

NILE FUNDS

Nile Capital Management, LLC

Strictly Confidential Not For Distribution

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- 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

- 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

SSA Valuations Ex-Resources

	P/E (2013)	P/E (2014)	P/B (2013)	P/B (2014)	EPS (2013)	EPS (2014)	PEG Ratio
SSA							
Large Cap	19.3	16.6	4.4	4.1	11.6	15.9	0.96
Small Cap	13.6	11.3	2.3	2.0	11.4	13.6	1.20
Nigeria							
Large Cap	16.6	14.2	5.6	4.9	6.9	20.3	1.43
Small Cap	11.6	9.5	2.3	2.0	4.8	21.7	2.28

Source: Nile, SBG Securities, FactSet

Standardized Performance ending Dec 31, 2013

Inception Date is Apr 28,2010

	3 Month	1 Year	3 Year *	Since * Inception
Nile Pan Africa Fund (NAFAX) no-load	8.33%	15.22%	8.06%	12.77%
Nile Pan Africa Fund (NAFAX) with 5.75% load	2.08%	8.56%	5.95%	10.97%
MSCI Emerging Markets Index	1.83%	-2.60%	-0.49%	3.04%
MSCI Frontier Markets Index	6.55%	25.90%	3.66%	6.00%

*: 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 2.96% for Class A, 3.76% for Class C and 2.65% 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, 2014, 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.

Top Performers

- Angola and Nigeria were the top performing countries in the portfolio for Q4
- Industrials and Materials were the top performing sectors in the portfolio for Q4
- Construction & Engineering and Education Services were the top performing industries in the portfolio for Q4
- Top single company contributor to performance: Mota Engil, a Portuguese engineering firm that does a significant portion of its business in Angola. Mota Engil continues to build a strong book of business and has announced intentions to list their Africa operations separately. We continue to view the company favorably.

Laggards

- Ghana and Kenya were the worst performing countries in the portfolio for Q4
- Technology and Healthcare were the worst performing sectors in the portfolio for Q4
- Restaurants and Brewers were the worst performing industries in the portfolio for Q4
- Top single company detractor of performance: Ellies Holdings Inc, a South Africa satellite TV and electronics distributor. Growth from Ellies was less than what we expected and catalysts that we had anticipated did not materialize during the quarter. Given the lack of short term clarity, we have moved to other opportunities and will be monitoring the company for signs of positive developments.

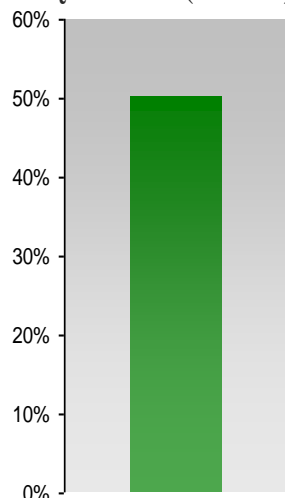
Top Performance and Laggards information should not be considered investment advice.
Past performance is no guarantee of future returns.

Engil-Mota

EGL PL Stock Price



Q4 Return (in USD)



Market Capitalization: \$1.5 Billion USD

P/E Ratio: 19.1

1-Year EPS Growth: 21.9%

Mota Engil continues to build a strong book of business and has announced intentions to list their Africa operations separately. We continue to view the company favorably.

Source: Bloomberg

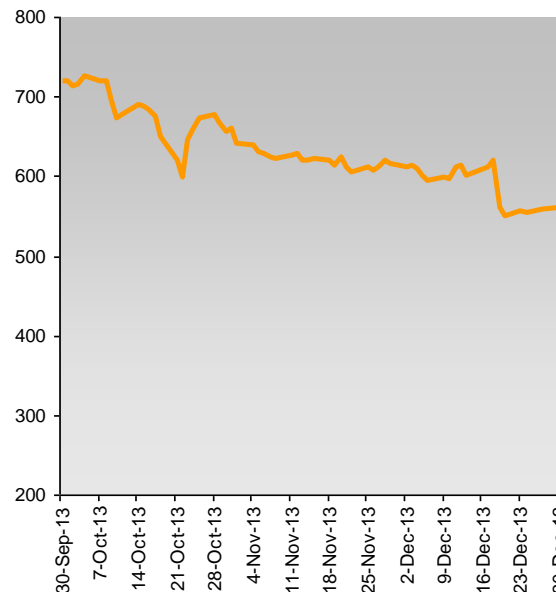
Best and Worst Performers should not be considered investment advice.

Past performance is no guarantee of future returns.

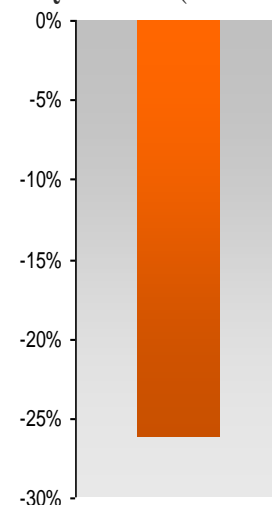
Nile Capital Management, LLC

Ellies Holdings

ELI SJ Stock Price



Q4 Return (in USD)



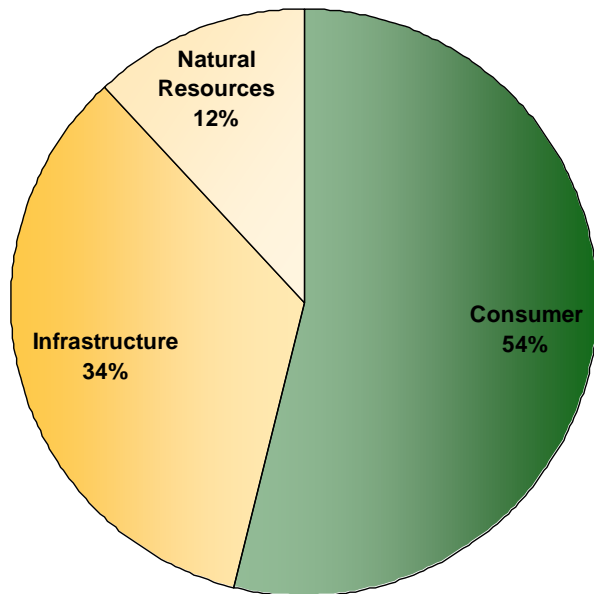
Market Capitalization: \$167 Million USD

P/E Ratio: 8.1

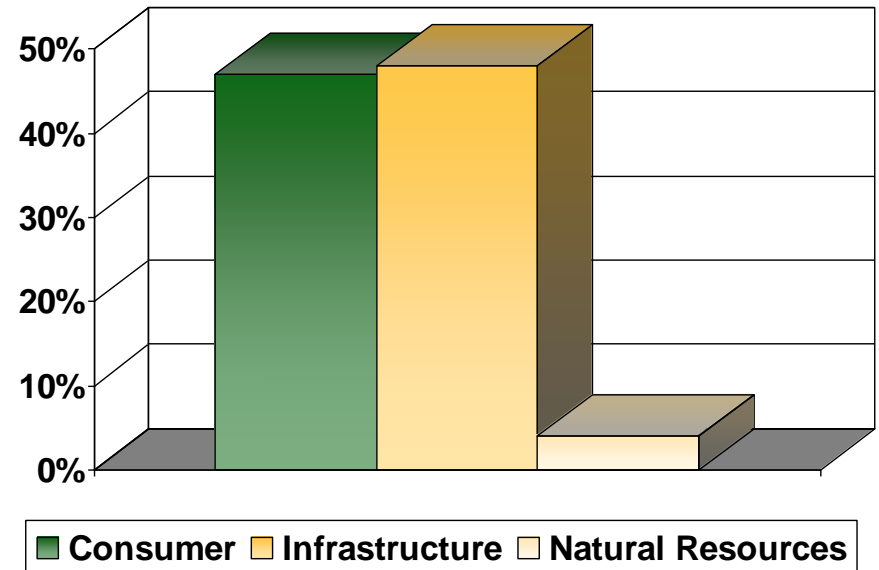
1-Year EPS Growth: 36.2%

Growth from Ellies was less than what we expected and catalysts that we had anticipated did not materialize during the quarter. Given the lack of short term clarity, we have moved to other opportunities and will be monitoring the company for signs of positive developments.

Portfolio Weight by Theme



Contribution to Total P/L by Theme



South Africa

- Elections in 2Q 2014 – ANC projected to win with reduced majority
- Rand weakness to slow down in 2014 as Fed tapering is mostly priced in
- Bullish on equities based on valuation

Nigeria

- Elections in 2015, but jostling in 2014 as support has plummeted for incumbent President Jonathan Goodluck
- Transition to new central bank governor – Sansui has been an excellent CBN governor
- Neutral on equities and fixed income

Egypt

- Elections in 2014
- Military rule to transition to civilian rule?
- No exposure to Egypt, country not functioning – one to watch

Sectors

- Consumer stocks are overvalued (the Africa nifty fifty)
- Financial stocks are fairly valued – stick with large cap, liquid and quality names. Watch NPL's
- Oil and Gas – a year of results from drilling (Morocco is the country to watch)
- Infrastructure – it's all about Kenya, Mozambique, SA, etc.

What we like in 2014

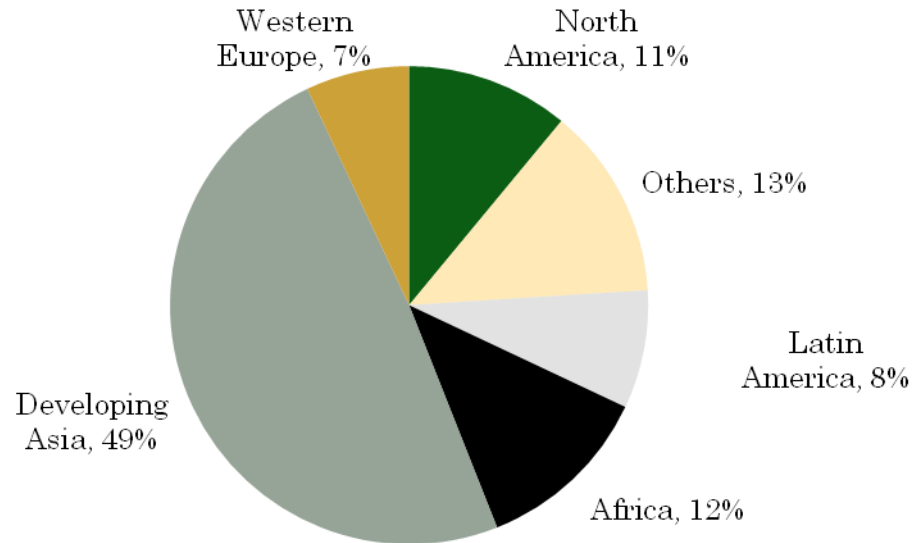
- Francophone Africa – similar dynamics to Europe with a 6-12 month lag. Our pick is Ivory Coast
- Mauritius and Morocco – heavily dependent on and correlated with Europe
- Kenya Infrastructure names – both equities and fixed income
- M&A picks up in 2014 – primarily driven by SA names

Overall 2014 – we believe is a year for Franco West Africa

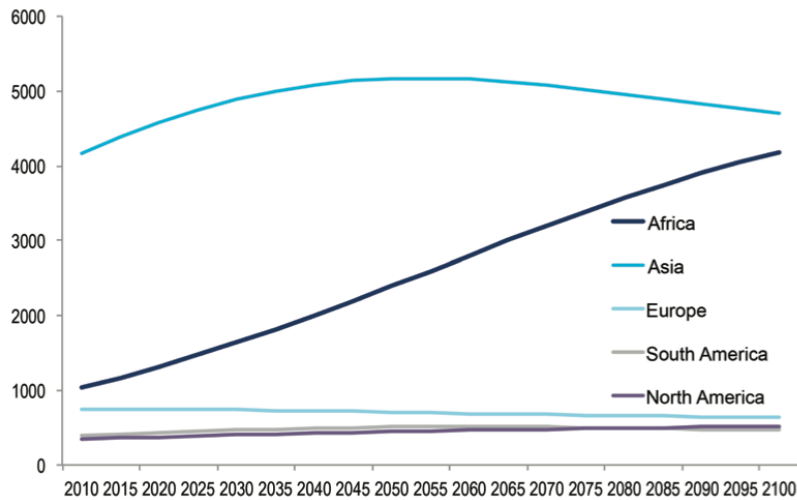
- Growth Potential
- Mega Trends: Urbanization and Demographics
- Global Frontier: A Growing Middle Class
- Increased Global Demand for Commodities

Composition of World Real GDP, 2050

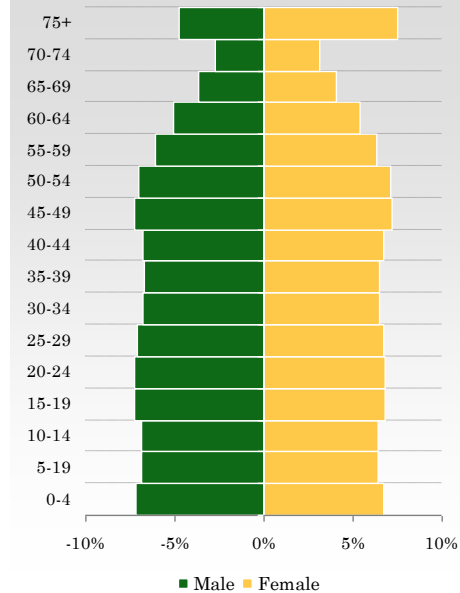
- In 2050, only 26% of total world GDP will come from North America and Western Europe
- Africa's share of world GDP will increase from 4% today to 12%



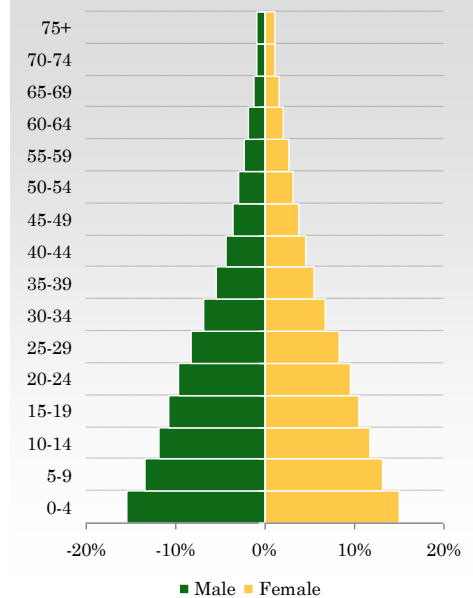
Total World Population Forecast



United States 2010



Africa 2010

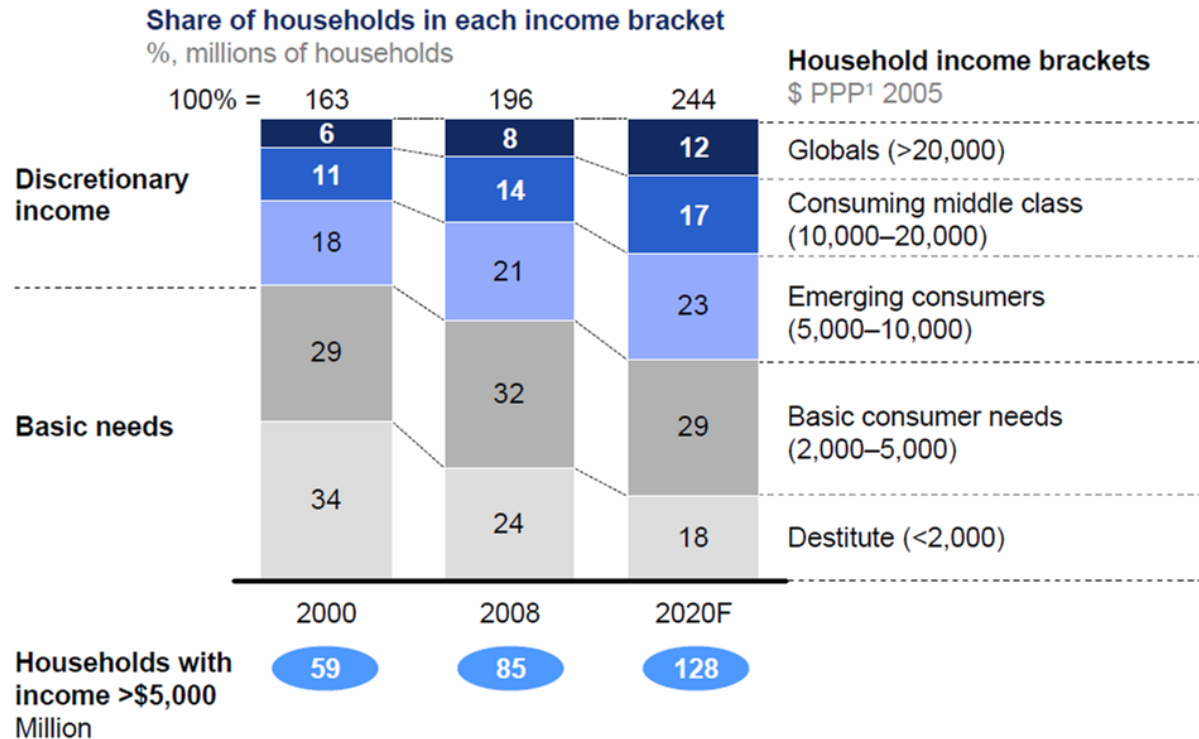


Developed markets wrestle with an aging population.

Africa is a fountain of youth, creating opportunities for products and services. For example: I posit that the aging population of developed countries has created an insatiable demand for safe asset securities (AAA assets).

A Growing Middle Class Can Drive Economic Growth in Frontier Countries

McKinsey Global Institute cites Africa as a Prime Example



¹ Purchasing Power parity adjusts for price differences in identical goods across countries to reflect differences in purchasing power in each country

Source: Canback Global Income Distribution Database (C-GIDD); McKinsey Global Institute, *Lions on the move*, June 2010

Commodity Price Strength Is A Major Positive for Africa

Supply of natural resources

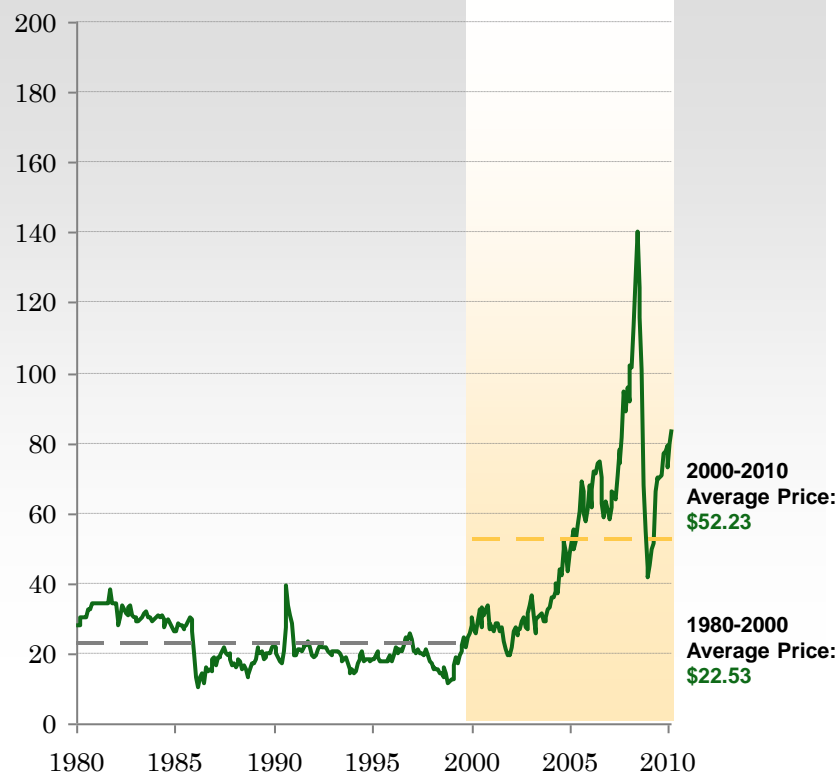
- Africa holds an estimated 30% of the world's mineral reserves, including 40% of proven gold reserves, 60% of cobalt, and 90% of platinum global reserves. Additionally, it has 10% of the global reserves for oil (versus Brazil with 3%)
- According to the National Intelligence Council, 25% of US oil imports will come from Africa by 2015. The largest economies in the world including the US and China are looking to Africa for supplies of many valuable and strategic resources

Demand for natural resources

- The U.S. has a ratio of 150 million cars to a population of 300 million people, for a per capita car ownership rate of 50%. China currently stands at 4%. At 12%, the number of cars in China will exceed the number of cars in the U.S. The demand of automobiles will result in heavy pressures on oil, corn, lead, steel and other related commodities
- In 1990, China consumed 2.3 million barrels of oil a day. By 2008, China's consumption rate has grown to 7.8 million barrels a day
- The combination of high debt levels and lower expected growth going forward for developed countries such as the U.S. implies inflationary pressures in the not too distant future. Commodities are a natural choice in the inflation story

Source: IMF 2010, Bloomberg

Historical Oil Prices (\$ USD / barrel)

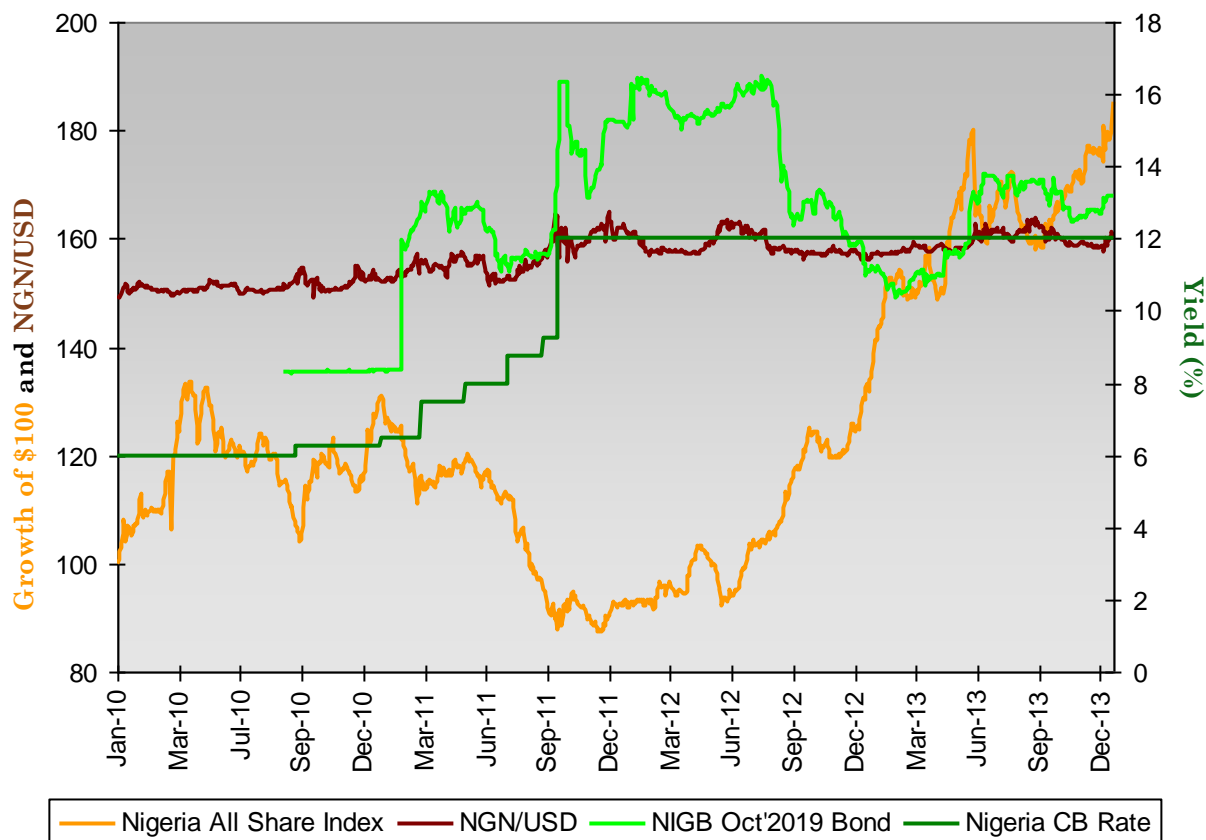


Our view is that Nigeria bond yields have been relatively stable amidst talk of Fed tapering.

We believe that this is a sign of confidence in the macro economic policies of Nigeria, as well as in its stock market and fixed income markets by investors.

We see this as a good example of how frontier markets are holding up relatively well compared to EM markets.

Nigeria: Stock Market, Currency, Gov't Bond, and Central Bank Rate



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. 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 Frontier Markets Index: A market-capitalization weighted index of frontier market country indices.
You cannot invest directly in an index.*

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

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