

GENERAL MARKET COMMENTARY

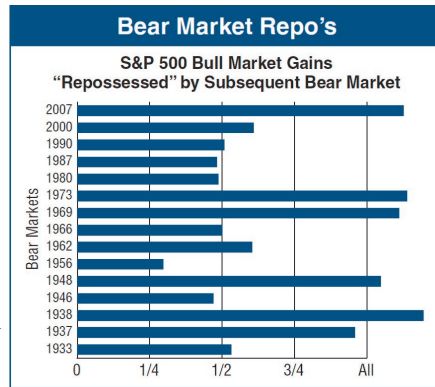
The stock market ended 2017 with a strong finish, bringing the S&P 500 Stock Index a gain of nearly 22% for the year. The 2018 new year also began a celebration of the corporate tax reduction with an impressive rally unlike we have seen in a while. While many would think this is a good time to purchase stocks, there are reasons to be cautious.

Investor's Intelligence survey of newsletters shows the fewest bears in 30 years. According to a study done by *SentimenTrader* signs of excessive optimism are prevalent. In fact, the percentage of newsletters daring to be bearish dropped below 13% for the first time since 1987. And for those of us who

remember 1987 (worst one day market crash that century) it did not end well. Going all the way back to 1972, the

chart below illustrates what has happened when the number of bears dropped below 13%. While it was not always a universal disaster for stocks, clearly the S&P 500 did struggle to sustain any further gains. The return a year later wasn't just below average, it was 8 standard deviations below.

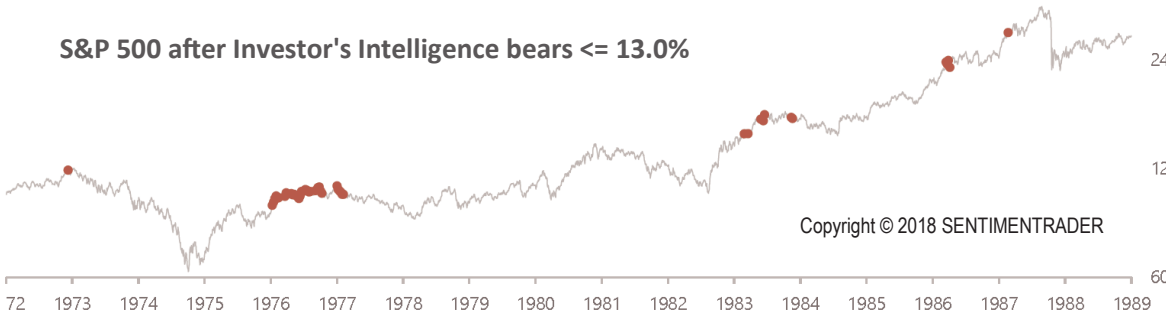
Our experience has proven over the years that the amount of profits generated in the stock market is inversely proportional to our interest in purchasing stocks. One other item of perspective is an overlooked concept which many latecomers to a bull market tend to forget—a concept called Bear Market Recapture (see chart above). Bull markets do not last forever, and this one is nearly 10 years old. Remember that



InvestTech Research
Recapture (see chart above). Bull markets do not last forever, and this one is nearly 10 years old.

virtually every bear market except one (1956) has recaptured roughly half of the previous bull market's gain. Today that would equate to over 8500 DJIA points!

S&P 500 after Investor's Intelligence bears <= 13.0%

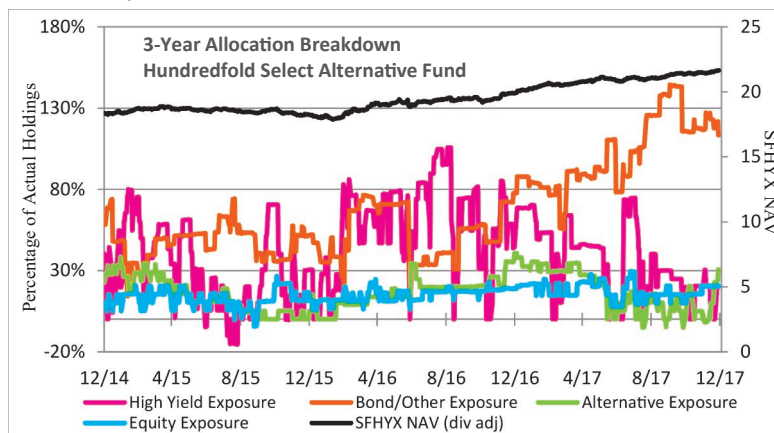


HUNDREDFOLD SELECT ALTERNATIVE FUND

The Select Alternative Fund is a tactically managed alternative fund which uses many investment tools and strategies designed to provide steady returns in all kinds of markets. Its ability to switch and blend asset classes makes it an ideal investment for all seasons since it will not be confined to one investment concept. By combining many non-correlated investment strategies which may include high yield bonds, stocks, commodities, futures contracts, long or short positions, currencies, and occasional leverage, the fund limits risk and can go where the markets are outperforming.

There are seasons when different asset classes move in and out of favor due to changing market environments.

Inflation causes high quality bonds to decrease in value and commodities to increase. Economic expansion causes stocks to outperform while high yield bonds may not do well during the late stages of an economic expansion



Past performance does not guarantee future results. Fund prospectus should be carefully read to evaluate the Fund's objective and risks. See page 3 for full disclosures and standardized performance.

going into a recession. But by blending various strategies together in one actively managed fund, constraints of single purpose funds are removed and still actively manage risk. The chart illustrates how active, by over or under-weighting various asset classes, to both minimize risk and maximize return. It is a fund which is designed to work in all market environments, inflationary, deflationary, in economic expansion or recession.

This fund has a 13-year track record and has weathered the storm in all kinds of markets. See page 3 for more detail.

The Spectrum Funds

Spectrum Low Volatility Fund - SVARX			Annualized		
As of 12/31/2017	Quarter	YTD	1 Year	3 Year	Since Inception ¹
SVARX	-0.03%	8.26%	8.26%	8.42%	6.88%
S&P 500 TR ⁴	6.64%	21.83%	21.83%	11.42%	12.82%
S&P Lev Loan TR ⁵	0.94%	3.30%	3.30%	3.66%	3.02%
50/50 Index ⁷	0.57%	5.06%	5.06%	4.68%	3.92%
Portfolio Composition			9/30/2017	12/31/2017	
High Yield			29%	10%	
HY Credit Default Swaps			20%	10%	
Floating Rate			56%	28%	
Municipal			14%	10%	
Government			-	-	
Mortgage-Backed			22%	21%	
Bond - Other			73%	108%	
Preferred			5%	-	
¹ Inception date: SVARX 12/16/2013			219%	187%	
Expense Ratio: SVARX 2.90%					

Spectrum Advisors Preferred Fund - SAPEX			Annualized		
As of 12/31/2017	Quarter	YTD	1 Year	3 Year	Since Inception ²
SAPEX	3.86%	15.32%	15.32%	n/a	5.71%
S&P 500 TR ⁴	6.64%	21.83%	21.83%	n/a	11.90%
60/40 NYSE TR & US AGG Barclays TR ⁸	3.45%	12.65%	12.65%	n/a	6.10%
Portfolio Composition			9/30/2017	12/31/2017	
Preferred Advisors			48%	31%	
Tactical Equity			73%	88%	
Fixed Income			51%	24%	
² Inception date: SAPEX 6/1/2015			172%	143%	
Expense Ratio: SAPEX 2.50%					

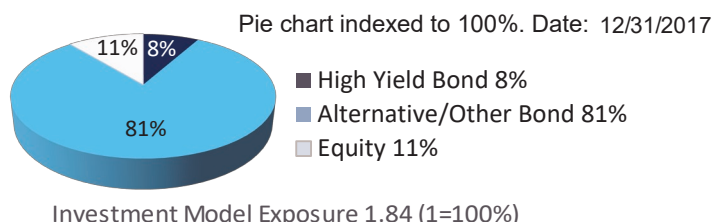
Hundredfold Select Alternative Fund

				Annualized			
As of 12/31/2017	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception ³
SFHGX	1.98%	8.96%	8.96%	5.70%	5.12%	6.44%	5.82%
S&P 500 TR ⁴	6.64%	21.83%	21.83%	11.42%	15.80%	8.49%	9.11%
Barclays Agg Bond Index ⁶	0.39%	3.54%	3.54%	2.24%	2.10%	4.00%	4.12%

³Inception 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. **Expense ratio:** SFHGX 2.84%

Annual Returns	2009	2010	2011	2012	2013	2014	2015	2016	2017
SFHGX	30.02%	11.06%	4.01%	10.34%	6.72%	1.88%	-0.57%	8.98%	8.96%
S&P 500 TR ⁴	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%
Barclays Agg Bond Index ⁶	5.93%	6.54%	7.84%	4.22%	-2.02%	5.97%	0.55%	2.65%	3.54%

Hundredfold Select Alternative Fund (SFHGX)		
Portfolio Composition	9/30/2017	12/31/2017
High Yield	20.30%	15.03%
Alternative/ Bond Other	116.64%	148.98%
Equity	20.68%	20.34%
	157.62%	184.35%



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 Gemini Fund Services at 855-582-8006 or access www.hundredfoldselect.com or www.thespectrumfunds.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: 1/24/2018

⁴S&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.

⁵S&P/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. Term loans from syndicated credits must meet the following criteria at issuance to be eligible for inclusion. 1) senior secured 2) minimum initial term of one year 3) minimum initial spread of LIBOR +125 basis points 4) U.S. dollar denominated 5) all constituents must have a publicly assigned CUSIP (Short Name: S&P Leveraged Loan Index)

⁶Barclays U.S. AGG: Bond Index: The Barclays 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.

⁷50/50 "Barclays US High Yield Very Liquid TR Index"/ "S&P/LSTA U.S. Leveraged Loan 100 Index": This benchmark gives 50% weight to the Barclays VLI HY Index and 50% weight to the S&P Leveraged Loan Index. Barclays High Yield VL Index benchmark includes publicly issued U.S. dollar denominated non-investment grade, fixed-rate taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality. The bonds are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, respectively (before July 1, 2005, the lower of Moody's and S&P was used). Included issues consist of only the three largest bonds from each issuer that has a minimum amount outstanding of \$500 million or more (face value) and less than five years from issue date.

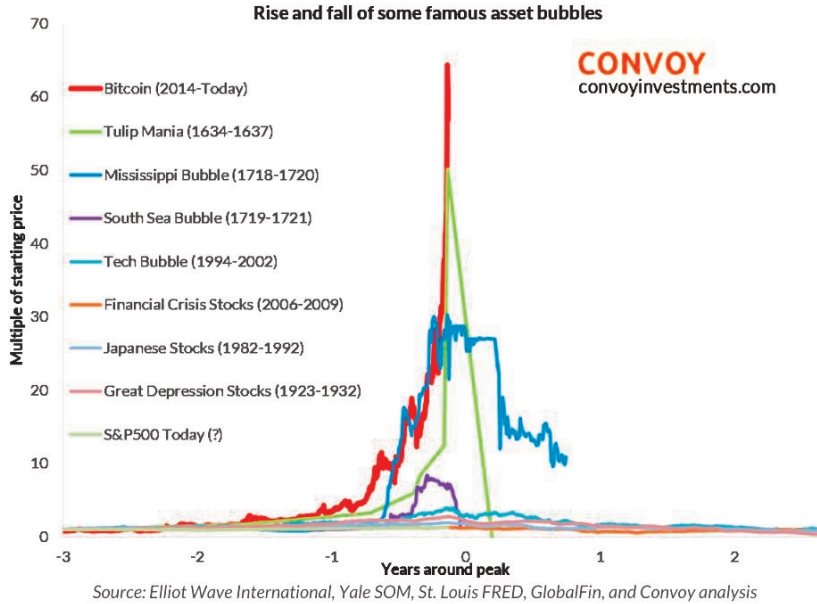
⁸60/40 NYSE Composite/Barclays U.S. AGG Bond Index: This benchmark gives 60% weight to the NYSE Composite Index and 40% weight to the Barclays U.S. Agg. Bond Index. The NYSE Composite Index (NYA) measures the performance of all stocks listed on the New York Stock Exchange. It includes more than 1,900 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.

⁹Investment Model Exposure: Values greater than 1.0 indicate the use of leverage.

BITCOIN FRENZY

Will the cryptocurrency go down as one of history's most infamous bubbles, alongside tulip mania and the dot-com craze? A 1000% rally, then a 50% collapse in weeks. This was bitcoin, not this year, but at the end of 2013. Now it has done it again. So we have seen this before, and what can we learn? No one we know has ever seen one, but they are supposedly now worth as much as a new car?

The 60-fold increase over the past three years was truly extraordinary, dwarfing the other bubbles seen in the chart. Bulls say the boom is far from over, and not to look at past gains as much as future potential. If bitcoin really becomes a widely-accepted form of digital gold, as some predict, it may have further to run. Or not! According to Convoy Investments LLC who oversee \$74 billion:



“Having no clear fundamental value and largely unregulated markets, coupled with a storyline conducive to delusions of grandeur, makes this more than anything we can find in the history books the very essence of a bubble.” They were early getting out of dot-com stocks, but time eventually proved them right. If history is a guide, bitcoin is set to fall further for longer, likely as much as 80 percent. But the urge to gamble in the great cyber casino with untraceable digital cash remains attractive to a vast number of people, who we shall refer to as speculators at best. We continue to be entertained from the sidelines the same as in

Las Vegas observing from a distance someone on a roll at the roulette wheel. We may be wrong, but that's ok! Remember: “Steady plodding brings prosperity.....”

PERSONAL PERSPECTIVE by Ralph Doudera

Last year ended with two books in my hands. Separately, they are both bestsellers. Used together they have created a perfect storm in my life. *The 5 Second Rule* by Mel Robbins will transform anyone's life, work, or thoughts and move readers to action. It is a procrastinator's nuclear bomb. And in many areas of my life, that is me. I tend to pick the areas of interest and attack them aggressively, and other areas I leave for some other day which never seems to arrive. No longer. Diet, exercise, addictions, projects, prayer time---I have a track to run on and my feet are on the floor, 5 seconds after my alarm goes off. Now in the morning I need to avoid my social media messages, my financial news which is so easy to turn on by asking Alexa, who always wants so much to please me, and avoiding my Bloomberg terminal to discover what Asian markets did overnight. I go right to my chair in the dark and practice what my other book is teaching me. This other book is called *A Praying Life* by Paul E. Miller, and was a gift from my daughter. When I opened it I thought, yeah, another book to gather dust, but then my macho son-in-law pipes up “this is an amazing book”. Now that was so uncharacteristic for him to make such a comment, I took note, and began to read it immediately. Good decision.

Why do we avoid prayer? For most of us, prayer is so hard that unless circumstances demand it, we simply do not pray. And prayerlessness is rooted in unbelief. Because of prayerlessness our lives are marked by fear, anxiety, joylessness and spiritual lethargy. I guess if I had more faith I would pray more. So how does this faith thing get stronger to cause me to believe more to cause me to ask for more. I think it is like building muscles by working them out. And faith is built up by writing my requests down and checking them off when they are answered. And answered prayer is a faith builder. Big prayer words are not needed. What is needed is honest and specific talk. We are instructed to come to God like a little child and ask and ask and ask, just like an obnoxious kid who wants his daddy to take him to the ball game. Eventually he will if he keeps getting asked. Prayer is a mystery. God loves us and wants to give us the things we would like. But if the things we would like are not in our best interest, He withholds them like a good parent would until we are ready for them. He loves to give but more importantly wants to establish a relationship with us. This book is readable and makes it easy to learn how.

Even if our lives right now are perfect, we should check out this book, because I can assure you that life doesn't stay perfect for long. And your friends and loved ones need you to intercede on their behalf. 5-4-3-2-1 go!

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

Spectrum Financial, Inc. is a Registered Investment Advisor. The Full Spectrum is published quarterly for its investors and account executives. This publication is not intended to offer or solicit investment advice, nor should anyone act upon any suggestions made herein, without individual counseling from your account executive regarding risks involved. There is no guarantee that the recommendations of management will prove to be as profitable in the future, as they have in the past. The information presented in this issue has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. A copy of Spectrum's current written disclosure statement discussing advisory services and fees is available upon request. All rights reserved, please notify when quoting.



Objective

The Fund seeks a moderate total rate of return

Portfolio Manager

Hundredfold Advisors, LLC.
Ralph Doudera
(industry since 1973)

Morningstar Category

Tactical Allocation



The Fund received a 4-Star Overall Morningstar Rating as of 12/31/17. Hundredfold Select Alternative Fund (SFHYX) Service Class was rated against the following numbers of U.S.-domiciled Tactical Allocation funds over the following time periods: 258 funds in the last 3 years, 195 funds in the last 5 years, and 72 funds in the last 10 years. With respect to these Tactical Allocation funds, Hundredfold Select Alternative Fund (SFHYX) Service Class received a 4-Star rating overall, 4-Star rating for 3 years, 3-Star rating for 5 years, and a 5-Star rating for 10 years. Past performance is no guarantee of future results.

Fund Symbols

SFHYX Service Class Shares
HFSAX Investor Class Shares

Net Assets

\$53.7 M

Dividend Frequency

If accrued, Quarterly

Hundredfold Select Alternative Fund

An adaptive, alternative fixed income fund due to its ability to use managed futures and alternative investment products, such as gold and oil, to source non-correlated low volatility returns.

High Yield Bond Exposure

The Fund’s manager has had over 30 years of experience investing in high yield bonds. Having actively managed high-yield exposure creates foundational stability in a portfolio and is an important piece in this fund.

Alternative Opportunities

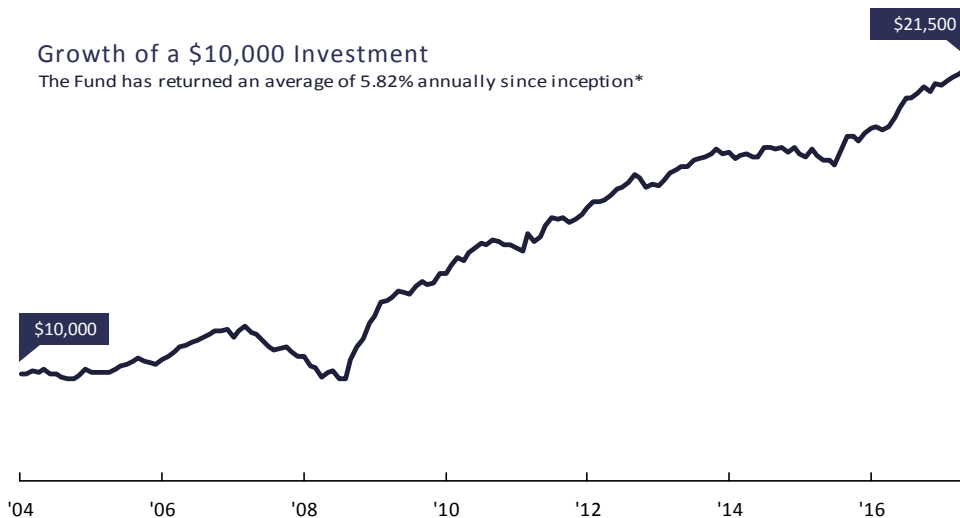
Alternative strategies and alternative investment choices are inherent in this fund. Alternative strategies may include oil and gold strategies. Alternative investment exposure may be made up of securities acting inversely to high yield bonds and equity sectors.

Limited Equity Exposure

The Fund’s philosophy centers on the importance of risk management. Equity exposure is important for capturing growth, however, exposure is limited and variable in the overall investment of this fund.

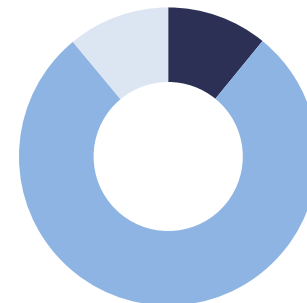
Growth of a \$10,000 Investment

The Fund has returned an average of 5.82% annually since inception*



Portfolio Allocation

	12/31/2017
High Yield Bond	20.08%
Alternative/Other Bond	143.92%
Equity	20.34%
<small>can contain derivatives and/or short positions</small>	184.35%



Investment Model Exposure 1.84 (1=100%)
(value greater than 1 indicates use of leverage)

Pie chart indexed to 100%, net exposure

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return may vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes.

*Inception date: 9/1/2004. For the most recent month-end performance, please visit hundredfoldselect.com

Hundredfold Select Alternative Fund

SFHYX (Service Class Shares) HFSAX (Investor Class Shares)

Fund Statistics based on SFHYX (Service Class share) and the S&P 500

Standard Deviation

3.64

Sharpe

1.32

Beta

0.26

R-Squared

0.47

Up Market Capture

30.76%

Down Market Capture

31.68%

Expense Ratios

SFHYX 2.84%

HFSAX 1.94%

Portfolio statistics are based on 5-year calculations from Morningstar, FastTrack Data, and Bloomberg.

Standard Deviation: is also known as historical volatility and is used by investors as a gauge for the amount of expected volatility. It is a measure of the dispersion of a set of data from its mean. **Sharpe Ratio:** a risk-adjusted measure calculated by dividing a fund's annualized excess returns over the risk-free rate by its annualized standard deviation. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Beta:** a statistic that measures volatility of the fund, as compared to that of the overall market. The market's beta is set at 1; a higher beta than 1 is considered to be more volatile than the market, while a beta lower than 1 is considered to be less volatile. **R-Squared:** a measurement of how closely a fund's performance correlates with an index. It can range between 0 and 1. An r-squared of 1 indicates perfect correlation, while 0 indicates no correlation. **Up Market Capture:** 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 rose. **Down Market Capture:** 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.

Distributor: Ceros Financial Services, Inc. Ceros Financial Services, Inc. (Member FINRA/SIPC) has no affiliation with Hundredfold Advisors, LLC. Advisors Preferred is a commonly held affiliate of Ceros.

Date of first use: 1/12/2018

Annual performance at net asset value (all distributions reinvested)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
SFHYX	-12.24%	30.02%	11.06%	4.01%	10.34%	6.72%	1.88%	-0.57%	8.98%	8.96%
HFSAX	N/A	N/A	N/A	N/A	N/A	7.71%	2.80%	0.34%	9.98%	9.92%
S&P 500 TR	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%
Barclays Agg Bond Index	5.24%	5.93%	6.54%	7.84%	4.22%	-2.02%	5.97%	0.55%	2.65%	3.54%

Annualized total return performance

	SFHYX	HFSAX	Barclays Aggregate Bond Index	S&P 500 TR Index
Qtr	1.98%	2.22%	0.39%	6.64%
YTD	8.96%	9.92%	3.54%	21.83%
1 Year	8.96%	9.92%	3.54%	21.83%
3 Years	5.70%	6.65%	2.24%	11.42%
5 Years	5.12%	6.08%	2.10%	15.80%
10 Years	6.44%	n/a	4.00%	8.49%
Since Inception	5.82%	6.09%	4.12%	9.11%

Inception date for SFHYX: 9/1/2004; HFSAX 10/24/2012. The Fund 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.

(Inception Date: SFHYX 9/1/2004 HFSAX 10/24/2012)

Highlights of five-year performance periods (9/1/04 - 12/31/2017)*

Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
13.01%	3/31/2014	2.33%	6/30/2009	6.75%	100%	35	0

*Based on annualized returns for quarterly rolling periods for SFHYX Service Class shares.

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 reimbursement of any dividend and/or capital gains distributions. To obtain performance data current to most recent month-end, please call toll free 1-866-842-4860.

© 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar Rating is for the Service share class only; other classes may have different performance characteristics.

Consider these risks before investing: Aggressive investing techniques, asset-backed securities risk, credit risk, counterparty risk, depositary receipt risk, derivatives risk, emerging markets risk, equity securities risk, foreign securities risk, high portfolio turnover risk, high-yield securities risk, holding cash risk, interest rate risk, leverage risk, master limited partnership risk, non-diversification risk, other investment companies risk and ETFs risk, prepayment risk and mortgage-backed securities risk, shorting securities risk, small and mid-capitalization risk, subadvisor investment strategy risk, tax risk, and floating rate notes risk. There is no guarantee the fund will achieve its investment objective. You can lose money by investing in the Fund. Please carefully review the prospectus for detailed information about these risks.

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&P 500 TR assumes the reinvestment of dividends and capital gains.

Barclays U.S. AGG. Bond Index: measures the underlying 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.

Request a prospectus or a summary prospectus from your financial representative or by calling Gemini Fund Services at 855-582-8006 or access www.hundredfoldselect.com. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.