



MARKET REVIEW

The U.S. equity market continued its winning streak in the first quarter of 2010 as the S&P 500 gained 5.39%, marking the fourth consecutive quarterly gain for the index. Earnings for the fourth quarter were generally better than expected but the market sold off sharply in the second half of January as concerns about rising interest rates in both China and the U.S. along with the Greek sovereign debt weighed on sentiment. The S&P was down 0.61% through the end of February but rebounded strongly in March (+6.03%) as valuations became more attractive and the market climbed the proverbial "wall of worry." Poor weather in many areas of the country likely affected economic data points but we did see continued progress in ISM manufacturing, factory orders, retail sales, and labor statistics.

For the quarter, market strength was concentrated in Industrials, Financials, and Discretionary sectors. Staples, Health Care, Materials, Technology, and Energy also posted gains while Utilities and Telecom declined.

PORTFOLIO REVIEW

The Bull Path Long Short Fund generated returns of 1.14% net of fees during the first quarter of 2010, as losses in our short portfolio were more than offset by positive performance in our long portfolio. For the quarter, our net exposure averaged approximately 29.39%. The market pullback in January enabled us to add to existing positions while also initiating new longs in stocks where the risk/reward profile became more compelling. Meanwhile, given the magnitude of the rally over the past year, we continued to find short opportunities where we believed the market underestimated earnings risk or fully valued upside potential.

On the long side, our performance was driven by gains in a diverse set of holdings including Hasbro (HAS), Bank of America (BAC), Cinemark (CNK), Regal Entertainment (RGC) and Liberty Global (LBTYA). Hasbro continued to be a strong performer following a better than expected 4Q09 earnings release and a compelling valuation which we believe does not reflect material upside to 2011 earnings estimates. Meanwhile, we took profits in our movie theater positions as our investment thesis was realized and the market began to reward the group for 3D successes, DCIP funding, and potential dividend increases.

On the short side, we posted gains in several positions including Tesoro (TSO), Motorola (MOT), and Genomic Health (GHDX). However, our performance was hurt by losses in Comerica (CMA), which we believed would come under pressure given our expectation of an equity capital raise. Though our expected event did occur, the stock continued to move higher as the market discounted earnings several years into the future so we covered our position in CMA. We also suffered losses in McDonald's (MCD) but we maintained our position given our belief that currency headwinds, slowing same-store sales in 2 out of 3 regions, and potential for "trade-up" to casual dining would limit upside in the shares.

In terms of holdings, we added several longs including Corrections Corp. of America (CXW), DISH Network (DISH), and Weatherford International (WFT). We exited our position in both the theaters after a sizable gain and Popular (BPOP) following their earnings announcement. On the short side, we added to several Healthcare, Financials, and Discretionary positions.

Performance*	BPFIX**	S&P 500
Quarter (%)	1.14	5.39
YTD (%)	1.14	5.39
1-Year Annualized (%)	8.74	49.77
3-Year Annualized (%)	-2.48	-4.17
5-Year Annualized (%)	4.12	1.92
Annualized Since Inception (%)	8.93	7.03
Portfolio Characteristics		
# of Long/Short Holdings	21/18	N/A
Avg. Gross Exposure Qtr [YTD] (%)	93.62 [93.62]	N/A
Avg. Net Exposure Qtr [YTD] (%)	29.39 [29.39]	N/A
Key Statistics		
Annualized Alpha (%)	4.94	0.00
Annualized Std. Dev. (%)	8.01	14.99
Beta	0.29	1.00
Sharpe (0%)	0.83	0.38
Sortino (0%)	1.17	0.52
Correlation	0.55	1.00
Down Capture Ratio	17.16	100.00
Max Drawdown (%)	-24.22	-50.95
Largest Month Gain (%)	5.56	9.57
Largest Month Loss (%)	-10.50	-16.80
Portfolio Management		
Robert Kaimowitz, Portfolio Manager		
Scott Lisbon, CFA, Director of Research		
*Data thru 03/31/10 ** Strategy inception Oct. 1, 2002		

Past Performance is no guarantee of future results. The value of an investment in the Fund and the return on investment both will fluctuate and redemption proceeds may be higher or lower than an investor's original cost. Total return is calculated assuming reinvestment of all dividends for the period 2002 through 2010. Total returns would have been lower had the Adviser, the Distributor, the Administrator, and Custodian not waived or reimbursed a portion of their fees. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until August 31, 2010, to ensure that the net annual fund operating expenses will not exceed 1.50% for the I class, subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more detail on the expense waiver. The total Net operating expense for the I class is 1.99%. For more performance numbers current to the most recent month-end, please call 1-888-899-2726.

The prior performance is net of management fees and other expenses but does not include the effect of the performance fee. The Bull Path Long Short Fund has been managed in the same style and by the same portfolio manager since the predecessor limited partnership's inception on October 1, 2002. The Fund's investment goals, policies, guidelines and restrictions are, in all material respects, equivalent to the predecessor limited partnership. From its inception date, the predecessor limited partnership was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act of the Code, if they had been applicable, it might have adversely affected its performance. In addition, the predecessor limited partnership was not subject to sales loads that would have adversely affect performance. Performance of the predecessor fund is not an indicator of future results. Current performance may be higher or lower than that quoted.

Source: Annualized and calendar returns from Morningstar Direct; performance statistics from PerTrac Analytical Platform. The S&P 500 Index is an unmanaged composite of 500 large capitalization companies. The index is widely used by professional investors as a performance benchmark for large cap stocks. You cannot invest directly in an index.



OUTLOOK

As we head into the second quarter of 2010, our outlook has not materially changed from our last update. We continue to take a relatively balanced view of the economic and investing environments. We are seeing improvements on a number of fronts, as consumer spending continues to slowly increase, labor markets while still weak are improving, housing appears to be stabilizing and corporate profits are rebounding. We benefitted from the most recent market selloff by building positions in stocks that we have been patiently waiting to buy but required a more attractive risk/reward profile. We were able to build positions in names that we believe will benefit our performance greatly over the course of the year.

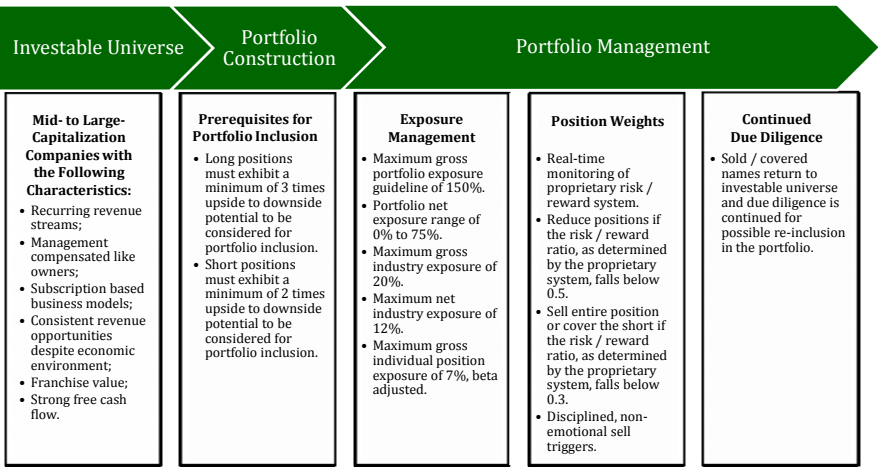
As we stated last quarter, there are a number of issues that still concern us on a 12- to 24-month basis. First, we are still concerned about the size of the federal budget deficit, which will likely lead to higher taxes, higher interest rates, and potentially higher inflation in the future when the "bill comes due." However, given the difficulty in predicting the precise moment at which these risk factors might be priced into markets, we continue to remain disciplined and patient in our approach.

Secondly, we also remain concerned about rising expectations for economic and earnings growth. With current forecasts calling for 3% real GDP growth in 2010, we think there is a possibility that some earnings estimates may prove overly optimistic for the full year. Thirdly, we cannot discount the possibility of market turbulence or economic deterioration as the government begins its delicate withdrawal of stimulus monies that are still backstopping the economy. Finally, sovereign debt concerns have occasionally rippled through the market over the past two quarters and we will continue to assess the impact that all of these issues will have on the companies in our portfolio and investable universe.

As always, we continue to position ourselves in high quality ideas in both our long and short portfolios with the aim of creating consistent risk-adjusted returns over an entire market cycle.

INVESTMENT OBJECTIVE AND PROCESS

The Bull Path Long Short Fund is fundamentally driven, bottom-up focused which utilizes a proprietary risk/reward investment process to target alpha and favorable risk adjusted returns over a complete market cycle. The Fund seeks positive total returns on both long and short positions.



Fund Identification & Expenses

Share Class	A	C	I
Ticker	BPFAX	BPFCX	BPFIX
CUSIP	66537V50	66537V60	66537V70
Max Sales Load	5.75%	None	None
Redemption Fee	None	None	None
Management Fee	1.25%	1.25%	1.25%
12b-1	0.25%	1.00%	0.00%
Other Expenses*	0.69%	0.69%	0.69%
Acquired Fund Fees/Expenses	0.05%	0.05%	0.05%
Net Operating Expenses	2.24%	2.99%	1.99%
Expense Limit	1.75%	2.50%	1.50%
Minimum Investment	\$1,000	\$1,000	\$100,000

* Includes custodian, administration, TA and other fund expenses and are based on estimated amounts for the Fund's current fiscal year

Top 5 Long Holdings

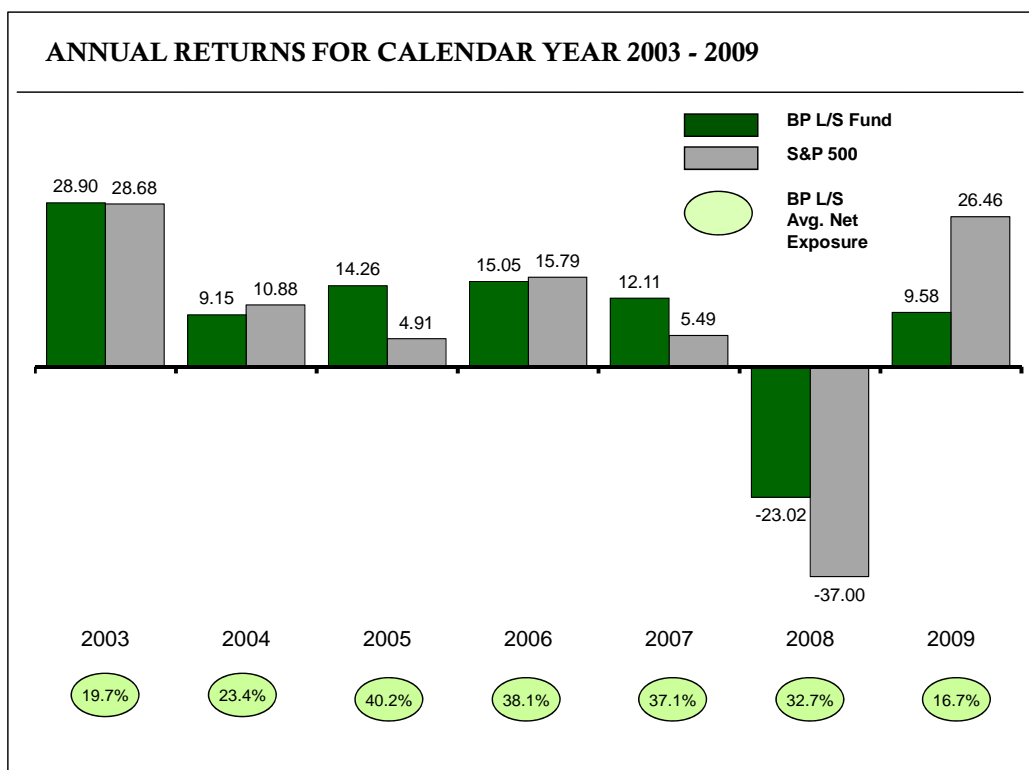
- Bank of America (BAC)
- State Street Corp (STT)
- Corrections Corp of America (TMO)
- EnSCO PLC (ESV)
- Weatherford International (WFT)

Top 5 Short Holdings

- McDonalds Corporation (MCD)
- Sealed Air Corp. (SEE)
- AutoNation Inc. (AN)
- AT&T (T)
- Tesoro (TSO)

Mutual funds involve risk including the possible loss of principal. The Fund uses short selling which incurs significant additional risk. Potential loss on an uncovered short sale is unlimited where as the potential loss on a long position is limited to the original purchase. The Fund is subject to smaller company risk. Smaller company stocks may be subject to more abrupt or erratic market movements than those of larger, more established companies.

Before investing you should carefully consider the investment objectives, risks, charges and expenses of the Bull Path Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.bullpathfunds.com or by calling 1-888-899-2726. The prospectus should be read carefully before investing. The Bull Path Funds are distributed by Northern Lights Distributors, LLC member FINRA.



Mutual Fund inception June 1, 2009

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Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative of the benchmark index is a fund's alpha. **Average Gross Exposure** is calculated by adding the percentage of the fund's equity invested in short sales to the percentage of its equity used for long positions. **Average Net Exposure** is calculated by subtracting the percentage of the fund's equity invested in short sales from the percentage of its equity used for long positions. **Beta** is a measure of volatility of a security or a portfolio in comparison to the marker as a whole. **Correlation** is a statistical measure of how two securities, mutual funds or indexes move in relation to each other, measured on a scale of -1 to +1. Perfect positive correlation (+1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. **Down Capture Ratio** measures a manager's performance in down markets and indicates what percentage of the down market was captured by the manager. For example, a ratio of 110% indicates the manager has captured 110% of the down market and therefore underperformed the market on the downside. **Max Drawdown** represents the peak-to-trough decline during a specific record period of an investment, fund or index. **Sharpe ratio** measures the return in excess of the risk-free rate relative to the volatility of the return. **Sortino ratio** measures the risk-adjusted return of a portfolio similar to the Sharpe ratio but uses downside deviation in the denominator instead of standard deviation.

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