



QUARTERLY REVIEW & COMMENTARY



Prepared by

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CHIEF INVESTMENT OFFICER

Economic Summary

Despite numerous challenges and with many predicting the onset of a recession, the US economy continued to march higher in 2019, extending its record-breaking expansion streak. To the existing concerns (China trade tensions, Brexit, and domestic political division, etc.) were added impeachment and Hong Kong unrest. However, the markets looked past these worries as the likely outcome in each case appeared to be "less worse" than had been feared in most cases.

While the final numbers are not yet in, expectations are that in 2019 the U.S. economy (Gross Domestic Product) grew 2.3%. Nothing to write home about, but not the recessionary outcome that so many had feared. International economies also largely avoided falling into the recessionary rut as well. Domestic inflation (Consumer Price Index) likely rose 2.1% while unemployment remained at multi-decade lows of 3.5%. With concerns for the potential global economic slowing effects of the trade war, Federal Reserve cut its overnight rate once again in the fourth quarter to 1.75%. In the end, all of this contributed to a very favorable "Goldilocks" economy with consumer

confidence continuing to grow. This, in turn, contributed to a dramatic rally in stock markets globally, especially in the United States, surprising many in its strength.

Looking forward, in 2020 many of the prior concerns will remain. Taking a place alongside these worries will be the recent escalation of US-Iran tensions as well as the culmination of the quadrennial U.S. election cycle in November. Thus far, the economy and the markets have proven an uncanny ability to climb the proverbial "wall of worry". So, while investors are wise to proceed cautiously, succumbing to fear may result in significant lost market opportunities.



Erik H. Davidson, DBA, CFA
Chief Economic Advisor

The Stock Market

After a "sideways moving" 3rd quarter in most of the equity markets – the bull ran again in the 4th quarter to end 2019 with some of the strongest returns since 2013. The S&P 500 was up in the 4th quarter 9.07% finishing the year up 31.49%. The mid cap and small cap markets also returned to an upward trend in Q4 with the S&P 400 index up 7.06% and the S&P 600 index jumping 8.21%. It would be prudent to curb your enthusiasm for returns to see those levels in 2020. These stellar returns are likely to be followed by a "reversion to the mean" by the US Equity markets. If we have equity returns this year in the 5-7% range, we should consider that a Win. With that in mind, don't be surprised if the International Developed markets and the Emerging Markets return to prominence vs the US markets. We believe a diversified Asset Allocation is still your best strategy with appropriate Global exposure in the coming year and the new decade.

ETF REVIEW | Inspire Global Hope ETF [NYSE: BLES]

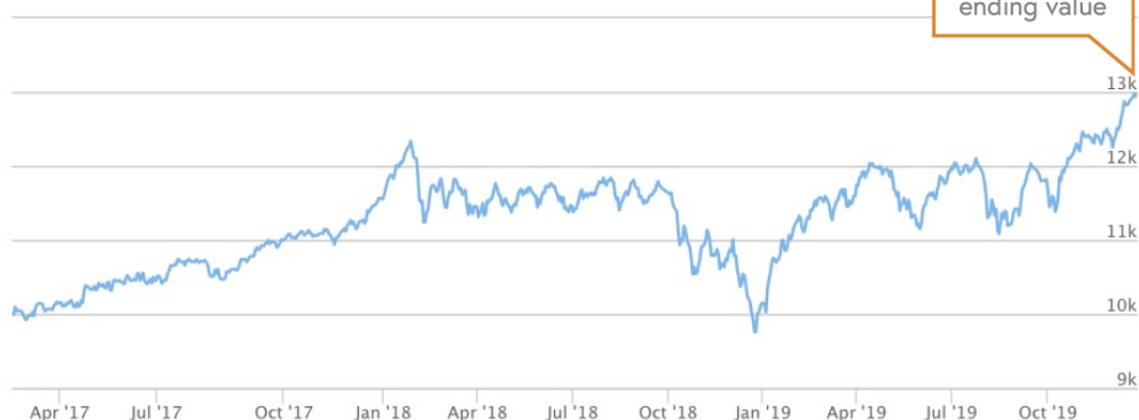
After a quiet and uneventful 3rd quarter the equity markets returned with upward momentum in the 4th quarter. The international developed and emerging markets outpaced the US markets for the first time since 2017. The Inspire Global Hope ETF (NYSE: BLES) was up 9.83% for the 4th

quarter compared to the S&P Global 1200 TR Index that was up 8.9%.

(Source: Ultimus Fund Solutions)

Inspire Global Hope ETF [NYSE: BLES]

GROWTH OF \$10,000 USD SINCE INCEPTION



Fund Name	3M	6M	YTD Return	1Y	2Y	Since Inception 2/28/2017
Inspire Global Hope ETF - NAV	9.83%	8.81%	27.90%	27.90%	5.98%	9.61%
Inspire Global Hope ETF - Market Price	9.98%	9.03%	28.35%	28.35%	5.76%	9.63%
Inspire Global Hope Large Cap Equal Weight Index	9.50%	8.60%	28.28%	28.28%	6.82%	10.41%
S&P Global 1200 Index - TR	8.90%	9.69%	28.23%	28.23%	8.51%	12.04%

Performance data as of 12/31/2019. You cannot invest directly in an index. The S&P Global 1200 Index is a free-float weighted stock market index of global equities from Standard & Poor's. The index covers 31 countries and approximately 70 percent of global stock market capitalization. Inspire Global Hope Large Cap Equal Weight Index tracks the stock performance of 400 of the most inspiring large cap companies from around the globe. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.inspireETF.com. Total annual operating expenses are 0.62%. Net expense ratio for the fund is 0.61%. The Fund's adviser has contractually agreed to reduce fees and/or absorb expenses until at least March 31, 2020.

ETF REVIEW | Inspire Small/Mid Cap Impact ETF [NYSE: ISMD]

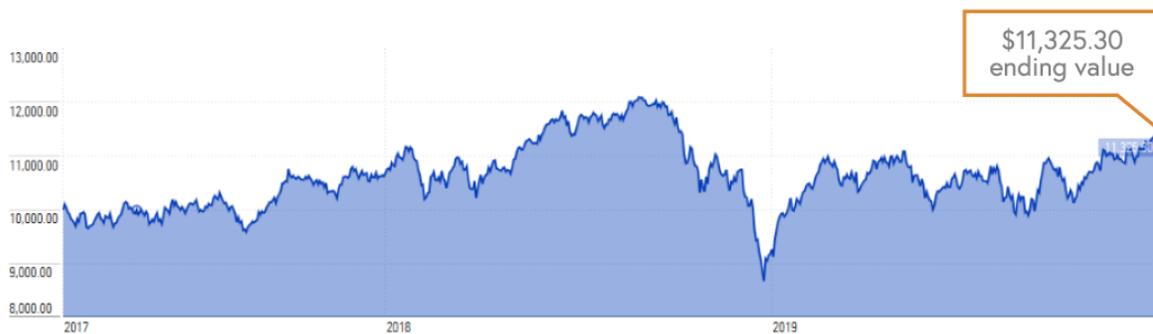
The "Santa Claus Rally" got started early for the small cap and mid cap markets in October and continued all the way to Christmas giving investors good 4th quarter returns in their stockings. The Inspire Small/Mid Cap Impact ETF (NYSE: ISMD) was up in the 4th quarter with a

return of 7.6% compared to the S&P 600 index which returned 8.21% during the 4th quarter.

(source: Ultimus Fund Solutions)

Inspire Small/Mid Cap Impact ETF [NYSE: ISMD]

GROWTH OF \$10,000 USD SINCE INCEPTION



Fund Name	3M	6M	YTD Return	1Y	2Y	Since Inception 2/28/2017
Inspire Small/Mid Cap Impact ETF - NAV	7.60%	6.63%	24.43%	24.43%	5.71%	6.66%
Inspire Small/Mid Cap Impact ETF - Market Price	7.72%	6.59%	24.79%	24.79%	5.74%	6.69%
Inspire Small/Mid Cap Impact Equal Weight Index	8.40%	7.71%	25.09%	25.09%	6.16%	7.35%
S&P 600 Index - TR	8.21%	8.00%	22.78%	22.78%	6.00%	7.81%

Performance data as of 12/31/2019. You cannot invest directly in an index. The S&P SmallCap 600 Index measure the small-cap segment of the U.S. equity market. The Inspire Small/Mid Cap Impact Equal Weight Index tracks the stock performance of 500 of the most inspiring small and mid cap companies in the U.S. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.inspireETF.com. Total annual operating expenses are 0.72%. Net expense ratio for the fund is 0.61%. The Fund's adviser has contractually agreed to reduce fees and/or absorb expenses until at least March 31, 2020.

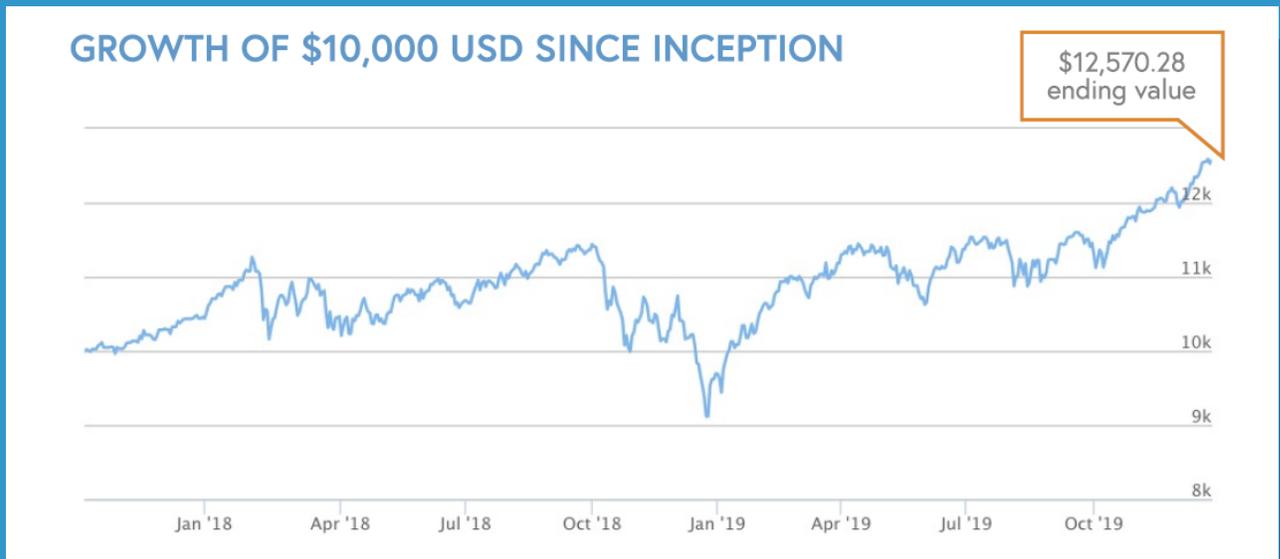
ETF REVIEW | Inspire 100 ETF [NYSE: BIBL]

2019 got off to a fast start for the US Large Cap market and finished the year in similar fashion. The Inspire 100 ETF (NYSE: BIBL) was up 9.72% in the 4th Quarter outperforming the S&P 500 TR Index at 9.07%. The 2019 returns came in at 31.49% for the S&P 500 TR Index compared to

29.70% for BIBL. It is highly unlikely we will see returns as strong this year, but we should still see positive returns for 2020.

(Source: Ultimus Fund Solutions)

Inspire 100 ETF [NYSE: BIBL]



Fund Name	3M	6M	YTD Return	1Y	2Y	Since Inception 10/31/2017
Inspire 100 ETF - NAV	9.72%	10.56%	29.70%	29.70%	9.64%	11.12%
Inspire 100 ETF - Market Price	9.71%	10.54%	29.23%	29.23%	9.73%	11.17%
Inspire 100 Index	9.77%	10.90%	30.86%	30.86%	10.48%	11.89%
S&P 500 Index - TR	9.07%	10.92%	31.49%	31.49%	12.13%	13.31%

Performance data as of 12/31/2019. You cannot invest directly in an index. The S&P 500 is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. The Inspire 100 Index is a rules based, passive index which tracks the stock performance of the one-hundred highest Inspire Impact Scoring companies in the United States with market capitalizations above \$20B. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.inspireETF.com. Total annual operating expenses are 0.84%. Net expense ratio for the fund is 0.35%. The Fund's adviser has contractually agreed to reduce fees and/or absorb expenses until at least March 31, 2020.

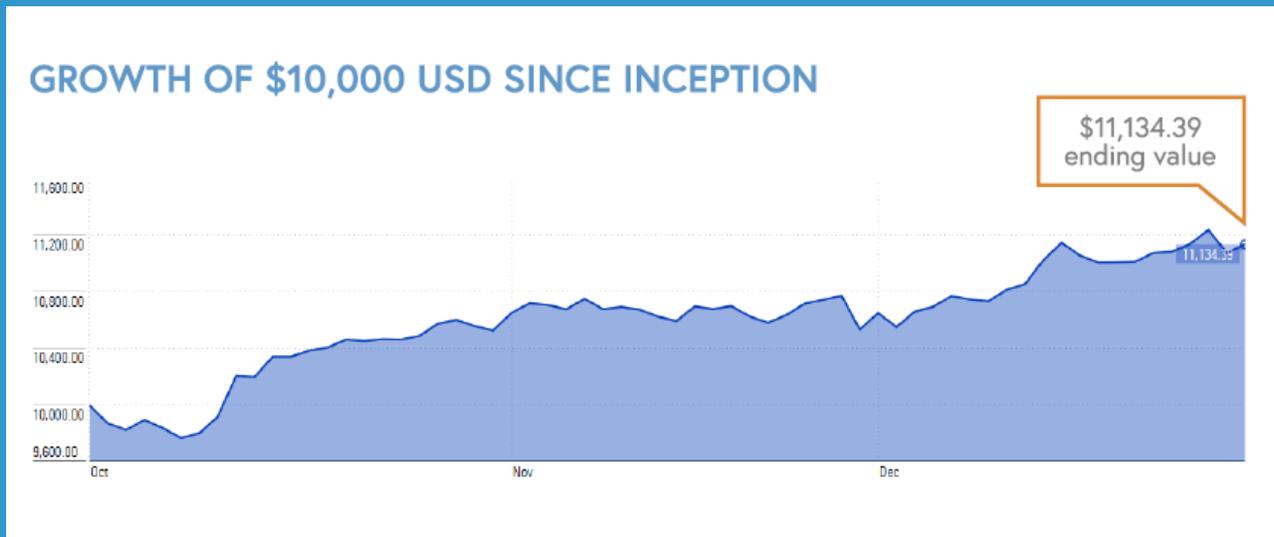
ETF REVIEW | Inspire International ESG ETF [NYSE: WWJD]

Inspire launched our 5th ETF (The Inspire International ESG ETF) at the start of the 4th Quarter and it tracks the Inspire Global Hope Ex-US Index. For the 4th Quarter the Inspire International ESG ETF performed well as International and Emerging Markets started to outperform the US markets for the first time in a couple of years.

The S&P International 700 TR Index which was up 8.67% compared to WWJD which had a 4th quarter return of 10.76%.

(Source: Ultimus Fund Solutions)

Inspire International ESG ETF [NYSE: WWJD]



Fund Name	3M	YTD Return	Since Inception 9/30/2019
Inspire International ESG ETF - NAV	10.76%	10.76%	10.76%
Inspire International ESG ETF - Market Price	11.40%	11.40%	11.40%
Inspire Global Hope Ex-US Index	16.34%	16.34%	16.34%
S&P International 700 - TR	8.67%	8.67%	8.67%

Performance data as of 12/31/2019. You cannot invest directly in an index. The S&P International 700 measures the non-U.S. component of the global equity market through an index that is designed to be highly liquid and efficient to replicate. The Inspire Global Hope Ex-US Index intends to track the price movements of a portfolio of 200 of the most inspiring, biblically aligned large cap companies outside of the United States. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.inspireETF.com. Total annual operating expenses are 0.80%.

The Bond Market

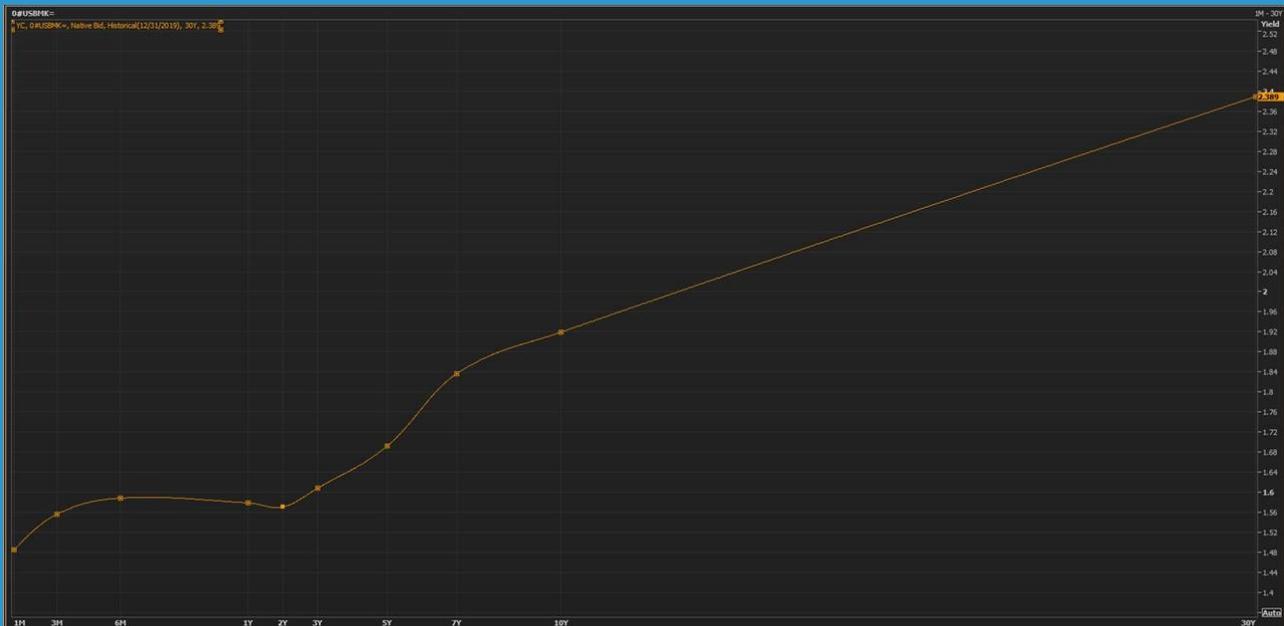
After the most recent rate cut by the Federal Reserve in the 4th Quarter the yield curve has finally transitioned to a more normal slope pattern with the short end falling below the intermediate rates for the first time all year.

As of the end of 2019 The 1 Yr US Treasury yield fell during the 4th quarter to 1.582% from 1.941% vs the 10 yr US Treasury which went up in the 4th quarter from 1.673% to 1.91% The 2 year U.S. Treasury yield fell from 1.622% to 1.561%, the 3 year Treasury went up from 1.565% to 1.592%, the 5 year yield also increased from 1.551% to 1.683%, the 7 year Treasury yield went up from 1.621% to 1.823%, and the 30 year Treasury increased from 2.12% to 2.377%. The "valley"

between the 1yr and the 10yr treasuries, with the exception of the 2 yr yield, has virtually disappeared. The 1 month yield fell from 1.947% to 1.478%. The Fed Funds rate cuts now appear to have come to a "pause". The Federal Reserve has not telegraphed which direction the next rate move would be, but that they will continue to monitor the economic data. Unless something unforeseen happens, we believe it is highly unlikely the Federal Reserve will need to make any rate adjustments in 2020, either up or down.

(source: Refinitive)

US Treasury Yield Curve



ETF REVIEW | Inspire Corporate Bond Impact ETF [NYSE: IBD]

The Inspire Corporate Bond ETF performed well as interest rates normalized across the yield curve during the 4th quarter. IBD was up 0.87% in the quarter compared to the fixed income benchmark of the Bloomberg Barclays US Intermediate Credit

Index which was up 0.98%.

(Source: Ultimus Fund Solutions)

Inspire Corporate Bond ETF [NYSE: IBD]



Fund Name	3M	6M	YTD Return	1Y	2Y	Since Inception 7/10/2017
Inspire Corporate Bond Impact ETF - NAV	0.87%	2.26%	8.31%	8.31%	3.95%	3.42%
Inspire Corporate Bond Impact ETF - Market Price	0.56%	1.78%	8.12%	8.12%	3.42%	3.46%
Inspire Corporate Bond Impact Equal Weight Index	0.96%	2.89%	9.85%	9.85%	5.00%	4.53%
Bloomberg Barclays U.S. Intermediate Credit - TR	0.98%	2.70%	9.52%	9.52%	4.66%	4.22%

Performance data as of 12/31/2019. You cannot invest directly in an index. The Bloomberg Barclays US Intermediate Credit Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with less than ten years to maturity. The Inspire Corporate Bond Impact Equal Weight Index is comprised of 250 investment grade, intermediate term corporate bonds issued by some of the most inspiring large cap "blue chip" companies in the United States. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.inspireETF.com. Total annual operating expenses are 0.68%. Net expense ratio for the fund is 0.61%. The Fund's adviser has contractually agreed to reduce fees and/or absorb expenses until at least March 31, 2020.

Things to watch in Q1 2020

- **Federal Reserve Meetings** – It's expected that the Fed will not move interest rates prior to the election in November and highly unlikely for any change in the Fed Funds target rate in 2020.
- **Value Over Growth** – Value stocks appear to be poised to outperform Growth stocks in 2020.
- **US GDP vs Global GDP** – Expectations are for US GDP to grow at >2% and Global GDP to grow at >3%, and International/Emerging Markets stocks may outperform US stocks.
- **US Stocks Normalize** – After the stellar performance in 2019 for the US stock and bond markets, expectations for 2020 should be in a more normal range of low single digits for bonds and low to mid single digits for equities.
- **Earnings Could Miss Expectations** – If earnings miss in the coming quarter(s) a +10% correction could likely be the reaction by the market. Be prepared for any correction this quarter (and this year) with a game plan to "Ride it or Buy it".

Closing Remarks



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Chief Investment Officer

We remain committed to the long-term investment value of stocks and bonds that fit our disciplined Inspire Impact Score process of biblically responsible investing, which seeks out the most inspiring companies to invest in that are making positive impacts for their customers, communities, workforce and the world.

As always, we are thankful to God for His blessings and provision, and we are thankful for you in the investment advisory business for your continued encouragement and support.

May God bless you and your clients. (Psalms 20:4)

Important Risk Information

Equity and fixed income securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions. While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of market stress. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs' net asset value. Brokerage commissions and ETF expenses will reduce returns. There is no guarantee that the ETFs will achieve their objective. Securities in the Index or in the ETFs' portfolio may underperform in comparison to the general securities markets or other asset classes. Investments in foreign securities could subject the ETFs to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

Before investing, consider the ETFs' investment objectives, risks, charges and expenses. To obtain a prospectus which contains this and other information, call 877.658.9473, or visit www.inspireetf.com. Read it carefully. The Inspire ETFs are distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. Inspire and Northern Lights Distributors, LLC are not affiliated. NLD Code: 3205-NLD-2/10/2020