The Deer Park Total Return Credit Fund (the "Fund") returned 1.49% in the first quarter, 11.48% over the last twelve months and has an annualized rate of return of 10.56% since the Fund's inception on October 16, 2015. This compares to the performance of the Barclay's Aggregate Bond Index of 0.82% for the first quarter, 0.44% over the last twelve months and 1.68% since inception of the Fund. The Fund made its quarterly distribution at the end of March of $0.12/share which equates to a distribution yield over the last twelve months of approximately 5.5%.

The Fund's distribution policy is to make quarterly distributions to shareholders. The level of quarterly distributions (including return of capital) is not fixed. However, this distribution policy is subject to change. Shareholders should not assume that the source of a distribution from the Fund is net profit. A portion of the distributions consist of a return of capital based on the character of the distributions received from the underlying holdings. The final determination of the source and tax characteristics of all distributions will be made after the end of the year. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. There is no assurance that the Fund will continue to declare distributions or that they will continue at these rates.

	Q1 2017	One Year	Inception through 3/31/2017*
DPFNX Class I (NAV)	1.49%	11.48%	10.56%
DPFAX Class A (NAV)	1.44%	11.25%	10.25%
DPFAX Class A (Max Load)	-4.40%	4.82%	5.85%
Barclays Aggregate Bond Index	*0.82%*	*0.44%*	*1.68%*

*Inception date is October 16, 2015.

Returns for periods longer than one year are annualized. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. The Fund's investment advisor has contractually agreed to waive management fees and to make payments to limit Fund expenses until January 30, 2018. After this fee waiver, the expense ratios are 2.24% and 1.99% for the Class A and I shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years. The Fund's total annual operating expenses are 2.49% and 2.24% for the Class A and I shares, respectively. The maximum sales load for the Class A shares is 5.75%. A fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. For performance information current to the most recent month-end, please call toll-free (888) 868-9501. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Market Update

U.S. housing data continued to show stable improvements through the first quarter of the year. Despite the recent increase in mortgage interest rates, the volume of both new and existing home sales showed steady growth as the level of demand continues to trend upward. Through March, existing home sales increased 4.4% month-over-month to an annualized rate of 5.71 million units, representing the highest level since February 2007. Similarly, new home sales increased 5.8% month-over-month through March to an annualized rate of 621,000 units. Importantly, the ongoing rate of expansion in transactions has also met with gains in price levels as represented by the Case-Shiller National Home Price Index. Through the end of March, the year-over-year rate of growth was at a healthy 5.7%. Each of these metrics reflects a positive environment for the U.S. housing market, which in turn remains a constructive influence for the improvements observed in legacy RMBS performance (both in market price levels and cash flows).

Meanwhile, not all segments of the structured products market have demonstrated improvement and there are certain segments that we are actively avoiding. Over the past year, we have highlighted concerns within some portions of the CMBS market, specifically due to retail/mall collateral exposure. The overarching theme is centered on the likely negative impact of increasing online retail sales and the languishing sales for traditional brick and mortar retailers. As revenues decrease for many of these retailers and/or as tenant vacancy risk increases, property values will likely suffer. While the migration of retail sales to online is by no means a new concept, the negative implications for many newly securitized CMBS deals is beginning to garner attention. Decreasing volume of customer activity in class B and C malls has led to an increase in risk for many CMBS deals. This trend has been noted in recent months as a number of key mall anchor tenants such as Macy's, JC Penny and Sears have announced hundreds of store closures. While the direct impact on malls is well recognized, the issue is further compounded by lease agreements that enable other tenants to re-negotiate or break lease terms when anchors depart. These types of events have the potential to cause a domino effect, which can further translate to default and loss risk for associated CMBS deals. Ultimately, this increase in risk has begun to reflect itself as spreads widened out during the quarter for select series of the CMBX indices.

The market environment for structured products remained strong throughout the quarter as we continued to observe strong trading activity and levels of demand moving spreads for segments of the legacy RMBS market lower. This trend has been driven by both fundamental and technical market dynamics. The steady improvements in collateral performance has translated to increased levels of credit enhancement (lower relative credit risk) while the variance in yields for non-agency RMBS to other segments of the structured products market has led to some spread compression over the past several months.

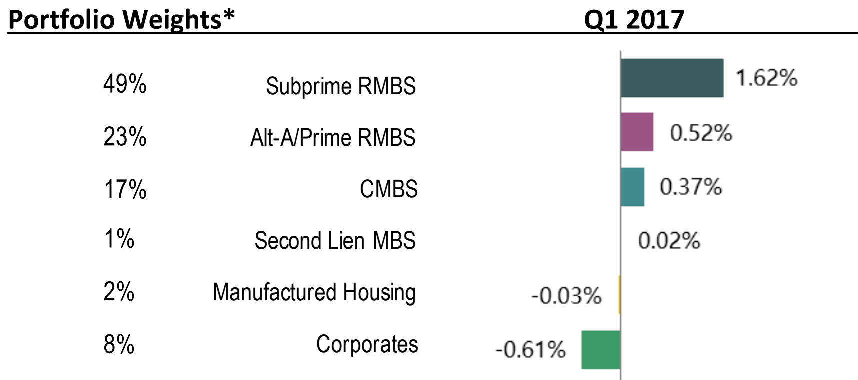
Performance Update

Performance over the quarter reflects a number of positive influences on the portfolio and highlights the impact of long-term strategic positioning of the portfolio's holdings. Returns were driven by the attractive yields and modest price improvement in our legacy non-agency RMBS holdings. These returns reflect the very favorable performance trends at play within the non-agency RMBS market; delinquencies on seasoned loans continue to subside; defaults and loss severities continue to decrease, ultimately resulting in strong cash flow/yield for many mezzanine and subordinate bonds. Further, the ongoing de-levering of credit risk in these structures has resulted in stronger market prices while yields continue to remain attractive relative to other segments of structured products. In short, these trends are the diametric opposite of the fall-out of the last recessionary event and are in stark contrast to many other segments of structured credit (some of which indicate similar credit risk to the "Subprime" crisis of 2007).

Ongoing improvement in the collateral performance has created a unique effect on the optional termination (or "call") provision for many of these seasoned deals. We believe there is significant upside for discounted mezzanine and subordinate bonds as we anticipate that servicers are likely to be motivated to collapse more of these legacy deals. While there has been limited attention placed on this concept until now, the increasing rate of Subprime and Alt-A non-agency RMBS deals being collapsed is gaining interest from market participants. Meanwhile, the Fund resides in an enviable position as it has acquired a diversified portfolio of well over 200 positions with a weighted-average price of approximately 76 cents/dollar. The additive impact of "called" deals, ***which requires bondholders to be repaid at par***, can be a meaningful tailwind to what we believe is already a portfolio of bonds with an attractive risk-adjusted yield.

Portfolio Weights & Performance Attribution

The primary contributors to performance during the quarter were the Fund's holdings in Subprime and Alt-A/Prime Mezzanine RMBS. The Fund's relatively small corporate bond holdings in non-agency RMBS loan servicing companies were the largest detractors to performance.



**Portfolio weights do not include cash. Past performance is not indicative of future results. The attribution data will not match the performance results of the fund as it is an estimate and does not include Fund expenses, the results of residual cash balances and other timing considerations*

Market Outlook

The structured products market has demonstrated a number of divergent trends over the past several years. Our focus as a diversified asset backed credit manager is to target the best opportunities within the array of structured products categories while thoughtfully underwriting underlying credit risk. The evolution of collateral performance trends as well as market influence on new securitizations have highlighted the relative attractiveness that currently exists in legacy non-agency RMBS.

Of note, the steady increase in currently paying portions of these pools together with the positive improvements in the U.S. housing market has continued to manifest itself in the form of increased equity ratios for legacy residential loan portfolios. As observed in Figure 1 below, the stable increase in home price appreciation, as indicated by the FHFA year-over-year price change, has provided ongoing support to declining loan-to-value ratios on these seasoned collateral pools. This chart demonstrates the impact of a representative cohort of legacy Subprime collateral. Here, LTV ratios have decreased from peak levels which had exceeded well over 100% at origination down to current levels in the low-70% range. Essentially, the legacy non-agency RMBS segment of the structured products market, which was one of the most highly levered asset classes in 2006-2007, has now benefitted from years of deleveraging. Furthermore, the improving outlook for inflation and U.S. economic growth expectations maintains a positive dynamic for ongoing performance for these legacy RMBS holdings.

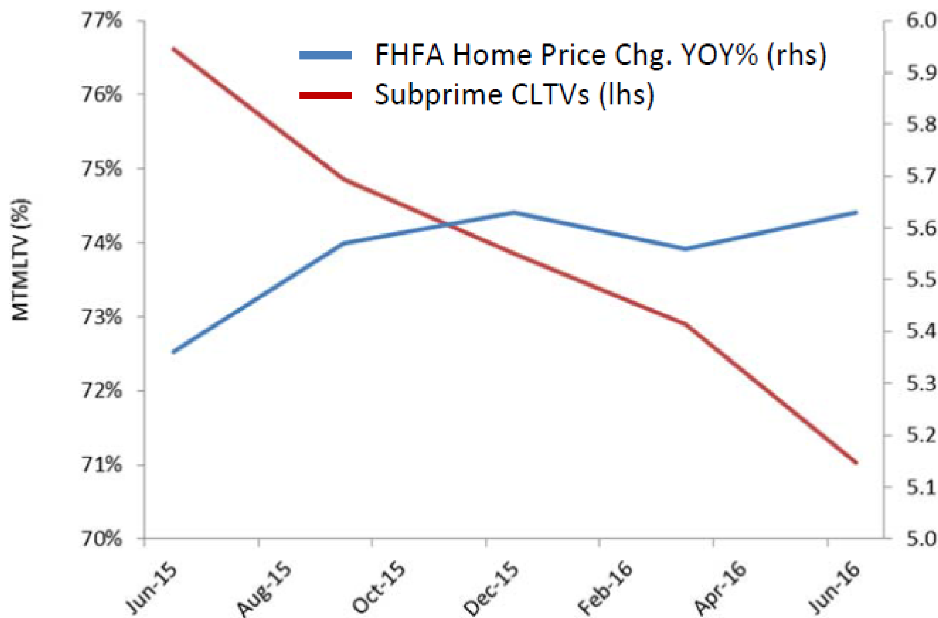


Figure 1, Source: Morgan Stanley, January 2017

Conversely, declining interest rates and accommodative lending that followed the last economic crisis have translated to what we observe as an increase in risk for other segments of the credit market. Specifically, record levels of corporate debt, retail and mall collateral exposure in portions of the CMBS market and a general decrease of underwriting standards has increased peripheral risk. Meanwhile, the negative implications for refinancing corporate debt under a rising interest rate environment and the impact of growing online sales as a potential risk for retail and mall property valuations are just a few of the potential headwinds for other sectors of the credit market. Based on this bifurcation of risk, we remain diligent in establishing positions in areas we believe represent opportunity and avoiding areas where we see potential outsized risk.

As mentioned last quarter, we continue to see the shift in economic growth expectations as a positive influence on the U.S. housing market and therefore legacy residential mortgage backed securities. As such, we continue to focus on maintaining our core holdings in asset classes that demonstrate strong fundamental performance characteristics while avoiding areas where we see considerable risk. We believe that improving fundamentals and attractive return potential of legacy non-agency RMBS present a favorable investment alternative to the U.S. equity markets, corporate bonds, and other global investment opportunities. We believe that now is a good entry point into legacy non-agency RMBS.

There is no assurance these opinions or forecasts will come to pass and past performance is no assurance of future results.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Deer Park Total Return Credit Fund. This and other important information about the Fund is contained in the Prospectus, which can be obtained by contacting your financial advisor, or by calling 1.888.868.9501. The Prospectus should be read carefully before investing. The Deer Park Total Return Credit Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Princeton Fund Advisors, LLC and Northern Lights Distributors are not affiliated.

Mutual Funds involve risk including the possible loss of principal. Long investing involves buying a security such as a stock, commodity or currency, with the expectation that the asset will rise in value. A hedge refers to making an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract. ***RMBS*** *(Residential Mortgage-Backed Securities) are a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and subprime mortgages. RMBS focus on residential instead of commercial debt.* ***The Barclays Capital U.S. Aggregate Index*** *provides a measure of the performance of the U.S. investment grades bonds market.* ***The Case-Shiller National Home Price Index*** *seeks to measure changes in the total value of all existing single-family housing stock.*

ABS, RMBS and CMBS *are subject to credit risk because underlying loan borrowers may default. Additionally, these securities are subject to prepayment risk because the underlying loans held by the issuers may be paid off prior to maturity. The value of these securities may go down as a result of changes in prepayment rates on the underlying mortgages or loans. During periods of declining interest rates, prepayment rates usually increase and the Fund may have to reinvest prepayment proceeds at a lower interest rate. CMBS are less susceptible to this risk because underlying loans may have prepayment penalties or prepayment lock out periods. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. In addition, the credit quality of securities held by the Fund may be lowered if an issuer's financial condition changes.* ***Futures, options and swaps*** *involve risks possibly greater than the risks associated with investing directly in securities including leverage risk, tracking risk and counterparty default risk.*

Option positions *may expire worthless exposing the Fund to potentially significant losses. The value of the Fund's investments in fixed income securities will fluctuate with* ***changes in interest rates****. Typically, a rise in interest rates causes a decline in the value of fixed income securities.* ***Foreign investing*** *involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.* ***Lower-quality*** *fixed income securities, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price. Repayment of defaulted securities and obligations of distressed issuers (including insolvent issuers or issuers in payment or covenant default, in workout or restructuring or in bankruptcy or in solvency proceedings) is subject to significant uncertainties. Investments in defaulted securities and obligations of distressed issuers are considered speculative as are junk bonds in general.*

The value of a specific security *can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than those of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.* ***Liquidity risk*** *exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.* ***The advisor's and sub-advisors' judgments*** *about the attractiveness, value and potential appreciation of particular asset classes and securities in which the Fund invests (long or short) may prove to be incorrect and may not produce the desired results. Additionally, the advisor's judgments about the potential performance of the sub-advisors may also prove incorrect and may not produce the desired results.*

Overall equity and fixed income securities *and derivatives market risks may affect the value of individual instruments in which the Fund invests. Factors such as domestic and foreign economic growth and market conditions, interest rate levels, and political events affect the securities and derivatives markets. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money. The Fund will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which the Fund purchases an offsetting position. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security or instrument. Underlying funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in an underlying Fund and may be higher than other mutual funds that invest directly in stocks and bonds. Underlying Funds are subject to specific risks, depending on the nature of the fund.*

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