



	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
BESMX (Month-End)	-3.94	-11.36	-9.64	1.71	2.42	9.98	8.16
MSCI Europe Small Cap Index	-3.49	-15.22	-12.56	4.20	3.84	13.44	2.82
Morningstar Cat. Avg.	0.55	-2.18	-1.32	2.93	2.36	3.83	1.58
BESMX (Quarter-End)	-3.82	-1.60	3.78	5.45	6.40	10.59	9.33

Month-end data above is from Predecessor Fund inception through 11/30/18 and quarter-end is through 09/30/18. Predecessor Fund Inception: 10/31/07 Fund Inception: 12/30/15
Total operating fund expense as of 03/01/18: 2.75% (Gross), 2.50% (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

During November, the Fund returned -3.94% and the MSCI Europe Small Cap Index returned -3.49%. The long book made a negative contribution while the short book produced a positive contribution.

MONTHLY COMMENTARY

The long book again caused the damage with a negative contribution of -5.95%; given that the long exposure was 82%, there was again negative alpha. The short book of 31% contributed 0.98%, which was satisfactory. This has continued to be a theme that we have seen all year; our “hit rate” in the long book has fallen to 35% from a usual 60%. On the face of it, this looks concerning, but it in fact fills us with excitement. We have not changed our process and are not doing anything differently, it is simply that the catalysts that we have identified for many of our names (especially those in the “misunderstood” bucket) have not yet played out. When they do, we believe the ratio should return to 60% and in fact may possibly overshoot. It means, in our opinion, that the portfolio is more “packed with potential” than usual. The short book has once again consistently contributed positive alpha.

At the stock level, the damage was done by two of our positions in the energy sector: Vallourec (-50%) and Seadrill (-31%), which both suffered due to the falling oil prices. Both of these stocks’ falls were exacerbated by their high levels of debt. We have spoken at length with both managements and feel that neither need to raise any more capital and believe they have been unduly punished in this jittery market. These two names cost the Fund 1.83%. On a positive note we are pleased to report that the largest positive contributions came from stocks which we either bought (Lancashire +28bps) or added to in October (Victoria +27bps and Plus500 +30bps).

We have added exposure as the market has fallen (see below). This is no grand macroeconomic or market timing call. Rather, it has been on an opportunistic basis following the dramatic share price drops we’ve seen and our discussions with management of the companies and has been strictly within the three pillars of our process: Management, Cash & Catalyst.

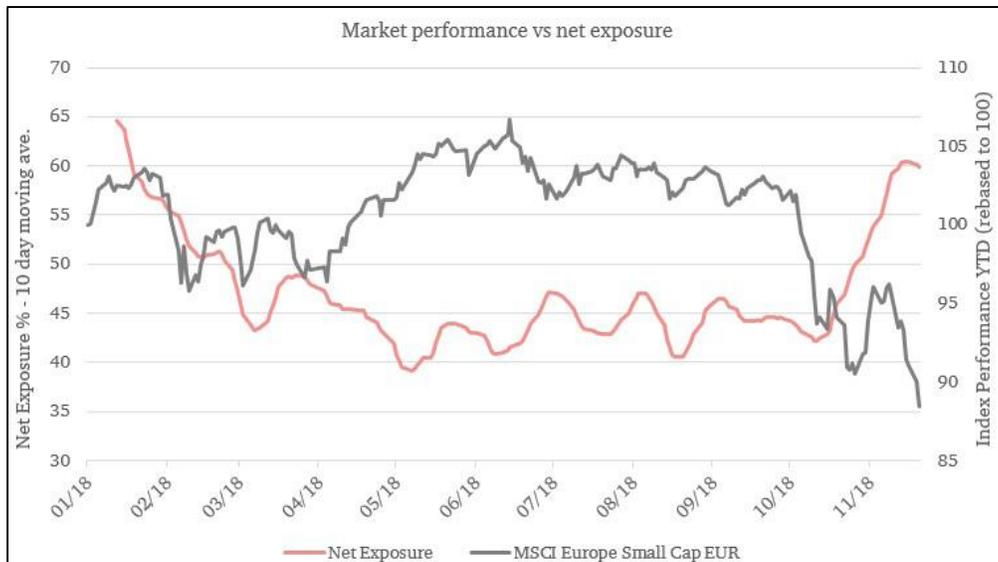


We also take comfort from the following little snapshot of the valuation and balance sheets of both books:

Longs: 11% 2019 FCF yield and 1.2x Net Debt/EBITDA

Shorts: 5% 2019 FCF Yield and 2.4 Net Debt/EBITDA

This suggests that our longs may offer more value on our favored valuation metric and are less exposed to any possible stress from a rising rate environment. The companies mentioned above represented the following percent of total assets in the Balter European L/S Small Cap Fund, as of 11/30/18: Vallourec 1.18%, Seadrill 1.31%, Lancashire 2.60%, Victoria 1.81% and Plus500 3.02%.



OUTLOOK

At month-end, the Fund was 113% gross invested with a net long exposure of 53%.

I believe next year could see a “tug of war” between falling multiples and strong earnings growth. Against a backdrop of such cross-currents, we believe that the bulk of equity returns will come from alpha generation.

We have been disappointed to have suffered so much in this drawdown (especially given our 40% net long positioning going into the pullback that started in October).

We have learned lessons; the long book was 10% more tilted to “compounders” than “misunderstood” names (50-50 vs 40-60 historically). However, the key moving forward is trusting our process and sticking to it. The formula of interviewing management teams, analyzing cash flows, and then identifying the catalyst for these under-researched stocks has proven fruitful for many years and we must not waiver from it given a difficult few months.

I would be delighted to chat on any of this.

Finally, I would like to wish you and your families a very Happy Christmas and a wonderful 2019.

Yours Sincerely,

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 interest and tax expenses, dividends on short positions and Acquired Fund Fees and Expenses) 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, 2019. This operating expense limitation agreement can be terminated only by, or with the consent of, the Board of Trustees. The Adviser is permitted to seek reimbursement from the Fund for fees it waived and Fund expenses it paid for the prior three fiscal years, as long as the reimbursement does not cause the Fund's operating expenses to exceed the lower of the current expense cap or the expense cap in place at the time of the waiver or reimbursement. Other expenses include 0.01% in recouped management fees in accordance with the operating expense limitation agreement.

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 11/30/2018. 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.

The Balter European L/S Small Cap Fund is distributed by Northern Lights Distributors, LLC. Balter Liquid Alternatives, LLC is not affiliated with Northern Lights Distributors, LLC, Member FINRA/SIPC. 8580-NLD-12/18/2018