# DEER PARK
## Total Return Credit Fund

Overview Presentation
Q2 2022

Princeton Fund Advisors, LLC

# Fund Risk Disclosures

This document is being provided for information purposes only and does not constitute an offer to sell any securities. An offer or solicitation may only be made through the prospectus for the Deer Park Total Return Credit Fund (the "Fund"). Before making an investment in the Fund, potential investors should carefully read the prospectus for the Fund, which contains additional information needed to evaluate the investment and provides important disclosures concerning risks, fees, and expenses. The information in this document is qualified in its entirety by the terms and conditions in the Fund's prospectus. Certain of the information in this document is confidential. This document may include estimates, projections and other "forward-looking" statements. Due to numerous factors, actual events may differ substantially from those presented.

The information contained herein is current as of its date. Therefore, this document may only be relied upon as of the date hereof, is subject to modification, change or supplement without prior notice to you (including without limitation any information pertaining to portfolio composition), and does not constitute investment advice or recommendations. Opinions and estimates offered herein constitute the Fund's judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Mutual funds involve risk including possible loss of principal. There is no guarantee the Fund will meet its objective.

ABS, RMBS, and CMBS are subject to credit risk because underlying loan borrowers may default. Additionally, these securities are subject to prepayment risk because the underlying loans held by the issuers may be paid off prior to maturity. The value of these securities may go down as a result of changes in prepayment rates on the underlying mortgages or loans. During periods of declining interest rates, prepayment rates usually increase and the Fund may have to reinvest prepayment proceeds at a lower interest rate. CMBS are less susceptible to this risk because underlying loans may have prepayment penalties or prepayment lock out periods. Convertible bonds are hybrid securities that have characteristics of both bonds and common stocks and are subject to debt security risks and conversion value-related equity risk. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. In addition, the credit quality of securities held by the Fund may be lowered if an issuer's financial condition changes. Futures, options and swaps involve risks possibly greater than the risks associated with investing directly in securities including leverage risk, tracking risk and counterparty default risk.

The value of the Fund's investments in fixed income securities will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities.

Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.

Lower-quality fixed income securities, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price.

Repayment of defaulted securities and obligations of distressed issuers (including insolvent issuers or issuers in payment or covenant default, in workout or restructuring or in bankruptcy or in solvency proceedings) is subject to significant uncertainties. Investments in defaulted securities and obligations of distressed issuers are considered speculative as are junk bonds in general.

# Fund Risk Disclosures

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The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than those of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments. Liquidity risk exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

The advisor's and sub-advisors' judgments about the attractiveness, value and potential appreciation of particular asset classes and securities in which the Fund invests (long or short) may prove to be incorrect and may not produce the desired results. Additionally, the advisor's judgments about the potential performance of the sub-advisors may also prove incorrect and may not produce the desired results. Overall equity and fixed income securities and derivatives market risks may affect the value of individual instruments in which the Fund invests. Factors such as domestic and foreign economic growth and market conditions, interest rate levels, and political events affect the securities and derivatives markets. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money. The Fund will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which the Fund purchases an offsetting position. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security or instrument. The Fund's losses are potentially unlimited in a short position transaction.

Smaller companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. Securities of smaller companies may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. Underlying Funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in an Underlying Fund and may be higher than other mutual funds that invest directly in stocks and bonds. Underlying Funds are subject to specific risks, depending on the nature of the Fund.

This document has been prepared by the Fund for information purposes only. The information in this publication has been obtained from sources believed to be reliable but the Fund does not represent or warrant that it is accurate or complete. The Fund does not accept any liability for loss arising from use of this document or its contents. Information, opinions, or commentary concerning the financial markets, economic conditions, or other topical subject matter have been prepared, written, or created prior to the creation of this document and may not reflect current, up-to-date, market or economic conditions. The Fund disclaims any responsibility to update such information, opinions, or commentary. To the extent views forecast market activity; they may be based on many factors in addition to those explicitly stated in this document. It is not possible to list all assumptions that may be relevant to understanding the forecast. Forecasts of experts inevitably differ. Views attributed to third parties are presented to demonstrate the existence of points of view, not as a basis for recommendations or as investment advice. The views presented in this document may not be relied upon as an indication of trading intent on behalf of the Fund.

***Investors should carefully consider the investment objectives, risks, charges and expenses of the Deer Park Total Return Credit Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (888) 868-9501. The prospectus should be read carefully before investing. The Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.***

Princeton Fund Advisors, LLC, Deer Park Road Management Company, LP and Northern Lights Distributors, LLC are not affiliated.

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.**



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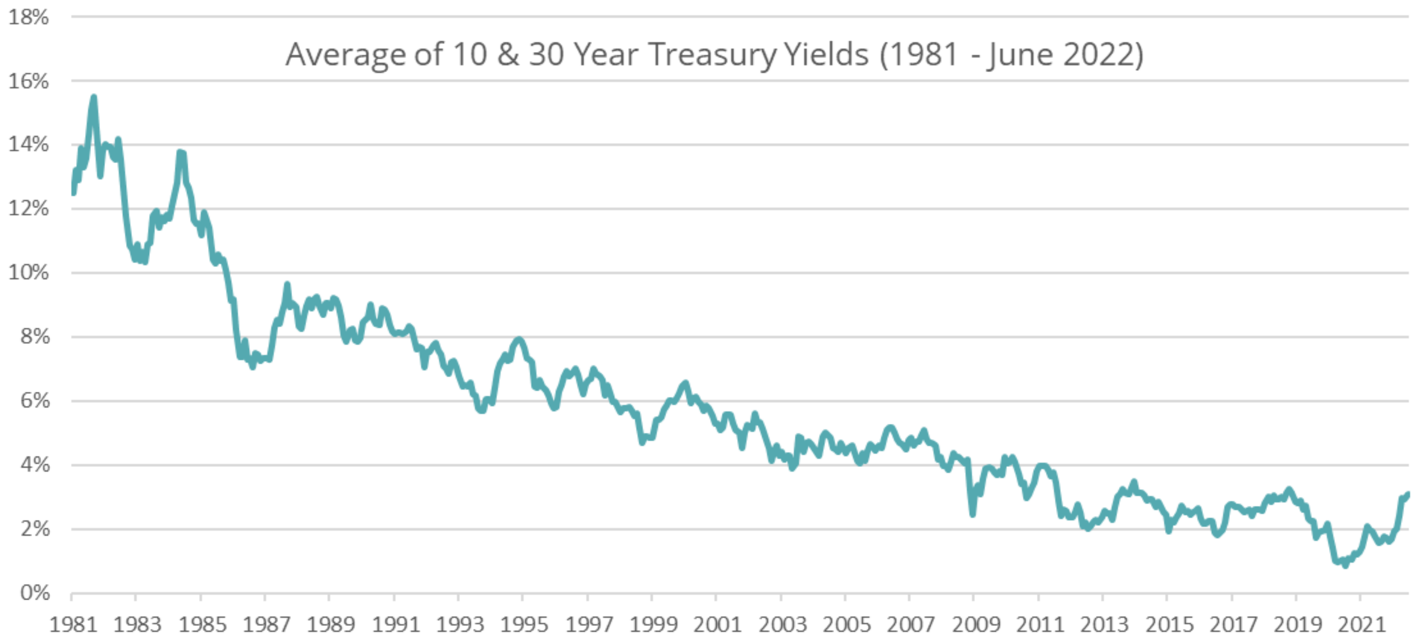
# Reasons for Using Alternative Fixed Income

Traditional fixed income has enjoyed an environment of falling interest rates over the past 30 years.




*Source: Bloomberg*

- Today, the combination of low yields and potentially rising interest rates has created a challenging fixed income environment.

- **The Deer Park Total Return Credit Fund (the "Fund") attempts to provide:**
  - **high cash flow and attractive total returns independent of interest rate direction**
  - **while having relatively low correlation to traditional fixed income and equity indices.**

*Past performance does not guarantee future results and there is no assurance that the Fund will achieve its investment objective.*

# The Deer Park Total Return Credit Fund

| | |
|---|---|
| **OBJECTIVE** | • Current income<br>• Long term capital appreciation |
| **INVESTMENT APPROACH** | • Focus on deeply discounted, high yielding mortgage backed ("MBS") and asset backed securities ("ABS") that are believed to be significantly undervalued<br>• The portfolio is expected to primarily consist of high cash flow bonds with relatively short durations |
| **ORGANIZATIONAL STRUCTURE** | • 1940 Act registered open-end mutual fund<br>• Tickers: DPFNX, DPFAX, DPFCX<br>• Daily liquidity<br>• Form 1099 tax reporting<br>• Low minimums |

*There is no guarantee that this investment will achieve its objectives, goals, generate positive returns, or avoid losses. Liquidity does not ensure profit or prevent losses.*



Princeton Fund Advisors, LLC

# Advisory Team

**Princeton Fund Advisors, LLC (Advisor)**

PFA together with its affiliates manages approximately $2.9 billion of assets (as of 6/30/2022) and is a Registered Investment Advisor with the SEC. The firm's Investment Committee Members contribute more than 60 years of alternative asset management experience to the portfolio management process.

PFA serves as the Advisor to the Fund and is responsible for the selection of Deer Park as the Fund's Sub-Advisor, the ongoing due diligence review of Deer Park and the ongoing monitoring of Deer Park's performance on behalf of the Fund. PFA is also responsible for the oversight of the Fund and assuring that investments are made according to the Fund's investment objective, policies and restrictions.

**Deer Park Road Management Company, LP (Sub-Advisor)**

Deer Park manages approximately $4.7 billion of assets for institutional and private clients worldwide (as of 6/30/2022). Deer Park was established in 2003 and is a Registered Investment Advisor ("RIA") with the SEC. Michael Craig-Scheckman, CEO and Portfolio Manager, has over 26 years of experience investing in distressed MBS/ABS. Previously, he was a portfolio manager at Millennium Partners in New York from 1993-2010. Scott Burg, CIO and Portfolio Manager, has over 18 years of experience in the MBS/ABS sector and has been with Deer Park since 2010.

# Experienced Investment Management

- Mr. Craig-Scheckman, the founder and lead portfolio manager at Deer Park, was a Senior Portfolio Manager for Millennium Partners headquartered in New York from 1993 - 2010.
  - Millennium Partners is one of the largest and most recognized hedge funds in the world.
- In 2008, Mr. Craig-Scheckman launched the STS Master Fund ("STS") which now has approximately $3.2 billion of assets under management.
- Deer Park has received numerous hedge fund awards from organizations such as Barron's and Bloomberg for its management of the STS Partners Fund.

# Potential Opportunity for MBS/ABS

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- Substantial size of the MBS/ABS markets creates pockets of inefficiencies, leading to underpriced and overlooked bonds

- While improving, default rates and loss severities post '07/'08 crash remain at historically high levels, presenting opportunity for improved RMBS collateral performance

- Due to complex security structures and market dynamics, fundamental differences of opinion of the value of a security results in on-going inefficiencies and opportunities

- High infrastructure costs and the difficulty in acquiring expertise creates barriers to entry and limited competition that enhances the opportunity set



Princeton Fund Advisors, LLC

# Investment Philosophy

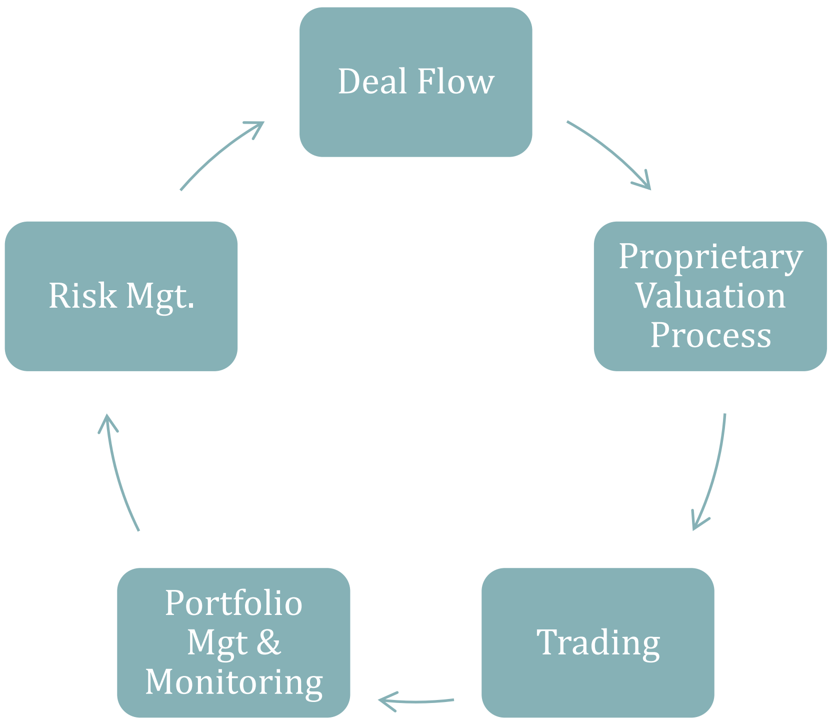
- **Deep Value**
  - Focus on deeply discounted high-yielding MBS/ABS that Deer Park considers to be undervalued and can source at attractive prices.
  - *Objective:* Limit downside risk.
- **High Cash Flow**
  - Focus on assembling and managing a portfolio of high cash flow bonds.
  - *Objective:* Provide liquidity and pricing stability throughout market cycles.
- **Short Duration**
  - Focus on managing a shorter-term portfolio seeking an effective duration of 2-6 years.
  - *Objective:* Reduce pricing volatility and interest rate risk.
- **Buy and Hold**
  - Focus on buying MBS/ABS that Deer Park is comfortable holding to term, but will trade out of a security if market conditions dictate.
  - *Objective:* Protects from having to liquidate a security in a market decline.
- **Interest Rates**
  - Typical portfolio construction minimizes the impact of changes in interest rates, however, the portfolio may be positioned to take advantage of rates moving either up or down.
  - *Objective:* Reduce pricing volatility and interest rate risk.

*There is no guarantee that this investment will achieve its objectives, goals, generate positive returns, or avoid losses.*

### Overview

Deer Park's investment process is the product of the combined 30+ years that Mr. Craig-Scheckman and Mr. Burg have spent focused on the undervalued MBS/ABS sector

The investment process consists of 5 primary elements:



# Investment Process – Deal Flow

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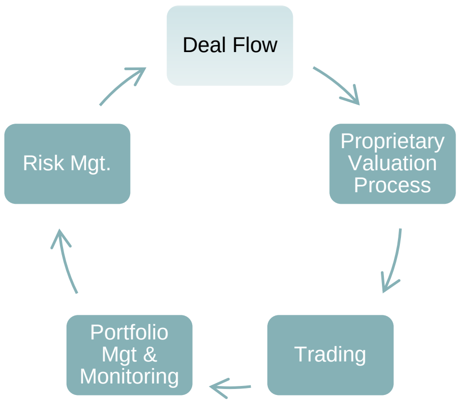


## Sourcing

- Utilize Deer Park's extensive dealer network that has been developed over almost two decades to source undervalued MBS/ABS.
- Deer Park often purchases bonds "without competition" due to long standing dealer relationships – a true competitive advantage in this market

## Process

- Deer Park typically has the opportunity to analyze and bid on 200 to 400+ MBS/ABS securities per day.
- After applying "filters" to determine which bonds meet their general criteria, Deer Park typically analyzes approximately 50 to 100 bonds per day.
- After a more in-depth analysis, bids may be made on 25 to 50 bonds per day.
- Typical success ratio: 1 bid accepted per every 25 bids made.



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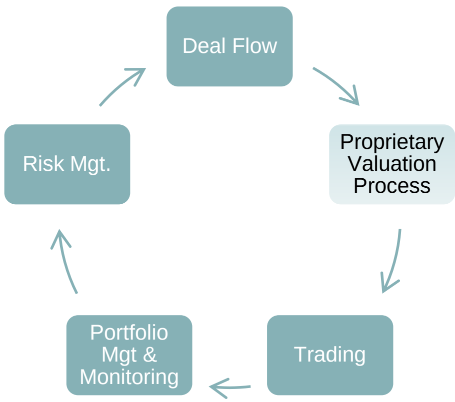
# Investment Process – Proprietary Valuation Process




*Underlying Deer Park's assumptions and scenarios is their macro outlook on: home prices, interest rates, government programs, economic activity, borrower behavior, etc.*

## Step 1: Multi-Scenario Analysis

- Potential investments are analyzed, modeled and stress-tested under at least a base case, stress case and optimistic case scenario to determine their potential cash flow and yield.

## Step 2: Cash Flow Matching

- Modeled projected cash flow and losses are compared with actual historical cash flows and losses to detect any potential weaknesses or errors in the industry standard Intex and Bloomberg models.

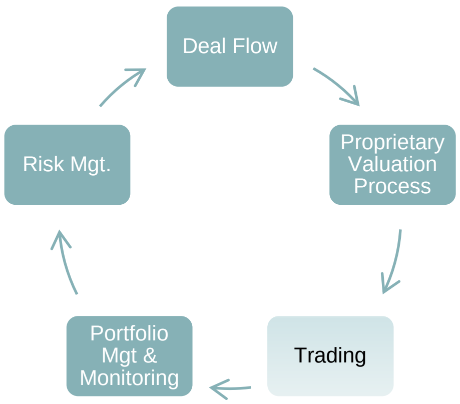
## Step 3: Value Determination

- Overall attractiveness of a security is guided by a risk/reward equation that places a premium on minimizing potential downside.
- A bid range is established for each potential investment based on Deer Park's cash flow adjusted multi-scenario analysis.

## Security Selection

- The proprietary valuation process narrows the universe of securities to a small subset that meets Deer Park's investment criteria.
- Typically looking for attractively priced bonds believed to have high cash flow, short duration, diversification across the MBS/ABS spectrum, high degree of optionality, i.e., the potential for additional upside gain, but minimal additional downside, seasoned (i.e., older) bonds with extensive payment histories.

# Investment Process – Trading




## Purchase

- The extensive experience of Deer Park's investment team, and proprietary valuation process, enables fast turnaround when bids are solicited by dealers.
  - Deer Park believes their process and methodology provide a competitive edge in the sourcing and trading of discounted fixed-income securities.
- Purchases and sales of all securities are executed at prices within pre-determined min/max price limits.

## Trading

- Most securities are purchased under the assumption that they will be held to term.
- Adjustments made opportunistically and based on market conditions.
- Securities may be sold to:
  - Take advantage of positive price movements
  - Protect against negative price movements
  - Rebalance the portfolio to achieve yield, cash flow and diversification targets

# Investment Process – Portfolio Management/Monitoring

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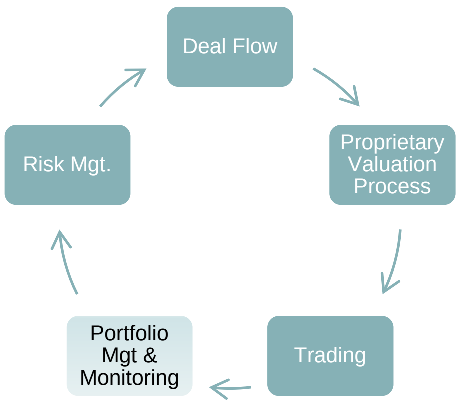


## Management & Monitoring Process

- Each bond in the portfolio is re-evaluated using Deer Park's valuation model on a monthly basis.
- Securities that have moved outside acceptable risk/reward parameters become candidates to be sold.
- Securities may also become sale candidates to re-balance the portfolio to achieve yield, cash flow and diversification targets.
- Interest rate sensitivity of the portfolio is monitored and modeled on a regular basis to determine the impact of rate changes across the yield curve:
  - Typical portfolio construction minimizes the impact of changes in interest rates, however, the portfolio may be positioned to take advantage of rates moving either up or down.
- Portfolio management targets:
  - High annual cash flow*
  - Primary: Deeply discounted residential MBS (60 – 100% of the portfolio*)
  - Secondary: Deeply discounted other ABS such as - manufactured housing, autos, franchise, airplane, commercial real estate, REITs and/or credit default swaps (0 – 40% of the portfolio*)
  - Diversified portfolio with holdings typically between 1.5 – 5% of portfolio

*The cash flow target is dependent on market conditions and may or may not be achieved, and is not guaranteed.



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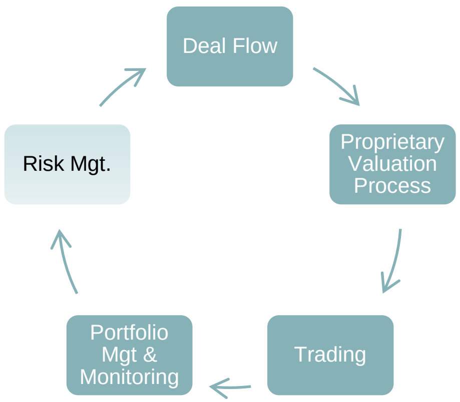


## Portfolio Risk Mitigation

- **Diversification within ABS market and security type.** Deer Park believes that trading a broad universe of ABS, as opposed to small sub-segment, reduces risk and increases returns over the long-term.
- **Focus on short-term securities.** Targeting a portfolio effective duration that is typically 2-6 years to manage pricing volatility and interest rate risk.
- **Focus on securities with high current cash-flow**. Targeting high portfolio cash flow provides liquidity throughout market cycles and attempts to reduce portfolio risk and volatility.
- **Focus on deeply discounted securities.** Deer Park's deep-discount philosophy dictates that only securities viewed as undervalued are bought. This approach attempts to reduce downside risk to the portfolio.
- **Hedging market risks through security selection.** The enormous size of the MBS/ABS market and the wide variety of securities available allows Deer Park to hedge various market risks through the security selection and overall security composition of the portfolio.
- **In-house credit risk modeling.** Deer Park utilizes a bottom up approach when valuing and analyzing each security.

# Fund Information

DEER PARK Total Return Credit Fund

| Share Class | Ticker | CUSIP | Investment Minimum[1] | AIP/AWP & Subsequent Minimum | Redemption Fee | Gross Expense Ratio | Net Expense Ratio | Class Structure | 12B-1 Fee | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| A Share | DPFAX | 66537X183 | $2,500 | $100 | None | 2.40% | 2.16% | 5.75% Load[2] | 0.25% | 10/16/2015 |
| I Share | DPFNX | 66537X167 | $100,000 | $100 | None | 2.15% | 1.91% | No Load | None | 10/16/2015 |
| C Share | DPFCX | 66537X175 | $2,500 | $100 | None | 3.15% | 2.91% | No Load | 1.00% | 4/6/2017 |

[1] The minimum may be waived at the discretion of the advisor.
[2] The load may be waived at the discretion of the advisor.

| Role | Organization |
|---|---|
| Advisor | Princeton Fund Advisors, LLC |
| Sub-Advisor | Deer Park Road Management Company LP |
| Independent Auditor | RSM US LLP |
| Outside Counsel | Thompson Hine LLP |
| Custodian | U.S. Bank |
| Distributor/Trust | Northern Lights Distributors, LLC |

Princeton Fund Advisors, LLC and Deer Park Road Management, LP have contractually agreed to waive management fees and/or to make payments to limit Fund expenses, until at least January 31, 2023 so that the total annual operating expenses of the Fund do not exceed 2.16%, 2.91%, and 1.91% of average daily net assets attributable to Class A, C, and I shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years on a rolling three-year basis if such recoupment can be achieved within the foregoing expense limits. This agreement may be terminated only by the Fund's Board of Trustees, on 60 days written notice to Princeton Fund Advisors, LLC and to Deer Park Road Management, LP.



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# Glossary

**Asset-Backed Securities ("ABS"):** A type of security whose cash flows come from debt that is backed by an asset or assets such as equipment or property.

**Leverage:** The use of various financial instruments or borrowed capital to attempt to increase the potential return of an investment. Leverage can have the opposite effect of increasing the magnitude of a loss if an investment loses value.

**Liquid Alternative:** This refers to mutual funds that may be bought or sold on any day that the New York Stock Exchange is open and that provides access to alternative investment managers who can go long or short in various markets.

**Long:** A long position in a security, such as a stock or a bond, or equivalently to be long in a security, means the holder of the position owns the security and will profit if the price of the security goes up, and lose value if the price of the security goes down.

**Mortgage-Backed Securities ("MBS"):** A type of security whose cash flows come from debt such as mortgages, home equity loans and subprime mortgages. MBS can focus on residential or commercial debt.

**Open-Ended Investment Company:** Refers to a mutual fund that constantly issues new shares to the public and stands ready to redeem them anytime during regular business hours. The investors who redeem their shares always receive the shares' NAV minus any applicable fees.

**Residential Mortgage-Backed Securities ("RMBS"):** A type of security whose cash flows come from residential debt such as mortgages, home equity loans and subprime mortgages. RMBS focus on residential instead of commercial debt.

**1940 Act Fund:** Refers to a fund company registered under the Investment Company Act of 1940 as an "open-ended" investment company that issues redeemable securities.

# Contact Information

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