

Managed Futures Strategy Fund

Monthly Portfolio Update & Commentary | August 2019



Recap

The Managed Futures Strategy Fund posted positive returns of 6.42% for the month of August as all but one of the major sectors finished in the black. This month the largest gains came from interest rates. Concerns regarding trade wars and the expectation of accommodative central banks drove fixed income prices higher. Gains were across the board as bonds in Asia, Europe and North America each contributed significantly to the positive performance.

Currencies were another strong performer in August. The dollar rallied against counterparts in Australia, New Zealand, Poland, Czechoslovakia, Norway and Sweden as those economies have struggled relative to the US dollar as of late. Meanwhile, short Australian dollar and British pound against the Japanese yen also aided performance due to a weakening Australian economy and concerns over Brexit. While the sector was positive in August, losses were registered from long Mexican peso and Russian ruble against the dollar, which were liquidated during the month.

Commodities contributed positive performance for the fund as well, led by the metals. Long gold in both the United States and Japan proved profitable for the fund as investors continued to pour into the yellow metal as a safe haven. Short positions in copper and aluminum also aided performance as prices fell due to slower consumption in China and Europe. A long position in nickel, which was established during the month, contributed significantly after Indonesia said it would put a ban on nickel-ore exports earlier than expected, raising concerns of a squeeze on supply.

Falling prices in softs and grains, which included coffee, sugar, cotton, soybeans, soymeal and wheat, were also additive to performance.

Energies provided the only negative performance for the commodity sector. A drop in carbon emission prices and a rally in natural gas led to the draw in energies. The fund continues to remain on the sideline in the crude complex as a trend has yet to present itself in oil or its products.

FUND PERFORMANCE

AS OF 6/30/2019

CLASS	TICKER	1Y AS OF 6/30/19	3Y AS OF 6/30/19	5Y AS OF 6/30/19	SINCE INCEP TO 6/30/19
I (NAV)*	WAVIX	-13.86%	-5.00%	0.69%	0.98%
A (NAV)**	WAVEX	-14.16%	-5.28%	0.41%	0.32%
A (Max Load)**	WAVEX	-19.07%	-7.14%	-0.78%	-0.62%

AUM (as of 8/31/19)	\$130,957,819
---------------------	---------------

*INCEPTION DATE: 6/27/12 **INCEPTION DATE: 3/22/13

The Total Annual Fund Operating Expenses for the Longboard Managed Futures Strategy Fund class A and I are 3.12% and 2.88% respectively. The maximum sales charge for Class A (Max Load) shares is 5.75%. 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. For performance information current to the most recent month-end, please call toll-free 855-294-7540 or visit our website, www.longboardfunds.com. There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses.

August 2019 Longboard Managed Futures Strategy Fund: Monthly Commentary

Stock indexes accounted for our lone loss among the four major asset classes. A long bias towards global stocks contributed to the weak performance with the only significant gain coming from our sole short position, the Japan Stock Price Index, commonly referred to as TOPIX. Equity volatility from the trade wars with China led to liquidations of indexes in Germany, Sweden, the UK and the US.

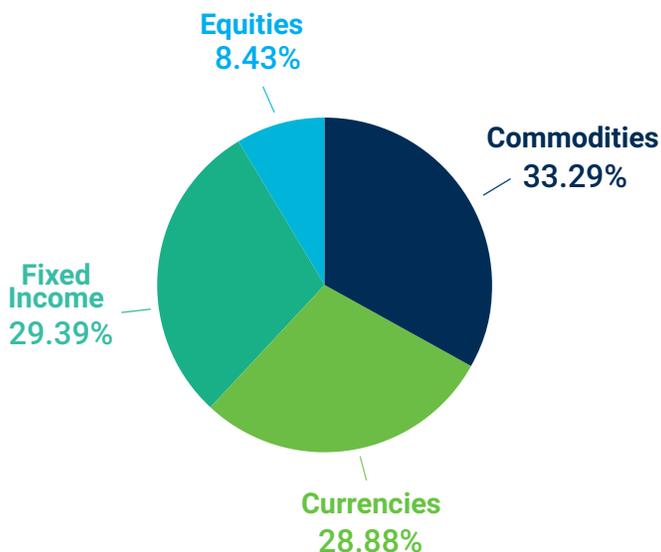
Outlook

While the number of overall positions did not change significantly month over month, sector exposure experienced adjustments. With the stock market volatility in full swing, our exposure to equities has decreased by over 30% from the end of July. Meanwhile, our exposure in commodities increased as we added positions including long silver and nickel and short cattle and hogs. While exposure to currencies remained relatively unchanged from the end of July, we did decrease fixed income somewhat due to risk adjustments resulting from increased volatility in global yields.

Although investors continue to weigh trade war ramifications and possible central bank intervention as we head into year end, we believe our diversified portfolio and long term, systematic trend following approach is a viable trading philosophy in these uncertain times.

PORTFOLIO

Risk Allocation By Asset Class
AS OF 8/31/19



Commodities 33.29%

LARGEST HOLDINGS	% OF RISK ¹	POSITION
Nickel Monthly Prompt	2.39%	Long
Cotton	2.26%	Short
Copper	1.77%	Short

Currencies 28.88%

LARGEST HOLDINGS	% OF RISK ¹	POSITION
Polish Zloty / U.S. Dollar	3.08%	Short
Swiss Franc / Japanese Yen	2.81%	Short
Euro / Japanese Yen	2.63%	Short

Fixed income 29.39%

LARGEST HOLDINGS	% OF RISK ¹	POSITION
10-Year Japanese Government Bond	2.72%	Long
30-Year German Bond (Buxl)	2.56%	Long
10-Year German Bond (Bund)	2.54%	Long

Equities 8.43%

LARGEST HOLDINGS	% OF RISK ¹	POSITION
FTSE China A50	1.23%	Long
S&P TSX 60 Index	1.22%	Long
SPI 200 Index	1.11%	Long

¹ The % of Risk is the estimated maximum equity a position could lose, divided by the estimated aggregate equity currently at risk of loss across all positions in the portfolio. Portfolio holdings are subject to change at any time and should not be considered investment advice. There is no assurance that the identified level of risk will occur or be maintained as risk cannot be predicted with certainty.

HOW TO INVEST

Visit longboardfunds.com or call us at 800.290.8319



August 2019 Longboard Managed Futures Strategy Fund: Monthly Commentary

Highlights

CONTRIBUTORS

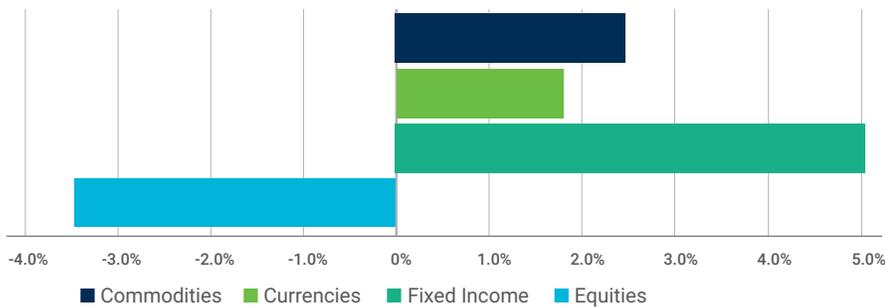
Commodities	Long US Gold
Currencies	Short Polish Zloty / US Dollar
Fixed Income	Long US Ultra Bond
Equities	Short Japanese TOPIX

DETRACTORS

Commodities	Long Carbon Emissions
Currencies	Long Mexican Peso / US Dollar
Fixed Income	No Detractors
Equities	Long UK FTSE 100

Performance Attribution By Asset Class

AUGUST 2019



Past results are not necessarily indicative of future results.

There is no guarantee that any investment will achieve its goals and generate profits or avoid losses. The returns shown are presented as a percentage of overall fund performance attributed to the named asset class. Holdings are subject to change at any time and should not be considered investment advice.

HOW TO INVEST

Visit longboardfunds.com or call us at 800.290.8319



August 2019 Longboard Managed Futures Strategy Fund: Monthly Commentary

Managed Futures Mutual Fund Index Member



PROSPECTUS OFFERING DISCLOSURE

Investors should carefully consider the investment objectives, risks, charges and expenses of the Longboard Managed Futures Strategy Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained at <http://www.longboardfunds.com> or by calling 855-294-7540. The prospectus should be read carefully before investing.

The Longboard Managed Futures Strategy Fund is distributed by Northern Lights Distributors, LLC, a FINRA/SIPC member. Longboard Asset Management, LP, is not affiliated with Northern Lights Distributors, LLC.

MUTUAL FUND RISK DISCLOSURE

Mutual funds involve risk including possible loss of principal. No level of diversification or non-correlation can ensure profits or guarantee against losses. The fund will invest a percentage of its assets in derivatives, such as commodities, futures and options contracts. The use of such derivatives and the resulting high portfolio turnover 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 those experienced by funds that do not use futures contracts, options and commodities. Changes in interest rates and the liquidity of certain investments could affect the fund's overall performance. The fund is non-diversified and as a result, changes in the value of a single security may have significant effect on the fund's value. Other risks include credit risks and investments in fixed income securities, structured notes, asset-backed securities and foreign investments. Furthermore, the use of short positions and leveraging can magnify the potential for gain or loss and amplify the effects of market volatility on the fund's share price. The fund is subject to regulatory change and tax risks. Changes to current regulation or taxation rules could increase costs associated with an investment in the Fund.

Commodity Market: A physical or virtual marketplace for buying, selling, and trading raw or primary product such as natural resources, agricultural products, and livestock

Forward Contract: A non-standardized contract between two parties to buy or sell a specified asset of specified quantity with delivery and payment occurring on a specified date.

Futures Contract: A standardized contract between two parties to buy or sell a specified asset of standardized quantity and quality with delivery and payment occurring on a specified date.

Long: Buying an asset such as a stock, commodity or currency with the expectation that the asset will rise in value.

Long-Term: Holding periods averaging greater than one year.

Risk Allocation: The estimated maximum equity a position could lose, divided by the estimated aggregate equity currently at risk of loss across all positions in the portfolio.

SG CTA Mutual Fund Index: An index that tracks the performance of '40 Act mutual funds pursuing managed futures strategies. The Index includes the 10 largest single-manager CTA Mutual Funds, including funds employing both systematic and discretionary management styles. Index values are based on performance of the institutional share classes with dividends reinvested.

Short: Selling an asset such as a stock, commodity or currency, with the expectation that the asset will decrease in value.

3666-NLD-9/5/2019

HOW TO INVEST

Visit longboardfunds.com or call us at 800.290.8319

