QXTR QuantX Risk Managed Total Return ETF

Fund Profile

Allocation Category
Absolute Return

Strategy Overview
QuantX Risk Managed Total Return is a long only, globally diversified, multi-asset class solution.

Key Features

Absolute Return

Global Diversification

Risk Management

Why QXTR?

1. Efficient access to a diversified portfolio of global asset classes with a risk-management overlay.
2. Seeks to enhance returns and reduce drawdowns by allocating to the best performing markets and by reducing exposure through holding cash and fixed income during recessions or periods of market turbulence..

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Understanding QXTR

The QuantX Risk Managed Multi-Asset Class Total Return ETF utilizes our core risk managed framework to attempt to deliver participation in global asset class performance with downside protection during bear markets. QXTR seeks to accomplish this through diversifying across a broad range of equity, fixed income, real assets and commodities. In addition, the fund may also benefit from a proprietary methodology designed to attempt to select the best performing markets to potentially maximize capital appreciation, while seeking to reduce portfolio volatility and drawdown during times of market stress. QXTR may serve as an important compliment or substitute for a liquid alternative asset class allocation as it seeks to provide absolute return exposure with downside risk protection.

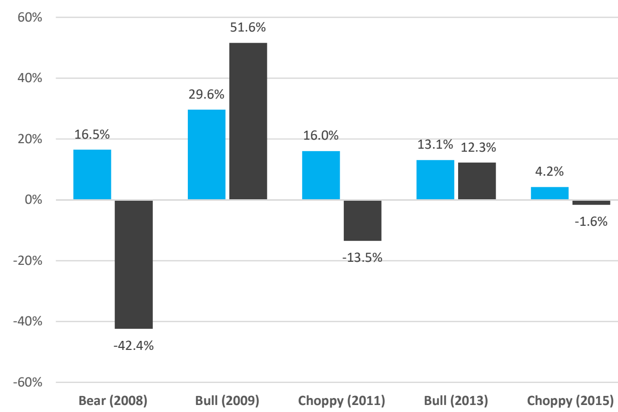
Absolute Return

Focused on Generating Positive Results in Any Market Conditions

Absolute return strategies attempt to produce a positive return, even when global markets are volatile, flat or falling. Absolute return strategies are opportunistic in nature and can invest across a range of asset classes depending on which are most favorable at a given point in time.

Returns by Market Conditions

- QuantX Risk-Managed Total Return Index (QXTRI)
- Eurekahedge Long-Only Absolute Return Fund Index



Past performance is not indicative of future results. Shown performance is not meant to represent the Fund. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. The ETF has a limited history of operation so performance is not shown.

Index Rebalance Frequency

The underlying index of QXTR, the QuantX Risk Managed Total Return Index, monitors the underlying asset classes each day. Our proprietary risk management process allows the index to “de-risk” during turbulent market conditions potentially as frequently as daily. During more normal market conditions the index may selectively adjust the underlying holdings from 2-4 weeks or longer. The tax efficiency inherent in the ETF structure permits the strategy to potentially benefit on a total return basis while remaining fully liquid and agile in the face of dynamically changing marketing conditions.

Global Diversification

Diversify Across Equities, Fixed Income, Real Assets and Commodities

We believe that by diversifying across equities, fixed income, real assets and commodities it is possible to achieve more stable and consistent total returns with less volatility over time.

Exposures Over Time

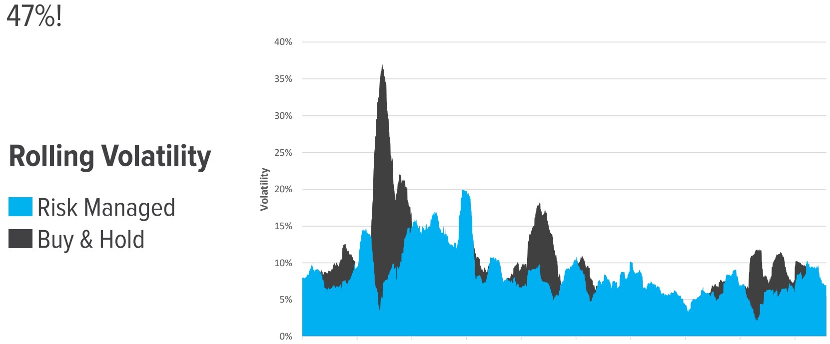
		Historical Exposures		
		Average	Minimum	Maximum
Equities	Domestic/International	26%	0%	61%
Equities	Real Estate	12%	0%	39%
Fixed Income	Government Bonds	40%	12%	88%
Fixed Income	International Bonds	3%	0%	4%
Fixed Income	High-Yield Bonds	3%	0%	4%
Fixed Income	Inflation-Protected	2%	0%	12%
Commodities		15%	0%	54%

Risk Management

Managing Allocation to Prevent Volatility Spikes

Historically the total portfolio risk of a broad global asset class portfolio tends to be fairly low most of the time. However, during bear markets, volatility can spike dramatically and a global asset class portfolio can have larger daily fluctuations.

For example, we can construct a global asset class benchmark that is comprised of 50% in the MSCI All Country World Index, 30% in Barclays Aggregate Bond Index and 20% in DB Optimum Yield Diversified Commodity Index. Historically, since 2007 during normal market conditions the global asset class benchmark index had a standard deviation less than 20% (must say 20 because that's the highest) and went as low as 5% during the exceptionally calm market conditions. During bear markets, volatility explodes causing the standard deviation of the global asset class index to rise above 47%!



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Rolling 60-Day Std Deviation

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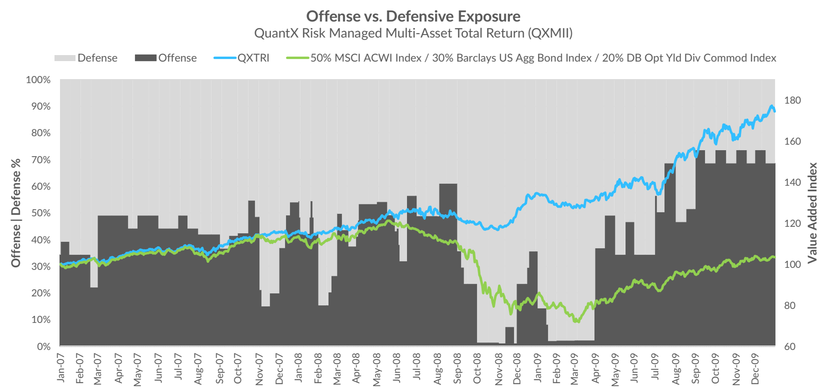
By reducing portfolio exposure when momentum is falling it is possible to keep risk far more consistent which helps to preserve capital and can also help investors stick with their game plan. In the chart above, we demonstrate a basic risk management strategy: if the global asset class index total return price falls below its 200-day moving average, reduce invested exposure to 25%; if it is above this threshold, remain fully invested. As you can see the risk management strategy helps to keep portfolio volatility consistent when compared to buy and hold.

The QXTR Index will “de-risk” and “re-risk” throughout turbulent markets using our proprietary Macro-Risk Indicator (MRI). The risk-managed strategy is able to reduce drawdowns and participate in market gains.



Definitions & Terms:
Index References: The S&P 500 Index is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The QuantX Risk Managed Total Return Index (QXTRI) consists of a diversified blend of ETFs ranked by expected performance and overlayed with a proprietary risk management approach. The Deutsche Bank Optimum Yield Diversified Commodity Index is based on 14 commodities drawn from the energy, precious metals, industrial metals and agriculture sectors. The MSCI ACWI seeks to track the investment results of an index composed of large and mid-capitalization developed and emerging market equities. The Bloomberg Barclays US Aggregate Bond Index to track the investment results of an index composed of the total U.S. investment-grade bond market. The Eurekahedge Long-Only Absolute Return Fund Index is an equally weighted index of 484 constituent funds. The index is designed to provide a broad measure of the performance of underlying long-only fund managers who pursue absolute returns with flexible investment mandates. (Sources: Bloomberg, Eurekahedge and QuantX)
Standard Deviation: This statistical measurement of dispersion about an average, depicts how widely a investment's returns varied over a certain period of time.
De-Risk & Re-Risk: This is a process by which we employ our proprietary risk management indicator to reduce or increase portfolio exposure during turbulent markets and allocate from risk assets to fixed income and or cash/cash equivalents.

Disclosures:
Investors should carefully consider the investment objective, risks, charges and expenses of the QUANTX Risk Managed Multi-Asset Total Return ETF Fund. This and other information is contained in the prospectus and should be read carefully before investing. For a prospectus please call 866-270-0300. The Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Northern Lights Distributors, LLC and Blue Sky Asset Management, LLC are not affiliated.

A substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time. The Fund may focus its investments in securities of a particular industry to the extent the Index does. The use of derivative instruments, such as swaps, involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investing in emerging markets involves not only the risks described below with respect to investing in foreign securities, but also other risks, including exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability, than those of developed countries.

Fluctuations in the value of equity securities held by the Fund will cause the net asset value ("NAV") of the Fund to fluctuate. Fluctuations in the value of equity securities held by the Fund will cause the net asset value ("NAV") of the Fund to fluctuate. The market prices of Shares will fluctuate in response to changes in NAV and supply and demand for Shares and will include a "bid-ask spread" charged by the exchange specialists, market makers or other participants that trade the particular security. ETFs in which the Fund invests are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in the ETFs and may be higher than other mutual funds that invest directly in stocks and bonds.

When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Since the Fund's investments may include foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. The Fund does not utilize an investing strategy that seeks returns in excess of the Index. Therefore, it would not necessarily sell a security unless that security is removed from the Index, even if that security generally is under-performing.

The Fund is a new fund with a limited history of operations for investors to evaluate. As the Fund may not fully replicate the Index, it is subject to the risk that investment management strategy may not produce the intended results. Overall stock market risks may affect the value of the Fund. The Fund is not actively managed and the Adviser will not sell shares of an equity security due to current or projected under-performance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology. A higher portfolio turnover will result in higher transactional and brokerage costs.

The earnings and prospects of small and medium sized companies are more volatile than larger companies and may experience higher failure rates than larger companies. Swaps are subject to tracking risk because they may not be perfect substitutes for the instruments they are intended to replace.

7377-NLD-08/09/2018

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