

FUND OBJECTIVE

The Fund seeks capital appreciation and capital preservation.

FUND INCEPTION DATE

November 30, 2015

PORTFOLIO MANAGERS

Michael Krause, CFA
Chief Investment Officer & Partner

Joseph Engelberg, Ph.D
Chief Research Officer

FUND DETAILS

STYLE: All Market Capitalizations

BLENDED INDEX: 50% S&P 500 | 50% 1-3 Month Treasury Index

CUSIPs

66538G395 (I); 66538G429 (A); 66538G411 (C)

CPIEX seeks capital appreciation and capital preservation by investing in a global long-short portfolio plus a tactical US stock market overlay that is risk-on during market upswings and risk-off during extended market downswings.

ALLOCATION STRATEGY

The Counterpoint Tactical Equity Fund uses multiple machine learning models to select a long-short portfolio, while using a tactical model to dynamically adjust stock market risk.

Market Neutral Portfolio

100-130% Long

100-130% Short

Tactical Equity Overlay

Risk On: Market Neutral Portfolio +
80% | US Market Exposure

Risk Off: Market Neutral Portfolio Only

MANAGING DOWNSIDE VOLATILITY

The Fund seeks to avoid extended periods of downside volatility in the US Stock Market by using an algorithmic tactical model:

GOING RISK-ON:

- CPIEX uses trend-following of market price and economic data inputs to seek exposure to the US Stock Market during extended market rallies.
- When equity markets are above broad price-based moving averages, the model targets an 80% net long exposure to the US Stock Market in addition to earning the returns to its market-neutral portfolio.



GOING RISK-OFF:

- The tactical model suggests zero beta market-neutral exposure when price falls below the moving average determined by the model's trend-following signal.
- Historically, the realized market volatility of equities avoided during "risk-off" periods has been 96% higher on average as compared to "risk-on" periods when the model signaled to hold equities.



There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses.

MARKET NEUTRAL PORTFOLIO CONSTRUCTION

The Counterpoint Tactical Equity Fund seeks to provide long exposure to stocks with the highest predicted return and short exposure to stocks with the lowest predicted return, where factor exposures are dynamic depending on factor interaction effects and market conditions.

The Fund uses a blend of multiple quantitative machine learning models and advanced artificial intelligence techniques to most optimally score and select the highest ranked stocks.



The Fund aims to outperform equity indexes through owning a global multi-factor portfolio:

■ 750+ Globally Diversified Holdings

CPIX's stock-selection process produces a market-neutral portfolio with 750+ globally diversified individual holdings from all market capitalization segments.

■ Targets Lower Standard Deviation

The market-neutral portfolio targets an annual standard deviation of 6-7%, which is less than half the market average historically.

■ Optimized Risk Management

The stock-selection model is optimized to reduce major sources of risk, such as market, sector, and currency risk, and enables long and short exposure of approximately 100-130% respectively.

■ Seeks Alpha Potential

The Fund employs short-selling to seek alpha, as historical returns to investment factors have typically benefited short sellers disproportionately as compared to long only investors.

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Important information about The Fund is available in its prospectus, which can be obtained at counterpointfunds.com or by calling 844-273-8637. The prospectus should be read carefully before investing. Investors should carefully consider the investment objectives, risks, charges, and expenses of the funds managed by Counterpoint Funds. The Counterpoint Funds fund family is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Counterpoint Funds, LLC is not affiliated with Northern Lights Distributors, LLC member [FINRA/SIPC](#)

Important Risk Information

Mutual Funds involve risk including the possible loss of principal. The Fund may invest in high yield securities, also known as "junk bonds." The use of leverage by the Fund or an Underlying Fund, such as borrowing money to purchase securities or the use of derivatives, will indirectly cause the Fund to incur additional expenses and magnify the Fund's gains or losses. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Past performance is no guarantee of future results. There is no assurance the Funds will meet their stated objectives.