

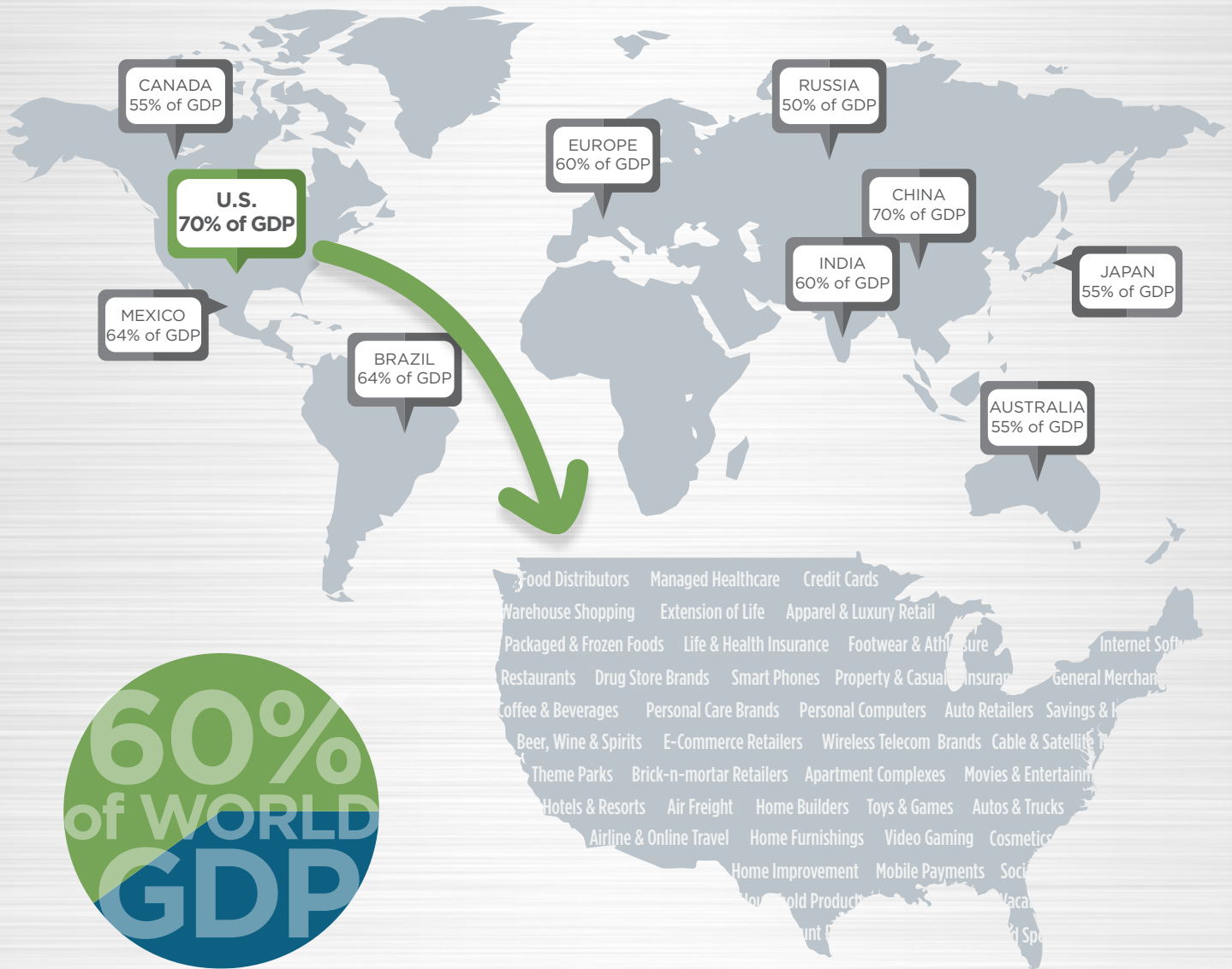
## Global Consumerism: The \$44 Trillion Investment Opportunity



**If Consumption is the Core of Every Economy, Shouldn't the Most Relevant Brands be the Core Driver of your Portfolio?**

### The \$44 Trillion Investment Opportunity

Billions of People. Trillions in Spending.



Household consumption accounts for roughly 60% of the roughly \$74 trillion in global GDP.

The U.S. economy is the largest consumer-driven economy in the world with an estimated \$14 trillion in yearly consumption capacity (\$20 trillion economy, 70% consumption in 2018).

Source: McKinsey report, Urban World: The global consumers to watch, April 2016

Map Source: GDP statistics & consumption as a percent of GDP data – Worldbank.org. \*Europe includes: Germany, UK, France, Italy, Spain, Netherlands, Turkey, Switzerland, Sweden \*\*The \$44 trillion consumption opportunity was created by Accuvest Global Advisors using Worldbank.org data with the following formula: Multiply each major country's 2015 GDP estimate by the estimated percentage of the GDP that is derived by consumption and add the results together to get to the \$44 trillion opportunity.

## ALPHA BRANDS Consumer Spending Index

The Investment Universe for the Rational Dynamic Brands Fund

### Index Methodology



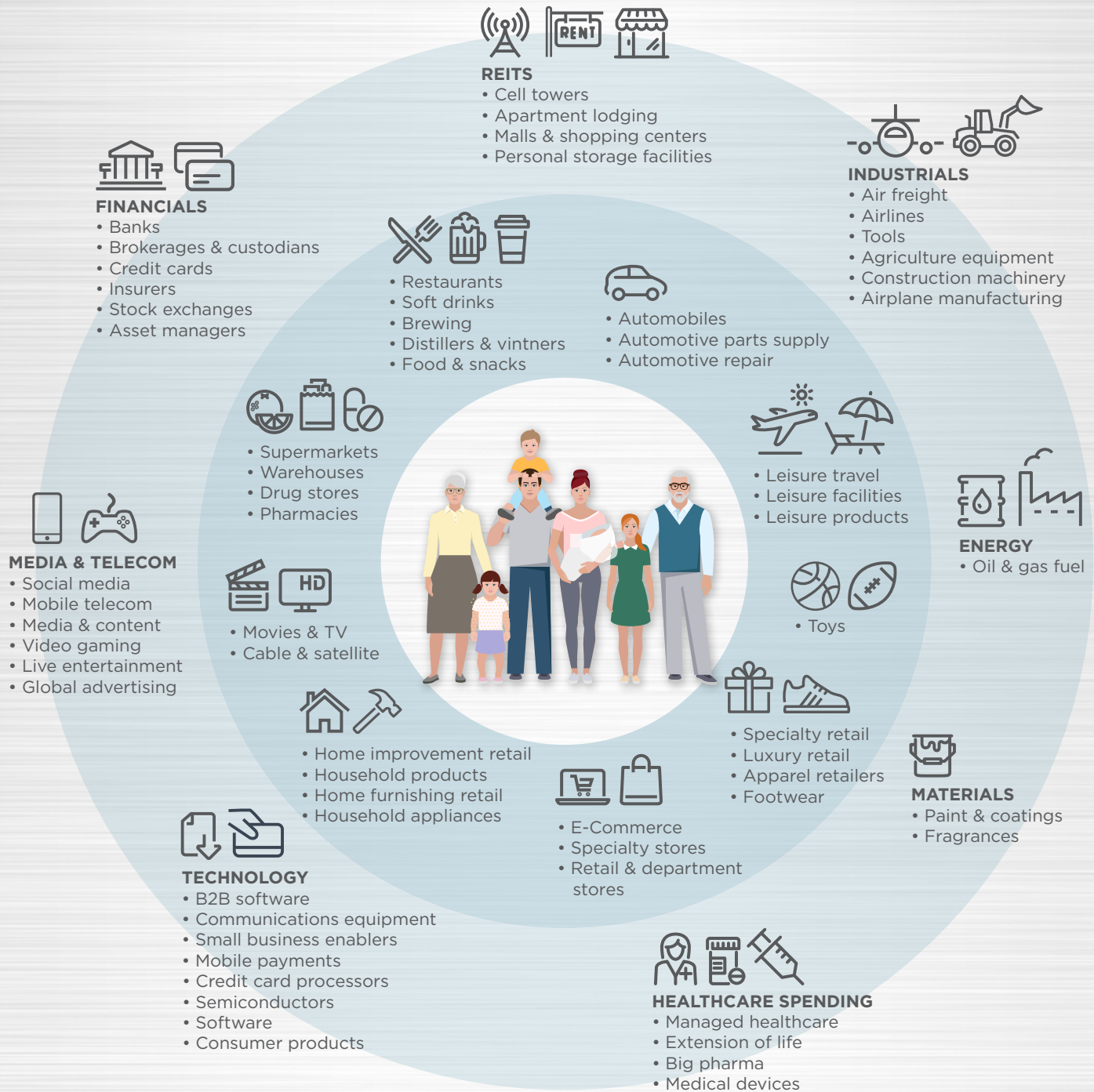
### Index Details

- 200 highly relevant and powerful brands
- Serving American and/or global consumers
- ~70 sub-industries and 10 sectors
- Includes top B2B brands deemed vital to the consumption supply chain
- Top B2B brands enable brands to extend their competitive MOATS
- 180 U.S. brands, 20 top international brands
- An analytical approach to selecting the most important consumer spending industries and brands
- Updated each December to reflect consumer spending trends
- Tracking a lifetime of spending via the leading brands across sectors



## DYNAMIC BRANDS

The Only Investment Strategy Dedicated to Investing in the Brands Dominating Important Consumer Spending Categories

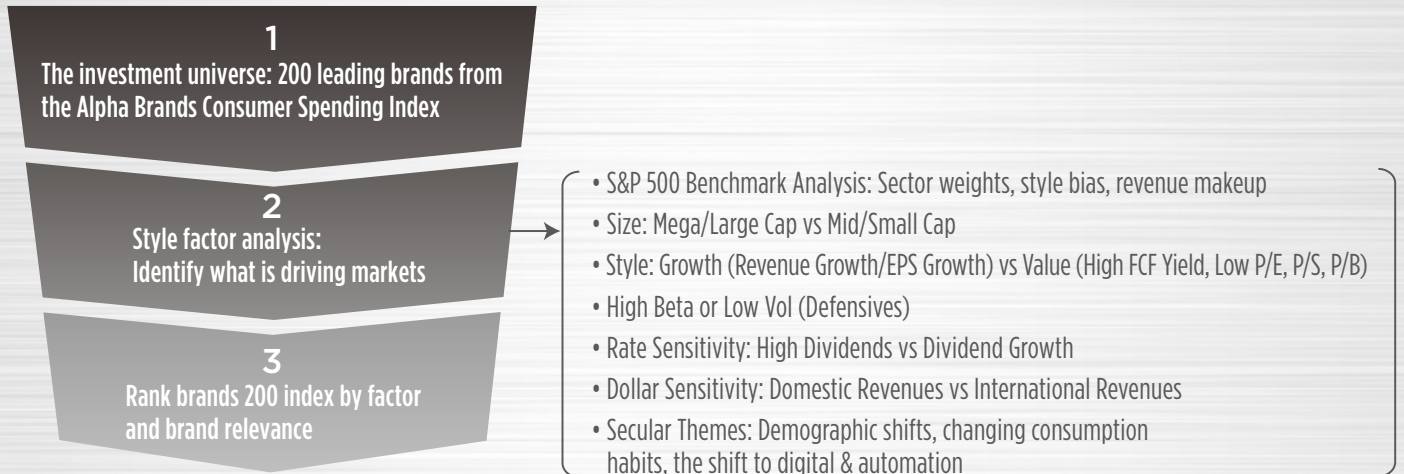


The illustration above is an example of the traditional consumer-focused industries tracked by the Alpha Brands Consumer Spending Index including those vital to the consumption supply chain. The Index is re-constituted each December to reflect any changes in consumption habits detected by the Investment Committee. Over time, the consumption-focused industries tracked by the Investment Committee can be expected to change as the S&P 500 sub-industries change and/or as private, consumer-focused companies enter the public markets.

## DYNAMIC BRANDS

Powered by Fundamentals, Guided by Technicals, Risk Managed for Prudence

### OUR PROCESS



Identify the most attractive style factor tilts and allocate to the most relevant brands



## DYNAMIC BRANDS

There is no assurance that the Fund will achieve its investment objective. The Investment Committee (IC), through rigorous fundamental & technical research, identifies and chooses the Top 25-50 Brands for the Dynamic Brands strategy. Portfolio holdings are a sub-segment of the 200 Brands contained in the Alpha Brands Consumer Spending Index, Bloomberg symbol, BRANDS.

The Index is re-constituted every December and tracks the leading B2C and B2B Brands serving U.S. and global consumers. The Investment committee creates a “best of the best” portfolio of the most attractively priced Brands based on its proprietary 7-step investment process. The long-term portfolio goal is to generate attractive returns each calendar year regardless of the economic environment. To accomplish this, the Investment Committee manages the portfolio with maximum flexibility and allows itself the ability to quickly adapt to changing market conditions. The portfolio will own what the IC believes are the most technically attractive Brands from within the Alpha Brands Consumer Spending Index. The portfolio can be fully invested in top brands, hold cash, and/or utilize protective ETF’s in times of high market stress. Allocation decisions are based on: current macro data, investor sentiment, equity technicals, interest rate movements & U.S. dollar trends.

## DYNAMIC BRANDS Summary

A Fresh, Updated Approach to Managing Equities

1. Powered by the 200 brands contained in the Alpha Brands Consumer Spending Index
2. A CORE Large-cap equity allocation
3. Agnostic to value and growth
4. Unconstrained and opportunistic across sectors and industries
5. A Core + Tactical stock selection process
6. A “best of the best” portfolio (25-50 stocks)
7. Max weight of any one position: 5% at time of purchase
8. Dynamic, risk management (can hold up to 40% cash when prudent)
9. Can deploy defensive and protective ETF's in times of high market stress
10. Managed with a tax-aware approach

## Managing Downside Risk Happens in Stages

### Stock Selection Goal:

Owning the Leading Brands Helps Capture Alpha (excess return)

### Risk Management Goal:

Dynamically Adjusting Risk Exposure Helps Smooth the Ride and Protect Capital



Disclosure: The risk management process stated above is an illustration of the market environments and factors that could warrant the Investment Committee to de-risk the portfolio. The degree of de-risking that could occur is not determined by using a rules-based approach but is driven by the facts and economic data-points available at the time as analyzed by the Committee. The above are guidelines and examples of the type of scenarios that might occur that could warrant a decision to reduce exposure to equities. Of course, there can be no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.





## DYNAMIC BRANDS FUND

A: HSUAX • C: HSUCX • I: HSUTX

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### Important Risk Information

FUND HOLDINGS ARE SUBJECT TO CHANGE AND SHOULD NOT BE CONSIDERED INVESTMENT ADVICE.

Past performance is not a guarantee 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](http://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. These factors may affect the value of your investment. Investments in international markets present special risks including currency fluctuation, the potential for diplomatic and political instability, regulatory and liquidity risks, foreign taxations and differences in auditing and other financial standards. Risks of foreign investing are generally intensified for investment in emerging markets. Emerging market securities tend to be more volatile and less liquid than securities traded in developed countries.**

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