

Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
<i>Month End (31-May-2014)</i>											
Zeo Strategic Income Fund	10.15	0.30%	0.89%	2.19%	1.69%	4.37%	4.37%	3.48%	n/a	n/a	3.48%
Barclays Aggregate Bond Index	1877.03	1.14%	1.82%	3.29%	3.87%	2.71%	1.81%	3.55%	4.96%	4.99%	3.55%
<i>Total Fund Net Assets: \$91.2m</i>											
<i>Last Quarter End (31-Mar-2014)</i>											
Zeo Strategic Income Fund	10.20	0.39%	1.19%	2.99%	1.19%	4.36%	4.09%	n/a	n/a	n/a	3.51%
Barclays Aggregate Bond Index	1840.37	-0.17%	1.84%	1.70%	1.84%	-0.10%	1.82%	3.75%	4.80%	4.46%	3.04%

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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Commentary

The Zeo Strategic Income Fund (the "Fund") gained 0.30% for the month of May compared to 1.14% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Equity and fixed income markets added to their 2014 gains this month, while interest rates continued to decline. Notably, within fixed income, it seemed that every asset class performed well, regardless of rate sensitivity, credit risk or economic exposure. A high correlation across all asset classes, especially in the positive direction, has prompted many investors to once again try to answer the question on everyone's mind: when will it all end?

This month, in particular, we saw a lot of analyst attention focused on cycles. Where are we in the credit cycle? Have we turned the corner on the housing cycle? Are we finally seeing growth in the economic cycle? Embedded in all this talk of cycles is the possibility that we are not, in fact, in a cyclical upswing, in which case market strength may be more bubble than boom. There are no shortage of bearish investors making just such a case. But, while cycles do tend to exhibit some common characteristics at the beginning and end, those characteristics are rarely visible except in hindsight. We've often seen "cycles within cycles", where all signs point to a correction that turns out to be a hiccup. There are surely some investors that are gifted in distinguishing the two, but most of us may be well served to consider that the talk of cycles and bubbles is mainly a storytelling device designed to impose order on what is actually a very complex and intractable system. In reality, financial markets rarely fit the arc of the story so perfectly.

How many times have you watched a movie where you find yourself sympathizing with the villain? Storytelling has, as its main characteristic, the ability to elicit emotions and cause people to act on them, often in ways that are not rational or in their best interest. It is our view that an exaggerated focus on the timing of cycles (or bubbles), which history has shown to be of unpredictable lengths, is not an analysis that is actionable for most investors. Worse still is the false conviction that comes from the elegance of the story, leading investors to take action based on conclusions that fail to consider the daily imperfections, let alone the "black swans", hidden by the narrative. This is not to say that making sense of the world is an impossible endeavor. On the contrary, we believe that, by letting go of cycles and narrowing one's scope, an investor can indeed reach sound, actionable conclusions.

It is for this reason, for example, that in times of high market uncertainty, many investors seek refuge in shorter duration strategies. There is the obvious benefit of being less sensitive to interest rate moves today, but even in high rate environments, this tendency may reduce risk substantially. As time horizons increase, so must the level of uncertainty - put another way, predicting the future is harder the farther out into the future one is trying to predict. If we limit the timeframe over which we are forming our view, the number of variables diminishes significantly. From our perspective, this is certainly true in fundamental strategies, where shorter timeframes enable much clearer visibility into company performance, and it is likely true in other strategies as well. We believe focusing on investing in greater "knowability" may serve investors better in the long run than trying to make sense of the infinite number of factors that go into predicting where we are in a cycle.

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



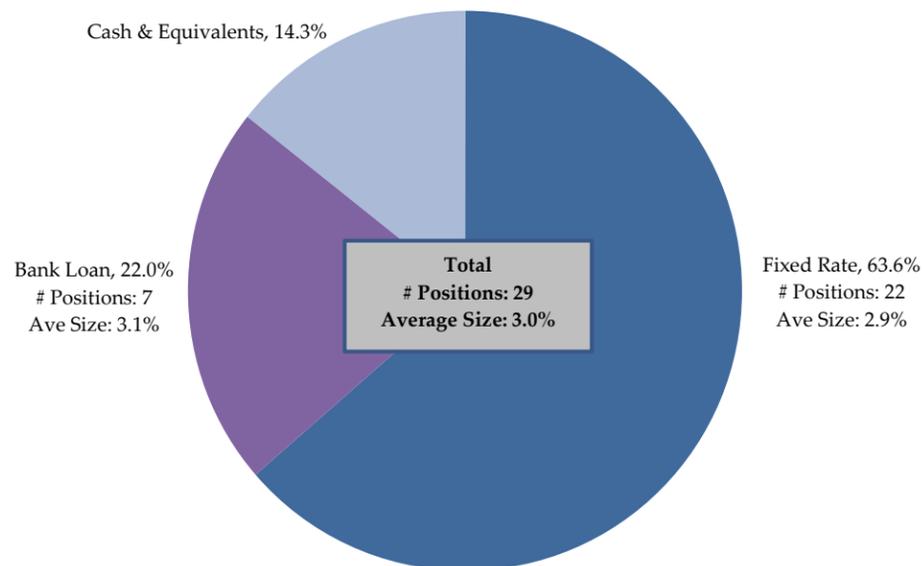
Portfolio Snapshot

Issuer	Instrument	Yield ¹	Maturity (yrs)	% of Portfolio
FMG Resources August 2006 Pty Ltd	FMGAU 6.875 18	4.7%	0.67	7.6%
Columbus McKinnon Corp/NY	CMCO 7.875 19	3.2%	0.67	6.1%
Lions Gate Entertainment Inc	LGF TL 2L USD	5.6%	6.20	5.7%
Burger King Capital Holdings LLC / Burger King Capital Finan	BKC 0 19	3.5%	0.88	5.2%
Blue Coat Systems Inc	BCSI TL B 1L USD	4.7%	5.04	4.6%
Calcipar SA	CARMLI 6.875 18	3.6%	0.92	4.6%
Envision Healthcare Corp	EMS 8.125 19	3.9%	0.05	4.4%
Dillard's Inc	DDS 6.625 18	3.1%	3.63	4.3%
Packaging Dynamics Corp	PKDY 8.75 16	0.9%	0.08	3.8%
Mueller Water Products Inc	MWA 7.375 17	3.6%	0.08	3.7%
Landslide Holdings Inc	LANSOF TL 2L USD	9.2%	6.81	3.3%
Michaels FinCo Holdings LLC / Michaels FinCo Inc	MIK 7.5 18	4.1%	0.17	3.2%
Allison Transmission Inc	ALSN 7.125 19	3.0%	0.96	2.8%
Ball Corp	BLL 5.75 21	3.2%	1.46	2.7%
Ascensus Inc	ASCENS TL 2L USD	9.5%	6.58	2.6%
DAE Aviation Holdings Inc	DAEAVI TL 2L USD	8.1%	5.23	2.5%
Horsehead Holding Corp	ZINC 10.5 17	5.5%	3.00	2.5%
Milestone Aviation Group Ltd/The	MLEAVI 8.625 17	5.1%	2.54	2.2%
Alliance HealthCare Services Inc	AIQ TL DD 1L USD	5.0%	5.05	2.2%
Sabine Pass LNG LP	CQP 7.5 16	4.4%	2.50	2.2%
Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reyn	REYNOL 8.5 18	4.8%	0.08	2.1%
Expedia Inc	EXPE 7.456 18	2.7%	4.21	1.7%
Smith & Wesson Holding Corp	SWHC 5.875 17	4.1%	2.04	1.6%
Chinos Intermediate Holdings A Inc	JCG 7.75 19	5.1%	0.42	1.3%
Blue Coat Systems Inc	BCSI TL 2L USD	10.1%	6.14	1.1%
CommScope Inc	CTV 8.25 19	0.9%	0.63	1.0%
B&G Foods Inc	BGS 4.625 21	4.7%	7.00	0.6%
Darling Ingredients Inc	DAR 5.375 22	4.6%	5.63	0.2%
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.

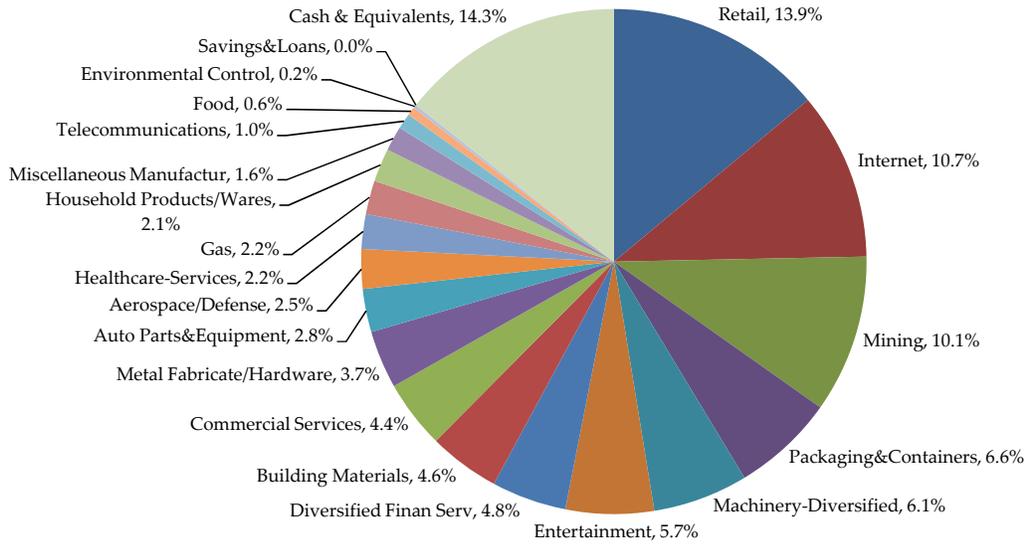
By Asset Class



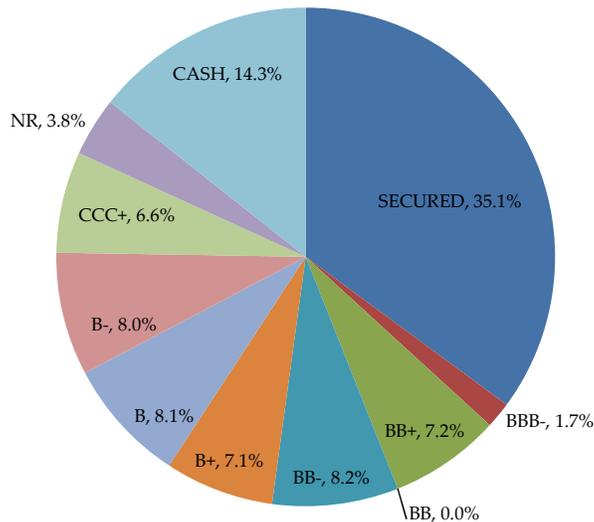
Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.



By Sector



By Credit 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.