Altegris GSA Trend Strategy Fund TRNAX | TRNIX | TRNNX

Market Commentary

US and international equities both gained during the first part of the quarter, with the S&P 500 rising to its highest levels since the beginning of February. Major global stock indices subsequently diverged during August, as US technology stocks lifted the S&P 500 and NASDAQ to record highs while many Asia-Pacific and European indexes fell. US equities continued the upwards trend towards the end of the quarter, while several international indexes in Europe and Asia (such as the DAX and the Hang Seng) remained flat.

In fixed income, US Treasury yields continued to rise in the midst of a strong US economic backdrop, with an average yield increase of 25 basis points across the entire curve. The yield curve also continued its gradual flattening trend, with the 10-year / 2-year spread finishing the quarter at 24 basis points, down from 33 basis points at the end of last quarter. Intra-quarter the spread hit a low of 18 basis points in August.

In commodities, ongoing trade tensions combined with macroeconomic conditions drove the most noteworthy moves in these markets. Oil prices saw a dip intra-quarter among trade tensions and increased production in the Middle East, but rose towards the end of the period on lessened fears. Precious metals prices (gold, silver) continued their slides in price, as rising US interest rates and a strong economic backdrop made holding these commodities less attractive. US-China trade war fears impacted specific markets, such as copper, soybean, corn, and lean hogs, which have the most exposure to these countries. Lastly, certain softs such as coffee and sugar dropped after a devaluation of the Brazilian real, which incentivized Brazilian growers to sell rather than store the season's harvests, and depressed worldwide prices.

In FX results were mixed, with few currencies showing persistent trends throughout the quarter. The US dollar strengthened in the first half of the quarter, and subsequently gave back most of the gains in the latter portion of the period. The euro and British pound experienced the reverse, with weakness in the first half followed by a recovery in the second half. Emerging market (EM) currencies came under pressure; specifically the Turkish lira fell after interventionist comments from the country's president, which alarmed investors and also dragged down other EM currencies in the EMEA region.

Fund Performance

FUND RETURNS | As of 9/30/2018

	Q3 2018	Year to Date	1-Year	5-Year	Since Inception*
TRNAX Class A (NAV)	5.88%	-5.16%	2.45%	N/A	-4.71%
TRNAX Class A (max load) **	-0.22%	-10.60%	-3.47%	N/A	-7.88%
TRNIX Class I (NAV)	5.97%	-5.04%	2.78%	N/A	-4.47%
TRNNX Class N (NAV)	5.88%	-5.16%	2.45%	N/A	-4.71%
BofA Merrill Lynch 3-month T-Bill Index	0.49%	1.31%	1.59%	N/A	1.24%
SG Trend Index	2.04%	-3.23%	4.22%	N/A	-0.63%
S&P 500 TR Index	7.71%	10.56%	17.91%	N/A	18.56%

** Inception date for Class A, Class I, and Class N was December 30, 2016. 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 2.44% for Class A, 2.19% for Class I and 2.44% for Class N.

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. The Fund's adviser has contractually agreed to reduce its fees and reimburse expenses of the Fund until at least October 31, 2018, to ensure the total annual Fund operating expenses after fee waiver and reimbursement will not exceed 1.85%, 1.60%, and 1.85% of average daily net assets attributable to Class A, Class I, and Class N shares, respectively, subject to possible recoupment in future years. 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.

Portfolio Performance Review

The Fund was up 5.88 % for the third quarter of 2018, exceeding the benchmark SG Trend Index's return of 2.04%. The Fund's performance was driven by an 8.65% gain in the month of August. From a sector standpoint, the Fund saw its largest gains from short positions in precious metals (silver, gold), short positions in soft commodities (coffee, sugar), and long dollar positions relative to many emerging market currencies. Losses resulted from long positions in longer duration fixed income contracts (primarily Eurozone sovereigns), and shorts in base metals (copper).

The quarter began with a somewhat quiet month of trading in July; the Fund ended close to flat. Gains generated long equities were negated by losses in FX, fixed income, or commodities. Throughout July, however, the Fund's net exposure declined further as foreign exchange contracts continued to reposition and the Fund moved net short commodities, mainly due to emerging trends in base metals and certain agriculture contracts. The exposure shift worked nicely as most of the trends that led to the shift either continued or magnified. One of the more prominent ones, the Turkish Lira, had seen a steady decline for much of 2018 and lost more than 25% of its value in the month of August. The combination of what some investors view as excessive debt, a dovish central bank, and US sanctions proved to be headwinds for the currency. Short positions in grains (soybean products in particular) and other agriculture commodities (corn, coffee) also benefitted the Fund in August. As a principal component of animal feed, an outbreak of African swine fever in hog herds in Eastern China (the fifth in less than a month) led to concerns for soybean product demand. The concern over soybean demand in unison with rising global tariffs generally led a number of agricultural commodity prices lower and created or continued trends from which the Fund was able to profit. Finally, the end of the quarter was highlighted by a volatile month in European sovereign bonds. Choppy price action resulted from the new Italian government's reported willingness to compromise in negotiations over its budget deficit and subsequent surprise announcement of a wider than expected deficit. The volatility in BTP Italian bonds spread to the sovereign bond markets in France and Italy when the ECB President suggested that the bank was considering withdrawing some of its crisis-era monetary stimulus, hurting the Fund's long positioning in longer duration European fixed income futures.

Overall, we believe that there are many positive takeaways from the quarter – primarily that the Fund shifted exposure correctly to profit from some of the medium to long term trends in grains, softs, metals, and currencies. While there will always be reversals, the development and continuance of many medium term trends is encouraging.

Portfolio Positioning

As of quarter-end, the Fund's largest risk position by asset class was in commodities, at over half of the risk exposure for the Fund. The second largest risk exposure is roughly a quarter of the Fund's overall risk, as measured by VaR, and comes from non-USD denominated currency contracts. Stock indices and fixed income account for the remainder of the Fund's risk exposure, combining to account for just less than a quarter of the overall risk.

Outlook

As the global and US economic expansions continue, they carry with them an equity bull market that is the longest on record. However, several measures indicate that the market cycle is arguably in the later stages of growth: price/earnings valuations for the S&P 500 are in the highest quintile going back over 100 years, and the US Treasury yield curve is flattening and continues to gradually come closer to an "inversion" (that is, when shorter dated US treasuries offer a higher yield than longer dated treasuries), both of which have historically preceded flat or negative returns in equity markets.

In light of this, it continues to be essential to find investments that have non-equity exposure and generate uncorrelated returns, and that potentially profit from positive or negative price changes, as managed futures does in both cases. Trends are currently emerging and persisting across a variety of non-equity markets such as those within commodities, which (in addition to being characteristics of late-cycle growth), have historically been effective in generating both positive returns and offering low correlation potential. We believe that these characteristics which are intrinsic to managed futures will continue to make this investment class an important part of a well-diversified portfolio's ability to generate attractive risk-adjusted returns.

This commentary reflects the views of the portfolio managers through 09/30/2018. The managers' views are subject to change as market and other conditions warrant. This commentary is provided for informational purposes only and should not be construed as investment advice. No forecasts are guaranteed. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses.

Fund Objective

The Fund seeks to achieve long-term capital appreciation.

Managed Futures Manager Exposure

	GSA Capital
Exposure	100%

The Fund's access to managers and the percentage exposures to each listed above are presented to illustrate examples of the diversity of managers accessed by the Fund through its managed futures investments, but may not be representative of the Fund's past, or its future, access and exposure to managed futures managers, sub-strategies and programs. It should not be considered a recommendation or investment advice.

Index Descriptions

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

Global Equity. The MSCI AC World Index ex USA USD Net Total Return Index is a free-float weighted equity index inclusive of international countries including Emerging Markets and excluding the US. **Notional Funding.** A form of leverage that allows for funding a futures account below its nominal value. The difference between the amount of cash deposited in the account and the nominal trading level of the account is referred to as notional fund. **Treasury Bills.** BofA Merrill Lynch 3-month T-bill Index is an unmanaged index that measures returns of three-month Treasury bills. **US Stocks.** The S&P 500 Total Return Index is the total return version of S&P 500 index. The S&P 500 index is unmanaged and is generally representative of certain portions of the U.S. equity markets. For the S&P 500 Total Return Index, dividends are reinvested on a daily basis 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. **US Dollar Index.** The U.S. Dollar Index(USDX) indicates the general int'l value of the USD. The USDX does this by averaging the exchange rates between the USD and major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

	Representative Index	Characteristics	Key Risks
Global Equity	*MSCI World Index Net Return USD Index*	*Measures equity market performance of 24 developed markets*	***Market risk.*** *Prices may decline.* ***Country/regional risk.*** *World events may adversely affect values.*
Global Equity	*MSCI Emerging Markets Index*	*Measures equity market performance of 24 developed markets*	***Market risk.*** *Prices may decline.* ***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.*** *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.*
US Dollar	*DXY Index*	*US Dollar against a basket of currencies*	***Country/regional risk.*** *World events may adversely affect values.*

PLEASE REVIEW THE FOLLOWING RISK DISCLOSURES.

Risks and Important Considerations

Please carefully consider the investment objectives, risks, charges and expenses of the Altegris GSA Trend 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, under certain market conditions there may not always be a liquid secondary market. Option positions held may expire worthless and cause a loss. Managed futures programs accessed by the Fund may be traded with additional leverage. The use of leverage can increase share price volatility and magnify gains or losses, as well as 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 decline in price 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 inability of the Fund and/or Subsidiary 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 the investment expertise of each manager accessed may prove to be inaccurate and may not produce the desired results.

The Fund is "non-diversified" for purposes of the Investment Company Act of 1940, and therefore, may invest more than 5% of total assets in the securities of one or more issuers. As a result, performance may be more sensitive to any single adverse market, economic, or regulatory occurrence than a diversified fund.

Altegris Advisors

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

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