

# Risk Managed U.S. Sectors

Class A: NFDAX  
Class I: NFDIX

## Dynamic U.S. Equity Solution

The Fund provides a turnkey strategy for dialing U.S. equity exposure up and down.

## Focus on Sectors, Not Style Boxes

The portfolio foregoes traditional style-box based analysis for a sector-based asset allocation model.

## A Focus on Managing Volatility

Trend-following signals seek to invest in appreciating sectors while avoiding sectors at an elevated risk of capital loss.

## Fund Objective

The Newfound Risk Managed U.S. Sectors Fund gives investors access to the **growth potential of U.S. equities while seeking to preserve the capital base during significant market declines**. The Fund aims to deliver attractive returns with lower volatility, beta, and correlation over full market cycles.

### Morningstar Classification:

Tactical Allocation

### Lipper Classification:

Flexible Portfolio

**There is no guarantee that the Fund will achieve its objectives, generate positive returns or avoid losses.**

## Fund Facts

(all share classes)

Class	Ticker	CUSIP	Inception Date
A	NFDAX	66538G585	6/2/2015
I	NFDIX	66538G569	6/2/2015

Class	Minimum Investment	Subsequent Investment	Contribution Period
A	\$2,500	\$250	Daily
I	\$100,000		Daily

## Fund Performance

(class A performance at NAV<sup>1,2,3</sup>; performance as of 12/31/2018)

	3 Months	6 Months	1 Year	3 Year	Inception
NFDIX NAV	-10.04%	-4.85%	-6.85%	5.21%	1.79%
NFDAX NAV	-10.17%	-5.01%	-7.13%	4.81%	1.42%
NFDAX LOAD	-15.31%	-10.50%	-12.45%	2.75%	-0.24%
50/50 S&P 500 / 1-3 Year U.S. Treasuries	-6.21%	-2.54%	-1.16%	5.20%	4.10%

## Key Statistics<sup>4</sup>

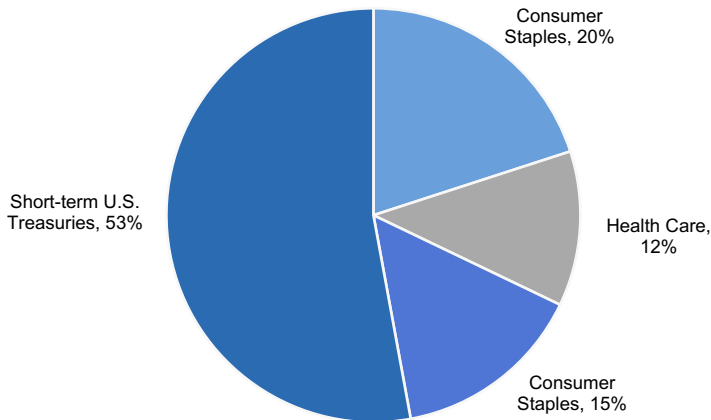
(since inception)

	Volatility	Drawdown	Relative to S&P 500	
			Beta	Correlation
NFDAX	11.1%	15.7%	0.8	0.9
50/50 S&P 500 / 1-3 Year U.S. Treasuries	5.7%	6.2%	0.5	1.0
S&P 500	11.8%	13.5%	1.0	1.0

*Inception for NFDAX and NFDIX is June 2, 2015. Inception for S&P 500 is calculated from June 2, 2015. The maximum sales charge (load) for NFDAX is 5.75%. The performance data quoted here represents past performance. For more current information, please call toll-free 1-855-394-9777 or visit our website, [www.thinknewfoundfunds.com](http://www.thinknewfoundfunds.com). Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. The Fund's investment advisor has contractually agreed to reduce its fees and/or absorb expenses until at least July 31, 2020. Without these waivers, the Class A and I Shares total annual operating expenses would be 1.93% and 1.68%, respectively. The fee waivers ensure that the net annual, operating expenses of the Class A and I Shares will not exceed 1.50% and 1.25%, respectively, subject to possible recoupment from the fund in future years. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses.*

## Portfolio Composition

(as of 12/31/2018; holdings subject to change)



## About Newfound

Newfound Research was founded in August 2008 to offer quantitative investment research.

Over time, our capabilities evolved to include the design of custom mandate portfolios, the development of tactical overlay solutions, and sub-advisory services.

In December 2013, we began offering discretionary asset management services with portfolios directly advised by Newfound.

In all of our capabilities, we are dedicated to helping clients achieve their long-term goals with research-driven, quantitatively-managed portfolios, while simultaneously acknowledging that the quality of the journey is just as important as the destination.

Newfound was awarded 2016 ETF Strategist of the Year by ETF.com.

**For more information call 617-531-9773 or visit [thinknewfoundfunds.com](http://thinknewfoundfunds.com).**

Investors should carefully consider the investment objectives, risks, charges and expenses of the Newfound Risk Managed U.S. Sectors Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-855-394-9777. The prospectus should be read carefully before investing. The Newfound Risk Managed U.S. Sectors Fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. Newfound Research LLC is not affiliated with Northern Lights Distributors, LLC.

- 1) Performance at net asset value ("NAV") does not include the effect of sales charges.
- 2) The S&P 500 Index is widely regarded as the best single gauge of large cap U.S. equities. The index includes 500 leading companies listed in the United States and captures approximately 80% of available market capitalization. The 50/50 S&P 500 / Barclays US 1-3 Year Treasury Bond benchmark consists of a hypothetical portfolio that is 50% allocated to the S&P 500 Total Return Index and 50% allocated to the Barclays US 1-3 Year Treasury Bond index, rebalanced monthly.
- 3) Performance results include the effect of expense reduction arrangements for some or all of the periods shown. If those arrangements had not been in place, the performance results for those periods would have been lower.
- 4) Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured using the standard deviation of returns for that security or index. Commonly, the higher the volatility, the riskier the security. Drawdown is a measure of the decline of a security from its historical peak over a reference period. In this case, drawdown is measured for the month of the report. Correlation is a measure of how two securities move relative to each other. Positive (negative) correlations imply that the securities tend to move in the same (different) directions relative to their average returns. The beta of a security or an index is a measure of the risk arising from exposure to general market movements as opposed to factors that are unique to that security or index. A positive beta implies that the security or index will tend to move in the same direction as the general market. A negative beta implies that the security or index will tend to move in the opposite direction from the general market.

Investors are not able to invest directly in the indices referenced in this material and unmanaged index returns do not reflect any fees, expenses or sales charges. The referenced indices are shown for general market comparisons and are not meant to represent the Fund.

### Risk Factors

There is no assurance that any Fund will achieve its investment objectives.

Mutual Funds involve risk including the possible loss of principal. ETFs are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few. Typically, a rise in interest rates causes a decline in the value of fixed income securities. A higher Fund turnover will result in higher transactional and brokerage costs.

Like all quantitative analysis, the adviser's investment model carries a risk that the mathematical model used might be based on one or more incorrect assumptions. No assurance can be given that the fund will be successful under all or any market conditions. Overall equity and fixed income securities market risks affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets. The earnings prospects of small and medium sized companies are more volatile than larger companies and may experience higher failure rates than larger companies.