Al Frank Fund (VALUX)

Investor Class – Third Quarter 2018

Al Frank
MUTUAL FUNDS

Investment Strategy

The Al Frank Fund (VALUX) is an actively managed equity mutual fund that seeks total return from capital appreciation. Its portfolio is broadly diversified, via exposure to a significant number of major market sectors and industry groups, with the Advisor purchasing equity securities that it believes are trading for low fundamental valuations relative to what the Advisor thinks their businesses will be worth over the next five years. The Advisor then attempts to purchase the securities and hold them until it believes that the securities have reached a fair value. The Al Frank Fund is designed for long-term-oriented investors.

Compound Annual Returns

	VALUX	Russell 3000 Index	Russell 3000 Value Index
Last Month	-0.53%	0.17%	0.00%
Last Quarter	6.79%	7.12%	5.39%
Year to Date	6.66%	10.57%	4.17%
1 Year	14.43%	17.58%	9.46%
3 Years	14.63%	17.07%	13.75%
5 Years	9.78%	13.46%	10.65%
10 Years	10.09%	12.01%	9.76%
Since Inception	10.40%	7.63%	7.39%

Returns as of September 30, 2018. The fund's operating expenses are 1.61%. However, the advisor has contractually agreed to cap its expenses at 1.49% through at least April 30, 2019, or until the Board of Trustees terminates such agreements.

Fund Facts

Ticker:
  VALUX
CUSIP:
  66538A356
Share Type:
  Investor Class
Total Net Assets as of September 30, 2018:
  $88.5 million (includes VALAX)
Fund Inception Date
  January 02, 1998
Minimum Investment:
  Initial:
  $1000
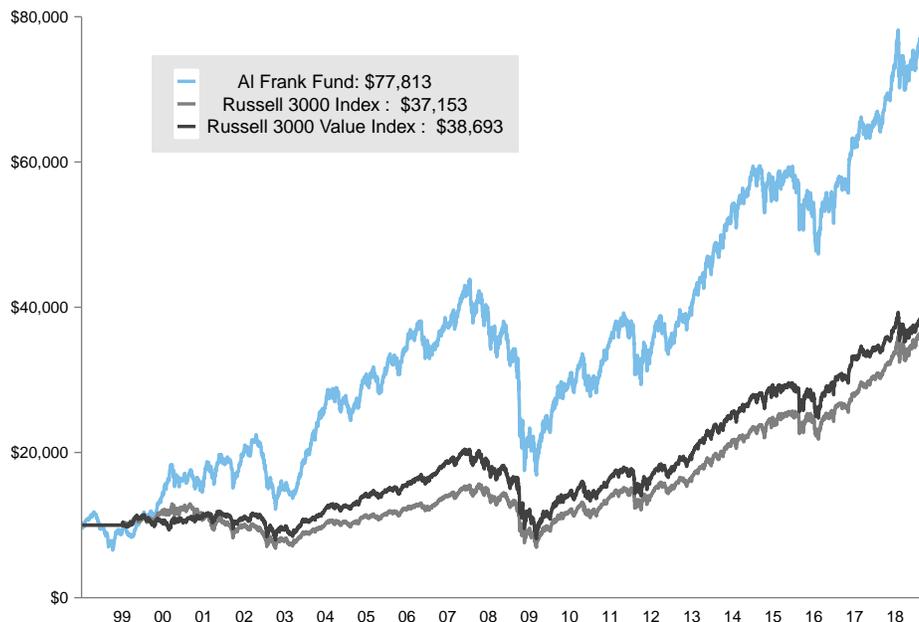 **Subsequent:**
  $100
Median Market Cap:
  $37.6 billion
Number of Holdings:
  93
Percent in Top Ten Holdings:
  19.4%

Growth of a Hypothetical $10,000 Investment Since Inception

Al Frank Fund: $77,813
Russell 3000 Index : $37,153
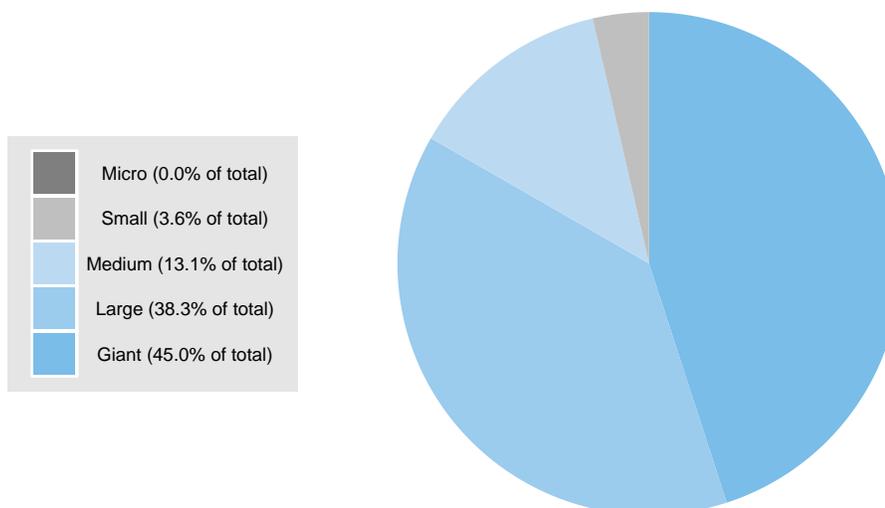Russell 3000 Value Index : $38,693

From January 02, 1998 through September 30, 2018. Actual performance of investors will vary depending on the timing of their investments in the fund. Hypothetical investment assumes the reinvestment of dividends and capital gains but does not reflect the effect of any applicable sales charge or redemption fees. This chart does not imply any future performance. SOURCE: Al Frank using data from Bloomberg

Al Frank Fund Performance

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by visiting alfrankfunds.com. The fund imposes a 2.00% redemption fee on shares held for 60 days or less. Performance data do not reflect the redemption fee. If reflected, total returns would be reduced.

Composition of Fund by Market Capitalization

- Micro (0.0% of total)
- Small (3.6% of total)
- Medium (13.1% of total)
- Large (38.3% of total)
- Giant (45.0% of total)

As of September 30, 2018. Market capitalization is subject to change. SOURCE: Al Frank using data from Bloomberg

Top Ten Holdings and Sector Composition (net assets excluding cash)

Ticker	Company Name	Pct. Net Assets
JPM	JPMorgan Chase & Co	2.2%
AAPL	Apple Inc	2.1%
GLW	Corning Inc	2.0%
AMGN	Amgen Inc	2.0%
CSCO	Cisco Systems Inc	2.0%
DIS	Walt Disney Co	1.9%
AET	Aetna Inc	1.9%
RCL	Royal Caribbean Cruises Ltd	1.8%
BBT	BB&T Corp	1.7%
MSFT	Microsoft Corp	1.7%

Sector	Pct. Net Assets
Information Technology	20.3%
Financials	17.1%
Industrials	13.2%
Health Care	13.1%
Consumer Discretionary	11.9%
Energy	6.3%
Consumer Staples	5.5%
Communication Services	5.3%
Materials	4.2%
Real Estate	2.9%
Utilities	0.0%

Holdings and sector composition data as of September 30, 2018.

Contact Information

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Portfolio Management

John Buckingham
Chief Investment Officer

John Buckingham leads a team that scrutinizes more than 300 stocks for money-management clients and newsletter subscribers. He is equally resolute in his management of Al Frank's proprietary mutual funds. John has been a part of Al Frank Asset Management since 1987 and is one of the company's largest shareholders. He has served as the firm's Director of Research since 1989 and Chief Portfolio Manager since 1990.

John graduated magna cum laude from the University of Southern California in 1987 with a B.S. degree in computer science and a minor in business administration. His opinion is widely sought: John has appeared on numerous television and radio programs, is frequently interviewed by publications and conducts workshops at investment seminars.

Jason Clark, CFA
VP, Senior Portfolio Manager

Jason Clark, a member of AFAM Capital's Investment Committee, has been a part of the firm's Research and Portfolio Management Department since 2007. Within research, Jason is primarily focused on fundamental analysis of individual stocks and industries. Within Portfolio Management, Jason is responsible for active account management, providing education about the firm's investment strategies and portfolio management process and working with the firm's current and prospective Private Wealth clients. After serving in the United States Navy, Jason graduated summa cum laude with a B.A. degree in finance from the University of West Florida. His background includes experience as a fixed income specialist and corporate bond trader for Edward Jones and equity research associate with A.G. Edwards. Jason is a CFA charterholder and a member of the CFA Society of Orange County.

Disclosures & Important Information

Investors should carefully consider the investment objectives, risks, charges and expenses of the Al Frank Mutual Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.alfrankfunds.com or by calling 888.263.6443. The prospectus should be read carefully before investing. The Al Frank Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Al Frank Asset Management is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risks including the possible loss of principal.

Small and medium sized companies may be more vulnerable to adverse business or economic events, and thus a greater risk, than stocks of larger companies. There are risks that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and the Fund may lose the opportunity to sell the securities at a desirable price. The Advisor follows an investing style that favors value investing and when out of favor may underperform alternate investing styles. The Fund may invest in foreign securities that can be more volatile and less liquid than domestic securities.

Management and distribution fees and other expenses apply. Please refer to the prospectus for further details.

Investment performance reflects voluntary fee waivers in effect. In the absence of such waivers, total returns would be reduced.

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies. It is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is reconstituted annually to ensure new and growing equities are reflected. The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

AFAM Capital is a Registered Investment Advisor. AFAM Capital is editor of The Prudent Speculator newsletter and is the Investment Advisor to certain no-load proprietary mutual funds and individually managed client accounts. Registration of an investment adviser does not imply any certain level of skill or training. The firm had assets under management of $726 million as of June 30, 2018.

Top ten holdings and sector compositions are subject to change. SOURCE: Al Frank using data from Bloomberg

As of September 30, 2018.