Altegris Futures Evolution Strategy Fund EVOAX | EVOCX | EVOIX | EVONX

Market Commentary

The third quarter of the year was perhaps the most "normal" so far in 2020, despite remaining outside the pre-pandemic ballpark on many measures. Risk assets rallied for the first two months of the quarter before suffering their first monthly loss since March in September. September seemed to expose some investor worries: previously frothy valuations corrected and fears of a close or contested US election bubbled to the surface.

Global equity markets continued their upward trend in the first two months of the quarter before experiencing a slight pullback in the second half of September.

Like the second quarter, large-cap growth fueled the equity rally as investors still preferred shelter from COVID-19. The top 25 contributing stocks in the MSCI ACWI Index accounted for nearly half of the total return.[1]

In commodities, the risk-on environment prevailed before a sharp pullback at the end of the quarter, driven by USD strength and pervasive uncertainty in markets. Non-USD denominated currencies appreciated relative to the dollar for the first two months of the quarter before suffering the same fate as other risky assets in late September.

Fixed income saw a mix of performance in the risk-on environment.

Overall, the US yield curve, represented by the spread between the US 10-year and 2-year bonds and note, respectively, steepened ever so slightly. Yields generally declined throughout July as markets remained flush with liquidity, before slightly rising throughout August. However, volatility in late September led to a decline in yields for most developed market government bonds from the August peak.

[1] *Source: Bloomberg*

Fund Performance

Fund Returns | As of 09/30/2020

	Q3 2020	Year to Date	1-Year	3-Year	5-Year	Since Inception*
EVOAX: Class A (NAV)	-4.16%	-19.97%	-23.67%	-5.51%	-3.81%	0.59%
EVOAX: Class A (max load) ‡	-9.65%	-24.59%	-28.08%	-7.34%	-4.94%	-0.08%
EVOCX: Class C (NAV)	-4.37%	-20.47%	-24.33%	-6.23%	-4.54%	-0.32%
EVOIX: Class I (NAV)	-4.24%	-19.90%	-23.56%	-5.28%	-3.58%	0.84%
EVONX: Class N (NAV)	-4.18%	-19.99%	-23.78%	-5.52%	-3.82%	0.58%
BofA Merrill Lynch 3-mo T-bill Index	0.04%	0.64%	1.10%	1.69%	1.20%	0.70%
SG Trend Index	-1.20%	-2.03%	-5.84%	1.93%	-1.45%	1.44%
S&P 500 TR Index	8.93%	5.57%	15.15%	12.28%	14.15%	14.05%

** The inception date of Class A, Class I, and Class N is 10/31/11; the inception date of Class C is 02/16/12. Past performance is not indicative of future results. Returns for periods longer than one year are annualized.*

*** The maximum sales charge (load) for Class A is 5.75%. Class A Share investors may be eligible for a reduction in sales charges.*

The total annual fund operating expense ratio, gross of any fee waivers or expense reimbursements, is 2.08% for Class A, 2.83% for Class C, 1.83% for Class I, and 2.08% for Class N.

The Fund's adviser has contractually agreed to reduce its fees and to reimburse expenses, at least until October 31, 2020, to ensure that total annual Fund operating expenses after fee waiver and reimbursement will not exceed 1.94%, 2.69%, 1.69%, and 1.94% of average daily net assets attributable to Class A, Class C, Class I and Class N shares, respectively, subject to possible recoupment in future years.

The performance data quoted here represents past performance, which is no guarantee of future results. 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. Results shown reflect the waiver, without which the results would have been lower. 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 (888) 524-9441.

Fund Expense Ratio does not include management fees and incentive fees associated with managed futures investments. These costs are included in the investment return of such managed futures investments.

The referenced indices are shown for general market comparisons and are not meant to represent any particular Fund.

Portfolio Performance Review

The Fund was down -4.16% for the third quarter of 2020, underperforming the benchmark SG Trend Index performance of -1.20%. Trend reversals in commodities and currencies in the last two weeks of the quarter proved difficult to navigate. Stock indices were slightly down to flat for the quarter, and fixed income was the lone contributing asset class.

Commodity trading led to the largest losses as no sub-sectors were positive. Short positions in soft commodities, energies, and base metals experienced the most acute losses, but short positions in grains and livestock also finished in the red. Within softs, coffee, cocoa, and sugar were the leading detractors. Short natural gas positions drove losses in the energy sub-sector; outside of natural gas contracts, energy trading was roughly flat. Short aluminum positions drove losses in base metals, although shorts in zinc, nickel, and copper detracted to a lesser degree. A long iron position gained and helped to offset losses in the base metals sub-sector. Elsewhere, short positions in wheat and lean hogs contracts led to losses, while a long silver position helped offset commodity trading losses.

Currencies made the second-largest losses at the asset class level, with losses concentrated in the British pound, euro, and Canadian dollar. The Fund began the quarter short non-USD denominated currencies (or said otherwise, long USD), in aggregate. Short FX positions, especially in the British pound and Canadian dollar, experienced losses as the risk-on environment in the first two months of the quarter led to USD weakness. In the last two weeks of the quarter, uncertainty around the upcoming election and US-China relations saw the USD appreciate against several currencies as risky assets experienced a short burst of volatility, creating further losses for the Fund's long Euro position. Lastly, cross-currency trading (or contracts consisting of two non-USD components) generated losses for the Fund while emerging market FX trading offset losses elsewhere in the asset class as long Chinese yuan and Indian rupee positions gained.

Stock index futures trading slightly detracted during the quarter. Stocks were significantly positive during the first two months of the quarter before experiencing a pullback in September. The Fund's stock index positions were net short to start the quarter, in aggregate, however, flipped to net long after the first part of September, leading to slight losses for the Fund. Short positions in Japanese and European indices generated the largest losses but were offset by long US and Taiwan indices positions.

Fixed income trading made the largest contributions to the Fund's performance. The Fund began the quarter net long fixed income in aggregate and increased exposure over the quarter (most acutely during the previously mentioned short burst of volatility at the end of the quarter). Unlike currency and stock index trading, the Fund benefitted from the risk-on to risk-off regime shift across asset classes in the third quarter's final leg. Fixed income trading gains were driven by longer-dated European contracts (Euro-BTP, Euro-Bund, and Euro-Oat) and shorter-dated contracts in Europe (Euribor rates, Sterling rates). Small losses occurred in long positions in Brazilian overnight rates and long positions in 10-year Japanese government bonds.

Manager Performance Review

Both Winton Diversified Macro Strategy (DMS) and ISAM Systematic Trend experienced losses during the quarter, with Winton Diversified Macro Strategy generating the most losses. Additionally, the Fund added a new strategy to its roster, the Winton Trend Program, which began trading on September 30, 2020.

Winton DMS's losses were concentrated in commodity and currency trading with smaller losses in stock indices; fixed income trading generated gains. All sub-sectors made losses within commodities, but base metals, softs, and energy accounted for the bulk. Short positions in the British pound, euro, and Canadian dollar generated losses in currency trading. Long positions in the 30-year US Treasury bond, Euro-BTP, and 3M Euribor and Sterling rates drove fixed income gains.

While we are not pleased with Winton's performance over 2020, we retain our conviction in the manager. Most of Winton's losses in 2020 have come from their suite of non-trend models inside DMS, including systems dedicated to carry factors, market seasonality, equity valuations, and other fundamentally derived models. While we do not believe that these models are permanently impaired, we believe it is prudent on our part to adjust to a 'new normal' of shorter and sharper periods of volatility. With the Winton Trend Program's addition, we believe that the Fund will be better positioned to capture trends and reversals more quickly.

ISAM also detracted, although to a lesser extent. Like Winton DMS, commodities and currencies drove losses within the strategy; however, stock index trading led to the largest gains with fixed income trading positive. Commodity trading losses were concentrated in short positions in soft commodities, livestock, and energy contracts; ISAM made gains long precious and base metals. Cross currency positions led to losses in currency trading, in aggregate. Long positions in several emerging market indices (Taiwan, China, South Korea) and developed market indices in the United States and Europe led to stock index trading gains. Fixed income trading gains were driven by longer-dated Italian government bond futures (Euro-BTP) and several rate swap contracts.

The DoubleLine strategies saw profits that partially offset Fund losses for the quarter. The largest contributor was the Low Duration strategy, driven by exposure to commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLOs), and emerging market (EM) bonds. The Opportunistic strategy also made gains, driven by residential MBS, CMBS, and CLOs. Notably, the Fund shifted its allocation during the quarter away from the Core strategy to an 80/20 mix between Low Duration and Opportunistic, respectively. Trading in the Core strategy was relatively muted over the last month of the quarter while account wound down; however, it did generate gains in investment grade corporates, residential MBS, and government bonds.

After reviewing the fixed income environment, it is our view that limited upside may exist for long exposure to interest rate duration, given the multi-year expectation for 0% short term US interest rates. The prospect of benefiting from duration exposure of 2-5 years is realistically constrained, and the primary reason we decided to allocate away from the Core strategy towards the Low Duration strategy. With these changes, we believe that the DoubleLine allocation will be better equipped to continue generating the target of 150-200 basis points per annum versus the previous 60/20/20 allocation.

Portfolio Allocations

As previously mentioned, there were notable allocation changes during the third quarter. As of September 30, 2020, allocations to ISAM, Winton DMS, and Winton Trend are 25%, 52.5%, and 22.5%, respectively. Within the fixed income portfolio, allocations shifted from 60/20/20 Low Duration, Opportunistic, Core to 80% Low Duration Strategy, and 20% to Opportunistic Income.

Portfolio Positioning

Overall Fund and aggregate asset class positioning ended the third quarter net long. Fixed income represents the most significant risk exposure, at about one-half of the Fund's total risk exposure. Long exposure is composed of intermediate-dated positions (such as 2-year, 3-year, and 5-year) in US, Italian, Australian, Korean and German bonds. The Fund is also long 10-year securities in the US, Australia, Canada, Germany, and France, as well as 30-year US Treasuries. For short-dated contracts two years or less, the

Fund has a small exposure to various contracts, including 3-month Eurodollars, Singapore, New Zealand, and South Africa.

Commodities are the next largest risk exposure at slightly over one-third. Five of six commodity sectors are net long, with energy being the lone exception on a net exposure basis. The most notable long exposures are copper, gold, and cocoa, while crude oil, heating oil, and natural gas represent the most notable short exposures

FX is the next largest risk exposure, at about one-eighth of the Fund's overall risk. Positioning is net long in aggregate (and thus short the US dollar). However, the exposure is split between long and short FX positions. The British pound is the most significant short position, with additional shorts in the Japanese yen, Brazilian real, Canadian dollar, among others. The most significant long positions are the euro, Australian dollar, and the Chinese yuan (offshore).

Stock index exposure represents the smallest risk exposure, at slightly under one-twentieth of the total at quarter-end. Overall, positioning consists of approximately 35 indexes across the US, developed and developing markets, with the largest long exposures to Nasdaq 100, MSCI Emerging Markets, Nikkei, and Nifty 50, among others. The Fund also has small long exposure to the FTSE 100, CAC 40, and Hang Seng Index.

Outlook

Market events continue to confound. Unemployment remains at levels last seen during the Global Financial Crisis, while congress argues over trillion-dollar stimulus bills for the second time in the last six months. However, risk assets generally remain unaffected, seemingly dismissing this bizarre state of affairs without much second thought. Perhaps the biggest factor in risky markets' behavior is that, despite the political bickering over stimulus, the world remains awash in liquidity from March's stimulus measures. As proxied by the S&P 500, US public equity markets are closing in on double-digit gains for the year (year-to-date through quarter-end) despite a 34% peak-to-trough decline and a subsequent rally driven by a narrow set of mostly technology-related names.

As discussed in our last commentary, the political uncertainty seems to be rearing its head in markets. Irrespective of political affiliations, it appears that there is an increased likelihood of a change in White House administration from the beginning of the quarter, and markets began to respond.

We recognize that making macroeconomic calls often devolves into a fool's errand, and thus we do not presuppose to make economic forecasts accurately. Although disappointed with recent performance, we believe that economic predictions conducted with a fundamental lens may be even more uncertain than ever. Meanwhile, technical analysis metrics such as price and volume data, which are the bedrock of trend followers, remain amply and readily available and may be more robust in the medium term. Most importantly, we are confident that the recent changes to the Fund will lead to a more responsive managed futures experience, a better risk-return proposition in the collateral management sleeve, and overall better risk-adjusted returns for investors. Thus, the Fund remains a highly effective tool for maintaining a well-diversified portfolio.

Fund Objective

The Fund seeks to achieve long-term capital appreciation.

Managed Futures Manager Exposure[1]

	Winton Diversified Macro Strategies	Winton Trend Program	ISAM
Exposure	52.5%	22.5%	25.0%

The Fund's access to managers and the percentage exposures to each listed above illustrate examples of the diversity of managers accessed by the Fund through its managed futures investments. However, it may not represent the Fund's past or future, access, and exposure to managed futures managers, sub-strategies, and programs. It should not be considered a recommendation or investment advice. Concerning the remainder of Fund assets not invested in managed futures investments via a wholly-owned subsidiary, the Fund pursues a fixed income strategy managed by the fixed income sub-adviser, DoubleLine Capital, L.P., which is not reflected in the table above.

[1] The managed futures investments selected by Altegris Advisors to gain exposure to the managed futures managers, strategies, and programs are subject to change at any time. Any such change may alter the Fund's access and percentage exposures to each such manager, strategy, and program. Although the Fund currently pursues its managed futures strategy by investing up to 25% of its total assets in a wholly-owned subsidiary, the Fund may also make managed futures investments directly, outside of such subsidiary.

Index Descriptions

An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees charged to an investment product based on the index, which may materially affect the performance data presented.

BofA Merrill Lynch 3-month T-Bill Index. An unmanaged index that measures returns of three-month Treasury Bills.

SG Trend Index. The SG Trend Index, which is equal-weighted and reconstituted annually, calculates the net daily rate of return for a group of 10 trend-following CTAs selected from the largest managers open to new investment.

The S&P 500 Total Return Index. The S&P 500 Total Return Index is the total return version of the S&P 500 index. The S&P 500 index is unmanaged and is generally representative of certain portions of the US equity markets. For the S&P 500 Total Return Index, dividends are reinvested daily, and the base date for the index is January 4, 1988. All regular cash dividends are assumed reinvested in the S&P 500 index on the ex-date. Special cash dividends trigger a price adjustment in the price return index.

	Representative Index	Characteristics	Key Risks
Managed Futures	SG Trend Index	Equal-weighted and reconstituted annually, calculates the net daily rate of return for a group of 10 trend-following CTAs selected from the largest managers open to new investment.	**Market risk.** Prices may decline. **Leverage risk.** Volatility and risk of loss may magnify with the use of leverage. **Country/regional risk.** World events may adversely affect values.
Treasury Bills	BofA Merrill Lynch 3-month T-Bill Index	Short-term debt obligations of the US Government with a 3-month maturity	**Interest rate risk.** The value will decline if interest rates rise.
US Stocks	S&P 500 Total Return (TR) Index	500 US stocks; Weighted towards large capitalizations	**Stock market risk.** Stock prices may decline. **Country/regional risk.** World events may adversely affect values.

PLEASE REVIEW THE FOLLOWING RISKS AND IMPORTANT CONSIDERATIONS

Please carefully consider the investment objectives, risks, charges, and expenses of the Altegris Futures Evolution Strategy Fund. This and other important information is contained in the Fund's Prospectus and the Summary Prospectus, which can be obtained by calling (888) 524-9441. Read the prospectus carefully before investing.

Funds are distributed by Northern Lights Distributors, LLC. Altegris Advisors and Northern Lights Distributors, LLC are not affiliated.

MUTUAL FUNDS INVOLVE RISK INCLUDING POSSIBLE LOSS OF PRINCIPAL

The value of fixed income securities, including preferred stock, will typically fall when interest rates rise. Additionally, fixed income securities are subject to credit risk, which refers to an issuer's ability to make interest and principal payments when due, and risk of default. Asset or mortgage-backed securities are subject to prepayment risk. Below investment grade and lower quality high yield or junk bonds present heightened credit risk, liquidity risk, and potential for default. Investing in defaulted or distressed securities is considered speculative. REITs are subject to market, sector, and interest rate risk.

Investing in commodity futures markets subjects the Fund to volatility as commodity futures prices are influenced by unfavorable weather, geologic and environmental factors, regulatory changes, and restrictions. Trading on foreign exchanges and foreign investments, including exposure to foreign currencies, involve risks not typically associated with U.S. investments, including fluctuations in foreign currency values, adverse social and economic developments, less liquidity, greater volatility, less developed or inefficient trading markets, political instability, and differing auditing and legal standards. These risks are magnified in emerging markets.

The use of derivatives such as futures, swaps, structured notes, and options contracts expose the Fund to additional risks such as leverage risk, tracking risk, and counterparty default risk that it may not be subject to if it invested directly in the underlying securities. Although futures contracts are generally liquid, there may not always be a liquid secondary market under certain market conditions. Option positions held may expire worthlessly and cause a loss. Managed futures programs accessed by the Fund may be traded with additional notional funding. The use of leverage can increase share price volatility and magnify gains or losses and cause the Fund to incur additional expenses.

The Fund may engage in short selling and short position derivative activities, which are considered speculative and involve significant financial risk. Short positions profit from a price decline, so the Fund may incur a loss on a short position if the price increases. The potential for loss in shorting is unlimited. Shorting may also result in higher transaction costs, which reduce return.

Investing in commodities through a controlled foreign corporation Subsidiary involves taxation and regulatory risk. Where applicable, income received from commodities-related investments will be passed through to the Fund as ordinary income, which may be taxed at less favorable rates than capital gains. Changes in applicable foreign and domestic laws could result in the Fund and/or Subsidiary's inability to operate.

Underlying Pools in which the Subsidiary invests will pay management fees, commissions, operating expenses, and performance-based fees to each manager it retains. As a result, the cost of investing in the Fund may be higher than a mutual fund that invests directly in securities. There is no guarantee that any of the trading strategies used by the managers retained will be successful. The adviser's judgments about each manager's investment expertise may prove to be inaccurate and may not produce the desired results.

ALTEGRIS ADVISORS

Altegris Advisors, LLC is a CFTC-registered commodity pool operator, NFA member, and an SEC-registered investment adviser that sponsors and/or manages a platform of alternative investment products.

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