ATHENA VALUE FUND

Quarterly Commentary
Second Quarter 2016
AthenaValueFund.com
Class A: ATVAX | Class I: ATVIX

Summary:

- The Second Quarter of 2016 was marked by the news of Brexit, but the S&P 500 returned +2.46% during the quarter.
- The Athena Value Fund ("The Fund"), Class I, had a +0.33% gain for the quarter.
- On a year-to-date basis, the Fund remains over 2% ahead of the S&P 500, the Russell 3000 and the Russell 2000

Commentary

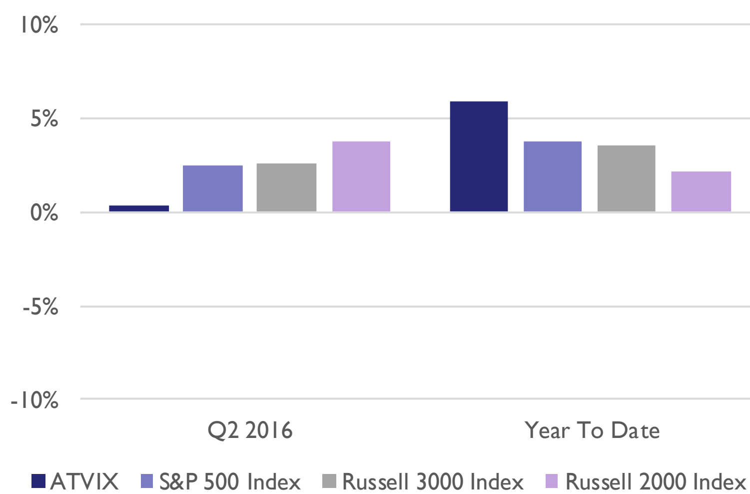
Market Recap:

What a twist! In what came as a surprise ending to many after weeks of speculation, the United Kingdom ended up voting in a referendum to leave the European Union. The "Brexit" seemed to give the U.S. markets the catalyst they were looking for after oscillating between flat and slightly positive for most of the quarter. Over the two days following the vote, the S&P 500 declined over -5% as a "sell first, ask questions later" mentality took hold. However, in yet another turn of events, the S&P 500 rallied during the final three days of the quarter so that from the vote until the end of the quarter, the index posted only a -0.65% decline and finished up +2.46% for the quarter. As of this writing in mid-July, the S&P 500 has gone back to posting new record highs for the first time since May 2015.

When geopolitical events, such as Brexit, occur, it is important to keep things in perspective. The Brexit vote was a political event with a binary (status quo or leave) outcome. The potential financial fallout from the Brexit vote is still widely unknown. However, uncertainty of the future can create short-term market volatility. In times of political upheaval or uncertainty, it can be easy to get wrapped up in the furor. Whenever a strong herd mentality seems to take hold of the market, it is important to focus on long-term goals. Having a long-term view and not allowing short-term volatility to dictate investment decision-making helps

Quarter-End Performance

As of June 30, 2016		Q2 2016	Year To Date	One Year	Since Inception*
ATVIX	Class I (NAV)*	0.33%	5.95%	-3.80%	-7.25%
ATVAX	Class A (NAV)*	0.22%	5.83%	-4.02%	-7.44%
ATVAX	Class A (Max Load)*	-5.52%	-0.22%	-9.51%	-12.18%
S&P 500 Index		*2.46%*	*3.84%*	*3.98%*	*1.17%*
Russell 3000 Index		*2.63%*	*3.62%*	*2.13%*	*-0.10%*
Russell 2000 Index		*3.79%*	*2.21%*	*-6.74%*	*-5.15%*



**Inception date for the I and A share classes is May 15, 2015.*

Returns for periods longer than one year are annualized. 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. The Fund's investment advisor has contractually agreed to waive management fees and to make payments to limit Fund expenses until August 31, 2016. After this fee waiver, the expense ratios are 1.50%, 2.25% and 1.25% for the Class A, C and I shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years. The Fund's total annual operating expenses are 1.68%, 2.43% and 1.43% for the Class A, C and I shares, respectively. The maximum sales load for the Class A shares is 5.75%. A fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. For performance information current to the most recent month-end, please call toll-free (888) 868-9501.

Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

There is no guarantee that this investment will achieve its objectives, goals, generate positive returns, or avoid losses.

Commentary (Continued)

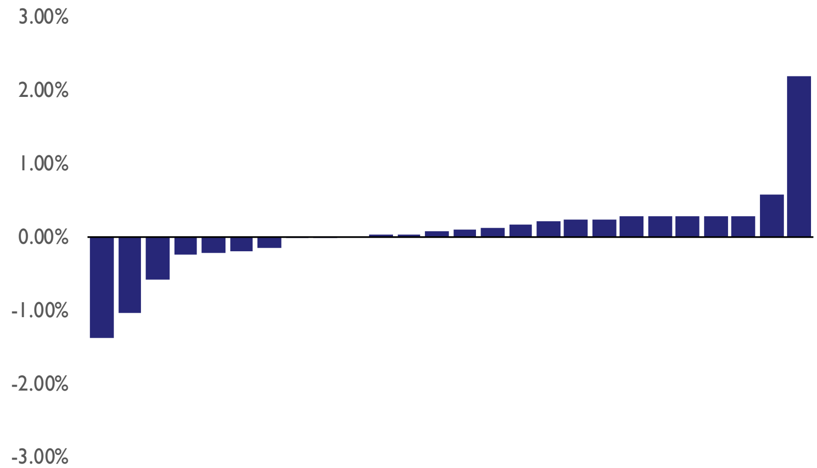
foster a mindset that will allow one to potentially avoid costly mistakes.

Geopolitical noise is one of the factors the Fund's investment criteria are designed to potentially filter out when constructing the portfolio. Unless a loss of confidence in a specific company in the portfolio is shown from one of the three distinct areas of the market the investment criteria are designed to analyze, the portfolio will remain the same. The portfolio is monitored constantly for specific signals that segments of the market have lost confidence in a stock. While the cause of lost confidence may in fact be geopolitical (in this case Brexit), it could be any number of factors. However, the behavioral signals are designed to wait until any news is more fully digested and interpreted by the market to avoid potential knee-jerk reactions.

Portfolio Recap

The Athena Value Fund posted a +0.33% return during the quarter, while the S&P 500 posted a +2.46% increase. On a year-to-date basis, the Fund remains over 2% ahead of the S&P 500. April looked very similar to the first quarter, with the Fund up +3.76% compared to just +0.39% for the S&P 500. 64% of the names in the portfolio had positive returns for April, with four stocks up double digit percentages during the month. However, May saw some reversals for what had been strong performers during the first part of the year. Several stocks, some of which were among the best performers in the first quarter, suffered reversals in May. Because of these stocks, the Fund finished May down -2.77% compared to +1.80% for the S&P 500. After all the excitement in June, the S&P 500 finished the month basically flat (+0.26%), while the Fund was just slightly negative (-0.55%). The biggest faller for the month was cancelled out by the biggest gainer in June, but the portfolio had one more name with a negative return for the month than positive returners.

2nd Quarter 2016 Contribution By Security[1] (as of 6/30/2016)



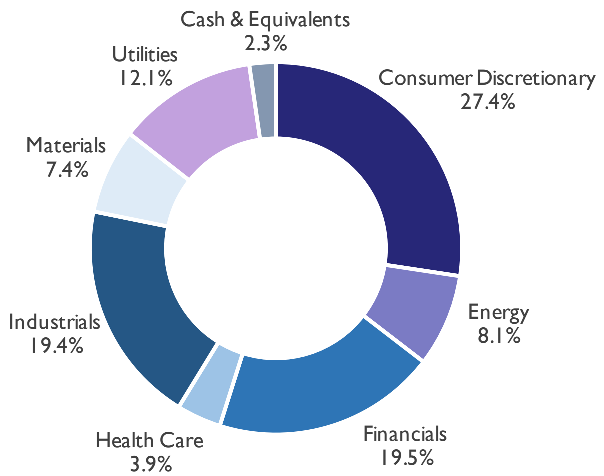
Source: Bloomberg.

[1]The attribution data will not match the performance results of the Fund as it is an estimate and does not include Fund expenses and the results of residual cash balances. Holdings are subject to change.

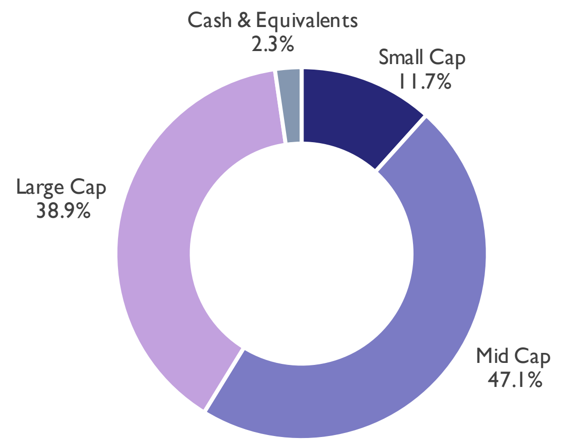
During the quarter, 52% of the stocks in the portfolio posted positive total returns. However, just 11 out of 25 (44%) of the stocks in the portfolio outperformed the S&P 500. Of those 11, two stocks outperformed by more than 10% and one of those two (an Energy Infrastructure name) outperformed by over 59%. On the other side, five stocks underperformed the S&P 500 by more than 10% and of those five, two underperformed by more than 30% (an Energy holding and a Retail Holding). This was a quarter where the positive and negative tail events (stocks that moved +-20% of the index during the quarter) were somewhat offsetting.

For the second consecutive quarter, the portfolio remained attractive enough, based on the behavioral signals the investment strategy uses, to not warrant any changes to the portfolio. The only changes once again were to rebalance the portfolio in order to keep the securities relatively equal weighted as the Fund grew in size.

Portfolio Allocation By GICS Sector (as of 6/30/2016)



Portfolio Allocation By Market Cap (as of 6/30/2016)



Commentary (Continued)

From a characteristics standpoint, the portfolio remains relatively tilted towards mid cap with 47% of the portfolio falling into that category. 39% of the portfolio is in large cap holdings with the rest in small cap. From a GICs Sector standpoint, the Fund is currently overweight (+5%) Consumer Discretionary, Industrials and Utilities compared to the S&P 500. The Fund is underweight (-5%) Health Care, Consumer Staples and Information Technology.

Portfolio Characteristics (as of 6/30/2016)

As of June 30, 2016	Athena Value Fund	S&P 500 Index	Russell 3000 Index	Russell 2000 Index
Number of Holdings	25	505	3005	2005
Average Market Cap (Billions)	15.49	37.45	7.80	0.94
Median Market Cap (Billions)	8.22	18.18	1.40	0.68
Price/Earnings Ratio	11.42	19.48	20.99	40.40
Price/Book Ratio	2.10	2.80	2.69	1.99
Price/Sales Ratio	0.51	1.88	1.74	1.10

Source: Bloomberg. Holdings are subject to change. For most recent disclosure of fund holdings, please visit www.athenavaluefund.com. Past performance does not guarantee future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. The Price/Earning, Price/Book and Price/Sales Ratios presented are an overall weighted harmonic average of the portfolio. Price/Earning Ratio shown is trailing.

<u>Outlook:</u>

Looking ahead, the Team is very optimistic on the portfolio. One potential indicator that can come from the investment strategy is how many stocks (out of a universe of ~5,000 potential names) meet the investment criteria. What the Team has seen in the past is that when there are more stocks that would meet the investment criteria than usual it is a bullish sign. This is exactly what the Team is seeing in the current environment, that more stocks than usual meet the strategy's investment criteria.

Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the Athena Value Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 888-868-9501. The prospectus should be read carefully before investing. The Athena Value Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Princeton Fund Advisors, LLC is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risks including the possible loss of principal.

The Fund's distribution policy is not designed to guarantee distributions that equal a fixed percentage of the Fund's current net asset value per share. A portion of a distribution may consist of a return of capital, which will reduce the shareholders tax basis and potentially increase taxable gain upon disposition. Foreign investing in equity securities or notes of foreign issuers involves risks not typically associated with U.S. investments, including adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

The net asset value of the Fund will fluctuate based on changes in the value of the securities in which the Fund Invests. The Advisor's and Sub-Advisor's judgments about the attractiveness, value and potential appreciation of particular asset classes and securities in which the Fund invests may not produce the desired results.

Investments in Master Limited Partnerships ("MLPs") or MLP-related securities involve risks different from those of investing in common stock, 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, and are generally considered interest rate sensitive investments. If there were changes to the current tax law and any of the MLPs owned by the Fund were treated as corporations for U.S. federal income tax purposes, it could result in reduction of the value of your investment in the Fund and lower income.

As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. Significant price fluctuations of these issuers could affect Fund performance. The value of small or medium capitalization company securities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market in general.

The ***S&P 500 Index*** *is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The Total Return version of the index is shown.*

The ***Russell 3000 Index*** *is comprised of 3000 largest U.S. companies, as determined by market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market. The Total Return version of the index is shown.*

The ***Russell 2000 Index*** *is comprised of the smallest 2000 companies in the Russell 3000 Index., representing approximately 8% of the Russell 3000 total market capitalization. The Total Return version of the index is shown.*

Past performance does not guarantee future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. The values presented are an overall average of the portfolio.

There is no guarantee that this investment will achieve its objectives, goals, generate positive returns, or avoid losses.

6536-NLD-7/29/2016