THE FULL SPECTRUM

Spectrum Financial, Inc.

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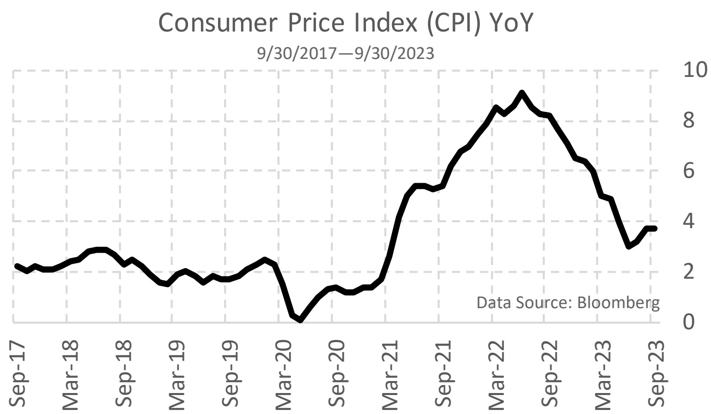
GENERAL MARKET COMMENTARY

After strong gains in the first half of 2023, global equities posted a negative return in Q3. Government bonds declined even more in the quarter, with yields rising substantially. The 30-year Government Bond lost nearly 13% just in the third quarter and has dropped nearly 45% in the past 3 years. 30-year mortgage rates have risen from 2.75% to 8% in less than 3 years. A hotter than expected US jobs report will likely force the Fed to push interest rates even higher by the end of this year. Energy gains are not helping inflation amid oil production cuts from Saudi Arabia and Russia, causing crude oil to pop up 28.63% in Q3. Inflation, while turning higher lately, remains questionable if it is still in a downward trend (chart, right). This data remains uncertain for the Fed to pause rate increases, as the labor market remains much stronger than expected. The final ending will likely push the US economy into recession before we see the end.



CPI YoY Index: The Consumer Price Index represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included.

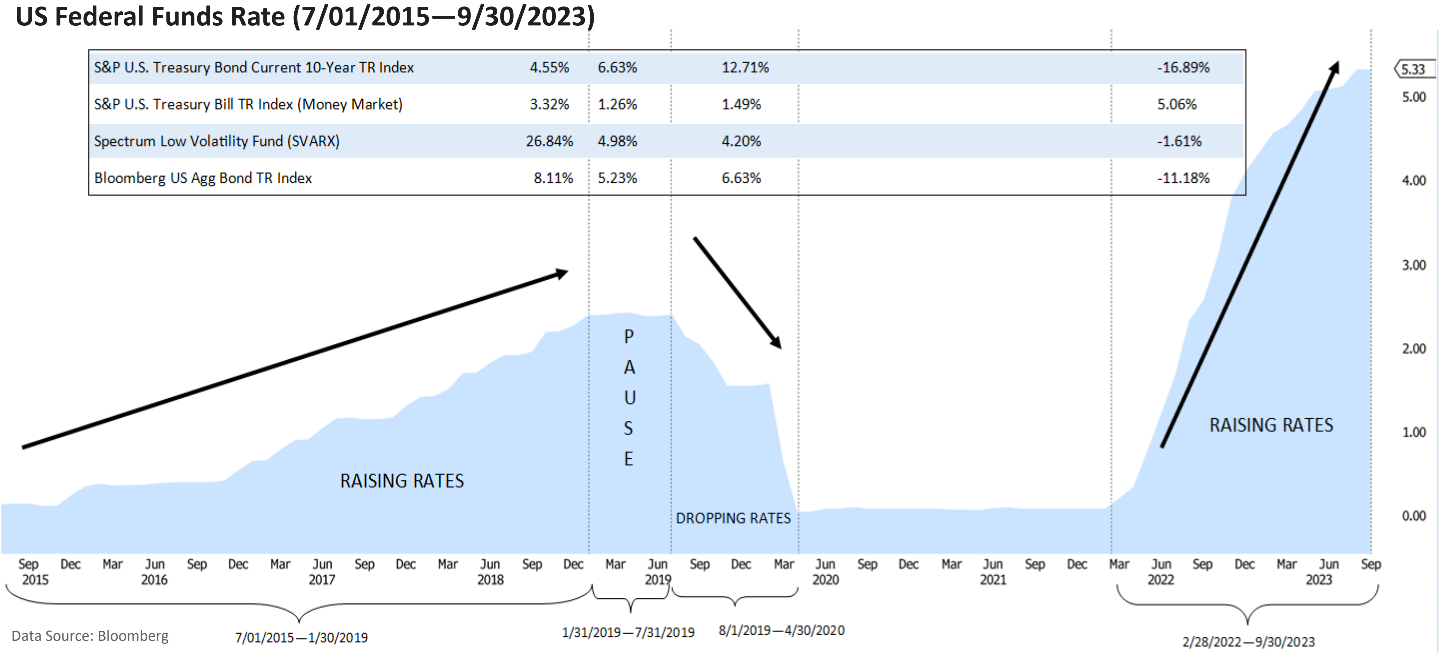
WHAT HAPPENS WHEN THE FED IS DONE?

A resilient US economy may prompt the Federal Reserve to pencil in one more interest-rate hike this year and stay at the peak level next year for longer than previously expected, according to economists surveyed by Bloomberg News. However, other surveyed economists think the Fed will not go ahead with a final increase. What can we expect from the bond market once the final rate increase is actually put in place? Let's look from a historical perspective.

The chart below illustrates exactly what happened to various bond investments when the Federal Reserve started raising interest rates in the fall of 2015 until they paused in early 2019. 10-Yr Government Bonds had a total return of 4.55%, while T-Bills gained 3.32%. Spectrum's bond fund, SVARX, gained 26.84% due to active management. After the final increase in rates ('Pause' on chart), the forward-looking 10-Yr Government Bond market showed a gain of 6.63% in only 6 months while T-Bills were only up 1.26%. The Fed started dropping rates in August 2019 until the spring of 2020, the 10-Yr Government Bonds were up 12.71%, while T-Bills were up only 1.49%. To summarize: when the Fed raises interest rates, T-Bills increase in yield and are the place to be because bonds lose value. But when the Fed starts dropping rates, bonds tend to make a lot of profits in a very short time, whereas T-Bill yields goes down. So the question today is, have we seen the last increase in rates? If so, it is time to get aggressive purchasing bonds. (See pg. 3 for Disclosures)

US Federal Funds Rate (7/01/2015—9/30/2023)

	7/01/2015—1/30/2019	1/31/2019—7/31/2019	8/1/2019—4/30/2020	2/28/2022—9/30/2023
S&P U.S. Treasury Bond Current 10-Year TR Index	4.55%	6.63%	12.71%	-16.89%
S&P U.S. Treasury Bill TR Index (Money Market)	3.32%	1.26%	1.49%	5.06%
Spectrum Low Volatility Fund (SVARX)	26.84%	4.98%	4.20%	-1.61%
Bloomberg US Agg Bond TR Index	8.11%	5.23%	6.63%	-11.18%



Data Source: Bloomberg

AssetMaxx℠—Actively Managed Mutual Fund Performance Review

The Spectrum Funds

Spectrum Low Volatility Fund - SVARX

				Annualized		
As of 9/30/2023	Quarter	YTD	1 Year	3 Year	5 Year	Since Inception[1]
SVARX	1.32%	1.12%	2.29%	2.37%	6.01%	6.01%
Morningstar LSTA US Lev Loan TR[5]	3.06%	9.65%	13.74%	5.24%	4.16%	3.78%
50/50 iBoxx USD Liquid HY Index/Morningstar LSTA US Lev Loan 100 TR Index[7]	1.71%	7.48%	11.79%	3.27%	3.31%	3.58%

Portfolio Composition	6/30/2023	9/30/2023
High Yield	40.45%	0.00%
HY Credit Default Swaps	20.04%	0.00%
Floating Rate	36.29%	32.40%
Municipal	10.04%	0.00%
Government	0.00%	0.00%
Mortgage-Backed	16.72%	12.45%
Bond - Other	0.00%	0.00%
Preferred	10.26%	0.00%
	133.80%	44.85%

[1]Inception date: 12/16/2013

Expense Ratio: 2.67%

Spectrum Active Advantage - SAPEX

				Annualized		
As of 9/30/2023	Quarter	YTD	1 Year	3 Year	5 Year	Since Inception[2]
SAPEX	-1.75%	0.86%	-3.68%	-2.83%	1.91%	3.95%
S&P 500 TR[4]	-3.27%	13.07%	21.62%	10.16%	9.90%	10.92%
New York Stock Composite TR Index (NYSE)[8]	-2.43%	3.34%	17.15%	9.14%	5.83%	6.64%

Portfolio Composition	6/30/2023	9/30/2023
S&P 500 Index Exposure	32.29%	12.40%
NASDAQ 100 Index Exposure	18.43%	17.04%
Russell 2000 Index Exposure	30.44%	15.47%
Equity Other	27.20%	10.05%
Cash Management	16.01%	6.19%
	124.36%	61.15%

Expense Ratio: 1.69%

[2]Inception date: 6/1/2015. The Fund changed from the Spectrum Advisors Preferred Fund on April 14, 2022.

The Hundredfold Select Alternative Fund

Hundredfold Select Alternative Fund

				Annualized				
As of 9/30/2023	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception[3]
SFHYX	0.30%	-0.03%	-1.44%	3.14%	6.81%	5.81%	7.46%	5.94%
S&P 500 TR[4]	-3.27%	13.07%	21.62%	10.16%	9.90%	11.91%	11.27%	9.52%
Bloomberg Agg Bond TR Index[6]	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	2.53%	2.80%

Portfolio Composition	6/30/2023	9/30/2023
High Yield	50.67%	0.00%
Floating Rate	36.77%	40.24%
Bond Other	29.99%	5.84%
Managed Futures (net)	4.93%	0.00%
Alternative	0.00%	0.00%
Equity	33.99%	17.43%
	156.35%	63.51%

Expense Ratio: SFHYX 2.39%

[3]Inception date: 9/1/2004, 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.

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. For performance current to the most recent month end, please call 1-888-572-8868. An investor should carefully consider the investment objectives, risks, charges and expenses 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 Ultimus Fund Solutions, LLC. at 855-582-8006 or access www.thespectrumfunds.com or www.hundredfoldselect.com .

The Funds are distributed by Ceros Financial Services, Inc. (Member FINRA/SIPC). Ceros and Spectrum Financial, Inc./ Hundredfold Advisors are not affiliated entities. Advisors Preferred, LLC, the Funds' advisor is a commonly held affiliate of Ceros. Date of first use: 10/19/2023

Consumer Price Index: (CPIAUCSL) is a price index of a basket of goods and services paid by urban consumers. Percent changes in the price index measure the inflation rate between any two time periods. The most common inflation metric is the percent change from one year ago. It can also represent the buying habits of urban consumers. This particular index includes roughly 88 percent of the total population, accounting for wage earners, clerical workers, technical workers, self-employed, short-term workers, unemployed, retirees, and those not in the labor force

S&P U.S. Treasury Bill Total Return Index: a broad, comprehensive, market-value weighted index that seeks to measure the performance of the US Treasury Bill market.

S&P U.S. Municipal Bond High Yield Index consists of bonds in the S&P Municipal Bond Index that are not rated or are rated below investment grade.

S&P U.S. Treasury Bond Current 10-Year TR Index: a one-security index comprising the most recently issued 10-year US Treasury note or bond. (Prior benchmark used Bloomberg US Treasury Bellwethers 10-Yr TR Index Value Unhedged USD - I00093US)

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

Morningstar LSTA U.S. Leveraged Loan 100 Index: This benchmark is designed to reflect the performance of the largest facilities in the U.S. dollar leveraged loan market.

Bloomberg U.S. AGG Bond Index: The Bloomberg U.S. Aggregate Bond Index measures 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.

50/50 "iBoxx USD Liquid HY Bond TR Index/Morningstar LSTA US Lev Loan 100 TR Index": 50/50 iBoxx USD Liquid High Yield Bond TR Index/Morningstar LSTA U.S. Leveraged Loan 100 TR Index: This benchmark gives 50% weight to the iBoxx USD Liquid High Yield Bond TR Index and 50% weight to the Morningstar LSTA U.S. Leveraged Loan 100 TR Index. The iBoxx USD Liquid High Yield TR Index: is market-value weighted with an issuer cap of 3% and consists of liquid USD high yield bonds, selected to provide a balanced representation of the high yield corporate bond universe. Morningstar LSTA U.S. Leveraged Loan 100 TR Index is designed to reflect the performance of the largest facilities in the leveraged loan market.

New York Stock Composite Index (NYSE): The NYSE Composite Index (NYATR) measures the performance of all stocks listed on the New York Stock Exchange. It includes more than 1,900 stocks, of which over 1,500 are U.S. companies. Its breadth therefore makes it a much better indicator of market performance than narrow indexes that have far fewer components. The weights of the index constituents are calculated on the basis of their free-float market capitalization. The index itself is calculated on the basis of price return and total return, which includes dividends.

MIDDLE EAST WAR PERSPECTIVE

The conflict between Israel and Hamas has the potential to disrupt the world economy — and tip it into recession if more countries are drawn in. A sharper escalation could bring Israel into direct conflict with Iran, a supplier of arms and money to Hamas, a designated terrorist group. Israel has long viewed Iran's nuclear ambitions as an existential threat. Tehran's moves to build a military alliance with Russia, restore diplomatic ties with Saudi Arabia, and support various proxy groups (Hezbollah), have added to tensions. If Israel and Iran are firing missiles at each other, oil prices could increase in line with what happened after Iraq's 1990 invasion of Kuwait.

With a much higher starting point today, a spike of this magnitude could take oil to $150 per barrel and significantly add to inflation. All these potential effects depend on how the war develops over the coming weeks or months. Bloomberg Economics has examined the likely impact on global growth and inflation under three scenarios which can be seen in the chart below.

Economic Impact of War

Global growth and inflation impact of three scenarios for how the Israel–Hamas conflict could evolve

Scenario	Details	Impact on oil prices and VIX*	Impact on global GDP and inflation**
Confined war	- Ground invasion of Gaza - Limited broader regional conflict - Lower Iranian crude output	Oil: +$4/barrel VIX: No impact	GDP: –0.1 ppts. Inflation: +0.1 ppts.
Proxy war	- Multifront war in Gaza, West Bank, Lebanon, Syria - Unrest in wider Middle East	Oil: +$8/barrel VIX: +8 points	GDP: –0.3 ppts. Inflation: +0.2 ppts.
Direct war	- Israel and Iran in direct conflict - Unrest in wider Middle East	Oil: +$64/barrel VIX: +16 points	GDP: –1.0 ppts. Inflation: +1.2 ppts.

Source: Bloomberg Economics
*Impact calibrated based on 2014 Gaza War, 2006 Israel–Lebanon War, and 1990–1991 Gulf War.
**Impact on year on year change in global GDP and inflation for 2024, estimated using Bayesian Global VAR

PERSONAL PERSPECTIVE *by* Ralph Doudera

Shocking events in the news are causing many of us to reconsider priorities as we feel helpless watching events unfold in the Middle East War. Jamie Dimon, CEO of JP Morgan warns it's the 'most dangerous time' in 'decades'. For biblical scholars this should come as no surprise, since prophetic words of warning are clearly laid out in both the Old and New Testament.

Having a master's degree in biblical studies certainly does not qualify me as an expert in the eschatology of end times, but it does give me a glimpse of things to be aware of when biblical prophecy and the news seem to align. In the Old Testament Ezekiel 38:2-6 (written nearly 2500 years ago), it says that there would be a major military attack against Israel after it was restored as a nation. Several nations are named as attackers: Persia, Egypt and Libya. The Persian empire included many nations, but it is interesting to note it included these nations of today: Iran, Iraq, Sudan, Turkey, and parts of southern Russia. Moving on to New Testament theology, we find Jesus had this to say in Matthew 24:37-39, "*As it was in the days of Noah, so it will be at the coming of the Son of Man. For in the days before the flood, people were eating and drinking, marrying and giving in marriage up to the day Noah entered the ark; and they knew nothing about what would happen until the flood came and took them all away. That is how it will be at the coming of the Son of Man."* Noah was a righteous man in a time of immorality, sexual perversion, bestiality and wickedness which God wanted to cleanse (Genesis 6-9). But the warning went unheeded before the flood wiped out their civilization. It seems people in our world are unprepared today also.

The apostle Paul gives his concern for the moral and spiritual state of the world in the end times in 2 Timothy 3:1-5, "*But understand this, that in the last days there will come times of difficulty. For people will be lovers of self, lovers of money, proud, arrogant, abusive, disobedient to their parents, ungrateful, unholy, heartless, unappeasable, slanderous, without self-control, brutal, not loving good, treacherous, reckless, swollen with conceit, lovers of pleasure rather than lovers of God, having the appearance of godliness, but denying its power."*

Hasn't everyone seen the accelerating slide toward immorality in our society? Sexual promiscuity and perversion, pornography, pedophilia, climate abuse, terrorist attacks, viruses, inflation, drug addiction, killing the unborn and satanic worship are all increasing in our society. The Bible also describes in Revelation chapter 16 the seven terrible, final plagues (judgments) to come on the earth: Malignant sores and cancers, pollution of the seas, pollution of fresh water supply, scorching heat waves, international blackouts, a bloodbath on Israeli soil, and the biggest earthquake to ever hit the earth with giant hailstones.

The message here is a call to be vigilant, repentant, spiritually prepared, and ready for Jesus' unexpected return. Pick up a Bible and read it for yourself or do some AI internet research. I recommend that we all prepare ourselves and our families both physically and spiritually with what may be coming so we don't find ourselves unprepared. The greatest need for us today is to examine our own life and for us to pray for peace in the Middle East.

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

272 Bendix Rd., Suite 600, Virginia Beach, VA 23452 (757) 463-7600 InvestSpectrum.com