



Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
<i>Month End (30-Apr-2012)</i>											
Zeo Strategic Income Fund	10.04	0.26%	1.57%	2.45%	2.18%	n/a	n/a	n/a	n/a	n/a	2.03%
Barclays Aggregate Bond Index	1794.82	1.11%	0.53%	2.44%	1.41%	7.54%	6.44%	7.06%	6.37%	5.71%	6.16%
Total Fund Net Assets: \$32.9m											
<i>Last Quarter End (31-Mar-2012)</i>											
Zeo Strategic Income Fund	10.07	0.50%	1.92%	2.59%	1.92%	n/a	n/a	n/a	n/a	n/a	1.77%
Barclays Aggregate Bond Index	1775.14	-0.55%	0.30%	1.43%	0.30%	7.71%	6.41%	6.83%	6.25%	5.80%	4.99%

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.

0655-NLD-5/2/2012



Commentary

The Zeo Strategic Income Fund generated a total return of 0.26% in March compared to 1.11% for the Barclays Capital U.S. Aggregate Bond Index. Fixed income markets played catch-up in April after a poor showing the month before, while equity markets were little moved. The headline impact over the last month was largely dominated by Europe and the Federal Reserve. Several notable figures from the Fed indicated a willingness to provide accommodation in the form of low interest rates for a prolonged period of time, this time through 2014. Though one might question whether we have sufficient visibility to interpret such comments as commitments, the market rally and fund inflows over the second half of April told us quite a bit about the diverging fates of Wall Street and the broader economy. The promise of low interest rates, a sign of potentially weaker economic growth ahead, did not faze even more cyclical markets, and we believe we are seeing a continued increase in demand from retail investors for riskier asset classes as a result of this contrast.

This impact from retail interest is especially true in high yield markets. Fund flows into the asset class were strong, most notably from ETFs. Specifically, while ETFs represent roughly 10% of the high yield fund assets, they account for more than 30% of inflows so far this year according to Bank of America Merrill Lynch. We suspect we are seeing the growing influence in the marketplace, and the resulting volatility, of a potential new marginal investor mentality in corporate credit. Though retail investors have always had the ability to invest through mutual funds, features of ETFs such as low transaction costs, increased liquidity and relatively frictionless trading provide a new outlet for a higher frequency style of investing. It is our expectation that this will continue to increase volatility, arguing for wider risk spreads to compensate. This effect may be offset by positive factors, some of which we have discussed previously, and there's no certainty when or even if we will see volatility to the downside, but our theme this month is little changed from March: a careful focus on fundamentally-focused investments that aims to reduce market sensitivity is both prudent and cautious for investors with the dual-mandate of income and capital preservation.

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



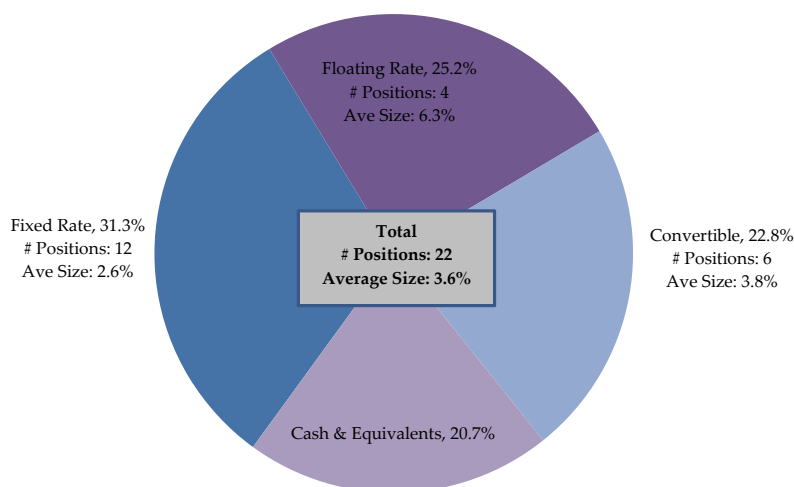
Portfolio Snapshot

Issuer	Instrument	Yield ¹	Maturity (yrs)	% of Portfolio
JetBlue Airways B-1 Spare Parts Pass Through Trust	JBLU 0 1/2/14	6.7%	1.67	10.6%
Expedia Inc	EXPE 7.456 18	5.0%	6.29	5.1%
General Cable Corp	BGC 0 4/1/15	5.8%	2.92	5.1%
Live Nation Inc	LYV 2.875 27	4.8%	2.21	4.9%
Iconix Brand Group Inc	ICON 1.875 12	2.7%	0.17	4.9%
Continental Airlines 2006-1 Class G Pass Through Trust	UAL 0 6/2/13	4.2%	1.09	4.8%
L-1 Identity Solutions Inc	ID 3.75 27	3.5%	0.06	4.7%
Hanesbrands Inc	HBI 0 12/15/14	4.1%	0.08	4.6%
PEP Boys-Manny Moe & Jack	PBY 7.5 14	4.1%	0.08	4.1%
Alcatel-Lucent USA Inc	ALUFP 2.75 25	4.0%	1.13	3.9%
JC Penney Corp Inc	JCP 7.95 17	5.4%	4.92	3.9%
Lions Gate Entertainment Inc	LGF 10.25 16	6.4%	1.50	3.6%
MGM Resorts International	MGM 6.75 12	2.1%	0.34	3.1%
Clean Harbors Inc	CLH 7.625 16	2.4%	0.29	2.8%
Nash Finch Co	NAFC 1.6314 35	3.5%	0.88	2.6%
Collective Brands Inc	PSS 8.25 13	1.8%	0.08	2.4%
United Air Lines Inc	UAL 12.75 12	3.9%	0.21	2.4%
Dillard's Inc	DDS 7.85 12	2.0%	0.42	2.2%
Euronet Worldwide Inc	EEFT 3.5 25	3.5%	0.47	1.7%
Levi Strauss & Co	LEVI 8.875 16	1.8%	0.08	1.3%
Parker Drilling Co	PKD 2.125 12	2.7%	0.21	0.3%
Washington Mutual Inc	WM 0 09	0.0%	0.42	0.0%

¹ 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.

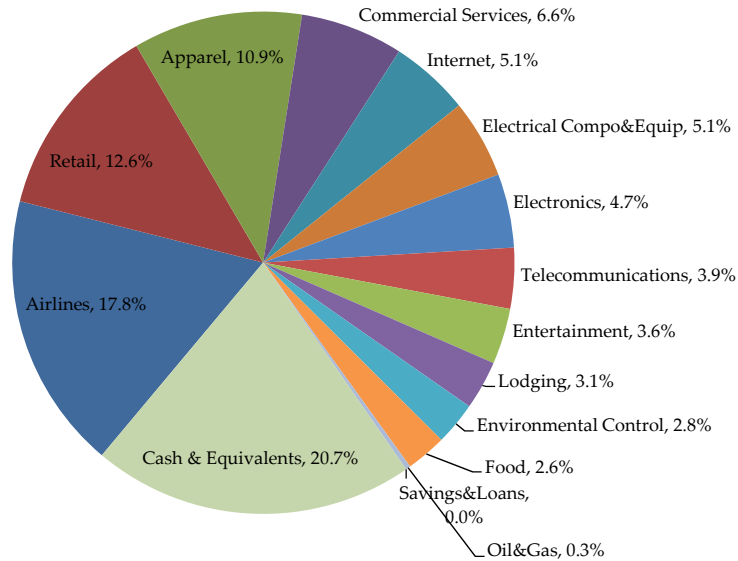
By Asset Class



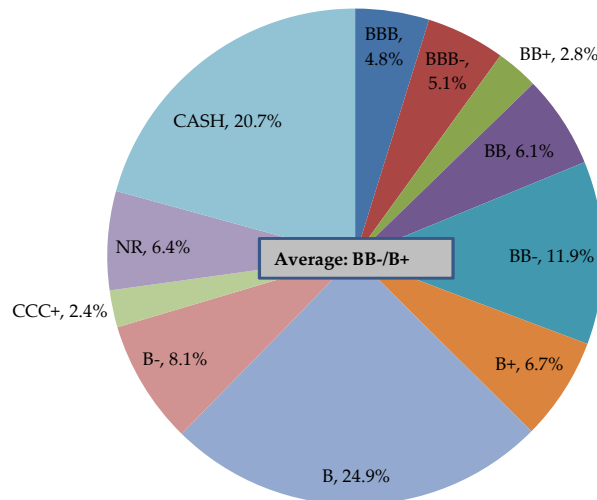
Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.



By Sector



By Credit Rating²



² 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.