

GENERAL MARKET COMMENTARY

The financial markets have been responding well to the Federal Reserve's threats of interest rate hikes. In addition, the bull market is overdue for a correction, but it continues to climb the wall of worry. Since 1932, stock prices have had 30 corrections in excess of 10%; about one every two years. It has now been about 15 months since the last one in February of last year. Many indicators are showing strength, such as the Consumer Confidence Index, which is the highest since 2001, and the Measure of CEO Confidence, which is the highest since 2004. Investor confidence is still not at excess

levels, and until the market gets overly confident, there could be more gains ahead.

The Russell 2000 Small Cap Index shows the performance of the smallest 2000 companies of the Russell 3000 Index. This index is only up 2% year-to-date through April 21, whereas the NASDAQ 100 Index (large-cap) is up 12%. For this bull market to continue, we need to see the smaller companies start to perform. The smaller companies are less liquid, so large investors tend to avoid them unless they become more confident about the financial markets going forward. We will continue to monitor this divergence.

BULL OR BEAR MARKET?

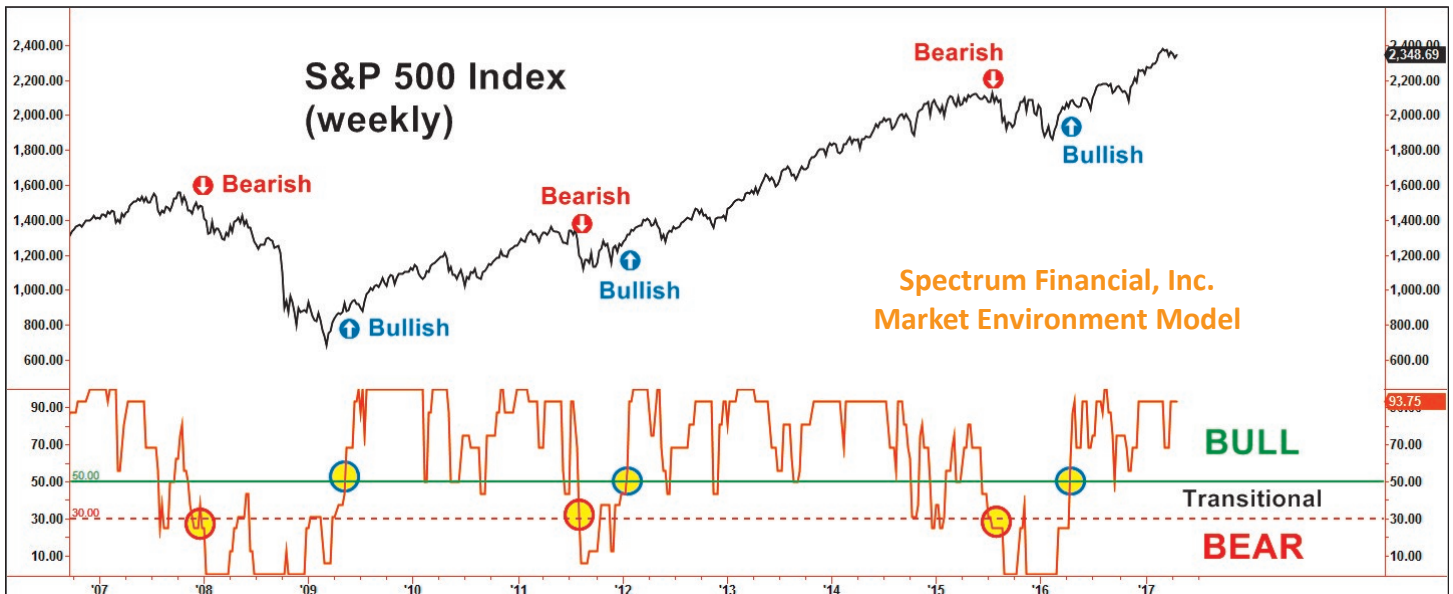
The chart below illustrates our Market Environment Model. This model has indicated a bull market environment since early 2016, following a significant market sell-off beginning in mid-2015.

The indicators that we utilize illustrate higher market risk, and can cause us to significantly reduce exposure to stocks. We currently use a proprietary combination of four components: 1) Moving average of major equity indexes, 2) Weekly Directional Movement Index, which defines the quality of the trend, 3) Negative

“This model has indicated a bull market environment since early 2016.”

Leadership Composite as defined by Investech, and 4) Spectrum's High Yield Bond signal, which confirms a healthy economy. These four indicators together are not a forecasting device, but they give us insight into levels of market risk. Depending on this evaluation, we adapt our trading strategies to become more

aggressively invested or more defensive to reduce risk. Management of risk has always been a cornerstone of Spectrum's investment philosophy.



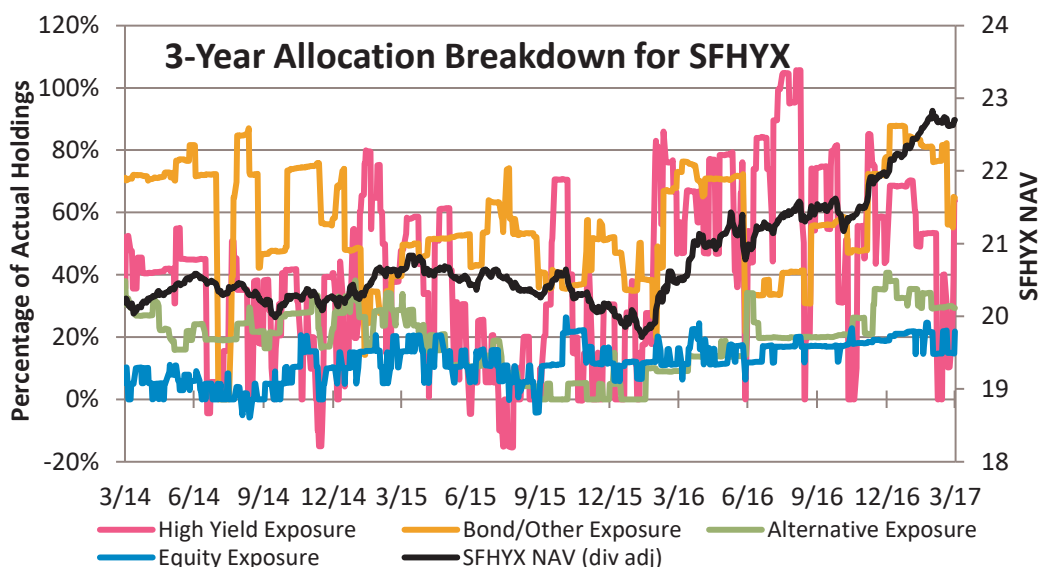
HUNDREDFOLD SELECT ALTERNATIVE FUND— THE ALL-SEASON INVESTMENT

Many investors may not feel confident of the changing market conditions that put them at risk, or may delay taking advantage of opportunities that present themselves from time to time. Investing serious money into the stock market can subject investors to life-altering financial plans if the market has another 50% decline, which it had on two occasions since 2000. The Select Alternative Fund (SFHYX) was created to utilize alternative investments that are not directly tied to the stock market, yet still provide comparable returns. Active management is the key to its success. By monitoring various sectors of the markets, the percentage allocation smoothly transitions from one asset class to another to catch trends and avoid significant losses. By having minimal stock market exposure in the fund, and by monitoring and replacing underperforming assets with performing groups, the fund has continued to move up with low volatility. This chart illustrates just how actively the fund is managed in the various investment categories to take advantage of market opportunities while reducing risk.

★ ★ ★ ★ ★ OVERALL MORNINGSTAR RATING™
As of March 31, 2017

Hundredfold Select Alternative Service Class was rated by Morningstar against the following numbers of U.S.-domiciled Tactical Allocation funds over the following time periods: 247 funds in the last three years and 170 funds in the last five years and 66 funds in the last 10 years. With respect to these Tactical Allocation funds, Hundredfold Select Alternative Service Class received a 5 star rating over all, 4 stars for 3 years, 4 stars for 5 years and 5 stars for 10 years.

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Risks associated with Hundredfold Select Alternative Fund include bond risk, derivatives risk, emerging markets risk, foreign investment risk, junk bond risk, mutual fund/exchange traded fund risk, short position risk, management risk, market risk, high turnover risk, small and medium capitalization risk, leverage risk, and limited history of operations risk. For more information regarding the risks associated with the Hundredfold Select Alternative Fund, please see the prospectus.

An investor should carefully consider the investment objectives, risks, charges and expenses of the Hundredfold Select Funds prior to investing. The prospectus and summary prospectus contain this and other information about the Funds and should be read carefully prior to investing. To obtain a prospectus and summary prospectus, please call Gemini Fund Services at 855-582-8006 or access www.hundredfoldselect.com.

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For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

PERSONAL PERSPECTIVE by Ralph Doudera

Last week I received an unusual request from my church pastor. He asked me to “write down three things of how God would measure the value of a company”. I immediately started writing down my thoughts to see if I have been building a valuable company.

First, are we providing an excellent service for our clients so that they become “raving fans”? Does the product and service we provide produce more than just average results?

Secondly, is our objective as a firm to fulfill the Great Commission required by Jesus? He asked us to make his teachings known and train others to live by them. Are we giving honor to God for the talents He has given us? Are we using our profits to support ministries and making a difference in the broken world we live in?

Thirdly, do we support and nurture our employees in a way that provides a meaningful, challenging and encouraging environment? Do our employees look

forward to coming to work, working as a team, and having an attitude of servant leadership?

Making money is not making a successful business—it is a way of fueling and nurturing an organization that meets the needs of clients, while enhancing relationships throughout the day. We need to become more aware of our employee’s needs to grow in career skills and relational skills, while providing for their family’s needs. Financial success is a by-product of helping more clients accomplish what they want and need. Excess profits may be distributed to benefit society in one way or another, either to employees, or distributing to the less fortunate. This is not socialism. It is generosity.

I heard motivational speaker Zig Ziglar say “You can have everything in life that you want if you will just help enough other people get what they want.”

This is how I think God might call a company successful.

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

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OBJECTIVE

The Select Alternative Fund is an alternative mutual fund investment that seeks a moderate total rate of return (income plus capital appreciation) annually. The Fund is actively managed to anticipate and respond to trends in differing types of fixed-income and equity securities. Identifying, quantifying, and controlling elements of risk are integral parts of the Fund’s construction and investment strategy.

STRATEGY

To seek the Fund’s objective, the Fund’s Subadvisor, Hundredfold Advisors, LLC, uses multiple diversified, uncorrelated trading strategies to manage risk and deliver returns. The strategies include:

- ◆ Technical analysis of fixed income markets to determine buy/sell signals based on market conditions, price action, momentum, and sentiment
- ◆ Active allocation strategies of corporate bonds are used to determine credit quality, duration, or cash alternatives when credit spreads are widening
- ◆ Defensive positions of cash or cash equivalents
- ◆ Hedging the portfolio against interest rate and stock market risk
- ◆ Investments in alternative strategies that may include: long/short equity, merger arbitrage, hedged equity, quantitative equity or owning other Fund of Funds
- ◆ Limited use of equity trading systems, currency or commodity positions
- ◆ Modest leverage as the Subadvisor deems appropriate

REASONS TO INVEST

- ◆ There are many reasons to invest in the Select Alternative Fund, such as:
 - ◆ Transparency
 - ◆ Historically low correlation to the overall market
 - ◆ Access to multiple alternative investment strategies
- Of course, there is no guarantee that any investment will achieve its objectives, generate profits or avoid losses.



OVERALL MORNINGSTAR RATING™

As of March 31, 2017

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FUND STATISTICS As of 3/31/2017	SFHYX vs. S&P 500
R-SQUARED	0.49
BETA	0.26
UP MARKET RATIO	32.21%
DOWN MARKET RATIO	27.47%

Portfolio statistics are based on 5-Year calculations from Morningstar and Bloomberg.

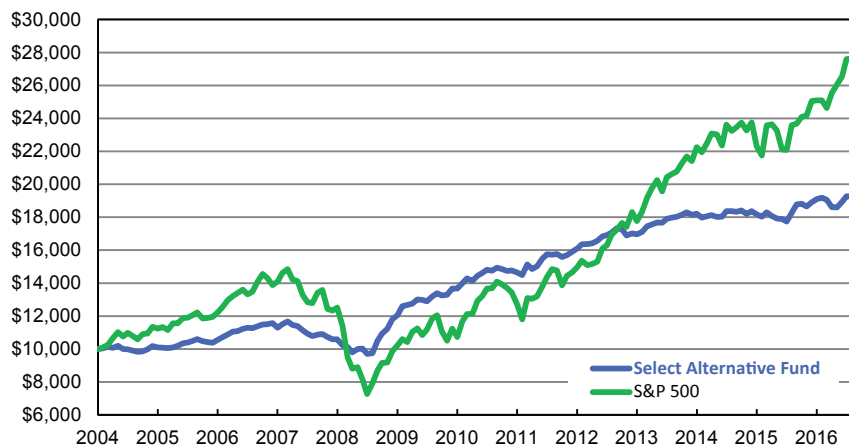
R-Squared: a measurement of how closely a fund’s performance correlates with an index. It can range between 0.00 and 1.00. An r-squared of 1.00 indicates perfect correlation, while an r-squared of 0.00 indicates no correlation.

Beta: a statistic that measures the volatility of the fund, as compared to that of the overall market. The market’s beta is set at 1.00; a higher beta than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile.

Up Market Ratio: a statistical measure of an investment manager’s overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen.

Down Market Ratio: a statistical measure of an investment manager’s overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped.

HYPOTHETICAL GROWTH of \$10,000 vs. S&P 500 Index
(8/31/04 - 3/31/17)



TOTAL ASSETS	\$64.0 Million
FUND ADVISOR	Advisors Preferred, LLC
FUND SUBADVISOR	Hundredfold Advisors, LLC
SYMBOLS & CUSIPS	SFHYY // 66538A604 HFSAX // 66538A414
EXPENSE RATIOS	SFHYY 2.90% / HFSAX 2.00%
INCEPTION DATE	SFHYY 9/1/2004 HFSAX 10/24/2012

Hypothetical \$10,000 investment at inception assuming dividend reinvestment.

* Inception date: 9/1/2004.

Performance numbers for a period greater than one year are annualized

Past performance does not guarantee future results.

FUND PERFORMANCE

March 31, 2017

	Quarter	YTD	Annualized					Since Inception	Annual Returns	2009	2010	2011	2012	2013	2014	2015	2016
			1 Year	3 Years	5 Years	10 Years											
SFHYY	3.51%	3.51%	10.60%	3.99%	5.14%	6.00%	5.73%	SFHYY	30.03%	11.06%	4.01%	10.34%	6.67%	1.87%	-0.57%	8.98%	
HFSAX	3.71%	3.71%	11.62%	4.93%	n/a	n/a	5.76%	HFSAX	n/a	n/a	n/a	n/a	7.71%	2.80%	0.34%	9.98%	
S&P 500 TR Index	6.07%	6.07%	17.17%	10.36%	13.28%	7.50%	8.47%	S&P 500 TR Index	26.27%	14.70%	2.11%	16.00%	32.37%	0.00%	1.37%	11.96%	
Barclays Aggregate Bond Index	0.82%	0.82%	0.44%	2.68%	2.33%	4.27%	4.15%	Barclays Aggregate Bond Index	5.93%	6.54%	7.84%	4.22%	-2.02%	5.97%	0.55%	2.65%	

*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.

There is no guarantee the fund will achieve its investment objective.

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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 the Index. The S&P500 TR assumes the reinvestment of dividends and capital gains.

Barclays U.S. AGG. Bond Index: The Barclays U.S. Aggregate Bond Index measures the underlying index measures the performance of the total U.S. investment grade bond market. It is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity.

The Fund presents some risks not traditionally associated with most mutual funds. It is important that investors closely review and understand these risks before making an investment in the Fund. The risks associated with the Funds are detailed in the prospectus and include risks of the Subadvisor's investment strategy, aggressive investing techniques, high portfolio turnover, investing in other investment companies (mutual funds and ETFs), credit risk, counterparty risk, depository receipt risk, high yield securities risk, holding cash risk, interest rate risk, master limited partnership risk, pre-payment risk, mortgage securities risk, asset-backed securities, leverage, shorting and non-diversification risks. Aggressive investing techniques would include the use of futures, enhanced betas and shorting securities. Shorting occurs when investors sell securities they do not own and are committed to repurchasing eventually. Because the Fund's holdings include small-cap, mid-cap, and international equities, there are additional risks such as the possibility of greater price volatility and reduced liquidity, fluctuations in currency exchange rates, and political diplomatic and economic conditions as well as regulatory requirements in foreign countries. There are additional risks associated with investing in instruments rated below investment grade (i.e., junk bonds) because such instruments generally involve greater risk of default or price changes than other types of fixed-income instruments, therefore the Fund's performance may vary significantly as a result.

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