

Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
<i>Month End (31-May-2012)</i>											
Zeo Strategic Income Fund	10.01	-0.30%	0.46%	2.56%	1.88%	1.73%	n/a	n/a	n/a	n/a	1.73%
Barclays Aggregate Bond Index	1811.06	0.90%	1.46%	3.46%	2.33%	7.12%	6.48%	7.12%	6.72%	5.72%	7.12%
<i>Total Fund Net Assets: \$33.3m</i>											
<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.

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Commentary

The Zeo Strategic Income Fund generated a total return of -0.30% in May compared to 0.90% for the Barclays Capital U.S. Aggregate Bond Index. The equity markets had their worst month since the decline in September, and the fourth worst month since February 2009. Meanwhile, the credit markets had their own poor showing. In response, interest rates declined further despite already historically low levels. These market movements were the primary contributors to performance this month. Notably, much of the decline in the broader equity and credit markets took place in the second half of May, as fears from Europe dominated headlines and chances of US recovery show signs of fading. The failure of the most watched IPO of the year contributed to a growing lack of investor confidence, and when taken as a whole, May gave us a glimpse of how severely the markets could turn should uncertainty give way to conviction in either direction.

From our perspective, we have been encouraged by the opportunities we have seen as the market has weakened. Readers may note that we have regularly argued for caution and patience with an expectation of better entry points for income investors heading into the summer. We strongly believe more attractive opportunities are ahead, and with interest rates so low, we find the argument for fundamentally-focused investments more compelling than that for deflationary interest rate bets. Certainly, signs seem to be pointing to a prolonged period of lower interest rates before inflationary factors can take hold, but the risk/reward characteristics of such an exposure strike us as unwise. Meanwhile, capitalizing on credit movements while maintaining short durations to mitigate volatility should prove a worthwhile strategy for those willing to roll up their sleeves and engage in a deeply researched approach to preserving capital.

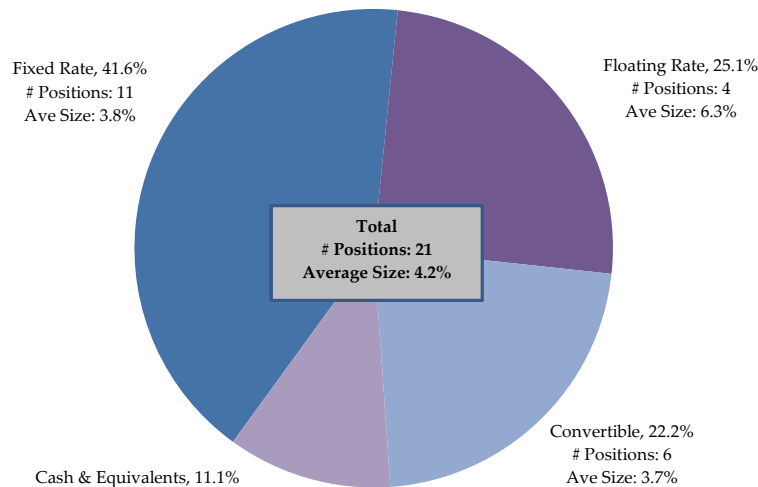
There is no guarantee that any investment will achieve its objectives, goals, generate positive returns, or avoid losses.

Portfolio Snapshot

Issuer	Instrument	Yield ¹	Maturity (yrs)	% of Portfolio
JetBlue Airways B-1 Spare Parts Pass Through Trust	JBLU 0 1/2/14	7.0%	1.59	10.6%
PEP Boys-Manny Moe & Jack	PBY 7.5 14	4.1%	0.09	7.1%
Collective Brands Inc	PSS 8.25 13	1.5%	0.09	6.8%
Expedia Inc	EXPE 7.456 18	4.9%	6.21	5.1%
General Cable Corp	BGC 0 4/1/15	5.7%	2.84	5.1%
Euronet Worldwide Inc	EEFT 3.5 25	3.2%	0.39	5.0%
Continental Airlines 2006-1 Class G Pass Through Trust	UAL 0 6/2/13	4.3%	1.01	4.9%
Iconix Brand Group Inc	ICON 1.875 12	1.9%	0.08	4.9%
Live Nation Inc	LYV 2.875 27	5.0%	2.13	4.9%
Hanesbrands Inc	HBI 0 12/15/14	4.2%	2.54	4.6%
Kinross Gold Corp	KCN 1.75 28	3.9%	0.79	4.5%
JC Penney Corp Inc	JCP 7.95 17	7.6%	4.84	4.4%
Alcatel-Lucent USA Inc	ALUFP 2.75 25	4.5%	1.04	3.9%
Lions Gate Entertainment Inc	LGF 10.25 16	6.9%	1.42	3.4%
MGM Resorts International	MGM 6.75 12	3.0%	0.25	3.1%
Clean Harbors Inc	CLH 7.625 16	4.4%	0.21	2.7%
Nash Finch Co	NAFC 1.6314 35	3.5%	0.79	2.6%
United Air Lines Inc	UAL 12.75 12	3.7%	0.13	2.3%
Dillard's Inc	DDS 7.85 12	2.3%	0.34	2.2%
NII Holdings Inc	NIHD 3.125 12	4.9%	0.04	1.0%
Washington Mutual Inc	WM 0 09	0.0%	0.33	0.0%

¹ Before fees and expenses

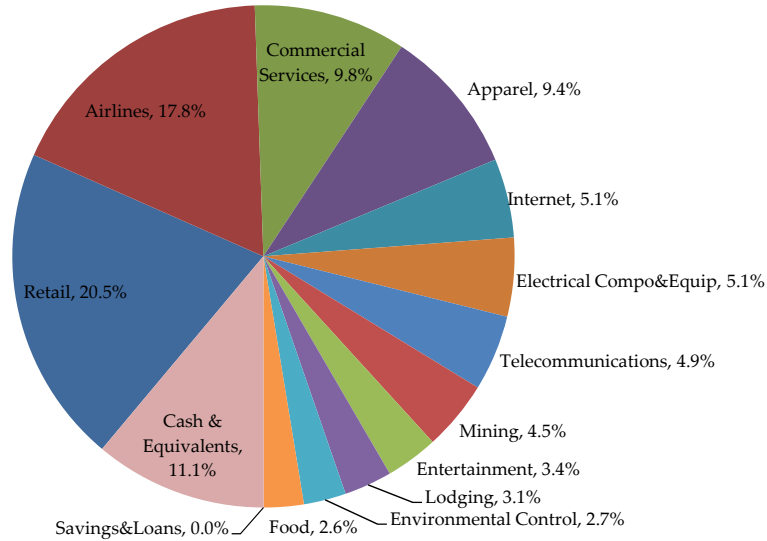
Portfolio holdings are subject to change at any time and should not be considered investment advice. Yields presented are those of portfolio holdings and do not represent that of the Fund.

By Asset Class


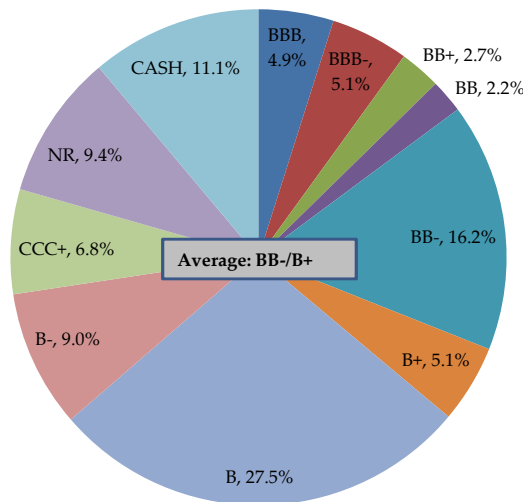
Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.



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.