



	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
BESMX (Month-End)	-6.22	-7.72	-6.18	2.55	3.88	10.29	8.62
MSCI Europe Small Cap Index	-9.86	-12.16	-8.98	5.27	4.99	12.82	3.18
Morningstar Cat. Avg.	-4.75	-2.76	-0.29	2.78	2.55	3.54	1.54
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 10/31/18 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 September, the Fund returned -6.22% and the MSCI Europe Small Cap Index returned -9.86%. Both the long book and the short book made negative contributions.

MONTHLY COMMENTARY

The dramatic sell-off in equity markets started in growth and technology names and then spread into the more cyclical sectors of the market. This reflected initial concerns on sharply rising long-term rates in the U.S. which then morphed into worries about a more general economic slowdown. The Fund was not immune to these fears around high growth and we suffered meaningful drops in names such as Victoria, Keywords Studios, Solutions 30 and Accessio.

We entered the month 44% net long and would have hoped to have preserved more capital. In the first stage of a drawdown or in a sudden pull back, however, alpha is very difficult to generate as correlations rise quickly; the opportunity for strategies such as ours invariably comes in the fall-out from the carnage. As such, when we fell broadly in line with our net exposure at the beginning of the month, ~5% with market falling ~10%, we were not unduly concerned. The monthly number was then negatively impacted by a weak couple of days at the end of the month. That said, we are pleased to have seen less of a drawdown than the market since the June peak (~9% drop vs. ~15% for the index).

In the year-to-date, our frustrating performance has been driven by the long book, where our “hit ratio” (which has normally been 60%) has fallen to 35%; this does not reflect any change of approach or style but simply that, for many names in the Fund, the anticipated catalysts have not yet played out. We believe this will mean revert over the coming months, and this ratio could potentially exceed the 60% level. With most of the names we believe are not “working” currently, we have held onto or even added to the names. Far from locking in losses, we believe the upside is more substantial in the book now. The only exception is where we have lost any conviction – in these instances we have been ruthless in cutting.



We continue to see the dynamic of stocks reacting asymmetrically to news – they fall on the bad more than they rise on the good. Whilst we have benefited from this in the short book over the last 18 months, we were hit on a couple of occasions in the long book this month. Domestic is a classic case in point: the stock missed numbers by 3% and the stock fell by 25% on the day. It is worth noting that we took advantage of this over-reaction to add to our position. More generally, we have had very few negative surprises in the reporting period so far.

Given some of the irrational moves in stocks, we were quite active in the month. During the month we saw over 75 companies across 9 markets. At time of writing, this has led to our adding 17% to net exposure: we bought 4 new names, added to 8 existing holdings and covered 3 shorts. Generally, we believe we are starting to find a lot more value out there and are glad to have put more exposure into the fund. This is an exciting time, however we must remain vigilant.

We would stress this is not a market or macro call – it is simply a reflection of what we learn company meeting by company meeting, and coincides with many stocks being dramatically cheaper than a month ago. This measured and piecemeal response is, in fact, us clinging ever more tightly to our fundamental philosophy of looking at company's fundamentals. The golden rule at times such as these stage is to stick to the three pillars of our process: Management, Cash and Catalyst.

The companies mentioned above represented the following percent of total assets in the Balter European L/S Small Cap Fund, as of 10/31/18: Victoria 0.96%, Keywords Studios 2.13%, Solutions 30 2.55% and Accesso 2.37%.

MONTHLY COMMENTARY

At the time of writing the Fund is 115% gross invested with a net long exposure of 58%.

You will know that we are not “beta managers” and do not try to “call” or “time” markets. The key, as emphasized above, is staying committed to our tried and tested approach. The message from companies on their outlook remains positive, not just for the rest of the year but also looking into 2019.

We are, of course, cognizant that at times companies cannot “see the woods from the trees”. We aim to counter this risk with very carefully thought-out and probing questioning of management followed up by measured and methodical collating and “triangulation” of all the various bottom-up data and information that we receive.

Opportunities are presenting themselves from the chaos of October and we are greatly excited; this helps to temper the disappointment of not having preserved more capital this month.

We would love the chance to discuss these opportunities with our readers in further depth, and hope to have the chance to do so in the coming days and weeks.

Yours Sincerely,

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

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 10/31/2018. 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.

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