LELANDFUNDS®

QUARTERLY TOP HOLDINGS UPDATE

LELAND REAL ASSET OPPORTUNITIES FUND — 4Q2018

YEAR IN REVIEW

2018 was a roller-coaster year for real-asset equities, with the I-shares version of the Leland Real Asset Opportunities Fund returning -17.56% for the year while the benchmark S&P 500 Total Return Index ("S&P 500") returned -4.38% during the same period. In this commentary, we aim to recap how the Fund fared, as well as summarize our assessment of the outlook for the coming year.

We appreciate your patience in staying on board with the Fund and hope this commentary is useful in assessing where the portfolio currently sits, as well as the reasons for our optimism going forward.

2018 PERFORMANCE

Worries about interest rates, Chinese demand, and US-China trade relations all contributed to a sharp buffeting of the sectors in which the Fund invests. Despite the defensive nature of many of these businesses, the volatility in the broader equity markets was actually amplified in all of the major real asset sectors.

After a short-lived rally in January of 2018, broader equity markets experienced a moderate sell-off, putting the S&P 500 into correction territory by early February - a rare event during the 9-year equity bull market to that point. Sentiment stabilized in the second and third quarters, with the S&P 500 recovering to a gain of 10.56% for the year as of September 30, 2018. Equity markets then experienced a sharp drop in the fourth quarter of 2018 to finish the year down -4.38% as measured by the S&P 500.

Real asset-based companies bore the brunt of both the Q1 and Q4 selloffs, as the now tiring worries about interest rate increases as well as newly emerging data on slowing Chinese demand served to exacerbate the already depressed investment sentiment, with risk premiums spiking to levels not seen since the early 2016 collapse in real asset equities.

Driven by a sharp drop in crude prices, the S&P Oil and Gas Exploration and Production Index fell -28.02% for the year, representing a fall of -38.50% from the end of the third quarter. The S&P MLP Index fell -18.19% in 2018, while the MSCI US REIT Index fell -8.64%, and the Dow Jones US Basic Materials Index fell -16.17%.

The Fund's cash position at year-end was approximately 22%, slightly higher than the Fund's long-run average of 15%.

Current Portfolio

As of 12/31/2018

Portfolio Allocation	
REITs	59%
Energy Infrastructure	12%
Energy Producers	0%
Basic Materials	7%
Cash	22%

Sub-Industry Allocation	
Mortgage REITs	22%
Diversified REITs	9%
Healthcare REITs	5%
Industrial REITs	0%
Hotel REITs	4%
NNN REITs	0%
Retail REITs	14%
Office REITs	5%
Basic Materials	7%
Energy Infrastructure Shipping	9%
Energy Infrastructure Pipelines	3%
Cash	22%

Portfolio Information	
Equity Positions	16
Options Positions	0
Dividend Yield - 30 day SEC* (subsidized)	4.25%
Dividend Yield - 30 day SEC* (unsubsidized)	3.59%

LELAND REAL ASSET OPPORTUNITIES FUND PERFORMANCE

As of 12/31/2018

	Q4	YTD	1-YR	3-YR	5-YR	Since Inception (9/30/2013)
GHTAX	-16.13%	-17.78%	-17.78%	1.94%	-3.19%	-3.67%
GHTAX w/load	-20.95%	-22.51%	-22.51%	-0.05%	-4.33%	-4.75%
GHTCX	-16.33%	-18.45%	-18.45%	1.16%	-3.93%	-4.40%
GHTIX	-16.15%	-17.56%	-17.56%	2.20%	-2.94%	-3.43%

GHTAX, GHTCX and GHTIX inception is September 30, 2013. The maximum sales charge (load) for GHTAX is 5.75%. The performance data quoted here represents past performance. For more current performance information to the most recent monthend, please call toll-free 855-535-2631 or visit our website, www.lelandfunds.com. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Without waivers, the Class A, C, and I share total annual operating expenses would be 1.99%, 2.74%, and 1.74%. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses until at least January 31, 2020, to ensure that net annual, operating expenses of the Class A, C and I Shares will not exceed 1.86%, 2.61%, and 1.61%, respectively, subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses.

LELAND REAL ASSET OPPORTUNITIES FUND — TOP HOLDINGS

Ticker	Name	Industry	%
NRZ	New Residential Investment Corp.	REITs	8.83%
New Residential Investment Corp is a public real estate investment trust focused on investing in the residential housing sector. The Company makes investments in residential mortgage related assets, such as excess mortgage servicing rights and residential mortgage backed securities.			
STWD	Starwood Property	REITs	7.23%
Starwood Property Trust, Inc. is a real estate investment company. The Company originates and invests in commercial mortgage loans and other commercial real estate debt investments, commercial mortgage-backed securities, and other commercial real estate-related debt investments. Starwood may also invest in residential mortgage loans and residential mortgage-backed securities.			
IYM	iShares U.S. Basic Materials ETF	Basic Materials	7.15%
iShares U.S. Basic Materials ETF is an exchange-traded fund incorporated in the USA. The Fund seeks investment results that correspond to the performance of the Dow Jones U.S. Basic Materials Sector Index. The Fund will concentrate its investments in this sector to approximately the same extent the Index is concentrated.			
GPMT	Granite Point Mortgage Trust Inc.	REITs	5.60%
Granite Point Mortgage Trust Inc. provides real estate investment services. The Company originates, manages, and invests in senior floating-rate commercial mortgage loans and debt-like commercial real estate investments. Granite Point Mortgage Trust serves customers in the United States.			
SNR	New Senior Investment Group Inc.	REITs	5.27%
New Senior Investment Group Inc. is a real estate investment trust. The Company's portfolio consists of senior housing properties in the United States. New Senior Investment's properties includes managed and triple net lease properties, which are comprised of independent living and health care services.			

**Holdings data is provided "as of" the date indicated and may not represent current or future holdings. Holdings are subject to change without notice. Holdings are provided for informational purposes only and should not be considered a recommendation to buy or sell the securities listed. Top 5 holdings exclude cash and/or money market instruments.*

LELAND REAL ASSET OPPORTUNITIES FUND — TOP HOLDINGS (CONTINUED)

Security	Name	Added or Removed
CNQ	Canadian Natural Resources Ltd	Added
GPMT	Granite Point Mortgage Trust Inc.	Added
AMZA	InfraCap MLP ETF	Removed
BPY	Berry Petroleum	Removed
CLNY	Colony Capital, Inc	Removed
DHT	DHT Holdings, Inc	Removed
OHI	Omega Healthcare Investors, Inc	Removed
SRC	Spirit Realty Capital, Inc	Removed

2019 OUTLOOK

Real assets, despite the less volatile and defensive nature of their underlying cash flows, suffered a greater decline in prices relative to growth-oriented sectors (such as technology) which were trading at decade-high valuations prior to the market sell-off. While this resulted in the fund mirroring (and in some cases, amplifying) the broader market's declines, we believe it represents an opportunity going forward.

More specifically, due to the Fund's reliance on the mean-reverting nature of the sentiment surrounding the tangible-asset equities in which it invests, declines such as the one experienced in Q4 can potentially set the stage for stronger-than-average returns going forward.

REITs: We believe REITs were a relative outperformer during Q4 and 2018 as a whole, despite finishing down -8.64% for the year as measured by the MSCI US REIT Index. We believe this sector continues to have the potential to outperform, particularly as the Fund's pre-Q4 thesis had already incorporated an assumption of the Federal Reserve's continued interest rate increases. That is, the Fund's bullish views had already incorporated the 10-year Treasury yield reaching 4.0%. With current expectations for interest rate increases now more subdued (while the fundamental drivers of steady net-operating-income growth for commercial real estate remain intact), we believe the mid-term (one-year plus) outlook has potentially improved for the Fund's REIT portfolio.

Energy Producers: For the first time since 2015, the Fund has meaningful exposure to energy producers. Unlike the REIT, MLP, and energy shipping sectors, the Fund only takes positions in the energy producer and basic materials spaces if a deep value situation arises. That is, the Fund does not take positions where the upside depends on its ability to predict the direction and/or magnitude of short term commodity price changes (which we feel is not something that can be done consistently over long periods). Rather, the Fund's positions are a result of our belief that even in a reasonable worst-case scenario, the deep discounts to NAV (which we believe are currently at levels that imply a threat of bankruptcy for the Fund's portfolio names) represent possible excessive risk premiums rather than a true threat to the viability of these names as ongoing concerns.

Energy Infrastructure/Transport: The Fund continues to see compelling opportunities in the energy infrastructure space. Similar to the deep undervaluation in the REIT sector the Fund identified starting in mid-2015, we believe this sub-sector is experiencing extreme negative sentiment. We feel these depressed prices are unjustified given

2019 OUTLOOK (CONTINUED)

the Fund's portfolio companies' strong balance sheets, cash flow downside risk management from multi-year contracts, and relative youth of their fleets. Due to the conservative dividend cuts enacted by management teams and solid fleet metrics, we believe these companies' financial strength would hold, even if transportation rates were to fall below multi-year lows for extended amounts of time. To the upside, once dividend rates are restored to much higher (but still well-covered) levels, we believe the market will begin to reprice these securities to a level more in line with their underlying asset values, generating potentially high capital gains. Meanwhile, their current dividend yields are exceptionally well-covered, and the Fund continues to collect dividends while waiting for this potential mean reversion.

In summary, market movements during 2018 have caused the Fund to:

- Rebalance its REIT portfolio between individual outperformers (decrease) and laggards (increase).
- Concentrate its energy shipping exposure to a few names with the possible highest potential.
- Increase its exposure to energy producers.

FUND SUMMARY

Finally, we would like to remind supporters of the Fund of several key characteristics of the portfolio as well as the strategy itself:

The Fund's rotation into beaten-down sub-sectors is a part of the process the strategy takes to generate the capital gains portion of its returns. That is, the Fund seeks to take exposure to solid companies which we believe are relatively out of favor, adding to its positions if they fall further out of favor without a corresponding deterioration in cash flow expectations.

This process can be disconcerting, as the Fund will often rotate into a sub-sector that continues to draw down while the general market may be rising. This has happened often during this 2009-2019 bull market run for growth equities, and understandably can make it difficult to stick with the Fund during these times of weak performance.

However, we believe there are several reasons that allow the Fund to be patient as it waits for the sentiment reversion the strategy is based on:

1. We believe the dividends being paid are well covered and, in many cases, coverage ratios are increasing.
2. Even with moderately higher rates, we believe there is a high probability that per-share cash flows will continue to increase (3% to 8%+ depending on the specific company), representing a potentially diversified source of inflation-protected income.
3. The Fund's investable universe from which our portfolio is constructed is pre-filtered to include what we believe are only conservatively managed companies with a high level of tangible and marketable assets relative to enterprise value. (For example, as part of our screening mechanism, we attempt to make sure that these increases in cash flow are NOT being driven by increased leverage levels.)
4. On a Net-Asset-Value ("NAV") basis, many of the Fund's portfolio names are trading at discounts not seen for several years, particularly within the energy and energy shipping sub-sectors. The Fund is automatically increasing exposure to these companies.

CONCLUSION

In short, while we cannot be certain of the timing of the reversion that we believe will enable the realization of the intrinsic value in the Fund, we do believe that the companies we are holding are fundamentally sound. Even if the mean-reversion we expect takes longer to materialize, the Fund is invested in what we believe are solid companies trading near the upper end of their historical risk premium bands (implying potentially unjustified discount pricing) and which are paying well-covered dividend streams while the Fund waits.

Thus, the Fund continues to remain invested in names trading at what we believe are deep discounts to net-asset-value levels and continues to look for opportunities to outright increase its exposure (or in the case where it is fully invested, rebalance as names move relative to each other). Rather than reducing exposure in response to downward momentum, we believe this approach will eventually be rewarded, with even a modest change in sentiment having the potential to drive potentially very attractive forward returns in 2019.

FUND RISK DISCLOSURES

Investors should carefully consider the investment objectives, risks, charges and expenses of the Leland Real Asset Opportunities Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.lelandfunds.com or by calling 855-LE-LAND1. The prospectus should be read carefully before investing. The Leland Real Asset Opportunities Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Leland Funds is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risks including the possible loss of principal. There are numerous risks associated with options transactions. Decisions as to whether, when and how to write and purchase options under the Fund's options strategy involves the exercise of skill and judgment which could be unsuccessful. Options are subject to sudden price movements and are highly leveraged, in that payment of a relatively small purchase price, called a premium, gives the buyer the right to acquire an underlying security that has a face value substantially greater than the premium paid. The buyer of an option risks losing the entire purchase price of the option. The writer, or seller, of an option risks losing the difference between the purchase price received for the option and the price of the security underlying the option that the writer must purchase or deliver upon exercise of the option. There is no limit on the potential loss. The Fund may invest in derivatives and losses could result from the Fund's investment in swaps, options, and futures. Derivative instruments may be illiquid, difficult to value and leveraged so that small changes may produce disproportionate losses. ETFs and ETNs are subject to issuer, fixed income and risks specific to the fund.

The Fund may invest in fixed income securities, including US Government securities which are subject to changing financial and interest rate conditions. Issuers may not make principal payments resulting in losses to the Fund. Market conditions could cause these securities to fall in tandem, creating correlation risk. The Fund may invest directly or through ETFs in companies of any size capitalization, which may present more abrupt or erratic market movements than larger companies. As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. The Fund may invest in the basic material, energy and infrastructure industry, which could underperform the market due to adverse market conditions, legislative and regulatory changes, supply and demand and operational risks and other risks associated with a concentrated investment focus. The Fund may invest in MLPs directly or through ETFs or ETNs and include risks relating to energy prices, the market for energy commodities, and unique tax consequences. ADRs are subject to many of the same risks as a direct investment in foreign companies including international trade, currency, political, regulatory and diplomatic risks. The value of the Fund's investments in REITs is subject to real estate values, available capital or financing opportunities and increases in property taxes and operating costs.

**The SEC Yield represents annualized net investment income (dividends and interest, after the deduction of the fund's expenses) earned by the fund over a 30-day period, expressed as a percentage of the fund's assets. It is calculated based on the standardized formula set forth by the SEC. Net investment income is based on the projected dividend yield of the fund's holdings. The SEC Yield should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate.*

*The **S&P 500 Total Return Index** is the total return version of the S&P 500 Index which includes the effects of reinvested dividends. The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value representing all major industries.*
*The **S&P MLP Index** provides investors with exposure to the leading partnerships that trade on the NYSE and NASDAQ and includes both Master Limited Partnerships (MLPs) and publicly traded LLC's, which have similar legal structure to MLPs and share the same tax benefits.*
*The **MSCI US REIT Index** is a free float market capitalization weighted index that is comprised of Equity REITs securities that belong to the MSCI US Investable Market 2500 Index.*
*The **Dow Jones US Basic Materials Total Return Index** represents the Basic Materials Industry as defined by the Dow Jones proprietary classification system. The index is one of ten indices that together make up the Dow Jones U.S. Index, which represents approximately 95% of U.S. market capitalization.*
*The **S&P Oil & Gas Exploration & Production Index** represents the oil and gas exploration and production sub-industry portion of the S&P Total Markets Index.*

Investments cannot be made in an index. The data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features.

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