



CONDUCTOR

— GLOBAL FUND —

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www.conductorfunds.com | 1-844-GO-RAILX

THE PORTFOLIO: *GENERAL OVERVIEW*

- Individual Equity Securities. Buy stocks on local exchanges.
- Global Mid to Large-Cap Value.
- *Long-only orientation* in individual stocks.
- “Bottoms-Up” stock-picking discipline. *Consistent process.*
- Focus on “*Risk-Adjusted Return*” through market cycles.
- Ability to significantly *reduce risk.*
- *Diversification* across sectors, regions, and currencies.
- 50 to 100 positions.

Disclosure

Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

THE PROCESS:

THE BUY - VALUE-BASED STOCK SELECTION

1. Cash Flow and Traditional Value

- EV to EBITDA
- EV to Free Cash Flow
- Price to Book
- Normalized Figures
- Typically, valuations significantly below index levels.

2. Balance Sheet

- Altman Z-Score
- Solid balance sheets. Avoid surprises.

3. Technical

- Intermediate-Term Price Momentum and Relative Strength.
- Avoid “Falling Knives.”

THE PROCESS:

THE BUY - POSITION SIZING AND THE SELL

1. *The Buy - Position Sizing*

- All individual equity positions start at 1% of the portfolio.
- Each position is not added to or favored – they just grow into a larger position as they appreciate.
- No individual equity position will not get larger than 5%

2. *The Sale of a portfolio position – Technical Only*

- It is the Intermediate-Term Price Momentum and Relative Strength model in reverse
- The philosophy here is that the fundamentals of the equities lag a quarter or more the relative strength deterioration.
- “The market knows more than we do”
- When an equity violates the Technical model it is completely ejected from the portfolio not paired down.

THE FUND:

SHARE CLASSES

1. *RAYLX*

- Morningstar 5 Star Rating
- Minimum waived for UBS advisors only
- Lowest Expense Ratio of all fund classes

2. *RAALX and RACLX*

- Morningstar 4 Star Rating
- For transactional Business

Disclosure: Morningstar Star Rating is out of 849 funds over 3 Years in the World Stock category through 2/28/2017 and is based upon risk adjusted returns. © 2017 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar is an independent provider of financial information. Morningstar performance rankings are based on total return without sales charge relative to all share classes of mutual funds with similar objectives and determined by Morningstar. The top 10% of the funds in a rating universe receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. Past performance or ranking is not indicative of future results.

DISCLOSURES

There is no assurance that the Fund will achieve its investment objective. The risk of investing in emerging market securities, primarily increased foreign investment risk. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. 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.

Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. There can be a higher portfolio turnover due to active and frequent trading that may result in higher transactional and brokerage costs. The Adviser from time to time employs various hedging techniques. The success of the Fund's hedging strategy will be subject to the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. The risk on a short sale is the risk of loss if the value of a security sold short increases prior to the delivery date, since the Fund must pay more for the security than it received from the purchaser in the short sale. Therefore, the risk of loss may be unlimited.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Conductor Funds. This and other information about the Funds is contained in the prospectus and should be read carefully before investing. The prospectus for both funds can be obtained by calling toll free 1-844-GO-RAILX. The Conductor Funds are distributed by Northern Lights Distributors, LLC., Member FINRA IronHorse Capital

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3102 West End Avenue,
Suite 400
Nashville, TN 37203

www.conductorfunds.com

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