Fulcrum Diversified Absolute Return (FARIX)

FULCRUM

January 31, 2025

Diversification	Downside Mitigation	Liquidity
Generate returns with a low correlation to stocks and bonds.	Seeks to hedge against extreme losses.	Daily valued and reasonable fees.

Description

Fulcrum Diversified Absolute Return (FARIX) seeks to outperform bonds (over rolling five-year periods) with a similar standard deviation profile. With its low correlation and beta to both stocks and bonds, and good historical downside mitigation during volatile periods for markets, it can help diversify a portfolio consisting primarily of stocks and bonds.

Fund Information

Institutional Class	Management Fee	Gross Expenses	Net Expenses*	Strategy Start Date	40 Act Launch Date	Fund AUM ($)	Strategy AUM ($)	Firm AUM ($)
FARIX	**0.90%**	**1.26%**	**1.25%**	**09/2008**	**7/31/2015**	**$197m**	**$5.6bn**	**$7.1bn**

*Contractual through October 28, 2025

Investment Process

All weather portfolio investing across equities, bonds, currencies and commodities, built from complementary strategies combining discretionary and systematic inputs, with each playing a specific role and contributing to performance. Tailored hedging overlay aims to protect against extreme losses.

DYNAMIC ASSET ALLOCATION		DISCRETIONARY MACRO		DIVERSIFYING STRATEGIES		DIVERSIFIED ABSOLUTE RETURN
Medium-term directional views across global equities, commodities and bonds **Percentage of Risk** 30-40% **Expected Equity Beta*** +0.3	+	Shorter-term trading of market transitions across all asset classes **Percentage of Risk** 40-50% **Expected Equity Beta*** -0.1	+	Medium-term trend following, technical signals on >170 markets **Percentage of Risk** 0-10% **Expected Equity Beta*** +0.1	=	**Absolute Return** Since inception low correlation to equities and negative to bonds **Expected Equity Beta*** +0.2

[4]Standard Deviation - Measures historical variability of returns around the average for an individual position, asset or group of assets. Higher standard deviation suggests greater risk.
[5]Expected Beta to Equities– A measure of the volatility of a security or portfolio compared to the market as a whole. Specifically, outlines the anticipated beta value associated with a portfolio's equity holdings. By multiplying the beta -value of a given strategy or portfolio with the expected movement of the aggregated securities, the expected change in the overall risk of the portfolio can be determined.

Net Performance

	As of January 31, 2025			As of December 31, 2024				
	January	YTD	Since Inception**	Q4-24	1 Year	3 Years	5 Years	Since Inception**
Fulcrum Diversified Absolute Return	1.61%	1.61%	3.11%	0.48%	7.14%	3.24%	4.71%	2.97%
Wilshire Liquid Alternatives[1]	1.36%	1.36%	2.04%	-1.87%	6.11%	1.50%	2.48%	1.91%
HFRX Global Hedge Fund Index[2]	0.97%	0.97%	2.07%	0.13%	5.21%	1.22%	2.80%	1.98%
Bloomberg US Agg Total Return[3]	0.53%	0.53%	1.41%	-3.06%	1.25%	-2.41%	-0.33%	1.37%

Note returns for periods greater than one year are annualized. **Inception date: July 31, 2015. [1]Represents the Wilshire Liquid Alternative Index which measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. It is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS) and Wilshire Liquid Alternative Event Driven Index (WLIQAED) (Bloomberg ticker: WLIQA). [2]The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. (Bloomberg ticker: HFRXGL). [3]Represents the Bloomberg US Agg Total Return Value Unhedged USD, a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency) (Bloomberg ticker LBUSTRUU).

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-855-538- 5278.

Investment Committee

Our disciplined investment process and risk management is driven by an experienced and stable senior team, who have complementary strengths and are supported by a team of over 30 investment professionals.

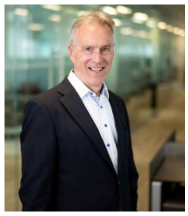
Gavyn Davies,
Founding Partner & Executive Chairman

- BBC, Executive Chairman
- Goldman Sachs, Chief Economist,
- Managing Director and Partner
- HM Treasury Forecasting Panel UK
- Policy Unit at 10 Downing Street, Economic Policy, Economist, then advisor to the Prime Minister
- St John's College, Cambridge

Suhail Shaikh,
Partner, Chief Investment Officer

- Goldman Sachs, Investment Strategy Group, Global Equity, then Global Fixed Income & Currency Asset Management
- London School of Economics & Political Sciences, BSc in Management
- CFA Charterholder

Andrew Bevan, PhD
Partner, Economic Advisor



- Goldman Sachs, Managing Director, Head of Global Markets Research
- Bear Stearns, Managing Director, Head of Financial Analytics and Structured Transactions Group
- PhD International Monetary Economics, PhD in Theology

Juan Antolin-Diaz,
Partner, Chief Research Officer

- European Central Bank, Traineeship, Division of External Development
- Foundation for Applied Economic Research, Research Assistant
- MSc in Economics, London School of Economics & Political Science Economics Degree, Universidad Complutense Madrid

Fawaz Chaudhry,
Partner, Head of Equities

- BlueCrest Capital, PM Global Equities
- Moore Capital, PM Global Equities & Credit
- Hadron Capital, PM Global Equities & Credit
- Macquarie Capital Advisers, VP, Listed Equities Group
- London Business School, MBA Finance
- MIT, M.Eng. & B.S. Electrical Engineering & Computer Science, B.S. Management Science – Finance

About Fulcrum

- Founded in 2004, Fulcrum is a highly innovative, employee-owned asset manager with a focus on macro-orientated absolute return investment strategies, integrating both discretionary and systematic inputs.
- The firm manages $7.1bn on behalf of a global client base of institutions, wealth managers, endowments & foundations, and private investors.
- The same senior investment team has managed the strategy from inception and worked together at Goldman Sachs through several decades and all manner of market environments.
- With a disciplined investment process and effective risk management, our aim is to be our clients' most trusted long-term partner.

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Portfolio Performance

Strong economic activity and robust risk sentiment saw markets move higher in January, despite an initial wobble as a stronger-than-expected US payrolls report appeared to reinforce expectations of fewer US rate cuts on the horizon. A weaker-than-expected reading on the core Consumer Price Index (CPI) in the US was the trigger for a broad-based market recovery later in the month.

The Federal Open Market Committee (FOMC) kept rates on hold at their January meeting, signalling that they were in no 'hurry' to loosen policy rapidly given the strong economy and above-target inflation. In contrast, the European Central Bank (ECB) opted to cut interest rates and signalled further loosening to come amid a persistently weak growth backdrop and the Bank of Japan (BoJ) raised interest rates to a 17-year high amid elevated readings on headline inflation.

Against this backdrop, global equities rallied, led by a jump in European markets, while global bonds were only slightly up, recovering from losses early in the month. The US dollar ended the month close to flat as early gains were reversed as the market awaited news on possible US tariff increases. A rise in global commodities was led by broad increases across energy, agricultural and industrial metals and a strong rise in precious metals.

January delivered good positive returns of +1.61%. The Dynamic Asset Allocation (DAA), Discretionary Macro (DM) and Diversifying strategies (DS) all ended the month higher.

Within the DAA sleeve, there were gains in Equities and Commodities and a slight drag from Fixed Income, with diversified positions in equities benefiting from the broad-based rise across developed markets.

In Diversifying Strategies, the trend-following component was slightly up, as long positioning in energy and agricultural commodities, offset losses on long dollar positions.

Discretionary Macro benefitted from a long precious metals position focused in gold, as prices continued to rise on heightened perceptions of geopolitical risk and with a strong underpinning from continued central bank demand.

Thematic Equities had another good month, with contributions from multiple themes, including long positions in Grocers (Walmart and Costco) and investment managers in the private assets space, who were supported by continued rising demand for private assets. In Cross Asset, a long position in Brazilian two-year rates fared well after a challenging end to 2024. We continue to believe that concerns over the Brazilian fiscal deficit have been overdone.

Performance of the Volatility strategies was helped by an improving opportunity set for relative value volatility, underpinned by a pickup in FX volatility, strong European equities, and dispersion of US single stock returns following the DeepSeek AI news flow.

With the portfolio broadly positioned for a more hawkish outcome with regard to tariffs, the more challenging positions in January were those that stood to benefit from Trump taking a more protectionist stance. A short Chinese Renminbi position in Currencies and a view that German yields would move lower in Dynamic Convexity both proved to be a drag on performance as Trump's announcements on trade tariffs were delayed until the end of the month.

Portfolio Positioning & Outlook

Fulcrum Diversified Absolute Return consists of three proprietary sub-strategies of Dynamic Asset Allocation, Discretionary Macro and Diversifying Strategies.

Dynamic Asset Allocation

The allocation to equities remained stable as elevated valuations continue to weigh on the expected return outlook, while the allocation to fixed income fell slightly as interest rate volatility rose. Commodities remain supported by a strong global growth backdrop and elevated market risk appetite.

Discretionary Macro

We have increased our long duration exposure, concentrated primarily in European markets. These positions stand to benefit from continued weak activity conditions in Europe, which has informed a more dovish stance from the ECB vis-à-vis the Fed and signs of dis-inflation and weaker domestic activity in the UK.

We continue to favour a long dollar orientation, taking the form of positions against the euro and pound, as well as option structures set to benefit from either a joint rally in US equities and the dollar or German bunds and the dollar. With the BoJ set to tighten policy further, a long yen position also serves as a hedge to our dollar positioning.

In Commodities, we maintain a long precious metals stance, offering upside potential amid inflation uncertainty and escalating geopolitical tensions.

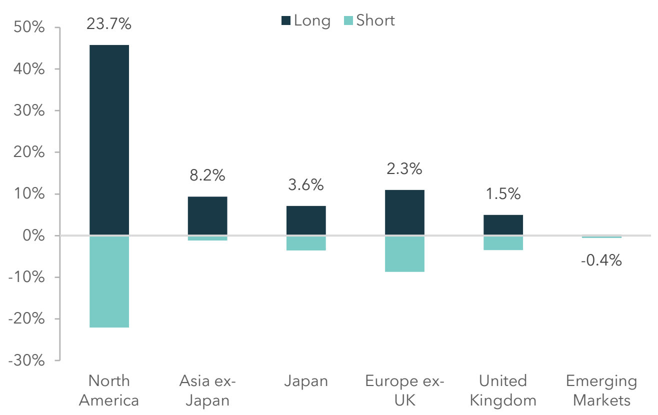
Diversifying Strategies

Our trend-following system has now become short US Treasuries and long crude oil. Moreover, it has increased conviction in its long dollar orientation following recent strength in the currency.

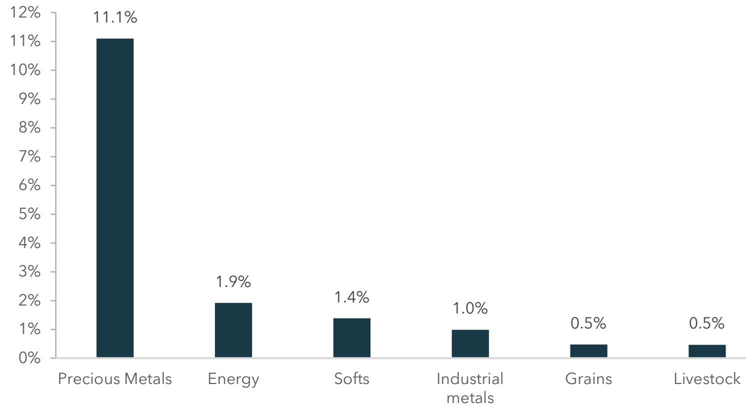
Overall

Overall, we have moderated our long equity positioning and long duration view. Amid significant uncertainty in global economic and policy developments, however, we remain nimble in our positioning, with significant diversification across strategies as well as hedging against emergent risks.

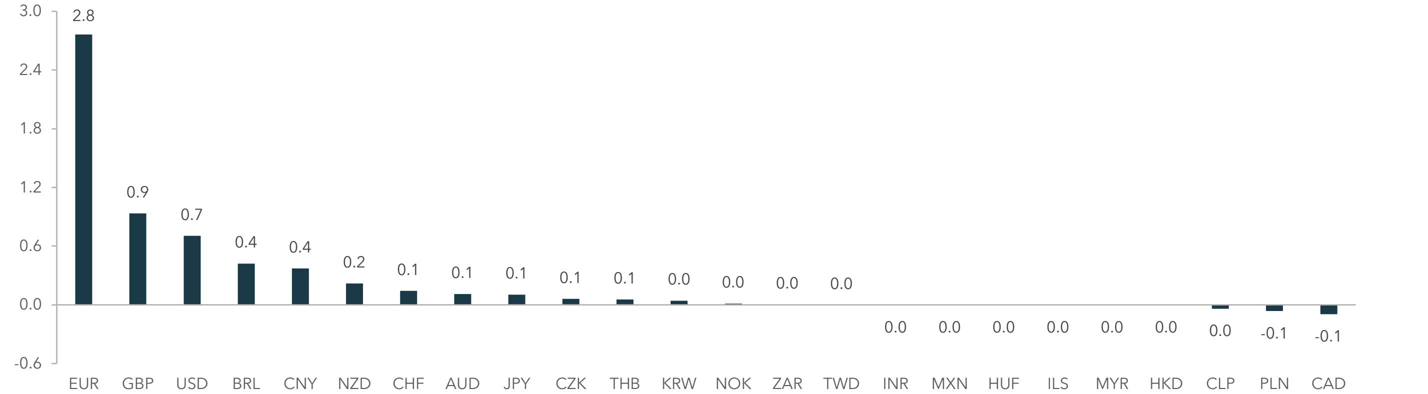
Net Equity Exposure by Region: 38.8%



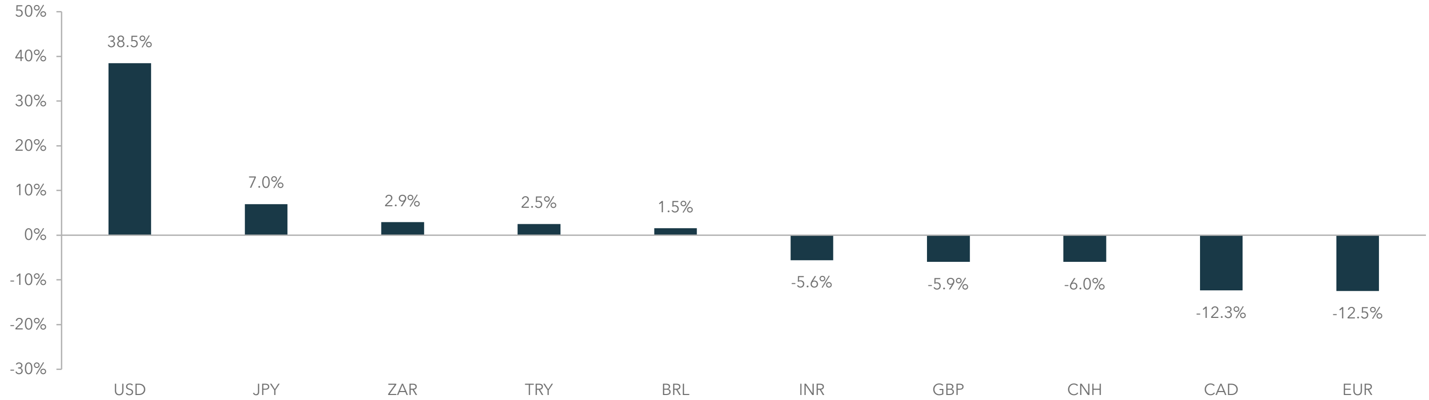
Net Commodity Exposure: 16.3%



Net Duration Exposure (years): 5.7



Net Currency Exposures



Data as at 01/31/2025. Source: Fulcrum Asset Management LLP.

Disclosure

As of the prospectus dated October 28, 2024, the Adviser has contractually agreed to waive a portion or all of its management fees and pay Fund expenses in order to limit the total annual fund operating expense to 1.17% through at least October 28, 2025 excluding shareholder servicing fees; any front end or contingent deferred loads; brokerage fees and commissions; acquired fund fees and expenses ("AFFE"); fees and expenses associated with investment vehicles or derivative instruments; borrowing costs; taxes; and extraordinary expenses, such as litigation expenses.

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus and summary prospectus contain this and other important information about the investment company, and it may be obtained by calling 1.855.538.5278, or visiting www.fulcrumassetfunds.com. Read them carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Absolute return strategies are not designed to outperform stocks and bonds during strong marketrallies. Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political andregulatory developments. Derivatives involve special risks including correlation, counterparty, liquidity, operational, accounting andtax risks. These risks, incertaincases, may be greater than the risks presented by more traditional investments. The Fund may use leverage which may exaggerate the effect of any increase or decrease In the value of portfolio securities or the Net Asset Value of the Fund, and money borrowed will be subject to interest costs. The Fund invests in foreign securities which involve greater volatility andpolitical, economic and currency risks anddifferences in accounting methods. These risks are greater in emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Diversification does not assure a profit nor protect against loss in a declining market.

The Fulcrum Diversified Absolute Return Fund is distributed by Northern Lights Distributors, LLC. Fulcrum Asset Management LLP is not affiliated with Northern Lights Distributors, LLC.