Princeton Premium Fund

Quarterly Commentary
Fourth Quarter 2019
PrincetonPremiumFund.com
Class A: PPFAX | Class I: PPFIX

Summary:

- The Fourth Quarter of 2019 saw the S&P 500 (TR) post the second-best quarterly performance since 2013 (only Q1 2019 was better) to cap off the best year for the Index since 2013.
- The Princeton Premium Fund (the "Fund") finished the Fourth Quarter +1.36% to finish 2019 with an +8.75% return.

Commentary

Market Recap

What a difference a year (and three interest rate cuts) makes. During Q4 2018 it felt like the wheels were finally starting to come off of the record-long bull market in U.S. equities. However, a timely "Fed Pivot" seemingly staved off disaster (for now). During 2019 U.S. equity markets digested three interest rates cuts and decided to overweight the importance of those cuts and progress on trade relative to somewhat more tepid economic data and corporate earnings reports.

The Fourth Quarter of 2019 started off on a somewhat sour note, with the S&P 500 declining -2.99% over the first two trading sessions of October. However, by mid-month the Index was in positive territory and the potential for and eventual manifestation of the third U.S. Federal Reserve interest rate cut of the year at the end of the month carried the Index to new highs and a +2.17% return for October. November provided the S&P 500 with positive performance as well, with rumors of a potential trade deal with China carrying the Index to a +3.63% return for the month. In stark contrast to December 2018, which saw the S&P 500 lose -9.03%, December 2019 was a more "normal" end of the year. The S&P 500 returned +3.02% in December 2019 as the long-awaited "Phase 1" trade deal with China was finally formally announced (signed in January 2020). In aggregate, the S&P 500 returned +31.49% for 2019, the best year for the Index since 2013, and second-best year since 1997.

Quarter-End Performance

As of December 31, 2019	Q4 2019	Year To Date	One Year	Since Inception*
PPFIX Class I (NAV)*	1.36%	8.75%	8.75%	3.95%
PPFAX Class A (NAV)*	1.37%	8.60%	8.60%	3.71%
PPFAX Class A (Max Load)*	-4.46%	2.33%	2.33%	1.76%
S&P 500 Total Return Index	*9.07%*	*31.49%*	*31.49%*	*15.75%*

**Inception date for the I and A share classes is 11/16/2016.*
Performance for periods longer than one year is 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. For performance information current to the most recent month-end, please call toll-free (888) 868-9501.

The Fund's total annual operating expenses are 3.35% and 3.10% 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 at least January 29, 2020. After this fee waiver, the expense ratios are 3.07% and 2.82% 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.

Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Percentage of Profitable Trades[1]

As of December 31, 2019	Percentage		
	Q4 2019	YTD	Since Inception
Puts	83%	95%	96%

Daily Fund Statistics

As of December 31, 2019	Q4 2019		Since Inception	
	PPFIX	S&P 500	PPFIX	S&P 500
Positive/Flat Days	60	41	686	446
Negative Days	4	23	98	338
% Positive/Flat Days	94%	64%	88%	57%
% Negative Days	6%	36%	12%	43%

[1]The percentages shown refer to the number of put option trades with a profitable result relative to the number of total put option trades made. A trade refers to the sale of a put option and the purchase of a put option with all terms the same other than the strike price.
Past performance is not indicative of future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Commentary (Continued)

Market volatility peaked very early in the Fourth Quarter of 2019. The CBOE Volatility Index (VIX) closed at 20.56 on 10/02/2019, which proved to be the high for the quarter. It did remain in the 17-20 range for the first few days of October, but then subsided by mid-month and did not get over 16 for the rest of the quarter. From 10/09/2019 through the end of the year, the S&P 500 did not lose -1% in a single trading session.

Fund Recap

The Princeton Premium Fund returned +1.36% for the Fourth Quarter of 2019. The Fund's investment strategy is based on "the science and art of taking risk". In early October there were two trades that were closed down for "artful" reasons. While these trades did not hit the statistical probability at which they would normally be closed down, the decision was made based on the small cost to close them down given the volatility in the market during the first trading days of October. The Fund recovered these small losses fairly quickly and went on to post a +0.37% return for October. November was a somewhat lighter trading month for the Fund, with the week of Thanksgiving providing somewhat thin trading opportunities. All of the trades the Fund placed during the month expired profitable and the Fund posted another +0.37% return in November. Early December saw another small pickup in volatility. However, this quickly subsided and the Fund posted a +0.61% return for December. This capped an 8.75% return for the Fund during 2019.

Outlook

As we look ahead, we remain optimistic for the Fund. The S&P 500 appears priced to perfection with words like "euphoric" beginning to be used it is hard to see what, other than FOMO (the Fear Of Missing Out), can continue driving the market to new highs. We believe the Fund has the ability to produce positive results through different and potentially difficult market conditions. We continue to believe that the Fund's investment strategy can provide solid long-term returns regardless of equity market or interest rate direction.

There is no guarantee that this investment will achieve its objectives, goals, generate positive returns, or avoid losses.

PRINCETON PREMIUM FUND

Important Risk Information

Investors should carefully consider the investment objective, risks, charges and expenses of the Princeton Premium Fund. This and other information is contained in the prospectus and should be read carefully before investing. For a prospectus please call the Princeton Premium Fund at 1-888-868-9501. The Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Northern Lights Distributors, LLC and Princeton Fund Advisors, LLC are not affiliated.

Mutual funds involve risk, including possible loss of principal.

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. The value of the Fund's investments in fixed income securities will fluctuate with changes in interest rates. Options involve risks possibly greater than the risks associated with investing directly in securities. There is no guarantee that the sub-adviser's options strategy will be effective or that suitable transactions will be available.

The Fund uses options to increase the Fund's combined long and short exposure which creates leverage, which can magnify the Fund's potential for gain or loss. The Fund expects its premium collection options strategy to be market neutral and therefore the Fund does not expect to participate fully in positive markets which may not generate positive returns as intended. Liquidity risk may prevent the Fund from selling 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.

As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. Dramatic or abrupt volatility within the market would negatively impact the Fund's premium collection options strategy. The Fund's return may not match the return of the S&P 500 Index because it is not investing the equity securities that comprise such index. The Fund incurs operating expenses not applicable to the Index, and incurs costs in buying and selling securities.

The Fund is a new mutual fund and prior to its recent commencement of operations had no history of operations for investors to evaluate. The adviser's and any sub-adviser's judgments about the long-term returns the Fund may generate through its principal investment strategies may prove to be incorrect and may not produce the desired results. The Fund's principal investment strategies may not achieve their intended results and each strategy could negatively impact the Fund.

Definitions:

*A **Call or Put Option** is an agreement that gives an investor the right, but not the obligation, to buy or sell (respectively) a stock, bond, commodity or other instrument at a specified price within a specific time period. **Out-of-the-money** is term used to describe a call option with a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset. **In-the-money** means that a call option's strike price is below the market price of the underlying asset or that the strike price of a put option is above the market price of the underlying asset.*

*The **S&P 500 Index** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The Total Return version (which assumes all cash dividends are reinvested) and the Price version (which only tracks price movements) are shown.*

***VIX** is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility.*

***Standard Deviation** is a measure of the dispersion of a set of data from its mean. If the data points are further from the mean, there is higher deviation within the data set.*

***Volatility** is a statistical measure of the dispersion of returns for a given security or market index.*

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