

	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
BEQIX (Month-End)	-2.70	4.39	6.82	9.10	-	-	5.73
Russell 2000 Index	-10.86	-0.60	1.85	10.68	8.01	12.44	6.99
Morningstar Cat. Avg.	-4.75	-2.76	-0.29	2.78	2.57	3.54	2.09
BEQIX (Quarter-End)	-1.37	7.28	10.50	10.72	-	-	6.44

Month-end data above is through 10/31/18 and quarter-end is through 09/30/18. Fund Inception: 12/31/13

Total operating fund expense as of 03/01/18: 2.60% (Gross), 2.56% (Net). Includes dividend and interest expense on short sales, acquired fund fees and expenses. When excluded the net with limitation expense ratio is 2.19%. 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 Balter L/S Small Cap Equity Fund returned -2.70% for October compared to -10.86% for the Russell 2000 Index and -4.75% for the Morningstar Long/Short Equity Category Average. The long portfolio detracted -4.0% and the short portfolio contributed +2.6% during the month, on a gross basis. The portfolio averaged 76.6% long and -29.2% short, resulting in average net exposure of 47.4% and average gross exposure of 105.8%.

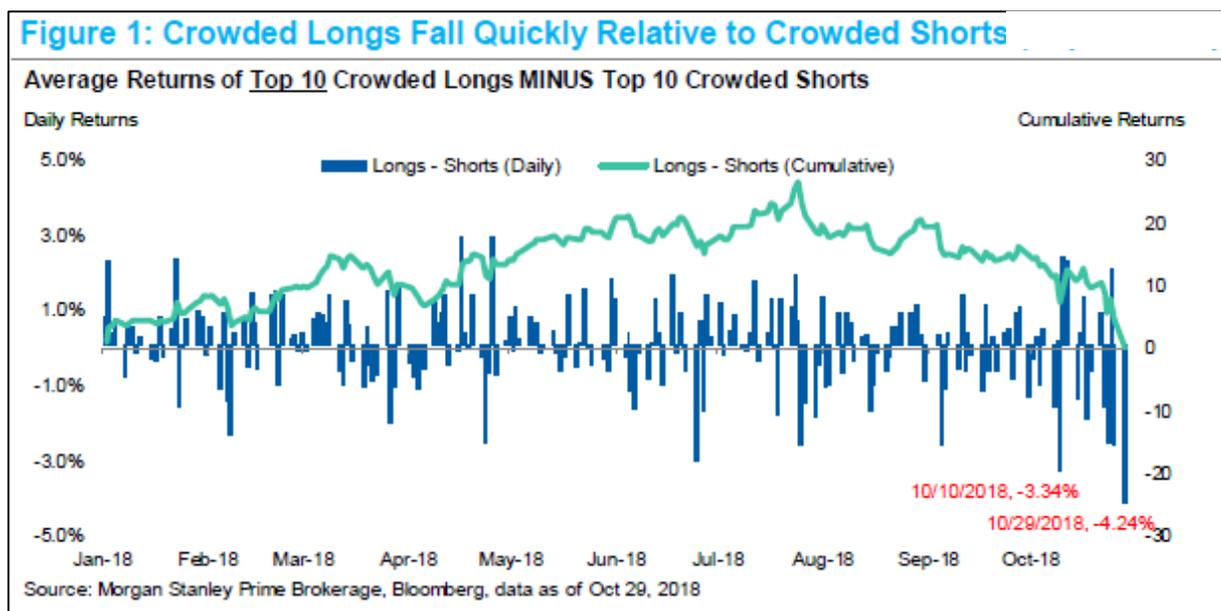
MONTHLY COMMENTARY

We were pleased with the Fund's performance during the month as we were able to preserve capital in light of a difficult period for equity markets. The Fund returned -2.70% compared to a return of -10.86% for the Russell 2000 Index. While the Fund lost money during the month, we believe it did its job protecting investor capital. In our opinion, October was precisely the sort of month that frustrates hedge fund investors and makes them question their exposure to alternative investments. According to Goldman Sachs, long/short equity funds that used a fundamental investment process were down -7.39% during October. This loss was more than the S&P 500 Index (-6.84%) and MSCI World Index (-7.34%). October was the worst month since Goldman began tracking the data in January of 2012. Based on the beta characteristics of this index, it should have been down -4.02% during the month but it produced -3.37% alpha.

	Indices		Fundamental Equity L/S		
	MSCI TR	SPX TR	Total	Beta	Alpha
October	-7.34%	-6.84%	-7.39%	-4.02%	-3.37%
YTD Return as of 10/31	-2.31%	+3.01%	-4.92%	-1.70%	-3.22%

Source: Goldman Sachs

With performance characteristics like this, it's no wonder that many hedge fund allocators are frustrated with their investments. We believe that there are several reasons for the poor performance, but the primary culprit is something that we have talked about here before: crowded trades. Within the industry, we believe there is a tendency for hedge funds to crowd into the same names. This is partly due to idea sharing dinners and analysts from different firms networking for ideas. This is a phenomenon that we do not care for which is part of the reason why we prefer strategies that access less efficient areas of the market. Morgan Stanley tracks a "crowded trade index" for hedge fund longs and shorts and on October 29th it had its worst performance ever. The top 10 crowded longs underperformed the top 10 crowded shorts by -4.24%. The S&P 500 by comparison fell just 66 basis points on the day. Morgan Stanley contends that hedge funds performed so poorly because they were liquidating longs and covering shorts. We aim to avoid these adverse impacts by focusing on areas of the market where large hedge funds generally don't.



Source: Morgan Stanley

POSITION HIGHLIGHT

A long position in Craft Brew Alliance was the biggest detractor during the month, costing the fund 0.50%. The stock traded down more than 20%, driven by the market selloff rather than any negative developments for the company. There was actually positive news around the company during the month. Anheuser Busch, who owns 30% of company, is rumored to be interested in buying the rest of the outstanding shares. The Fund remains invested in the company.

As of 10/31/18, Craft Brew Alliance represented 2.26% of total assets in the Balter L/S Small Cap Equity Fund.

Sincerely,



Brad Balter, CFA
 CEO, Portfolio Manager



Jay Warner, CFA
 Portfolio Manager



Ben Deschaine, CAIA
 Portfolio Manager

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 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 2.19% 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.

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.

Alpha is a measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. Beta is a measure of a fund's sensitivity to market movements. Volatility is a statistical measure of the dispersion of returns for a given security or market index. Maximum drawdown is the maximum loss from a peak to a trough of a portfolio, before a new peak is attained. Russell 2000 is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. Both indices are a registered trademark of Russell Investment Group. The S&P 500 Index is a market capitalization weighted index of the 500 largest U.S. publicly traded companies by market value. The S&P 500 is a market value or market capitalization weighted index and one of the most common benchmarks for the broader U.S. equity markets. The S&P 600 is an index of small-cap stocks managed by Standard and Poor's. It tracks a broad range of small-sized companies that meet specific liquidity and stability requirements. This is determined by specific metrics such as public float, market capitalization, and financial viability among a few other factors. The Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000 typically comprises approximately 90% of the total market capitalization of all listed U.S. stocks. 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 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 L/S Small Cap Equity Fund is distributed by Northern Lights Distributors, LLC. Balter Liquid Alternatives, LLC is not affiliated with Northern Lights Distributors, LLC, Member FINRA/SIPC. 8441-NLD-11/13/2018