Zeo Strategic Income Fund

	NAV	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	Since Inception (31-May-2011)
Month End (30-Apr-2014)											
Zeo Strategic Income Fund	10.12	0.20%	0.79%	2.49%	1.39%	4.06%	4.06%	n/a	n/a	n/a	3.48%
Barclays Aggregate Bond Index	1855.9	0.84%	1.21%	1.74%	2.70%	-0.26%	1.69%	3.60%	4.88%	4.83%	3.25%
	Total Fund Net Assets: $71.9m										
Last Quarter End (31-Mar-2014)											
Zeo Strategic Income Fund	10.20	0.39%	1.19%	2.99%	1.19%	4.36%	4.09%	n/a	n/a	n/a	3.51%
Barclays Aggregate Bond Index	1840.37	-0.17%	1.84%	1.70%	1.84%	-0.10%	1.82%	3.75%	4.80%	4.46%	3.04%

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 April compared to 0.84% for the Barclays Capital U.S. Aggregate Bond Index (the "Benchmark"). The S&P 500*, as an indicator of broad market U.S. equities, finished slightly positive, but this result masks the volatility intramonth, with total return declines of nearly 3%. In large part, the decline was triggered by a sell-off in smallcap and technology as investors questioned valuations in growth-oriented equities. Meanwhile, in the debt markets, interest rates tightened further, continuing to contradict those bearish on fixed income. This drove gains in broad market fixed income indices and was a contributing factor to the respectable performance of high yield bonds. Taken as a whole, if all we saw in April was the month-end results, we could be forgiven for setting aside our skepticism for a moment. But seeking to manage risk, especially in an environment with a high degree of uncertainty, requires that we remain vigilant.

In particular, we believe the Federal Reserve action this month is worth a closer look. On the surface, the Fed has maintained consistency, unanimously voting to continue a policy of reducing bond repurchases, also known as tapering. At the current pace of reduction, the entire tapering program will be complete by this fall. We should note, however, that this policy continuation took place despite a weaker economic tone. Just in the last week of April, mortgage applications were down, new home sales were lower than expected, and U.S. gross domestic product grew at an anemic 0.1% annualized rate in the last quarter, missing an already low expectation among economists of 1.2%. There were some offsetting economic numbers, namely positive signs for employment and business spending. But, given the Fed's recent tendency to use economic uncertainty as an opportunity to equivocate on reducing stimulus, the decision to continue tapering at the current pace seems to show a Fed determined to end the bond repurchase program. The question that we would pose is whether this determination might extend to the Fed's policy toward benchmark interest rates - is it reasonable to expect that they will wait until they see indisputably positive economic signals before backing away from the 0%-0.25% targeted Fed Funds rate we've had since January 2009?

If we are to contemplate a rise in interest rates, however, it has been customary to assume some economic recovery with strong business fundamentals and equity markets. While we are not arguing here that a rise in rates will happen without such a recovery, we believe there are signs of concern in the capital markets that should give the optimistic investor some pause. First, as noted above, markets are growing increasingly skeptical of growth-oriented equity valuations. This has implications for venture capital, innovation and investment in R&D - if the most liquid form of exit is being taken off the table, innovative companies are much more dependent on M&A activity, corporate cash balances and debt capital markets. However, also in April, debt capital markets began to show signs of stress that we haven't seen in some time. Anecdotally, this month, we witnessed the cancellation of announced loan and bond deals for lack of investor demand that would not have had trouble in the first quarter of 2014. If capital markets continue to close, the options for companies begin to narrow. While this may manifest itself in the short term as market strength while cash is redeployed from primary issuance to secondary markets, as we believe may have been the case with high yield in April, we could be in for a spike in volatility once that is done. At that point, the careful selection of individual investments and companies will be key for fixed income portfolios that seek to protect principal.

* *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.*

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