Balter L/S Small Cap Equity Fund

Institutional Class (Symbol: BEQIX)
Investor Class (Symbol: BEQRX)

Prospectus

March 1, 2019

The U.S. Securities and Exchange Commission ("SEC") has not approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website at www.balterliquidalts.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you. You may also elect to receive all future reports in paper free of charge.

Balter L/S Small Cap Equity Fund

a series of the Northern Lights Fund Trust II (the "Trust")

TABLE OF CONTENTS

Summary Section

Investment Objective. The Balter L/S Small Cap Equity Fund (the "Fund") seeks to achieve long-term capital appreciation plus income.

Fees and Expenses of the Fund. This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees *(fees paid directly from your investment)*	**Institutional Class**	**Investor Class**
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None	None
Maximum Deferred Sales Charge (Load)	None	None
Redemption Fee (as a percentage of amount redeemed within 60 days of purchase)	1.00%	1.00%
Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*		
Management Fees	1.95%	1.95%
Distribution and Service (Rule 12b-1) Fees	0.00%	0.25%
Other Expenses	0.48%	0.58%
Shareholder Servicing Expenses	None	0.10%
Dividends on Securities Sold Short (1)	0.22%	0.22%
Remaining Other Expenses	0.26%	0.26%
Acquired Fund Fees and Expenses(2)	0.03%	0.03%
Total Annual Fund Operating Expenses	2.46%	2.81%
Fee Waiver/Expense Reimbursement	(0.02%)	(0.02%)
Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement(3)	2.44%	2.79%

(1) There are additional costs associated with the use of short sales. Short-sale dividends generally reduce the market value of the securities by the amount of the dividend declared; thus increasing the Fund's unrealized gain or reducing the Fund's unrealized loss on the securities sold short.

(2) This number represents the combined total fees and operating expenses of the underlying funds owned by the Fund and is not a direct expense incurred by the Fund or deducted from the Fund assets. Since this number does not represent a direct operating expense of the Fund, the operating expenses set forth in the Fund's financial highlights do not include this figure.

(3) 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 2.19% 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.

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The fee waiver/expense reimbursement arrangement discussed in the table above is reflected only through February 28, 2020. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	One Year	**Three Years**	**Five Years**	**Ten Years**
Institutional Class	$247	$765	$1,309	$2,795
Investor Class	$282	$869	$1,482	$3,136

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 244% of the average value of its portfolio.

Principal Investment Strategies. The Fund employs a "long/short" investment strategy to attempt to achieve capital appreciation and manage risk by purchasing stocks believed to be undervalued and selling short stocks believed to be overvalued. The Fund attempts to generate enhanced risk-adjusted returns by allocating its assets among a carefully chosen group of experienced hedged equity managers who will serve as sub-advisers ("Sub-Advisers") to the Fund and who will employ various complementary equity investment strategies. The Fund generally maintains a net long bias; however, it is anticipated that the Fund will have at least some short exposure at all times with a maximum of 60% of the Fund's assets being shorted under normal market conditions. The net long exposure of the Fund (gross long exposures minus gross short exposures) is usually expected to be between 30% and 80%.

The Fund is classified as " diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means that it is limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

Under normal market conditions, the Fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in small cap equity securities. The Fund currently considers small-sized capitalization companies to be those companies that have market capitalizations below $5 billion at the time of purchase. The types of equity securities in which the Fund generally invests include common stocks, preferred stocks, rights, warrants, convertibles, partnership interests, other investment companies, including exchange-traded funds ("ETFs"), equity Real Estate Investment Trusts ("REITs"), and may include securities of companies that are offered pursuant to an initial public offering ("IPO"). The Fund may invest up to 30% of its net assets in securities purchased on foreign exchanges; however, there is no limitation on the Fund's ability to invest in American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Global Depositary Receipts ("GDRs") and International Depository Receipts ("IDRs") and therefore, the Fund's exposure to foreign securities may be greater than 50% of the Fund's net assets. The Fund may invest up to 25% of its net assets in foreign securities of issuers located in emerging markets.

With respect to the remaining 20% of the Fund's net assets not invested in small cap equity securities, the Fund may invest in cash and cash equivalents, other equity securities, fixed income securities, including sovereign debt, corporate bonds, exchange-traded notes ("ETNs") and debt issued by the U.S. Government and its agencies. The Fund's fixed income investments generally range in maturity from 2 to 10 years and may include up to 20% of the Fund's net assets in high yield or "junk" bonds. High yield bonds are securities rated by a rating organization below its top four long-term rating categories or unrated securities determined by a Sub-Adviser to be of equivalent quality." With respect to the Fund's investments in other equity securities, the Fund may invest up to 20% of its net assets in the securities of medium sized companies. The Fund currently considers medium-sized capitalization companies to be those companies that have market capitalizations between $5 billion and $10 billion at the time of purchase.

The Fund may utilize leverage of no more than 33 1/3% of the Fund's total assets as part of the portfolio management process. From time to time, the Fund may invest a significant portion of its assets in the securities of companies in the same sector of the market. The Fund may also invest up to 10% of its net assets in derivatives including futures, options, swaps and forward foreign currency contracts. These instruments may be used to modify or hedge the Fund's exposure to a particular investment market related risk, as well as to manage the volatility of the Fund. The Fund may also trade in some foreign markets on swap. When the Fund invests in swaps, the appropriate amount of assets will be segregated to satisfy the asset coverage requirements.

Each Sub-Adviser is allocated a portion of the Fund's assets to invest (each an "Allocated Portion"). The Sub-Advisers invest in the securities described above based upon their belief that the securities have a strong appreciation potential (long investing, or actually owning a security) or potential to decline in value (short investing, or borrowing a security from a broker and selling it, with the understanding that it must later be bought back (hopefully at a lower price) and returned to the broker). Each Sub-Adviser has complete discretion to invest its portion of the Fund's assets as it deems appropriate, based on its particular philosophy, style, strategies and views. While each Sub-Adviser is subject to the oversight of the Adviser, the Adviser does not attempt to coordinate or manage the day-to-day investments of the Sub-Advisers. In engaging Sub-Advisers to manage the Fund, the Adviser looks to select Sub-Advisers who employ complementary equity investment strategies.

The Adviser typically allocates 95% of the Fund's assets to the Sub-Advisers but may adjust the allocation based on market conditions. The Adviser will typically allocate the Fund's assets to each Sub-Adviser equally, looking to rebalance based on flows and performance, but may adjust allocations to individual Sub-Advisers based on market conditions.

The Adviser is responsible for selecting the Sub-Advisers for the Fund and determining allocation amounts to each Sub-Adviser. The Adviser is also responsible for termination of Sub-Advisers and will terminate for a variety of reasons including but not limited to, investment style drift, lack of risk management, overconcentration, exposure mismanagement, prolonged poor performance and operation or compliance issues. The Adviser's Portfolio Managers monitor the Fund's portfolio on a regular basis to review each Sub-Adviser's allocated portion is managed to the expectations set by the Adviser. The Adviser will focus their risk management effort on portfolio composition, specifically aggregated long or short positions to do not exceed limitations. Should these levels be breached, the Adviser's Portfolio Managers will initiate discussions with the Sub-Adviser(s) that may result in reducing position levels. The Adviser's Portfolio Managers will not typically influence the Sub-Adviser's portfolio exposure decisions unless such Sub-Adviser exceed the expected ranges previously established with each Sub-Adviser.

The Fund sells (or closes a position in) a security when a Sub-Adviser determines that a particular security has achieved its investment expectations or the reasons for maintaining that position are no longer valid, including: (1) if the Sub-Adviser's view of the business fundamentals or management of the underlying company changes; (2) if a more attractive investment opportunity is found; (3) if general market conditions trigger a change in the Sub-Adviser's assessment criteria; or (4) for other portfolio management reasons. A description of the Sub-Advisers and their investment focus is provided below.

The Sub-Advisers' Strategies

Intrinsic Edge Capital Management, LLC ("Intrinsic") invests its Allocated Portion primarily using a bottom-up, research-driven process to construct a U.S. focused long/short equity portfolio, mainly of small- and medium capitalization companies. Intrinsic is focused on generating consistent, positive returns, while limiting drawdowns. The investment approach is trading oriented and is looking to generate its returns through its repeatable process, where Intrinsic is looking for a large number of smaller winners to generate returns.

Midwood Capital Management LLC ("Midwood") invests its Allocated Portion in areas of the U.S. equities market with the greatest inefficiencies where extensive research and analysis can seek to generate superior long-run performance with an emphasis on small-capitalization companies, identifying opportunities both long and short.

Millrace Asset Group, Inc. ("Millrace") invests its Allocated Portion in the small and mid-capitalization sectors utilizing intensive fundamental, bottom-up, research-driven analysis to identify what it believes to be compelling long and short opportunities. Millrace attempts to optimize potential returns and to preserve capital in difficult markets.

12th Street Asset Management, LLC ("12th Street") invests its Allocated Portion by utilizing a small-cap value strategy. 12th Street uses a concentrated, value approach in which the investment team identifies a select number of companies that meet certain investment criteria of good businesses trading at discounts to 12th Street's intrinsic value estimates. 12th Street's strategy is focused on equity securities with a market cap of less than $5 billion at the time of purchase. There is a strong focus on preservation of capital and investing with a margin of safety.

Principal Risks. Remember that in addition to possibly not achieving your investment goals, you could lose money by investing in the Fund. The principal risks of investing in the Fund are:

- *Active Management Risk.* The Fund is actively managed with discretion and may underperform market indices or other mutual funds with similar investment objectives.

- *ADR, EDR, GDR and IDR Risk.* ADRs, EDRs, GDRs or IDRs may be subject to some of the same risks as direct investment in foreign companies, which includes international trade, currency, political, regulatory and diplomatic risks. In a sponsored ADR arrangement, the foreign issuer assumes the obligation to pay some or all of the depositary's transaction fees. Unsponsored ADRs, EDRs, GDRs and IDRs are organized independently and without the cooperation of the foreign issuer of the underlying securities, and involve additional risks because U.S. reporting requirements do not apply and the issuing bank will recover shareholder distribution costs from changes in share prices and payment of dividends. EDRs, GDRs and IDRs can involve currency risk since, unlike ADRs, they may not be U.S. dollar-denominated.

- *Currency Risk.* Changes in foreign currency exchange rates will affect the value of what the Fund owns and the Fund's share price. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. dollars. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

- *Cyber Security Risk.* As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

- *Derivatives Risk.* An investment in derivatives (such as futures, including interest rate and U.S. Treasury futures) 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. Futures may create investment leverage so that when a futures contract is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment or when used for hedging purposes, the futures contract may not provide the anticipated protection, causing the Fund to lose money on both the futures contract and the exposure the Fund sought to hedge. Increases and decreases in the value of the Fund's portfolio may be magnified when the Fund uses leverage. Futures are also subject to correlation risk, which is the risk that changes in the value of the futures contract may not correlate perfectly with the underlying asset, rate or index. The Fund's use of futures is also subject to market risk and liquidity risk, each of which is described below.

- *Equity Risk*. The risks that could affect the value of the Fund's shares and the total return on your investment include the possibility that the equity securities held by the Fund will experience sudden, unpredictable drops in value or long periods of decline in value.
- *ETF and Mutual Fund Risk*. When the Fund invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Inverse ETFs are subject to the risk that their performance will fall as the value of their benchmark indices rises. The Fund also will incur brokerage costs when it purchases ETFs.
- *Exchange-Traded Note ("ETN") Risk*. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying securities' markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. In addition, the notes issued by ETNs and held by a fund are unsecured debt of the issuer.
- *Fixed Income Securities Risk*. Interest rates may go up resulting in a decrease in the value of the fixed income securities held by the Fund. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.
- *Foreign Securities Risk (including Emerging Markets Risk).* The risks of investing in foreign securities, including those in emerging markets, can increase the potential for losses in the Fund and may include currency risk, political and economic instability, additional or fewer government regulations, less publicly available information, limited trading markets, differences in financial reporting standards, fewer protections for passive investors and less stringent regulation of securities markets.
- *High Yield Securities Risk*. Fixed income securities that are rated below investment grade (i.e., "junk bonds") are subject to additional risk factors due to the speculative nature of these securities, such as increased possibility of default liquidation of the security, and changes in value based on public perception of the issuer.
- *Initial Public Offering Risk*. The Fund may purchase securities of companies that are offered pursuant to an IPO. The risk exists that the market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to market risk and liquidity risk. When the Fund's asset base is small, a significant portion of the Fund's performance could be attributable to investments in IPOs, because such investments would have a magnified impact on the Fund.
- *Investment Strategy Risk*. There is no assurance the Fund's investment objective will be achieved. Investment decisions may not produce the expected results. The value of the Fund may decline, and the Fund may underperform other funds with similar objectives and strategies.
- *Leverage and Short Sales Risk*. Leverage is the practice of borrowing money to purchase securities. If the securities decrease in value, the Fund will suffer a greater loss than would have resulted without the use of leverage. A short sale is the sale by the Fund of a security which it does not own in anticipation of purchasing the same security in the future at a lower price to close the short position. A short sale will be successful if the price of the shorted security decreases. However, if the underlying security goes up in price during the period in which the short position is outstanding, the Fund will realize a loss. The risk on a short sale is unlimited because the Fund must buy the shorted security at the higher price to complete the transaction. Therefore, short sales may be subject to greater risks than investments in long positions.
- *Liquidity Risk*. Low trading volume, a lack of a market maker, or contractual or legal restrictions may limit or prevent the Fund from selling securities or closing derivative positions at desirable times or prices.

- *Management Risk*. The Fund is subject to management risk because it is an actively managed portfolio. The Advisor's management practices and investment strategies might not produce the desired results. Additionally, although the Adviser will select Sub-Advisers which it determines to have suitable investment backgrounds and show substantial performance potential, some of these Sub-Advisers may have limited track records.

- *Market Risk*. The overall market may perform poorly or the returns from the securities in which the Fund invests may underperform returns from the general securities markets or other types of investments.

- *Multi-Manager and Multi-Style Management Risk*. To a significant extent, the Fund's performance will depend on the success of the Adviser's methodology in allocating the Fund's assets to Sub-Advisers and its selection and oversight of the Sub-Advisers and on a Sub-Adviser's skill in executing the relevant strategy and selecting investments for the Fund. Because portions of the Fund's assets are managed by different Sub-Advisers using different styles, the Fund could experience overlapping securities transactions. Certain Sub-Advisers may be purchasing securities at the same time other Sub-Advisers may be selling those same securities, which may lead to higher transaction expenses compared to the Fund using a single investment management style.

- *Portfolio Turnover Risk*. The Fund may buy and sell investments frequently. Such a strategy often involves higher transaction costs, including brokerage commissions, and may increase the amount of capital gains (in particular, short term gains) realized by the Fund. Shareholders may pay tax on such capital gains.

- *REIT and Real Estate Risk*. The value of the Fund's investments in REITs may change in response to changes in the real estate market such as declines in the value of real estate, lack of available capital or financing opportunities, and increases in property taxes or operating costs. Shareholders of the Fund will indirectly be subject to the fees and expenses of the individual REITs in which the Fund invests. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance.

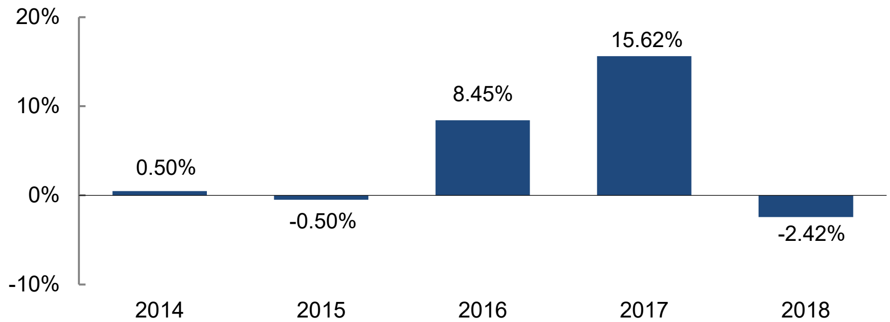
- *Sector Risk*. To the extent the Fund invests a significant portion of its assets in the securities of companies in the same sector of the market, the Fund is more susceptible to economic, political, regulatory and other occurrences influencing those sectors.

- *Small- and Medium-Sized Companies Risk*. Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies.

- *U.S. Government Securities Risk*. U.S. government obligations are affected by changes or expected changes in interest rates, among other things. While U.S. Treasury obligations are backed by the full faith and credit of the U.S. government, they are still subject to credit risk. Securities issued or guaranteed by federal agencies or authorities or U.S. government sponsored instrumentalities or enterprises may or may not be backed by the full faith and credit of the U.S. government. Moreover, some securities are neither insured nor guaranteed by the U.S. government. The U.S. Department of the Treasury has the authority to provide financial support to these debt obligations, but no assurance can be given that the U.S. government will do so.

Performance. The bar chart and Average Annual Total Returns table gives some indication of the risks of investing in the Fund. The bar chart shows the performance of the Institutional Class shares of the Fund from calendar year to calendar year. The Average Annual Total Returns table shows how the Fund's average annual returns compare with those of a broad measure of market performance. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Performance includes the performance of the Balter Long/Short Equity Fund, a series of Professionally Managed Portfolios (the "Predecessor Fund") Institutional Class shares. Updated performance information will be available at no cost by calling the Fund toll-free at 844-322-8112 on the Fund's website www.balterliquidalts.com. The Fund was reorganized on July 24, 2015 from a series of the Professionally Managed Portfolios, a Massachusetts business trust to a series of Northern Lights Fund Trust II, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Predecessor Fund and, therefore, the performance information below includes the performance of the Predecessor Fund.

Institutional Class Shares[1]
Calendar Year Returns as of December 31,



During the period shown in the bar chart, the best performance for a quarter was 5.10% (for the quarter ended June 30, 2016). The worst performance was -9.05% (for the quarter ended December 31, 2018).

Average Annual Total Returns for the periods ended December 31, 2018

	One Year	Five Year	Since Inception*
Institutional Class Shares			
Return Before Taxes	-2.42%	4.12%	4.12%
Return After Taxes on Distributions	-5.51%	2.89%	2.89%
Return After Taxes on Distributions and Sale of Fund Shares	-0.09%	2.98%	2.98%
Investor Class Shares**			
Return Before Taxes	-2.78%	N/A	1.02%
Russell 2000 Total Return Index (reflects no deduction for fees, expenses or taxes)	-11.01%	4.41%	4.41%
HFRX Equity Hedge Index (reflects no deduction for fees, expenses or taxes)	-9.42%	-1.23%	-0.25%

* The Predecessor Fund commenced operations on December 31, 2013.

** Investor Class Shares commenced investment operations on November 14, 2017.

After-tax returns are based on the highest historical individual federal marginal income tax rates, and do not reflect the impact of state and local taxes; actual after-tax returns depend on an individual investor's tax situation and may differ from those shown. If you own shares of the Fund in a tax-deferred account, such as an individual retirement account or a 401(k) plan, this information is not applicable to your investment. A higher after-tax return results when a capital loss occurs upon redemption and translates into an assumed tax deduction that benefits the shareholder.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The HFRX Equity Hedge Index strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50%, and may in some cases be substantially entirely invested in equities, both long and short. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus.

[1] The returns shown in the bar chart are for Institutional Class shares. The performance of Investor Class shares will differ due to differences in expenses and sales load charges.

Investment Adviser. Balter Liquid Alternatives, LLC serves as the Fund's investment adviser (the "Adviser").

Investment Sub-Advisers. Intrinsic Edge Capital Management, LLC ("Intrinsic"), Midwood Capital Management, LLC ("Midwood"), Millrace Asset Group, Inc. ("Millrace"), and 12th Street Asset Management, LLC (12th Street") each serve as the Fund's investment sub-advisers (each a "Sub-Adviser," collectively, the "Sub-Advisers").

Portfolio Managers. The following serves as the Fund's portfolio managers:

Portfolio Managers	Primary Title	With the Fund* Since:
The Adviser		
Brad R. Balter, CFA, CEO	Portfolio Manager	December 2013
Jay C. Warner, CFA, COO	Portfolio Manager	December 2013
Ben R. Deschaine, CAIA, CIO	Portfolio Manager	December 2013
The Sub-Advisers		
Intrinsic		
Andrew B. Corral	Portfolio Manager	February 2017
Mark D. Coe	Portfolio Manager and CIO	February 2017
Millrace		
William L. Kitchel, III	Portfolio Manager	April 2014
Whitney M. Maroney	Portfolio Manager	April 2014
Midwood		
David E. Cohen	Managing Member	December 2013
12th Street		
Michael O'Keefe	Partner	January 2016
D. Andrew Shipman	Partner	January 2016

* The Predecessor Fund commenced operations on December 31, 2013.

Purchase and Sale of Fund Shares. You may conduct transactions by mail (Balter L/S Small Cap Equity Fund, c/o Gemini Fund Services, LLC, 17645 Wright Street, Suite 200, Omaha, NE 68130), or by telephone at 844-322-8112. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly. The minimum initial investment in each share class of the Fund is $50,000 and $5,000, for Institutional Class and Investor Class, respectively, with a minimum subsequent investment of $500 for each Class. For Retirement Accounts and Automatic Investment Plans, the minimal initial investment in Investor Class shares is $1,000, with a minimum subsequent investment of $50. The Fund reserves the right to waive minimum initial investment or minimum subsequent investment requirements in its sole discretion.

Tax Information. The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Payments to Broker-Dealers and Other Financial Intermediaries. If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

Investment Strategies, Related Risks and Disclosure of Portfolio Holdings

Investment Objective

The primary investment objective of the Fund is to seek to achieve long-term capital appreciation plus income.

The Fund's investment objective is not fundamental and may be changed without the approval of shareholders. Shareholders will be given 60 days' notice of any such change.

Principal Investment Strategies

Principal Investment Strategies. The Fund employs a "long/short" investment strategy to attempt to achieve capital appreciation and manage risk by purchasing stocks believed to be undervalued and selling short stocks believed to be overvalued. The Fund attempts to generate enhanced risk-adjusted returns by allocating its assets among a carefully chosen group of experienced hedged equity managers who will serve as Sub-Advisers to the Fund and who will employ various complementary long/short equity investment strategies. The Fund generally maintains a net long bias; however, it is anticipated that the Fund will have at least some short exposure at all times with a maximum of 60% of the Fund's assets being shorted under normal market conditions. The net long exposure of the Fund (gross long exposures minus gross short exposures) is usually expected to be between 30% and 80%.

The Fund is classified as " diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means that it is limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

Under normal market conditions, the Fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in small cap equity securities. The Fund currently considers small-sized capitalization companies to be those companies that have market capitalizations below $5 billion at the time of purchase. The types of equity securities in which the Fund generally invests include common stocks, preferred stocks, rights, warrants, convertibles, partnership interests, other investment companies, including exchange-traded funds ("ETFs"), equity Real Estate Investment Trusts ("REITs"), and may include securities of companies that are offered pursuant to an initial public offering ("IPO"). The Fund may invest up to 30% of its net assets in securities purchased on foreign exchanges; however, there is no limitation on the Fund's ability to invest in American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Global Depositary Receipts ("GDRs") and International Depository Receipts ("IDRs") and therefore, the Fund's exposure to foreign securities may be greater than 50% of the Fund's net assets. The Fund may invest up to 25% of its net assets in foreign securities of issuers located in emerging markets.

With respect to the remaining 20% of the Fund's net assets not invested in small cap equity securities, the Fund may invest in cash and cash equivalents, other equity securities, fixed income securities, including sovereign debt, corporate bonds, exchange-traded notes ("ETNs") and debt issued by the U.S. Government and its agencies. The Fund's fixed income investments generally range in maturity from 2 to 10 years and may include up to 20% of the Fund's net assets in high yield or "junk" bonds. High yield bonds are securities rated by a rating organization below its top four long-term rating categories or unrated securities determined by a Sub-Adviser to be of equivalent quality." With respect to the Fund's investments in other equity securities, the Fund may invest up to 20% of its net assets in the securities of medium sized companies. The Fund currently considers medium-sized capitalization companies to be those companies that have market capitalizations between $5 billion and $10 billion at the time of purchase.

The Fund may utilize leverage as part of the portfolio management process. From time to time, the Fund may invest a significant portion of its assets in the securities of companies in the same sector of the market. The Fund may also invest up to 10% of its net assets in derivatives including futures, options, swaps and forward foreign currency contracts. These instruments may be used to modify or hedge the Fund's exposure to a particular investment market related risk, as well as to manage the volatility of the Fund. The Fund may also trade in some foreign markets on swap. When the Fund invests in swaps, the appropriate amount of assets will be segregated to satisfy the asset coverage requirements.

The Adviser typically allocates 95% of the Fund's assets to the Sub-Advisers but may adjust the allocation based on market conditions. The Adviser will typically allocate the Fund's assets to each Sub-Adviser equally, looking to rebalance based on flows and performance, but may adjust allocations to individual Sub-Advisers based on market conditions.

The Adviser is responsible for selecting the Sub-Advisers for the Fund and determining allocation amounts to each Sub-Adviser. The Adviser seeks to use Sub-Advisers with risk adjusted returns for their strategy with an emphasis on capital preservation during market drawdowns. In determining the allocation of assets to a Sub-Adviser, the Adviser analyzes whether the Sub-Adviser's investment process is repeatable and appropriate for a mutual fund structure. The Adviser will then conduct onsite reviews, examination of historical performance, portfolio exposures and risk management procedures. The Adviser also conducts operation reviews of the Sub-Adviser to determine suitability. The Adviser is also responsible for termination of Sub-Advisers and will terminate for a variety of reasons including but not limited to, investment style drift, lack of risk management, overconcentration, exposure mismanagement, prolonged poor performance and operation or compliance issues. The Adviser's Portfolio Managers monitor the Fund's portfolio on a regular basis to review each Sub-Adviser's allocated portion is managed to the expectations set by the Adviser. The Adviser will focus their risk management effort on portfolio composition, specifically aggregated long or short positions to do not exceed limitations. Should these levels be breached, the Adviser's Portfolio Managers will initiate discussions with the Sub-Adviser(s) that may result in reducing position levels. The Adviser's Portfolio Managers will not typically influence the Sub-Adviser's portfolio exposure decisions unless such Sub-Adviser exceed the expected ranges previously established with each Sub-Adviser.

The Adviser looks to identify skilled hedged equity managers to serve as Sub-Advisers to the Fund. In identifying potential Sub-Advisers, the Adviser looks for managers who, over an entire market cycle, have the potential to deliver enhanced risk-adjusted returns relative to traditional broad-based equity markets. Experienced equity managers employ techniques to attempt to both mitigate losses in challenging market conditions — thus reducing the impact of "negative compounding," as well as to let their stock-picking skills come to the fore in more normal market circumstances, allowing for the potential for attractive long-term risk-adjusted returns. These managers have the flexibility to add value from their research on long or short securities positions, as well as the management of their portfolio's net market exposure.

There are important diversification benefits that can result from investing through a select group of skilled hedged equity managers whose specific strategies, when combined, provide the opportunity for enhanced risk-adjusted returns, lower volatility and lower sensitivity to financial market indices. Lowering a portfolios' overall volatility has the potential to generate returns over time, by (a) allowing the power of compounding to work more effectively, and (b) mitigating the behavioral challenges facing investors who too often abandon their long-term investment objectives and strategies in volatile markets. The Fund attempts to generate enhanced risk-adjusted returns by allocating its assets among a carefully chosen group of experienced Sub-Advisers who employ various complementary equity investment strategies.

Hedged Equity Strategy – Long/Short Investing

The Fund generally holds a long equity portfolio as well as a portfolio of short equity holdings. In employing these strategies, the manager, by holding short positions, seeks to both hedge against market declines as well as have the opportunity to profit from a decline in the prices of his short equity holdings. However, managers may use different approaches in employing this strategy. These approaches are differentiated most notably by the types of stocks in which the managers focus their investment efforts. While some managers are generalists, a large number of managers typically specialize by style (value vs. growth), sector (technology, energy, healthcare, financial services, etc.), capitalization (small vs. large) and/or geography.

The Fund generally carries a net long bias — that is, the value of the long portfolio exceeds that of the short portfolio. As a result, they will have directional exposure to equity markets. But importantly, managers can vary the amount of this net exposure as market conditions and opportunities change. By varying net exposure over time as the opportunity set and market conditions evolve, long/short managers have the flexibility to act as tactical allocators, changing the long/short ratio as they prudently judge. The Adviser believes that a carefully constructed portfolio of complementary equity managers can provide diversification benefits and potentially lower drawdowns relative to general equity market indices.

The Fund generally sells (or closes a position in) a security when a Sub-Adviser determines that a particular security has achieved its investment expectations or the reasons for maintaining that position are no longer valid, including: (1) if the Sub-Adviser's view of the business fundamentals or management of the underlying company changes; (2) if a more attractive investment opportunity is found; (3) if general market conditions trigger a change in the Sub-Adviser's assessment criteria; or (4) for other portfolio management reasons.

Sub-Advisers

Each Sub-Adviser is allocated a portion of the Fund's assets to invest (each an "Allocated Portion"). The Sub-Advisers invest in the securities described above based upon their belief that the securities have a strong appreciation potential (long investing, or actually owning a security) or potential to decline in value (short investing, or borrowing a security from a broker and selling it, with the understanding that it must later be bought back (hopefully at a lower price) and returned to the broker). Each Sub-Adviser has complete discretion to invest its portion of the Fund's assets as it deems appropriate, based on its particular philosophy, style, strategies and views. While each Sub-Adviser is subject to the oversight of the Adviser, the Adviser does not attempt to coordinate or manage the day-to-day investments of the Sub-Advisers. In engaging Sub-Advisers to manage the Fund, the Adviser looks to select Sub-Advisers who employ complementary equity investment strategies. Each Sub-Adviser's principal investment strategies are set forth below.

Intrinsic's Principal Investment Strategies

Intrinsic's investment philosophy utilizes a long/short, fundamental, bottom-up approach focused on generating consistent, positive returns, while limiting drawdowns. Intrinsic's investment approach is trading oriented seeking to generate returns through its repeatable process, by investing in a large number of smaller capitalization companies to generate positive returns. Intrinsic invests its Allocated Portion primarily using a bottom-up, research-driven process to construct a U.S. focused long/short equity portfolio, mainly of small- and medium capitalization companies.

Midwood's Principal Investment Strategies

Midwood's investment philosophy is built upon maximizing long-term returns while seeking to minimize downside performance in weak markets. Midwood focuses its Allocated Portion on delivering attractive absolute returns over long periods of time rather than outperforming the market on a relative basis over shorter periods. Midwood invests its Allocated Portion in areas of the U.S. equities market with the greatest inefficiencies where proprietary research and analysis can help generate superior long-run performance. Midwood's strategy is to invest predominantly long and short in U.S. small-cap equities. Midwood employs proprietary due diligence including site visits and management interviews, meetings with suppliers, customers, sales reps, etc., discussions with other money managers, private equity investors and analysts, interviews/meetings with competitors, and proprietary valuation analysis. Midwood evaluates the alignment of management interests, board dynamics, and other elements of corporate governance.

Millrace's Principal Investment Strategies

Millrace's investment process utilizes intensive fundamental, bottom-up, research-driven analysis to identify what it believes to be compelling long and short opportunities. Millrace employs both long and short equity positions to optimize potential returns and to preserve capital in difficult markets. The strategy is centered on the belief that greater inefficiencies exist and greater innovation occurs in the small capitalization sector than in higher market capitalization sectors. Millrace's investment team believes that these inefficiencies can be exploited by applying a disciplined research methodology to identify companies that exhibit proprietary characteristics giving them a dominant position in their industry or market niche.

Millrace supplements its research by utilizing quantitative screening. In the long portfolio, Millrace looks for companies with proprietary characteristics, improving fundamentals, a reasonable valuation and identifiable catalysts. In the short portfolio, Millrace looks for companies with excessive valuations relative to fundamentals, deteriorating balance sheets, decelerating revenue/margins and weakening competitive positions. The investment team then identifies a catalyst such as margin erosion, questionable business practices, accounting, legal or regulatory problems or weakening market share.

12th Street's Principal Investment Strategies

12th Street invests its Allocated Portion by utilizing a small-cap value strategy. 12th Street uses a concentrated, value approach in which the investment team identifies a select number of companies that meet certain investment criteria of good businesses trading at discounts to 12th Street's intrinsic value estimates. 12th Street's strategy is focused on equity securities with a market cap of less than $5 billion at the time of purchase. There is a strong focus on preservation of capital and investing with a margin of safety. Risk is not reduced through diversification but by investing with a margin of safety and holding cash when bargains are not available. The strategy is absolute return focused and has no constraints on individual security or sector weightings. The security selection process relies on fundamental research. The investment team utilizes proprietary research reports which detail key investment considerations including investment thesis, business fundamentals, catalysts, risk factors and intrinsic value estimates.

Temporary Defensive Positions

The Fund may, from time to time, take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. For example, during such periods, 100% of the Fund's assets may be invested in short-term, high-quality fixed income securities, cash or cash equivalents. In addition, during such periods, the Fund may invest up to 10% of its net assets in certain other derivatives, primarily forward contracts, interest rate swaps, total return swaps, and credit default swaps, measured at notional value. Temporary defensive positions may be initiated by the individual Sub-Advisers or by the Adviser when a Sub-Adviser and/or the Adviser judges that market conditions make pursuing the Fund's investment strategies inconsistent with the best interests of its shareholders. A Sub-Adviser and/or the Adviser then may temporarily use these alternative strategies that are mainly designed to limit the Fund's losses or to create liquidity in anticipation of redemptions. When the Fund takes temporary defensive positions, it may not achieve its investment objective.

Short-term Positions

From time to time, the Fund may invest in short-term, high quality investments, including, for example, commercial paper, bankers' acceptances, certificates of deposit, bank time deposits, repurchase agreements, and investments in money market mutual funds or similar pooled investments.

Principal Risks of Investing in the Fund

Before investing in the Fund, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested and the amount of risk you are willing to take. **Remember that in addition to possibly not achieving your investment goals, you could lose money by investing in the Fund.** The value of your investment in the Fund will go up and down with the prices of the securities in which the Fund invests. The principal risks of investing in the Fund are:

Active Management Risk. The Fund is actively managed and its performance therefore will reflect in part the ability of the Sub-Advisers to select securities and to make investment decisions that are suited to achieving the Fund's investment objective. Due to its active management, the Fund could underperform other mutual funds with similar investment objectives.

ADR, EDR, GDR and IDR Risk. ADRs, EDRs, GDRs and IDRs may be subject to some of the same risks as direct investment in foreign companies, which includes international trade, currency, political, regulatory and diplomatic risks. ADRs are receipts issued by US banks evidencing ownership in securities of foreign issuers. Securities of foreign issuers, and consequently ADRs, may decrease in value due to changes in currency exchange rates, the economic climate in the issuer's home country or for a variety of other reasons. An EDR is a European bank certificate issued in more than one country for shares in a foreign company. The shares are held by a foreign branch of an international bank. The shares trade as domestic shares but are offered for sale globally through the various bank branches. A GDR is a bank certificate issued in more than one country for shares in a foreign company. The shares are held by a foreign branch of an international bank. The shares trade as domestic shares but are offered for sale globally through the various bank branches. An IDR is a negotiable certificate issued by a bank representing ownership of stock of a foreign company held by the bank in trust. In a sponsored ADR arrangement, the foreign issuer assumes the obligation to pay some or all of the depositary's transaction fees. Unsponsored ADRs, EDRs, GDRs and IDRs are organized independently and without the cooperation of the foreign issuer of the underlying securities, and involve additional risks because U.S. reporting requirements do not apply and the issuing bank will recover shareholder distribution costs from changes in share prices and payment of dividends. EDRs, GDRs and IDRs can involve currency risk since, unlike ADRs, they may not be U.S. dollar-denominated.

Currency Risk. If the Fund invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad.

Cyber Security Risk. As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Cyber-attacks include, among other things, the attempted theft, loss, misuse, improper release, corruption or destruction of, or unauthorized access to, confidential or highly restricted data relating to the Fund and its shareholders; and attempted compromises or failures to systems, networks, devices and applications relating to the operations of the Fund and its service providers. Cyber security breaches may result from unauthorized access to digital systems (*e.g.*, through "hacking" or malicious software coding) or from outside attacks, such as denial-of-service attacks on websites (*i.e.*, efforts to make network services unavailable to intended users).

Derivatives Risk. The Fund may use derivatives in connection with its investment strategies. The principal derivatives used by the Fund are futures, and for temporary defensive purposes, forward contracts, and swaps. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Fund's original investment. Derivatives are subject to the risk that changes in the value of a derivative may not correlate with the underlying asset, rate or index. The use of derivatives may not be successful, resulting in losses to the Fund, and the cost of such strategies may reduce the Fund's returns. Certain derivatives also expose the Fund to counterparty risk, which is described above. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, the Fund does not have a claim on the reference assets and is subject to increased counterparty risk. In addition, the Fund may use derivatives for non-hedging purposes, which increases the Fund's potential for loss. Certain of the Fund's transactions in futures, swaps, and other derivatives could also affect the amount, timing and character of distributions to shareholders which may result in the Fund realizing more short-term capital gain and ordinary income subject to tax at ordinary income tax rates than it would if it did not engage in such transactions, which may adversely affect the Fund's after-tax returns. Investing in derivatives may result in a form of leverage and subject the Fund to leverage risk, which is described below. The risks of the Fund's use of forward contracts, futures and swap agreements are discussed in further detail below.

Equity Risk. The risks that could affect the value of the Fund's shares and the total return on your investment include the possibility that the equity securities held by the Fund will experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect the securities market generally, such as adverse changes in: economic conditions, the general outlook for corporate earnings, interest rates, or investor sentiment. Equity securities may also lose value because of factors affecting an entire industry or sector, such as increases in production costs, or factors directly related to a specific company, such as decisions made by its management.

ETF and Mutual Fund Risk. ETFs are typically open-end investment companies that are bought and sold on a national securities exchange. When the Fund invests in an ETF, it will bear additional expenses based on its pro rata share of the ETF's operating expenses, including the potential duplication of management fees. The risk of owning an ETF generally reflects the risks of owning the underlying securities it holds. Many ETFs seek to replicate a specific benchmark index. However, an ETF may not fully replicate the performance of its benchmark index for many reasons, including because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks held. Inverse ETFs are subject to the risk that their performance will fall as the value of their benchmark indices rises. Lack of liquidity in an ETF could result in an ETF being more volatile than the underlying portfolio of securities it holds. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF. The Fund also will incur brokerage costs when it purchases ETFs. If the Fund invests in shares of another mutual fund, shareholders will indirectly bear fees and expenses charged by the underlying mutual funds in which the Fund invests in addition to the Fund's direct fees and expenses. Furthermore, investments in other mutual funds could affect the timing, amount and character of distributions to shareholders and therefore may increase the amount of taxes payable by investors in the Fund.

Exchange-Traded Note ("ETN") Risk. ETNs are subject to the credit risk of the issuer. The value of an ETN will vary and will be influenced by its time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying securities, currency and commodities markets as well as changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced index. There may be restrictions on the Fund's right to redeem its investment in an ETN, which is meant to be held until maturity. The Fund's decision to sell its ETN holdings may be limited by the availability of a secondary market.

Fixed Income Securities Risk. Interest rates may go up resulting in a decrease in the value of the fixed income securities held by the Fund. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.

Foreign Securities Risk (including Emerging Markets). The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with securities transactions are often higher in foreign countries than the United States. Additionally, investments in securities of foreign issuers, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies, particularly in emerging markets, may be less stable than the U.S. Government and the U.S. economy.

High Yield Securities Risk. Fixed income securities receiving below investment grade ratings (i.e., "junk bonds") may have speculative characteristics, and, compared to higher-grade securities, may have a weakened capacity to make principal and interest payments in economic conditions or other circumstances. High yield, high risk, and lower-rated securities are subject to additional risk factors due to the speculative nature of these securities, such as increased possibility of default, decreased liquidity, and fluctuations in value due to public perception of the issuer of such securities. These bonds are almost always uncollateralized and subordinate to other debt that an issuer may have outstanding. In addition, both individual high yield securities and the entire high yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, or, a higher profile default.

Initial Public Offering Risk. The Fund may purchase securities of companies that are offered pursuant to an IPO. The risk exists that the market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to market risk and liquidity risk. When the Fund's asset base is small, a significant portion of the Fund's performance could be attributable to investments in IPOs, because such investments would have a magnified impact on the Fund.

Investment Strategy Risk. There is no assurance the Fund's investment objective will be achieved. Investment decisions may not produce the expected results. The value of the Fund may decline, and due to its active management, the Fund may underperform other funds with similar objectives and strategies.

Leverage and Short Sales Risk. Subject to certain limitations, the Fund may use leverage in connection with its investment activities and may effect short sales of securities. These investment practices involve special risks. Leverage is the practice of borrowing money to purchase securities. If the securities decrease in value, the Fund will suffer a greater loss than would have resulted without the use of leverage. A short sale is the sale by the Fund of a security which it does not own in anticipation of purchasing the same security in the future at a lower price to close the short position. A short sale will be successful if the price of the shorted security decreases. However, if the underlying security goes up in price during the period in which the short position is outstanding, the Fund will realize a loss. The risk on a short sale is unlimited because the Fund must buy the shorted security at the higher price to complete the transaction. Therefore, short sales may be subject to greater risks than investments in long positions. With a long position, the maximum sustainable loss is limited to the amount paid for the security plus the transaction costs, whereas there is no maximum attainable price of the shorted security. The Fund would also incur increased transaction costs associated with selling securities short. In addition, if the Fund sells securities short, it must maintain a segregated account with its custodian containing cash or high-grade securities equal to (i) the greater of the current market value of the securities sold short or the market value of such securities at the time they were sold short, less (ii) any collateral deposited with the Fund's broker (not including the proceeds from the short sales). The Fund may be required to add to the segregated account as the market price of a shorted security increases. As a result of maintaining and adding to its segregated account, the Fund may maintain higher levels of cash or liquid assets (for example, U.S. Treasury bills, repurchase agreements, high quality commercial paper and long equity positions) for collateral needs thus reducing its overall managed assets available for trading purposes.

Liquidity Risk. In certain circumstances, low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Fund from selling securities or closing any derivative positions within a reasonable time at desirable prices. When there is no willing buyer and investments cannot be readily sold, the Fund may have to sell at a lower price than the price at which the Fund is carrying the investments or may not be able to sell the investments at all, each of which would have a negative effect on the Fund's performance. If another fund or investment pool in which the Fund invests is not publicly offered or there is no public market for its shares or accepts investments subject to certain legal restrictions, such as lock-up periods implemented by private funds, the Fund may be prohibited by the terms of its investment from selling or redeeming its shares in the fund or pool, or may not be able to find a buyer for those shares at an acceptable price. In addition, the ability of the Fund to assign an accurate daily value to certain investments may be difficult, and the Fund may be required to fair value the investments.

Management Risk. Management risk describes the Fund's ability to meet investment objectives based on the Adviser's success or failure at implementing investment strategies for the Fund. The value of your investment is subject to the effectiveness of the Adviser's research, analysis, asset allocation among portfolio securities and ability to identify a stock's appreciation potential. If the Adviser's investment strategies do not produce the expected results, your investment could be diminished. The Adviser is also newly-formed and only recently began managing mutual funds. Additionally although the Adviser will select Sub-Advisers which it determines to have suitable investment backgrounds and show substantial performance potential, some of these Sub-Advisers may have limited track records.

Market Risk. Various market risks can affect the price or liquidity of an issuer's securities in which the Fund may invest. Returns from the securities in which the Fund invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison to the general securities markets. Adverse events occurring with respect to an issuer's performance or financial position can depress the value of the issuer's securities. The liquidity in a market for a particular security will affect its value and may be affected by factors relating to the issuer, as well as the depth of the market for that security. Other market risks that can affect value include a market's current attitudes about types of securities, market reactions to political or economic events, including litigation, and tax and regulatory effects (including lack of adequate regulations for a market or particular type of instrument).

Multi-Manager and Multi-Style Management Risk. Fund performance is dependent upon the success of the Adviser and the Sub-Advisers in implementing the Fund's investment strategies in pursuit of its objective. To a significant extent, the Fund's performance will depend on the success of the Adviser's methodology in allocating the Fund's assets to Sub-Advisers and its selection and oversight of the Sub-Advisers and on a Sub-Adviser's skill in executing the relevant strategy and selecting investments for the Fund. There can be no assurance that the Adviser or Sub-Advisers will be successful in this regard.

In addition, because portions of the Fund's assets are managed by different Sub-Advisers using different styles/strategies, the Fund could experience overlapping security transactions. Certain Sub-Advisers may be purchasing securities at the same time that other Sub-Advisers may be selling those same securities, which may lead to higher transaction expenses compared to the Fund using a single investment management style. The Adviser's and the Sub-Advisers' judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which the Fund invests may prove to be incorrect, and there is no guarantee that the Adviser's or a Sub-Adviser's judgment will produce the desired results. In addition, the Fund may allocate its assets so as to under- or over-emphasize certain strategies or investments under market conditions that are not optimal, in which case the Fund's value may be adversely affected.

Portfolio Turnover Risk. The Fund may buy and sell investments frequently. A higher portfolio turnover may enhance returns by capturing and holding portfolio gains. However, it also may result in correspondingly greater brokerage commission expenses and may result in the distribution to shareholders of additional dividends and capital gains for tax purposes. These factors may negatively affect the Fund's performance.

REIT Risk. When the Fund invests in REITs, it is subject to risks generally associated with investing in real estate, such as: (1) possible declines in the value of real estate, (2) adverse general and local economic conditions, (3) possible lack of availability of mortgage funds, (4) changes in interest rates, and (5) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: (a) dependency upon management skills; (b) limited diversification; (c) the risks of locating and managing financing for projects; (d) heavy cash flow dependency; (e) possible default by borrowers; (f) the costs and potential losses of self-liquidation of one or more holdings; (g) the possibility of failing to maintain exemptions from securities registration; (h) compliance with tax rules related to REITs; and (i) in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

Sector Risk. To the extent the Fund invests a significant portion of its assets in the securities of companies in the same sector of the market, the Fund is more susceptible to economic, political, regulatory and other occurrences influencing those sectors.

Small- and Medium-Sized Companies Risk. Investing in securities of small- and medium-capitalization companies may involve greater volatility than investing in larger and more established companies because small- and medium-capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Small- and medium-capitalization companies may have limited product lines, markets or financial resources and their management may be dependent on a limited number of key individuals. Securities of those companies may have limited market liquidity and their prices may be more volatile.

U.S. Government Securities Risk. The Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac") securities). Securities issued or guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac are not issued directly by the U.S. government. Ginnie Mae is a wholly-owned U.S. corporation that is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest of its securities. By contrast, securities issued or guaranteed by U.S. government sponsored organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law. Therefore, U.S. government-related organizations such as Fannie Mae or Freddie Mac may not have the funds to meet their payment obligations in the future.

Portfolio Holdings Information

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Fund's SAI.

Management of the Fund

The Adviser

The Fund has entered into an Investment Advisory Agreement ("Advisory Agreement") with Balter Liquid Alternatives, LLC, located at 125 High Street, Oliver Street Tower, Suite 802, Boston, MA 02110, under which the Adviser manages the Fund's investments subject to the supervision of the Board of Trustees. Under the Advisory Agreement, the Fund compensates the Adviser for its investment advisory services at the annual rate of 1.95% of the Fund's average daily net assets, payable on a monthly basis. The Adviser is registered as an investment adviser with the SEC.

Fund Expenses. The Fund is responsible for its own operating expenses. Pursuant to an operating expense limitation agreement between the Adviser and the Fund, the Adviser has agreed to reduce its management fees and/or pay expenses of the Fund to ensure that the total amount of 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) 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, 2020, subject thereafter to annual re-approval of the agreement by 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. The Fund must pay its current ordinary operating expenses before the Adviser is entitled to any reimbursement of management fees and/or expenses. This Operating Expense Limitation Agreement can be terminated only by, or with the consent, of the Board of Trustees. For the most recent fiscal year ended October 31, 2018, the Adviser received an advisory fee net of fee waivers and expense reimbursements equal to 1.93% of the Fund's average daily net assets.

The Sub-Advisers

The Adviser, on behalf of the Fund, has entered into a sub-advisory agreement with Intrinsic Edge Capital Management, LLC, Midwood Capital Management LLC, Millrace Asset Group, Inc. and 12th Street Asset Management Company, LLC (each a "Sub-Adviser," and collectively, the "Sub-Advisers") and the Adviser compensates each Sub-Adviser out of the investment advisory fees it receives from the Fund. Each sub-adviser, with the exception of Midwood Capital Management LLC, is an unaffiliated Sub-Adviser of the Fund and the Fund's Adviser. Each Sub-Adviser makes investment decisions for the assets it has been allocated to manage, subject to the overall supervision of the Fund's portfolio manager (see "Portfolio Managers" below). The Adviser oversees the Sub-Advisers for compliance with the Fund's investment objective, policies, strategies and restrictions, and monitors each Sub-Adviser's adherence to its investment style. The Board of Trustees supervises the Adviser and the Sub-Advisers, establishes policies that they must follow in their management activities, and oversees the hiring and termination of Sub-Advisers recommended by the Adviser.

The SEC has granted an exemptive order with respect to the Adviser, which extends to other registered investment companies advised by the Adviser, including the Fund, that permits the Adviser, subject to certain conditions, to terminate existing unaffiliated Sub-Advisers or hire new unaffiliated Sub-Advisers for the Fund, to materially amend the terms of particular agreements with Sub-Advisers or to continue the employment of existing Sub-Advisers after events that would otherwise cause an automatic termination of a sub-advisory agreement. This arrangement has been approved by the Board of Trustees and the Fund's initial shareholder. Consequently, under the exemptive order, the Adviser has the right to hire, terminate and replace unaffiliated Sub-Advisers when the Board of Trustees and the Adviser feel that a change would benefit the Fund. Within 90 days of retaining a new unaffiliated Sub-Adviser, shareholders of the Fund will receive notification of the change. The manager of manager's structure enables the Fund to operate with greater efficiency and without incurring the expense and delays associated with obtaining shareholder approval of sub-advisory agreements. The structure does not permit investment advisory fees paid by the Fund to be increased or change the Adviser's obligations under the Advisory Agreement, including the Adviser's responsibility to monitor and oversee sub-advisory services furnished to the Fund, without shareholder approval. Furthermore, any sub-advisory agreements with affiliates of the Fund or the Adviser will require shareholder approval.

The Adviser has entered into a sub-advisory agreement with each Sub-Adviser. The Adviser compensates each Sub-Adviser out of its investment advisory fee it receives from the Fund. Each Sub-Adviser makes investment decisions for the assets it has been allocated to manage. The Adviser oversees each Sub-Adviser for compliance with the Fund's investment objective, policies, strategies and restrictions, and monitors each Sub-Adviser's adherence to its investment style. The Board supervises the Adviser and the Sub-Advisers, establishes policies that they must follow in their management activities, and oversees the hiring, termination and replacement of a Sub-Adviser recommended by the Adviser.

Intrinsic Edge Capital Management, LLC, 318 West Adams, Suite 200A, Chicago, IL 60606 serves as a sub-adviser to the Fund under a sub-advisory agreement with the Adviser on behalf of the Fund. Intrinsic is registered as an investment adviser with the SEC and was founded in 2016.

Midwood Capital Management LLC, 125 High Street, Oliver Street Tower, 8th Floor, Boston, MA, 02110, serves as a sub-adviser to the Fund under a sub-advisory agreement with the Adviser on behalf of the Fund. Midwood is registered as an investment adviser with the SEC and was founded in 2003.

Millrace Asset Group, Inc., 1205 Westlakes Drive, Suite 375, Berwyn, PA 19312, serves as a sub-adviser to the Fund under a sub-advisory agreement with the Adviser on behalf of the Fund. Millrace is registered as an investment adviser with the SEC and was founded in 2001.

12th Street Asset Management Company, LLC, 980 N. Michigan Ave. Suite 1377, Chicago, IL 60611 serves as a sub-adviser to the Fund under a sub-advisory agreement with the Adviser on behalf of the Fund. 12th Street was founded in 2007 and registered with the SEC as an investment adviser in 2012.

A discussion regarding the basis for the Board of Trustees' approval of the renewal of the Advisory Agreement and Sub-Advisory Agreements is available in the Fund's annual report to shareholders dated October 31, 2018.

Related Performance of the Sub-Advisers

The Fund's Sub-Advisers have previously managed pooled investment vehicles (each a "Pooled Vehicle") with substantially similar objectives and strategies as they use to manage their Allocated Portion of the Fund. The portfolio managers with each Sub-Adviser responsible for management of the Pooled Vehicles described below are the same individual(s) who are responsible for the management of their respective Allocated Portion of the Fund. You should not consider the past performance of these vehicles as indicative of the future performance of the Fund.

The performance of each Pooled Vehicle does not represent, and is not a substitute for, the performance of the Fund, and you should not assume that the Fund will have the same future performance as the Pooled Vehicles. It is inappropriate and would be inaccurate for an investor to consider each Pooled Vehicle's performance below, either separately or together, as being indicative of the future performance of the Fund. The Adviser has included this section because it believes that the performance information presented is sufficiently relevant, as related or supplemental information only, to merit consideration by prospective Fund investors.

The following tables set forth performance data relating to the historical performance of each similarly managed Pooled Vehicle which represents all of the accounts and funds managed by each Sub-Adviser for the periods indicated that have investment objectives, policies, strategies and risks substantially similar to those employed by each Sub-Adviser in the management of its Allocated Portion of the Fund. The data is provided to illustrate the past performance of the Sub-Advisers in managing substantially similar Pooled Vehicles as measured against the S&P 500® Index and HFRX Equity Hedge Index and does not represent the performance of the Fund. The Pooled Vehicles are not subject to the same types of expenses to which the Fund is subject nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Fund by the 1940 Act, or Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Consequently, the performance results for the Sub-Adviser's Pooled Vehicles could have been adversely affected if the Pooled Vehicles had been regulated as investment companies under the federal securities laws. The method used to calculate each Pooled Vehicle's performance differs from the SEC's standardized method of calculating performance, and may produce different results. Each Pooled Vehicle's returns are compliant with generally accepted accounting principles (GAAP). **The past performance in managing other Pooled Vehicles is no guarantee of future results in managing the Allocated Portion of the Fund. Please note the following cautionary guidelines for each Sub-Adviser in reviewing the disclosure below:**

Related Performance Data of Intrinsic

The performance information shown below represents the prior performance of a private fund that is not registered under the 1940 Act— **Intrinsic Edge Plus, L.P.** The research team at Intrinsic Edge Capital Management, which previously managed the strategy under Coe Capital Management (a separate RIA), has served as the investment adviser to **Intrinsic Edge Plus, L.P.**, and in that capacity, the same research team has maintained full discretionary authority over the selection of investments for Intrinsic Edge Plus, L.P. Intrinsic Edge Plus, L.P. has a substantially similar investment objective, policies and strategies as Intrinsic Edge Capital Management's Allocated Portion.

Intrinsic Edge Plus, L.P. is a separate fund, and the performance below is provided to illustrate the past performance of a similarly managed fund managed by the research team at Intrinsic Edge Capital Management as measured against a broad based market index, and does not represent the historical performance of Intrinsic Edge Capital Management's Allocated Portion or of Intrinsic Edge Plus, L.P. **You should not consider this performance data to be an indication of the future performance of Intrinsic Edge Capital Management's Allocated Portion or of the Fund.**

Intrinsic Edge Plus, L.P. was first offered on January 1, 2006. This is not an offering or a solicitation of an offering to invest in that Pooled Vehicle. The performance reflects the deduction of investment advisory fees and all other fees and expenses actually charged to Intrinsic Edge Plus, L.P. In addition, the operating expenses incurred by Intrinsic Edge Plus, L.P. were different than the anticipated operating expenses of the Fund, and, accordingly, the performance results of Intrinsic Edge Plus, L.P. may vary from what the Fund's performance would have been.

Share prices and investment returns will fluctuate reflecting market conditions, as well as changes in company-specific fundamentals of portfolio securities.

The performance data below is for Intrinsic Edge Plus, L.P. and is <u>not</u> the performance results of Intrinsic Edge Capital Management's Allocated Portion or of the Fund.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total by Year	Russell 2000	S&P 500	HFRX Equity Hedge
2018	4.4%	-2.3%	-0.7%	-1.4%	3.0%	1.4%	0.0%	2.7%	-1.2%	1.4%	-1.3%	-0.6%	5.3%	-11.0%	-4.4%	-9.4%
2017	2.1%	1.5%	2.4%	1.5%	-0.7%	0.5%	3.2%	1.3%	1.1%	-0.6%	2.2%	1.2%	16.9%	14.6%	21.8%	9.9%
2016	-1.3%	2.1%	0.8%	1.8%	3.9%	-1.1%	2.5%	-0.4%	1.1%	0.1%	1.6%	-0.5%	10.9%	21.3%	12.0%	0.1%
2015	-0.8%	0.7%	-0.4%	-0.9%	1.2%	-1.3%	-1.3%	1.7%	1.4%	-0.2%	1.1%	-0.1%	1.0%	-4.4%	1.4%	-2.3%
2014	-0.9%	6.3%	-0.3%	-0.1%	-1.0%	1.9%	-2.5%	3.3%	-1.0%	0.4%	0.5%	1.3%	8.0%	4.9%	13.7%	1.4%
2013	1.7%	1.8%	1.6%	-1.6%	0.0%	0.0%	3.5%	-0.6%	1.4%	0.1%	1.3%	1.9%	11.5%	38.8%	32.4%	11.1%
2012	0.3%	0.7%	1.4%	1.7%	-1.2%	0.1%	0.7%	2.4%	-1.7%	-1.8%	-2.4%	2.2%	2.4%	16.4%	16.0%	4.8%
2011	1.6%	-0.5%	1.0%	0.5%	-1.9%	0.7%	0.1%	-2.1%	-4.4%	6.4%	1.8%	3.5%	6.4%	-4.2%	2.1%	-19.1%
2010	-1.0%	2.5%	3.7%	1.0%	-1.1%	-1.8%	4.3%	-3.1%	5.9%	1.5%	1.4%	3.8%	17.9%	26.9%	15.1%	8.9%
2009	-1.4%	-2.2%	2.5%	7.0%	-0.1%	0.3%	2.5%	-1.2%	3.4%	-4.0%	3.0%	2.6%	12.4%	27.2%	26.5%	13.1%
2008	-6.9%	1.4%	-0.5%	2.4%	6.0%	3.7%	2.2%	-2.0%	-3.2%	-3.2%	0.2%	1.4%	0.7%	-33.8%	-37.0%	-25.5%
2007	1.6%	0.6%	1.6%	0.8%	3.0%	1.3%	0.4%	2.4%	2.1%	1.1%	-3.8%	3.0%	14.6%	-1.6%	5.5%	3.2%
2006	5.0%	3.1%	4.6%	-0.1%	-3.0%	1.3%	2.1%	2.3%	-1.0%	4.9%	2.1%	0.7%	23.9%	18.4%	15.8%	9.2%

Average Annual Total Returns for Periods Ended December 31, 2018

Period	Intrinsic Edge "Plus" L.P.'s [1] Average Annual Total Returns (Net of all actual fees and expenses)	Russell 2000 Index [2]	S&P 500 Index [3]	HFRX Equity Hedge Fund Index [4]
1 Year	5.3%	-11.04%	-4.4%	-9.4%
3 Year	10.9%	7.4%	9.3%	-0.1%
5 Year	8.3%	4.4%	8.5%	-0.2%
10 Year	9.2%	12.0%	13.1%	1.4%
Since Inception (01/01/2006)	10.0%	6.9%	7.8%	-0.3%

(1) As of December 31, 2018, Intrinsic Edge Plus, L.P. and Intrinsic Edge Plus AI, L.P., collectively have approximately $216 million in assets under management. The returns above are the weighted average returns of Intrinsic Edge Plus, L.P and Intrinsic Edge Plus AI, L.P funds.

(2) The Russell 2000® Index is an unmanaged index generally representative of the market for the stocks of small-sized U.S. companies and includes reinvestment of dividends. You cannot invest directly in an index.

(3) The S&P 500® Index is an unmanaged index, with no defined investment objective, of common stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index includes the reinvestment of dividends.

The HFRX Equity Hedge Index is part of a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology, a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices.

Related Performance Data of Midwood

The performance information shown below represents the prior performance of a private fund that is not registered under the 1940 Act— **Midwood Capital Partners, L.P.** Midwood has served as the investment adviser to **Midwood Capital Partners, L.P.**, and in that capacity, Midwood has maintained full discretionary authority over the selection of investments for Midwood Capital Partners, L.P. Midwood Capital Partners, L.P. has a substantially similar investment objective, policies and strategies as Midwood's Allocated Portion.

Midwood Capital Partners, L.P. is a separate fund, and the performance below is provided to illustrate the past performance of a similarly managed fund managed by Midwood as measured against a broad based market index, and does not represent the historical performance of Midwood's Allocated Portion or of Midwood Capital Partners, L.P. **You should not consider this performance data to be an indication of the future performance of Midwood's Allocated Portion or of the Fund.**

Midwood first offered Midwood Capital Partners, L.P. on December 1, 2003. This is not an offering or a solicitation of an offering to invest in that Pooled Vehicle. The performance reflects the deduction of investment advisory fees and all other fees and expenses actually charged to Midwood Capital Partners, L.P. In addition, the operating expenses incurred by Midwood Capital Partners, L.P. were different than the anticipated operating expenses of the Fund, and, accordingly, the performance results of Midwood Capital Partners, L.P. may vary from what the Fund's performance would have been.

Share prices and investment returns will fluctuate reflecting market conditions, as well as changes in company-specific fundamentals of portfolio securities.

The performance data below is for Midwood Capital Partners, L.P. and is <u>not</u> the performance results of Midwood's Allocated Portion or of the Fund.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total by Year	Russell 2000	S&P 500	HFRX Equity Hedge
2018	-1.0%	-0.4%	1.4%	1.7%	-0.2%	0.5%	-0.1%	-2.4%	-1.4%	-1.6%	3.4%	-5.6%	-5.8%	-11.0%	-4.4%	-9.4%
2017	-1.0%	5.2%	3.0%	2.6%	-4.2%	4.2%	0.8%	1.8%	2.1%	1.7%	1.6%	1.6%	20.9%	14.6%	21.8%	9.9%
2016	-6.9%	-3.6%	3.9%	3.0%	7.3%	-2.2%	0.7%	4.4%	-3.3%	-5.8%	8.4%	0.4%	5.3%	21.3%	12.0%	0.1%
2015	-0.2%	2.1%	-2.4%	1.6%	-1.3%	2.5%	-2.5%	-6.4%	-0.9%	3.5%	0.7%	-2.0%	-5.5%	-4.4%	1.4%	-2.3%
2014	-0.5%	1.9%	-2.2%	-2.5%	2.7%	2.4%	-3.6%	2.0%	-6.6%	1.3%	-1.4%	1.1%	-5.6%	4.9%	13.7%	1.4%
2013	2.5%	0.5%	0.6%	-0.3%	-0.8%	7.4%	7.4%	0.0%	9.7%	2.9%	-0.4%	2.5%	36.2%	38.8%	32.4%	11.1%
2012	3.4%	-0.8%	1.5%	-1.6%	0.7%	2.0%	-2.1%	0.5%	0.8%	0.9%	-2.9%	4.0%	6.4%	16.4%	16.0%	4.8%
2011	-0.8%	4.6%	4.4%	2.4%	2.6%	-1.9%	0.8%	-5.0%	-3.4%	3.0%	4.2%	1.1%	12.2%	-4.2%	2.1%	-19.1%
2010	-0.3%	0.3%	1.0%	2.3%	-5.3%	-3.6%	3.5%	-9.5%	7.6%	6.6%	0.5%	7.6%	9.5%	26.9%	15.1%	8.9%
2009	4.0%	2.9%	9.5%	5.7%	3.8%	-1.4%	4.1%	4.9%	3.0%	1.5%	0.6%	3.9%	51.4%	27.2%	26.5%	13.1%
2008	-7.5%	1.0%	-8.8%	3.9%	16.8%	-1.7%	-7.0%	7.1%	-17.2%	-16.4%	-3.7%	1.4%	-31.5%	-33.8%	-37.0%	-25.5%
2007	-0.4%	1.6%	2.4%	4.1%	4.2%	-1.8%	-1.4%	-1.8%	1.5%	0.9%	-2.0%	-0.8%	6.6%	-1.6%	5.5%	3.2%
2006	1.3%	4.0%	2.0%	-0.4%	-2.6%	0.6%	-0.6%	2.1%	1.7%	0.1%	-2.1%	1.9%	8.0%	18.4%	15.8%	9.2%
2005	2.3%	3.2%	1.8%	-1.6%	0.5%	5.6%	1.8%	0.3%	0.3%	0.6%	3.4%	1.6%	21.6%	4.6%	4.9%	4.2%
2004	1.9%	1.4%	3.1%	2.1%	1.0%	6.0%	0.0%	-2.5%	3.8%	2.4%	5.7%	3.6%	32.1%	18.3%	10.9%	2.2%
2003												0.1%	0.1%	2.0%	5.2%	1.9%

Midwood Capital Partners, L.P.
Average Annual Total Returns for Periods Ended December 31, 2018

Period	Midwood Capital Partners, L.P.'s (1) Average Annual Total Returns (Net of all actual fees and expenses)	Russell 2000 Index (2)	S&P 500 Index (3)	HFRX Equity Hedge Fund Index (4)
1 Year	-5.8%	-11.04%	-4.4%	-9.4%
3 Year	6.2%	7.4%	9.3%	-0.1%
5 Year	1.4%	4.4%	8.5%	-0.2%
10 Year	11.2%	12.0%	13.1%	1.4%
Since Inception (12/1/2003)	9.0%	7.6%	8.1%	0.3%

(1) As of December 31, 2018, Midwood Capital Partners, L.P. has approximately $27 million in assets under management.

(2) The Russell 2000® Index is an unmanaged index generally representative of the market for the stocks of small-sized U.S. companies and includes reinvestment of dividends. You cannot invest directly in an index.

(3) The S&P 500® Index is an unmanaged index, with no defined investment objective, of common stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index includes the reinvestment of dividends.

(4) The HFRX Equity Hedge Index is part of a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology, a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices.

Related Performance Data of Millrace

The performance information shown below represents the prior performance of a private fund that is not registered under the 1940 Act— **Millrace Fund, LP.** Millrace has served as the investment adviser to Millrace Fund, LP, and in that capacity, Millrace has maintained full discretionary authority over the selection of investments for Millrace Fund, LP. Millrace Fund, LP has a substantially similar investment objective, policies and strategies as Millrace's Allocated Portion.

Millrace Fund, LP is a separate private fund, and the performance below is provided to illustrate the past performance of a similarly managed fund managed by Millrace as measured against a broad based market index, and does not represent the historical performance of Millrace's Allocated Portion or of the Fund. **You should not consider this performance data to be an indication of the future performance of Millrace's Allocated Portion or of the Fund.**

Millrace first offered Millrace Fund, LP on January 1, 2002. This is not an offering or a solicitation of an offering to invest in that Pooled Vehicle. The performance reflects the deduction of investment advisory fees and all other fees and expenses actually charged to Millrace Fund, LP. In addition, the operating expenses incurred by Millrace Fund, LP were different than the anticipated operating expenses of the Fund, and, accordingly, the performance results of Millrace Fund, LP may vary from what the Fund's performance would have been.

Share prices and investment returns will fluctuate reflecting market conditions, as well as changes in company-specific fundamentals of portfolio securities.

The performance data below is for Millrace Fund, LP and is <u>not</u> the performance results of Millrace's Allocated Portion or of the Fund.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total by Year	Russell 2000	S&P 500	HFRX Equity Hedge
2018	3.9%	-1.4%	-0.7%	-2.9%	1.7%	-0.2%	-1.7%	4.1%	-1.9%	-6.6%	-0.1%	-13.4%	-18.8%	-11.0%	-4.4%	-9.4%
2017	0.9%	0.9%	2.3%	1.6%	1.3%	1.8%	0.8%	-0.9%	2.7%	0.9%	0.7%	-0.2%	13.4%	14.6%	21.8%	9.9%
2016	-4.8%	-0.6%	1.1%	-0.1%	1.1%	1.3%	2.2%	2.4%	1.4%	-2.3%	3.3%	0.7%	5.5%	21.3%	12.0%	0.1%
2015	-2.6%	5.4%	-1.3%	-0.1%	1.6%	-0.1%	-0.7%	-2.9%	-1.0%	2.2%	1.3%	-0.5%	1.0%	-4.4%	1.4%	-2.3%
2014	2.5%	1.7%	-0.3%	-3.6%	0.7%	2.0%	-3.8%	1.2%	-3.9%	2.4%	-0.1%	3.5%	2.0%	4.9%	13.7%	1.4%
2013	3.1%	-0.7%	2.4%	0.2%	1.6%	2.5%	3.9%	-0.9%	5.9%	0.7%	0.9%	2.9%	24.8%	38.8%	32.4%	11.1%
2012	6.9%	4.4%	3.1%	-0.1%	-8.4%	3.2%	0.1%	3.5%	5.9%	-3.6%	0.5%	1.1%	16.6%	16.4%	16.0%	4.8%
2011	-0.4%	1.3%	-1.2%	0.7%	-0.3%	-0.9%	-0.7%	-8.9%	-7.6%	6.0%	-2.7%	-0.4%	-14.9%	-4.2%	2.1%	-19.1%
2010	-2.3%	3.1%	4.4%	2.8%	-2.6%	-1.4%	1.8%	-2.7%	5.4%	3.6%	0.9%	6.0%	20.0%	26.9%	15.1%	8.9%
2009	-2.6%	-2.8%	5.6%	7.5%	5.8%	4.1%	3.9%	-0.6%	4.3%	-2.4%	2.7%	4.7%	33.6%	27.2%	26.5%	13.1%
2008	-6.3%	-2.8%	-0.2%	1.5%	5.7%	-7.5%	1.8%	2.2%	-6.2%	-6.7%	0.0%	5.2%	-13.7%	-33.8%	-37.0%	-25.5%
2007	0.3%	1.1%	-0.6%	0.8%	1.1%	0.2%	-1.5%	-0.4%	2.2%	4.0%	-4.2%	1.5%	4.5%	-1.6%	5.5%	3.2%
2006	2.9%	0.7%	0.9%	0.8%	-0.5%	-2.4%	-2.2%	3.3%	0.7%	3.4%	0.2%	0.1%	7.9%	18.4%	15.8%	9.2%
2005	-0.1%	1.0%	-1.1%	-4.8%	5.0%	3.0%	2.2%	1.3%	2.1%	-0.1%	1.1%	0.2%	9.8%	4.6%	4.9%	4.2%
2004	2.8%	0.2%	-0.6%	-6.8%	1.2%	3.8%	-4.9%	0.1%	3.8%	2.4%	4.8%	4.2%	10.5%	18.3%	10.9%	2.2%
2003	-0.2%	-1.6%	1.3%	2.9%	5.1%	2.6%	9.2%	5.5%	2.3%	4.2%	1.7%	0.6%	38.7%	47.3%	28.7%	14.5%
2002	0.9%	-4.1%	9.7%	-2.1%	-0.7%	-2.5%	-6.1%	3.1%	-6.2%	4.4%	6.6%	1.6%	3.2%	-20.5%	-22.1%	2.1%

Millrace Fund, LP
Average Annual Total Returns for Periods Ended December 31, 2018

Period	Millrace Fund, L.P.'s [1] Average Annual Total Returns (Net of all actual fees and expenses)	Russell 2000 Index [2]	S&P 500 Index [3]	HFRX Equity Hedge Fund Index [4]
1 Year	9.1%	-11.04%	-4.4%	-9.4%
3 Year	9.3%	7.4%	9.3%	-0.1%
5 Year	6.1%	4.4%	8.5%	-0.2%
10 Year	10.3%	12.0%	13.1%	1.4%
Since Inception (1/1/2002)	9.3%	7.6%	6.8%	1.1%

(1) As of December 31, 2018, Millrace Fund, L.P. has approximately $103 million in assets under management.

(2) The Russell 2000® Index is an unmanaged index generally representative of the market for the stocks of small-sized U.S. companies and includes reinvestment of dividends. You cannot invest directly in an index.

(3) The S&P 500® Index is an unmanaged index, with no defined investment objective, of common stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index includes the reinvestment of dividends.

(4) The HFRX Index is part of a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology, a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices.

Related Performance Data of 12th Street

The performance information shown below represents the prior performance of separately managed accounts that are not registered under the 1940 Act—12th Street Small Cap Value Strategy. 12th Street has served as the investment adviser to 12th Street Small Cap Value Strategy, and in that capacity, has maintained full discretionary authority over the selection of investments for 12th Street Small Cap Value Strategy. 12th Street Small Cap Value Strategy has a substantially similar investment objective, policies and strategies as 12th Street's Allocated Portion.

12th Street Small Cap Value Strategy are separately managed accounts, and the performance below is provided to illustrate the past performance of a similarly managed composite managed by 12th Street as measured against several indices, including a broad based market index, and does not represent the historical performance of 12th Street's Allocated Portion or of the Fund. **You should not consider this performance data to be an indication of the future performance of 12th Street's Allocated Portion or of the Fund.**

12th Street first offered 12th Street Small Cap Value Strategy on July 1, 2011. This is not an offering or a solicitation of an offering to invest in the 12th Street Small Cap Value Strategy. The performance reflects the deduction of investment advisory fees and all other fees and expenses actually charged to 12th Street Small Cap Value Strategy. In addition, the operating expenses incurred by 12th Street Small Cap Value Strategy were different than the anticipated operating expenses of the Fund, and, accordingly, the performance results of 12th Street Small Cap Value Strategy may vary from what the Fund's performance would have been.

Share prices and investment returns will fluctuate reflecting market conditions, as well as changes in company-specific fundamentals of portfolio securities.

The performance data below is for 12th Street Small Cap Value Strategy and is not the performance results of 12th Street's Allocated Portion or of the Fund.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total by Year	Russell 2000	S&P 500	HFRX Equity Hedge
2018	3.9%	-1.4%	-0.7%	-2.9%	1.7%	-0.2%	-1.7%	4.1%	-1.9%	-6.6%	-0.1%	-13.4%	-18.8%	-11.0%	-4.4%	-9.4%
2017	1.2%	1.1%	-2.1%	2.4%	-2.7%	4.2%	-0.2%	-2.8%	4.5%	0.3%	1.1%	0.5%	7.5%	14.6%	21.8%	9.9%
2016	-3.6%	0.5%	10.1%	0.5%	3.8%	-1.0%	5.7%	-0.4%	1.0%	-4.5%	6.3%	1.3%	20.5%	21.3%	12.0%	0.1%
2015	-4.4%	6.8%	0.6%	-3.1%	2.5%	0.0%	0.8%	-2.5%	-4.0%	3.7%	1.5%	-5.5%	-4.2%	-4.4%	1.4%	-2.3%
2014	-1.1%	4.4%	3.3%	1.8%	-0.3%	2.4%	-5.4%	2.8%	-4.1%	5.7%	1.1%	1.1%	11.8%	4.9%	13.7%	1.4%
2013	5.2%	3.0%	1.6%	1.8%	6.9%	-1.8%	4.0%	-2.9%	4.9%	4.2%	1.1%	1.4%	33.1%	38.8%	32.4%	11.1%
2012	5.3%	2.1%	1.7%	-2.3%	-9.2%	0.2%	0.5%	0.3%	3.5%	-2.0%	4.3%	3.3%	7.1%	16.4%	16.0%	4.8%
2011							2.2%	-3.2%	-8.8%	10.7%	1.4%	-0.8%	0.6%	-9.8%	-3.7%	-11.7%

12th Street Small Cap Value Strategy
Average Annual Total Returns for Periods Ended December 31, 2018

Period	12th Street Small Cap Value Strategy's (1) Average Annual Total Returns (Net of all actual fees and expenses)	Russell 2000 Index (2)	S&P 500 Index (3)	HFRX Equity Hedge Fund Index (4)
1 Year	-18.8%	-11.04%	-4.4%	-9.4%
3 Year	1.7%	7.4%	9.3%	-0.1%
5 Year	2.4%	4.4%	8.5%	-0.2%
10 Year	-	12.0%	13.1%	1.4%
Since Inception (7/1/2011)	6.6%	8.2%	11.2%	0.2%

(1) As of December 31, 2018, 12th Street Small Cap Value Strategy has approximately $102 million in assets under management.

(2) The Russell 2000® Index is an unmanaged index generally representative of the market for the stocks of small-sized U.S. companies and includes reinvestment of dividends. You cannot invest directly in an index.

(3) The S&P 500® Index is an unmanaged index, with no defined investment objective, of common stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index includes the reinvestment of dividends.

(4) The HFRX Index is part of a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology, a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices.

Portfolio Managers

The following provides additional information about the Sub-Adviser and its portfolio managers who are responsible for the day-to-day management of the Fund's assets. The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and their ownership of investments in the Fund.

The Adviser

Brad R. Balter, CFA. Mr. Balter, a Co-Founder, Managing Partner, and the CEO of BCM and the Adviser, is a co-portfolio manager of the Fund. He has worked in the financial services industry since 1992. Prior to forming BCM, he was a Managing Director at Citigroup Global Markets.

Jay C. Warner, CFA. Mr. Warner, a Co-Founder, Partner and the Chief Operating Officer of BCM and the Adviser, is a co-portfolio manager of the Fund. Prior to 2005, Mr. Warner was a Financial Analyst in middle market sales for Citigroup Global Markets and was a generalist at The Segalas Group, a long/short equity hedge fund.

Benjamin R. Deschaine, CAIA. Mr. Deschaine, a Partner and the Chief Investment Officer of BCM and the Adviser, is a co-portfolio manager of the Fund. Prior to 2012, Mr. Deschaine was a Managing Director at Sabretooth Capital Management, LLC, a global multi-strategy hedge fund affiliated with Tiger Management and a Portfolio Manager and Senior Analyst at Federal Street Advisors.

The Sub-Advisers

Intrinsic

Mark Coe, Managing Member and Chief Investment Officer of IECM. Mr. Coe has been with the Adviser since its inception in 2016. From 1999 to 2016, Mr. Coe was the Managing Member and Chief Investment Officer of Coe Capital Management, LLC, a registered investment adviser affiliate of IECM. From 1994 to 1999, Mr. Coe was a portfolio manager Kent Associates/Paine Webber, Portfolio Manager and an investment analyst at Gofen and Glossberg, Inc, from 1987 to 1994. From 1984 to 1986 he was a tax accountant at Deloitte. He earned an MBA in Finance from the Kellogg Graduate School of Business in 1987 and a B.S. in Accounting from the University of Illinois in 1984 where he was the Bronze Tablet recipient. Mr. Coe is a Chartered Financial Analyst.

Andrew B. Corral, Co-Portfolio Manager at IECM. Mr. Corral has been with the Adviser since its inception in 2016. From 2007 to 2016, Mr. Corral was a Research Analyst and Portfolio Manager at Coe Capital Management, LLC, a registered investment adviser affiliate of IECM. He earned a Bachelors of Science in Finance from Illinois State University in 2007.

Midwood

David E. Cohen, Managing Member and Portfolio Manager since co-founding Midwood Capital Management, LLC in 2003, Mr. Cohen has served as a Portfolio Manager at Midwood which has served as investment adviser to and general partner of Midwood Capital Partners, L.P., a domestic limited partnership, as well as other limited partnerships, investing primarily in small-cap equity securities. Mr. Cohen serves as the portfolio manager of Midwood's Allocated Portion of the Fund.

Millrace

William L. Kitchel, III, co-founder of Millrace, has been a portfolio manager and analyst since its founding in 2001. Prior to starting Millrace, Mr. Kitchel was a portfolio manager Greenville Capital. He earned a B.A from the University of Virginia in 1981 and a MBA from Dartmouth's Amos Tuck School of Business in 1987. Mr. Kitchel serves as a co-portfolio manager of Millrace's Allocated Portion of the Fund.

Whitney M. Maroney, co-founder of Millrace, has been a portfolio manager and analyst since its founding in 2001. Prior to starting Millrace, Mr. Maroney was a portfolio manager at Greenville Capital. He earned a B.A. from Washington College in 1991 and a MBA from William and Marry School of Business in 1996. Mr. Maroney serves as a co-portfolio manager of Millrace's Allocated Portion of the Fund.

12th Street

Michael G. O'Keefe, Partner of 12th Street. Mr. O'Keefe has served as the managing member of 12th Street since its inception. Mr. O'Keefe has more than 30 years of experience in the financial services industry. Prior to founding 12th Street, Mr. O'Keefe was a founding partner of Two Rivers Capital Management and served on its Board of Directors. Mr. O'Keefe was also a founding partner of Value Architects Asset Management, LLC. Mr. O'Keefe is a former Managing Director of Morgan Keegan & Company where he worked for over 15 years. Before Morgan Keegan, Mr. O'Keefe was a CPA at Ernst & Young. Mr. O'Keefe earned a Bachelor of Arts from Rhodes College and a Masters of Business Administration from the University of Memphis. Mr. O'Keefe has served as a member of the Executive Committee of the Board of Trustees at Rhodes College and has also chaired its Investment Committee.

D. Andrew Shipman, Partner of 12th Street. Mr. Shipman joined 12th Street Asset Management in 2010. Mr. Shipman has been in the investment business for more than 20 years. Prior to joining 12th Street, he served as director and portfolio manager for PNC Capital Advisors (PCA) large cap value team, which managed over $600 million in assets. Prior to PCA, Mr. Shipman was a co-portfolio manager at Invesco and managed more than $10 billion in large cap core assets. Mr. Shipman has also served in various equity research positions for Credit Suisse and Morgan Keegan. Mr. Shipman earned a Bachelor of Arts from Rhodes College and a Masters of Business Administration from the University of Memphis. Mr. Shipman is also a CFA charterholder.

Shareholder Information

Choosing a Share Class

The Trust has adopted a multiple class plan that allows the Fund to offer one or more classes of shares. The Fund has registered two classes of shares – Institutional Class shares and Investor Class shares. The different classes of shares represent investments in the same portfolio of securities, but the classes generally offered through different distribution channels and are subject to different expenses and may have different share prices as outlined below:

- Institutional Class shares are sold at NAV without an initial sales charge. This means that 100% of your initial investment is placed into shares of the Fund.
- Investor Class shares are sold without an initial sales charge, but are subject to a 0.25% Rule 12b-1 distribution and/or shareholder servicing fee.

Each class of shares is subject to a redemption fee equal to 1.00% (as a percentage of amount redeemed within 60 days of purchase).

More About Institutional Class Shares

Institutional Class shares may be purchased without the imposition of any sales charges. The Fund offers Institutional Class shares primarily for direct investment by investors such as pension and profit-sharing plans, employee benefit trusts, endowments, foundations, corporations and high net worth individuals. Institutional Class shares may also be offered through certain financial intermediaries (including broker-dealers) and their agents in fee based and other programs. In these programs financial intermediaries have made arrangements with the Fund and are authorized to buy and sell shares of the Fund that charge their customers transaction or other distribution or service fees with respect to their customers' investments in the Fund. Institutional Class shares are sold at NAV without an initial sales charge, and are not subject to 12b-1 distribution fees. The minimum initial investment in Institutional Class shares of the Fund is $50,000. The minimum subsequent investment in Institutional Class shares of the Fund is $500.

More About Investor Class Shares

Investor Class shares of the Funds are sold at NAV without an initial sales charge. This means that 100% of your initial investment is placed into shares of a Fund. Investor Class shares include a 0.10% of Shareholder Servicing Fee. Investor Class shares pay up to 0.25% on an annualized basis of the average daily net assets as reimbursement or compensation for service and distribution-related activities with respect to the Funds and/or shareholder services. Over time, fees paid under this distribution and service plan will increase the cost of an Investor Class shareholder's investment and may cost more than other types of sales charges. The minimum initial investment in Investor Class shares of the Fund is $5,000. The minimum subsequent investment in Investor Class shares of the Fund is $500. For Retirement Accounts and Automatic Investment Plans, the minimal initial investment in Investor Class shares is $1,000, with a minimum subsequent investment of $50.

Share Price

Shares of the Fund are sold at net asset value ("NAV"). The NAV of the Fund is determined at close of regular trading (normally 4:00 p.m. Eastern Time) on each day the New York Stock Exchange ("NYSE") is open for business. NAV is computed by determining, on a per class basis, the aggregate market value of all assets of the Fund, less its liabilities, divided by the total number of shares outstanding ((assets-liabilities)/number of shares = NAV). The NYSE is closed on weekends and New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The NAV takes into account, on a per class basis, the expenses and fees of the Fund, including management, administration, and distribution fees, which are accrued daily. The determination of NAV for a share class for a particular day is applicable to all applications for the purchase of shares, as well as all requests for the redemption of shares, received by the Fund (or an authorized broker or agent, or its authorized designee) before the close of trading on the NYSE on that day.

Generally, the Fund's securities are valued each day at the last quoted sales price on each security's primary exchange. Securities traded or dealt in upon one or more securities exchanges (whether domestic or foreign) for which market quotations are readily available and not subject to restrictions against resale shall be valued at the last quoted sales price on the primary exchange or, in the absence of a sale on the primary exchange, at the mean between the current bid ask prices on such exchanges. Securities primarily traded in the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") National Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price. Securities that are not traded or dealt in any securities exchange (whether domestic or foreign) and for which over-the-counter market quotations are readily available generally shall be valued at the last sale price or, in the absence of a sale, at the mean between the current bid and ask price on such over-the- counter market. Debt securities not traded on an exchange may be valued at prices supplied by a pricing agent(s) based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics, such as rating, interest rate and maturity.

If market quotations are not readily available, securities will be valued at their fair market value as determined using the "fair value" procedures approved by the Board. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security. The fair value prices can differ from market prices when they become available or when a price becomes available. The Board has delegated execution of these procedures to a fair value team composed of one or more officers from each of the (i) Trust, (ii) administrator, and (iii) Advisor and/or sub-Advisor. The team may also enlist third party consultants such as an audit firm or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value. The Board reviews and ratifies the execution of this process and the resultant fair value prices at least quarterly to assure the process produces reliable results.

The Fund may use independent pricing services to assist in calculating the value of the Fund's securities. In addition, market prices for foreign securities are not determined at the same time of day as the NAV for the Fund. Because the Fund may invest in underlying ETFs which hold portfolio securities primarily listed on foreign exchanges, and these exchanges may trade on weekends or other days when the underlying ETFs do not price their shares, the value of some of the Fund's portfolio securities may change on days when you may not be able to buy or sell Fund shares.

In computing the NAV, the Fund values foreign securities held by the Fund at the latest closing price on the exchange in which they are traded immediately prior to closing of the NYSE. Prices of foreign securities quoted in foreign currencies are translated into U.S. dollars at current rates. If events materially affecting the value of a security in the Fund's portfolio, particularly foreign securities, occur after the close of trading on a foreign market but before the Fund prices its shares, the security will be valued at fair value. For example, if trading in a portfolio security is halted and does not resume before the Fund calculates its NAV, the Advisor may need to price the security using the Fund's fair value pricing guidelines. Without a fair value price, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of the Fund's portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the Fund's NAV by short term traders. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the prices used by other mutual funds to determine net asset value, or from the price that may be realized upon the actual sale of the security.

With respect to any portion of the Fund's assets that are invested in one or more open-end management investment companies registered under the 1940 Act, the Fund's net asset value is calculated based upon the net asset values of those open-end management investment companies, and the prospectuses for these companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.

How to Purchase Shares

The Fund offers two classes of shares so that you can choose the class that best suits your investment needs: Institutional Class and Investor Class shares. The main differences between the classes are the ongoing fees. In choosing which class of shares to purchase, you should consider which will be most beneficial to you given your investment goals, the amount of your purchase and the length of time you expect to hold the shares. Each class of shares in the Fund represents an interest in the same portfolio of investments in the Fund. Not all share classes may be available for purchase in all states.

Purchase by Mail. To purchase the Fund's shares, simply complete and sign the Account Application and mail it, along with a check made payable to "Balter L/S Small Cap Equity Fund" to:

via Regular mail:
Balter L/S Small Cap Equity Fund
c/o Gemini Fund Services, LLC
P.O. Box 541150
Omaha, NE 68154

via Overnight mail:
Balter L/S Small Cap Equity Fund
c/o Gemini Fund Services, LLC
17645 Wright Street, Suite 200
Omaha, NE 68130

Purchase through Brokers. You may invest in the Fund through brokers or agents who have entered into selling agreements with the Fund's distributor. The brokers and agents are authorized to receive purchase and redemption orders on behalf of the Fund. The Fund will be deemed to have received a purchase or redemption order when an authorized broker or its designee receives the order. The broker or agent may set their own initial and subsequent investment minimums. You may be charged a fee if you use a broker or agent to buy or redeem shares of the Fund. Finally, various servicing agents use procedures and impose restrictions that may be in addition to, or different from those applicable to investors purchasing shares directly from the Fund. You should carefully read the program materials provided to you by your servicing agent. Such brokers are authorized to designate other intermediaries to receive purchase and redemption orders on the Fund's behalf.

Purchase by Wire. If you wish to wire money to make an investment in the Fund, please call the Fund at 844-322-8112 for wiring instructions and to notify the Fund that a wire transfer is coming. Any commercial bank can transfer same-day funds via wire. The Fund will normally accept wired funds for investment on the day received if they are received by the Fund's designated bank before the close of regular trading on the NYSE. Your bank may charge you a fee for wiring same-day funds.

Automatic Investment Plan. You may participate in the Fund's Automatic Investment Plan, an investment plan that automatically moves money from your bank account and invests it in the Fund through the use of electronic funds transfers or automatic bank drafts. You may elect to make subsequent investments by transfers of a minimum of $250 on specified days of each month into your established Fund account. Please contact the Fund at 844-322-8112 for more information about the Fund's Automatic Investment Plan. Minimum initial investment requirements may be waived for Automatic Investment Plan investors, at the Fund's discretion.

The Fund, however, reserves the right, in its sole discretion, to reject any application to purchase shares. Applications will not be accepted unless they are accompanied by a check drawn on a U.S. bank, thrift institutions, or credit union in U.S. funds for the full amount of the shares to be purchased. After you open an account, you may purchase additional shares by sending a check together with written instructions stating the name(s) on the account and the account number, to the above address. Make all checks payable to **"Balter L/S Small Cap Equity Fund."** The Fund will not accept payment in cash, including cashier's checks or money orders. Also, to prevent check fraud, the Fund will not accept third party checks, U.S. Treasury checks, credit card checks or starter checks for the purchase of shares.

Note: Gemini Fund Services, LLC, the Fund's transfer agent, will charge a $25 fee against a shareholder's account, in addition to any loss sustained by the Fund, for any check returned to the transfer agent for insufficient funds.

Anti-Money Laundering Program. The USA PATRIOT Act requires financial institutions, including the Fund, to adopt certain policies and programs to prevent money-laundering activities, including procedures to verify the identity of customers opening new accounts. As requested on the application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing a P.O. Box will not be accepted. This information will assist the Fund in verifying your identity. Until such verification is made, the Fund may temporarily limit additional share purchases. In addition, the Fund may limit additional share purchases or close an account if it is unable to verify a shareholder's identity. As required by law, the Fund may employ various procedures, such as comparing the information to fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct.

In order to ensure compliance with these laws, the Account Application asks for, among other things, the following information for all "customers" seeking to open an "account" (as those terms are defined in rules adopted pursuant to the USA PATRIOT Act):

- full name;
- date of birth (individuals only);
- Social Security or taxpayer identification number; and
- permanent street address (P.O. Box only is not acceptable).

Accounts opened by entities, such as corporations, limited liability companies, partnerships or trusts, will require additional documentation.

Please note that if any information listed above is missing, your Account Application will be returned and your account will not be opened. In compliance with the USA PATRIOT Act and other applicable anti-money laundering laws and regulations, the Transfer Agent will verify the information on your application as part of the Program. The Fund reserves the right to request additional clarifying information and may close your account if such clarifying information is not received by the Fund within a reasonable time of the request or if the Fund cannot form a reasonable belief as to the true identity of a customer. If you require additional assistance when completing your Account Application, please contact the Transfer Agent at 844-322-8112.

How to Redeem Shares

The Fund typically expects that it will take up to 7 days following the receipt of your redemption request to pay out redemptions from cash, cash equivalents, proceeds from the sale of Fund shares, any line of credit, and then from the sale of portfolio securities. These redemption payment methods will be used in regular and stressed market conditions.

You may redeem all or any portion of the shares credited to your account by submitting a written request for redemption to:

via Regular mail:
Balter L/S Small Cap Equity Fund
c/o Gemini Fund Services, LLC
P.O. Box 541150
Omaha, NE 68154

via Overnight mail:
Balter L/S Small Cap Equity Fund
c/o Gemini Fund Services, LLC
17645 Wright Street, Suite 200
Omaha, NE 68130

Redemptions by Telephone: The telephone redemption privilege is automatically available to all new accounts except retirement accounts. If you do not want the telephone redemption privilege, you must indicate this in the appropriate area on your account application or you must write to the Fund and instruct it to remove this privilege from your account.

The proceeds will be sent by mail to the address designated on your account or wired directly to your existing account in a bank or brokerage firm in the United States as designated on your application. To redeem by telephone, call 844-322-8112. The redemption proceeds normally will be sent by mail or by wire within three business days after receipt of your telephone instructions. IRA accounts are not redeemable by telephone.

The Fund reserves the right to suspend the telephone redemption privileges with respect to your account if the name(s) or the address on the account has been changed within the previous 30 days. Neither the Fund, the transfer agent, nor their respective affiliates will be liable for complying with telephone instructions they reasonably believe to be genuine or for any loss, damage, cost or expenses in acting on such telephone instructions and you will be required to bear the risk of any such loss. The Fund or the transfer agent, or both, will employ reasonable procedures to determine that telephone instructions are genuine. If the Fund and/or the transfer agent do not employ these procedures, they may be liable to you for losses due to unauthorized or fraudulent instructions. These procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions, providing written confirmation of the transactions and/or tape recording telephone instructions.

Redemptions through Broker: If shares of the Fund are held by a broker-dealer, financial institution or other servicing agent, you must contact that servicing agent to redeem shares of the Fund. The servicing agent may charge a fee for this service.

Redemptions by Wire: You may request that your redemption proceeds be wired directly to your bank account. The Fund's transfer agent imposes a $15 fee for each wire redemption and deducts the fee directly from your account. Your bank may also impose a fee for the incoming wire.

Automatic Withdrawal Plan (for Investor Class shares only): If your individual accounts, IRA or other qualified plan account have a current account value of at least $5,000, you may participate in the Fund's Automatic Withdrawal Plan, an investment plan that automatically moves money to your bank account from the Fund through the use of electronic funds transfers. You may elect to make subsequent withdrawals by transfers of a minimum of $250 on specified days of each month into your established bank account. Please contact the Fund at 844-322-8112 for more information about the Fund's Automatic Withdrawal Plan.

Redemptions in Kind: The Fund reserves the right to honor requests for redemption or repurchase orders made by a shareholder during any 90-day period by making payment in whole or in part in portfolio securities ("redemption in kind") if the amount of such a request is large enough to affect operations (if the request is greater than the lesser of $250,000 or 1% of the Fund's net assets at the beginning of the 90-day period). The securities will be chosen by the Fund and valued using the same procedures as used in calculating the Fund's NAV. A shareholder may incur transaction expenses in converting these securities to cash and securities redeemed in-kind remain at the risk of the market until they are sold and the shareholder will bear market risk until the securities are converted to cash.

When Redemptions are Sent: Once the Fund receives your redemption request in "good order" as described below, it will issue a check based on the next determined NAV following your redemption request. The redemption proceeds normally will be sent by mail or by wire within three business days after receipt of a request in "good order." If you purchase shares using a check and soon after request a redemption, your redemption proceeds will not be sent until the check used for your purchase has cleared your bank.

Good Order: Your redemption request will be processed if it is in "good order." To be in good order, the following conditions must be satisfied:

- The request should be in writing, unless redeeming by telephone, indicating the number of shares or dollar amount to be redeemed;
- The request must identify your account number;
- The request should be signed by you and any other person listed on the account, exactly as the shares are registered; and
- If you request that the redemption proceeds be sent to a person, bank or an address other than that of record or paid to someone other than the record owner(s), or if the address was changed within the last 30 days, or if the proceeds of a requested redemption exceed $50,000, the signature(s) on the request must be medallion signature guaranteed by an eligible signature guarantor.

When You Need Medallion Signature Guarantees: If you wish to change the bank or brokerage account that you have designated on your account, you may do so at any time by writing to the Fund with your signature guaranteed. A medallion signature guarantee assures that a signature is genuine and protects you from unauthorized account transfers. You will need your signature guaranteed if:

- you request a redemption to be made payable to a person not on record with the Fund;
- you request that a redemption be mailed to an address other than that on record with the Fund;
- the proceeds of a requested redemption exceed $50,000;
- any redemption is transmitted by federal wire transfer to a bank other than the bank of record; or
- your address was changed within 30 days of your redemption request.

Signatures may be guaranteed by any eligible guarantor institution (including banks, brokers and dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations). Further documentation will be required to change the designated account if shares are held by a corporation, fiduciary or other organization. *A notary public cannot guarantee signatures.*

Retirement Plans: If you own an IRA or other retirement plan, you must indicate on your redemption request whether the Fund should withhold federal income tax. Unless you elect in your redemption request that you do not want to have federal tax withheld, the redemption will be subject to withholding.

Low Balances: If at any time your account balance falls below $1,000 for Institutional and Investor Class accounts, the Fund may notify you that, unless the account is brought up to the minimum investment amount within 30 days of the notice, your account could be closed. After the notice period, the Fund may redeem all of your shares and close your account by sending you a check to the address of record. Your account will not be closed if the account balance drops below required minimum due to a decline in NAV.

Redemption Fee

The Fund will deduct a 1.00% redemption fee on the redemption amount if you sell your shares less than 60 days after purchase or shares held less than 60 days are redeemed for failure to maintain the Fund's balance minimum. See Low Balances for further information on account closure policy. Shares held longest will be treated as being redeemed first and shares held shortest as being redeemed last. Shares held for 60 days or more are not subject to the 1% fee.

Redemption fees are paid to the Fund directly and are designed to offset costs associated with fluctuations in Fund asset levels and cash flow caused by short-term shareholder trading.

Waivers of Redemption Fees: The Fund has elected not to impose the redemption fee for:

- Redemptions and exchanges of Fund shares acquired through the reinvestment of dividends and distributions;
- Certain types of redemptions and exchanges of Fund shares owned through participant-directed retirement plans;
- Redemptions or exchanges in discretionary asset allocation, fee based or wrap programs ("wrap programs") that are initiated by the sponsor/financial advisor as part of a periodic rebalancing;
- Redemptions or exchanges in a fee based or wrap program that are made as a result of a full withdrawal from the wrap program or as part of a systematic withdrawal plan;
- Involuntary redemptions, such as those resulting from a shareholder's failure to maintain a minimum investment in the Fund, or to pay shareholder fees; or
- Redemptions or exchanges due to the death or disability of a shareholder, pursuant to a qualified domestic relations order or divorce decree, or similar situations where the Fund, in its discretion, believes it is appropriate in the circumstances.

The Fund reserves the right to modify or eliminate the redemption fees or waivers at any time and will give shareholders 30 days' prior written notice of any material changes, unless otherwise provided by law. The redemption fee policy may be modified or amended in the future to reflect, among other factors, regulatory requirements mandated by the SEC.

Tools to Combat Frequent Transactions

The Fund discourages and does not accommodate market timing. Frequent trading into and out of the Fund can harm all Fund shareholders by disrupting the Fund's investment strategies, increasing Fund expenses, decreasing tax efficiency and diluting the value of shares held by long-term shareholders. The Fund is designed for long-term investors and is not intended for market timing or other disruptive trading activities. Accordingly, the Fund's Board has approved policies that seek to curb these disruptive activities while recognizing that shareholders may have a legitimate need to adjust their Fund investments as their financial needs or circumstances change. The Fund currently uses several methods to reduce the risk of market timing. These methods include:

- Committing staff to review, on a continuing basis, recent trading activity in order to identify trading activity that may be contrary to the Fund's "Market Timing Trading Policy,"
- Rejecting or limiting specific purchase requests, and
- Charging a 1.00% redemption charge if shares are held less than 60 days.

Though these methods involve judgments that are inherently subjective and involve some selectivity in their application, the Fund seeks to make judgments and applications that are consistent with the interests of the Fund's shareholders.

The redemption fee, which is uniformly imposed, is intended to discourage short-term trading and is paid to the Fund to help offset any cost associated with such short-term trading. The Fund will monitor the assessment of redemption fees against your account. Based on the frequency of redemption fees assessed against your account, the Adviser or Transfer Agent may in its sole discretion determine that your trading activity is detrimental to the Fund as described in the Fund's Market Timing Trading Policy and elect to (i) reject or limit the amount, number, frequency or method for requesting future purchases into the Fund and/or (ii) reject or limit the amount, number, frequency or method for requesting future exchanges or redemptions out of the Fund.

The Fund reserves the right to reject or restrict purchase or exchange requests for any reason, particularly when the shareholder's trading activity suggests that the shareholder may be engaged in market timing or other disruptive trading activities. Neither the Fund nor the Adviser will be liable for any losses resulting from rejected purchase or exchange orders. The Adviser may also bar an investor who has violated these policies (and the investor's financial adviser) from opening new accounts with the Fund.

Although the Fund attempts to limit disruptive trading activities, some investors use a variety of strategies to hide their identities and their trading practices. There can be no guarantee that the Fund will be able to identify or limit these activities. Omnibus account arrangements are common forms of holding shares of the Fund. While the Fund will encourage financial intermediaries to apply the Fund's Market Timing Trading Policy to their customers who invest indirectly in the Fund, the Fund is limited in its ability to monitor the trading activity or enforce the Fund's Market Timing Trading Policy with respect to customers of financial intermediaries. For example, should it occur, the Fund may not be able to detect market timing that may be facilitated by financial intermediaries or made difficult to identify in the omnibus accounts used by those intermediaries for aggregated purchases, exchanges and redemptions on behalf of all their customers. More specifically, unless the financial intermediaries have the ability to apply the Fund's Market Timing Trading Policy to their customers through such methods as implementing short-term trading limitations or restrictions, assessing the Fund's redemption fee and monitoring trading activity for what might be market timing, the Fund may not be able to determine whether trading by customers of financial intermediaries is contrary to the Fund's Market Timing Trading Policy. Brokers maintaining omnibus accounts with the Fund have agreed to provide shareholder transaction information to the extent known to the broker to the Fund upon request. If the Fund or its transfer agent or shareholder servicing agent suspects there is market timing activity in the account, the Fund will seek full cooperation from the service provider maintaining the account to identify the underlying participant. At the request of the Adviser, the service providers may take immediate action to stop any further short-term trading by such participants.

Householding. To reduce expenses, the Fund mails only one copy of the Prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Fund at 844-322-8112 on days the Fund is open for business or contact your financial institution. The Fund will begin sending you individual copies thirty days after receiving your request.

Shares of one Class of the Fund will not be exchangeable for shares of another Class.

Distribution of Fund Shares

The Distributor

Northern Lights Distributors, LLC (the "Distributor") is located at 17645 Wright Street, Omaha, NE 68130, and serves as distributor and principal underwriter to the Fund. The Distributor is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Shares of the Fund are offered on a continuous basis.

Distribution and/or Shareholder Servicing (12b-1) Plan

The Fund has adopted a Distribution and Shareholder Servicing Plan pursuant to Rule 12b-1 (the "12b-1 Plan") under the 1940 Act applicable to the Investor Class shares. Under the 12b-1 Plans, the Fund is authorized to pay the Fund's distributor, or such other entities as approved by the Board of Trustees, a fee for the promotion and distribution of the Fund and the provision of personal services to shareholders. The maximum amount of the fee authorized is 0.25% of the Fund's average daily net assets annually for Investor Class shares. The distributor may pay any or all amounts received under the 12b-1 Plan to other persons, including the Adviser, for any distribution or service activity. Because these fees are paid out of the Fund's assets on an on-going basis, over time these fees will increase the cost of your investment in the Fund and may cost you more than paying other types of sales charges.

Shareholder Servicing Plan

The Trust has also adopted a Shareholder Service Plan under which the Fund may pay a fee of up to 0.10% of the average daily net assets of the Fund's Investor Class for shareholder services provided to the Fund by financial institutions.

Because the Fund pays shareholder service fees on an ongoing basis, your investment cost over time may be higher than paying other types of sales charges.

Additional Compensation to Financial Intermediaries

In addition to the fees paid under the 12b-1 Plan, the Fund may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, including the Adviser and affiliates of the Adviser, for sub-administration, sub-transfer agency and other shareholder services associated with shareholders whose shares are held of record in omnibus, other group accounts or accounts traded through registered securities clearing agents.

The distributor, its affiliates and the Adviser, out of its own resources, and without additional cost to the Fund or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell shares of the Fund. Such payments and compensation are in addition to service fees paid by the Fund, if any. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of the Fund on a sales list, including a preferred or select sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's shareholders. The Adviser may also pay cash compensation in the form of finder's fees that vary depending on the dollar amount of the shares sold.

Distributions and Taxes

Tax Status, Dividends and Distributions

Any sale or exchange of a Fund's shares may generate tax liability (unless you are a tax-exempt investor or your investment is in a qualified retirement account). When you redeem your shares you may realize a taxable gain or loss. This is measured by the difference between the proceeds of the sale and the tax basis for the shares you sold. (To aid in computing your tax basis, you generally should retain your account statements for the period that you hold shares in the Fund.)

Dividends from net investment income are generally made at least annually. Capital gain distributions from net profits from the sale of investments are generally made at least annually. Both distributions will be reinvested in shares of the Fund unless you elect to receive cash. Dividends from net investment income (including any excess of net short-term capital gain over net long-term capital loss) are taxable to investors as ordinary income, while distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss) are generally taxable as long-term capital gain, regardless of your holding period for the shares. Any dividends or capital gain distributions you receive from the Fund will normally be taxable to you when made, regardless of whether you reinvest dividends or capital gain distributions or receive them in cash. Certain dividends or distributions declared in October, November or December will be taxed to shareholders as if received in December if they are paid during the following January. Each year the Fund will inform you of the amount and type of your distributions. IRAs and other qualified retirement plans are exempt from federal income taxation until retirement proceeds are paid out to the participant.

Your redemptions, including exchanges, may result in a capital gain or loss for federal income tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the amount you receive when you sell them.

On the account application, you will be asked to certify that your social security number or taxpayer identification number is correct and that you are not subject to backup withholding for failing to report income to the IRS. If you are subject to backup withholding or you did not certify your taxpayer identification number, the IRS requires the Fund to withhold a percentage of any dividend, redemption or exchange proceeds. The Fund reserves the right to reject any application that does not include a certified social security or taxpayer identification number. If you do not have a social security number, you should indicate on the purchase form that your application to obtain a number is pending. The Fund is required to withhold taxes if a number is not delivered to the Fund within seven days.

This summary is not intended to be and should not be construed to be legal or tax advice. This summary is general in nature and should not be regarded as an exhaustive presentation of all possible tax ramifications. The tax considerations relevant to a specific shareholder depend upon its specific circumstances, and this summary does not attempt to discuss all potential tax considerations that could be relevant to a prospective shareholder with respect to the Fund or its investments. This general summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Federal Income Tax Regulations promulgated thereunder, and administrative and judicial interpretations thereof as of the date hereof, all of which are subject to change (potentially on a retroactive basis). You should consult your own independent tax advisors to determine the tax consequences of owning the Fund's shares.

Other Reporting and Withholding Requirements. Payments to a shareholder that is either a foreign financial institution ("FFI") or a non-financial foreign entity ("NFFE") within the meaning of the Foreign Account Tax Compliance Act ("FATCA") may be subject to a 30% withholding tax on: (a) income and dividends paid by a Fund and (b) certain capital gain distributions and the gross proceeds arising from the sale of Fund shares paid by the Fund after December 31, 2018. FATCA withholding tax generally can be avoided: (a) by an FFI, subject to any applicable intergovernmental agreement or other exemption, if it either enters into a valid agreement with the IRS or otherwise complies with the specific requirements and provisions of an applicable intergovernmental agreement, in each case to, among other requirements, to collect and report required information about certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) by an NFFE, if it: (i) certifies that it has no substantial U.S. persons as owners or (ii) if it does have such owners, reports information relating to them. A Fund may disclose the information that it receives from its shareholders to the IRS, non-U.S. taxing authorities or other parties as necessary to comply with FATCA. Withholding also may be required if a foreign entity that is a shareholder of a Fund fails to provide the Fund with appropriate certifications or other documentation concerning its status under FATCA.

Financial Highlights

The financial highlights tables are intended to help you understand the Fund's financial performance for the period of the Fund's operations. The Fund was reorganized on July 24, 2015 from a series of the Professionally Managed Portfolios, a Massachusetts business trust (the "Predecessor Fund") to a series of Northern Lights Fund Trust II, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Predecessor Fund and, therefore, the financial information includes results of the Predecessor Fund. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been derived from the financial statements audited by Tait, Weller & Baker LLP, the Fund's Independent Registered Public Accounting Firm, whose report, along with the Fund's financial statements, are included in the October 31, 2018 annual report, which is available at no charge upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period.

Institutional Class

	For the Year Ended October 31, 2018	For the Year Ended October 31, 2017	For the Year Ended October 31, 2016	For the Year Ended October 31, 2015	For the Period Ended October 31, 2014 (1)
Net asset value, beginning of period	$ 12.18	$ 10.37	$ 10.08	$ 9.99	$ 10.00
Activity from investment operations:					
Net investment loss (2)	(0.18)	(0.23)	(0.24)	(0.25)	(0.21)
Net realized and unrealized gain on investments	0.96	2.11	0.53	0.34	0.20
Total from investment operations	0.78	1.88	0.29	0.09	(0.01)
Less distributions from:					
Net realized gains	(1.06)	(0.07)	—	—	—
Total distributions	(1.06)	(0.07)	—	—	—
Net asset value, end of period	$ 11.90	$ 12.18	$ 10.37	$ 10.08	$ 9.99
Total return (3)	6.82%	18.16%	2.88%	0.90%	(0.10)% (4)
Net assets, at end of period (000s)	$ 185,081	$ 164,523	$ 160,970	$ 163,367	$ 127,161
Ratio of gross expenses to average net assets (7,8)	2.43%	2.56%	2.76%	2.92%	2.91% (5)
Ratio of net expenses to average net assets (8)	2.41%	2.52%	2.67%	2.93% (6)	2.88% (5)
Ratio of net investment loss to average net assets	(1.51)%	(1.99)%	(2.44)%	(2.49)%	(2.49)% (5)
Portfolio Turnover Rate	244%	212%	228%	292%	248% (4)

(1) The Balter L/S Small Cap Equity Fund Institutional Class commenced operations on December 31, 2013.

(2) Per share amounts calculated using the average shares method, which more appropriately presents the per share data for the period.

(3) Total returns shown exclude the effect of applicable sales charges and redemption fees and assumes the reinvestment of distributions.

(4) Not Annualized.

(5) Annualized.

(6) Represents the ratio of expenses to average net assets inclusive of Advisor's recapture of waived/reimbursed fees from the prior period.

(7) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the Advisor.

(8) Excluding dividends from securities sold short and interest expense, the ratio of expenses to average net assets would have been:

Before fees waived	2.21%	2.23%	2.28%	2.18%	2.22% (5)
After fees waived/recaptured	2.19%	2.19%	2.19%	2.19%	2.19% (5)

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout the Period

	Investor Class
	For the Year Ended October 31, 2018 [(1)]
Net asset value, beginning of period	$ 11.98
Activity from investment operations:	
Net investment loss [(2)]	(0.22)
Net realized and unrealized gain on investments	1.16
Total from investment operations	0.94
Less distributions from:	
Net realized gains	(1.06)
Total distributions	(1.06)
Paid-in-Capital From Redemption Fees [(3)]	0.00
Net asset value, end of period	$ 11.86
Total return [(4,5)]	8.23%
Net assets, at end of period (000s)	$ 4,936
Ratio of gross expenses to average net assets [(6,7,8)]	2.78%
Ratio of net expenses to average net assets [(6,8)]	2.76%
Ratio of net investment loss to average net assets [(6)]	(1.85)%
Portfolio Turnover Rate [(5)]	244%

(1) The Balter L/S Small Cap Equity Fund Investor Class commenced operations on November 14, 2017.

(2) Per share amounts calculated using the average shares method, which more appropriately presents the per share data for the period.

(3) Represents less than $0.01 per share.

(4) Total returns shown exclude the effect of applicable sales charges and redemption fees and assumes the reinvestment of distributions.

(5) Not Annualized.

(6) Annualized.

(7) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the Advisor.

(8) Excluding dividends from securities sold short and interest expense, the ratio of expenses to average net assets would have been:

Before fees waived	2.56% [(6)]
After fees waived/recaptured	2.54% [(6)]

PRIVACY NOTICE

Rev. February 2019

FACTS	WHAT DOES NORTHERN LIGHTS FUND TRUST II ("NLFT II") DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number • Employment information • Account balances • Account transactions • Income • Investment experience When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share a customer's personal information to run their everyday business - to process transactions, maintain customer accounts, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons NLFT II chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	**Does NLFT II share?**	**Can you limit this sharing?**
For our everyday business purposes -- such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes -- to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes -- information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes -- information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 1-402-493-4603

Who we are	
Who is providing this notice?	Northern Lights Fund Trust II
What we do	
How does NLFT II protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does NLFT II collect my personal information?	We collect your personal information, for example, when you • open an account • give us your income information • provide employment information • provide account information • give us your contact information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. *The following companies may be considered affiliates of NLFT II*: *The Ultimus Group Management, Inc.* *The Ultimus Group Employee, LLC* *The Ultimus Group, LLC (f/k/a GTCR Celtic Acquisition, LLC)* *The Ultimus Group Intermediate, LLC (f/k/a Gemini Holdco, LLC)* *The Ultimus Group Midco, LLC (f/k/a Gemini Midco, LLC)* *Ultimus Holdings, LLC* *Ultimus Intermediary, LLC* *Ultimus Fund Solutions, LLC* *Ultimus Fund Distributors, LLC* *Ultimus Asset Services, LLC* *Unified Financial Securities, LLC* *Ultimus Private Fund Solutions, LLC* *Blu Giant, LLC* *Gemini Fund Services, LLC* *Gemini Alternative Funds, LLC* *Gemini Hedge Fund Services, LLC* *Northern Lights Compliance Services, LLC* *Northern Lights Distributors, LLC*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • *NLFT II does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products and services to you. • *Our joint marketing partners include other financial service companies.*

Investment Adviser
Balter Liquid Alternatives, LLC
125 High Street, Oliver Street Tower, Suite 802
Boston, MA 02110

Investment Sub-Advisors

Intrinsic Edge Capital Management, LLC
318 West Adams
Suite 200A
Chicago, IL 60606

Midwood Capital Management, LLC
125 High Street, Oliver Street Tower
Suite 802
Boston, MA 02110

Millrace Asset Group, Inc.
1205 Westlakes Drive
Suite 375
Berwyn, PA 19312

12th Street Asset Management Company, LLC
One Magnificent Mile
980 N. Michigan Avenue
Suite 1377
Chicago, IL 60611

Independent Registered Public Accounting Firm
Tait, Weller & Baker LLP
Two Liberty Place
50 South 16th Street, Suite 2900
Philadelphia, PA 19102

Legal Counsel
Alston & Bird, LLP
950 F Street NW
Washington, D.C. 20004

Custodian
U.S. Bank, National Association
1555 North River Center Drive
Milwaukee, WI 53212

Transfer Agent, Fund Accountant and Fund Administrator
Gemini Fund Services, LLC
17645 Wright Street, Suite 200
Omaha, NE 68130

Distributor
Northern Lights Distributors, LLC
17645 Wright Street, Suite 200
Omaha, NE 68130

Balter L/S Small Cap Equity Fund
a series of the Northern Lights Fund Trust II

FOR MORE INFORMATION

You can find more information about the Fund in the following documents:

Statement of Additional Information

The SAI provides additional details about the investments and techniques of the Fund and certain other additional information. A current SAI is on file with the SEC and is incorporated into this Prospectus by reference. This means that the SAI is legally considered a part of this Prospectus even though it is not physically within this Prospectus.

Annual and Semi-Annual Reports

Additional information about the Fund's investments will also be available in the Fund's Annual and Semi-Annual Reports to Shareholders. In the Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

To obtain a free copy of the SAI and, when issued, the Annual and Semi-Annual Reports to Shareholders, or make general inquiries about the Fund by calling the Fund (toll-free) at 844-322-8112, or by writing to:

Balter L/S Small Cap Equity Fund
c/o Gemini Fund Services, LLC
17645 Wright Street, Suite 200
Omaha, NE 68130

Information is also available at www.balterliquidalts.com.

You can review and copy information, including the Fund's reports and SAI, at the SEC's Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Reports and other information about the Fund are also available:

- free of charge from the SEC's EDGAR database on the SEC's Internet website at http://www.sec.gov;
- for a fee, by writing to the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549-1520; or
- for a fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

(The Trust's SEC Investment Company Act file number is 811-22549)