

Market Update Feb 8, 2018

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After an overly optimistic start in the month of January the markets have corrected in a volatile decline, the likes of which we have not seen in several years. The combination of euphoric buying, overvalued stock prices, and the realization that the Federal Reserve will be raising interest rates several times this year to fight inflation contributed to a severe selloff and extreme market volatility. In 9 days the Dow Jones Average has dropped 10%, one of the fastest corrections in history. This follows a period of over 500 days of not having a 10% correction. The longer the market goes without a correction, the more violent it can be to work out the excesses in the financial system. While the majority of the time a situation like this leads to favorable returns over the 12-month period following a correction, there are a number of times when very nasty things happen. A majority of the investment managers today are younger and have not experienced what can happen to buy and hold investors. More recently, in the past 20 years, we have had two stock market corrections in excess of 50%. This kind of activity can cause investors who have buy and hold portfolios to change their lifestyle.

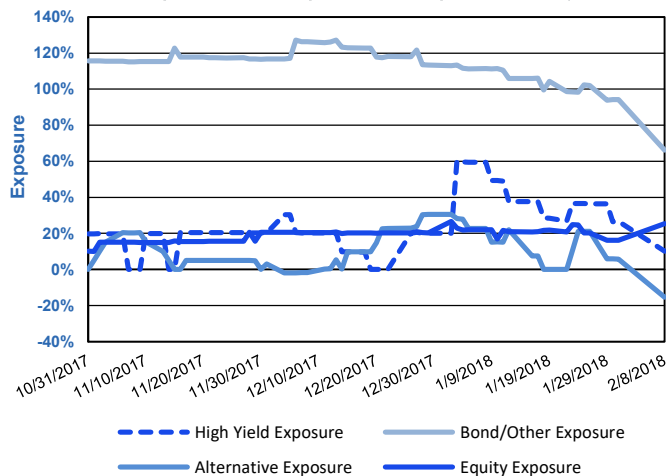
The Hundredfold Select Alternative Fund (SFHYX/HFSAX) has little high yield bond exposure and very modest stock. Leverage of credit positions has also been eliminated. The alternative exposure has actively managed the commodities space maintaining the objective of low volatility. Please review the allocation below. For standard performance data, please reference the Monthly Portfolio Insights which is updated through 1/31/2018. If interested, this review can be sent to you automatically each month when you sign up on the website.

The Fund's portfolio is very actively managed. I have been managing risk for over 30 years, and has seen about every market condition imaginable. Hundredfold's primary concern is not making lots of money, but by providing superior risk adjusted returns for investors. We want investors to know that they don't have to pay attention to market volatility because that is what we do best. While this correction may be just a hiccup on the way to new high prices, it may also be the beginning of a bear market. Bear markets begin with extended prices, and optimism. Our Bull/Bear monitoring system this week raised the caution flag after several years, but has not gone to the sell side yet. It is in a wait and see mode. Any investors who are buy and hold stock investors need to think through whether or not a 50% decline in their account will change their lifestyle, and if so, pay attention. Remember almost every bull market has eventually had a correction of about 50% of the gains, and this market is up 300% since 2009.

Portfolio Allocation

	1/31/2018	2/8/2018
High Yield Bond	26.60%	10.07%
Alternative/Other Bond	100.07%	50.82%
Equity	16.17%	25.49%
<small>can contain derivatives and/or short positions</small>	142.84%	86.38%

Exposure Allocation (10/31/2017 - 2/8/2018)



Past performance does not guarantee future results. There is no guarantee any investment strategy will ensure a profit or prevent a loss.

Consider these risks before investing: Aggressive investing techniques, asset-backed securities risk, credit risk, counterparty risk, depository receipt risk, derivatives risk, emerging markets risk, equity securities risk, foreign securities risk, high portfolio turnover risk, high-yield securities risk, holding cash risk, interest rate risk, leverage risk, master limited partnership risk, non-diversification risk, other investment companies risk and ETFs risk, prepayment risk and mortgage-backed securities risk, shorting securities risk, small and mid-capitalization risk, subadvisor investment strategy risk, tax risk, and floating rate notes risk. There is no guarantee the fund will achieve its investment objective. You can lose money by investing in the Fund. Please carefully review the prospectus for detailed information about these risks.

Request a prospectus or a summary prospectus from your financial representative or by calling Gemini Fund Services at 855-582-8006 or access www.hundredfoldselect.com. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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