The Deer Park Total Return Credit Fund (the "Fund") returned 4.51% in the third quarter, 8.43% year-to-date, and 11.32% since inception just under a year ago on October 16, 2015. The Fund made its quarterly distribution at the end of the third quarter of approximately $0.21/share which equates to approximately a 7.7% annualized distribution rate.

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.

	Q3 2016	Year-to-Date	Inception through 9/30/2016*
DPFNX Class I (NAV)	4.51%	8.43%	11.32%
DPFAX Class A (NAV)	4.34%	8.23%	10.97%
DPFAX Class A (Max Load)	-1.62%	2.05%	4.59%
Barclays Aggregate Bond Index	*0.46%*	*5.80%*	*4.74%*
HFRX Fixed Income – Credit Index	*2.19%*	*2.87%*	*-0.14%*

*Inception date for the I and A share classes 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 September 8, 2017. 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

The market climate in legacy non-agency residential mortgage back securities ("RMBS") trading has continued to improve over the past several months. Specifically, we have observed an increased amount of purchasing activity from large money managers (e.g. mutual funds, insurance companies and banks). While the securities that these entities typically target reside on the higher levels of the capital structure, the influence on market prices has been observed for the broad array of tranches throughout the capital structure. This improvement in trade activity has resulted in both mark-to-market increases for legacy RMBS as well as attractive trading opportunities. Underlying this increase in demand is an ongoing positive trend in collateral performance which is supported by overall U.S. economic and housing market improvements. From an economic growth perspective, the U.S. has continued to show reasonable levels of growth with the most recent release from the U.S. Commerce Department indicating that second quarter GDP grew at a rate of 1.4%; a slight improvement over the previous estimate of 1.1%. Meanwhile, the labor market has also reflected durable improvements in the past several years. The most recent report from the Bureau of Labor Statistics indicated that the national unemployment rate has held steady

at 5.0% as of September. Furthermore, recent Labor Department metrics indicate that applications for jobless aid have also declined and were reported at 252,000 as of the last week of September, close to the lowest level recorded since 1973. These positive trends remain uniformly beneficial for the long term outlook on legacy residential collateral pools. However, we see concerning credit risks developing in other segments of the structured products universe. An area of particular concern is the general deterioration in the credit quality of newly issued commercial mortgage backed securities ("CMBS"). While portions of the collateral pools backing these deals may perform reasonably well, we see an increased risk associated with exposure to retail properties and regional malls (and to a lesser extent with office space). Accordingly, we have positioned the portfolio to potentially generate attractive risk-adjusted yields from our core legacy RMBS/ABS holdings while avoiding what we believe to be less attractive segments of the market.

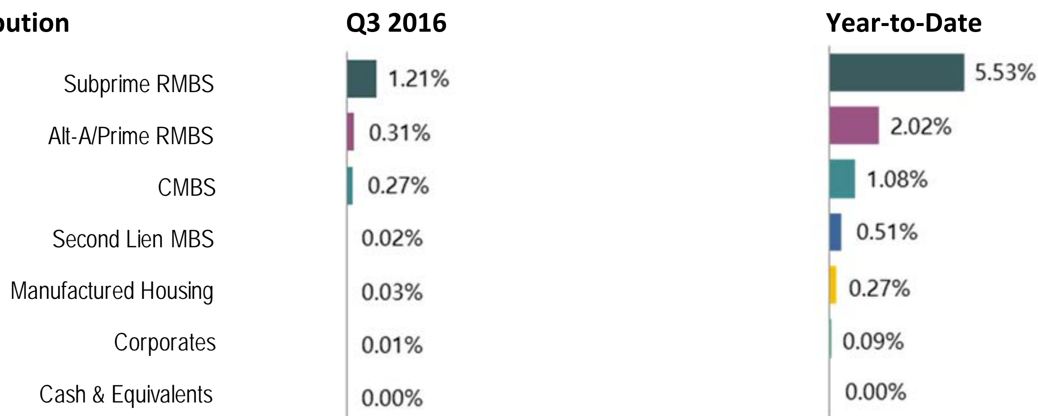
We continue to have a favorable view on the outlook for the US housing market. The positive implications of both stable U.S. economic growth as well as an accommodative mortgage market will likely prove to be a positive influence on both default and prepayment characteristics for legacy non-agency RMBS.

Performance Update

The steady improvement in the market for legacy RMBS has provided a number of opportunities on both the new purchase and sell side of trading. The overall demand for legacy RMBS holdings remained strong, highlighted by particular interest focused on higher mezzanine and senior securities. The impact of increased demand for these more senior tranches and larger sized positions has been twofold as it has shifted price levels up for certain tranches, but has also created pockets of opportunity. As a result, we have continued to find attractive new purchase opportunities in small denomination securities and those that are a bit lower in the capital structure.

The largest contributors to performance during the quarter were the Fund's holdings in Subprime and Alt-A/Prime Mezzanine RMBS. Year-to-date, these same sectors have been the largest contributors to performance and represent the largest allocations in the Fund.

Performance Attribution



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

Some of the same themes mentioned last quarter continued in the third quarter. We have continued to observe some increase in the buy side demand for legacy RMBS positions as participants have been drawn to the attractive risk-adjusted yields. We've seen an acceleration in this trend which resulted in a narrowing of bid/ask spreads, an increase in trading volume and a commensurate upward shift in market price levels. This price shift reflects a partial reversion of the technical price dislocation that was observed in the market earlier in the year but is also supported by the ongoing improvement in collateral performance dynamics.

RMBS Market

Looking back over the past year we have seen a substantial shift in the market. At the end of 2015 into Q1 2016, there was a technical selloff in the market that occurred, and base case yields increased. It is important to note that this selloff occurred despite the continued improvement in fundamental performance in the RMBS space (arguably this asset class has demonstrated the best overall fundamental performance of all structured products categories, in our opinion). Delinquencies continue to decline, voluntary prepayments have moved mildly upward, home price appreciation is slightly up and deleveraging continues in these legacy bonds. Over Q2 and Q3, demand has increased for legacy RMBS and, as mentioned, we have seen improvements in pricing and trading activity.

RMBS Fundamentals

In today's uncertain environment, it is hard to see a better fundamental asset class than seasoned mortgages, in our opinion. These loans were created 10 to 20 years ago and they have survived the great mortgage crash. Many of these borrowers had proved they deserved their loans (Subprime, Alt-A or Prime) and now have built significant equity in their homes. Other borrowers have loans that have been modified to a 2-3% interest rate and for lower balance loans this can equate to a $300 or $400 monthly payment. Conversely, renting a comparable property could cost as much as $1,500 - $1,800 a month. Understandably, these borrowers are incentivized to do everything possible to pay their mortgage as renting would be detrimental to their household finances. Furthermore, the seasoned nature of these loans means that they are also entering into the amortization schedule where a considerable amount of the monthly payments are being applied to principal, accelerating the growth in equity.

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 US equity markets, corporate bonds, and other global investment opportunities. We believe that now is a good entry point into the RMBS markets.

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 Barclays Capital U.S. High Yield Index*** *covers the universe of fixed rate, non-investment grade debt.*

HFRX Fixed Income - Credit Index *includes strategies with exposure to credit across a broad continuum of credit sub-strategies, including Corporate, Sovereign, Distressed, Convertible, Asset Backed, Capital Structure Arbitrage, Multi-Strategy and other Relative Value and Event Driven sub-strategies.* ***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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