

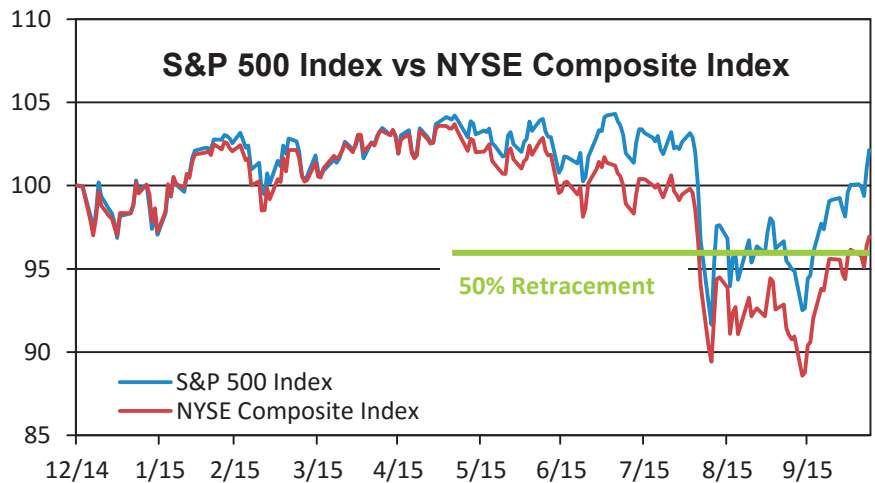
## GENERAL MARKET COMMENTARY

The stock market has shrugged off the Federal Reserve threat of rising rates, the slowdown in China, government shutdown, and rumors of “end times” catastrophe over the past several months. It has rallied from a deeply oversold condition in August, but every sell-off has been met with enough buying pressure to quickly halt any further decline.

The head of the European Central Bank (ECB), Mario Draghi, stated this week that a continuation of asset purchases will keep interest rates low in Europe, and markets worldwide liked the news. The US dollar rallied on the news, which unfortunately will cause US companies to become less competitive on a global scale and hurt their earnings.

Looking at this chart, we can see that most stocks have not performed as well as the S&P 500 Index this year. The New York Stock Exchange Index, a representation of all stocks traded on the NYSE, has only retraced half of its decline. This is because mid-caps and small-caps have only retraced about 40% of the decline.

Here in the US, we are in the midst of earnings season, and earnings are expected to decline for the second consecutive quarter. Earnings and stock prices are directly related, so upside potential may be limited. While the rally in recent weeks may look impressive on the surface, unless we see more participation in this rally, it may not get very far.

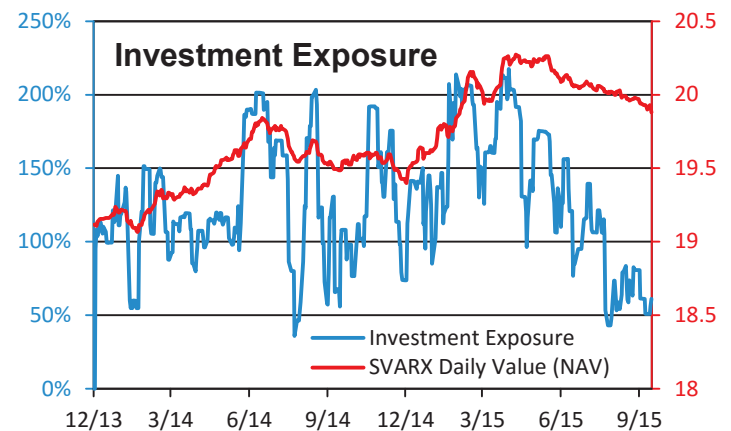
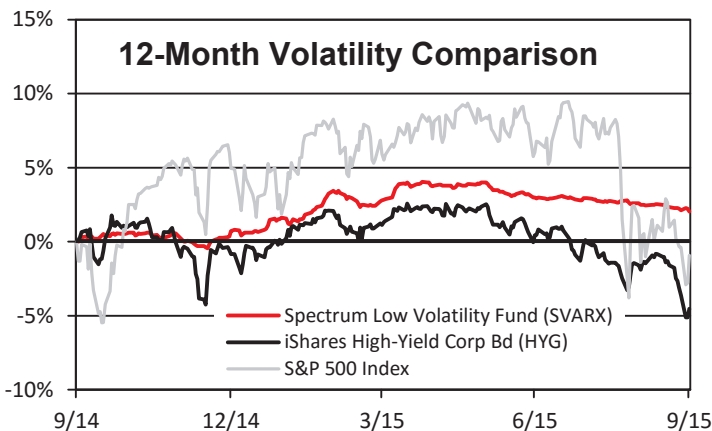


## SPECTRUM LOW VOLATILITY FUND

The chart (below left) shows the Spectrum Low Volatility Fund for the past year compared to the broad high yield market (HYG). It was designed to have lower risk and be actively managed, not by just selecting the right category of income-producing securities, but by evaluating how much of them to own. The second chart (below right) illustrates how selective leverage has been applied and how it varies when conditions change.

Investors are always looking for a strategy that both controls risk when the investment horizon is unfavorable, and steps up exposure when investment opportunities present themselves. Spectrum Low Volatility Fund (SVARX) is designed to do exactly that, particularly in a volatile year like 2015.

Income-producing securities fall into very different categories, which do not perform in similar ways during various economic environments. For example, high yield bonds do poorly when the economy senses a recession coming, but long-term government bonds are profitable in this same environment. Municipal bonds usually do well unless interest rates are rising, or if a decrease in Federal income tax rates is proposed. Long term bonds can lose money quickly when interest rates rise. Floating rate bonds should do well in that environment. SVARX makes adjustments and decides for investors which asset classes to be in, which to avoid, and continually monitors the fund’s total investment exposure.



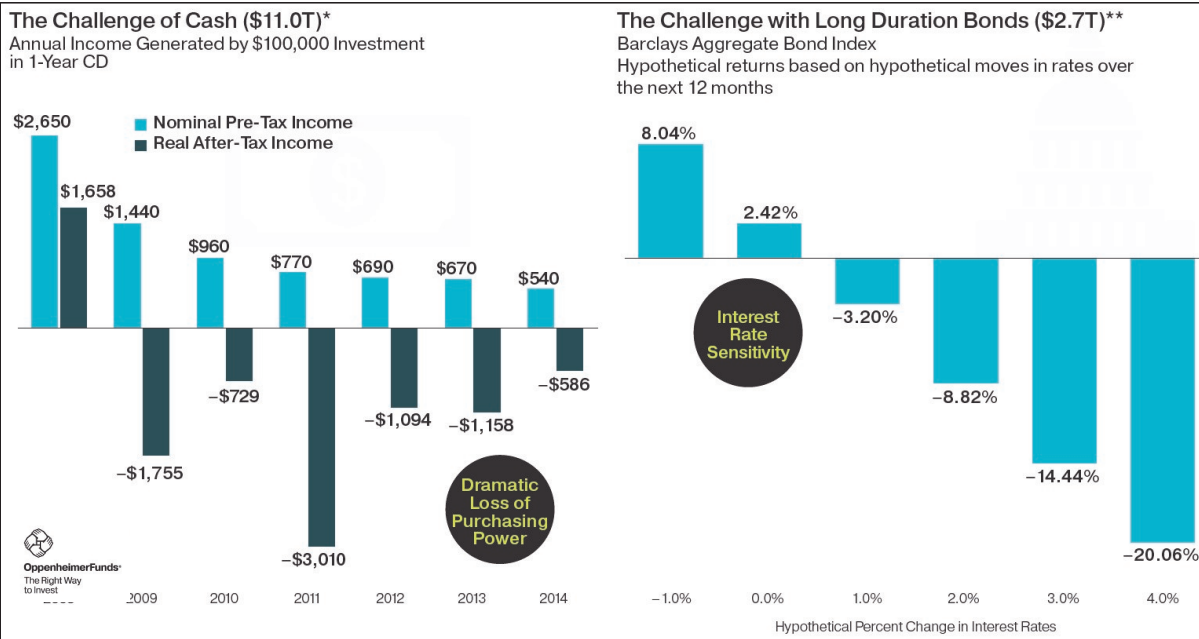
## THE CHALLENGES OF LOW RATES

Many investors have not had a safe place to put money for many years, with money market rates at zero and bank CD rates paying less than 1% for the past five years. After taxes and inflation, this is like growing poor slowly, as the chart on the left below illustrates. The chart on the right below shows that if interest rates do nothing over the next 12 months, investors in Barclay's Aggregate

Bond Index-like investments will simply earn the coupon. However, if rates move higher by even 1%, returns will have turned negative.

Spectrum specializes in developing options for investors that temper the effects of low interest rates by managing risk and bond-type exposure. We welcome you to call our office to discuss the best options for you and your investment portfolio.

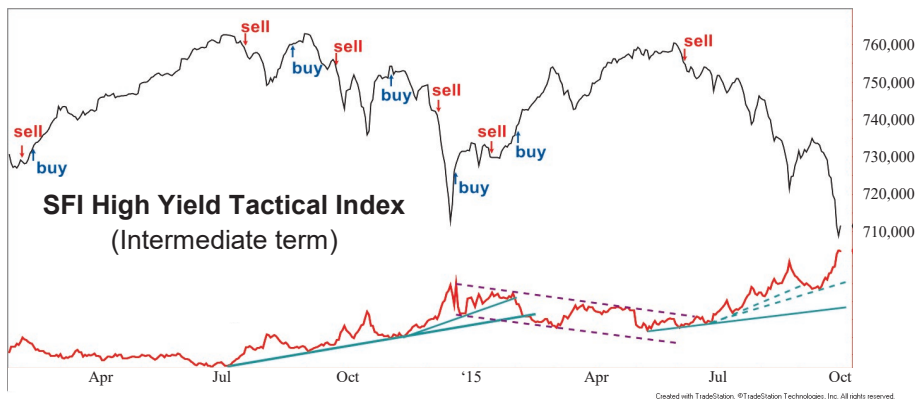
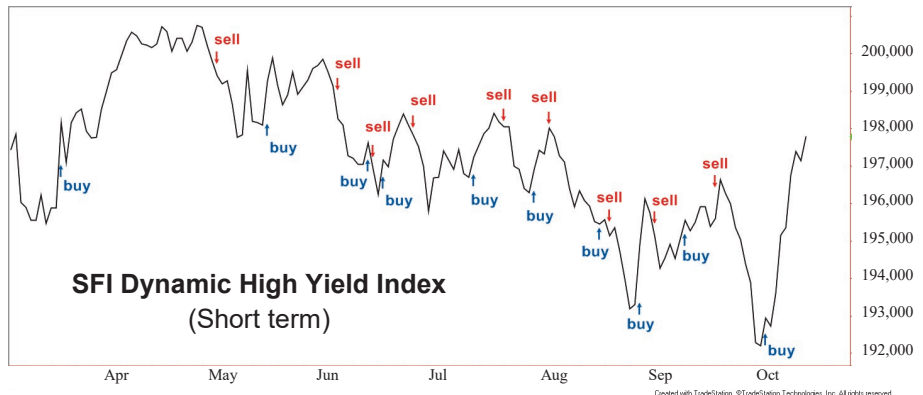
Sources: Federal Reserve, Bankrate.com and Barclays Live.  
\*Includes retail money market funds, savings deposits, small time deposits, institutional money market funds, and cash in IRA and Keogh. The hypothetical tax rate used in the chart on the left is the highest marginal tax rate of 35.0% before 2013 and 39.6% after 2013. The 4.3% Affordable Care Act surcharge was not considered. \*\*Based on Morningstar assets under management in government-related bond categories. Hypothetical Interest Rate Moves: Barclays Live, as of 8/31/15. Hypothetical returns for the Barclays Aggregate Bond Index are based on the current yield to maturity of 2.42%, the current duration of 5.62 years. The charts are for illustrative purposes only and do not predict or depict the performance of any investment. Index definitions can be found on page 70. **Past performance does not guarantee future results.**



## DYNAMIC & TACTICAL HIGH YIELD TRADING SIGNALS

These charts illustrate our actual trading signals for both our short term (Dynamic) and intermediate term (Tactical) High Yield Bond systems in 2015. As you can see, we attempted to let our profits run and cut short losses. These trading systems continue to make a positive case for active management.

The Dynamic trading system has no restriction on the number of trades, so it is more active. The Tactical intermediate strategy only generates about three buy signals a year. We are available to discuss how both of these strategies can be used in your portfolio.



SFI Dynamic HY Index is comprised of an equal weighting of the NAVs for FYAIX (Access Flex High Yield Fund) and RYHGX (Rydex High Yield Strategy Fund) mutual funds. Spectrum High Yield Index is an equal weighting of 15 of the largest high yield bond funds' daily net asset value as tracked by Fast Track database.

## ASSETMAXX—ACTIVELY MANAGED MUTUAL FUNDS (AS OF 9/30/2015)

Spectrum provides access to these distinct actively managed funds for portfolio design. These funds have the ability to adjust exposure to the markets based on current

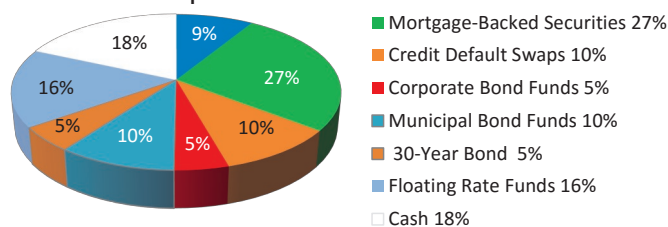
environments. At times, these funds may be invested 100% in cash or cash equivalents. Spectrum clients have historically benefited from active management in managing risk.

### The Spectrum Funds

As of 9/30/2015	Annualized Performance					
	Quarter	YTD	1 Year	3 Years	5 Years	Since Inception
SVARX	-0.9%	1.3%	2.0%	N/A	N/A	2.20%
S&P 500 <sup>3</sup>	-6.4%	-5.3%	-0.6%	12.3%	13.3%	6.3%
50/50 Index <sup>4</sup>	-3.1%	-0.5%	-1.2%	3.6%	5.4%	1.2%
SAPEX	-5.00%	N/A	N/A	N/A	N/A	N/A
S&P 500 <sup>3</sup>	-6.4%	-5.3%	-0.6%	12.3%	13.3%	N/A

#### Spectrum Low Volatility (SVARX)<sup>1</sup> A Fixed Income Strategy

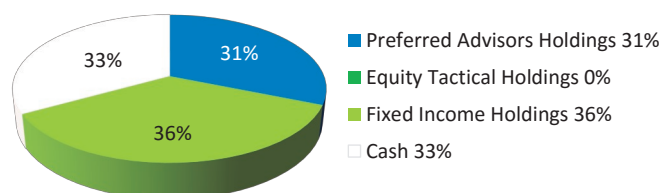
##### Portfolio Composition



Investment Model Exposure: 0.82 (1=100%)

#### Spectrum Advisors Preferred (SAPEX)<sup>1</sup> A Risk Adjusted Stock Strategy

##### Portfolio Composition



Equity Model Exposure: 0.31 (1=100%)  
Income Model Exposure: 0.72 (1=50%)

<sup>1</sup>Inception date: SVARX Dec 16, 2013; SAPEX June 3, 2015.

<sup>3</sup>S&P 500 Index is a capitalization weighted index of 500 stocks representing all major domestic industry groups. It is not possible to directly invest in any index. The S&P 500 TR assumes the reinvestment of dividends and capital gains.

<sup>4</sup>50/50 Index: This benchmark is an equal weighting of: Credit Suisse Leveraged Loan Index (designed to mirror the investable universe of the \$US-denominated leveraged loan market. Loans must be rated "5B or lower; fully-funded term loans, the tenor must be at least one year, and the issuers must be domiciled in developed countries) and Merrill Lynch US High Yield Master II (tracks the performance of the \$US-denominated below investment grade corporate debt publicly issued in the US domestic market). Qualifying securities must have below investment grade rating, at least 18 months to final maturity, at least one year remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$100 million.

### Hundredfold Select Funds

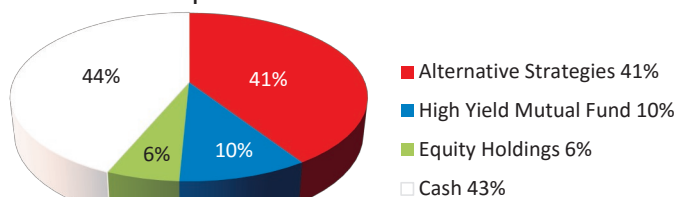
As of 9/30/2015	Annualized Performance						
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
SFHYX	-0.9%	0.1%	0.3%	3.3%	5.2%	6.0%	5.5%
S&P 500 <sup>3</sup>	-6.4%	-5.3%	-0.6%	12.3%	13.3%	6.7%	7.3%
HFRI FoF Index <sup>5</sup>	0.1%	2.7%	3.7%	5.4%	3.4%	2.8%	3.5%

#### Annual Returns

	2007	2008	2009	2010	2011	2012	2013	2014
SFHYX	2.8%	-12.3%	30.0%	11.1%	4.0%	10.3%	6.7%	1.9%
S&P 500 <sup>3</sup>	5.2%	-37.1%	26.3%	14.7%	2.1%	16.0%	32.4%	0.0%
HFRI FoF Index <sup>5</sup>	10.3%	-21.4%	11.5%	5.7%	-5.5%	5.2%	8.7%	17.3%

#### Select Alternative Fund (SFHYX)<sup>2</sup> A Tactical Multi Alternative Strategy

##### Portfolio Composition



Investment Model Exposure: 0.57 (1=100%)

<sup>2</sup>Inception date: 9/1/04, fund name changed from Spectrum High Yield Plus on June 11, 2008. Additionally, the Fund was reorganized on October 3, 2011 from a predecessor fund (the "Select Alternative Predecessor Fund") to a series of Northern Lights Fund Trust II, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Select Alternative Predecessor Fund and, therefore, the performance information includes performance of the Select Alternative Predecessor Fund.

<sup>3</sup>S&P 500 Index is a capitalization weighted index of 500 stocks representing all major domestic industry groups. It is not possible to directly invest in any index. The S&P 500 TR assumes the reinvestment of dividends and capital gains.

<sup>5</sup>HFRI Fund of Funds Composite Index (HFRI FoF) is an equal-weighted index comprised of over 800 domestic and offshore multi-strategy and/or "fund of funds" hedge funds with at least \$50 million in assets under management and a trading history of 12 months or more. The reported returns are net of expenses at the fund level, but the index itself does not assess a fee. It is not possible to directly invest in the Index.

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of any dividend or capital gains distributions. To obtain performance data current to the most recent month-end or a prospectus, please call toll free 1-888-572-8868 or access [HundredfoldSelect.com](http://HundredfoldSelect.com) or 888-572-8868 or [TheSpectrumFund.com](http://TheSpectrumFund.com).

An investor should consider the investment objectives, risks, charges and expenses of the Spectrum Funds and the Hundredfold Select Funds carefully before investing. Each prospectus contains this and other information about the Funds. The prospectus should be read carefully before investing. Date of first use: 10-15-2015. Distributor: Ceros Financial Services, Inc.

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**PERSONAL PERSPECTIVE** by Ralph Doudera

For a number of years now I have been attending Al-Anon meetings, a worldwide fellowship that offers support for families and friends of alcoholics. More than half of the adult population is affected in some way by an alcoholic family member. I attend for help and perspective in dealing with my own attitudes and behavior, not to control someone else's behavior. We recite the *Serenity Prayer* at each meeting which states: "God, grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference." This simple concept has been so helpful to me in dealing with all of life's issues. I have realized that nearly every problem which I face may have something to do with my reaction to someone else's behavior. Knowing that I can only control my own behavior and attitude makes me take responsibility for ME. Instead of attempting the futile task of changing someone else's behavior, I look only for ways of changing my own. This may be more challenging than it sounds, but I have discovered that if I am upset about something, it almost always has a root cause going back to this issue.

Encouraging change in someone else must take a different approach--prayer. Only God can begin to change someone else. When I try to change someone, things only get worse.

So when I am upset, I can ask myself if it is due to circumstances I can control or not. I can control my own response, but not someone else's. Then I should apply the prayer concept and let God handle it from there.

*War Room*, a movie about prayer was released this summer and it became number one at the box office. Who would have guessed a movie about prayer would add hundreds of screens to meet unexpected demand? It demonstrated the priority, the practice and the power of prayer in everyday life situations. I believe it's one of the best "sermons" you'll ever "see" on prayer. It inspires people across our nation to pray in new and focused ways. Now I need to pick up my prayer life if I want to see change.

"..pray for each other so that you can live together whole and healed. The prayer of a person living right with God is something powerful to be reckoned with." James 5:16b Message Bible

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*"Steady plodding brings prosperity; hasty speculation brings poverty" (Proverbs 21:5, LB)*

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