

## WHY INVEST IN ADAPTIVE ASSET ALLOCATION

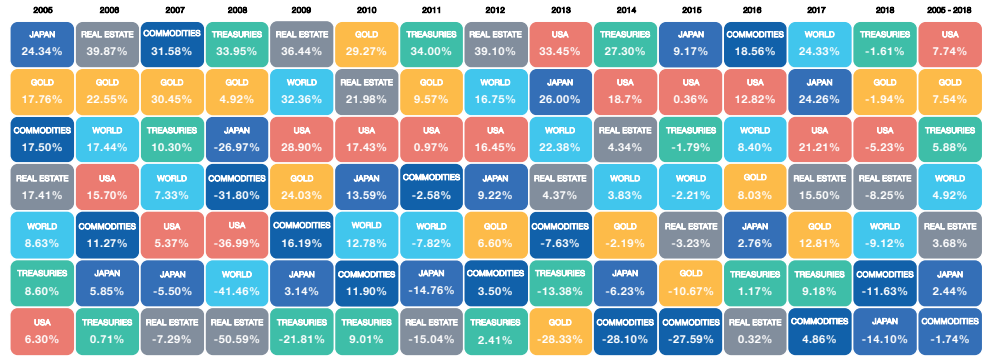
### Maximum Diversification

#### THE IMPORTANCE OF GLOBAL DIVERSIFICATION

There's almost always a strong market somewhere in the world, even in the depths of the global financial crisis (see 2008 to the right).

The Rational/ReSolve Adaptive Asset Allocation (RDMIX) ignores stock selection to focus exclusively on large global asset classes using futures contracts and occasionally exchange traded funds to gain dynamic exposure to global market opportunities across country equity indexes, fixed income and alternative asset classes such as tradeable real estate, currencies, and commodities.

Figure 4. Global Asset Class Yearly Performance Ranking



Investment markets are unpredictable and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

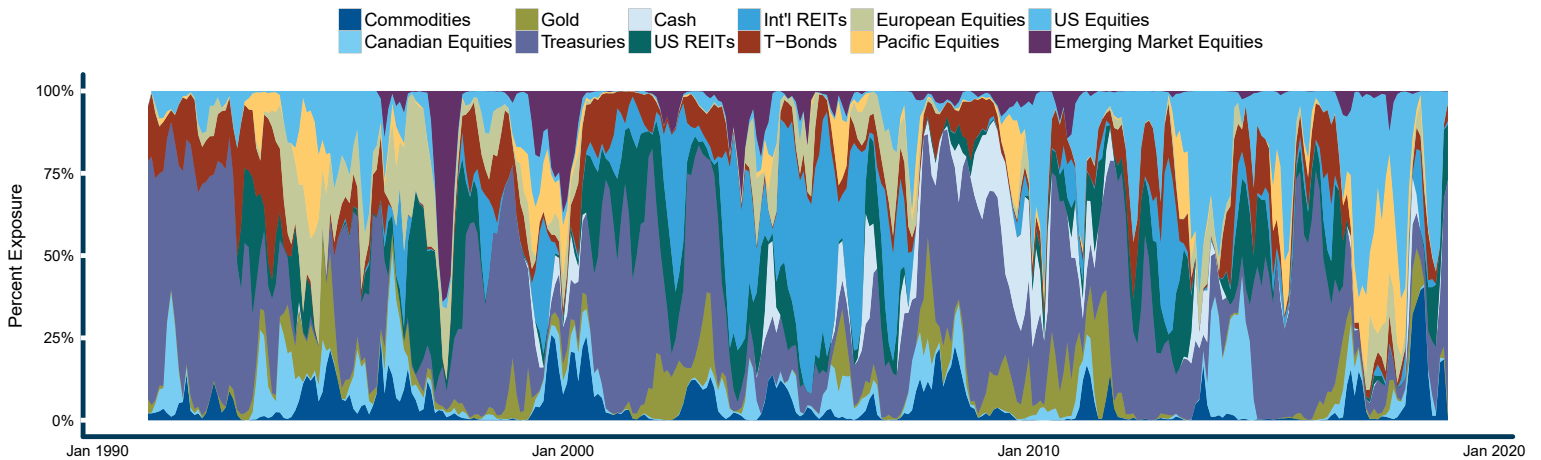
### Agile and Uncorrelated

#### AS MARKETS CHANGE, SO SHOULD YOUR PORTFOLIO

Global Markets are in constant flux, from periods of strong growth, to inflationary regimes, to momentary deflationary busts. This reality means investors need to access strategies that seek to go anywhere in the world with agility. RDMIX attempts to fulfill this role by creating dynamic portfolios using proprietary quantitative innovations that systematically emphasize global assets with strong and persistent trend and momentum characteristics, while seeking to maximize diversification and minimize total portfolio volatility.

This means that the Fund is likely to be uncorrelated to buy-and-hold portfolios when investors may need it the most.

Figure 5. Asset Class Transition of a Hypothetical Momentum Ranked Portfolio For Illustrative Purposes Only



Source: ReSolve Asset Management. Data from CSI data. The asset class transitions displayed in this chart is based on a simple hypothetical portfolio as described in the disclaimer at the end of this document. This portfolio does not represent any strategies that ReSolve implements for clients and is for illustrative purposes only.

Risk Targeted

AIMING FOR A MORE CONSISTENT RISK EXPERIENCE

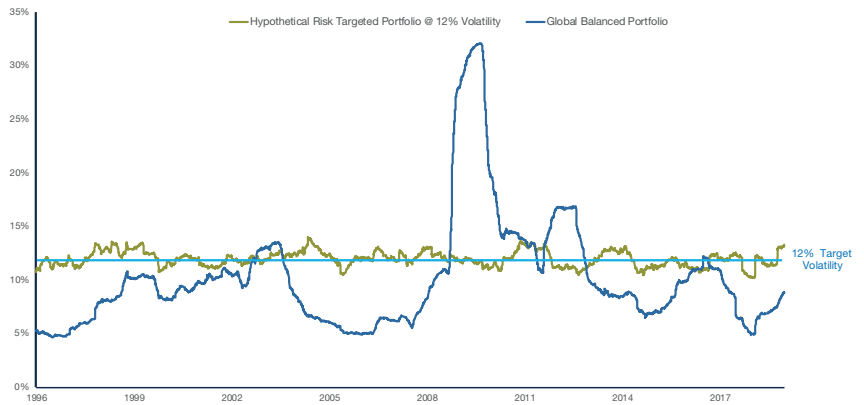
We believe that the journey is just as important as the destination. To that end, the strategy aims to deliver on the risk profile investors signed up for in good and bad markets.

As portfolio weights and estimates of volatility and correlations change through time, the Fund will increase and decrease the gross exposure in an effort to maintain its target level of annualized portfolio volatility. This is something more traditional portfolios generally fail to deliver on (see 'Global Balanced Portfolio' to the right).

EXPERIENCED LEADERSHIP

ReResolve's management team are considered thought leaders in the space of quantitative finance with extensive experience in asset management for private clients and institutions. The team's approach to investing blends the rigor of academic research methods with the hard-nosed practicality required to implement functional investment strategies in risky markets. Passionate educators, Adam, Mike and Rodrigo have authored the book Adaptive Asset Allocation - Dynamic Global Portfolios Designed to Profit in Good Time and Bad, as well as several whitepapers that rank in the top 1% of most downloaded research on the academically renowned SSRN network.\* The team is also responsible for the popular GestaltU.com investment blog.

Figure 6. 12 Month Rolling Volatility. Hypothetical Risk Targeted Portfolio vs. Global Balanced Portfolio. FOR ILLUSTRATIVE PURPOSES ONLY



Source: ReResolve Asset Management. Data from CSI Data. The volatility character measured in this chart is based on a simple hypothetical portfolio as described in the disclaimer at the end of this document. This portfolio does not represent any strategies that ReResolve implements for clients and is for illustrative purposes only. Past Performance is not indicative of future results.



MICHAEL L. PHILBRICK,  
CIM, AIFP  
PRESIDENT

Over 25 years of experience in investment management.

Responsible for portfolio management and strategic leadership.

Portfolio Manager & Branch Manager – Scotia McLeod, Richardson GMP, Macquarie Private Wealth.



ADAM BUTLER,  
CFA, CAIA  
CHIEF INVESTMENT OFFICER

13 years of experience in investment management.

Primarily responsible for research and portfolio management.

Lead author on several public research whitepapers and GestaltU blog.

Portfolio Manager – Richardson GMP, Macquarie Private Wealth and Dundee Goodman.



RODRIGO GORDILLO,  
CIM  
MANAGING PARTNER

13 years experience in investment management.

Responsible for portfolio management and business development.

Portfolio Manager – Richardson GMP, Macquarie Private Wealth and Dundee Goodman.



JASON RUSSELL,  
CFA  
PORTFOLIO MANAGER & COO

25 years of experience in investment management and Managed Futures strategies.

Past Founder, President & CIO of Acorn Global Investments and Portfolio Manager at Salida Capital.

Oversees Futures trading and execution.

Responsible for the day-to-day administration and operation of the business.



ANDREW BUTLER,  
CFA  
HEAD OF QUANTITATIVE RESEARCH & OPERATIONS

Responsible for quantitative research efforts and systems deployment.

Developed Machine Learning models to assist in oil reservoir optimization while at Memorial University.

Honors B.Sc. in Applied Mathematics & Physics - Memorial University, M.A. in Applied Mathematics & Statistics, Financial Engineering Major at York University

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 LightsDistributors, LLC member FINRA/SIPC. Rational Advisors, Inc. and ReResolve Asset Management Inc. are not affiliated with Northern Lights Distributors, LLC.

**Important Risk Considerations:** 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. Because the Advisor is primarily responsible for managing both the Fund and certain Underlying Funds, the Advisor is subject to conflict of interest with respect to how it allocates the Fund's assets among the Underlying Funds. Investing in the commodities markets (directly or indirectly) may subject the Fund to greater volatility than investments in traditional securities. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geologic and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions. Derivatives are investments in which the value is "derived" from the value of an underlying asset, reference rate, or index. The value of derivatives may rise or fall more rapidly than other investments. For some derivatives, it is possible to lose more than the amount invested in the derivative. If the Fund uses derivatives to "hedge" the overall risk of its portfolio, it is possible that the hedge may not succeed. Options involve risks that are not suitable for all investors. No strategy, including option strategies, can eliminate risk. Options strategies in particular may result in the total loss of principal over a short period of time. An investment in an exchange-traded fund (ETF) generally presents the same primary risks as an investment in a conventional fund that has the same investment objectives, strategies, and policies. In addition, ETFs may be subject to the following risks that do not apply to conventional funds: the market price of an ETF's shares may trade above or below their net asset value; an active trading market for an ETF's shares may not develop or be maintained; trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide circuit breakers halts stock trading generally. Because the Fund may invest its assets in underlying mutual funds or ETFs that have their own fees and expenses in addition to those charge directly by the Fund, the Fund may bear higher expenses than a Fund that invests directly in individual securities. Emerging market securities tend to be more volatile and less liquid than securities traded in developed countries. 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. 7280-NLD-11/11/2019

**Benchmark Disclaimer** The indices used for Figure 4 include: iShares MSCI Japan ETF, iShares MSCI ACWI Index Fund to 2008 and iShares Tr/MSCI ACWI Ex US ETF thereafter, PowerShares DB Commodity Index Tracking Fund, SPDR Gold Trust ETF, iShares 7-10 Year Treasury Bond ETF, iShares 20+ Year Treasury Bond ETF, iShares Core S&P 500 ETF, SPDR Dow Jones Interntnl Real Estate ETF, Dollar index spot (DXY) to 2007 and PowerShares DB US Dollar Index Bullish thereafter. Model Portfolio Used for Illustrations. The portfolio used to create the output in Figures 5 and 6 is a simple monthly rebalanced portfolio that selects the top 5 performing asset classes based on 6 month price changes and weightings are established using a simple mean-variance optimization solution. For Figure 6 the monthly portfolio gross exposure is adjusted higher or lower to target a 12% annualized volatility target based on 60 day volatility estimate measurement of the newly formed portfolio. This portfolio does not represent any strategy that ReResolve implements for clients and is intended for illustrative purposes only. \*Social Science Research Network (SSRN). SSRN compiles rankings of Authors in their system based on a number of relevant measures, such as downloads and citations. To be ranked, an author must have at least one publicly available scholarly full-text paper on SSRN, and only the data for those full-text papers are used in the rankings. Privately available papers are not considered in these rankings. SSRN compiles rankings of all authors in SSRN and of authors in selected disciplines. As of November 5, 2017 The lead Author, Adam Butler, ranked 338 in total new downloads (1.1%ile) and 1146 in total downloads (3.8 percentile). Also ranked 44 in total downloads per paper (0.15 percentile). This is out of 29,857 total authors.