Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End (30-Sep-2014)											
Zeo Strategic Income Fund	10.09	-0.49%	-0.17%	0.62%	1.82%	3.63%	3.35%	3.80%	n/a	n/a	3.17%
Barclays Aggregate Bond Index	1881.11	-0.68%	0.17%	2.21%	4.10%	3.96%	1.10%	2.43%	4.12%	4.62%	3.25%
	Total Fund Net Assets: $111.9m										
Last Quarter End (30-Sep-2014)											
Zeo Strategic Income Fund	10.09	-0.49%	-0.17%	0.62%	1.82%	3.63%	3.35%	3.80%	n/a	n/a	3.17%
Barclays Aggregate Bond Index	1881.11	-0.68%	0.17%	2.21%	4.10%	3.96%	1.10%	2.43%	4.12%	4.62%	3.25%

ZEOIX – Total Annual Operating Expense Ratio: 1.34%
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. 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/SIPC.

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

5286-NLD-10/06/2014

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") declined 0.49% in the month of September compared to a decline of 0.68% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Markets were down across the board, but the fixed income markets stole the front pages with the biggest headline of the month and possibly the year. Bill Gross, founder and CIO of Pacific Investment Management Company, LLC (a.k.a. PIMCO) and portfolio manager of the world's largest bond fund at ~$222 billion, announced he is leaving to join Janus as the manager of a fund that, prior to his arrival, held just ~$13 million - that's million with an "m". The fund will likely grow at the expense of PIMCO fund assets, but no matter what any analyst or gleeful competitor might try to tell us, no one has any true insight into the ultimate impact on fixed income markets. The only conclusion we feel comfortable drawing at this time is that, as hard as it is to imagine, uncertainty in the fixed income markets has managed to *increase* even more. Investors were already nervous about the state of fixed income, and many were already reassessing their approach to the asset class. For those who weren't, while Mr. Gross did not create the risks that face today's bond investors and may not have changed them, by adding yet another variable to an already mind-boggling equation, he provided a call to action. But what action?

Somewhere between 1981 and 1987 began an unprecedented bull market for bonds that has persisted through many market environments to the present day. The 10-year treasury note reached it's lowest yield in that span in July 2012. The best performing fixed income managers in that timeframe tended to be those who were skilled at anticipating interest rate moves based on their particular understanding of the economic factors that drove such fluctuations. Managing duration and volatility was less important: a fixed income portfolio had a good chance of positive returns regardless, as the yields earned on bonds were high enough to overcome any interest rate sensitivity. For example, in 1989, a 10-year bond with a 9% yield could breakeven with a roughly 1% move in interest rates. This compares with a loss of ~5% at today's ~2.5% yield. Put together, a fixed income manager was rewarded handsomely for taking advantage of high yields to passively mitigate the impact of volatility of a core longer-term bond portfolio. He was incentivized to focus time, energy and capital on trying to be on the right side of directional moves in the short-term to outperform competitors positioned the same way. The tailwind of declining interest rates generally bailed him out if he was wrong, allowing a portfolio to appear much better risk-managed than it may have been.

Certainly, the best fixed income managers over the last thirty years were right more often than they were wrong, as it should be. However, today's fixed income manager is faced with a different challenge. Gone are the days when yields naturally offset volatility. There is still skill involved in trying to predict short-term interest rate moves in the face of what may be the most widely accepted long-term expectation in history. But, unlike the last three decades, we believe this skill sits second to focusing on actively managing risk and volatility if one is seeking capital preservation and income in a fixed income portfolio. Unfortunately, yesterday's fixed income managers, through sheer lack of practice, may be less adept at the risk and volatility management critical for tomorrow's fixed income markets. We are heartened to see the groundswell of opinion that it's time to reassess fixed income portfolios - we have argued this point for some time dating back to well before these recent headlines - but, in doing so, we believe investors are best served by firmly understanding their managers' core competencies: the skills needed to successfully navigate the next ten years of fixed income are unlikely to be the same skills that benefited from the last thirty.

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

Portfolio Snapshot

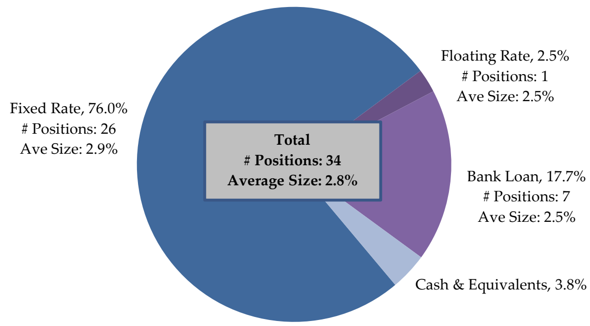
Issuer	Instrument	Yield[1]	Time (yrs)[1]	% of Portfolio
Burger King Capital Holdings LLC / Finance Inc	BKC 0 19	3.8%	0.54	6.8%
Columbus McKinnon Corp/NY	CMCO 7.875 19	4.4%	0.34	6.6%
Brown Shoe Co Inc	BWS 7.125 19	5.0%	0.63	6.3%
FMG Resources August 2006 Pty Ltd	FMGAU 6.875 18	5.6%	2.34	5.1%
Mueller Water Products Inc	MWA 7.375 17	2.2%	0.08	5.0%
Lions Gate Entertainment Inc	LGF TL 2L USD	6.0%	5.86	4.6%
Calcipar SA	CARMLI 6.875 18	5.6%	2.59	4.5%
Reynolds Group Issuer Inc / LLC / Lu	REYNOL 8.5 18	6.0%	0.63	4.0%
Michaels FinCo Holdings LLC / FinCo Inc	MIK 7.5 18	6.5%	1.84	3.8%
Horsehead Holding Corp	ZINC 9 17	7.9%	2.67	3.7%
Blue Coat Systems Inc	BCSI TL B 1L USD	5.3%	4.71	3.7%
Allison Transmission Inc	ALSN 7.125 19	5.0%	0.63	3.1%
Packaging Dynamics Corp	PKDY 8.75 16	5.6%	0.34	2.9%
Landslide Holdings Inc	LANSOF TL 2L USD	9.6%	6.48	2.7%
Hanesbrands Inc	HBI 6.375 20	4.5%	1.21	2.5%
Avis Budget Car Rental LLC / Finance Inc	CAR 0 12/1/17	4.5%	3.17	2.5%
Sally Holdings LLC / Capital Inc	SBH 6.875 19	4.3%	1.13	2.2%
Sabine Pass LNG LP	CQP 7.5 16	4.5%	2.17	2.2%
Ascensus Inc	ASCENS TL 2L USD	9.8%	6.24	2.1%
DAE Aviation Holdings Inc	DAEAVI TL 2L USD	8.4%	4.89	2.1%
Horsehead Holding Corp	ZINC 10.5 17	4.7%	1.67	2.0%
Dillard's Inc	DDS 6.625 18	3.6%	3.29	1.9%
Sabine Pass LNG LP	CQP 7.5 16	4.5%	2.17	1.9%
Esterline Technologies Corp	ESL 7 20	3.8%	0.84	1.9%
Milestone Aviation Group Ltd/The	MLEAVI 8.625 17	5.0%	2.21	1.8%
Alliance HealthCare Services Inc	AIQ TL DD 1L USD	5.2%	4.72	1.8%
Chinos Intermediate Holdings A Inc	JCG 7.75 19	9.2%	4.59	1.8%
Interface Inc	TILE 7.625 18	5.6%	1.17	1.4%
FMG Resources August 2006 Pty Ltd	FMGAU 6 17	5.5%	1.50	1.3%
Smith & Wesson Holding Corp	SWHC 5.875 17	4.2%	1.71	1.3%
Graphic Packaging International Inc	GPK 7.875 18	3.7%	0.08	1.3%
Blue Coat Systems Inc	BCSI TL 2L USD	10.6%	5.80	0.9%
FTI Consulting Inc	FCN 6.75 20	5.7%	4.00	0.5%
Washington Mutual Inc	Various	0.0%	0.00	0.0%

[1] *Yield to worst before fees and expenses; see* ***yield to worst*** *definition below for more information. Expected life represents the period of time the bond would be held in a yield to worst scenario.*

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.

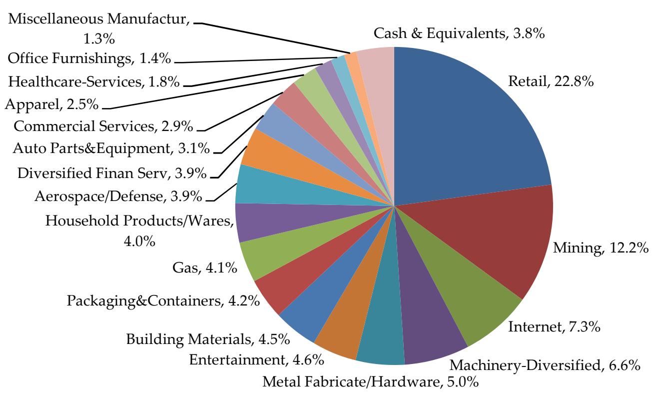
Yield to worst *is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment or early redemption options, are used by*

By Asset Class

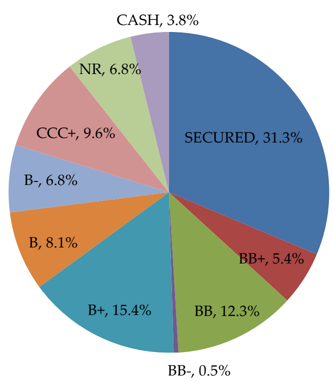


Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investments.

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.*