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DECEMBER 6, 2016

CENTERSTONE INVESTORS SEMI-ANNUAL WEBCAST & CONFERENCE CALL TRANSCRIPT

OPERATOR: Good day ladies and gentlemen and welcome to Centerstone Investors Semi-Annual Webcast & Conference Call. To ask a question during the webcast please click on the ask the question button at the bottom of your screen. It is now my pleasure to turn the floor over to Phil Santopadre, sir the floor is yours.

PHIL SANTOPADRE: Thank you. Good afternoon everybody and welcome. This is Phil Santopadre, Managing Partner of Operations and Compliance here at Centerstone Investors and I'm proud to be joined today by Abhay Deshpande, our Founder and Chief Investment Officer. Thank you so much for joining, this is a special occasion for us, one of many since our start. It's our first Centerstone Investors Semi-Annual Webcast & Conference Call.

We're very excited to be with you and appreciate the trust and interest you have placed with us. As many of you know, we launched Centerstone Investors, the firm, earlier this year and the inception date of our two mutual funds, the Centerstone Investors Fund and the Centerstone International Fund is May 3, 2016. Today's webcast will cover the genesis of Centerstone, background on our firm, our approach and operating principals, competitive differences, portfolio positioning and then we will open it up to Q&A via the chat box on your screens or through pre-emailed questions.

Before we continue and introduce you to Abhay, I want to take this time to give you an update on our investment performance. Since inception date May 3, 2016 to September 30, 2016, for both of our Funds Class I shares versus their comparative benchmarks.

The Centerstone Investors Fund performance to September 30, 2016 is 4.80% versus the MSCI All Country World Index performance of 5.71% and the MSCI World Index performance of 5.01%.



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The Centerstone International Fund performance to September 30, 2016 is 5.40% versus the MSCI All Country World ex US performance of 5.28% and the MSCI EAFE performance of 3.37%.

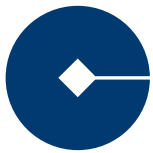
These performance figures represent a little less than five months. It's important to note that here at Centerstone we are benchmark agnostic and do not put much credence, if any at all, to short-term performance as we are long-term investors in nature and view performance on a much longer time horizon.

As we continue with our presentation, please note our discussion may not follow the exact ordering of our slides as they are meant to be a general guide of the topics covered. You can download the slides at any point during this webcast by going to the tab entitled "materials." Without further ado, I will hand it over to our Founder and Chief Investment Officer, Abhay Deshpande.

ABHAY DESHPANDE: Thank you, Phil and welcome everyone to Centerstone's first Semi-Annual call. For those of you who've never met Phil, you'll find in him a diligent and detail-oriented professional. I've worked with him now for 15 years and can assure you that Centerstone's shareholders have in him the best the industry has to offer. As we reflect on these beginning months, all of us at Centerstone are grateful for the willingness of new and former clients to open their doors to us and hear our story.

We are especially grateful for the many who have chosen to invest in these early days. We appreciate the leap of faith that many of you have taken and the risk that you've taken by vouching for us. We're going to work our hardest to reward your trust in us. Ours is a positive story, it's about the creation of a new investment boutique, albeit one with old roots. It is about the creation of an investment-oriented organization that is totally aligned with its clients. It's about the creation of a business with the highest ethical and compliance standards. And of course, it's about ultimately the creation of a home for performance-oriented investment professionals. Ultimately, it's our goal that with the foundation in place, we can if even in a small way, help our clients reach their investment goals. I have to also express my appreciation for my colleagues at Centerstone during this exciting, but admittedly difficult start-up period.

We've had to contend with a fire in the building, virtually the week after we moved in. A terrorist attack around the corner, Trump tantrums because we're on Fifth Avenue which is the preferred protest route to Trump tower. There was a Verizon strike outside our building and many other annoyances. As always though, the positives melt away the negatives, which tend to almost always be temporary. For instance, one on our team got married and another is getting married in February. In general, the environment here is very positive and we're all moving forward in our own individual ways.



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As a start-up, we also need to be extremely cost conscious and I appreciate the efforts that the team has made to be mindful of our expenses. I especially appreciate it because as my kids know, I find it really hard to say no. So, imagine my surprise when our two analysts decided on their own to save money by sharing a hotel room during a recent research trip to Europe. I was very pleased, very impressed. But imagine their surprise when they arrived at the hotel in Paris. Apparently, the hotel staff had the wrong impression when they gave the two of them, both male, a single king bed in the honeymoon sweet - rainbow wallpaper and all. Apparently, the analysts used pillows as a divider. But I'm starting to think that we might be testing the bounds of cost consciousness in these early days. Last month rather than getting a proper meeting room for a client meeting we decided to meet at a mall in Los Angeles, one of our partners, Mike Furlong and I, we ended up going into the Room & Board store asking the manager if we could sit in one of their sofa display areas to have our meeting. They weren't that busy and maybe she was just intimidated by three men in suits but in any case, she said yes, and there we were in this window display at Room & Board on a sofa among the Christmas decorations for an hour in our suits, presentations in-hand, pitching the Centerstone Funds to a prospective client. Needless to say, we didn't hear back from them.

All joking aside this is an exciting time for us and we're having a great time. It's a great team, they're a lot of fun, they are each very different, very smart, very dedicated and very patient, especially with me. I encourage you to visit the home office if you haven't already or just otherwise let us get to know you better.

We have made a lot of progress, back to business, in these past several months. We now have about 20 selling agreements including with Schwab, Fidelity, TD Ameritrade, Oppenheimer & Company, Pershing, among others. Other platforms will follow, but probably slowly. This is partly due to the regulatory environment and partly due to our choice. One of our goals is to pace the growth of the Funds as to minimize the dilutive effects of rapid flows on existing shareholders. Whether this choice or others, our goal is to have long lived client relationships. Obviously it's beneficial for us, but the pleasant countereffect for our clients is that such measures can decrease the frictional cost of the Funds by reducing flow volatility and the resulting performance dilution. This is one example of how Centerstone has aligned itself with its clients.

Another example of client alignment is that employees own 100% of the advisor. This kind of "permanent capital" is the ideal owner of a long-term-oriented advisor. As somewhat contrarian investors, our performance will ebb and flow and at times be out of step. We are highly confident that this is the best approach for long-term success but we want to be sure that we will not have internal pressure to change, adapt or modify our approach due to short-term performance concerns. This is why we chose to remain independent.



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Also, since we do most, if not all, of the research in-house we do not depend on Wall Street for research or opinions. This means that our trading can be increasingly tilted to low cost avenues (program trading, basket trading, etc.), which may help returns. Finally, and most importantly the employees of Centerstone have invested eight figures in total into the Funds. There can be, in my mind, no other greater alignment of interest than investing alongside one's client base. So, in sum we have tried to ensure total client alignment with the four pillars of (one) a thoughtful growth plan, (two) employee ownership, (three) independence from Wall Street and (four) "eating our own cooking."

As I've always done over the years, I'd like to review our investment approach in more detail and our own expectation for performance. First, of course we're long term global investors. When Ben Graham wrote *The Intelligent Investor* in 1949, he made little reference to growth versus value. He simply distinguished investing from speculating, as we do ourselves.

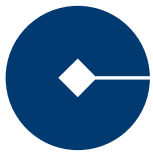
Speculating as we see it involves taking a view of the future course of events. Typically, a short-term view and essentially placing a bet on that view. This is akin to gambling, because as Graham and others have said, which is essentially common sense, the future is uncertain. Investing to us implies a longer time frame of course and is a more thoughtful approach with at its heart an appreciation for the uncertainty of the future.

So, in an uncertain world, with an uncertain future how does one "invest for the long-term?" From our experience, we've migrated to the view that it may be best if simply to assume the worst and make sure the business in question can survive in any case. This is why we try to avoid highly leveraged businesses, try to avoid managers with poor capital allocation records and we try to avoid those businesses with models that seem to be under existential threat.

For a long time, this simple framework would have been enough to protect an investor from the permanent impairments of the technology bust of the early 2000's, the financial crisis of 2008 - 2009, the many frauds over the past few decades, such as Enron, Worldcom and the like. However, those threats, the threats of those businesses were internal in nature. In other words, bad balance sheets, non-existent business models or management deceit.

Increasingly the threats have become more external in nature. Beginning with the last decade, the internet threat to media companies. The more recent threats to "last mile" companies such as grocers and other retailers, the state targeting of certain industries such as coal and for-profit education companies, external business model threats have become more common and they often arrive abruptly.

Therefore, loss avoidance has become more difficult, in our view, as time has progressed and this is why we believe that active managers such as Centerstone and its kind have an increasingly important role to play in an investor's portfolio. This is of course contrary



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to the self-interest and propaganda from some of the large asset gathering shops in the media that promote speculative trading vehicles such as ETFs for the general public.

Another aspect of our approach to minimizing risk is our ability to hold cash in short dated bonds. If we can't find enough qualifying securities that is. Currently we have about 30% in reserves in both Funds. This is rather high, but reflects the overall valuation of global markets which is echoed in the individual securities as we look from the bottom-up. Finally, as we often remind our clients, businesses have intrinsic values and our job is to simply try to determine what that value is. Once you get that right the rest is easy.

You buy when there's a discount and sometimes you sell when it trades at a premium. This is the best way I know to take the stress and emotion out of investing since it is a pretty mechanical approach. Of course, we're human and sometimes we second guess ourselves and sometimes we let emotion get to us. There seems to always be something to snap us back to reality though. And in any case, life is just too short to let the markets sometimes irrational behavior affect you that much.

The other day I was on a flight back from Los Angeles and the gentleman next to me was getting very upset with the passenger behind him. The passenger was a grown man in sunglasses shaking his head back and forth listening to music with his headphones and occasionally kicking my seatmate's seat. My seatmate would turn around and try to get the man's attention, but with no luck. He was saying, "sir-sir" but the passenger could not hear through his music. My seatmate was waving his hands to get the passengers attention, but again with no luck. And he was getting very irritated to the point that he was turning red. Finally, the attendant came by and my seatmate complained, "hey I've been trying to get this guy's attention for the past 10 minutes, but he's completely ignoring me. I've stared at him for a whole minute and he just ignores me. Can you please tell him to stop kicking my seat?" The attendant says, "oh, that's Stevie Wonder he can't see you." It should go unsaid, but we let Stevie do whatever he wanted. We try to keep our emotions in-check when it comes to investing because life is, as I said, too short to let dumb things get the best of you. And another life lesson, you never know who you might be talking to.

Back to the topic at hand as you can gather from my comments, we tend to think a lot more about what could go wrong rather than right and we tend to be rather risk averse, especially when it comes to leverage and the like as I mentioned. As a result, the companies we invest in tend to have better balance sheets, are self-funding, have decent market positions and in general are higher quality than average, we believe. As I said before, we also don't have to be fully invested. That sounds good, and indeed we believe strongly that boring is good and that it is prudent to have the flexibility to hold cash. The downside is that the Funds can sometimes fall behind in strong market environments, even if sometimes they can hold up better in weak market environments.



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We believe this combination is the best approach for long-term success, but we just want to reiterate all the aspects of our approach – both good and bad to our clients, our new clients. I'd also like to share with you how the portfolios are allocated by asset class, industry and geography in order to highlight their distinct positioning versus our peers. It's important to understand the underlying allocations in particular geographically and by industry since there's so much going on in so many countries at the moment.

First of all, internationally we're most heavily invested in continental Europe and least exposed to Japan. In the Investors Fund, we're roughly 20% invested in US equities versus 40% internationally with again, two-thirds of that in Europe. So obviously, we have quite a bit of exposure to Europe which we wanted to touch on given all the headline news that's coming out of there.

First, most of our European companies are themselves exposed to markets outside the Eurozone. For example, Air Liquide¹ of France derives the majority of its revenues outside Europe, including 43% now from the United States. Swatch Group² of Switzerland derives the majority of its sales outside Europe. The point being that domicile doesn't necessarily tell you much and the worry over Brexit³, the US dollar, Italy or whatever it is, is a little over done when thinking about the individual companies that we own.

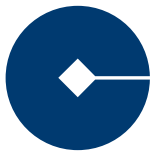
Also, we tend to prefer businesses whose futures are more self-determined, rather than determined by such external factors such as government policy, interest rate policy, the Organization of the Petroleum Exporting Countries (OPEC) actions, future commodity priced movements and the like. That means we will typically be lightly invested in banks and commodity oriented companies. For instance, according to Morningstar, the Centerstone Investors fund's 4% exposure to financials compares against 16% for that category average. Centerstone International Fund's 6% compares against 18% of the category average. That positioning can be a good thing as it would have been during the financial crisis and Brexit. That can hold back the Funds too though, as has been the case post-election, just to be aware.

¹ Air Liquide: 1.82% position in the Centerstone Investors Fund, 3.31% position in the Centerstone International Fund as of September 30, 2016.

² Swatch Group: 1.27% position in the Centerstone Investors Fund and 2.07% position in the Centerstone International Fund as of September 30, 2016.

³ Brexit is an abbreviation of "British exit", which refers to the June 23, 2016 referendum by British voters to exit the European Union.

The security holding is presented to illustrate an example of the securities that the Fund has bought or may buy, and the diversity of areas in which the Funds may invest, and may not be representative of the Fund's current or future investments. Portfolio holdings are subject to change and should not be considered investment advice. This slide solely represents the observations of Centerstone Investors and is furnished to you for informational purposes only. It is not intended to form the sole basis for any investment decision. Northern Lights Distributors, LLC as a firm does not make a market in, or conduct any research on, or recommend the purchase or sale of any of the above issues.



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Buffett once made the distinction between businesses and franchises. A business is one that could have a temporary advantage such as a new product or innovation. The one that could eventually be copied and therefore excess return from capital would prove fleeting. The automobile industry for instance and innovations such as rear-view cameras created a temporary competitive advantage for the first mover, but would quickly be copied by competitors. On the other hand, a franchise could for a variety of reasons maintain those excess returns for a long period of time.

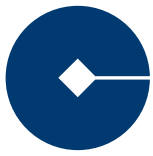
By the way these high quality businesses need not necessarily be traditional consumer-oriented companies. For instance, I mentioned earlier the company Air Liquide which is also noted on slides 13 - 14. Air Liquide is a France-based company which supplies industrial gases to a wide range of industries globally, including the food and beverage, pharmaceutical and refining industries. The company uses its facilities to separate air into its components such as hydrogen for instance within refinery industry.

We believe that the business is fairly stable due to the nature of its end markets, which themselves tend to be stable. In addition, high switching costs, long-term supply contracts and their willingness to co-locate with customers help further ensure stability. The company recently acquired Air Gas in the United States which increases their US presence to 43% of sales and makes them more vertically integrated in the United States as well.

This acquisition increased the debt load of Air Liquide, but the company remains modestly leveraged. We like the fact that the balance sheet is fairly sound, the business model is fairly easy to understand and defensible and their management has been pretty good managing its capital stock. We also like the conservatism of accounting, where the company's facilities are depreciated much more rapidly than their useful lives. After adjustments are made for these accounting differences we believe Air Liquide remains modestly undervalued which as itself fairly unique, in an otherwise somewhat expensive market and unique in itself for what we believe is a franchise. This kind of so called "Buffet stock" is pretty rare, they are few and far between and if you find one be careful not to let it go, so this will most likely be a long-term holding for us.

At Centerstone, we tend to lean toward the Buffett end of the value spectrum. Again, that buy sometimes is in favor and sometimes it's not. The point again is even though our experience has shown us that this is the right approach for the long-term, we might sometimes unfortunately disappoint you in the short-term, but we'll always try to make it up to you. So hopefully that wasn't too long winded and hopefully I've helped to set expectations. If not don't worry, I basically say the same thing every time.

So let me move on to the current environment. It has indeed already been a very interesting year. Obviously the most important recent development in the US is the election. Clearly most of the investment management industry was caught off guard and



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there has been a herculean effort to re-position portfolios to incorporate the new reality. This is evident in the strength of the share prices of banks and commodity oriented companies. Both industries tend to be unpredictable, employ a lot of leverage, two traits that we typically avoid when investing client assets as I've mentioned. We understand the euphoria from much of the business community and in particular the banking communities and investors in the banking industry. I mean any relief from the regulatory straight jacket of the Obama years must feel welcome. However, Centerstone's position is that caution is still warranted. We do not believe that the country wants to go back to bubble era credit conditions, we doubt that Dodd Frank will be completely dissolved, although it could be modified and we do not believe that the new Department of Labor (DOL) rules will change much since the big banks prefer more fee revenues anyway. Finally, and maybe even most importantly, demographics are a gravitational force which will make it very difficult to escape the low growth reality in most of the developed world.

Beyond that are some macro challenges that were emerging prior to the election and which remain with us. We tell everyone we're not macro experts, indeed my view on macro economic analysis is the same as my view on boats: it's good to have a friend who has one. In our case, we default to the macro economic analysis of our friends at ECRI which is the Economic Cycle Research Institute. They have a good record of identifying turning points in the economy. Of immediate concern to them is that the inflation cycles turn and by extension the federal reserve has some catching up to do.

This is the primary reason for us to have exited our long dated bonds in the reserve portion this past June after Brexit and we still remain with a very short duration in the reserve portion (of our portfolios). Had the market been priced differently, perhaps we could have overlooked all of these concerns but as it is as shown on slide seven, the market is at the high end of its Price to Earnings⁴ range, which confirms our bottom-up work. To get materially higher we think we would need another bubble and we at Centerstone have no opinion on the liability of that scenario, although you can guess from my tone that we might have a bias.

⁴ Price to Earnings is the ratio for valuing a company that measures its current share price relative to its per-share earnings. It is calculated by dividing market value per share by earnings per share.



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We have been finding, even in an expensive market, a few names here and there. I mentioned, Air Liquide. Another area where we have taken a position in is luxury goods, particularly watches and jewelry through LVMH⁵, Richemont⁶ and Swatch Group. I'll briefly describe the case for Swatch Group. The company which is shown on slides 11 – 12 is a manufacturer of a range of watch brands including Swatch, but also Tissot, Omega and Breguet.

The stock has fallen nearly 50% over the past few years as demand from Asia and tourist demand in Europe has weakened. Indeed, Swiss watch exports have fallen nearly 15% as of last month, from their peak in 2011. The bearish case is twofold, both secular in nature. First that Chinese luxury watch demand has been permanently diminished due to a clamp down on corruption. Second that consumer preferences are shifting to smart watches such as Fitbit and Apple watch. Of course, it's impossible to know for certain how real these secular threats will be, but Swatch generates the vast majority of its sales and profits from higher priced watches, which means that the smart watch threat while potentially real, is less relevant than the case for a secular decline in higher price point watches. It's the latter that we're most concerned with, but and that's what we're monitoring.

On that note though the company trades at less than 10 times its peak earnings from 2013 and we estimate that Swatch's liquidation value to be around 600 Swiss franc per share – the stock trades for near that currently. We believe that versus our cost we may have a sufficient margin of safety in the event that we're wrong and if not we get paid to wait with a current dividend yield of 2.5%. Had the stock not already fallen by half to reflect its challenges we likely would not have bought it. Also, had the balance sheet been poorly positioned, we would not have bought the company but the company has roughly one billion Swiss franc more in cash than they owe in debt. They have very good brands, they've faced threats before and overcome them, the stock has fallen a lot and the balance sheet is sound. I do wish that management was more attentive to the needs of their investors however and I wish they would be more cost conscious, but had they been or were they the weighting would be much higher. In a nutshell that is the brief investment case for Swatch.

In closing, this is Centerstone Investors, this is what we represent, our values, our approach. We are global, long-term investors and with that I'll hand it back to Phil for some Q&A.

⁵ LVMH: 1.05% position in the Centerstone Investors Fund and 1.98% position in the Centerstone International Fund as of September 30, 2016.

⁶ Richemont: 1.14% position in the Centerstone Investors Fund and 2.10% position in the Centerstone International Fund as of September 30, 2016.



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PHIL SANTOPADRE: Thank you Abhay, we have a lot of questions queued up via the chat box. We'll do our best to get to everybody, but if we don't, we'll follow up after the call.

Here's the first question. How would a rising interest rate environment affect the reserve portion of your Funds?

ABHAY DESHPANDE: So just a brief background, rather than holding cash as a default position if we can't find equities or bonds, we try to hold the non-invested part of the portfolio in some yielding securities, typically very short duration and typically high quality just to potentially earn some yield to offset the management expense. As the largest shareholders in the Funds currently, employee's also including myself, we'd rather not pay the management fee, we're trying to earn some income to offset the expense ratio. Within that reserve portion we can own treasury notes, treasury bonds, short dated high grade corporate bonds and commercial paper. We've chosen to hold some short duration corporate bonds yielding 1.5 - 2% and a large portion of T bills, three months typically and some two year notes as well.

We also did have some 10 year notes in there which we had from inception until the end of June, post Brexit when we sold them, as I mentioned we started to become a little concerned about inflation and potentially interest rate cycle in the offing here, so that was good timing in a sense. We did reduce the duration of the reserve portion, so we may benefit as rates go up. In general, we also have some floating rate bank debt, so we may benefit there. I believe that the Funds are for the most part well positioned to weather, in particular the reserve portion, a rising rate environment.

PHIL SANTOPADRE: Great thanks Abhay and here is another question. This is a pre-emailed question.

What are the tax implications for year end? I'll answer this one Abhay.

Centerstone's policy is to distribute ordinary income and capital gains to shareholders yearly around mid-December. This year's dividend will go ex on Thursday, December 15, so next week. As with most mutual funds, we're required to do this each year which is distribute ordinary income and capital gains. We don't have an official tax efficient mandate, but we do take a proactive approach to mitigate any tax liabilities that we may have for the year and that we distribute to shareholders. Since we're new the good news is we really don't have much in the way of a dividend for next week. Our estimates currently are at 1 - 4 cents which basically equates to .096% of 0.384% of each Fund's NAV.

Dividend estimates can also be found on our website www.centerstoneinv.com.



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Looking at our next question. How is the Centerstone Investors Fund different than other world allocation funds?

ABHAY DESHPANDE: I took a look at Morningstar's data for the category that we occupy. Funds like ours are always a little difficult to categorize because we're trying to generate equity-like returns over the long-term, benchmark agnostic and we're not following an allocation model. I think our typical peers are basically 60/40 balanced funds and they don't veer much from the benchmarks.

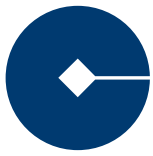
In terms of allocation, for instance, the Centerstone Investors Fund has 20% invested in US equities and 40% invested in international equities, this compares to the average allocation fund which is about 30% each. We have about 18% in fixed income, our average peer has about 40%, so twice as much. Within sector allocations in financials we're 5% versus 16% for the category average and consumer cyclical over 24% versus 13%, industrials we're 25% versus 11%, technology we're 2% versus 15%, consumer defensive we're 19% versus 9%. Unsurprisingly the average world allocation is in-line with benchmark waves. Also, unsurprisingly we don't look much like the benchmark or the average allocation fund because we're bottom-up driven investors. This was not some kind of a grand plan or anything, but it is a differentiated portfolio and therefore ironically enough it's potentially complimentary to other funds that might be positioned very differently than us. Another few different ways that we differ, we have the ability to be fully invested. We also have the ability to hold gold, which we own some gold bullion (via an ETF) in the Fund, in many ways the Centerstone Investors Fund is very-very different than the average fund in that category.

PHIL SANTOPADRE: Great thanks Abhay, here is another question from one of our participants.

Now that you have your firm starting from scratch. How are you using that flexibility in the portfolios?

ABHAY DESHPANDE: Well as I mentioned in my comments, we try to take an independent approach with everything, not just with the independence of the firm itself and being wholly owned by the employees, but independence from Wall Street and importantly having such a much wider universe because we're starting from scratch.

The Funds' total assets right now are \$60 million and that means we have plenty of companies that we can look at, different market caps all the way down to half a billion in size. The first kind of obvious benefit from starting from scratch is that we can buy



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these smaller and mid-cap names, which we have been. We can buy high yield and smaller issues of high yield – that’s also a secondary benefit. Finally, being small, I think it’s easier for us to manage the non-invested portions and that reserve portion with a smaller pool of assets. There are many different ways that size can help and I think some of it may be immediate to potentially help returns right off the bat and some will be kind of gradual and help over time. But yes, those are some of the main benefits from starting from scratch, Phil.

PHIL SANTOPADRE: Great thank you, and next question.

Can you please explain your currency hedging strategy?

ABHAY DESHPANDE: Sure, first of all, philosophically for us we’re trying to determine the intrinsic value of a business and buy a security at less than its intrinsic value and that’s how we hope to generate equity-like returns over a long period of time. Of course, now when you do that overseas you have to think about the currency itself. Over a long period of time our experience is that the currency effects wash out but in the typical life of a shareholder, which might be four or five years, currencies can have extreme moves. Our approach has been to basically have a 50% hedge against our foreign currency exposure and we do not take speculative foreign currency positions. A 50% hedge helps, we hope will help to mitigate the impact of extreme moves in either direction. Currently we’re about 40% hedged Euro, because of the extreme move in the pound we are only 10 – 12% hedged in the Pound and we’re about 40% hedged in the Japanese Yen. The Swiss franc is about 20 – 25% hedged, at the same time you have to consider some of our companies. Like I mentioned Swatch Group, most of their earnings are not in Swiss franc, so they have a bit of a natural hedge, you do have to consider the companies own geographic exposure while you determine your hedging.

PHIL SANTOPADRE: Great thanks Abhay, and our next question from one of our participants.

What are you doing to monitor business threats to the companies in your portfolios?

ABHAY DESHPANDE: Yes well first thing is I think, if you’re going to be a long-term investor presumably you’re holding a company because you think it has a durable franchise but you can’t just close your eyes and just let it run, you have to be consistently reviewing the business case and meeting with the management team and trying to discern whether there’s been a change in the market structure. First things first, you



have to be open to being wrong because sometimes the ground rules change. For us that means we're monitoring market share trends, we're monitoring new entrance, we're continually testing the thesis and we are open to considering disconfirming evidence. We have our business case, or our investment case and our thesis. Once parts of that thesis becomes disproven or maybe a threat, then we have to go do a secondary deep dive. It doesn't happen often but we do try to be mindful of the business threats they face.

PHIL SANTOPADRE: Great thanks, another question we have here is - Are you finding more value internationally or domestically?

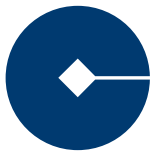
ABHAY DESHPANDE: Well as you can tell by our geographic exposure in the Investors Fund, where we have twice as much outside of the US as inside, we have been finding more names internationally. I have to just go back whenever that question is asked to remind investors that domicile and geographic exposure are two completely different things. We might have more internationally but some of the US names that we own are themselves international as well.

Emerson electric is a US company that has almost half of its revenues outside the United States. We have many companies like that in the US that are themselves multinational or global. It's domicile that can throw you off in terms of what actual geographic exposure really is. We tend to be more global than local. Most of our businesses, not all, have some sort of international exposure or presence to them. Whether they're based here or not. But that said again geographically, our exposure is more towards non-US domiciled companies. The MSCI EAFE index has compounded for the last three years at -1%, the last 10 years at 0.6%, the last 15 years at 5%, this is compared to 10% for the S&P 500 index for three years and 7% for 10 years with S&P 500. Maybe it overstates things I don't know, but the fact that the international, the non-US developed markets have done essentially nothing for 10 years maybe it's a clue that people should start thinking more about international non-US domicile companies. We're much more materially exposed than the average investor, or fund to non-US domiciled companies, Phil.

Definitions for the indices can be found on page 19.

Investors are not able to invest directly in the indices referenced above and unmanaged index returns do not reflect any fees, expenses or sales charges. The referenced indices are shown for general market comparisons and are not meant to represent the Fund.

Absolute return is the return that an asset achieves over a certain period of time. This measure looks at the appreciation or depreciation, expressed as a percentage, that an asset achieves over a given period of time. Absolute return differs from relative return because it is concerned with the return of a particular asset and does not compare it to any other measure or benchmark.



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PHIL SANTOPADRE: Great, thank you. And another question here from one of our participants.

Can you explain what you mean by reserve management? And how that might be different from peers?

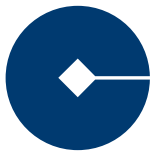
ABHAY DESHPANDE: Right I kind of touched on it earlier but Centerstone Investors is a multi-asset Fund, with a goal to generate equity-like returns over long-term. Keeping in mind that we're absolute value investors, not relative value investors, means that sometimes we're just not going to be able to find enough to buy. If you're a fully invested value-oriented group, you're introducing some (there's nothing wrong with it), but you're introducing some form of relative value into the equation. Since we don't do that, we sort of always applied Benjamin Graham's rule which was to have the flexibility to hold high quality bonds in the event that you can't find enough to buy in equities. Being absolute value and having that flexibility to hold cash or bonds, rather than holding cash, we're trying to generate a modest yield by holding higher quality fixed income vehicles and the risk to us is - it's not credit risk, it's interest rate risk, or duration risk so we keep it kind of short, short enough that if there is a dramatic change in the interest rate environment that we may not lose much at all. In the event that there is a big change in the interest rate environment and it does affect equity prices negatively we have plenty of reserves to potentially take advantage of any significant price dislocation. That's essentially what we mean by reserve management.

How is it different from peers? It depends on the peer we're discussing, some sort of balance type funds, the 60/40 funds probably do something very similar to what we do. Some of the pure bottom-up investment-oriented funds, I suspect they don't, but I'm not 100% sure. But hopefully I've answered that question Phil?

PHIL SANTOPADRE: Yes, I think that was great, perfect. Well thank you Abhay, this concludes the Q&A portion of our webcast. We have several questions from the chat box that we really haven't gone through yet. We'll definitely get to them all and reply after today's webcast. On behalf of all of us at Centerstone we'd like to thank you for your time and participation. A replay and transcript will be available on our website at www.centerstoneinv.com in about a week or so. I encourage you to visit our website for additional resources as well.

If you have additional questions, please reach out to anyone of our sales partners, or call us at 212.503.5790. Thank you again and happy holidays and happy New Year.

Now for some brief legal disclosures.



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The Centerstone Funds are new and have a limited history of operation. An investment in the Funds entails risk including possible loss of principal. There can be no assurance that the Funds will achieve their investment objective. In addition, the Adviser is newly formed and has not previously managed a mutual fund.

Domestic economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets in which the Funds invest. Value investing involves buying stocks that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Funds, resulting in losses to the Funds.

Large-Cap Company Risk is the risk that established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. In general, a rise in interest rates causes a decline in the value of fixed income securities owned by the Funds. The Funds may invest, directly or indirectly, in "junk bonds." Such securities are speculative investments that carry greater risks than higher quality debt securities.

Investments in foreign securities could subject the Funds to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. Foreign common stocks and currency strategies will subject the Funds to currency trading risks that include market risk, credit risk and country risk. The Funds use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. There can be no assurance that the Funds hedging strategy will reduce risk or that hedging transactions will be either available or cost effective.

An investment in the Centerstone Funds entails risk including possible loss of principal. There can be no assurance that the Funds will achieve their investment objective.

Domestic economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets in which the Funds invest. Value investing involves buying stocks that are out of favor and/or undervalued in comparison to their peers or their prospects for growth.

Investments in foreign securities could subject the Funds to greater risks including currency fluctuation, economic conditions, and different governmental and accounting



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standards. There can be no assurance that the Funds hedging strategy will reduce risk or that hedging transactions will be either available or cost effective.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Centerstone Funds. This and other important information about the Funds are contained in the prospectus, which can be obtained by calling 877.314.9006. The prospectus should be read carefully before investing. The Centerstone Funds are distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC.

Centerstone Investors, LLC is not affiliated with Northern Lights Distributors, LLC.

Once again thank you for participating, this concludes our webcast, you can disconnect your phones at this time.

OPERATOR: Thank you for joining today's webcast. You may now disconnect your lines at this time, and have a great day.

END



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9/30/16 Performance	1 Month	3 Month	Since Inception*
Class I (CENTX)	0.48%	3.56%	4.80%
Class A (CETAX)	0.48%	3.46%	4.70%
Class A (CETAX) with Sales Charge	-4.56%	-1.69%	-0.57%
Class C (CENN)**	0.48%	3.46%	4.70%
MSCI ACWI Index	0.61%	5.30%	5.71%
MSCI World Index	0.53%	4.87%	5.01%

*Inception: May 3, 2016

**As of September 30, 2016 the Net Asset Value (NAV) of class C shares do not incorporate income and expenses due to size. If income and expenses were reflected it is likely the NAV and total return would be lower.

Class A Maximum Sales Load is 5.00%

The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. 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 investment advisor has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until March 31, 2018, to ensure that the net annual Fund operating expenses will not exceed 1.35%, 2.10% and 1.10% of the Investors Fund's average net assets, for Class A, Class C and Class I shares, respectively, subject to possible recoupment from the Fund in future years. Without these waivers, the Fund's total annual operating expenses would be 2.53%, 3.28% and 2.28% respectively. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses. For performance information current to the most recent month-end, please call toll-free 877.314.9006. Investors are not able to invest directly in the indices referenced in the illustration above and unmanaged index returns do not reflect any fees, expenses or sales charges.



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9/30/16 Performance	1 Month	3 Month	Since Inception*
Class I (CINTX)	0.96%	4.56%	5.40%
Class A (CSIAX)	0.86%	4.46%	5.40%
Class A (CSIAX) with Sales Charge	-4.18%	-0.75%	0.09%
Class C (CSINX)**	0.86%	4.46%	5.40%
MSCI ACWI ex-US Index	1.23%	6.91%	5.28%
MSCI EAFE Index	1.23%	6.43%	3.37%

*Inception: May 3, 2016

**As of September 30, 2016 the Net Asset Value (NAV) of class C shares do not incorporate income and expenses due to size. If income and expenses were reflected it is likely the NAV and total return would be lower.

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The Standard & Poor's 500 Index is a widely recognized unmanaged index including a representative sample of 500 leading companies in leading sectors of the U.S. economy and is not available for purchase. Although the Standard & Poor's 500 Index focuses on the large-cap segment of the market, with approximately 80% coverage of U.S. equities, it is also considered a proxy for the total market.

The price to earnings ratio (P/E Ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings.

The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. Both indices provide total returns in US dollars with net dividends reinvested.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

The MSCI ACWI ex-US Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

All indices provide total returns in US dollars with net dividends reinvested.

Edited for clarity.

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