Zeo Capital Advisors

PORTFOLIO REPORT
April 30, 2013

Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End (30-Apr-2013)											
Zeo Strategic Income Fund	10.12	0.48%	0.88%	1.89%	1.53%	4.07%	n/a	n/a	n/a	n/a	3.17%
Barclays Aggregate Bond Index	1860.78	1.01%	1.60%	0.90%	0.89%	3.68%	5.59%	5.51%	5.72%	5.04%	5.12%
	Total Fund Net Assets: $45.1m										
Last Quarter End (31-Mar-2013)											
Zeo Strategic Income Fund	10.15	0.30%	1.05%	1.73%	1.05%	3.83%	n/a	n/a	n/a	n/a	3.05%
Barclays Aggregate Bond Index	1842.14	0.08%	-0.12%	0.09%	-0.12%	3.77%	5.73%	5.52%	5.47%	5.02%	4.78%

ZEOIX – Total Annual Operating Expense Ratio: 1.91%
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, 2013, 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.

1132-NLD-05/06/2013

Zeo Capital Advisors, LLC | 1 Montgomery Street, Suite 3450, SF, CA 94104 | 415.875.5604 | www.zeo.com

Commentary

The Zeo Strategic Income Fund (the "Fund") generated a total return of 0.48% in April compared to 1.01% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). The markets resumed their upward trajectory after a mid-month swoon driven first by the precipitous decline of precious metals, led by gold, followed closely by the tragic act of terrorism at the Boston marathon on Patriots' Day. It's a testament to the country's resilience that the unwavering confidence of its people paired with the swift action of the authorities ultimately had little lasting effect on the markets. The same cannot be said of the drop in gold through the middle of the month[*]: 15% in two weeks, 19% since the start of the year and 24% since the peak last October; other precious metals, such as silver, declined even more. Notably, the sharpest part of this drop came with a decline in both the equity markets and interest rates. One explanation could simply be a change in inflation expectations; alternatively, investors may be rotating out of a perceived store of value to *de-risk* to treasuries and similar cash-like securities. This month, we share this as the first of two observations that show the high levels of uncertainty in the markets and the variance of opinions among market participants.

On the other hand, we certainly don't have to go far to see signs of bullish investors, evidenced by the market rally itself. Even in a period when many participants, including thought-leading professional investors, are writing about and preparing for a lower long-term expected return from their investments, the response to these changes in outlook can be surprising. It won't come as a surprise that one reaction to PIMCO's "new normal" forecast of 4-5% for long-term equity returns is a realization that some areas of fixed income, such as credit, might be a good alternative given the smaller excess return one would get for the added risk of equities. This has driven a substitution effect we have discussed in previous commentaries, and it is one factor that has pushed the high yield markets up in the last two years. However, another reaction to this same resetting of return expectations is the increased use of leverage, aided by an accommodative interest rate policy that has financing costs at historic lows. Again, this may not come as a big surprise, since the Fed's low-rate policy is in place in part to spur lending for the purchase of other assets, primarily housing. However, the extent to which leverage has re-entered the financial markets may not be fully appreciated: readers should be aware that the total aggregate margin balances held at NYSE member firms has returned to its all-time high of approximately $380b, last seen on 7/31/2007.

It does not take a mathematician to consider the consequences to market prices of increased margin requirements or higher financing costs. As a point of reference, for many hedge funds in 2008, the cost of borrowing alone increased from a range of 50-100bps to a range of 250-450bps; ignoring any potential change in margin requirements entirely, if the investments being used to hurdle this cost are expected to return 5% over the long-term, such a change would meaningfully lower, if not eliminate entirely, the extra return from using leverage. When considered alongside the continued uncertainty on both Main Street and Wall Street, we find ourselves simply providing additional data points to support the case for caution and prudence. We continue to recommend that investors look for opportunities to stick to core competencies, focus on fundamentals and maintain short durations so that they are positioned to be opportunistic when this financing cycle starts to turn.

[*] *Gold reversed some but not all of this decline in the last two weeks of the month due in part to opportunistic trading and some renewed fears triggered by the tragedy in Boston.*

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

Zeo Capital Advisors

PORTFOLIO REPORT
April 30, 2013

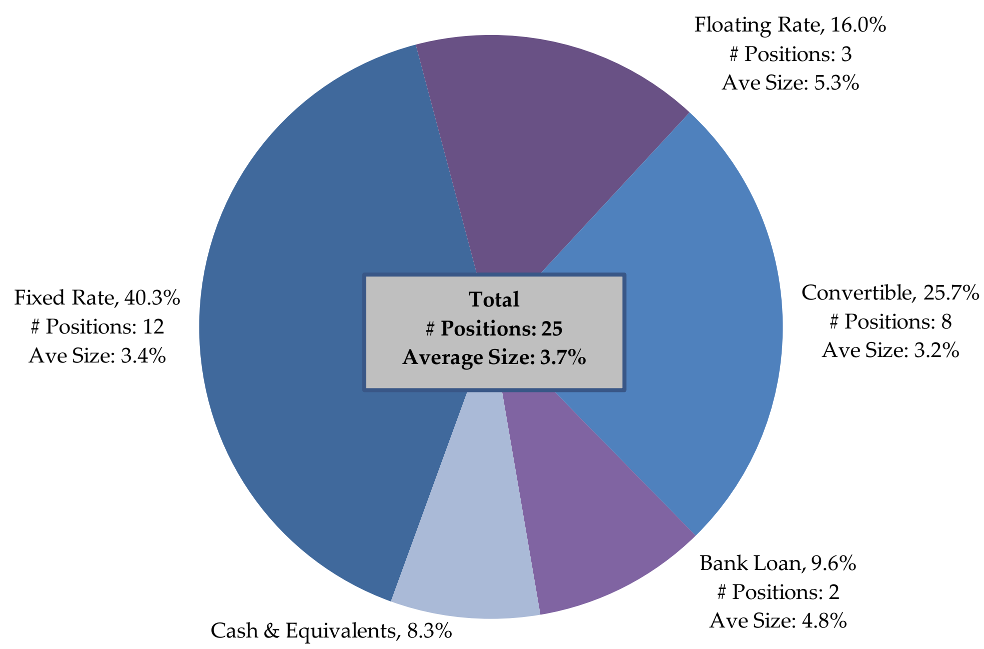
Portfolio Snapshot

Issuer	Instrument	Yield[1]	Maturity (yrs)	% of Portfolio
JetBlue Airways B-1 Spare Parts Pass Through Trust	JBLU 0 1/2/14	4.0%	0.67	9.4%
Lions Gate Entertainment Inc	LGF 10.25 16	2.4%	0.50	9.4%
Longview Fibre Paper & Packaging Inc	LONGVW 8 16	1.5%	0.09	5.5%
Collective Brands Inc	PSS TL B 1L USD	7.2%	6.41	5.1%
Dillard's Inc	DDS 6.625 18	3.6%	4.71	4.9%
Blue Coat Systems Inc	BCSI TL B 1L USD	5.5%	4.77	4.5%
Carrizo Oil & Gas Inc	CRZO 4.375 28	1.1%	0.09	4.5%
Pinnacle Foods Finance LLC / Pinnacle Foods Finance Corp	PFHC 8.25 17	1.1%	0.34	4.4%
Live Nation Inc	LYV 2.875 27	2.3%	1.22	4.3%
SanDisk Corp	SNDK 1 13	1.0%	0.04	4.3%
Expedia Inc	EXPE 7.456 18	3.3%	5.29	4.0%
National Money Mart Co	DLLR 10.375 16	6.0%	0.63	3.8%
Fidelity National Information Services Inc	FIS 7.625 17	1.7%	0.21	3.7%
AngloGold Ashanti Holdings Finance PLC	ANGSJ 3.5 14	2.4%	1.06	3.6%
Omnicare Inc	OCR 3.25 35	2.5%	2.63	3.6%
Great Lakes Dredge & Dock Corp	GLDD 7.375 19	5.6%	3.75	3.5%
Western Alliance Bancorp	WAL 10 15	4.9%	2.34	3.5%
Five Star Quality Care Inc	FVE 3.75 26	6.1%	0.46	3.1%
Case New Holland Inc	CNH 7.75 13	2.0%	0.34	2.3%
Neenah Paper Inc	NP 7.375 14	4.1%	0.08	1.5%
Headwaters Inc	HW 2.5 14	3.9%	0.75	1.5%
Icahn Enterprises LP	IEP 0 8/15/13	4.0%	0.29	1.1%
Viasystems Corp	VIAS 4 13	7.6%	0.04	0.2%
Dillard's Inc	DDS 7.13 18	4.4%	5.25	0.1%
Ethan Allen Global Inc	ETH 5.375 15	3.6%	2.42	0.1%

[1] Before fees and expenses

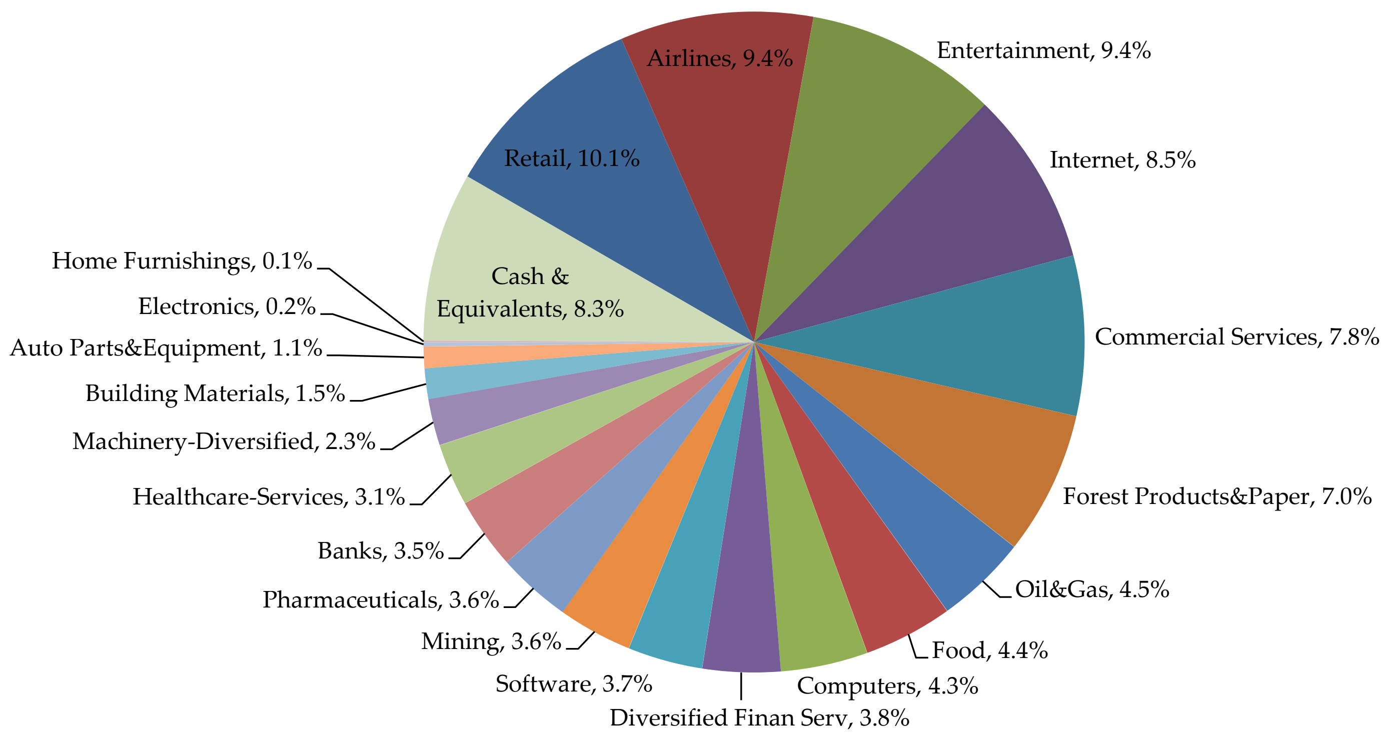
Portfolio holdings are subject to change at any time and should not be considered investment advice. Yields presented are those of portfolio holdings and do not represent that of the Fund.

By Asset Class

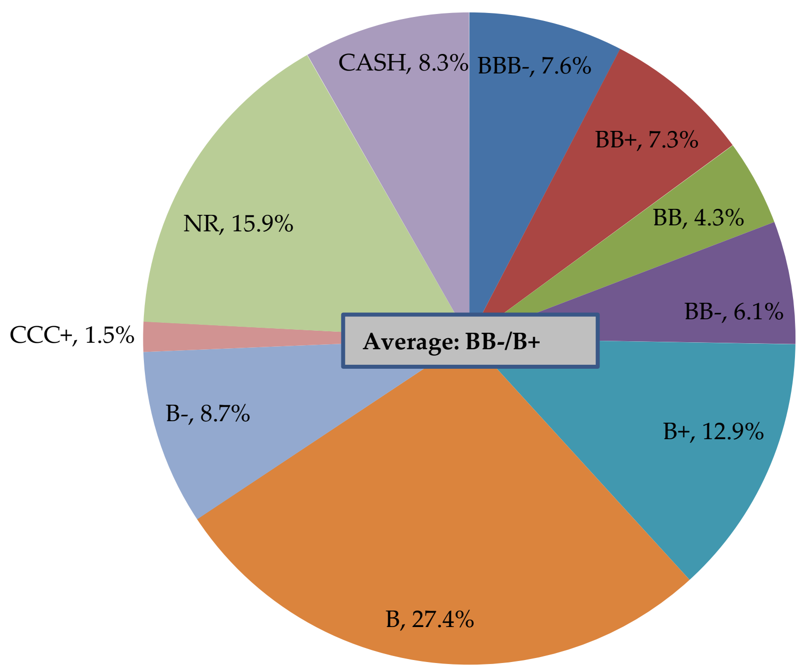


Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.

By Sector



By Credit Rating [2]



[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.*