

rationalfunds

Dividend Capture Fund

HDCAX | HDCEX | HDCTX

For Institutional Use Only – Not For Retail Distribution

DISCLOSURES

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.

Investing in the Fund carries certain risks. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. The Fund is non-diversified and may invest a greater percentage of its assets in a particular issue and may own fewer securities than other mutual funds. The performance of the Fund may be subject to substantial short term changes. To the extent the Fund invests in the stocks of smaller-sized companies, the Fund may be subject to additional risks, including the risk that earnings and prospects of these companies are more volatile than larger companies. Smaller-sized companies may experience higher failure rates than larger companies and normally have lower trading volume than larger companies. These factors may affect the value of your investment. Investments in real estate investment trusts (REITS) involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks, and may be more volatile than other securities. Investments in MLPs and MLP-related securities involve special risks including risks related to limited control and limited rights to vote on matters affecting the MLP or MLP-related security, risks related to potential conflicts of interest between an MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. There are no guarantees that dividend paying stocks will continue to pay dividends. In addition, dividend paying stocks may not experience the same capital appreciation potential as non-dividend.

4608-NLD-7/18/2017

Why Rational Funds

Capital markets are heavily influenced by behavioral biases – human emotions such as fear, greed, pride, and jealousy often overwhelmingly dominate logic and reason. As a result, our investment philosophy is based on applying a rational approach to investing, absent of any ad hoc or emotional decision-making to keep our portfolios disciplined and completely objective when faced with investment opportunities. Rather than relying on forecast, opinion, or intuition, our focus is to observe, analyze and identify potentially repeatable sources of return using quantifiable and relevant information. We employ rigorous research that is backed by sound academic theory.

Dividend Capture Fund

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**Risk Managed
Approach**



**Targets High
Dividend Yield**

The **Dividend Capture Fund** pursues a risk managed approach to total return investing, with dividend income an important component of that return.

Why Dividend Capture Fund

With a struggling global economy, uncertainty about interest rate and global political risks, we believe that the stage is set for markets to remain volatile in 2017. The Dividend Capture Fund has a fresh management team focused on Loss Averse Investing which can provide a risk managed approach to dividend investing.

At Rational Fund's, we believe that investors should consider reallocating to strategies focusing on risk aversion, high dividend, low volatility, high quality U.S. equities. Historically, dividend stocks have contributed a substantial amount to investors' total return, and they have worked particularly well in volatile market environments.

Patrick Adams, CFA

Award winning portfolio management

- Prior funds managed at Berger Funds, Kemper, Founders
- Featured in **Barron's Magazine – Having "All the Right Moves"**
- CIO of # 2 ranked fund company two years in a row by Mutual Fund Magazine

Of course, there is no guarantee that any investment strategy will achieve its objectives, generate income or avoid losses.

Dividend Capture Fund

Investment Strategy

The **Dividend Capture Fund** employs a risk managed approach and a highly disciplined investment process, combining fundamental and technical analysis to an effective dividend stock selection.

PRINCIPAL INVESTMENT STRATEGY

Normally invests at least 80% of its net assets in dividend-paying stocks, including preferred stocks and REITs.

Fundamental Stock Selection

- Fundamental analysis and screening is used to identify high quality, dividend paying stocks generally in U.S. corporations with market capitalizations of \$2 billion or more.

Technical Analysis

- Technical analysis is used to identify rates of change, trend input, cycle analysis and economic factors.

Loss Averse Investing

- The fund will utilize risk management controls when appropriate seeking to mitigate risk in falling market conditions.

Fundamental Analysis

Positions screened and selected utilizing bottom up fundamental input and analysis

Factor Categories

- + P/E Valuation
- + Growth in EPS
- + FCF
- + Profitability
- + Dividend Sustainability
- + Quality

Loss Averse Investing

Risk management controls are implemented to manage downside risk in the portfolio.

Primary Factors

- + Loss Aversion
- + Market Cycle Analysis
- + Reduced Beta Exposure

Investment Cycle

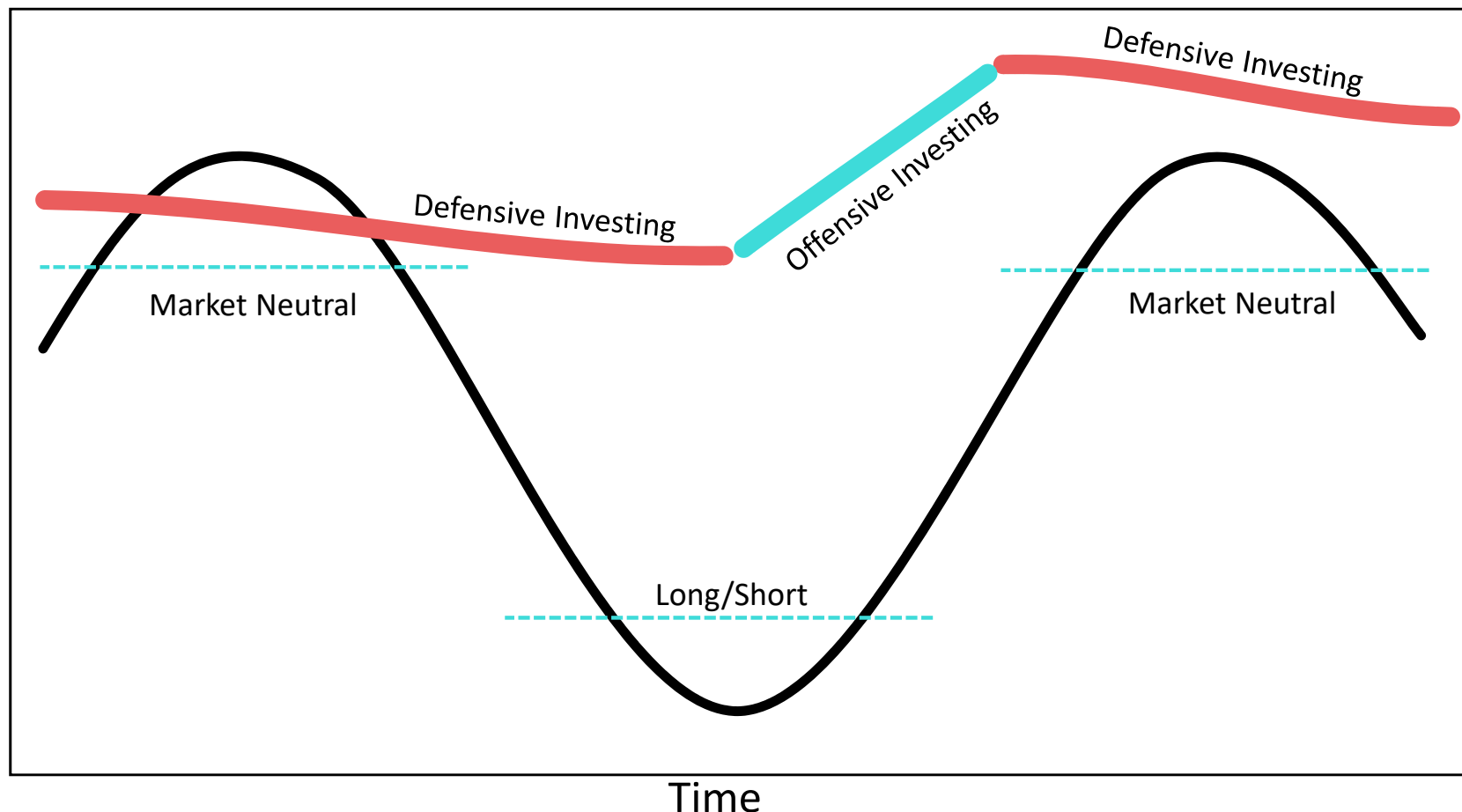
- The Fund generally will seek to be more offensive during bull markets and more defensive in falling markets

Dividend Capture Fund

Loss Averse Investing

The Rational Dividend Capture Fund utilizes **Loss Averse Investing** to best describe the approach of seeking to preserve capital during negative markets. By attempting to capture the least amount of downside helps apply an investment stance that seeks to operate with far less overall risk, yet attempting to capture greater returns over a full market cycle.

*Hypothetical Market Value vs. Rational Funds



*Past performance does not guarantee future results and there is no assurance that the Fund will achieve its investment objective.

Dividend Capture Fund

Portfolio Highlights

Sector Allocation: as of June 30, 2017

Real Estate	18.13%
Consumer Discretionary	13.03%
Consumer Staples	11.78%
Cash	10.82%
Financials	10.31%
Energy	10.02%
Telecommunication Services	10.00%
Industrials	5.75%
Health Care	3.79%
Information Technology	3.38%
Materials	2.98%
Utilities	0.00%

Top Ten Holdings: as of June 30, 2017

Cash & Cash Equivalents	10.8%
BP PLC	5.2%
Whitestone REIT	4.8%
Windstream Holdings Inc	4.0%
General Electric Co	4.0%
Global Medical REIT Inc	3.8%
CenturyLink Inc	3.7%
JM Smucker Co/The	3.5%
CBL & Associates Properties Inc	3.2%
New Senior Investment Group Inc	3.2%

Portfolio Statistics: as of June 30, 2017

Total Net Assets (\$MM)	\$80.2
Number of Holdings	41
Top 10 Holdings (%)	46%
Mean Total Market Cap (\$MM)	\$88,819
P/E Ratio	17.42

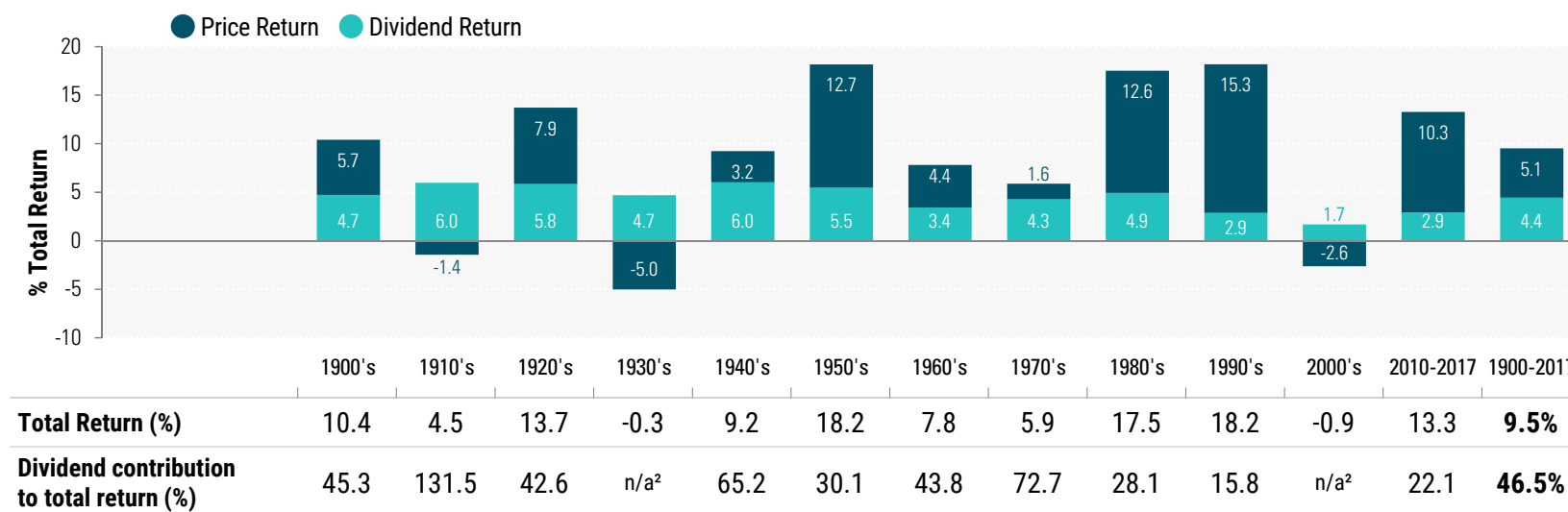
Fund holdings are subject to change and should not be considered investment advice.

Why Dividends Matter

SINCE 1900 THROUGH THE END OF Q2 2017, DIVIDENDS HAVE REPRESENTED NEARLY HALF OF THE S&P 500'S TOTAL RETURN¹

While the contribution of dividends to total return has fluctuated, the contribution throughout time clearly demonstrates that dividends have played an important role in equity total return.

Contributions of Dividends to Total Return
S&P 500 Index Annualized Return by Decade (1900- 2Q2017)¹



1. Data prior to 1988 is from "An Analysis of the S&P 500 Index and Cowles's Extensions: Price Indexes and Stock Returns, 1870-1999", Jack W. Wilson and Charles P. Jones, The Journal of Business, Vol. 75 No. 3 (July 2002) pp/ 505-533. Data after 1988 is sourced from Bloomberg and calculated by Rational Advisors. Total Return is annualized.

2. Because total return is negative, contribution from dividends to total return is not applicable.

The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

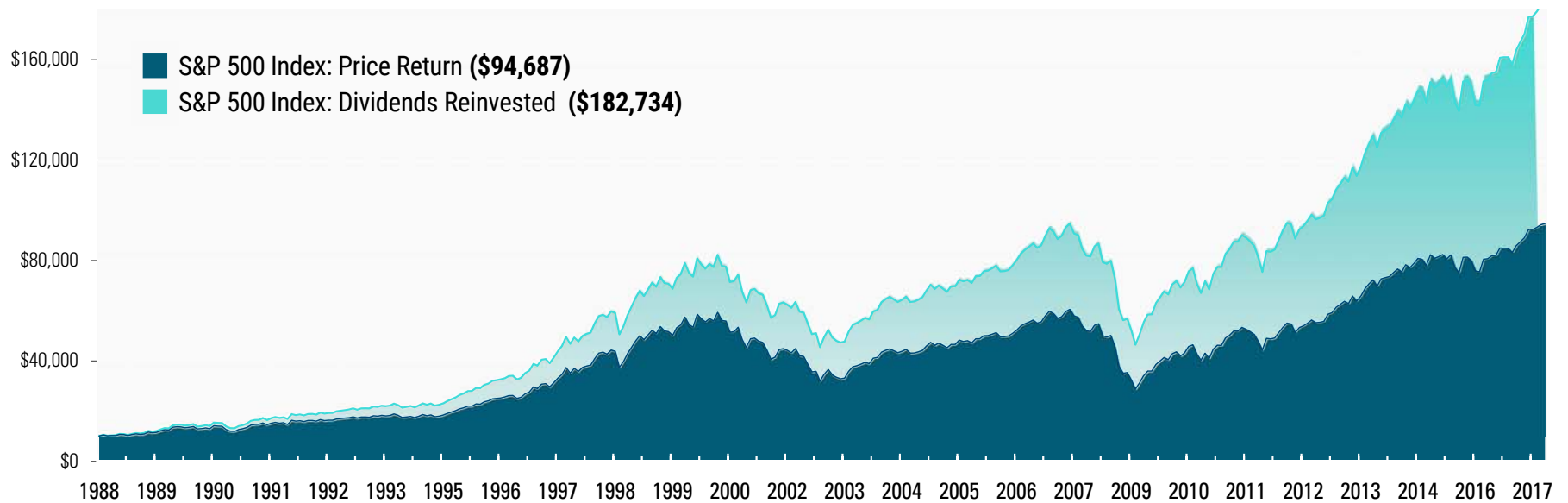
Why Dividends Matter

REINVESTING DIVIDENDS DURING FALLING EQUITY MARKETS CAN ACCELERATE AND MAGNIFY A PORTFOLIO'S RECOVERY

Through the reinvestment of dividends, investors can capitalize during falling equity markets by accumulating additional shares at lower prices without the need to invest additional capital.

Impact of Dividend Reinvestment on Long Term Growth

Hypothetical \$10,000 Investment from January 1, 1988 through June 30, 2017



Source: Data is sourced from Bloomberg, results calculated by Rational Advisors.

The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs, fees, and expenses. Past performance is no guarantee of future results.

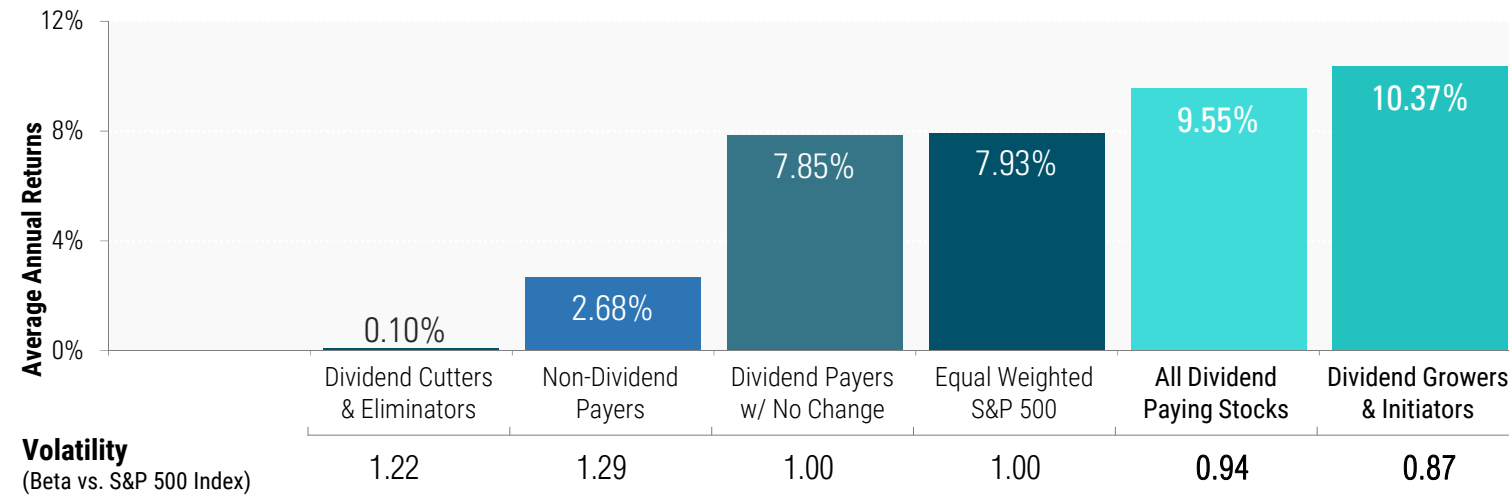
Why Dividends Matter

DIVIDEND PAYMENTS CAN BE A STRAIGHTFORWARD AND EFFECTIVE TOOL TO IDENTIFY QUALITY, WELL-RUN COMPANIES

Companies that have consistently grown or initiated a dividend have historically delivered significantly stronger returns than non-dividend paying companies.

Total Returns & Volatility of S&P Stocks by Dividend Policy

Average Annual Returns, Beta vs. S&P 500 (January 1972 to December 2014)



Source: 2015 Ned Davis Research, Inc.

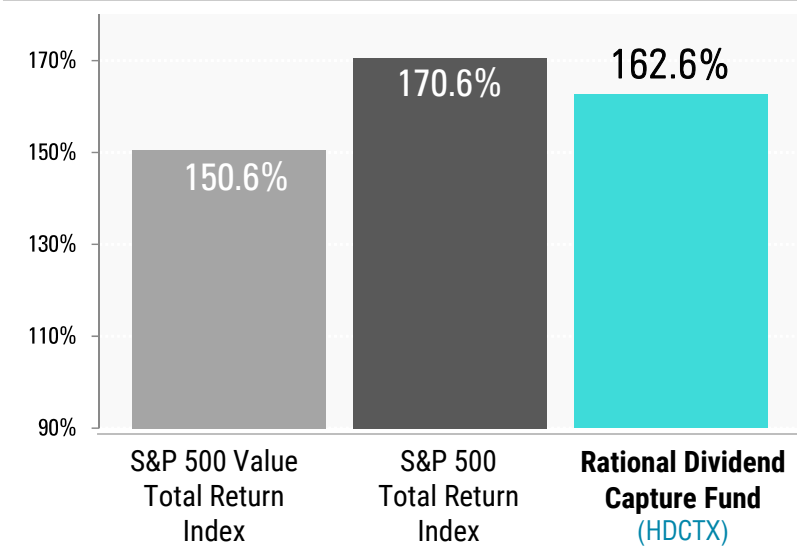
Dividend Growers & Initiators represents all dividend-paying stocks that raised their existing dividend or initiated a new dividend; *All Dividend Paying Stocks* represents all dividend-paying stocks; *Dividend Payers w/ No Change* represents all dividend-paying stocks that have maintained their existing dividend; *Non-Dividend Payers* represents non-dividend paying stocks; and *Dividend Cutters & Eliminators* represents stocks that have lowered or eliminated their dividend.

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Dividend Capture Fund

Since 2001, the **Rational Dividend Capture Fund** has outperformed the S&P 500 TR Index with lower volatility, while seeking to provide a monthly dividend distribution

Cumulative Returns Since Inception*



Fund Performance: Ending June 30, 2017

	1 Year	3 Years	5 Years	10 Years	Inception*
Institutional Class	-2.76	0.98	7.21	3.96	6.09
Class A	-3.00	0.73	6.93	3.71	5.84
Class A w/ Load	-7.63	-0.89	5.90	3.20	5.52

Past performance is not a guarantee of future results.

* Inception: 03/01/2001

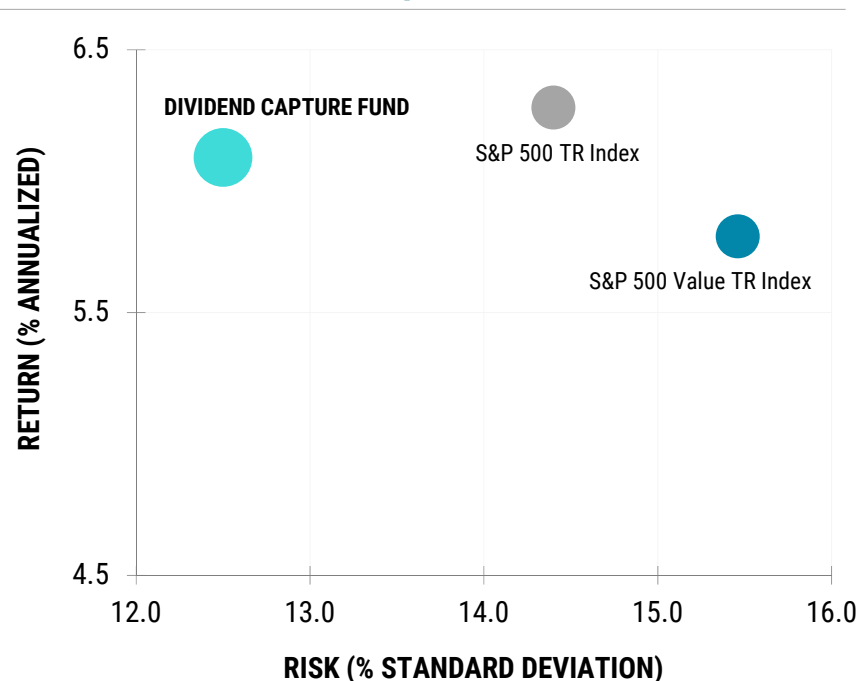
The maximum sales charge for Class "A" Shares is 4.75%. Class "C" Shares held for less than one year are subject to a 1% CDSC. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call 800-253.0412 or visit www.RationalMF.com.

The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

Dividend Capture Fund

Fund Performance

Risk/Return Since Inception*



Performance & Risk Summary

	HDCTX	S&P 500 Value TR Index	S&P 500 TR Index
Annualized Return	6.09%	5.79%	6.28%
Volatility	12.50%	15.46%	14.40%
Sharpe Ratio	0.32	0.24	0.30
Alpha vs. S&P 500	1.35%	-0.72%	-
Beta vs. S&P 500	0.71	1.04	-
Correlation vs. S&P 500	0.82	0.98	-

Past performance is not a guarantee of future results.

* Inception: 03/01/2001

The maximum sales charge for Class "A" Shares is 4.75%. Class "C" Shares held for less than one year are subject to a 1% CDSC. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call 800-253.0412 or visit www.RationalMF.com.

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Dividend Capture Fund

Summary & How To Invest

At Rational Funds, we believe that dividend income and risk management are critical elements in the pursuit of long-term equity returns. We believe that the stage is set for markets to remain volatile and therefore investors should consider reallocating to strategies focusing on risk managed, high dividend, low volatility, high quality U.S. equities.

The **Rational Dividend Capture Fund** seeks a risk-managed total return on investment, with dividend income an important component of that return. **Since 2001, the Fund has significantly outperformed the S&P 500 TR Index with lower volatility and while seeking to provide a monthly dividend distribution.**

How to Invest

Share Class	Ticker	Minimum Investment	CUSIP	Net Expense*	Gross Expense*
Institutional	HDCTX	\$1,000	628255309	1.00%	1.43%
Class A	HDCAX	\$1,000	628255101	1.25%	1.68%
Class C	HDCEX	\$1,000	628255200	1.75%	2.18%

*The Fund's investment advisor, Rational Advisors, Inc. (the "Advisor") has contractually agreed to waive all or a portion of its management fee and/or reimburse certain operating expenses of the Fund to the extent necessary in order to limit the Fund's total annual fund operating expenses (after the fee waivers and/or expense reimbursements, and exclusive of acquired fund fees and expenses, brokerage costs, interest, taxes and dividends, and extraordinary expenses) to not more than 1.00%, 1.25% and 1.75% of the Institutional Shares, Class A Shares and Class C Shares daily net assets, respectively, through April 30, 2018.

GLOSSARY

S&P 500 Index: A market capitalization-weighted index that is used to represent the U.S. large-cap stock market.

S&P 500 Value Index: A unmanaged market-capitalization weighted index consisting of those stocks within the S&P 500 that exhibit strong value characteristics.

Sharpe Ratio: A risk-adjusted measure of a fund's performance that indicates a fund's return per unit of risk, defining risk as volatility (standard deviation).

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 a fund's sensitivity to market movements.

Correlation: A statistical measure of how two securities move in relation to each other.


Maximum Drawdown: A measure of the maximum loss from a peak to a trough of a portfolio or index, before a new peak is attained.

Price-to-Earnings Ratio : A measures the current share price relative to the per-share earnings.

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