Athena Value Fund

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

Summary:

- The Fourth Quarter of 2016 saw a significant rally in U.S. equity markets on the heels of Donald Trump winning the Presidential Election
- The Athena Value Fund ("The Fund"), Class I, had a +5.60% gain for the quarter, outperforming both the S&P 500 and the Russell 3000
- Q4 2016 capped a strong year for the Fund in which it outpaced the S&P 500 by over 530 basis points

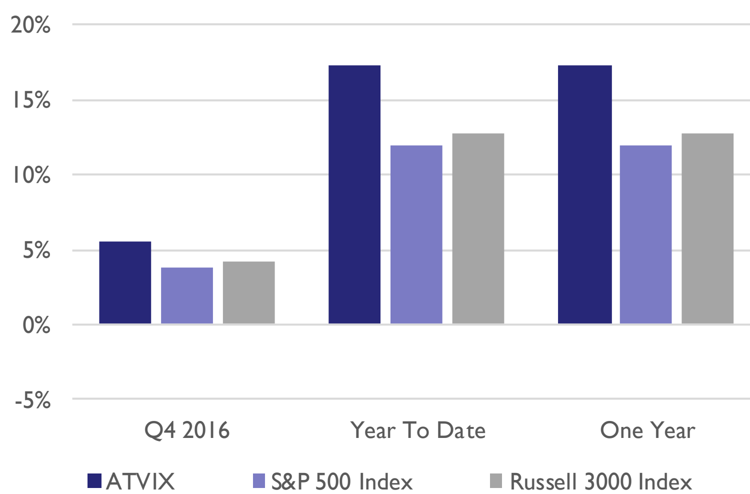
Commentary

Market Recap:

The fourth quarter started out on a somewhat sour note as the S&P 500 drifted down almost -2.0% in October amid political uncertainty. However, it turned out 2016 had one more surprise in store for the markets. After trailing in nearly every poll, Donald Trump pulled off a victory on Election Day. Usually, something unexpected happening sends shockwaves through the market and indeed S&P 500 futures hit their downside circuit breakers on Election Night. However, the market opened only marginally lower and went on to have positive performance for the day. As the market digested the news of "President-Elect Trump", stocks continued to move higher and ended November up 3.7%, retracing earlier losses and up 1.8% for the quarter at that point. The rally continued into December as the S&P 500 continued to post new highs until the rally lost some of its momentum at the end of the month in the wake of the 2nd Federal Reserve rate hike in two years. In aggregate, the S&P 500 finished the quarter up +3.8% to end the year +11.95%, a far cry from the -10% February lows for the year. Q4 2016 (and the year in aggregate) also proved to be somewhat of a return to form for value-based investing. The Russell 3000 Value Index outpaced the Russell 3000 Growth Index by over 6.0% in Q4 alone and 11.0% in 2016.

Quarter-End Performance

As of December 31, 2016		Q4 2016	Year To Date	One Year	Since Inception*
ATVIX	Class I (NAV)*	5.60%	17.31%	17.31%	1.05%
ATVAX	Class A (NAV)*	5.59%	17.05%	17.05%	0.84%
ATVAX	Class A (Max Load)*	-0.48%	10.35%	10.35%	-2.75%
S&P 500 Index		*3.82%*	*11.96%*	*11.96%*	*5.57%*
Russell 3000 Index		*4.21%*	*12.74%*	*12.74%*	*5.23%*



**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.

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

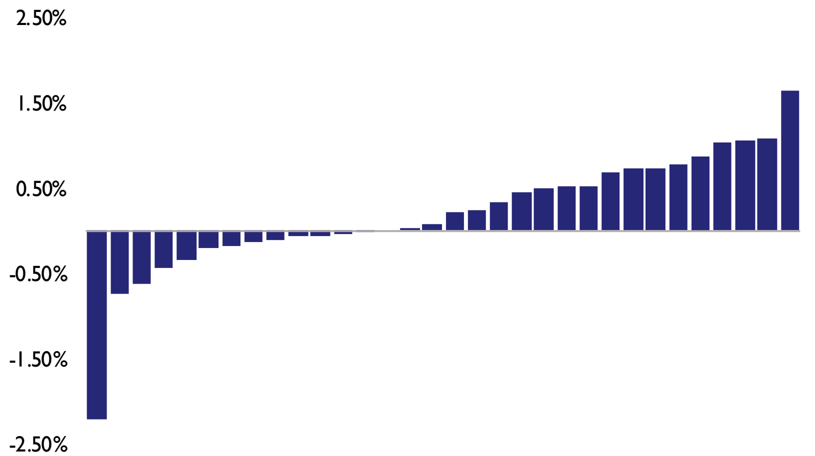
Portfolio Recap:

The Athena Value Fund posted a +5.6% increase for the quarter, compared to the +3.8% increase for the S&P 500. This brought performance for the Fund in 2016 to +17.3%, which was over 5.3% ahead of the S&P 500. The Fund also had strong performance compared to the Russell 3000, outperforming that benchmark by close to 1.4% during the quarter and close to 4.6% for the year.

In aggregate, 58% of the Fund's holdings were positive contributors to performance during the quarter. The positive contributors were led by an insurance company that was up over 40%. That holding was followed by five other companies, four of which were also Financials holdings, which were all up over 20% each. On the other side, there were only three holdings that were down more than -20%.

Similar to Q3, this quarter included two positive statistical events. First, there were more positive contributors than negative for the quarter. The second was that there were more large contributors than large detractors (six stocks up +20% compared to three stocks down -20%).

4th Quarter 2016 Contribution By Security[2] (as of 12/31/2016)

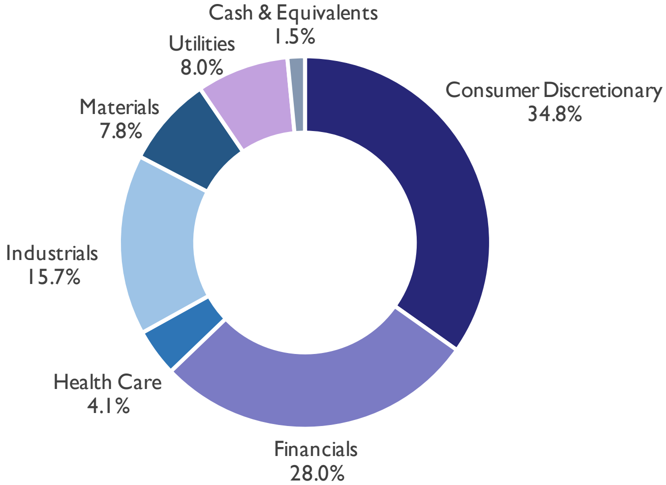


Source: Bloomberg.

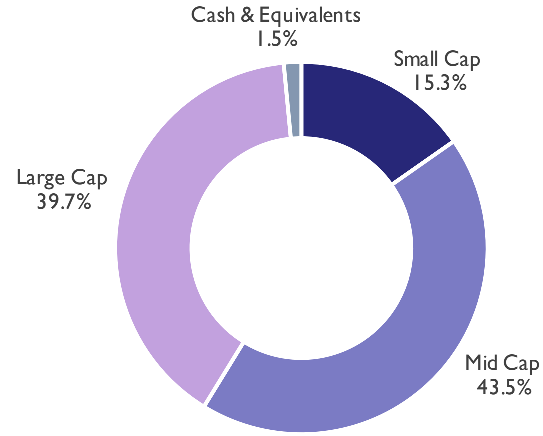
[2]The attribution data will not match the performance results of the Fund as it is an estimate and does not include Fund expenses and the results of residual cash balances. Holdings are subject to change.

The negative market performance in October provided a difficult environment for the Fund. During the month, there were four stocks that posted double digit negative returns while no stocks had double digit gains. This skew, coupled with just 41% of the portfolio posting gains overall, meant a -2.94% return for the Fund during the month. However, the aftermath of the election in November gave the Fund a significant tailwind. Starting the day after the election through the end of the month the Fund was up +8.36% (8.01% for the entire month of November). Overall for the month, ten stocks were up double digit percentages while just two stocks were down double digits. Roughly half of the gains came from Financials stocks, primarily insurance companies. From a market standpoint, this sector rallied strongly after the election and the Fund was a beneficiary of this rally. There were also significantly more positive contributors in November, with just four stocks posting losses. December saw more muted performance, with the Fund increasing +0.7%. The mix of large contributors and large detractors was more offsetting in December with two stocks up double digits and two stocks down double digits. However, there were once again more positive performers than negative in the portfolio for December.

Portfolio Allocation By GICS Sector (as of 12/31/2016)



Portfolio Allocation By Market Cap (as of 12/31/2016)



Portfolio Characteristics (as of 12/31/2016)

As of December 31, 2016	Athena Value Fund	S&P 500 Index	Russell 3000 Index
Number of Holdings	25	504	2975
Average Market Cap (Billions)	16.75	39.66	8.40
Median Market Cap (Billions)	7.66	19.38	1.64
Price/Earnings Ratio	11.88	20.96	22.55
Price/Book Ratio	2.06	2.88	2.79
Price/Sales Ratio	0.49	1.99	1.85

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.

Commentary (Continued)

Portfolio Changes & Positioning:

While there weren't as many changes to the portfolio holdings as there were in Q3, there was still a higher number of changes than there had been in previous quarters. In October, a theme park holding that suspended its dividend was sold. Additionally, a commercial printing stock went through a spinoff at the beginning of the quarter. None of the subsequent positions met the investment criteria and the holding in aggregate was sold. A department store stock and an auto retailer were purchased as replacements. While there were not any portfolio changes in November, December saw another two changes. A bank and an insurance company were sold because strong performance meant they no longer met one or more of the Fund's Investment Criteria. Two insurance companies were purchased as replacements. From a GICs sector positioning standpoint, these changes meant an increase to Consumer Discretionary from Industrials. These changes also somewhat increased the market capitalization of the portfolio.

Outlook:

As has been the case for over 12 months, we continue to see more companies than usual that meet all of the strategy's investment criteria. An increased number of companies meeting the Investment Strategy criteria has historically been a bullish sign for the strategy, which we believe the Fund saw in 2016. In addition, we're beginning to see earnings growth acceleration, which has historically benefited dividend-paying stocks. We are also encouraged by the recent outperformance of value-based investing and are looking for that relative outperformance to continue in 2017.

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

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.*

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.

***Price/Earnings Ratio** is the current market price of a company share divided by the earnings per share of the company.*

***Price/Book Ratio** calculated by dividing the current closing price of the stock by the latest quarter's book value (total assets minus intangible assets (patents, goodwill) and liabilities) per share.*

***Price/Book Ratio** is calculated by dividing the stock price by sales per share for a 12-month period.*

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