

- Summary:**
- The Third Quarter of 2016 saw the U.S. stock market rebound out of the “Brexit” event, sending the S&P 500 to new highs
  - The Athena Value Fund (“The Fund”), Class I, had a +4.85% gain for the quarter, outpacing the S&P 500 by 100 basis points
  - Q3 2016 topped off a strong 12 month stretch for the Fund. During this period, the Fund posted over 18% of gains and performed better than the S&P 500, Russell 3000 and Russell 2000

## Commentary

### Market Recap:

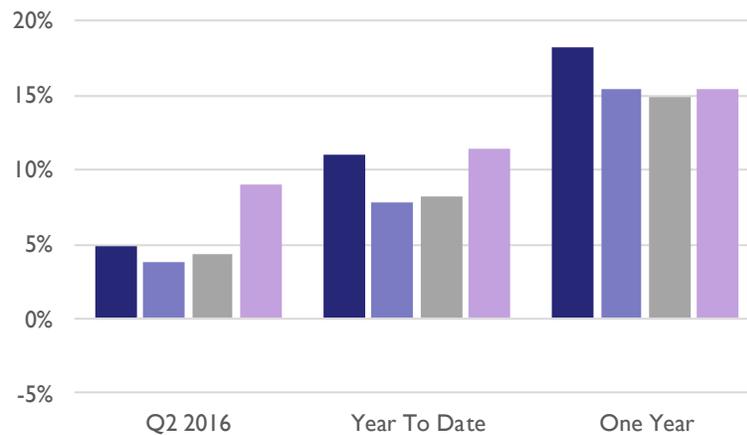
For a quarter that started off on the heels of a wild swing in the S&P 500, the Third Quarter of 2016 proved a quiet one. After the Brexit event sent the S&P 500 down over -5% in two trading days, it rebounded almost as fast, recovering almost all of the loss precipitated by Brexit in three days. However, it took eleven days total to erase the Brexit drawdown from the S&P 500. In aggregate, this “event” created a 15-day peak-to-peak mini drawdown in the S&P 500. From there, the S&P 500 went on to post new closing highs for the first time since May 2015. The S&P 500 ended up finishing July with a +3.69% return. August was a much more mixed month as focus shifted from international matters to domestic ones with the U.S. election kicking into full swing. August saw the S&P 500 post just a +0.14% increase, but it did reach a new all-time closing high mid-month before retreating somewhat at the end of month. September was just as mixed as August, with the S&P 500 falling almost -2.00% before finishing the month up just +0.02%, leaving the benchmark with a +3.85% return for the quarter.

It was an interesting quarter in that most of the returns came very early on. From the start of the quarter through July 22nd the S&P 500 was up +3.74%. This was just 11 basis points away from where it ended the quarter. While the S&P 500 did go up from there and did get below that level as well, missing any of that early period of the quarter would have been costly.

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

## Quarter-End Performance

As of September 30, 2016	Q2 2016	Year To Date	One Year	Since Inception*
ATVIX Class I (NAV)*	4.85%	11.09%	18.19%	-2.68%
ATVAX Class A (NAV)*	4.74%	10.85%	17.80%	-2.91%
ATVAX Class A (Max Load)*	-1.25%	4.51%	10.99%	-7.00%
S&P 500 Index	3.85%	7.84%	15.43%	3.77%
Russell 3000 Index	4.40%	8.18%	14.96%	3.09%
Russell 2000 Index	9.05%	11.46%	15.47%	1.97%



■ ATVIX ■ S&P 500 Index ■ Russell 3000 Index ■ Russell 2000 Index

\*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, 2017. After this fee waiver, the expense ratios are 1.51%, 2.26% and 1.26% 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 8.57%, 9.32% and 8.32% 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.

**Portfolio Recap:**

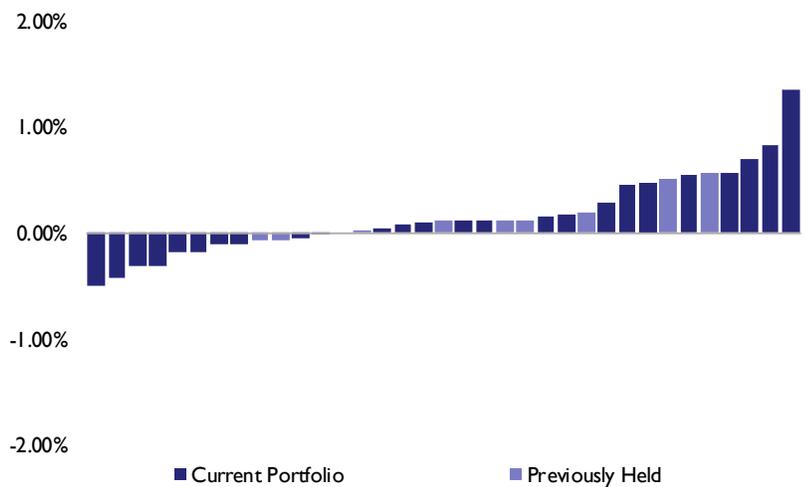
The Athena Value Fund posted a +4.85% increase for the quarter, compared to the +3.85% increase for the S&P 500. On a year-to-date basis, the Fund increased the gap between itself and the S&P 500 to over 3%. From a longer-term standpoint, the third quarter of 2016 punctuated a strong 12-month period where the Fund was up over 18% and outpaced the S&P 500.

In aggregate for the quarter, 65% of the holdings were either positive or flat. Two stocks posted gains larger than 20% for the quarter. The top performer, a retail company, was up +37% while a chemical company was up +22%. Including these two holdings, over 26% of the portfolio posted double digit (+10% or greater) returns. On the other side, just two holdings were down more than -10%. The largest detractor, an appliance company, was down -13% and an insurance company was down -10%.

The distribution of returns for the portfolio this quarter included two positive statistical events. The first was that the portfolio had more positive performers than negative. The second was that the top performers had returns that were much larger than the top detractors (+37% vs -13% and +22% vs -10%).

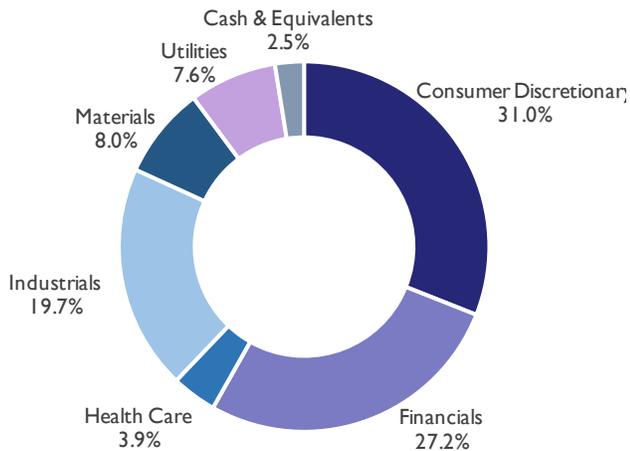
The post-Brexit environment in July provided ample tailwinds for the portfolio. During the month, four of the stocks in the portfolio posted double digit positive returns, while none were down more than -3%. In aggregate, just five stocks in the portfolio posted negative returns in July. The result of this positive skew in the portfolio was a +4.63% return for the Fund in July. August saw some of the same names that performed well in July continue their strong runs. A company was actually the top performer both months as a strong earnings report in August catapulted the stock upwards. In total, three of the top five performing stocks from July returned to the top five in August, with four stocks again posting double digit positive returns. However, the distribution of returns was slightly more balanced in August, with two stocks down over -8% and an additional nine holdings posting negative returns. The result of all this was a more muted +2.11% return for The Fund in August. However, the relative performance was actually stronger as the S&P 500 was up just +0.14%. As volatility returned to the markets in September the portfolio's distribution of individual stock returns was more of a mixed bag for the month. There were not any stocks that had a move of more than 10% either way in September, but the returns were skewed with 59% of the stocks in the portfolio posting losses. This resulted in a -1.86% return for The Fund, while the S&P 500 was relatively flat (+0.02%) for the month.

**3rd Quarter 2016 Contribution By Security<sup>1</sup>** (as of 9/30/2016)

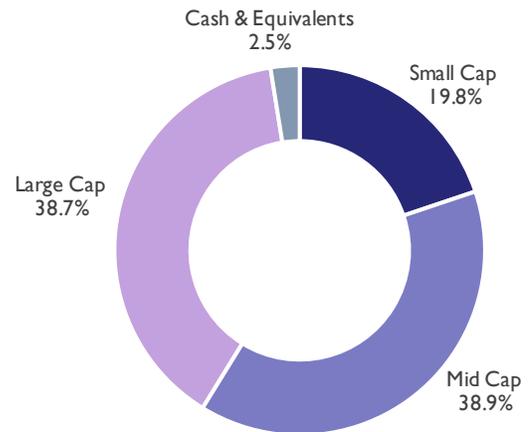




## Portfolio Allocation By GICS Sector (as of 9/30/2016)



## Portfolio Allocation By Market Cap (as of 9/30/2016)



## Commentary (Continued)

### Portfolio Changes:

Under normal circumstances the universe of possible investments is screened monthly. If there are stocks in the portfolio that no longer meet all of the Investment Strategy's criteria the portfolio is traded to remove those stocks and replace them with stocks that do meet all of the criteria. However, if the right circumstances arise the portfolio may be changed more frequently as it is monitored daily. Additionally, the portfolio is rebalanced as there are fund flows to keep the securities in the portfolio relatively equal-weighted.

The Third Quarter saw a total of nine changes to the portfolio holdings. In general, the securities that were sold no longer met the Investment Strategy criteria regarding valuation. When a stock in the portfolio increases in value and there isn't a subsequent revision upwards of the confidence signals from the market, the stock will fail to meet the relevant criteria and be replaced. However, there were also two stocks during the quarter where the company started to pay down its debt. This is interpreted by the Investment Strategy criteria as a sell signal. The result of these portfolio changes was an increase in weight to small cap companies, with the increase coming out of mid cap. Also, the portion of the portfolio allocated to Financials and Consumer Discretionary sectors was increased, coming primarily from Energy and Utilities.

### Outlook:

As has been the case for a while now, we are continuing to see more companies than usual meet all of the Investment Strategy's criteria. An increase in the number of companies meeting the Investment Strategy criteria has historically been a bullish sign for the strategy, which we believe the Fund has been seeing from a performance perspective over the last 12 months.

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## Portfolio Characteristics (as of 9/30/2016)

As of September 30, 2016	Athena Value Fund	S&P 500 Index	Russell 3000 Index	Russell 2000 Index
Number of Holdings	25	505	2955	1961
Average Market Cap (Billions)	16.16	38.62	8.19	1.03
Median Market Cap (Billions)	8.47	19.11	1.54	0.75
Price/Earnings Ratio	11.66	20.41	21.96	43.51
Price/Book Ratio	1.79	2.86	2.75	2.14
Price/Sales Ratio	0.52	1.94	1.81	1.18

*Source: Bloomberg. Holdings are subject to change. For most recent disclosure of fund holdings, please visit [www.athenavaluefund.com](http://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.*



## Disclosures

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**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.*