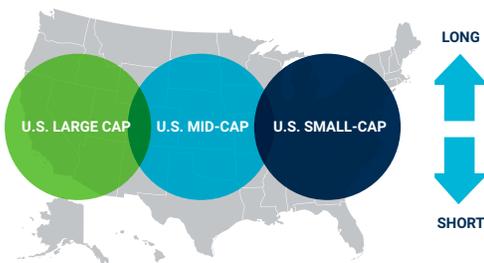


ASSETS AS OF OCTOBER 31, 2018

\$12,851,661


Alternative Growth Fund

Monthly Portfolio Update & Commentary | October 2018



The Longboard Alternative Growth Fund I (LONGX) received 4 stars from Morningstar out of 193 long-short equity funds for the 3-year period ending September 30, 2018 based on risk adjusted returns.

RECAP

The Longboard Alternative Growth fund returned -10.59% in October. Losses were broad based as only 2 index sectors, Utilities and Consumer Staples, posted positive returns.

US equities were hovering near all-time highs coming into October, but as we noted last month there was underlying weakness in the market. The divergence between stock indexes reaching record highs and stocks making new 52-week lows reached extreme levels to end September. This deviation coincided with a growing spread between U.S. and World Indexes as non-U.S. markets continued to deteriorate going into October. Much of this weakness has been attributed to tightening of global monetary policies, specifically by the Fed. Federal Reserve Chairman Jerome Powell ratcheted up these concerns early in the month when he said the central bank is “a long way” from neutral interest rates. Rising rates and a flat yield curve continued to pressure homebuilders and regional banks in October.

Renewed tensions with China emerged on the heels of Powell’s comments as the Trump administration talked of moving beyond tariffs to economic and military sanctions. The gravitational pull of these factors proved too much and the S&P 500 tumbled in the first 2 weeks of October. Selling pressure peaked on October 11th as the VIX blew out to levels not seen since February. As the market moved off record highs, investors once again looked

FUND PERFORMANCE

(Performance as of 10/31/18)

CLASS	TICKER	YTD	1Y AS OF 9/30/18	1Y AS OF 10/31/18	3Y AS OF 9/30/18	3Y AS OF 10/31/18	SINCE INCEP TO 9/30/18	SINCE INCEP TO 10/31/18
I (NAV)*	LONGX	-7.63%	8.66%	-8.60%	9.05%	4.18%	7.14%	3.71%
A (NAV)**	LONAX	-7.91%	8.36%	-8.92%	N/A	N/A	8.11%	3.73%
A (Max Load)**	LONAX	-13.27%	2.16%	-14.17%	N/A	N/A	5.85%	1.63%

*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.

October 2018 Longboard Alternative Growth Fund: Monthly Commentary

to FAANG stocks to lead them out of the dip. Earnings were kicked off by Netflix, who set the theme of solid earnings but lowered guidance. This compounded investor concerns as high-flying companies tempered expectations for future growth. The month ended with a minor bounce back as some optimism around a U.S. – China trade deal emerged, and consumer blue chips Coca-Cola and McDonald's provided some relief.

OUTLOOK

The Longboard Alternative Growth Fund was not immune to the drop in U.S. indexes throughout October. We entered the month owning a slightly above average number of total positions as equities reached new highs in September. Our largest exposure was Financials, specifically regional banks, followed by Information Technology. While these positions have proven profitable in 2018, the fund's disciplined, rules based, trend-following system reacted to the month's events by cutting Financial exposure nearly in half and turning net short

Information Technology. Overall the portfolio cut its holdings by roughly 37% across the board, including big names such as Home Depot, Amazon, and Nike. There were few notable additions outside McDonald's.

The U.S. market has pulled back but remains above bear market territory. Our fund has positioned itself to have a reduced sensitivity to the market as we look ahead to mid-term election results, and further guidance from Fed minutes in November. Despite the volatility in October, underlying fundamentals in the U.S. remain strong. For all the attention pointed at the Fed, unemployment remains near historic lows at 3.7%, while inflation is on target at 2.3%. And despite lowered guidance from major names in the industry overall Forward P/E ratios have declined due to falling prices. With markets at a cross-road our strategy has reduced its sector concentrations and is positioned to move into new trends or continue to reduce exposure if headwinds persist.

Volatility Strikes Back

Jan 3, 2017 – Oct 31, 2018



Source: Bloomberg

Investments cannot be made directly in an index. Past performance is not a guarantee of future results.

VIX: The Chicago Board Options Exchange Volatility Index (VIX) reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. 1st & 2nd month expirations are used until 8 days from expiration, then the 2nd and 3rd are used.

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.

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