Altegris Futures Evolution Fund EVOAX | EVOCX | EVOIX | EVONX

Market Commentary

Despite the apparent peak of the summer wave of COVID cases, markets experienced more volatility than the preceding two quarters in 2021. The pace of US real GDP growth has slowed in the second half of 2021, but the pace remains strong. Inflation appears to be slowing after an extreme shock earlier this year; however, risks remain to the upside with global supply chain shocks lingering. Global GDP appears strong for Q4 2021, but China's economy could be drag into 2022. A sagging property market, regulatory disruptions, and weaker than expected trade data continue to weigh down one of the primary drivers of global GDP growth.

In the US, the Fed is beginning to gradually remove accommodative policies, with some expecting a reduction in asset purchases to begin as earlier as December. The Fed kept policy rates, asset purchases, and forward guidance unchanged at its July meeting while beginning to discuss the timing and mechanics of tapering.

Commodity prices consolidated during the quarter, after an extended period of strong performance, but most still finished in positive territory. Oil prices (ex. natural gas) softened in the second half of the quarter after reaching yearly highs in early January. Notably, natural gas prices rallied strongly amid tightening gas markets globally and domestic production issues. Precious metals price action became choppier amid tightening discussions at the Fed. Within base metals, aluminum outperformed most other metals amid short-term supply issues (mainly from China), while most others finished slightly up on the quarter. Agricultural commodity prices were mixed; soft commodity prices (sugar, coffee) finished higher, but grain prices (corn, soybeans) were lower.

Inflation risk remains at the front of investors' minds as the tailwinds from ongoing supply-chain disruptions and higher demand from a strengthening recovery remain. Inflation appears to be slowing after the extreme spike earlier in the year; however, the aggressive traditional and non-traditional easing measures from the Fed and the tight labor market remain potential risks to the upside.

Fund Performance

Fund Returns | As of 09/30/2021

			Annualized Return			
	QTD	**YTD**	**1YR**	**3YR**	**5YR**	**Since Inception***
EVOIX: Class I	5.11%	14.80%	24.76%	-0.55%	0.12%	3.03%
EVOAX: Class A	4.95%	14.46%	24.24%	-0.84%	-0.15%	2.75%
EVOCX: Class C	4.79%	13.93%	23.41%	-1.59%	-0.89%	1.92%
EVONX: Class N	4.95%	14.60%	24.38%	-0.84%	-0.13%	2.75%
BofA Merrill Lynch 3-mo T-bill Index	0.02%	0.04%	0.07%	1.18%	1.16%	0.63%
SG Trend Index	2.90%	10.51%	19.89%	6.78%	2.86%	3.16%
S&P 500 TR Index	0.58%	15.92%	30.00%	15.99%	16.90%	15.57%
EVOAX: Class A (max load)**	-1.12%	7.93%	17.10%	-2.77%	-1.33%	2.14%

** 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 2.13% for Class A, 2.88% for Class C, 1.88% for Class I, and 2.14% for Class N.

The Fund's adviser has contractually agreed to reduce its fees and to reimburse expenses, at least until October 31, 2022, to ensure that total annual Fund operating expenses after fee waiver and reimbursement will not exceed 1.59%, 2.34%, 1.34%, and 1.59% 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 up in Q3 2021, exceeding the benchmark SG Trend Index performance.

Profits in commodities trades led asset classes for the third consecutive quarter as positive price momentum continued, particularly within the energy complex. Long natural gas positions generated the largest gains for the Fund as natural gas prices continued their two-quarter run. Elsewhere, longs in soft commodities and shorts in grains generated gains. Conversely, long positions in base metals, livestock, and precious metals generated losses. As a result, the Fund's long commodity exposure ended the quarter slightly lower.

Stock index trading was also positive in the quarter. Long positions in developed market indices (U.S., Europe, Australia) generally performed better than those in emerging market indices; however, both were positive. Within emerging markets, China and India generated the largest gains. The Fund's long stock index exposure ended the quarter slightly lower.

FX trading was unprofitable during the quarter. A long position in the Canadian dollar and a short position in the Japanese yen drove losses in the asset class. A short position in the euro somewhat offsets losses in the asset class. The Fund's long exposure in FX flipped to net short in early July and continued to get shorter through the end of the quarter.

Fixed income trading was the largest detractor amongst asset classes during the quarter. Long positions in longer-dated issues in Europe made the largest losses as Euro-Bunds, Euro-Buxl, and the 10-year Australian bond were key negative contributors. Conversely, shorter-dated maturity contracts generated gains, mostly on the short side, where Brazilian Overnight rates and 3M Sterling rates generated the largest gains. The Fund's fixed income exposure increased over the quarter until late August, after which it gradually decreased but still finished higher than where it began.

Manager Performance Review

The thirdquarter was positive for all the Fund's underlying strategies; ISAM made the largest gains. Winton Diversified Macro Strategy (DMS) made smaller but meaningful contributions while Winton Trend made the smallest gains.

Winton DMS gains were driven by commodity and stock index positions. From a sector perspective, energy, softs, and stock indices led to gains while FX, bonds, and livestock positions detracted the most. Energies were the outsized contributor within the strategy, driven by trend-following and a range of systematic macro signals. Longs in natural gas, cotton, and aluminum made the largest gains, while long positions in the Canadian dollar, British pound, and short Japanese yen made the largest losses.

Winton Trend made gains for the quarter, driven by commodity positions, but all other asset classes detracted. Energy and softs led from a sector perspective, while bonds, stock indices, and FX made the largest losses. Long natural gas positions made the largest gains, followed by long coffee, aluminum, and cotton positions. A long position in the British pound, long Euro-Bunds, and long Canadian dollar generated the largest losses.

ISAM generated the most gains for the Fund in the third quarter. Over the quarter, ISAM's longer- and medium-term trend-following models outperformed the faster-moving models as the trends in commodities continued. Longs in energy, shorts in shorter-dated fixed income contracts, and longs in soft commodities made the largest gains driven by longs in natural gas, power, emissions, iron, and aluminum contracts. Conversely, longs in precious metals, base metals, and livestock positions detracted.

DoubleLine Low Duration was positive during the third quarter. As a reminder, the Fund increased its allocation to 100% Low Duration (implemented via DoubleLine's mutual fund) at the end of the second quarter and deallocated its 20% allocation to Opportunistic Income. The mutual fund implementation provides the Fund a reduction in overall fees and improved efficiencies and diversification. Furthermore, we believe that the potential inflation surprise risk warrants a conservative stance across credit and duration within fixed income, hence our decision to allocate solely to the Low Duration mutual fund. While DoubleLine is no longer technically a sub-advisor to the Fund, we remain convicted in DoubleLine's investment strategy and team.

Portfolio Allocations

As of September 30, 2021, allocations to ISAM, Winton DMS, and Winton Trend are 25%, 52.5%, and 22.5%, respectively. Within the fixed income portfolio, allocations are 100% Low Duration Strategy.

Portfolio Positioning

Overall Fund and aggregate asset class positioning ended Q3 net long albeit at a lower level than it began. Commodities represent the most significant risk exposure at a little more than one-third of the Fund's total risk exposure; long natural gas and crude oil positions represent the largest market risk exposures. Fixed income is the next largest risk exposure at slightly less than one-third of total risk exposure. Long positions in NOK rate swaps and NZD rate swaps represent the largest risk exposures. Stock indices, at about one-fifth, are the next largest risk exposure, with long positions in the S&P 500 Index and Hang Seng Index being the largest individual market risk exposures. Finally, the smallest risk exposure, FX, is about one-sixth of the Fund's risk allocation, led by a short euro and short Japanese yen position.

Outlook

As the global economy continues its recovery from the pandemic, the economy faces new challenges. Global supply chain issues, a wavering Chinese economy, and inflation risk are top of mind for many. Significant inflation may or may not materialize; however, proactive rate hikes may adversely affect bond prices. Given these near-intermediate term risks, we believe the Fund's long commodity positioning and recent allocation to 100% Low Duration in the collateral management sleeve continue to give it a strong foundation as we advance. As a result, we remain convicted that the Fund will continue to deliver a responsive managed futures experience and overall strong risk-adjusted returns for investors.

This commentary reflects the views of the sub-adviser portfolio manager through 9/30/2021. The manager's 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[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 index is unmanaged, not available for direct investment, and its performance does not reflect transaction costs, fees, or expenses.

BofA Merrill Lynch 3-month T-Bill Index measures the returns of three-month Treasury Bills.

SG Trend Index 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 is a broad-based index, the performance of which is based on the performance of 500 widely held common stocks chosen for market size, liquidity, and industry group representation.

	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:** 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

IMPORTANT DISCLOSURES

Carefully consider the Fund's investment objectives, risks and expenses as detailed in its Prospectus and Summary Prospectus, which can be obtained by calling (888) 524-9441. Before investing, read the Prospectus carefully for additional information about the Fund and its risks.

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

The Fund may not be suitable for all investors. Investing involves risk, including possible loss of principal. You may have a gain or loss when you sell shares. • There can be no assurance that the Fund will achieve its investment objectives. • The Fund's investments in commodity futures markets are volatile, as commodity futures prices are influenced by unfavorable weather, geologic and environmental factors, regulatory changes and restrictions. • Trading and investing on non-US exchanges and in non-US markets poses additional risks as compared to trading and investing in the U.S., due to currency fluctuation, adverse political or economic conditions, and differing audit and legal standards (risks that are magnified for investments in emerging markets). • The Fund will invest in futures, swaps, structured notes, options and other derivative instruments, which are leveraged and can be more volatile. less liquid, and subject to the Fund to increased costs, as compared to traditional investments. • Derivatives may also be subject to increased tracking risk, risk of counterparty default, adverse tax treatment. • The Fund will leverage investments to the extent permitted by its investment policies and applicable law, and the managed futures programs it accesses will be traded with additional notional funding – all of which will magnify the impact of increases or decreases in the value of Fund investments and cause the Fund to incur additional expenses. • Futures contracts are generally liquid, but under certain market conditions there may not always be a liquid secondary market. • The Fund's use of short selling and taking short positions in derivatives involves increased risks and costs, as the Fund may pay more for an investment than it receives in a short sale, with potentially significant and possibly unlimited losses. • The Fund's investment in other investment funds will subject it to the risks and expenses affecting those funds. • The Fund invests in fixed income securities, including preferred stock, and their values typically fall when interest rates rise. • Fixed income securities are subject to the issuer's credit risk, risk of default and prepayment risk in the case of mortgage-backed and similar securities. • 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.

Altegris Advisors

ALTEGRIS ADVISORS, LLC is a CFTC- and NFA-registered commodity pool operator and SEC-registered investment adviser that manages funds pursuing alternative investment strategies.

1933866_071921 | 6407-NLD-07/20/2021