Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End (30-Nov-2014)											
Zeo Strategic Income Fund	10.06	0.20%	0.11%	0.73%	2.44%	2.94%	3.34%	4.02%	n/a	n/a	3.19%
Barclays Aggregate Bond Index	1913.08	0.71%	1.01%	1.92%	5.87%	5.27%	1.77%	3.00%	4.10%	4.79%	3.59%
	Total Fund Net Assets: $122.7m										
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

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Commentary

The Zeo Strategic Income Fund (the "Fund") gained 0.20% in the month of November, compared to a gain of 0.71% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Market signals were mixed this month, but the end result was a familiar scene: positive results across a wide variety asset classes. Declining oil prices drove interest rates lower, providing support to the fixed income markets and continued inexpensive financing for real estate and other leveraged investments. Meanwhile, the U.S. election further encouraged those equity investors who believe political gridlock will prolong the benign environment that characterizes the status quo. Lost in the resulting market response by all but the most intent listeners were comments made by Esther George, president of the Federal Reserve Bank of Kansas City, that the risk of another asset bubble may be the biggest issue facing the economy now and that the Fed should consider raising rates sooner rather than later. In and of itself, these comments may not seem that notable - other regional Fed presidents have made hawkish, dissenting comments throughout the last several years as the Fed repeatedly extended its quantitative easing program. What made this comment stand out to us, however, were the echoes. Several other regional Fed presidents, some of which are (or will be) voting members on the Fed Open Market Committee, cited George in expressing similar views. In addition, we saw this potential for a sooner-than-expected short-term rate increase cited by several economists and analysts as the biggest risk to the markets today.

At Zeo, we aim for consistency. It is our belief that the repeatability of an investment strategy that seeks to preserve capital requires an approach to risk management that doesn't rely on having to express a view that turns out to be "right" or "wrong". Rather, repeatability is, in our opinion, a by-product of consistency of an investment process, whether tactical or strategic, which is "view-agnostic", applicable regardless of the market environment. Such a consistency of approach tends to be paired with a consistency of message, and it is inevitable that there will come a time when the feeling of déjà vu is unmistakeable. Such was the case with this commentary as we considered the comments from George that we referenced above. Some readers may recognize the following from our May 2013 report:

"...[W]e would caution investors not to assume that higher interest rates are the outcome, forewarned by signs of economic recovery; it's possible that higher rates are a necessary *pre* condition to that recovery...."

That is, should the Fed decide that the current "free money" economy, which enables leverage that can drive up prices of both real and financial assets, is a hindrance to long-term economic stability, we could see George's concerns manifest themselves in Fed action, specifically a short-term rate hike with a focus on managing asset values rather than managing inflation. The consequences of higher interest rates in advance of a confident economy ready to take off the training wheels could include a flatter yield curve, declines in bank profitability, higher credit spreads, and higher corporate defaults, and the list goes on and on. This is not necessarily all bad, as we suggested in the same report:

"...[W]e believe extremely low default rates, a side effect of easy access to capital almost regardless of company, are no more a sign of a healthy economy than extremely high default rates. After all, our growth depends on the 'creative destruction' that takes place as weaker companies give way to newer, more innovative companies, releasing both financial and human capital to be put to a more productive use."

While we don't offer these statements as certain, or even likely, outcomes, we do appreciate the growing support for the viewpoint that a proactive increase in rates may be necessary well before we have reached consensus on whether the economy is healthy. We further appreciate the opinion that such a move would be unexpected, and we agree that it may be the biggest risk being ignored by investors today. The point of this discussion, however, isn't to point out the imminence or likelihood of such a scenario - indeed, investors have been rewarded more for ignoring this risk for the last few years than for managing for it. Rather, what we see is yet another sign of uncertainty and potential volatility in the markets, and in fixed income in particular, that should motivate investors to seek strategies that aim to perform consistently across market environments. This is especially true when one considers that the type of volatility being discussed here isn't a chart of rolling peaks and valleys, but rather one of jumps and gaps that better resembles a terrain of cliffs than hills.

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