continued bull market, due to its significant exposure broadly spread across the market. The last six months have shown the fund's ability to tactically flex based on market conditions, and our durable, repeatable process will continue to adapt moving forward.

## THE FUND CONTINUES TO ADD EXPOSURE AS STOCKS RISE

MAR. 31, 2019 - APR. 30, 2019

■ Q1 2019 ■ APR. 30, 2019



Source: Longboard

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

### HOW TO INVEST

Visit [longboardfunds.com](http://longboardfunds.com) or call us at 800.290.8319



## April 2019 Longboard Alternative Growth Fund: Monthly Commentary



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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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