equinox funds

OVERALL	3-YEAR	5-YEAR
★★★★	★★★	★★★★

MHFIX received an overall Morningstar rating of 4 stars in the managed futures category, a 3-star rating out of 95 funds, and a 4-star rating out of 58 funds, based on overall, three, and five-year risk-adjusted returns, respectively as of 9/30/2018.

★★★★ Morningstar Rating™

Equinox MutualHedge Futures Strategy Fund

Class A: MHFAX Class C: MHFCX Class I: MHFIX

QUARTERLY COMMENTARY | 9/30/2018

PERFORMANCE OVERVIEW

QUARTER ENDING 9/30/2018

The Fund's Class I shares were down (–3.08%) for the third quarter, driven mainly by bad performance during August (–2.61%) sandwiched between a flat July and a slightly negative September (–0.49%). The Fund is still up a few basis points year to date (+0.12%).

July began with an escalation of trade tensions as the US imposed tariffs on $34 billion worth of Chinese goods, and China retaliated. However, the risk of an imminent global trade war was alleviated as the US and the EU agreed to work towards trade agreements. Optimism surrounding quarterly corporate earnings coupled with stronger US economic data helped stocks to recover from June's trade-war induced selloff. The Federal Reserve continued its announced commitment to gradual rate hikes, even as the US yield curve flattened more than it had in the last decade. The dollar came under pressure from trade uncertainty, as did the commodities sector. Global bond yields were temporarily lifted by speculation of shifting Japanese monetary policy and encouraging economic data. WTI crude suffered its worst month since 2016 following increased US and Libyan output and slowing global demand. Gold logged its fourth straight monthly loss.

August witnessed selloffs in emerging markets amid political and monetary policy uncertainty alongside ongoing trade tensions. The US and major trading partners engaged in negotiations with a positive outcome in the case of Mexico whilst tensions escalated with Canada and others. Despite this backdrop, US stock markets made new highs, spurred on by bouts of optimism and robust earnings. Many European stock indices struggled on fears of contagion from emerging market crises, as evidenced by the mid-month crash in the Turkish Lira. Bonds witnessed a flight to safety. Sterling struggled after the EU expressed a new willingness to maintain a close post-Brexit relationship with the UK. Gold and industrial metal prices experienced extended declines due to a strong US Dollar and weaker Chinese demand. WTI crude oil rebounded amid lower-than-expected US inventories and supply concerns from Iran and Venezuela.

Performance (%) and risk since inception of Equinox MutualHedge Futures Strategy Fund Class I[1]

AS OF 9/30/2018

	YTD 2018	CALENDAR YEAR 2017	CALENDAR YEAR 2016	CALENDAR YEAR 2015	CALENDAR YEAR 2014	CUMULATIVE RETURN	ANNUALIZED ROR	MAXIMUM DRAWDOWN	STANDARD DEVIATION	CORRELATION VS. INDICES
CLASS I	0.12	-4.11	4.46	3.06	10.09	7.71	1.02	-13.91	9.23	1.00
LONG ONLY COMMODITIES[2]	11.84	5.77	11.37	-32.86	-33.06	-44.92	-7.79	-62.38	17.74	-0.26
EQUITIES[2]	10.56	21.83	11.96	1.38	13.69	158.51	13.79	-15.30	10.78	-0.01
MANAGED FUTURES[2]	-2.64	-0.82	-4.44	-0.92	12.33	-2.94	-0.40	-14.35	6.33	0.85
FIXED INCOME[2]	-1.60	3.54	2.65	0.55	5.97	19.53	2.46	-3.67	2.74	0.44

Performance data quoted here represents past performance. Current performance may be lower or higher than the performance quoted above. Past performance does not guarantee future results. The value of an investor's shares will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance current to the most recent month end, please visit equinoxfunds.com.

[1]Class I inception: 5/24/2011. Displayed benchmark inception date is 5/24/2011.
[2]Long Only Commodities: S&P GSCI® Total Return Index; Equities: S&P 500® Total Return Index; Managed Futures: Barclay BTOP50 Index®; Fixed Income: Barclays Capital US Aggregate Bond Index®.

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 Morningstar Rating does not include any adjustment for sales loads. 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. Morningstar Rating is for the I share class only; other classes may have different performance characteristics.

Definitions of Terms and Indices can be found on pages 7-8.

September saw risk appetites return and US stock indices rally as President Trump's latest levies on Chinese goods were lower than anticipated. As expected, the Federal Reserve raised rates; however, its tone was notably more hawkish, based on stronger US growth and inflation prospects. European markets were shaken after Italy doubled down on its controversial fiscal plans, affecting both equities and Italian bonds. More positive Brexit news and upbeat UK sales data resulted in a Sterling rally. In fixed income, gains were made in short US bond and interest rate positions amid improving US economic conditions, while European bonds incurred offsetting losses. Gold continue to decline, while copper rallied on lower-than expected trade tariffs between the US and China. Oil prices were boosted by undersupply concerns amid Iranian sanctions.

Starting at just above 16%, the VIX® index traded for the most part in a tight range (between 12% and 14%), which is in line with (but still slightly below) the US stock market's longer-term historical volatility.

Historically, managed futures have tended to perform well in a variety of market conditions, perhaps particularly so during periods of market turbulence and volatility expansion. We continue to believe that a significant and strategic allocation to the asset class, while not a "hedge" for equities, nonetheless has the potential to serve investors well in the long run.

Eight of our seventeen CTA programs had a positive quarter; unfortunately, they were swamped by the negative performance of the other nine. The highest positive contributor was a commodity relative-value trading program. The three largest detractors from performance were all global macro programs, one of which (Blue Sky Dynamic Macro) targets a negative long-term correlation to equities.

At the sector level, bonds and interest rates were the largest detractors, while equity indices contributed negatively for the third quarter in a row. Currencies were also down following a strong second quarter. Agricultural commodities and metals were slightly profitable, while energy was flat. Year to date, equity indices are the largest negative contributors to performance; all the other five sectors have made small positive contributions.

The Fund's largest gross exposure as of quarter-end was to the agricultural commodities sector (about 29%), followed by currencies (about 20%). Energy, equities and fixed-income contributed almost equally (all between 15% and 17%), while metals remained the smallest (at about 4%). Together, the financial sectors represent about 50% of the Fund's exposure, up from 40% at the end of Q2. It is worth reiterating here that CTA programs may have either long or short exposures to individual futures markets, and the size/risk of these exposures generally tends to be inversely related to the volatilities of those markets; more volatile markets usually imply smaller positions, all else equal.

PERFORMANCE

The Fund underperformed equities significantly this quarter. The S&P 500® Total Return Index ("Equities Index") returned +7.71% while the Fund's Class I shares earned –3.08%. The Fund also trails now on a year-to-date basis (+0.12% vs +10.56%). The Fund underperformed the Barclay BTOP50 Index ("Managed Futures Index"), which was up +1.14% for the quarter, but the Fund is still ahead year-to-date (+0.12% vs –2.64%). In terms of risk, the annualized volatility of the Fund's Class I shares since inception is about 9.2%, compared to 10.8% for the Equities Index. The performance of all the Fund's share classes is displayed below.

Fund performance (%)

AS OF 9/30/2018

		Annualized Rate of Return			
	QTR	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION[1]
CLASS A	-3.12	0.37	-0.36	3.32	1.29
CLASS A (MAX LOAD)	-8.70	-5.39	-2.29	2.10	0.61
CLASS C	-3.26	-0.39	-1.12	2.53	0.53
CLASS I	-3.08	0.62	-0.10	3.59	1.02
EQUITIES INDEX[2]	7.71	17.91	17.31	13.95	13.79
MANAGED FUTURES INDEX[2]	1.14	0.94	-2.63	1.15	-0.40%

Performance data quoted here represents past performance. Current performance may be lower or higher than the performance quoted above. Past performance does not guarantee future results. The value of an investor's shares will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's investment advisor, Equinox Institutional Asset Management, LP, has contractually agreed to reduce its fees and/or absorb expenses of the Fund at least until 1/31/2019 to ensure that the net annual fund operating expenses do not exceed 1.95% (Class A), 2.70% (Class C), and 1.70% (Class I) of the Fund's average daily net assets, subject to possible recoupment from the Fund in future years subject to approval of the Fund's Board of Trustees. For performance current to the most recent month end, please visit equinoxfunds.com.

Gross/Net expenses: Class A: 1.97% / 1.95%; Class C: 2.73% / 2.70%; Class I: 1.74% / 1.70%. The maximum sales charge (load) for Class A is 5.75%. Class A share investors may be eligible for a reduction in sales charges.

The Gross/Net Expense Ratio does not include costs associated with any over the-counter (OTC) derivatives utilized by the Fund to gain exposure to managed futures programs. The Fund does not anticipate that it will pay fees to derivatives counterparties in the fiscal year 2017 in excess of 0.63% (annualized) of the notional exposure to managed futures programs. Please review the Fund's prospectus for more information regarding fees and expenses

[1]Class A and C inception: 12/31/2009; Class I inception: 5/24/2011. Displayed benchmark inception date is 5/25/2011.

*[2]**Equities:** S&P 500® Total Return Index; **Managed Futures:** Barclay BTOP50 Index®.*

Definitions of Terms and Indices can be found on pages 7-8.

SECTOR NEWS

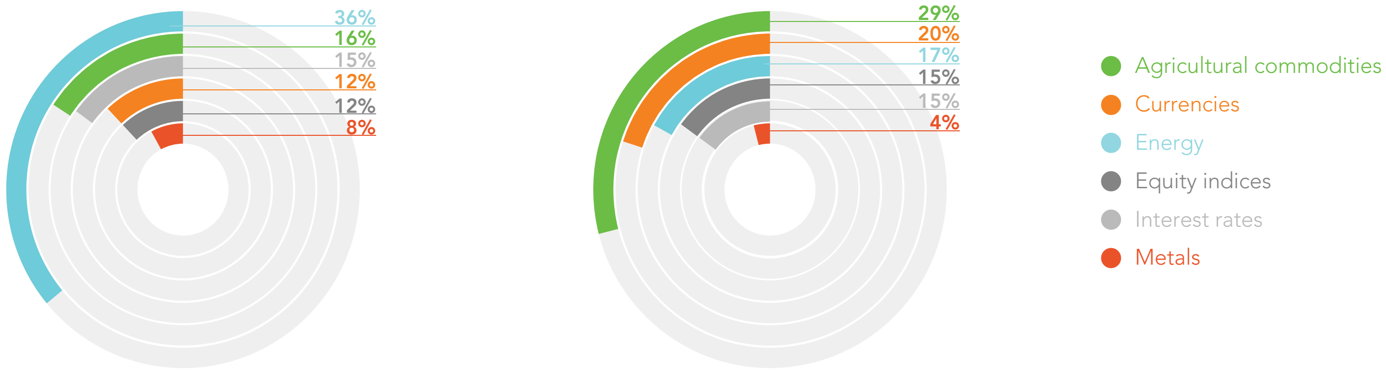
Equity Indices

Equity indices had their third negative quarter in a row, contributing approximately –101 bps of performance. For the year, their contribution is approximately –624 bps.

Global equities gained during July, with the S&P 500 rising to its highest level since February, after the US reported better-than-expected non-farm payrolls and accelerating GDP growth. Big tech stocks retreated towards month-end after an update from Facebook spooked investors, but the tech sector still ended the month higher.

Major global stock indices diverged during August, with US tech stocks lifting the S&P 500 and Nasdaq to record highs, while many Asia-Pacific and European indices fell. An increase in US GDP growth to 4.2%, a decrease in the unemployment rate to 3.9% and positive surprises in corporate earnings, collectively overshadowed frictions with China and Turkey after the U.S. government considered 25% tariffs on their goods. The turmoil in Turkey negatively affected European equity markets, as investors feared contagion to EU banks, which hold a considerable amount of Turkish debt.

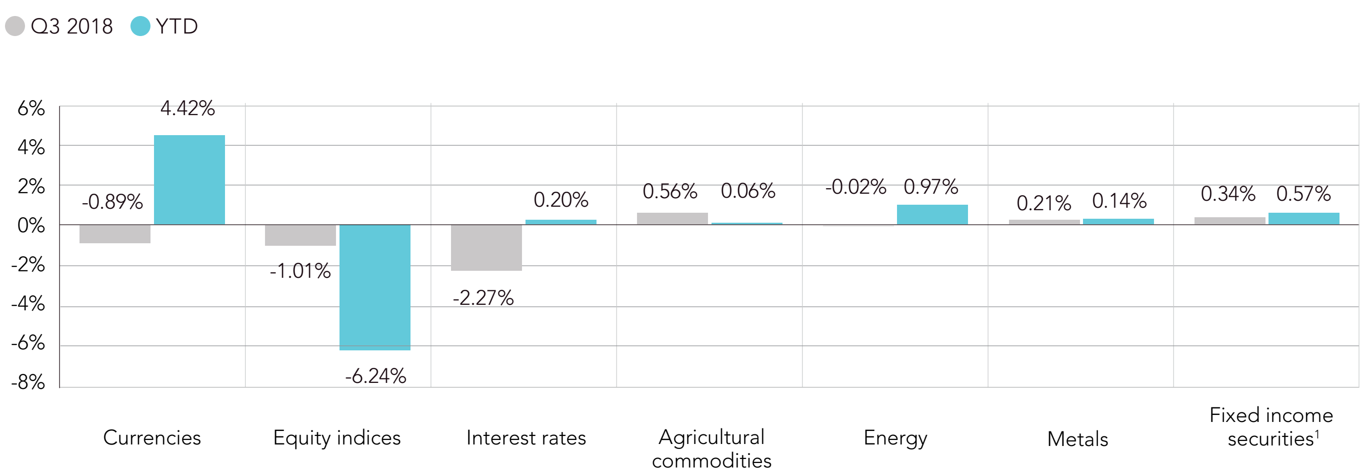
Futures diversification by sector



Previous quarter
6/30/2018

Current quarter
9/30/2018

Performance attribution by sector



Sector attribution numbers have been rounded for ease of use. Performance attribution information for the Fund's managed futures portfolio is reported net of fees and expenses.

Source: Equinox Funds and Bloomberg, LP. Reflects broad sector gross risk exposures. Sector exposures and positions held may vary depending on market conditions and may not be representative of the Fund's current or future exposures. Portfolio positions are subject to change and should not be considered investment advice.

[1]Fixed income is not an actual commodity trading advisor but an investment holding included in the portfolio.

Performance attribution reported gross of fees and expenses. Past performance does not guarantee future results.

Definitions of Terms and Indices can be found on pages 7-8.

Geopolitical and growth concerns were reflected in a broad equity market sell-off during early August. Japan was the only positive contributor, helped by the strong auto sector rebound after the U.S. resumed bilateral trade negotiations with Prime Minister Shinzo Abe. Despite the escalation of the trade war between the U.S. and China, U.S. equity indices recovered almost fully during the second part of the month on the back of a very strong economy a declining US Dollar. European stocks lost ground on irresolute Brexit talks and a significantly higher 2019 budget deficit projected by the new Italian government.

Bonds and Interest Rates

Bonds and interest rates contributed negatively (about –225 bps) for a second consecutive quarter. For the year, their contribution is approximately +20 bps.

In July, inflation concerns and upside growth surprises continued to steepen the short end of the US and Canadian yield curves. Global bond yields were temporarily lifted by speculation of shifting Japanese monetary policy and encouraging economic data. The 10-year JGB futures contract lost ground after the Bank of Japan doubled the level that it is willing to permit for 10-year yields. Short US bond positions performed well, while long positions in both European and Japanese bonds generated losses. Credit markets saw a reversal of themes from previous months with spreads tightening across US, European and emerging markets.

Most government bond markets edged higher over the course of August, as the overall US yield curve continued to flatten, and yields fell as investors flew to safety after the news from Turkey. The Japanese government bond (JGB) was a significant detractor as the new flexibility on the futures trading range established by the Bank of Japan led to a sell-off, and an increase in the yield on the 10Y JGB to an 18-month high.

Yields on US 10-year Treasuries rose above 3.1% ahead of the US Federal Reserve's decision to raise interest rates, bringing the Fed Funds rate to its highest level in a decade. Bund yields rallied following hints that Eurozone policymakers would further withdraw monetary stimulus this year. Trades and political uncertainties affected the whole asset class, notably in Europe where the yield spread between the 10Y Italian government bond (BTP) and German 10Y bond rose by 30 basis points. Unexpectedly high inflation data as well as hawkish comments from Swedish and UK central banks pushed those yields higher. Gilts also sold off as result of uncertainty around Brexit.

Currencies

Following a very strong Q2, currencies gave up some gains (about –89 bps) but are up approximately +442 bps for the year.

In July, long US Dollar positions struggled as the currency came under pressure from the trade uncertainty discussed at length earlier. It was a difficult month for the sector, with a lot of background noise and event risk (especially Brexit-related) hanging over markets, the end result being a mixed picture with no clear trends.

Emerging market currencies came under pressure, as the Turkish lira fell to an all-time low against the US dollar amid the ongoing diplomatic spat between the United States and Turkey, which escalated to the point that President Trump imposed tariffs on Turkey, sending the already suffering Lira significantly lower. The tumbling Lira caused some EM contagion and a flight to the safety of the US Dollar. The dollar surged higher, breaking some key technical levels in core crosses such as EUR/USD and established what looked like a new trading range. But, by the end of the month, it retraced all these gains and more, in an extended move that looked stop-loss driven, perhaps accentuated by summer illiquidity.

Energy

Energy had a basically flat quarter and has contributed approximately +97 bps of performance for the year.

In July, the uptrend in crude oil reversed course amid ramped-up Saudi production and the Libyan state oil company's reopening of important export terminals. WTI crude suffered its worst month since 2016 following increased US and Libyan output and slowing global demand.

However, WTI crude recovered in August amid lower-than-expected US inventories and supply concerns from Iran and Venezuela. Long positions in the European energy complex gained as emissions contracts and electricity contracts advanced due to regulatory carbon reduction initiatives and power supply outages respectively.

In September, oil prices were boosted further by undersupply concerns amid the prospects of renewed Iranian sanctions in November.

Agricultural Commodities

Agricultural commodities had a positive quarter (about +56 bps) and have now contributed approximately +6 bps of performance for the year.

During July, the commodities sector was the major casualty of trade uncertainty, and falling prices led to gains from short positions in lean hogs and coffee. However, these gains were offset by losses from short positions in corn and soybeans, which rallied towards the end of the month after encouraging trade talks.

In August, short agricultural positions benefited from strong harvests, while short coffee positions benefited after a weakening Brazilian Real spurred selling by the world's largest exporter of the commodity.

September saw short cocoa positions gain on oversupply fears; however, reversals in lean hogs and other soft commodities resulted in offsetting losses.

Metals

Metals had a slightly positive quarter (about +21 bps) and are now up about +14 bps for the year.

During July, short gold positions profited as the metal logged its fourth straight monthly loss. Silver and copper also lost ground, hitting new twelve-month lows.

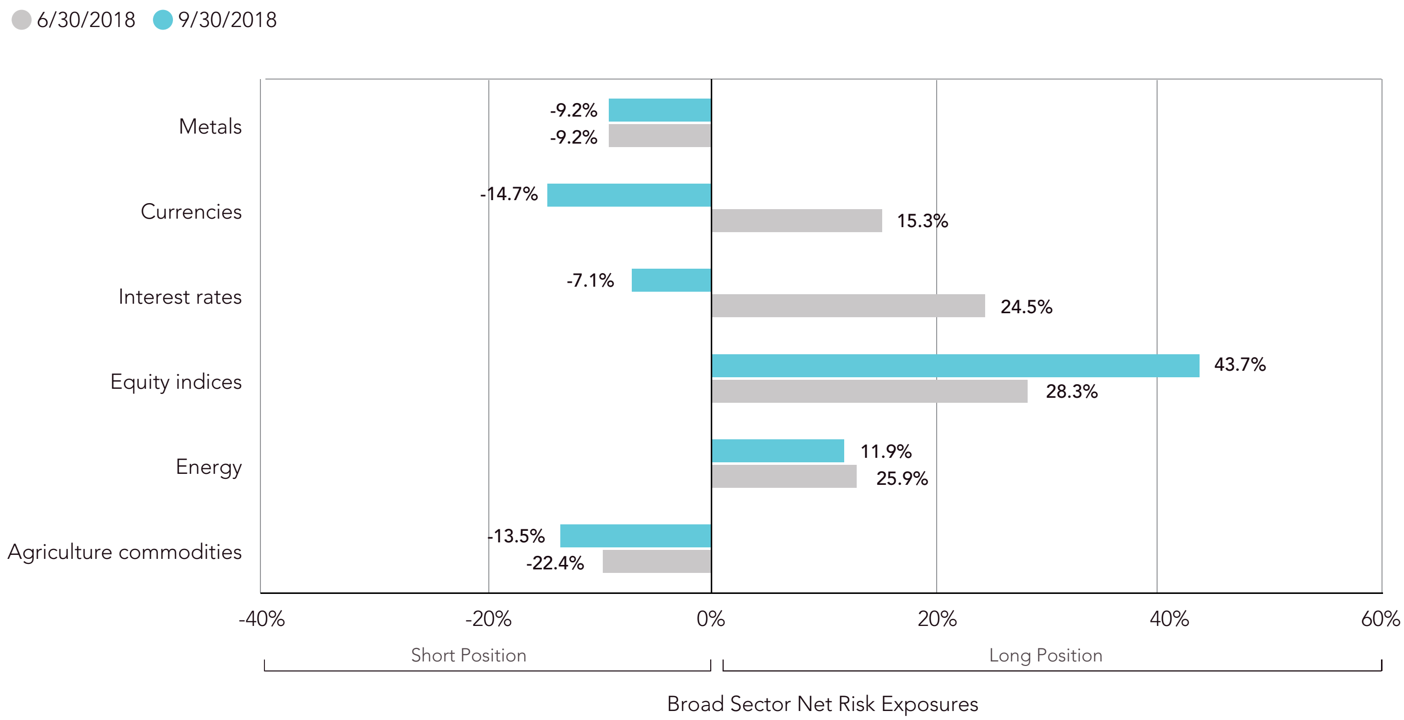
Gold and industrial metal prices extended their declines in August due to a strong US Dollar and weaker Chinese demand.

However, in September, continuing gains from short gold positions were offset by losses from short copper positions, as copper rallied after lower-than expected trade tariffs between the US and China.

Definitions of Terms and Indices can be found on pages 7-8.

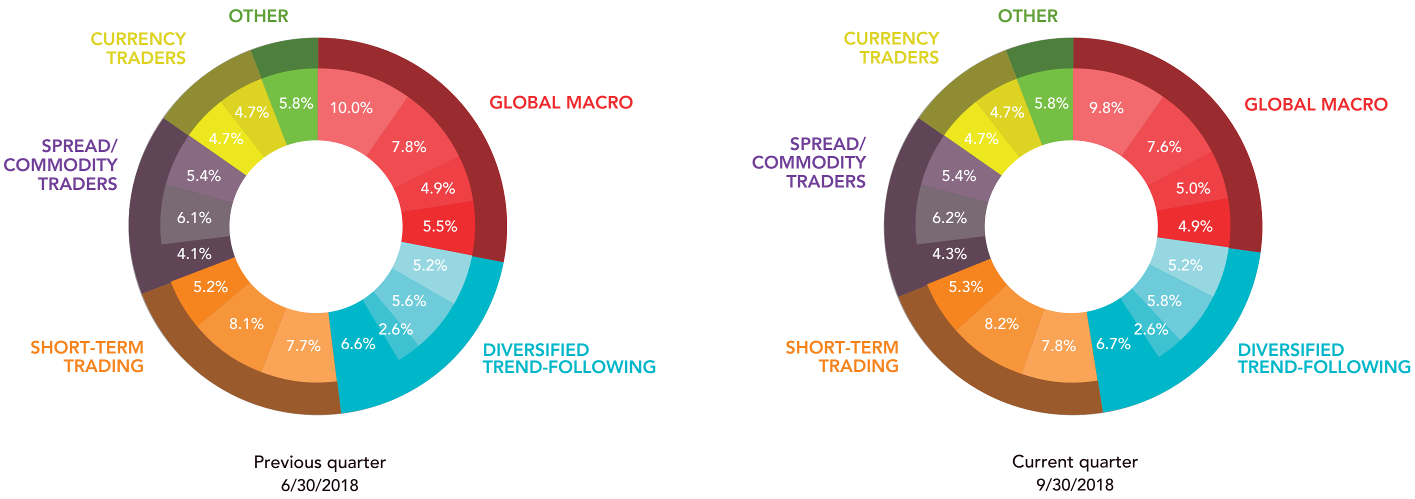
Futures position transparency

(Data as of 9/30/2018; updated quarterly)



Portfolio allocations

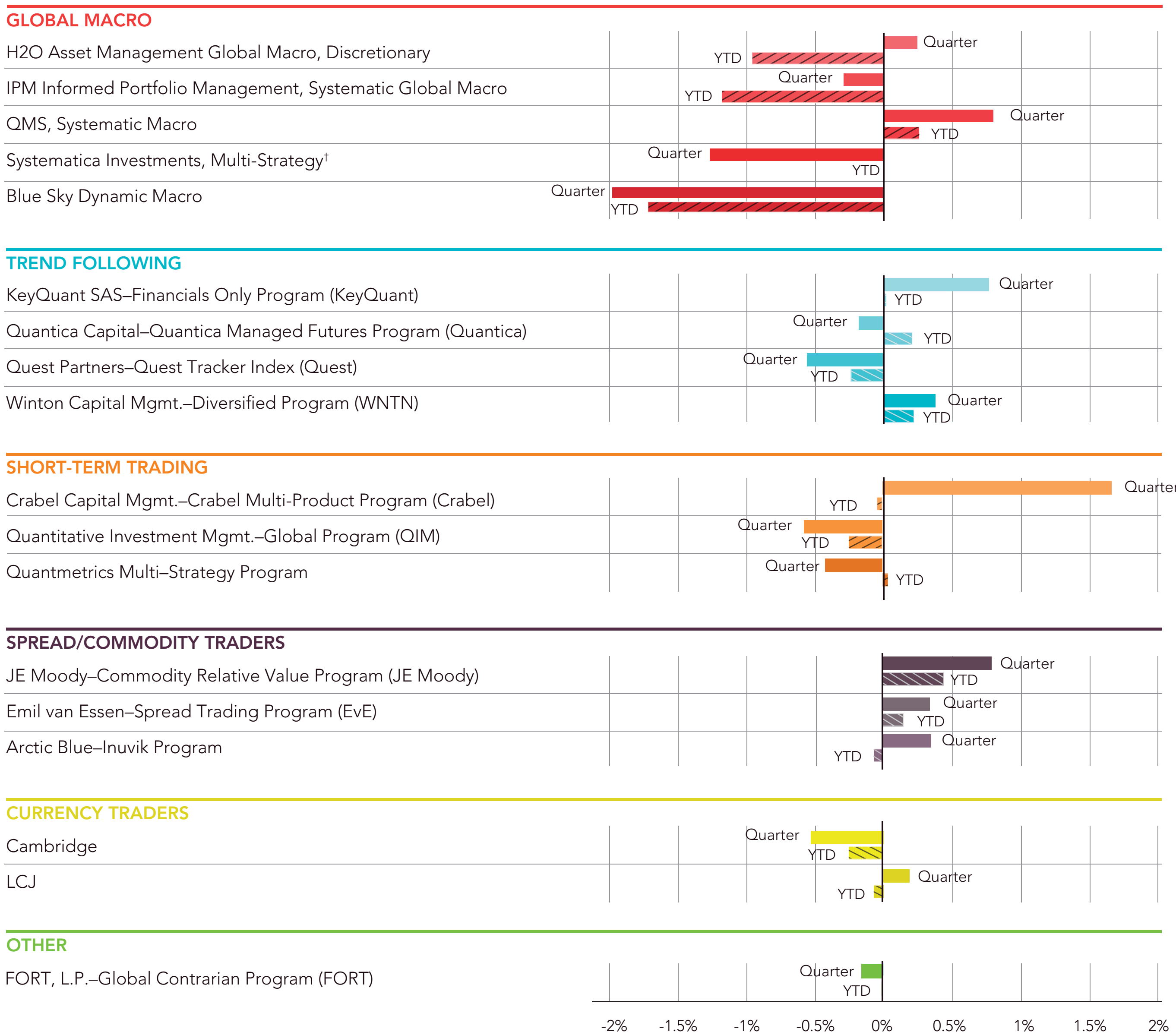
Portfolio holdings are as of the date stated, are subject to change, and should not be considered investment advice.



Source: Equinox Funds and Bloomberg, LP. Reflects broad sector net risk exposures. Sector exposures and positions held may vary depending on market conditions and may not be representative of the Fund's current or future exposures. Portfolio positions are subject to change and should not be considered investment advice.

Definitions of Terms and Indices can be found on pages 7-8.

Performance attribution by CTA* (Data as of 9/30/2018)



*As a percentage of overall fund performance attributed to each CTA program.

†As of May (2018), the allocation to Systematica was redistributed across other trading programs.

Definitions of Terms and Indices can be found on pages 7-8.

Correlation matrix of CTA programs (As of 9/30/2018; updated quarterly)

1/2013– 9/2018	ARCTIC BLUE	BLUE SKY	CAMBRIDGE	CRABEL	EVE	FORT	H2O	IPM	JE MOODY	KEYQUANT	LCJ	QMS	QUANTICA	QIM	QUANTMETRICS	QUEST	WNTN
ARCTIC BLUE	1.00																
BLUE SKY	-0.24	1.00															
CAMBRIDGE	0.02	0.29	1.00														
CRABEL	0.55	0.07	0.12	1.00													
EVE	0.34	0.22	0.00	-0.18	1.00												
FORT	0.54	0.25	-0.01	0.25	-0.07	1.00											
H2O	0.25	-0.17	0.09	-0.07	-0.01	-0.16	1.00										
IPM	0.05	0.37	0.18	0.05	0.06	0.13	0.10	1.00									
JE MOODY	0.13	-0.07	-0.02	0.21	-0.14	0.04	0.18	-0.19	1.00								
KEYQUANT	0.58	0.32	0.09	0.31	-0.05	0.75	-0.07	0.11	0.16	1.00							
LCJ	-0.11	0.21	0.37	0.22	0.01	0.12	0.20	0.01	0.04	0.16	1.00						
QMS	0.46	0.32	0.18	0.16	-0.05	0.46	0.05	0.20	0.13	0.67	0.18	1.00					
QUANTICA	0.49	0.26	0.08	0.39	0.01	0.75	-0.20	0.08	0.08	0.79	0.16	0.53	1.00				
QIM	0.19	-0.04	0.00	0.11	0.04	0.03	-0.15	-0.15	-0.17	-0.03	0.05	-0.13	-0.03	1.00			
QUANTMETRICS	-0.24	0.00	0.15	0.00	-0.22	0.18	0.21	-0.06	0.14	0.26	0.22	0.31	0.31	-0.38	1.00		
QUEST	0.65	0.39	0.11	0.50	-0.05	0.58	-0.08	0.04	0.19	0.75	0.18	0.54	0.73	0.12	0.17	1.00	
WNTN	0.73	0.24	0.12	0.42	-0.02	0.77	-0.13	0.08	0.19	0.81	0.14	0.56	0.81	0.03	0.22	0.80	1.00

For more information on **Equinox MutualHedge Futures Strategy Fund**, please contact Equinox Funds at 1.877.837.0600, or visit **equinoxfunds.com**

DEFINITIONS OF TERMS AND INDICES (Continued on back page)

Annualized rate of return (AROR): The geometric average return for a period greater than or equal to one year, expressed on an annual basis or as a return per year.

The Bank of England (BoE) is the central bank for the United Kingdom. It has a wide range of responsibilities, similar to those of most central banks around the world. It acts as the government's bank and the lender of last resort.

Bank Of Japan (BoJ) is headquartered in the business district of Nihonbashi in Tokyo, the Bank of Japan is the Japanese central bank. The bank is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system, and providing settling and clearing services.

Barclay BTOP50 Index® (BTOP50): The Index seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure.

Barclays Capital US Aggregate Bond Index® covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors.

Bunds are the German equivalent of US Treasury bonds.

Correlation is a measure of the degree to which the value of different investment types move in the same direction; if they perform independently of one another, they are non-correlated, such as managed futures verses equities and bonds.

Drawdown is the peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

European Central Bank (ECB) is the central bank responsible for the monetary system of the European Union (EU) and the euro currency. The bank was formed in Germany in June 1998 and works with the other national banks
of each of the EU members to formulate monetary policy that helps maintain price stability in the European Union.

European Union (EU) is a group of European countries that participates in the world economy as one economic unit and operates under one official currency, the euro. The EU's goal is to create a barrier-free trade zone and
to enhance economic wealth by creating more efficiency within its marketplace.

Gilts are bonds that are issued by the British government, and they are generally considered low-risk investments.

Global Macro/Global Trading is a strategy that trades equity, bond, currency and commodity markets based generally on global macroeconomic developments.

Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Japanese Government Bond (JGB) is a bond issued by the government of Japan. The government pays interest on the bond until the maturity date. At the maturity date, the full price of the bond is returned to the bondholder. Japanese government bonds play a key role in the financial securities market in Japan.

The **Korea Composite Stock Price Index** is the index of all common stocks traded on the Stock Market Division of the Korea Exchange.

Long position refers to buying a security such as a stock, commodity, or currency, with the expectation that the asset will rise in value.

Maximum drawdown is a measure of risk (also known as Worst Historical Loss) that illustrates the largest peak-to-valley decline, based on monthly rates of return, during a given time period. The Worst Historical Loss depicted in this presentation is not the maximum loss that can occur in an individual's managed account. There is no guarantee that managed futures or any particular investment will meet its intended objective. substantial portion, or even all, of their investment.

The **Nikkei 225 Stock Average** is Japan's premiere stock index. It includes the top 225 blue-chip companies listed on the Tokyo Stock Exchange.

The **National Association of Securities Dealers Automated Quotations (NASDAQ)** enables investors to trade securities on a computerized, speedy and transparent system.

An **Option** is a contract that gives the buyer (the owner) the right, but not the obligation, to buy or sell an underlying asset or instrument at a specified strike price on or before a specified date.

The **Organization of Petroleum Exporting Countries (OPEC)** is a group consisting of 12 of the world's major oil-exporting nations. OPEC is a cartel that aims to manage the supply of oil in an effort to set the price of oil on the world market, in order to avoid fluctuations that might affect the economies of both producing and purchasing countries.

For current correlation information, please visit equinoxfunds.com.

Correlation is measured on a scale from 1.00 to -1.00. [1.00] Investments with high correlation tend to rise and fall together. [0.00] Non-correlated investments tend to move up and down with no relation to one another. [-1.00] Investments with negative correlation tend to move in opposite directions.

DEFINITIONS OF TERMS AND INDICES CONTINUED

The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The PMI is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. The purpose of the PMI is to provide information about current business conditions to company decision makers, analysts and purchasing managers.

Quantitative easing (QE) is an unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply.

Relative-Value is a method of determining an asset's value that takes into account the value of similar assets. Calculations used to measure the relative value of stocks include the enterprise ratio and the price-to-earnings ratio.

Reversal strategy is when a change in the direction of a price trend, which can be a positive or negative change against the prevailing trend. By watching the technical charting of a stock's price, traders can identify when a reversal is occurring.

Risk-adjusted return is a concept that refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating. Risk-adjusted returns are applied to individual securities and investment funds and portfolios.

S&P 500® Total Return Index is widely regarded as the best single gauge of the US equities market, this world-renowned Index includes 500 leading companies in leading industries of the US economy.

The **S&P GSCI® Total Return Index** is widely recognized as a leading measure of general price movements and inflation in the world economy. It provides investors with a reliable and publicly available benchmark for investment performance in the commodity markets, and is designed to be a "tradable" index. The index is calculated primarily on a world production-weighted basis and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

Short Position is a position whereby an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future.

Spread traders simultaneously purchase of one security and sell a related security. Spread trades are usually executed with options or futures contracts, but other securities are sometimes used. They are executed to yield an overall net position whose value, called the spread, depends on the difference between the prices of the securities. Spread trades are executed to attempt to profit from the widening or narrowing of the spread, rather than from movement in the prices of the securities directly. Spreads are either "bought" or "sold" depending on whether the trade will profit from the widening or narrowing of the spread.

Standard deviation (volatility) is a measure of fluctuation in the value of an asset or investment. Lower volatility improves the stability and lowers the risk of an investment portfolio.

Economic **stimulus** consists of attempts by governments or government agencies to financially stimulate an economy. An economic stimulus is the use of monetary or fiscal policy changes to kickstart growth during a recession.

A **swap** is a derivative contract through which two parties exchange financial instruments

Systematic trend following is an investment strategy based on the technical analysis of market prices, rather than on the fundamental strengths of the companies.

Total cumulative return is the return or yield on an investment or portfolio over a given period of time, expressed in non-annualized terms.

Trend-following strategy generally seeks to identify the general direction of one or more global market segments (either up or down), using indicators such as current market prices and moving average prices, and buy or sell investments based on the assessment of these trade signals, as determined before a trade is made. Trend-following generally focuses on the direction an investment or global market segment already has gone and not on the direction it may go.

The **CBOE Volatility Index® (VIX®)** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

Yield is the income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Indices are unmanaged and not available for direct investment.

A WORD ABOUT RISK

Mutual funds involve risk including possible loss of principal.

The Fund's indirect and direct exposure to foreign currencies subjects the MutualHedge Futures Strategy Fund (the Fund) to the risk that those currencies will decline in value relative to the US Dollar, or, in the case of short positions, that the US Dollar will decline in value relative to the currency that the Fund is short. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the US or abroad. In addition, the Fund may incur transaction costs in connection with conversions between various currencies. The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives.

The Fund may experience losses that exceed losses experienced by funds that do not use futures contracts and options. There may be an imperfect correlation between the changes in market value of the securities held by the Fund and the prices of futures and options on futures. Although futures contracts are generally liquid instruments, under certain market conditions there may not always be a liquid secondary market for a futures contract. As a result, the Fund may be unable to close out its futures contracts at a time which is advantageous. Trading restrictions or limitations may be imposed by an exchange, and government regulations may restrict trading in futures contracts and options. Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in securities. Over-the-counter transactions are subject to little, if any, regulation and may be subject to the risk of counterparty default.

A portion of the Fund's assets may be used to trade OTC commodity interest contracts, such as forward contracts, option contracts in foreign currencies and other commodities, or swaps or spot contracts. A substantial portion of the trades of the global macro programs are expected to take place on markets or exchanges outside the US. Some foreign markets present additional risk, because they are not subject to the same degree of regulation as their US counterparts. Trading on foreign exchanges is subject to the risks presented by exchange controls, expropriation, increased tax burdens and exposure to local economic declines and political instability. An adverse development with respect to any of these variables could reduce the profit or increase the loss earned on trades in the affected international markets. International trading activities are subject to foreign exchange risk. The Fund may employ leverage and may invest in leveraged instruments. The more the Fund invests in leveraged instruments, the more this leverage will magnify any losses on those investments. Leverage will cause the value of the Fund's shares to be more volatile than if the Fund did not use leverage. The Fund may take short positions, directly and indirectly through the Subsidiary, in derivatives. If a derivative in which the Fund has a short position increases in price, the underlying Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss.

Except for the historical information and discussions contained herein, statements contained in this Commentary constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on our reasonable expectations, estimates, and assumptions. These statements may involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially, including, but not limited to, the performance of financial markets, the investment performance of products sponsored by Equinox Institutional Asset Management, LP, general economic conditions, competitive conditions, and regulatory actions, including changes in tax laws. Readers should carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date on which they are made, and Equinox Institutional Asset Management, LP, undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statement.

Investors should carefully consider the investment objectives, risks, charges and expenses of Equinox MutualHedge Futures Strategy Fund. This and other important information is contained in the Prospectus, which can be obtained by calling 1.888.643.3431. The Prospectus should be read carefully before investing. Equinox MutualHedge Futures Strategy Fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. THERE IS RISK OF LOSS. YOU CAN LOSE MONEY IN A MANAGED FUTURES PROGRAM.

Equinox Group Distributors, LLC and Equinox Institutional Asset Management, LP are not affiliated with Northern Lights Distributors, LLC.Equinox Institutional Asset Management, LP serves as the Fund's investment advisor.

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equinox funds

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