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ADDING ALTERNATIVES

Enhanced Portfolio Positioning for Risks and Opportunities via Integration of Managed Futures into Equity Portfolios

KEY TAKEAWAYS

- Managed futures products usually implement trading methods that involve going long or short in futures and commodities diversified across global futures markets based on market trends.
- The 50/30/20 allocation model (50% U.S. Equities, 30% Bonds and 20% Managed Futures) offers a simple approach to integrating managed futures exposure into a portfolio: take 10% from both equities and bonds to allocate to managed futures.
- Financial Advisors and investors should consider the use of Managed Futures products, to strive to provide an uncorrelated return stream and reduce the impact of drawdowns.
- Rational/NuWave Enhanced Market Opportunity Fund (NUXIX) seeks long-term capital appreciation and superior risk-adjusted returns by combining an actively managed U.S. equities component and a broadly diversified managed futures component, providing both long and short exposures across a wide variety of financial and commodity markets.

With the bull market in its ninth year, many investors are faced with the challenge of continuing to improve their investment portfolio returns, while at the same time lowering risk and reducing the impact of potential drawdowns. In today's global markets, the traditional asset allocation mix of long-only stocks and bonds may not adequately position investors' portfolios for risks and growth opportunities. While no one can predict when the next market drawdown will occur, Financial Advisors and investors should consider the use of Managed Futures products, to strive to provide an uncorrelated return stream and reduce the impact of drawdowns. Historically, implementing managed futures exposure into a portfolio may have resulted in higher returns with reduced drawdowns and lower volatility. Even a 10% allocation to managed futures exposure would have significantly improved portfolio performance.[1]

[1]Based on historical return data for BarclayHedge CTA Index (Managed Futures) from January 1980 to June 2018.

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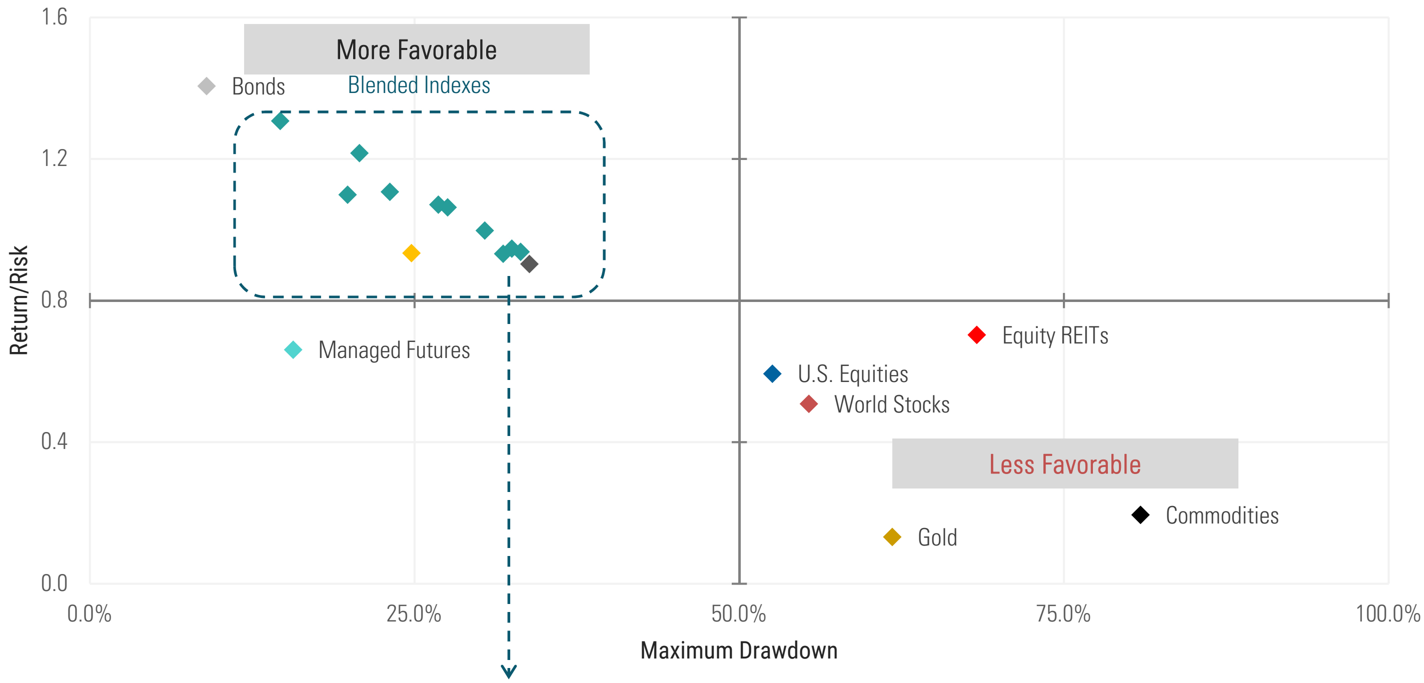
Since 1980, integrating even a 10% allocation to managed futures exposure into a portfolio significantly reduced volatility and improved returns.

Allocating to Managed Futures Exposure Has Historically Improved Portfolio Return/Risk and Reduced Drawdowns

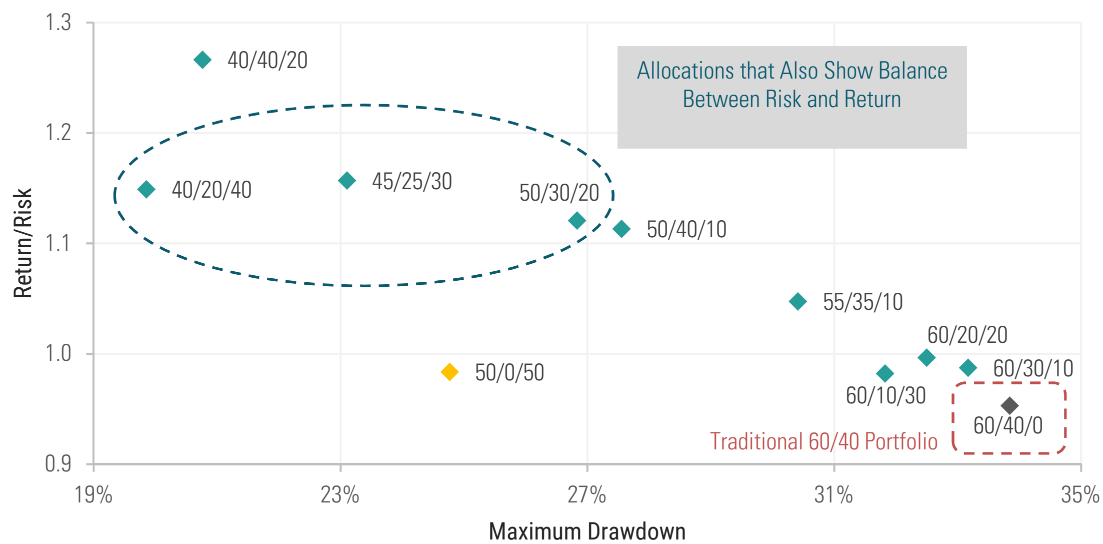
Return per risk calculated as annualized return divided by standard deviation.



Managed Futures and Crisis Alpha

Managed futures have a long history of providing crisis alpha, i.e., positive returns during periods of equity market turmoil. Even a 10% allocation to managed futures exposure in a portfolio would have reduced the maximum drawdown as compared to a traditional 60/40 portfolio.

Blended Indexes: % U.S. Equities | % Bonds | % Managed Futures



Historical annualized returns, risk (standard deviation) and maximum drawdowns based on monthly return data for BarclayHedge CTA Index (Managed Futures), S&P 500 Price Index (U.S. Equities), MSCI World Index (World Stocks), Bloomberg Barclays US Aggregate Bond Total Return Index (Bonds), FTSE NAREIT All Equity REITS TR Index (Equity REITs), S&P GSCI TR Index (Commodities), and LBMA Gold Price PM (Gold) from January 1980 to June 2018. Blended indices assume a monthly rebalance to the target allocation. Source: Bloomberg LP. Alternative investments may not be suitable for all investors and an investment in alternative funds is suitable only for investors who can bear the risks associated with the illiquidity of the fund's shares and should be viewed as a long-term investment.

Past performance is no guarantee of future results. There is no guarantee that any asset class will continue to perform similarly in the future. The referenced indices are shown for general market comparisons and are not meant to represent any fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

De-Risking a Portfolio via Managed Futures

WHY MANAGED FUTURES?

- ✓ A long history of delivering attractive risk-adjusted returns
- ✓ Uncorrelated to most major asset classes
- ✓ Opportunity to decrease overall portfolio volatility
- ✓ History of positive returns in up and down markets
- ✓ Potential for globally diversified exposure in a single investment vehicle
- ✓ Highly regulated and supervised industry and markets

Managed futures products usually implement trading methods that involve going long or short in futures and commodities diversified across global futures markets (e.g., diversified by trading strategy, geography and asset class) based on market trends, momentum, systematic mean-reversion and/or other futures strategies.

In addition to outperforming many major asset classes since 1980, managed futures have demonstrated a superior drawdown profile when compared to U.S. equities. Because of the uncorrelated nature, managed futures offer the potential for positive returns during both up and down markets, including periods of equity market turmoil. The potential to produce positive returns in various equity market environments as well as crisis alpha when investors need it most make managed futures a potentially compelling asset class.

By allocating to managed futures in a portfolio, investors can potentially improve their overall returns, while lowering risk and reducing the impact of drawdowns. Historically safer assets like bonds and gold may no longer prove as effective in buffering a portfolio during the next period of equity market turmoil.

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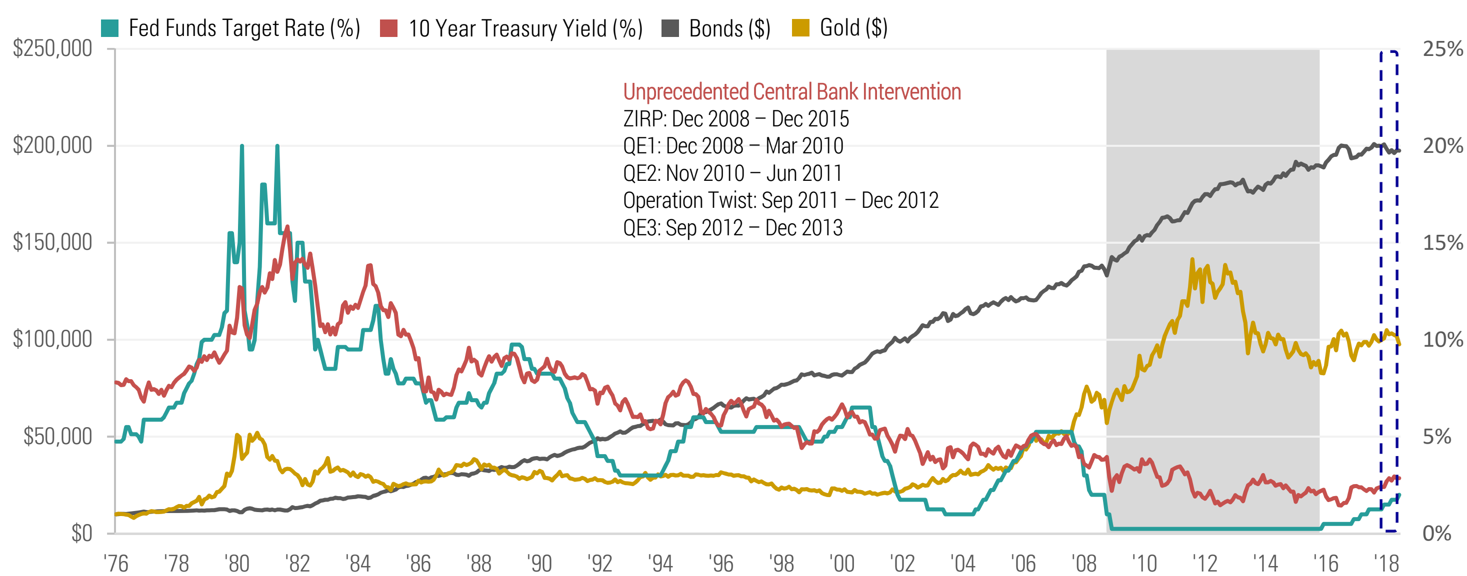
In response to the financial crisis of 2008, the Federal Reserve implemented a zero interest-rate policy (ZIRP), three quantitative easing programs (QE) and Operation Twist, another Federal Reserve quantitative easing initiative. In addition to heavily manipulating the bond markets, these programs likely drove U.S. equities and equity REITs to all-time highs as artificially low interest rates made stocks appear inexpensive on a relative basis. Concerns about inflation drove gold to all-time highs in 2011.

The Impact of Central Bank Intervention: Historical Interest Rates and the Price of Bonds and Gold

Growth of $10,000 for Bloomberg Barclays US Aggregate Bond Total Return Index (Bonds) and LBMA Gold Price PM (Gold) as well as corresponding Fed Funds Target Rate and 10 Year Treasury Yield based on monthly data from January 1976 to June 2018. Source: Bloomberg LP.



Past performance is no guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent any fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges. Please note that investing in derivatives (which include options, futures and other transactions) may give rise to leverage risk (which can increase volatility), and can have a significant impact on performance.

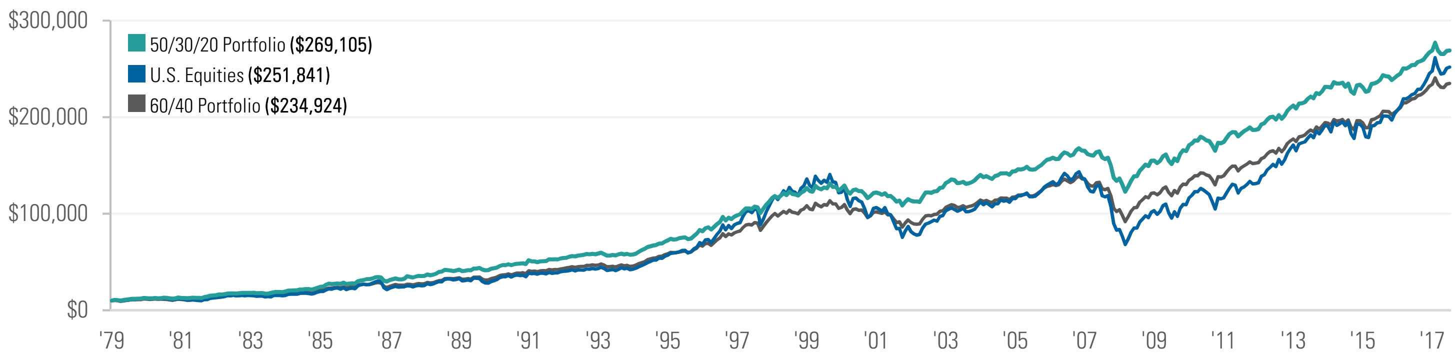
50/30/20 Managed Futures Allocation Strategy

In addition to historically exhibiting lower drawdowns, higher return per risk and a favorable balance between risk and return, the 50/30/20 allocation model (50% U.S. Equities, 30% Bonds and 20% Managed Futures) offers a simple approach to integrating managed futures exposure into a portfolio: take 10% from both equities and bonds to allocate to managed futures. This approach may be a potential option for investors concerned that, in today's environment, both stocks and bonds could decline during the next period of equity market turmoil.

The 50/30/20 allocation model (50% U.S. Equities, 30% Bonds and 20% Managed Futures) offers a simple approach to integrating managed futures exposure into a portfolio: take 10% from both equities and bonds to allocate to managed futures.

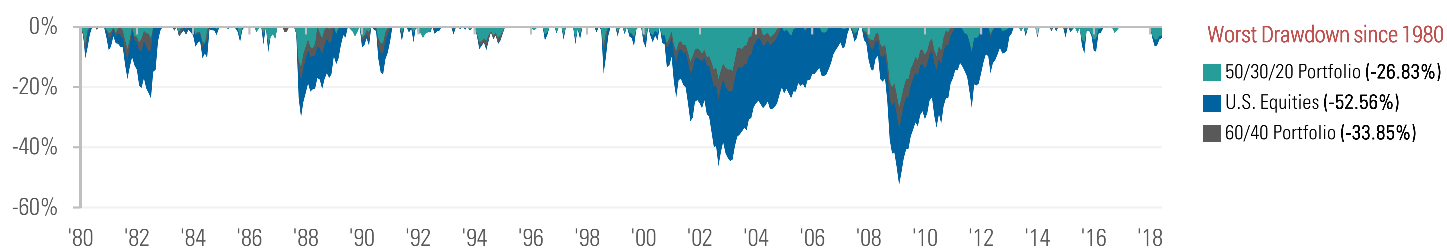
Attractive Risk-Adjusted Returns: Growth of $10,000 for Equities, a 60/40 Portfolio and a 50/30/20 Portfolio

Based on monthly return data from January 1980 to June 2018. Source: Bloomberg LP.



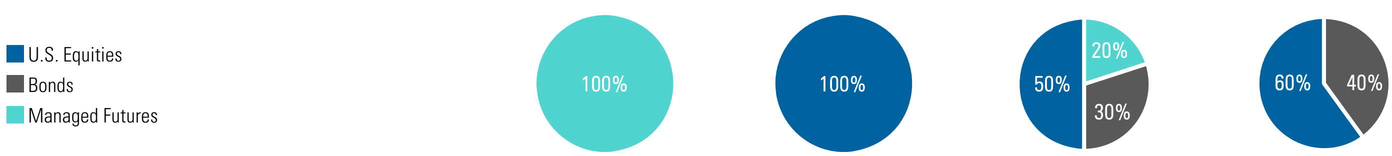
Significantly Lower Drawdowns: Historical Drawdowns for Equities, a 60/40 Portfolio and a 50/30/20 Portfolio

Based on monthly return data from January 1980 to June 2018. Source: Bloomberg LP.



Integrating Managed Futures Into a Portfolio Dramatically Improved Portfolio Performance Historically Since 1980

Allocations: % U.S. Equities | % Bonds | % Managed Futures. Based on monthly return data from January 1980 to June 2018. Source: Bloomberg LP.



Data from January 1980 to June 2018	Managed Futures	U.S. Equities	50/30/20 Portfolio	60/40 Portfolio
Worst Drawdown	-15.66%	-52.56%	-26.83%	-33.85%
Average Drawdown	-3.24%	-9.59%	-2.48%	-3.61%
Aggregate Return	2852%	2418%	2591%	2249%
Annualized Return	9.19%	8.74%	8.93%	8.54%
Standard Deviation	13.91%	14.75%	8.34%	9.46%
Return Per Risk	0.66	0.59	1.07	0.90
Correlation to S&P 500 Index	0.009	1.000	0.921	0.975

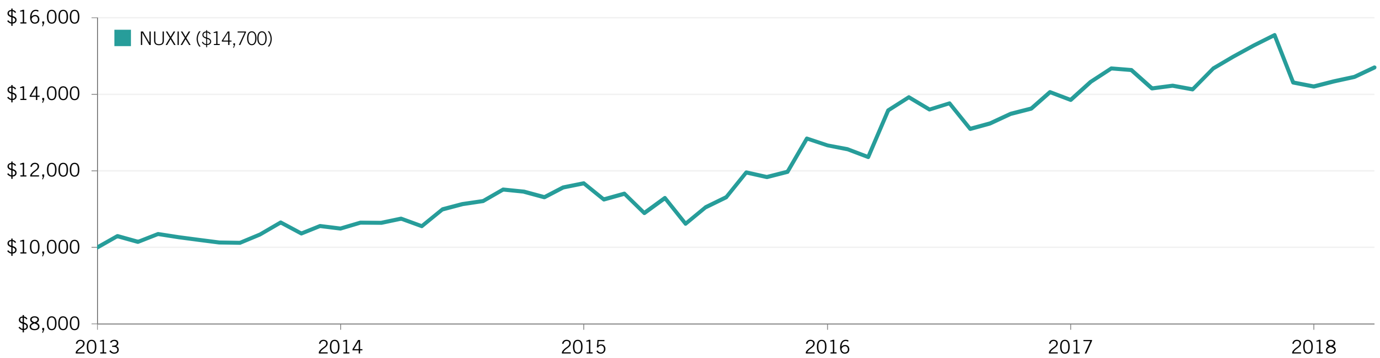
Past performance is no guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent any fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

Rational/NuWave Enhanced Market Opportunity Fund

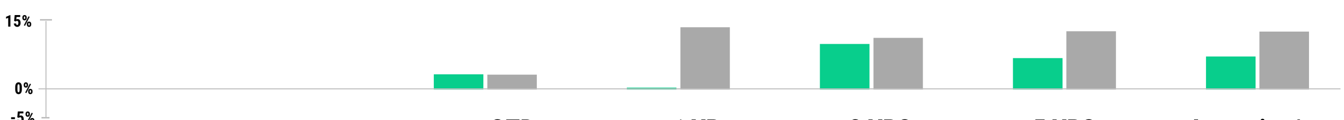
The Rational/NuWave Enhanced Market Opportunity Fund (NUXIX) seeks long-term capital appreciation and superior risk-adjusted returns by combining an actively managed U.S. equities component and a broadly diversified managed futures component, providing both long and short exposures across a wide variety of financial and commodity markets. Approximately, 75% of the Fund's assets are allocated to equity securities and 25% to commodity and financial futures, as well as cash and cash equivalents.

The Fund's equity component employs a systematic process to identify repetitive patterns of price behavior that are indicative of prevailing market sentiment and/or institutional money flows into or out of individual securities and sectors. Although NUXIX may invest in companies of any market capitalization without limit, the Fund expects to be invested predominantly in companies with market capitalizations of $5 billion or more. The Fund may also invest in companies domiciled outside of the U.S. The Fund's futures component employs a multi-model systematic approach to investing both long and short across a diverse selection of liquid financial and commodity futures markets, including global stock indices, fixed income, currencies, and commodities markets.

Growth of $10,000 Investment: Ending June 30, 2018



Performance (%): Ending June 30, 2018
(Annualized if greater than 1 year)



	QTD	1 YR	3 YRS	5 YRS	Inception*
Class I	3.49	0.44	10.49	7.27	7.61
S&P 500 TR Index	3.43	14.37	11.93	13.42	13.36
Class A	3.43	n/a	n/a	n/a	2.67
Class C	3.23	n/a	n/a	n/a	2.40
S&P 500 TR Index	3.43	n/a	n/a	n/a	0.81
Class A w/ Sales Charge	-2.53	n/a	n/a	n/a	-3.27

*Inception date: 03/31/2013

Maximum sales charge for Class A is 5.75%. 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. Results shown reflect the waiver, without which the results could have been lower. A fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. To obtain the most recent month end performance information or the Fund's prospectus please call 800-253-0412 or visit www.RationalMF.com.

Class I Risk Analysis Since 03/31/2013

	NUXIX
Alpha vs. S&P 500 TR	1.60%
Beta vs. S&P 500 TR	0.36
R-Squared vs. S&P 500 TR	0.12

IMPORTANT RISK DISCLOSURES

Investing in the Fund carries certain risks. There is no assurance that the fund will achieve its investment objectives. The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives and the resulting high portfolio turn-over may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives. The Fund may experience losses that exceed those experienced by funds that do not use futures contracts, options and hedging strategies. Investing in commodities markets may subject the Fund to greater volatility than investments in traditional securities. Currency trading risks include market risk, credit risk and country risk. Foreign investing involves risks not typically associated with U.S. investments. Changes in interest rates and the liquidity of certain investments could affect the Fund's overall performance. The Fund is non-diversified and as a result, changes in the value of a single security may have significant effect on the Fund's value. When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities or derivatives owned by the Fund. Furthermore, the use of leveraging can magnify the potential for gain or loss and amplify the effects of market volatility on the Fund's share price. The Fund is subject to regulatory change and tax risks; changes to current rules could increase costs associated with an investment in the Fund. These factors may affect the value of your investment.

The Fund acquired all of the assets and liabilities of NuWave Equity Enhanced Fund, LP (the "Predecessor Fund") in a tax-free reorganization on March 1, 2018. In connection with this acquisition, shares of the Predecessor Fund were exchanged for Institutional Shares of the Fund. The Fund's investment objectives, policies, restrictions, and guidelines are, in all material respects, equivalent to the Predecessor Fund's investment objectives, policies, restrictions, and guidelines. The Fund's sub-adviser was the adviser to the Predecessor Fund. The financial statements for the Predecessor Fund can be found in the Fund's Statement of Additional Information. The performance information set forth above reflects the historical performance of the Predecessor Fund shares. From its inception date, the predecessor limited partnership was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act of the Code, if they had been applicable, it might have adversely affected its performance. In addition, the predecessor limited partnership was not subject to sales loads that would have adversely affect performance.

Performance of the Predecessor Fund is not an indicator of future results.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Rational Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (800) 253-0412 or at www.RationalMF.com. The prospectus should be read carefully before investing. The Rational Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Rational Advisors, Inc. is not affiliated with Northern Lights Distributors, LLC.

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GLOSSARY OF TERMS

BarclayHedge CTA Index: A leading industry benchmark of representative performance of commodity trading advisors. The Index is equally weighted and rebalanced at the beginning of each year.
Correlation: A statistical measure of how two securities move in relation to each other.
Drawdown: A measure of the peak to valley loss of an investment for a stated time period. An investment does not recover from a drawdown until it surpasses the previous peak.
FTSE NAREIT All Equity REITS TR Index: A free-float adjusted, market capitalization-weighted index of U.S. equity REITs.
LBMA Gold Price PM: A Gold price index set at 15:00 London BST in US Dollars. ICE Benchmark Association (IBA) provides the price platform, methodology as well as the overall administration and governance for the LBMA Gold Price.
MSCI World Index: A broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. Index covers approximately 85% of the free float-adjusted market capitalization in each country.
S&P 500 Index: A market capitalization-weighted index that is used to represent the U.S. large-cap stock market. The Price Index does not include the impact of reinvested dividends. The Total Return (TR) Index reflects the effects of dividend reinvestment. Total Return Index data is not available prior to 1988. Any analysis period beginning prior to 1988 uses the Price Index.
Standard Deviation: A statistical measure of how consistent returns are over time; a higher standard deviation indicates historically more volatility.
Alpha: A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta.
Beta: A measure of the volatility of a fund relative to the overall market.
Sharpe Ratio: A risk-adjusted measure used to determine reward per unit of risk.
R-Squared: The percentage of a fund's movement that can be explained by movements in its benchmark index.

Rational Advisors LLC
36 New York Avenue, Floor 3
Huntington, NY 11743
Website: www.RationalMF.com
Shareholder Services: (800) 253-0412 Advisor Services: (646) 757-8063