



MARKET REVIEW

The U.S. equity markets finished 2009 on a strong note as the S&P 500 advanced 6.04% during the final quarter of the year. Similar to 3Q09, the market sold off early in the period on mixed economic data points, particularly in the areas of manufacturing and consumer confidence. However, equities rebounded strongly in November and December on a weakening U.S. dollar, ample market liquidity, and an improvement in housing and payroll data. Interestingly, corporate earnings reports, which had been the major catalyst for market gains this year, were generally met with selling as valuations began to catch-up with rising expectations.

The biggest headlines during the quarter were out of the sovereign debt market, where Greece and Spain had their credit ratings downgraded and Dubai announced that it would seek to restructure approximately \$22 billion in debt. Although the markets essentially looked past this news, we think it is too soon to say whether this is just continued fallout from last year's financial crisis or something more serious and widespread.

For the quarter, market strength was concentrated in Technology, Materials, and Discretionary while Telecom, Utilities, Energy, Staples, Financials, Healthcare, and Industrials lagged.

PORTFOLIO REVIEW

The Bull Path Long Short Fund generated returns of 4.11% net of fees during the fourth quarter of 2009, driven by positive performance in both our long and short portfolios. As we have stated in the past, we generally underperform in the early stages of liquidity-driven market rallies. This has been the case this year; however, we are starting to sense that the beta rally has begun to slow and we are moving into a market much more favorable for our bottom-up, alpha-generating investment style. As a result, we continue to add to longs that we believe the market has ignored and shorting those whose expectations are high and valuations are full. Our gross exposure has increased significantly since mid-year, although we are finding ample short opportunities which is keeping our overall net exposure relatively low (25.37%). Going forward, we believe we are well positioned to perform in a market driven by underlying fundamentals, be they good or poor.

On the long side, our performance was driven by gains in Core holdings such as DIRECTV Group (DTV) and SBA Communications (SBAC). We also benefitted from our positioning in the theaters such as Cinemark Holdings (CNK) and Regal Cinemas (RGC) as those stocks moved sharply higher during the quarter. Although the market had largely ignored the theaters for most of 2009, we built a sizable position based on an attractive business model, high dividend yield, and identifiable box office catalysts. On the short side, we were able to generate a profit in roughly 60% of our positions despite the market strength. Our overall short book was profitable, driven by gains in several Wireless Telecommunications, Banking, and Healthcare stocks.

In terms of holdings, we continued to add to longs with favorable risk/reward profiles including American Tower (AMT), The Bank of New York Mellon (BK), Bank of America (BAC), California Pizza Kitchen (CPKI), State Street Corp. (STT) and EnSCO International (ESV). We exited our position in Genoptix (GXDX) after a sizable gain. On the short side, we added to Retail and Wireless Telecommunications shorts while closing out some Financials positions.

Performance	BPFIX	S&P 500
Quarter (%)	4.11	6.04
YTD (%)	9.58	26.46
1-Year Annualized (%)	9.58	26.46
3-Year Annualized (%)	-1.84	-5.63
5-Year Annualized (%)	4.45	0.42
Annualized Since Inception (%)	9.08	6.51
Portfolio Characteristics		
# of Long/Short Holdings	26/26	N/A
Avg. Gross Exposure Qtr [YTD] (%)	89.89 [65.99]	N/A
Avg. Net Exposure Qtr [YTD] (%)	25.37 [16.75]	N/A
Key Statistics*		
Annualized Alpha (%)	5.18	0.00
Annualized Std. Dev. (%)	8.04	15.01
Beta	0.29	1.00
Sharpe (0%)	0.84	0.34
Sortino (0%)	1.18	0.46
Correlation	0.54	1.00
Down Capture Ratio	15.62	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		
* As of fund inception (Oct. 1, 2002)		

The data quoted above represent past performance and do not indicate future returns. 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 2009. 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 2010 gets underway, we are taking a relatively balanced view of the economic and investing environment. On the positive side, it appears that inventories are being rebuilt, consumer spending is picking up, labor markets are weak but improving, interest rates remain low, corporate profits are rebounding, and government stimulus is still in place. Meanwhile, equity markets remain resilient as investors look to higher yielding risky assets.

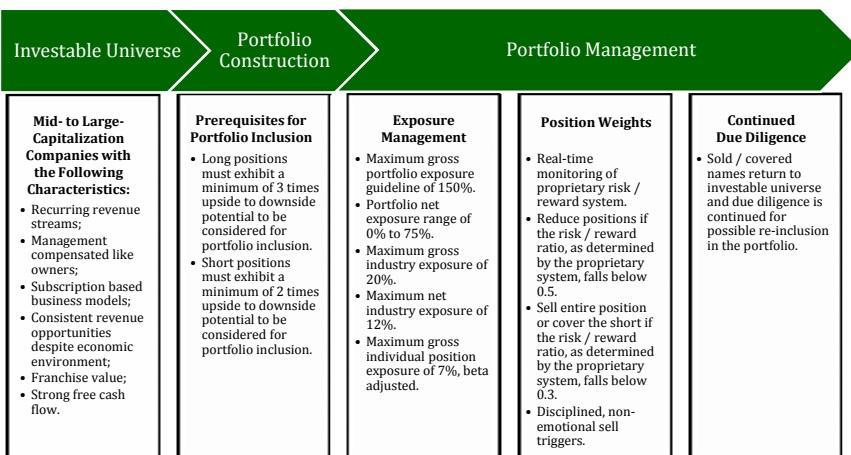
Nonetheless, there are a number of issues that still concern us on a medium to longer term basis. First, we believe the root causes of the financial crisis can be partly attributed to nearly three decades of declining interest rates which led to loosening lending standards, excessive liquidity, and speculative risk taking across various asset classes. We do not believe that years of excessive leverage and risk can be resolved in two to three quarters. The U.S. government has rushed to shoulder the burden by taking risk off of the balance sheets of banks, automakers, individuals, and corporations. The result is a ballooning federal deficit that will likely lead to higher taxes, higher interest rates, and potentially higher inflation. It is difficult to predict the precise moment at which these risk factors might be priced into markets so we need to remain disciplined in our investment decisions.

Secondly, as 2010 begins, it is clear that economic and earnings expectations have increased dramatically. Over the past several quarters we have seen corporate earnings exceed analyst estimates mainly on the back of aggressive cost cutting. An upside scenario assumes that corporate profit growth will be amplified by higher operating leverage when top line growth eventually returns. While we do not dispute this, we would point to the fact that the S&P 500 earnings are projected to grow more than 25% next year and although that type of growth has been seen following previous sharp contractions, it has usually been accompanied by higher than trend GDP growth. With current forecasts calling for sub 3% growth in 2010, we think there is a possibility that some earnings estimates may prove overly optimistic for the full year. Additionally, we cannot discount the possibility of market turbulence or economic deterioration as the government begins its delicate withdrawal of stimulative measures that are currently in place.

Finally, as we enter a new year, we have often found that it is prudent to expect the unexpected and there are many unforeseen events that are likely to play out over the next 12to18 months, both on the positive and negative side of the equation. As always, we continue to position ourselves in high quality and high conviction ideas in both our long and short portfolios with the goal of creating significant alpha and risk-adjusted returns.

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

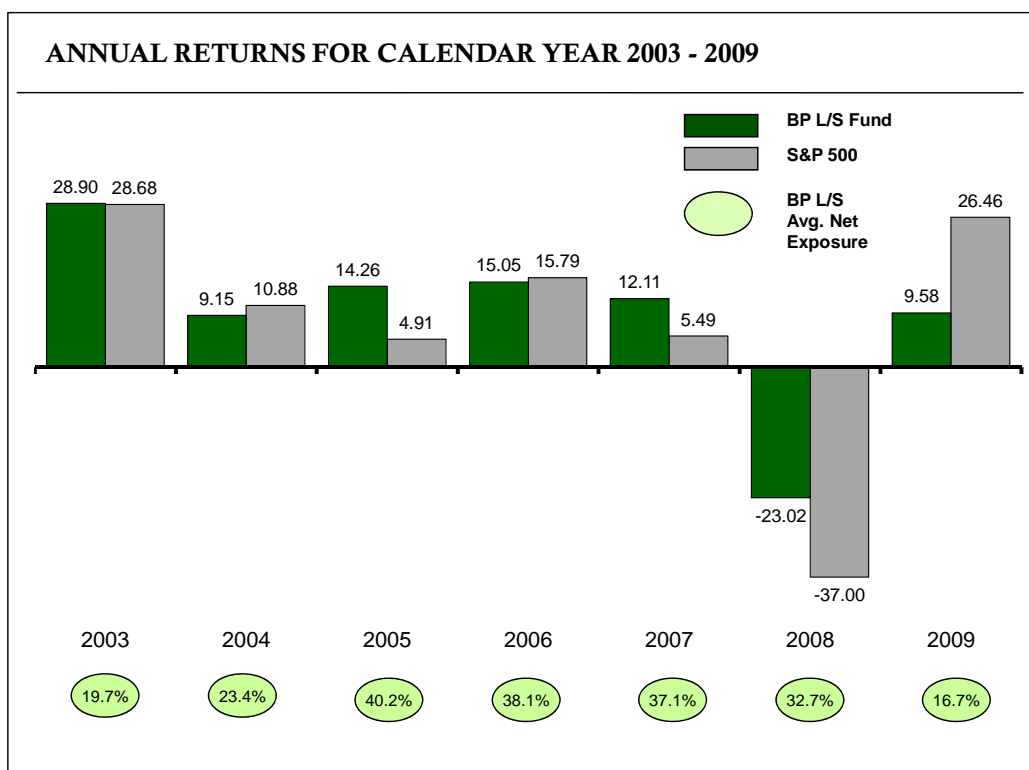
1. Hasbro (HAS)
2. DIRECTV (DTV)
3. Thermo Fisher Scientific (TMO)
4. American Tower Corp. (AMT)
5. Owens-Illinois (OI)

Top 5 Short Holdings

1. McDonalds Corporation (MCD)
2. Comerica (CMA)
3. Cerner Corporation (CERN)
4. AT&T (T)
5. PNC Financial Services (PNC)

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/SIPC.



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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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