



**Zeo Strategic Income Fund**

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
<i>Month End (29-Feb-2012)</i>											
<b>Zeo Strategic Income Fund</b>	10.02	0.81%	2.09%	2.19%	1.42%	n/a	n/a	n/a	n/a	n/a	1.26%
<b>Barclays Aggregate Bond Index</b>	1784.92	-0.02%	1.96%	2.73%	0.85%	8.37%	6.63%	7.52%	6.36%	5.68%	5.57%
Total Fund Net Assets: \$32.6m											
<i>Last Quarter End (31-Jan-2012)</i>											
<b>Zeo Strategic Income Fund</b>	9.94	0.61%	0.87%	0.66%	0.61%	n/a	n/a	n/a	n/a	n/a	0.46%
<b>Barclays Aggregate Bond Index</b>	1785.33	0.88%	1.90%	4.25%	0.88%	8.66%	6.85%	7.40%	6.70%	5.78%	5.60%

ZEOIX – Total Annual Operating Expense Ratio: 2.16%

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. The Fund’s investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until August 31, 2012, to ensure that the net annual fund operating expenses will not exceed 1.50% for the Fund, subject to possible recoupment from the Fund in future years. Please review the Fund’s prospectus for more detail on the expense waiver. Results shown reflect the waiver, without which the results could have been lower. A Fund’s performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. For performance information current to the most recent month-end, please call toll-free 855-936-3863.

The Barclays Capital U.S. Aggregate Bond Index: covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors. The U.S. Aggregate Index is a component of the U.S. Universal Index in its entirety. Unmanaged index returns do not reflect any fees, expenses or sales charges.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Zeo Strategic Income Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 855-936-3863. The prospectus should be read carefully before investing. The Zeo Strategic Income Fund is distributed by Northern Lights Distributors, LLC member FINRA.

**Zeo Capital Advisors, LLC and Northern Lights Distributors, LLC are not affiliated.**

Mutual Funds involve risk including possible loss of principal.

The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives. The Fund may experience losses that exceed losses experienced by funds that do not use futures contracts and options.

Typically, a rise in interest rates causes a decline in the value of fixed income securities. Overall fixed income market risk may affect the value of individual instruments in which the Fund invests. Lower-quality fixed income securities, known as “high yield” or “junk” bonds, present greater risk than bonds of higher quality, including an increased risk of default. As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. The Fund’s performance may be more sensitive to any single economic, business, political or regulatory occurrence than the value of shares of a diversified investment company. Securities of small and medium capitalization companies may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. Market risk results from adverse changes in exchange rates in foreign currency denominated securities. Investing in securities of foreign issuers involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency exchange rates, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

0334-NLD-3/2/2012



## Commentary

The Zeo Strategic Income Fund generated a total return of 0.81% in February compared to -0.02% for the Barclays Capital U.S. Aggregate Bond Index. Markets remained strong this month, continuing the momentum from January. The promise of continued low rates provided a particular boost to fixed income markets, especially high yield, and the outperformance of credit was a major contributing factor to our performance even as our short portfolio duration reduced sensitivity to the broader market. Notably, though the equity markets sustained a strong rally throughout February, credit market gains were largely confined to the second half of the month.

Several factors may have contributed to this outcome, including Facebook's planned IPO and Greece's attempts to earn a bailout package, which looked in doubt until about mid-February. Our focus here is on our empirical observation that many market participants we encounter appear to be reluctant buyers compelled by the industry's focus on benchmarks and relative performance. In short, conviction and certainty are the variables that we have found to most directly impact market volatility. So what does it tell us when buyers lack conviction in an economic and political environment fraught with uncertainty, but they still buy? Add in the specter of a summer with \$5/gallon gasoline and a mutated political system that systemically undermines coherent policy, and the prospects for stable, optimistic markets aren't so clear should we hit a bump in the road. In the face of such disconnects, we remain cautious and focused on short horizons and fundamentals.

*There is no guarantee that any investment will achieve its objectives, goals, generate positive returns, or avoid losses.*



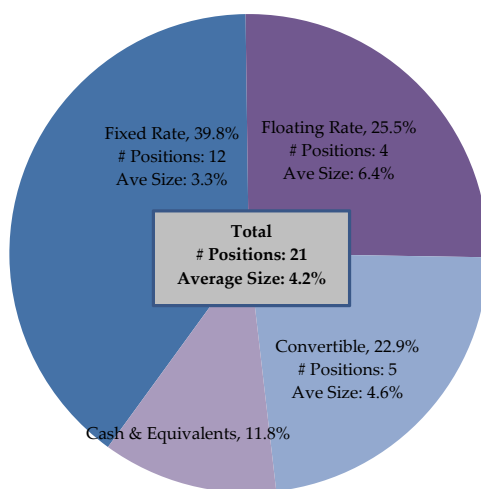
### Portfolio Snapshot

Issuer	Instrument	Yield <sup>1</sup>	Maturity (yrs)	% of Portfolio
JetBlue Airways B-1 Spare Parts Pass Through Trust	JBLU 0 1/2/14	6.4%	1.84	10.8%
Alcatel-Lucent USA Inc	ALUFP 2.75 25	6.3%	1.29	7.2%
Washington Mutual Inc	WM 0 09	6.9%	0.06	7.1%
General Cable Corp	BGC 0 4/1/15	5.5%	3.09	5.2%
Expedia Inc	EXPE 7.456 18	5.2%	6.46	5.1%
Iconix Brand Group Inc	ICON 1.875 12	2.3%	0.33	5.0%
Continental Airlines 2006-1 Class G Pass Through Trust	UAL 0 6/2/13	4.6%	1.26	4.9%
Live Nation Inc	LYV 2.875 27	5.6%	2.38	4.9%
L-1 Identity Solutions Inc	ID 3.75 27	3.7%	0.21	4.7%
Hanesbrands Inc	HBI 0 12/15/14	4.2%	2.79	4.6%
Nash Finch Co	NAFC 1.6314 35	6.2%	1.04	4.1%
PEP Boys-Manny Moe & Jack	PBY 7.5 14	2.4%	0.09	4.1%
JC Penney Corp Inc	JCP 7.95 17	5.3%	5.09	3.9%
MGM Resorts International	MGM 6.75 12	2.6%	0.50	3.2%
Clean Harbors Inc	CLH 7.625 16	2.0%	0.46	2.8%
United Air Lines Inc	UAL 12.75 12	3.0%	0.38	2.4%
Collective Brands Inc	PSS 8.25 13	1.4%	0.09	2.4%
Dillard's Inc	DDS 7.85 12	2.5%	0.59	2.2%
Euronet Worldwide Inc	EEFT 3.5 25	4.3%	0.63	1.7%
Levi Strauss & Co	LEVI 8.875 16	6.7%	1.09	1.4%
C&D Technologies Inc	CHHP 5.25 25	9.2%	0.67	0.5%
Cash & Equivalents	CASH & EQUIVALENTS	0.0%	0.00	11.8%

<sup>1</sup> Before fees and expenses

Portfolio holdings are subject to change at any time and should not be considered investment advice. Yields presented are those of portfolio holdings and do not represent that of the Fund.

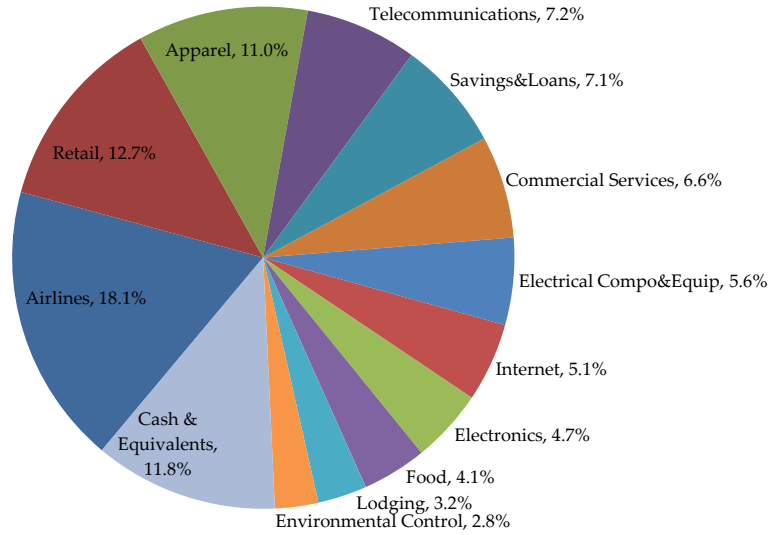
### By Asset Class



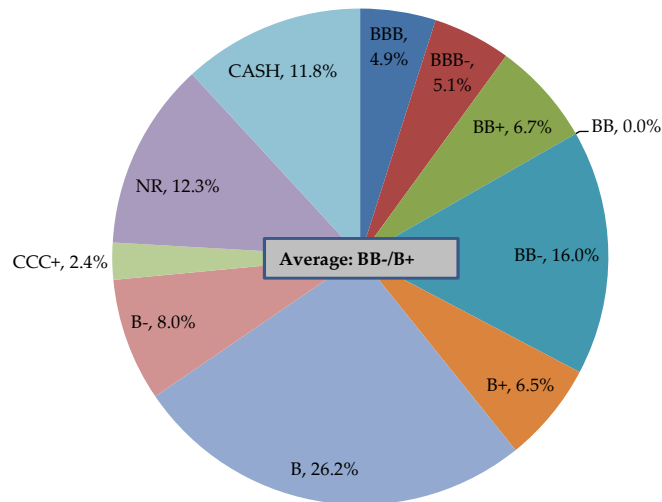
Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.



### By Sector



### By Credit Rating<sup>2</sup>



<sup>2</sup> Rating source: Standard & Poor's; see **credit rating** definition below for more information.

A **credit rating** is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to its debt obligations. Standard & Poor's ratings are measured on a scale that ranges from AAA (highest) to D (lowest), with ratings of BBB- and above considered investment grade; ratings are subject to change without notice. "NR", or Not Rated, indicates the issuer or specific security has not been rated and does not necessarily indicate low credit quality.