

**Zeo Strategic Income Fund**

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
<i>Month End (30-Apr-2015)</i>											
<b>Zeo Strategic Income Fund</b>	10.05	0.63%	1.61%	2.18%	2.20%	3.02%	3.54%	3.71%	n/a	n/a	3.36%
<b>Barclays Aggregate Bond Index</b>	1938.65	-0.36%	-0.84%	2.06%	1.24%	4.46%	2.07%	2.60%	4.12%	4.75%	3.55%
Total Fund Net Assets: \$138.4m											
<i>Last Quarter End (31-Mar-2015)</i>											
<b>Zeo Strategic Income Fund</b>	10.02	0.27%	1.57%	1.96%	1.57%	2.59%	3.47%	3.59%	n/a	n/a	3.27%
<b>Barclays Aggregate Bond Index</b>	1945.63	0.46%	1.61%	3.43%	1.61%	5.72%	2.77%	3.10%	4.41%	4.93%	3.73%

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 0.63% in the month of April, compared to a loss of -0.36% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark" or "Barclays Aggregate"). Amid a plethora of headlines, the equity and high yield markets finished the month in positive territory, with broad market fixed income down due to a rise in interest rates. The threat of a Greek default or potential departure from the Euro seemed to cause little to no concern in the US markets. Similarly, though oil has "rallied" in 2015, it is still ~40% lower than its peak in 2014 and has recovered barely 20% of the decline; yet market participants seemed unphased last month. If not for the intramonth market volatility we've seen in the last few months, one could not be blamed for translating this resilience into bullishness, and indeed, many investors did exactly that in April. Even when we have seen pullbacks, they are slow, controlled and (to date) temporary, as managers seem to be living in daily fear of underperforming their benchmarks.

Regular readers will note that, throughout the years, while we occasionally reference traditional benchmarks and report performance for our strategy in comparison, we don't take much notice of the month-to-month deviations between our portfolio and, to use one example, the Barclays Aggregate index. This is because we take a different approach to the purpose and use of a benchmark, especially as it pertains to fixed income. On the surface, our view is still one of return comparison, so we aren't suggesting a significant departure from the conventional wisdom. However, we do believe that the relentless focus of the investment community on performance relative to a benchmark is misplaced. Specifically, the near obsession with outperformance over short timeframes, while possibly having more relevance when considering active, growth-oriented strategies, may be putting many fixed income portfolios at risk unintentionally. Where fixed income used to be considered a capital preservation risk profile that balanced the growth risk profile of equities, it is increasingly expected to deliver a return greater than a benchmark as well. However, the mismatch between the time horizon of the evaluation period (usually short) and the duration of the investment (usually long) means that short-term price movements are captured in the comparison. When tactical investment decisions are made to realize shorter-term gains by trying to time the market and outperform a benchmark, we no longer have a preservation risk profile typical of fixed income - we now have a growth risk profile that happens to use the fixed income asset class. In doing so, investors end up doubling down on significant unintended risks already present in their growth strategies rather than mitigating them.

So how do we think about benchmarks differently in strategies targeting capital preservation? We believe there is an opportunity to treat benchmarks as "return guides" for peer groups of investments that aim to achieve specific goals in terms of time, risk and performance. To be clear, we are not dismissing outperformance as a positive, but rather than focus on this peer group solely as a collection of relative gains and losses vs. the benchmark, we prefer to think of it as a collection of diverse risks that all get the investor to roughly the same place over an intended timeframe. Each investment takes a different path to get there, some very different from others, and some paths may not suit some desired risk profiles. But we believe investors are better served by thinking of benchmarks as risk management tools rather than pure return hurdles. After all, if we can find five investments that all get us to roughly the same place five different ways, we may be able to achieve our goal in a more diversified way, and those that are chronic underperformers may be in the wrong peer group in the first place. We encourage risk-conscious investors to consider replacing the language of relative performance with the language of goals in their fixed income portfolios and to consider benchmarks as "meeting points" for a diverse population of risk profiles that can help investors make the types of comparisons that are traditionally neglected in most fixed income portfolios.

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