

Affinity Small Cap Equity Fund

As of December 31, 2016

Class I: AISQX | Class A: AISOX | Class C: AISPX

FOR INSTITUTIONAL USE ONLY

INVESTMENT OBJECTIVE

The fund seeks to provide capital growth and income.

INVESTMENT PHILOSOPHY

We believe capital markets are highly, but not completely, efficient. To add investment value in all environments we utilize a disciplined, systematic-driven investment process that seeks to generate excellent performance over market cycles, through both stock selection and risk control.

INVESTMENT PROCESS

- » Utilize a multi-factor model to evaluate, rank, monitor the investment universe
- » Stocks ranked on factors including valuation, expectations, and momentum
- » The model seeks to identify the most attractive stocks in each sector and is utilized to select buy candidates as well as identifying sell candidates

FUND PERFORMANCE as of 12/31/2016 ²



RELATED SMALL CAP COMPOSITE PERFORMANCE ¹

Average Annualized Returns % as of 12/31/2016

	3 Mo	YTD	1-Yr	3-Yr	Since Inception (10/31/10)
Small Cap Equity (gross of fees)	6.91	13.98	13.98	9.45	15.23
Small Cap Equity (net of fees)	6.67	12.97	12.97	8.56	14.34
Russell 2000 Index	8.83	21.31	21.31	6.74	12.81
Excess Return	(1.93)	(7.33)	(7.33)	2.70	2.43

¹Related performance is reported gross and net of fees. Related performance of Affinity Investment Advisors Strategy includes all fee-paying, fully-discretionary accounts invested in the strategy managed by Affinity Investment Advisors with investment objectives, strategies and policies substantially similar to the Affinity Small Cap Equity Fund. Fees and expenses of the private accounts included in the Affinity Small Cap Separately Managed Account are generally lower than those of the Fund and, therefore, the Fund's results would be lower than the returns reflected. Private accounts are not subject to certain investment limitations, diversification requirements and other restrictions imposed by the 1940 Act or Internal Revenue Code.

²The Fund's performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. Please review the fund's prospectus for more information regarding the fund's fees and expenses. For performance information current to the most recent month-end, please call toll-free 866-345-0588.

³The Fund's investment adviser contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until December 1, 2016, subject to possible recoupment from the fund in future years. Without these waivers, the Fund's total annual operating expenses would be 2.40%, 3.15%, and 2.15% attributable to Class A, Class C, and Class I shares respectively.

FUND STRATEGY

The Fund normally invests at least 80% of its assets in common stocks and other equity securities of companies with a market capitalization, at the time of purchase, within the range of the Russell 2000, a small cap index.

FUND FACTS

Inception Date	July 31, 2015
Benchmark	Russell 2000 Index
Class A	AISOX
Class C	AISPX
Class I	AISQX

FUND FEES ³

(total annual expense cap)

Class I	Class C	Class A
1.50%	2.50%	1.75%

INVESTMENT TEAM

Gregory R. Lai, CFA Principal Lead Portfolio Manager	29 Years
Michael A. Petrino Senior Portfolio Manager	44 Years
Jordan M. Floriani, CFA Portfolio Manager	15 Years
David H. Sugimoto, CFA Senior Portfolio Manager	36 Years
Pushkar V. Murthy, CFA Portfolio Manager	7 Years
Erin Ksenak Portfolio Manager	7 Years

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As of December 31, 2016

FIRM OVERVIEW

Affinity Investment Advisors, LLC is an employee owned independent registered investment advisor headquartered in Irvine, CA since 1992. As of December 31, 2016 the firm manages approximately \$1.2 billion in domestic and international equity portfolios against core, growth, and value benchmarks for a diverse slate of sophisticated clients. Affinity's commitment to a robust, consistent, and disciplined process has contributed to our longevity and experience over multiple market cycles.

The Affinity process emphasizes not just the prospective returns from these businesses, but also their investment risks. Over this multi-decade period, Affinity has produced impressive risk-adjusted returns from its high-conviction equity portfolios that are characterized by low tracking error, low turnover, and high active share.

FUND CHARACTERISTICS as of 12/31/2016 ²

AISQX Top 10 Holdings*

Company	Sector	(%)
Western Alliance Bancorp	Financials	2.9
Great Western Bancorp	Financials	2.6
Customers Bancorp	Financials	2.6
New Residential Investment	Financials	2.5
MKS Instruments Inc	Information Technology	2.5
Cathay General Company	Financials	2.4
Eagle Pharmaceuticals	Health Care	2.4
Neenah Paper	Materials	2.4
Take-Two Interactive Software	Information Technology	2.4
Cirrus Logic Inc	Information Technology	2.4

*Holdings are subject to change and should not be considered investment advice.

AISQX Portfolio Characteristics

Characteristics	AISQX Fund	Russell 2000
Trailing 12-Month P/E (x)	16.62	45.32
Price/Book (x)	2.1	2.3
Average Market Cap (\$Mil)	2,414.8	2,099.3
Profit Margin (%)	10.7	4.7
Active Share (%)	95.1	-
Number of Securities	53	1978

RELATED SMALL CAP COMPOSITE PERFORMANCE ¹

Best / Worst Quarter Returns %

	Return (Gross)	Return (Net)	Date
Best Quarter	16.14	15.96	4Q 11
Worst Quarter	-21.19	-21.33	3Q 11

Calendar Year Returns % as of 12/31/2015

	2015	2014	2013	2012	2011
Small Cap Equity (gross of fees)	(3.32)	18.97	45.40	16.21	(1.45)
Small Cap Equity (net of fees)	(4.11)	18.10	44.35	15.36	(2.19)
Russell 2000 Index	(4.42)	4.89	38.82	16.34	(4.17)
Excess Return	1.10	14.08	6.58	-0.13	2.72

NOTES (ALPHABETICAL)

Active Share: Measures the portion of the portfolio's holdings that differs from the benchmark taking into account both security selection and any over or underweighting of the stocks in the portfolio versus the benchmark index. **Average Market Cap:** Is a measure of the size of the companies in which the fund invests. It is calculated by multiplying the number of a company's shares outstanding by its price per share. **EPS Growth Rate:** Represents the annualized rate of net-income-per-share growth over the trailing one-year period for the stocks held by a fund. **Price/Book:** Compares a company's book value to its current market price. **Price/Earnings (P/E):** Measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. **Russell 2000® Index:** Measures the performance of the small-cap segment of the U.S. equity universe. 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 small-cap opportunity set.

Mutual Funds involve risk, including possible loss of principal. The Adviser has a limited history of managing mutual funds for investors to evaluate. The Adviser's reliance on its strategy and judgments about the attractiveness, value and potential appreciation of particular securities may prove to be incorrect and may not produce the desired results. The price of small capitalization company stocks may be subject to more abrupt market movements than larger, more established companies in general. The fund can have a higher portfolio turnover that can result in higher transactional costs and may result in higher taxes when the Funds shares are held in a taxable account.

Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Affinity Small Cap Equity Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 866-345-0588. The prospectus should be read carefully before investing. The Affinity Small Cap Equity Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.