DEER PARK
Total Return Credit Fund

Investment Commentary
Second Quarter 2018

DPFNX | DPFAX | DPFCX

The Deer Park Total Return Credit Fund (the "Fund") returned 1.60% in the second quarter, 7.42% over the last twelve months and has an annualized rate of return of 9.68% since the Fund's inception on October 16, 2015. This compares to the performance of the Bloomberg Barclay's Aggregate Bond Index of -(0.16)% for the second quarter, -(0.40)% over the last twelve months and 1.29% since inception of the Fund. The Fund made its quarterly distribution at the end of June of $0.19/share.

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.

	Q2 2018	One Year	Inception through 6/30/2018*
DPFNX Class I	1.60%	7.42%	9.68%
DPFAX Class A	1.53%	7.05%	9.39%
DPFAX Class A (Max Load)	-4.33%	0.86%	7.02%
DPFCX Class C	1.38%	6.28%	7.48%
Barclay's Aggregate Bond Index	*-0.16%*	*-0.40%*	*1.29%*

*Inception date is October 16, 2015 for Classes A and I, and April 6, 2017 for Class C.

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 total annual operating expenses are 3.28% and 3.03% for the Class A and I shares, respectively. The Fund's investment advisor has contractually agreed to waive management fees and to make payments to limit Fund expenses until January 30, 2019. After this fee waiver, the expense ratios are 2.27% and 2.02% 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 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.

Fund Characteristics and Statistics

Fund Characteristics *(Inception – June 2018)*		
	DPFNX	Index**
Standard Deviation	2.54%	2.77%
Sharpe Ratio	3.47	0.27
Correlation to Index**	0.20	1.00
Up Capture to Index**	141%	100%
Down Capture to Index**	-116%	100%

Daily Statistics		
	DPFNX	Index**
Positive/Flat Days	599	359
Negative Days	81	321
% Positive/Flat Days	88%	53%
% Negative Days	12%	47%

Inception date is 10/16/2015.

**Index is the Bloomberg Barclay's US Aggregate Bond Index.

Market Update

The U.S. housing market continues to show stable growth as demand for existing and new homes remains strong in the midst of relatively constrained supply. As of the most recent April report, the S&P Case Shiller U.S National Home Price Index reflected a year-over-year increase of 6.6%, representing one of the highest annualized appreciation rates since 2014. The backdrop for the U.S. housing market strength is driven, in part, by improving new household formations which recently have translated to a resurgence of the National Homeownership rate. Until recently, the rate of homeownership had steadily declined in the years following the housing crisis, dropping from a peak of approximately 69% in 2004 to below 63% in early 2016. However, stable economic growth and declining unemployment trends have motivated home buyers back into the market, as the most recent Q1 2018 reading reflected an increase to 64.2%.

On the opposite side of the equation the pace of new home construction has lagged this resurgence in demand. While New Residential Housing Starts has increased over the past several years, the most recent pace of 1.3 million units started per year, as of May, is still well below the levels observed in the mid-2000's which peaked at well over 2 million per year. As construction starts struggle to match burgeoning home buyer demand the price effect is only further exacerbated by raw material costs. Notably, lumber prices have dramatically increased over the past year from approximately $400 (per thousand board feet) last year to as high as $560 as of the end of June. Ultimately, rising production costs will continue to further pressure new home prices upward.

Despite the impact to new home buyers which bear the burden of increasing home costs, these trends demonstrate some of the very favorable dynamics at work in the legacy non-agency RMBS sector. Over the years the influence of increasing home prices has translated to marked improvement in the performance of these seasoned pools of residential loans. Delinquency rates have steadily subsided resulting in decreasing rates of liquidations and losses. The positive impact has been observed in both strong cash flows and positive returns generated by the portfolio's RMBS holdings. The positive collateral performance trends demonstrated by these legacy securities is supplemented by the additional benefits provided from what we often refer to as the "optionality" components of these bonds. Specifically, as the loans underlying many of these deals gradually improve in performance, the value of the loan portfolio relative to the face value of the bonds outstanding also recovers. As a result, the pace of deals being "called" has remained steady throughout the first half of the year. During June, there were an additional 14 deals that were called bringing the year-to-date total to 77, representing approximately $1.9 billion in outstanding balance. These events can produce additional benefit to the portfolio's performance as associated bonds are paid-off at par once the deals are collapsed.

House Price Index (HPI) appreciation has provided a tail-wind to many of the portfolio's positions. However, it is important to consider the pace of home price appreciation relative to base-case expectations. On this front, we have generally taken a conservative approach to forecasting HPI and collateral performance. This has represented upside outperformance as HPI has exceeded our forecasts at time of purchase (i.e. base case expectations). As of the most recent report from S&P Case-Shiller national HPI was up 6.6% on a year-over-year basis. Looking forward, projections for HPI continue to remain strong. Bank of America recently released their forecast indicating that HPI may maintain approximately 5% growth in the years to come. While these trends in the housing market will continue to be a primary aspect of the Fund's performance, there are a number of other very interesting aspects of the portfolio which may provide additional upside optionality. For example, Settlements continue to provide positive optionality on the portfolio:

- JP Morgan recently paid out $635 million in settlements and still has the remaining amount of approximately $2.8 billion expected to be distributed in the next 12 months.
- Lehman is expected to pay out approximately $1 billion in the next 3-12 months.
- ResCap has been making incremental distributions over the past 5 years and still has approximately $200 million to be paid.
- Others – One-off settlements on individual deals

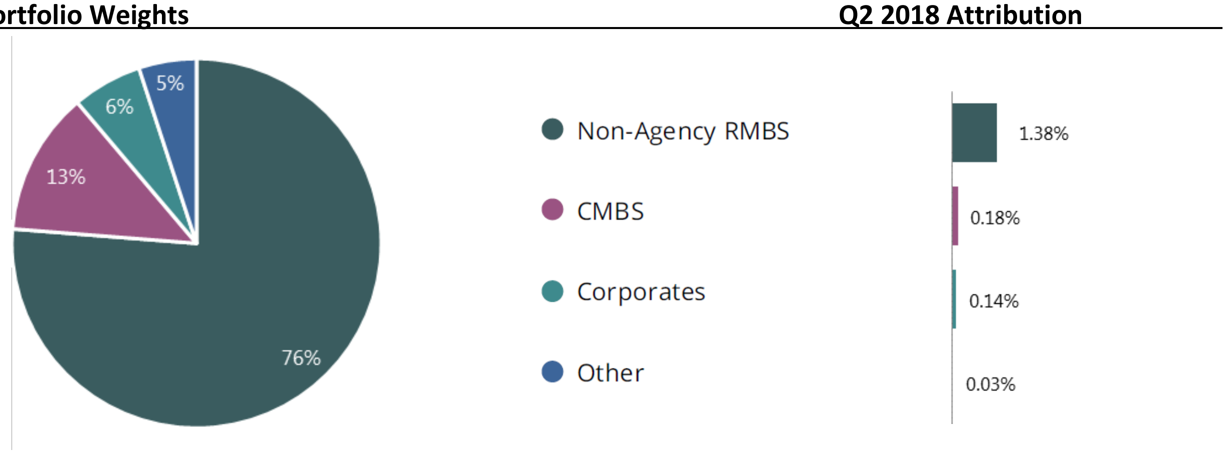
Fund Update

Opportunity in Legacy Non-Agency RMBS
Given Deer Park's current focus on Legacy Non-Agency RMBS, we are often asked about Deer Park's plan as this market continues to decrease in size as bonds are paid-off. The Legacy markets is estimated to still be $400-$600 billion in size which potentially provides many years of investment opportunity for the Fund. However, and more importantly, Deer Park continually monitors all segments of the Asset Backed (ABS) and Mortgage Backed (MBS) Securities markets as well as other higher yielding fixed income markets to determine the Fund's asset allocation. Michael Craig-Scheckman, the Fund's Co-Portfolio Manager, has been managing ABS and MBS portfolios for over 25 years beginning in 1993 as a PM with the large New York-based hedge fund Millennium Partners. Deer Park uses its extensive experience in investing in virtually all segments of ABS and MBS markets to determine, in their opinion, the best risk-adjusted segments of the market. Currently, they favor Legacy Non-Agency RMBS, but this opinion has changed over time and will continue to evolve in the future.

Performance Attribution

The portfolio's returns from a sector/sub-type reflect an ongoing increase in demand for legacy RMBS coupled with a steady improvement in collateral performance dynamics. Yield and market price appreciation of the portfolio provided gains across the full spectrum of residential mortgage backed securities.

Portfolio Weights **Q2 2018 Attribution**



Interest Rates

In today's potentially rising interest rate environment, we are often asked about the Fund's sensitivity to rising rates. We believe the Fund has relatively low interest rate sensitivity due to the fact that approximately 93% of the portfolio is in adjustable rate (or floating rate) mortgages. In addition, the underlying securities within the Fund have relatively high yields and are purchased at discounts to par. Since the Fund's inception in October 2015, there have been nine rising rate periods (as measured by the 10-year Treasury). In each period the 10-Year Treasury, the Bloomberg Barclay's US Aggregate Bond Index and the Bloomberg Barclay's US Municipal Index all posted negative returns while the Fund posted positive returns in all but one of the periods. See the table below.

Periods of Rising Rates			Change In Yield	Performance				DPFNX Performance Compared To:	
Start Date	End Date	Number of Days	10-Year U.S. Treasury	10-Year U.S. Treasury	Bloomberg Barclays US Aggregate Index	Bloomberg Barclays US Municipal Index	DPFNX (I Share)	Bloomberg Barclays US Aggregate Index	Bloomberg Barclays US Municipal Index
10/16/2015	11/9/2015	24	0.31%	-2.63%	-1.25%	-0.35%	**0.80%**	**2.05%**	**1.15%**
2/11/2016	3/11/2016	29	0.32%	-2.91%	-0.58%	-0.95%	**-0.58%**	**0.00%**	**0.37%**
4/7/2016	4/26/2016	19	0.24%	-2.05%	-0.65%	-0.06%	**1.94%**	**2.59%**	**2.01%**
7/8/2016	12/15/2016	160	1.24%	-9.87%	-4.28%	-5.02%	**6.95%**	**11.23%**	**11.97%**
2/24/2017	3/13/2017	17	0.31%	-2.40%	-1.54%	-0.88%	**0.18%**	**1.72%**	**1.06%**
4/18/2017	5/10/2017	22	0.25%	-1.89%	-0.88%	-0.26%	**1.01%**	**1.89%**	**1.27%**
6/26/2017	7/7/2017	11	0.25%	-2.15%	-1.02%	-0.79%	**0.14%**	**1.16%**	**0.93%**
9/7/2017	2/21/2018	167	0.91%	-6.66%	-2.83%	-1.56%	**1.41%**	**4.24%**	**2.97%**
4/2/2018	5/17/2018	45	0.38%	-2.92%	-1.56%	-0.17%	**0.80%**	**2.35%**	**0.97%**

Market Outlook

We are enthusiastic about how the Fund's holdings have performed in the current environment. Ongoing improvements in collateral performance in non-agency RMBS and other positions has continued to provide stable cash flows at the portfolio level. This trend is underpinned by the stability of the U.S. housing market. The favorable outlook for the housing market remains intact as numerous metrics such as affordability, constrained inventory, and increasing new household formation (as well as others) point to ongoing strength.

We continue to find solid investment opportunities in Legacy Non-Agency RMBS. We believe that improving fundamentals and attractive return potential present a favorable investment alternative to the U.S. equity markets, corporate bonds, and other global investment opportunities. We continue to believe that now is a good entry point into the RMBS markets.

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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