



	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
BESMX (Month-End)	-3.04	2.44	-13.28	2.69	0.62	7.28	7.65
MSCI Europe Small Cap Index	-6.41	9.63	-12.32	4.73	2.60	10.45	3.01
Morningstar Cat. Avg.	-3.75	3.82	-2.82	3.40	1.59	3.28	1.42
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 05/31/19 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 -3.04% which compares favorably to a fall in the MSCI Europe Small Cap Index of -6.41%. The long book detracted -6.5% while the short book added 2.9%.

## MONTHLY COMMENTARY

Markets pulled back dramatically as the complacency around a solution to the “Trade War” between China and the US turned into despondency that things could get worse. This caused a sharp sell-off in cyclical sectors and names.

Given this backdrop, it is perhaps not surprising that cyclical and commodity related names were amongst our worst performers and second largest detractor of performance. A dry bulk shipping company is one example. Q1 results and Q2 guidance confirmed the worries around a weak bulker rate environment, but ongoing iron ore supply problems, due to the Vale dam disaster in Brazil, and weak sentiment have hurt shipping rates and its share price. The longer term demand supply balance remains attractive, however, and we continue to believe the share holds very good value.

Our strongest performer in May was a Swedish company which sells solutions to improve the efficacy of crash helmets (both for outdoor sports and industrial applications). The company has reached an inflection point where it is seeing extremely rapid take up of its solution in bicycling and snow sports, as well as nascent traction in areas such as motorcycling and construction. In early May the company reported exceptional Q1 figures, with revenues growing 71% in local currency terms. It’s “ingredient” business model also allows it to already deliver very high levels of profitability (over 40% EBIT margins) as well as supporting high growth rates. We believe the company remains in the early part of a journey towards substantial product adoption, and significantly higher revenues and profits.



We were also well-rewarded in the short book by a selection of names in the semiconductor industry. One of these is a very expensive market “darling” where analyst expectations, we believe, are too aggressive, premised on the fact that they have compounded well historically. Two other names both make “chipsets for the internet of things”, what we believe is a highly commoditized and very price erosive space to operate in. Finally, a new addition to the short book is a Dutch company that makes chips for the automotive industry and is in the crossfire of multiple headwinds.

## OUTLOOK

At month end the Fund was 107.5% gross invested with a net exposure of 36.9%.

We have been somewhat distrustful of market levels and behavior for a while, believing that the straight line rise in markets this year, accompanied by such low volatility, was unsustainable.

Meanwhile, the outlook for global economic growth – much needed for many companies to meet their full year forecasts – looks in rather more doubt than it has for some time.

Offsetting this is the prospect of more accommodative monetary policy, especially in the USA. Investors are once again talking of the “Fed Put”. My hunch is that rates would only be cut soon if there is a meaningful market meltdown. We are well positioned for this and would then be poised to wade through any fallout with our capital intact and buy favored companies at great levels.

To use a weather analogy, the clouds are heavy. I believe the next few weeks will prove critical in telling us whether a large storm will break or the clouds will part and the sun may come out again. We maintain our cautious stance but are ready to act fast if the weather turns!

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](http://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 05/31/2019. 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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