

Zeo Strategic Income Fund

| | NAV | 1M | 3M | 6M | YTD | 1Y | 2Y | 3Y | 5Y | 10Y | Since Inception (31-May-2011) |
|---------------------------------------|---------|--------|--------|-------|--------|--------|-------|-------|-------|-------|----------------------------------|
| <i>Month End (28-Feb-2014)</i> | | | | | | | | | | | |
| Zeo Strategic Income Fund | 10.16 | 0.20% | 1.29% | 2.89% | 0.79% | 4.25% | 4.15% | n/a | n/a | n/a | 3.47% |
| Barclays Aggregate Bond Index | 1843.51 | 0.53% | 1.44% | 2.84% | 2.02% | 0.15% | 1.63% | 3.83% | 5.13% | 4.56% | 3.20% |
| <i>Total Fund Net Assets: \$65.2m</i> | | | | | | | | | | | |
| <i>Last Quarter End (31-Dec-2013)</i> | | | | | | | | | | | |
| Zeo Strategic Income Fund | 10.08 | 0.50% | 1.79% | 3.05% | 4.21% | 4.21% | 4.47% | n/a | n/a | n/a | 3.38% |
| Barclays Aggregate Bond Index | 1807.06 | -0.57% | -0.14% | 0.43% | -2.02% | -2.02% | 1.05% | 3.26% | 4.44% | 4.55% | 2.61% |

ZEOIX – Total Annual Operating Expense Ratio: 1.52%

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. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until August 31, 2014, to ensure that the net annual fund operating expenses will not exceed 1.50% for the Fund, subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more detail on the expense waiver. Results shown reflect the waiver, without which the results could have been lower. 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.

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 differing auditing and legal standards.

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Commentary

The Zeo Strategic Income Fund (the "Fund") gained 0.20% for the month of February, compared to 0.53% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). Markets across asset classes performed well in February. The equity markets in particular shook off a weak January to return to all-time highs, with fixed income markets not far behind. The month didn't start off on such a positive note, with economic measures coming in weaker than expected, both in the U.S. and abroad. Investors were correct in placing at least part of the blame on a historically harsh winter, but ultimately, the rally across asset classes in the latter third of February is probably mainly credited to the Federal Reserve. With a new chairperson at the helm, policy makers indicated that they may want to revise their unemployment threshold for higher interest rates. That is, whereas last year, the Fed set a 6.5% unemployment rate as the level below which they would consider raising rates, it seems likely now that this trigger will be formally eliminated.

With such action signaling more uncertainty as to whether interest rates will in fact rise in the near term, investors find themselves in a familiar holding pattern, seeking ways to earn income while they wait for an environment in which they can have conviction. The lesser known side of this waiting game is the need to protect one's capital from material principal risk in the meantime so that a dollar remains a dollar when the opportunity to redeploy capital comes around. To this end, we caution those allocating to fixed income to be particularly aware of duration and interest rate risk; the attractive risk scenario they are waiting for is likely going to come hand-in-hand with higher rates, and most traditional fixed income portfolios are meaningfully exposed to such a risk. Rather, we suggest investors consider a common defensive portfolio strategy to be opportunistic in the current environment.

Most people have at one point contemplated a "rainy day fund", a portfolio of assets that isn't required to service one's day-to-day expenses but that is available to do so in times of distress. Put in an investment context, these assets may be cash, but in many cases, they consist of low volatility, liquid investments that one hopes never to sell. The investment objective of a rainy day fund is to hurdle inflation and earn a modest return so as to be additive to the overall portfolio. We believe that just such a portfolio is exactly right for the current environment, but not just for its defensive nature. We recommend that prudent investors consider the opportunistic characteristics of a portfolio that is defensive by nature but maintains the optionality to be accessible at any time. In today's market, this means mitigating exposure to higher interest rates while maintaining the ability to capitalize on volatility in either direction. Strategies that organically have both can relieve investors of the burden of predicting and reallocating into directional markets at just the right time, and instead can help position the portfolio to potentially benefit from both uncertainty and conviction.

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