Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End (31-Dec-2013)											
Zeo Strategic Income Fund	10.08	0.50%	1.79%	3.05%	4.21%	4.21%	4.47%	n/a	n/a	n/a	3.38%
Barclays Aggregate Bond Index	1807.06	-0.57%	-0.14%	0.43%	-2.02%	-2.02%	1.05%	3.26%	4.44%	4.55%	2.61%
	Total Fund Net Assets: $58.5m										
Last Quarter End (31-Dec-2013)											
Zeo Strategic Income Fund	10.08	0.50%	1.79%	3.05%	4.21%	4.21%	4.47%	n/a	n/a	n/a	3.38%
Barclays Aggregate Bond Index	1807.06	-0.57%	-0.14%	0.43%	-2.02%	-2.02%	1.05%	3.26%	4.44%	4.55%	2.61%

ZEOIX – Total Annual Operating Expense Ratio: 1.52%

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, 2014, 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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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") gained 0.50% for the month of December, compared to a loss of -0.57% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Equity markets finished 2013 on an up note. More specifically, the S&P 500* finished the year with its strongest 12 month performance since April 2009 and its strongest calendar year performance since 1996. It is uncontroversial to say that the last year is not comparable to the 12 months ending in April 2009. 1996 is a more interesting comparison, and not just because it was the last time we had a government shutdown - like now, the country then was 5 years into a recovery from an economic recession that followed nearly a decade of expansion. Bearish investors will point out that there are meaningful differences between these two recoveries, and we are sympathetic to their call for caution. However, as evidenced by the shift to equities even among those seeking safe places to earn income, often referred to as the "Great Rotation", bullish investors seem to have confidence that the current recovery will continue regardless.

If one is optimistic on the economy but bearish on fixed income in a rising rate environment, then the Great Rotation makes sense. We can purchase a portfolio of dividend paying, value-oriented equities that will give us income while reducing our exposure to inflation. The downside of this portfolio reallocation is that we limit our capacity for higher-growth equities if we are already taking significant equity exposure to earn income. However, one factor that drove the sustained recovery out of the 1990/1991 recession was the explosive innovation in technology and related growth sectors. This was particularly important as the resulting deleveraging in both corporate capital structures and the broader economy helped to offset headwinds created when interest rates, which had declined following the recession, began to rise again. In truth, growth-oriented companies may very well be the path of least resistance to sustained recovery this time around also, as they tend to be less susceptible to rate increases due to their low leverage. However, since such companies tend not to pay dividends, this poses a familiar challenge to today's bullish investor: where does one get income?

Regular readers will be familiar with our long-held view that risks should be aligned with objectives. That is, for the portion of a portfolio targeting capital preservation and income, we believe investors are better off seeking alternative ways to do so within the fixed income asset classes rather than straying into equities. We agree with those who believe a value-oriented approach can help offset the risk of rising interest rates, but we disagree that the prudent decision is to seek this approach in equities to achieve a fixed income objective. Rather, we believe investors can find the income they are seeking within fixed income asset classes by focusing on strategies with fundamental, value-oriented approaches. Then, for the portion of a portfolio targeting capital appreciation, investors may be able to express a more pure-play view on equities, whether bearish or bullish.

** The S&P 500® Index is an unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. You cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.*

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

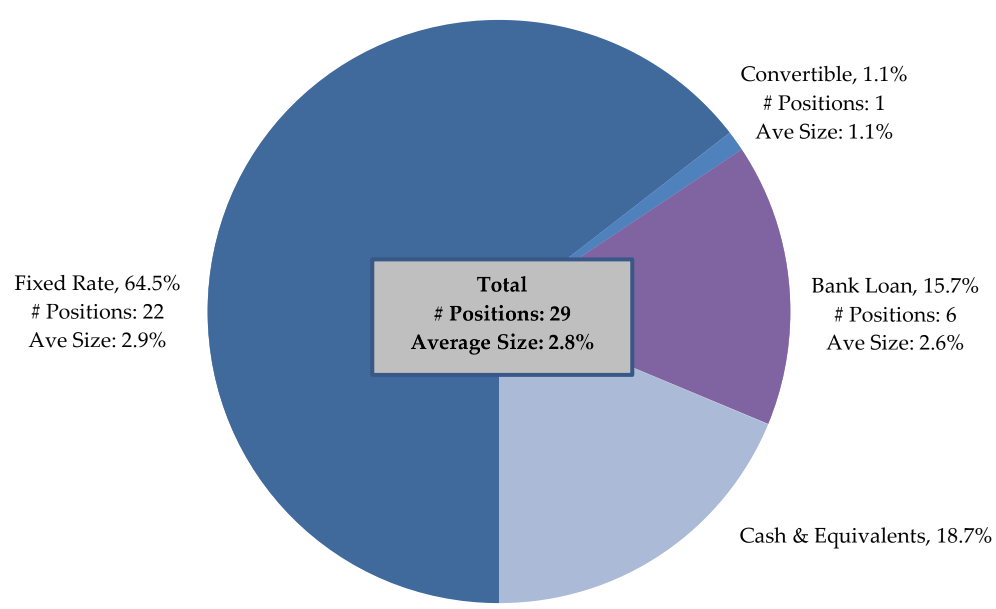
Portfolio Snapshot

Issuer	Instrument	Yield[1]	Maturity (yrs)	% of Portfolio
Hillman Group Inc/The	HILCOS 10.875 18	4.1%	0.42	7.4%
FMG Resources August 2006 Pty Ltd	FMGAU 7 15	2.3%	0.84	5.1%
Expedia Inc	EXPE 7.456 18	3.6%	4.63	5.1%
ManTech International Corp/VA	MANT 7.25 18	1.3%	0.29	4.8%
DAE Aviation Holdings Inc	DAEAVI 11.25 15	7.3%	0.08	4.4%
Packaging Dynamics Corp	PKDY 8.75 16	0.6%	0.09	4.2%
Goldcorp Inc	GCN 2 14	1.6%	0.59	4.1%
Collective Brands Inc	PSS TL B 1L USD	8.1%	5.83	3.8%
Mueller Water Products Inc	MWA 7.375 17	4.1%	0.42	3.8%
Great Lakes Dredge & Dock Corp	GLDD 7.375 19	5.8%	3.09	3.6%
Dillard's Inc	DDS 6.625 18	3.7%	4.04	3.6%
Sabine Pass LNG LP	CQP 7.5 16	4.0%	2.92	3.4%
Blue Coat Systems Inc	BCSI TL B 1L USD	5.5%	5.46	3.4%
Alliance HealthCare Services Inc	AIQ TL DD 1L USD	5.5%	5.47	3.3%
Ascensus Inc	ASCENS TL 2L USD	10.0%	6.99	3.0%
Horsehead Holding Corp	ZINC 10.5 17	6.2%	2.42	2.8%
Smith & Wesson Holding Corp	SWHC 5.875 17	5.5%	2.46	2.4%
Burger King Capital Holdings LLC / Burger King Capital Finan	BKC 0 19	4.1%	1.29	2.3%
Columbus McKinnon Corp/NY	CMCO 7.875 19	4.0%	1.09	2.2%
Sizzling Platter LLC / Sizzling Platter Finance Corp	SIZPLT 12.25 16	4.1%	0.29	1.8%
Blue Coat Systems Inc	BCSI TL 2L USD	10.3%	6.56	1.7%
Catalina Marketing Corp	CHKOUT 11.625 17	8.6%	0.75	1.4%
Grifols Inc	GRFSM 8.25 18	1.8%	0.09	1.2%
Headwaters Inc	HW 2.5 14	13.3%	0.09	1.1%
Fly Leasing Ltd	FLY 6.75 20	6.5%	5.96	0.9%
Ascensus Inc	ASCENS TL 1L USD	6.0%	5.98	0.4%
Dillard's Inc	DDS 7.13 18	3.9%	4.59	0.1%
Ethan Allen Global Inc	ETH 5.375 15	3.3%	1.75	0.1%
Washington Mutual Inc	WM 0 09	0.0%	0.00	0.0%

[1] *Before fees and expenses*

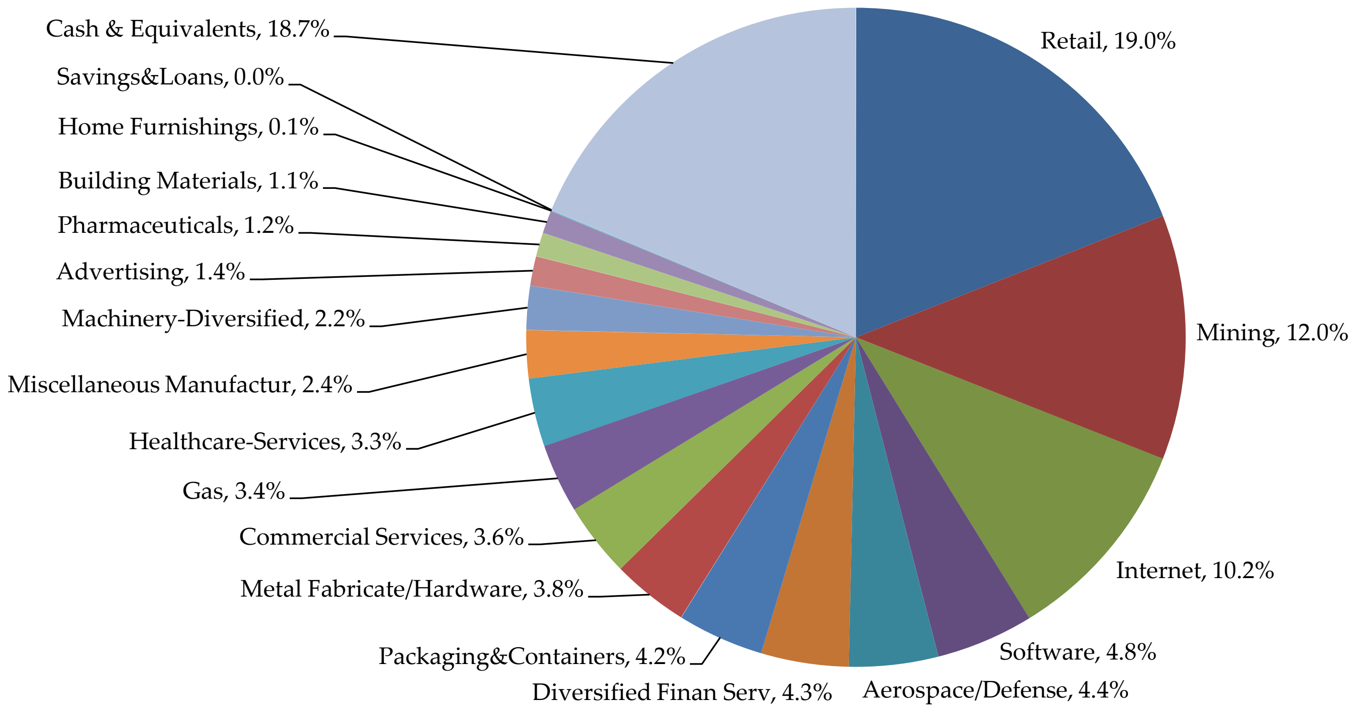
Portfolio holdings are subject to change at any time and should not be considered investment advice. Yields presented are those of portfolio holdings and do not represent that of the Fund.

By Asset Class

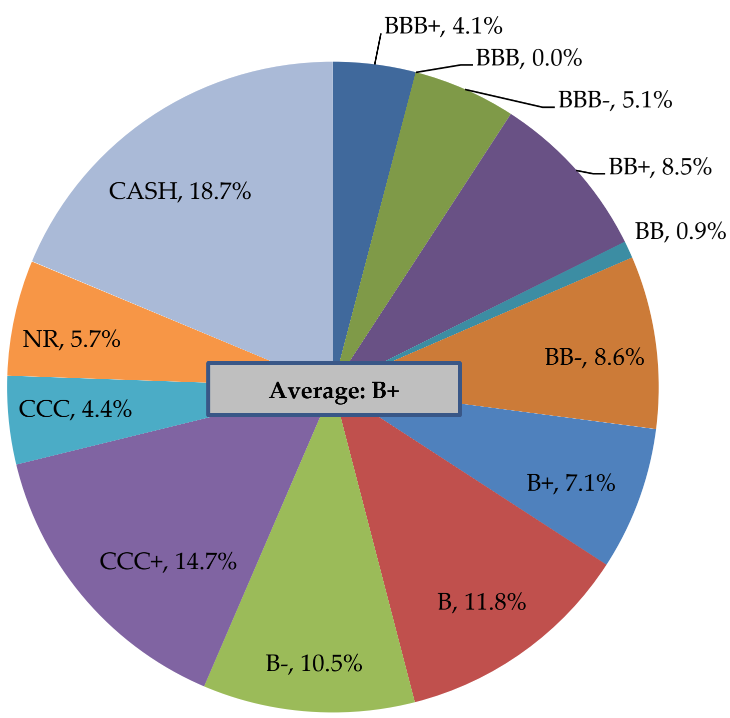


Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.

By Sector



By Credit 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.*