



	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
BESMX (Month-End)	1.38	6.09	-9.15	3.83	1.44	9.16	8.09
MSCI Europe Small Cap Index	-0.06	12.17	-9.85	6.43	3.09	14.31	3.26
Morningstar Cat. Avg.	0.43	5.84	-0.29	4.24	2.14	4.15	1.61
BESMX (Quarter-End)	1.38	6.09	-9.15	3.83	1.44	9.16	8.09

Month-end data above is from Predecessor Fund inception through 03/31/19 and quarter-end is through 03/31/19. Predecessor Fund Inception: 10/31/07 Fund Inception: 12/30/15
Total operating fund expense as of 03/01/19: 4.00% (Gross), 3.76% (Net). Includes dividend and interest expense on short sales, acquired fund fees and expenses. When excluded the net with limitation expense ratio is 2.24%. See page 3 for more information.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. The fund imposes a 1.00% redemption fee on shares sold within 60 days. For performance information current to the most recent month-end, please call toll free 855-854-7258.

MONTHLY FUND REVIEW

The Fund returned 1.38% which compares to a fall in the MSCI Europe Small Cap Index of -0.06%. The long book made a contribution of 1.1% whilst the short book added 0.1%.

MONTHLY COMMENTARY

Markets continued to hold on to their strong gains of January and February as the Q4 2018 earnings season did not provide too many negative surprises whilst outlook comments from most companies were measured.

There were also the first signs of the emergence of some market leadership, which was lacking earlier in the year. Rather disconcertingly this came from the defensive, noncyclical sectors such as utilities and healthcare which have shown relative strength in their earnings estimates. This is typically not a very bullish signal: these are sectors that tend to outperform in a bear market. This adds conviction to our belief that the market could be due to give back some of its gains over the Spring. The market has also seen, coincident with a more dovish tone by most central Banks, a return of the outperformance of Growth vs Value stocks. Many of the value names have seen the worst recent estimates momentum – just consider the Banks, Airlines and Auto sectors.

The performance of the short book has been particularly encouraging again this year, generating alpha while only costing us a slight negative return overall in spite of the strong market. These included Zooplus, Sensirion and Petrofac.

The long book has been more patchy – we take confidence from the fact that the market appears to be less macro-led now and company fundamentals are returning as a key determinant of share price moves. This is seen in the nascent reversal of the collapse of intra-sector dispersion that was witnessed in Q4 2018. This is a much more encouraging environment for the catalysts we have identified in the long names to play out.



We saw a lot of companies in March visiting France, Finland, Sweden and Switzerland whilst also meeting over 30 UK companies. We must mention the Brexit debacle that continues to unfold. We would like to emphasise that the portfolio is not “set-up” for any outcome: that said, we are finding a lot of opportunities in stocks that may prosper once we get any kind of resolution. Many very good UK companies, who are seeing no impact and do not envisage any impact on their business (even from a “No Deal Brexit”), are trading on 10%-plus Free Cash Flow yields.

Renewed investor interest and a renaissance in signing new business could prove the catalyst for share price movements. Eddie Stobart Logistics is a name we have recently introduced into the portfolio that falls into this category.

We also bought a position in Instalco, a Swedish company consolidating small installation services companies. We were initially attracted to this company by the appearance of Jonny Alvarsson on their Board. Jonny ran Indutrade in Sweden for more than a decade and created enormous shareholder value by rolling up industrial companies and providing them with “light-touch” best practice. Instalco is looking to do something very similar; unlike Indutrade today, they have a long and clear runway ahead of them and we are confident in their strategy with management leveraging the benefits of Jonny’s past experience.

The companies mentioned above represented the following percent of total assets in the Balter European L/S Small Cap Fund, as of 03/31/19: Zooplus 1.66%, Sensirion 1.44%, Petrofac 0%, Eddie Stobart Logistics 0%, Instalco 2.04% and Indutrade 0%.

OUTLOOK

At month-end, the Fund was 104% gross invested with a net exposure of 47%.

Markets are being buffeted by two contrasting forces. On the positive side, monetary conditions and fiscal policies globally seem to be easing, albeit in many cases in response to concerns about the growth outlook. On the other hand, many companies are experiencing negative earnings momentum, especially in the more cyclical areas of the market. The “million dollar question” is whether this is simply a mid-cycle pause or possibly the harbinger of an economic recession?

The recent inversion of the yield curve would certainly point to the latter, although economies tend not to go into recession until 18 months after this first happens, and it is not always a reliable indicator even then. Equally the majority of companies we see are actually looking for a pick-up in Europe in H2. We had very illuminating meetings with two of the leading credit (receivables) insurers in Europe in the last week and their very developed forewarning systems are only “flashing red” in the auto sector. But then again, the behavior of sub-sectors of stocks (see above) suggest a deterioration of growth.

All this would suggest now is a time for a bit of very short-term caution and discriminating optimism for the next 6 months.

As always, Brian and I are available and keen to discuss anything in more detail.

Yours Sincerely,

A handwritten signature in cursive script that reads "Jamie".

Jamie Carter

Portfolio Manager of the Balter European L/S Small Cap Fund



The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and it may be obtained by calling 1-844-322-8112, or visiting www.balterliquidalts.com.

Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified and may hold a significant percentage of its assets in the securities of fewer companies, and therefore events affecting those companies have a greater impact on the Fund than on a diversified fund. The Fund may use derivatives, including options, which may not perform as anticipated by the Sub-Advisers, may not be able to be closed out at a favorable time or price, or may increase the Fund's volatility. A counterparty's inability to fulfill its obligation may result in financial loss to the Fund. Increases and decreases in the value of the Fund's portfolio may be magnified when the Fund uses leverage.

The fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investing in foreign securities exposes investors to economic, political and market risks, and fluctuations in foreign currencies. The fund may invest in the securities of small and medium sized companies. Small and medium company investing subjects investors to additional risks, including security price volatility and less liquidity than investing in larger companies.

Pursuant to an operating expense limitation agreement between Balter Liquid Alternatives, LLC (the "Adviser") and the Fund, the Adviser has agreed to waive its fees and/or absorb expenses of the Fund to ensure that Total Annual Fund Operating Expenses (excluding any front-end or contingent deferred sales loads, brokerage fees and commissions, acquired fund fees and expenses, borrowing costs (such as interest and dividend expense on securities sold short), taxes and extraordinary or non-recurring expenses, including, but not limited to, litigation) for the Fund do not exceed 2.24% and 2.54% of the Fund's average net assets, for Institutional Class and Investor Class shares, respectively, through February 28, 2020. This operating expense limitation agreement can be terminated only by, or with the consent of, the Board of Trustees. The Adviser is permitted to receive reimbursement from the Fund for fees it waived and Fund expenses it paid, subject to the limitation that: (1) the reimbursement for fees and expenses will be made only if payable within three years from the date the fees and expenses were initially waived or reimbursed; and (2) the reimbursement may not be made if it would cause the expense limitation in effect at the time of the waiver or currently in effect, whichever is lower, to be exceeded.

Performance shown here includes performance for the Fund's predecessor hedge fund ("Predecessor Fund"). The Predecessor Fund's performance was used from 10/31/2007 to 12/29/2015; The Fund's performance was used from 12/30/2015 to 03/31/2019. The Predecessor Fund's prior performance is net of management fee and other expenses, but does not include the effect of the performance fee. The Fund's investment goals, policies, guidelines and restrictions are similar to the Predecessor Fund. From its inception date, the Predecessor Fund was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act of the Code, if they had been applicable, it might have adversely affected its performance. In addition, the Predecessor Fund was not subject to sales loads that would have adversely affect performance.

The indices shown are for informational purposes only, are not reflective of any investment, nor are they professionally managed. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives costs and expenses, liquidity, safety, guarantees or insurance fluctuation of principal or return, or tax features. There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses. Returns over one year are annualized and include the reinvestment of dividends and income.

The MSCI Europe Small Cap Index captures small cap representation across the 15 Developed Markets (DM) countries in Europe. With 932 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in the European equity universe. The Morningstar Long-Short Equity Category is an average monthly return of all funds in the Morningstar Long-Short Equity Category, including the Fund. The Long-Short Category contains a universe of funds with similar investment objectives and investment style, as defined by Morningstar. Performance of the indices and Morningstar Category Average is generated on the 1st business day of the month.

Holdings are subject to change and should not be considered investment advice.

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