Nile Funds

Nile Capital Management, LLC

Princeton, NJ 08540
Telephone: 646-367-2820
Email: info@nilecapital.com

Introduction to Nile Capital Management

NILE FUNDS

- Value driven, fundamental investors
- Exclusive focus on Frontier Markets
- In-depth knowledge and expertise in Africa
- Investment team of 4 (1 PM, 3 analysts)
- 100% employee owned

Larry Seruma – Portfolio Manager

- Managing Principal of Nile Capital Management LLC, the Advisor of the Nile Africa Funds
- Over 20 years of experience in portfolio management, investment research and quantitative investment strategies
- Founded Nile Capital Management in 2004 - began tenure as Portfolio Manager for the Nile Master Fund, a global long/short equity hedge fund
- Prior experience: Principal at Barclays Global Investors (BGI), a division of Barclays Capital. Member of the Active Strategies Group and BGI's Investment Process Committee
- Author of several articles on investments in Africa and other emerging/frontier markets, including www.moneywatchafrica.com, a financial blog focused on understanding Africa investment opportunities. Has also been featured in many leading financial publications
- Board member for Segal Family Foundation
- MBA in Analytic Finance and Statistics from the Booth School of Business, The University of Chicago, in 1996

Nile's investment in Africa is based on 3 themes:

- **An emerging middle class.** Africa has the fastest growing middle class in the world and as a result is experiencing a rapid rise in demand for consumer goods
- **Natural Resources.** Africa holds 30% of the world's mineral reserves, including 90% of platinum reserves, 60% of Cobalt and 10% of the oil reserves.
- **Infrastructure.** Developed countries are investing significantly in Africa's infrastructure, creating business for African companies and lowering their operating costs

Nile's Approach

- Focus on small and midcap companies at the heart of Africa's growth.
- Take advantage of the lack of research in these asset classes
- Deep fundamental analysis of both companies and economies
- Find growth companies at value prices

Performance

NILE FUNDS

LIPPER
FUND AWARDS 2014
UNITED STATES

The Nile Pan Africa Fund is the 2014 Lipper Award Winner for Emerging Market Funds for the 3 year period ending 12/31/2013 out of 335 funds based on risk-adjusted returns.

Standardized Performance ending Dec 31, 2014
Inception Date is Apr 28,2010

	3 Month	1 Year	3 Year *	Since * Inception
Nile Pan Africa Fund (NAFAX) no-load	-6.25%	-7.52%	14.20%	8.09%
Nile Pan Africa Fund (NAFAX) with 5.75% load	-11.65%	-12.83%	11.95%	6.73%
MSCI Emerging Markets Index	-4.50%	-2.19%	3.51%	1.45%
MSCI Frontier Markets Index	-12.46%	6.84%	13.55%	6.18%

*: Annualized

The performance data quoted here represents past performance. 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. Past performance is no guarantee of future results. As stated in the current prospectus, the Fund's total annual operating expense ratio (gross) is 2.50% for Class A, 3.25% for Class C and 2.25% for Institutional Class shares. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until July 31, 2015, to ensure that the Total Annual Fund Operating Expenses After Fee Waiver (exclusive of any acquired fund fees and expenses, borrowing costs, taxes and extraordinary expenses) will not exceed 2.50% for Class A, 3.25% for Class C and 2.25% for Institutional Class shares, subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more detail on the expense waiver. Results shown reflect the waiver, without which the results could 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 toll-free 1-877-68-AFRICA.

The MSCI Frontier Markets Index is a market-capitalization weighted index of frontier market country indices.
The MSCI Emerging Markets Index is a market-capitalization weighted index of emerging market country indices.
Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

We believe that an active management approach has the potential to reduce volatility in an Emerging Markets allocation:

Annualized Standard Deviation of Weekly Returns As of Dec 31, 2014 - Inception Date is Apr 28,2010		
	1 Year	**Since Inception**
Nile Pan Africa Fund (NAFAX)	11.40%	16.26%
S&P 500	11.34%	15.08%
MSCI Emerging Markets Index	12.79%	18.66%
MSCI Emerging and Frontier Africa Index	17.77%	21.43%

Standard Deviation: Measures the degree of variation of monthly returns around the mean (average) return. The higher the volatility of the investment returns, the higher the standard deviation will be.

Source: Bloomberg

Top Performers

- South Africa was the top performing country in the portfolio for Q4
- Technology and Healthcare were the top performing sectors in the portfolio for Q4
- Asset Management & Banks and Pharmaceuticals were the top performing industries in the portfolio for Q4
- Top single company contributor to performance: Zeder Investments, an investment management firm that holds investments in top agribusiness firms across sub-Saharan Africa. Zeder has been able to grow recurring headline earnings +78% year-over-year as of Aug 31, 2014 6 month financials, which is remarkable in the difficult economic situation that South Africa is currently in.

Laggards

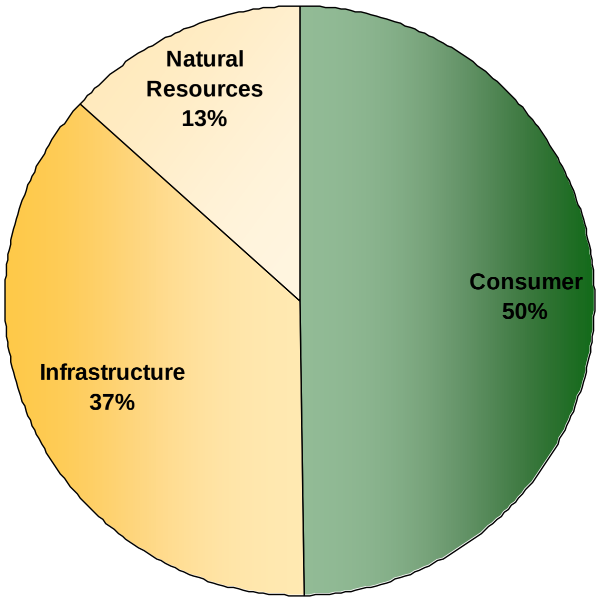
- Nigeria and Kenya were the worst performing countries in the portfolio for Q4
- Telecomm and Industrials were the worst performing sectors in the portfolio for Q4
- Industrial Conglomerates and Air Freight & Logistics were the worst performing industries in the portfolio for Q4
- Top company detractor of performance: UAC of Nigeria PLC, an Nigerian food company that manufactures food products, operates fast-food restaurants, and offers logistic as well as real estate services. UAC suffered from a multitude of factors beyond its control in Q4: currency depreciation in the Nigerian Naira contribution to increased input costs, insurgency of Boko Haram in the north that impacted UAC's supply chain, and overall macroeconomic pessimism due to falling oil prices and the expected impact to the Nigerian economy. However, management has continued to execute well in a difficult environment and continue to improve operating efficiencies. We think the sell-off has been overdone and continue to monitor the company's developments and potential catalysts.

Top Performance and Laggards information should not be considered investment advice.
Past performance is no guarantee of future returns.

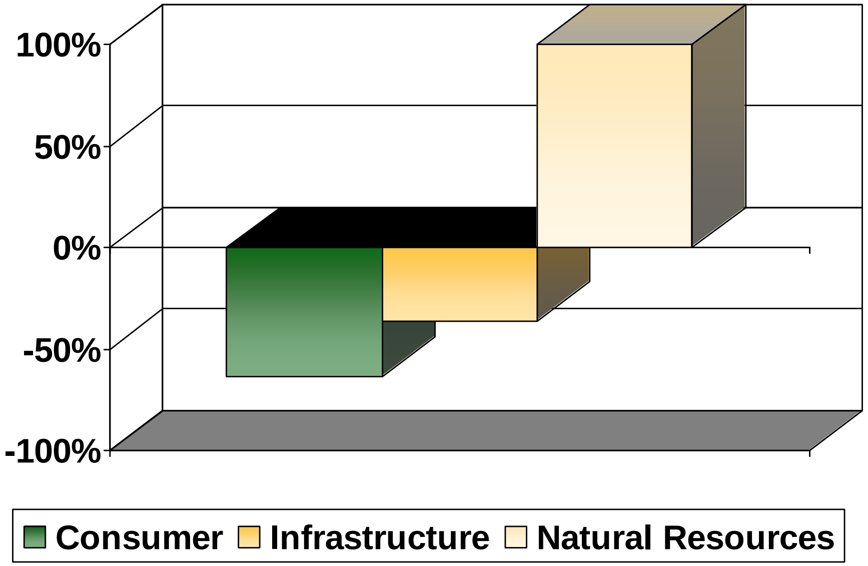
Breakdown by Theme

NILE FUNDS

Portfolio Weight by Theme



Contribution to Total P/L by Theme



10 Reasons to Allocate Assets to Africa in 2015

- Valuations Remain Attractive
- Relative Currency Stability
- Oil Price Resiliency
- The Search for Yield
- More QE Coming
- Environmental Limits and Concerns
- Sustained GDP Growth
- Ebola
- Attractive Bottom-up Opportunities
- Long-Term Performance

#1: Valuations Remain Attractive

U.S. equity valuations appear stretched. The S&P 500 ended 2014 with a Price/Book ratio of 2.79, the highest level since 2008. Emerging markets, measured by the MSCI EM Index, have a P/B ratio about half as great (1.42), and for deep value investors Africa offers even better bargains.

Financials represent by far the largest sector of the African equity market, and three large African banks as of Dec 31, 2014 have P/B ratios of 0.59 or below: FBN Holdings Plc (0.59), United Bank for Africa Plc (0.59) and Access Bank Plc (0.58). Although all three are headquartered in Nigeria, they are taking advantage of Africa's economic growth to expand operations across the continent.

Nigeria offers an attractive value at a 9.38 forward P/E ratio, compared to 16.69 as of Dec 31, 2014 for the S&P 500 and 11.31 for the MSCI Emerging Markets Index.

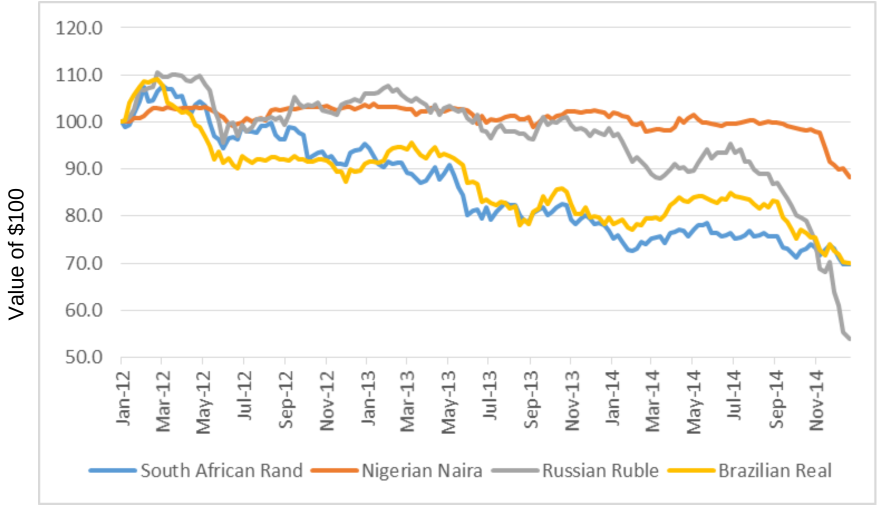
	Price/Book Ratio
Guaranty Trust Bank	2.10
Zenith Bank Plc	1.10
Fbn Holdings Plc	0.59
United Bank For Africa Plc	0.59
Access Bank Plc	0.58
Average	**0.99**
MSCI EM	1.42
S&P 500	2.79

Price/Book (P/B) ratio: A valuation ratio of a company's current share price divided by the latest quarter's book value per share
Price/Earnings (P/E) ratio: A valuation ratio of a company's current share price compared to its per-share earnings
Source: Bloomberg

- #2: Relative Currency Stability

In 2014, virtually every currency in the world depreciated against the U.S. dollar, and emerging market currencies were among the hardest hit. The Russian ruble dropped 43.3% against the dollar while Brazil's real lost 10.8%. In developed markets, the Japanese yen and the euro both depreciated 12.0%.

Quietly, a few currencies on the African continent have held value relatively well during this era of "king dollar."



Source: Bloomberg

- #3: Oil Price Resiliency

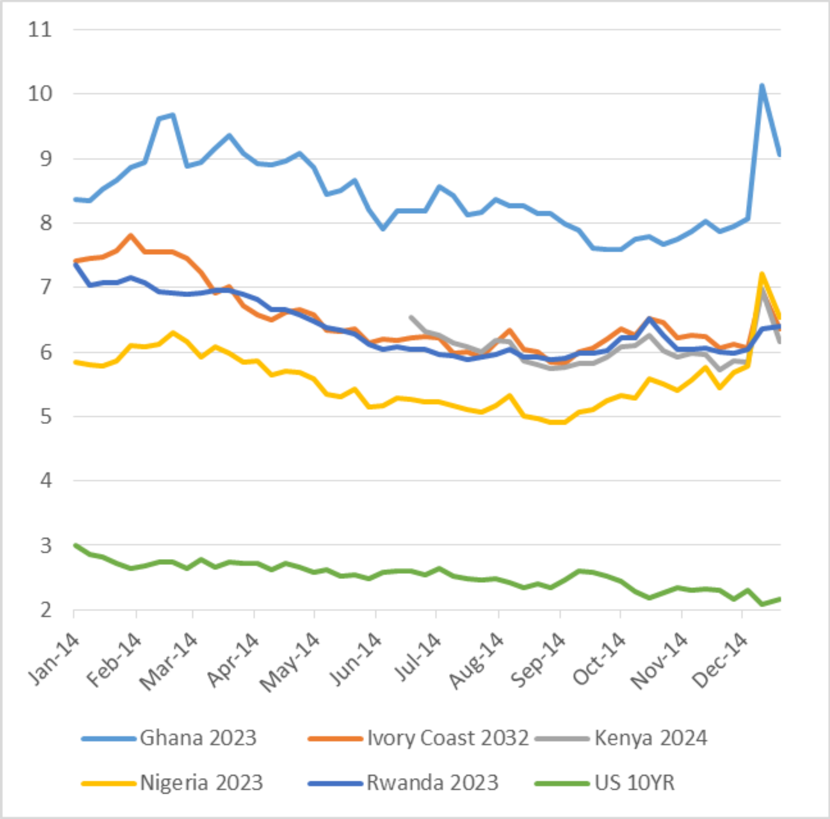
Oil-exporting emerging and frontier markets were vulnerable to the recent rapid decline in oil prices. However, **lower oil and commodity prices also have an upside for Africa.** For example, they reduce production costs for farmers and miners, and make food, energy and travel more affordable for consumers.

Although about 80% of Nigeria's government revenues are oil-related, the government has shown resiliency by cutting spending and pegging a $60-per-barrel oil reference price for forward budgeting. In January of 2015, Nigeria will hold national elections in what is being called the country's first true two-party contest since it transitioned to democracy in 1999.

Many countries in Sub Saharan Africa are oil importers and will benefit from lower oil prices, for example, Kenya, South Africa, Rwanda and Zambia, to mention a few.

- #4: The Search for Yield

As European sovereign bonds enter 2015 yielding below 1% and U.S. 10-year Treasuries plunge below 2.0%, **investors' search for yield has intensified and broadened**. Five African nations have issued investment-grade sovereign Eurobonds – government bonds denominated in euros – with yields currently exceeding 5%, as shown in the graph below. Ghana's 2023 Eurobonds appear very attractive at a yield near 9%.



Source: Bloomberg

#5: More QE Coming

While Japan continues its huge QE bond-buying program, the European Central Bank is expected to soon begin monetizing up to $600 billion in government bonds. In the U.S., three rounds of QE have increased the size of the Federal Reserve's balance sheet by $3.7 billion. **QE has worked to depress bond yields in major developed markets, while also driving capital flows to Africa.**

Excess liquidity tends to flow toward higher yields, and the spread between some investment-grade African Eurobonds and German government bonds has now reached 900 basis points. Big QE programs in Japan and Europe also may weaken the respective currencies relative to the dollar and perpetuate dollar strength through 2015. **Africa's leading commodity producers and net exporters, such as Nigeria and Angola, could benefit from a strong dollar because their revenues are measured in dollars while production costs are in local currency.**

#6: Environmental Limits and Concerns

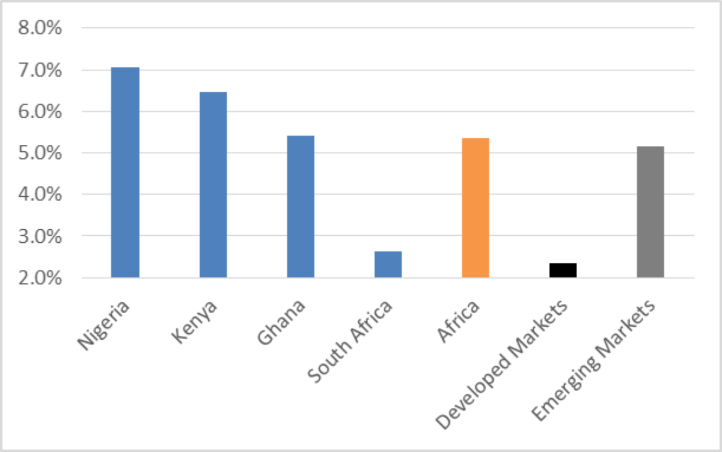
In 2014, leading emerging markets began to face environmental headwinds such as air quality in China and water scarcity in India. Countries around the world, from Mongolia to Chile, are imposing regulatory limits on resource extraction to protect the environment.

Although Africa also has environmental issues, multi-national corporations see it as less impacted by over-development and regulation. According to the World Bank, Sub-Sahara Africa has $C0_2$ emissions of just 0.8 metric tons per capita. This compares to 12.2 tons for Russia, 6.2 for China, 2.2 for Brazil, and 1.7 for India. **Environmental advantages could help to drive increased capital flows into Africa energy and mining projects in 2015.**

#7: Sustained GDP Growth

As 2015 GDP projections have fallen around the globe, investors are continuing to search for sustainable rates of economic growth. **Africa's long-term GDP growth story has remained intact due to a combination of population, a rising middle class, and the continued development of natural resources.**

2015 GDP Growth Projections: Africa vs. Developed and Emerging Markets



Source: World Bank

#8: Ebola

Certainly, the ebola headlines had a negative psychological impact on African markets during 2014. However, the news media has not been as quick to report the aftermath, which now appears encouraging:

- Data on ebola-related infections and deaths in Africa continues to improve.
- Some countries, including Nigeria, have been declared ebola-free.
- Investors are no longer focusing on ebola panics in Africa or any other part of the world.

- #9: Attractive Bottom-up Opportunities

Africa remains under-researched by Western analysts, which leaves many of its best companies lightly held and undervalued.

Simply put – these markets are priced inefficiently relative to developed market standards. Also, recent events (such as currency devaluation) have produced price declines that may represent attractive entry points.

One example is MTN Group Limited, a leading multinational telecommunications provider listed on the Johannesburg Stock Exchange (JSE: MTN). Launched in 1994, the company has connected to its mobile networks more than 200 million people across Africa and the Middle East, and is now poised to benefit from Africa's consumer growth story. With a market capitalization of $35 billion, the company pays out 72% of its earnings as dividends and projects annual dividend growth in the 5% to 15% range.

The stock peaked in September of 2014 and then dropped by more than 30%, due mainly to fears of devaluation in the Nigerian naira. We think the selloff is excessive, given actual performance of the naira, as well as the country's subscriber diversification across many other markets and currencies. We also like the strength of the company's management, which has been successful in responding to risks and challenges.

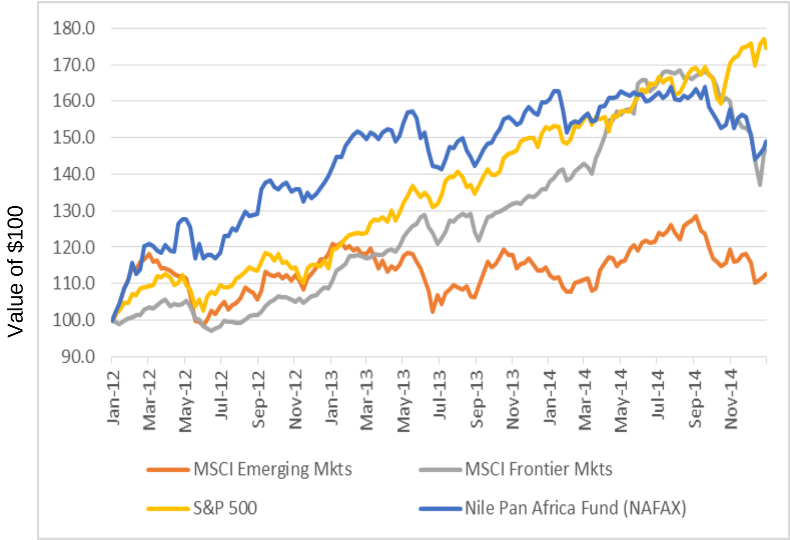
As of Dec 31, 2014, MTN sells at a price/book ratio of 3.5 and a forward P/E ratio of 13.6.

#10: Long-Term Performance

The proof is in performance over time. Although many African markets faced challenges in the second half of 2014, the best companies in Africa have been rewarding to hold over longer periods.

Nile Pan Africa Fund is an actively managed mutual fund that invests in stocks of leading public companies in Africa, with an emphasis on sub-Saharan markets. Nile Capital Management, LLC, the adviser, uses a combination of proprietary research and on-the-ground contacts and resources in Africa to identify portfolio holdings.

From its inception on 4/28/10 through the end of 2014, Nile Pan Africa Fund Class A shares (NAFAX) returned 8.09% annualized. This return has been superior to that of both the MSCI Frontier Market Index and the MSCI Emerging Markets Index.



Source: Bloomberg

Investors should carefully consider the investment objectives, risks, charges and expenses of the Nile Pan Africa Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-877-68-AFRICA. The prospectus should be read carefully before investing. The Nile Pan Africa Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Nile Capital Management, LLC is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risk, including possible loss of principal. Because the Fund will invest the majority of its assets in African companies, it is highly dependent on the state of the African economy and the financial prospects of specific African companies. Certain African markets are in only the earliest stages of development and may experience political and economic instability, capital market restrictions, unstable governments, weaker economies and less developed legal systems with fewer security holder rights. Adverse changes in currency exchange rates may erode or reverse any potential gains from the Fund's investments. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few. Non-diversification risk, as the Funds are more vulnerable to events affecting a single issuer. Investments in underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations.

The MSCI Emerging Markets Index: A market-capitalization weighted index of emerging market country indices.
The MSCI Emerging and Frontier Africa Index: A market-capitalization weighted index of emerging and frontier market African country indices.
The S&P 500® Index is an unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks.
You cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Lipper Fund Awards are based on Lipper's Consistent Return calculation. Lipper scores for Consistent Return reflect funds' historical risk-adjusted returns relative to funds in the same Lipper classification and include each fund's expenses and reinvested distributions, but exclude sales charges. Consistent Return values are calculated with all eligible share classes for each eligible classification. The highest Lipper Leader for each Consistent Return value within each eligible classification determines the fund classification winner over three, five or 10 years.

Lipper Award winners are recognized for being the top-risk adjusted performing funds in their respective Lipper peer groups for the listed periods ending December 31, 2013. Past performance or ranking is not indicative of future results. Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperweb.com. Lipper Leader Copyright 2014.

This is an actively managed portfolio. There is no guarantee that any investment will achieve its objectives, goals, generate positive returns or avoid losses.

2038-NLD-1/16/2015