

## OBJECTIVE

Long-term growth of capital.

## INVESTMENT PHILOSOPHY

We believe strong long-term investment results and wealth are best achieved through the avoidance of major losses and the compounding of reasonable gains. If we can miss the majority of major market cycle downturns and capture the majority of major market advances, we will not only protect shareholder assets, but the long-term growth of those assets will be substantially greater than market growth.

## INVESTMENT STRATEGY

The KCM Macro Trends Fund employs a flexible strategy with the freedom to invest globally in all asset classes, long or short, making it an ideal long-term core-holding for most portfolios. We combine fundamental and technical analysis in seeking to profit from market trends, biases, and the future expectations of specific regions, countries, industries and companies.

## OUR EDGE

What sets us apart from other investment managers?

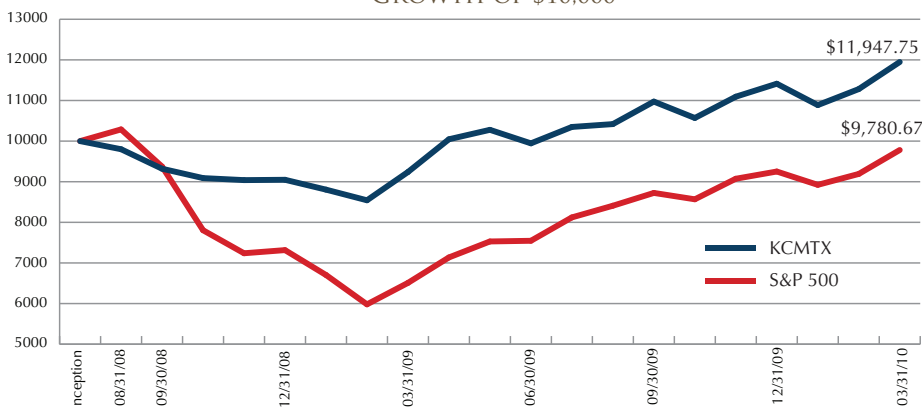
- We are not restricted to any “style box”. Our flexible investment strategy allows us to invest globally in companies of all sizes and in all sectors.
- Our focus on risk management — critical during periods of systemic market risk.\*
- We can leverage the portfolio up to 133% to accentuate market moves or hedge to reduce the portfolio’s volatility and overall risk.
- The Fund can hold 0 to 100% cash, or be net-short, giving it significant investment flexibility during dangerous markets.
- Our risk management strategies have historically led to lower stock turnover, creating tax efficiency for the investor.

## DON'T FIGHT THE TAPE

[WWW.KERNSCAPITAL.COM](http://WWW.KERNSCAPITAL.COM)  
800.945.2125

## PERFORMANCE AS OF 3/31/2010

GROWTH OF \$10,000



INCEPTION DATE: 08/04/08

	YTD	1 YEAR	Since Inception ANNUALIZED	CUMULATIVE
KCM Macro Trends Fund	4.16%	28.69%	11.17%	18.91%
S&P 500 TR®	5.39%	49.77%	-1.53%	-2.51%

\*The Fund missed 67.5% of the market drawdown as measured by the decline in the S&P 500 Index from its high following the Fund’s Inception through its low on March 9, 2009. During this period the S&P 500 was down 44.92%; KCMTX was down 14.61%.

*The performance data quoted here represents past performance and is not a guarantee of future results. Performance current to the most recent month-end may be lower or higher and can be obtained by calling 1-800-945-2125. The investment return and principal value of an investment will fluctuate so that investor’s shares, when redeemed, may be worth more or less than their original cost. The Fund’s total annual operating expense ratio is 1.82%. The Fund’s Investment Advisor has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until August 30, 2010, to ensure the net annual fund operating expenses will not exceed 1.70%, subject to possible recoupment from the Fund in future years. Please review the Fund’s prospectus for more detail on the expense waiver.*

## FUND FACTS

Ticker:	KCMTX	Load Type:	No Load
Cusip:	66537T430	Audited Exp Ratio:	1.66%
Fund Type:	Global Macro Long/Short	Min. Initial Inv:	\$5,000
Number of Holdings:	106	AUM:	\$96.9 mil

## PORTFOLIO FUNDAMENTALS

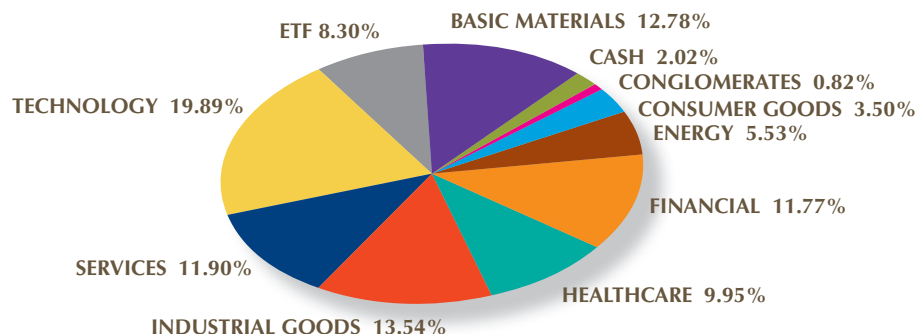
Fund Name	Earnings Growth	Sales Growth	Cash Flow Growth	P/E Ratio TTM
KCM Macro Trends Fund	15.7%	14.2%	23.5%	14.5
S&P 500 TR®	-6.8%	-2.0%	-1.5%	17.5

Source: Morningstar, Inc. 3/31/2010

**Historical Earnings, Sales and Cash Flow** rates are measurements of the share-weighted collective or cumulative growth rates for all stocks in the current portfolio. They can tell investors how quickly profits are growing and how strong the overall growth orientation is for the portfolio.

**P/E Ratio TTM:** The Price to Earnings (P/E) Ratio reflects the multiple of earnings at which a stock sells. Morningstar’s Price to Earnings Ratio TTM compares the total market value of the portfolio to the portfolio’s share of the underlying stocks’ earnings (or book value, cash flow, sales or dividends). This method evaluates a portfolio like a single stock and measures its overall valuation.

## SECTOR WEIGHTINGS (% OF STOCKS)



NOTE: Fund holdings and asset allocations can change at any time without notice.

## PORTFOLIO MANAGERS

**M. Lane Kerns, MSFS**

Senior Portfolio Manager  
President & Chief Investment Officer

**Martin L. Kerns, II, J.D.**

Co-Portfolio Manager  
Vice-President

*The Fund's SAI provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers and the Portfolio Managers' ownership of securities in the Fund.*

## TOP TEN HOLDINGS BY RETURN SINCE PURCHASE\*

ASHLAND INC	559.86%
WALTER INDUSTRIES INC	315.36%
LUBRIZOL CORPORATION	175.59%
ESTERLINE TECHNOLOGIES CORP	143.15%
JOY GLOBAL INC	130.20%
GOLDMAN SACHS GROUP, INC.	122.07%
DEERE & COMPANY	93.23%
CSX CORPORATION	82.02%
ALPHA NATURAL RESOURCES	79.73%
BUCYRUS INTERNATIONAL INC-A	77.43%

## TOP TEN HOLDINGS BY SIZE

ISHARES MSCI BRAZIL	6.39%
ISHARES NASDAQ BIOTECH INDEX	1.91%
JOY GLOBAL INC.	1.66%
DARDEN RESTURANTS INC.	1.37%
LUBRIZOL CORPORATION	1.36%
APPLE, INC.	1.35%
ASHLAND INC.	1.30%
BUCYRUS INTERNATIONAL INC-A	1.25%
HARBIN ELECTRIC, INC.	1.22%
VALE SA	1.11%

\*Performance of holdings is without dividends if any.

## IMPORTANT INFORMATION

*Mutual Funds involve risk including possible loss of principal. Investors should carefully consider the investment objectives, risks, charges and expenses of the KCM Macro Trends Fund before investing. The Fund may invest in small, less well-known companies, which may be subject to more erratic market movements than large-cap stocks; foreign securities, which are subject to currency fluctuations and political uncertainty; and derivative securities, which may carry market, credit, and liquidity risks. The Fund may also engage in short selling activities, which are more risky than "long" positions because the potential loss on a short sell is unlimited. These risks may result in greater share price volatility. This and other important information about the Fund is contained in the prospectus, which can be obtained on the Advisor's website or by calling 1-800-945-2125. The prospectus should be read carefully before investing. The KCM Macro Trends Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.*

The S&P 500 TR<sup>®</sup> is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

## FOR MORE INFORMATION CONTACT

**Kerns Capital Management, Inc.**

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**800.945.2125**