Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End *(31-Jan-2015)*											
Zeo Strategic Income Fund	9.98	0.58%	0.56%	1.17%	0.58%	2.19%	3.17%	3.70%	n/a	n/a	3.14%
Barclays Aggregate Bond Index	1955.02	2.10%	2.92%	4.36%	2.10%	6.61%	3.32%	3.07%	4.57%	4.86%	4.04%
	Total Fund Net Assets: $129.8m										
Last Quarter End *(31-Dec-2014)*											
Zeo Strategic Income Fund	9.94	-0.22%	0.39%	0.22%	2.21%	2.21%	3.20%	3.71%	n/a	n/a	3.05%
Barclays Aggregate Bond Index	1914.87	0.09%	1.79%	1.96%	5.97%	5.97%	1.89%	2.66%	4.45%	4.71%	3.53%

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 0.58% in the month of January, compared to a gain of 2.10% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Europe took center stage this month. The Swiss National Bank unexpectedly abolished its cap on the Swiss Franc/Euro exchange rate, sending the Euro to new lows and causing havoc (and large losses) for many currency traders. Greek voters, frustrated with the lack of economic recovery that followed austerity measures, elected an anti-austerity prime minister, setting up a battle with the European Union. The European Central Bank announced its first quantitative easing program to fight deflationary pressures, just a few months after the US Federal Reserve ended a similar program put in place six years earlier. Meanwhile, France witnessed tragic acts of terrorism that struck at the heart of Europe's ongoing debate about security, multiculturalism and free speech. Closer to home, continued declining oil prices and some weaker-than-expected economic measures added fuel to the fire, driving interest rates back down to levels not seen since the "taper tantrum" in early 2013. With this backdrop, it's not hard to understand the circumstances that led to the worst performance for equities and high yield bonds over a year-end since 2008/2009 and 2007/2008, respectively.[*]

This observation would perhaps be less notable if not for the emotions elicited by the mere mention of 2008. There were many lessons to learn from that financial crisis, but one lesson that is often overlooked is that no two crises are the same. The factors that drove the markets at that time are unlikely to be the same factors that trigger whatever the next crisis might be. By fixating on the specific environmental variables that led to the panic in late 2008, investors risk being reactive to factors that may not be at the heart of the next market correction. Such a reaction is not limited to systemic crises, however. The volatility in December, in large part a reaction to the precipitous drop in oil prices in late 2014, has sparked a lot of discussion about oil and gas exposure in investment portfolios. While it is natural to consider the risk of further decline, it is notable that this same discussion was not taking place en masse until after the unexpected risk emerged. So will oil and gas be the driver of the next market decline? It's certainly possible, but it's just as likely that the causal relationship from December evolves into a less noteworthy correlated relationship in the future.

But what is the alternative? The idea of trying to anticipate the next crisis, rather than react to the last one, feels a little like prognostication. It may be an intellectually engaging exercise to try to understand what will take place in the future, but for the large majority of investors like us who are not professional economists, there is no shame in being cautious even as we aim to be prepared for what may come. We root this point of view in two key understandings: (1) investors choose risks, not returns, and should therefore set risk-managed goals rather than performance objectives relative to benchmarks; and (2) that a risk-managed strategy is more likely to achieve its mandate by diversifying risks so that no one risk overwhelms the portfolio. In applying these two ideas, an investor may be well-served to focus efforts on identifying differentiated risk profiles among potential investments that can be used to further diversify a portfolio beyond what can be achieved through traditional asset allocation. In doing so, one can seek to construct a portfolio that embraces uncertainty such that, when asked what is going to happen, she can honestly answer "I don't know" and still feel ready for the unexpected.

[*] *As measured by the total return of the S&P 500 and the iBoxx $ High Yield indices from 11/30 of the prior year to 1/31 of the subsequent year*

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.

The iBoxx $ Liquid High Yield Index is a rules-based index consisting of liquid U.S. dollar-denominated, high yield corporate bonds for sale in the United Sates. The index is designed to provide a broad representation of the U.S. dollar-denominated high yield liquid corporate bond market. There is no limit to the number of issues in the index. 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.