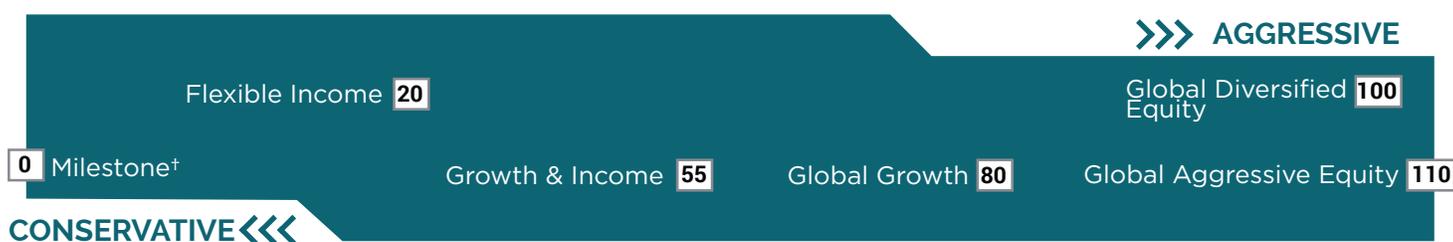


In 1998, CLS Investments, LLC (CLS) created the CLS Global Diversified Equity and CLS Growth and Income Funds to provide adaptive risk allocation across a variety of CLS investment strategies. In recent years, CLS has added additional Risk-Budgeted funds to the AdvisorOne Funds family, many of which use ETFs as their primary investment vehicle. CLS portfolio managers combine funds within the AdvisorOne family in an effort to create efficient Risk-Budgeted portfolios for our clients.



The Risk Budget of each fund is indicated next to the fund name and designates the target percent allocation to a diversified equity benchmark.

The AdvisorOne Funds were created as fundamental building blocks for investors' portfolios. The AdvisorOne Funds have two unique features that could make them excellent core holdings:

1

By investing in ETFs, the AdvisorOne Funds have essentially created securities that track a variety of market indices. ETFs have a variety of benefits including the ability to track the market closely, little to no cash position to drag on performance, consistent style (no style drift), generally low internal expenses, and minimal turnover, which may help reduce tax liability.

2

The AdvisorOne Funds capitalize on the benefits of active money management including the experience of professional money managers, the possibility to reduce risk, and the possibility of enhancing return.

See inside for performance, objectives, allocations, and benchmarks for each fund as of the most recent quarter-end.

'Because the Milestone Fund is not typically used in Risk-Budgeted portfolios, its performance has been omitted from this report.

**Performance
as of 12/31/16**

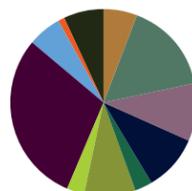
Asset Classes†

CLS Global Aggressive Equity

Inception: 10/1/2009
Risk Budget: 110
Objective: long-term growth
CLS Benchmark: 110% EBP*
Characteristics: less diversified and more active

QTD	3.13%
YTD	11.63%
1 Year	11.63%
3 Year	4.0%
5 Year	10.36%
10 Year	n/a
Inception	9.30%

- Large-Cap Value **6%**
- Large-Cap Core **16%**
- Large-Cap Growth **10%**
- Small/Mid-Cap Value **10%**
- Small/Mid-Cap Core **3%**
- Small/Mid-Cap Growth **9%**
- Global **3%**
- Developed International **30%**
- Emerging Markets **6%**
- Short-Term Bonds/Cash **1%**
- Other **7%**



**Performance
as of 12/31/16**

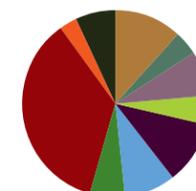
Asset Classes†

CLS Growth and Income

Inception: 7/14/1997
Risk Budget: 55
Objective: current income and growth of capital
CLS Benchmark: 55% EBP* / 45% Barclays Capital 1-3 Month U.S. Treasury Bill
Characteristics: fundamental tilt

QTD	-0.82%
YTD	7.18%
1 Year	7.18%
3 Year	1.97%
5 Year	5.47%
10 Year	2.98%
Inception	3.47%

- Large-Cap Value **12%**
- Large-Cap Core **4%**
- Large-Cap Growth **8%**
- Global **5%**
- Developed International **11%**
- Emerging Markets **9%**
- High-Yield Bonds **6%**
- Intermediate/Long-Term Bonds **36%**
- Short-Term Bonds/Cash **3%**
- Other **7%**

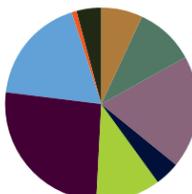


CLS Global Diversified Equity

Inception: 7/14/1997
Risk Budget: 100
Objective: long-term growth of capital without regard to current income
CLS Benchmark: 100% EBP*
Characteristics: fundamental tilt

QTD	0.93%
YTD	8.72%
1 Year	8.72%
3 Year	2.24%
5 Year	8.66%
10 Year	4.06%
Inception	5.48%

- Large-Cap Value **7%**
- Large-Cap Core **10%**
- Large-Cap Growth **19%**
- Small/Mid-Cap Value **4%**
- Global **11%**
- Developed International **26%**
- Emerging Markets **18%**
- Short-Term Bonds/Cash **1%**
- Alternative/Other **4%**

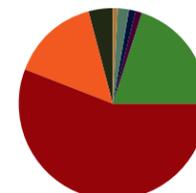


CLS Flexible Income

Inception: 10/1/2009
Risk Budget: 20
Objective: total return, consisting of capital growth and income, consistent with preservation of capital
CLS Benchmark: 20% EBP* / 80% Barclays Capital 1-3 Month U.S. Treasury Bill
Characteristics: investing in bond ETFs and individual bonds

QTD	-1.48%
YTD	4.61%
1 Year	4.61%
3 Year	1.93%
5 Year	2.16%
10 Year	n/a
Inception	2.99%

- Large-Cap Value **1%**
- Large-Cap Core **2%**
- Small/Mid-Cap Value **1%**
- Developed International **1%**
- High-Yield Bonds **20%**
- Intermediate/Long-Term Bonds **56%**
- Short-Term Bonds/Cash **15%**
- Other **4%**

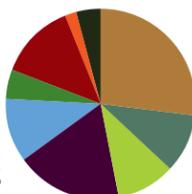


CLS Global Growth

Inception: 1/27/2006
Risk Budget: 80
Objective: total return, consisting of capital growth and income
CLS Benchmark: 80% EBP* / 20% Barclays Capital 1-3 Month U.S. Treasury Bill
Characteristics: less diversified and more active

QTD	0.56%
YTD	7.27%
1 Year	7.27%
3 Year	2.24%
5 Year	7.49%
10 Year	3.64%
Inception	3.91%

- Large-Cap Value **27%**
- Large-Cap Core **10%**
- Global **10%**
- Developed International **18%**
- Emerging Markets **11%**
- High-Yield Bonds **5%**
- Intermediate/Long-Term Bonds **13%**
- Short-Term Bonds/Cash **2%**
- Other **4%**



†The total allocation shown in the pie charts may not equal exactly 100% due to rounding of the individual segments.

*The Equity Baseline Portfolio (EBP) is a blended index comprised of 60% domestic equity (represented by the Russell 3000 Index) and 40% international equity (represented by the MSCI ACWI ex US Index), rebalanced daily. The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The MSCI ACWI ex US Index is an index considered representative of stock markets of developed and emerging markets, excluding those of the U.S.

Total returns for periods greater than one year are annualized. All performance stated is for Class N shares and assumes reinvestment of all distributions. Total returns are calculated based on rolling beginning and ending price. The performance data quoted here represents past performance. 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 will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Total annual operating expenses including underlying fund expenses are as follows: Flexible Income - 1.24%. Growth and Income - 1.56%. Global Diversified Equity - 1.45%. Global Aggressive Equity - 1.93%. Performance results reflect a contractual fee waiver by the investment advisor as described in the prospectus of the fund. For performance information current to the most recent month-end, please call toll-free 1-866-811-0225.

	Share Class	CUSIP	Ticker Symbol
CLS Flexible Income	N	00764F458	CLFLX
CLS Global Aggressive Equity	N	00764F441	CLACX
CLS Global Diversified Equity	N	00764F201	CLSAX
CLS Global Growth	N	00764F649	CLBLX
CLS Growth and Income	N	00764F300	CLERX
CLS International Equity	N	00764F623	CLHAX
CLS Milestone	Inst	00764F383	MTIXX
CLS Milestone	Inv	00764F375	MTOXX
CLS Shelter	N	00764F433	CLSHX

The AdvisorOne Funds are managed by CLS Investments, LLC (CLS). Some firm highlights include:

- ▶ **Assets under management:** \$7.1 billion as of 12/31/16
- ▶ **Longevity:** trusted partner within the financial industry since 1989
- ▶ **ETF Specialization:** in 1998, CLS was a pioneer in the inclusion of ETFs within investment models and continues to be one of the leading users of this versatile investment vehicle
- ▶ **Portfolio Management:** an experienced team of portfolio managers and research analysts work together to actively manage a diverse set of portfolios

Minimum investment:

\$2,500 initial amount for individual accounts

\$2,000 initial amount for IRAs

\$250 subsequent investments

*These funds are not typically used in Risk-Budgeted portfolios, their performance has been omitted from this report. There is no guarantee a fund will meet its stated objective.

CLS Investments, LLC ("CLS") is an affiliated company of Northern Lights Distributors, LLC. The services offered by CLS are wholesaled through licensed representatives of Northern Lights Distributors, LLC.

The AdvisorOne Funds are funds of funds, meaning they invest in underlying mutual funds and exchange-traded funds ("Underlying Funds"). In some instances, it may be less expensive for an investor to invest in the Underlying Funds directly. There is also a risk that the investment advisors of those Underlying Funds may make investment decisions detrimental to the performance of the AdvisorOne Funds or may be more volatile than investments in other mutual funds.

By investing in certain asset classes the AdvisorOne Funds also become subject to the risks associated with those asset classes. Investments in underlying funds that invest in Real Estate carry with them many of the risks associated with direct ownership of real estate, including decline in property values, extended vacancies, increases in property taxes, and changes in interest rates. Underlying funds that invest in the Commodities markets may subject the Fund(s) to greater volatility than investments in traditional securities. Investments in High Yield Bonds may subject the Fund(s) to greater levels of interest rate and credit risk as a result of investing in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds"). Positions in Inverse securities are speculative and can be more risky than "long" positions (purchases). Investments in underlying funds that own Small and Mid Capitalization companies may be more vulnerable than larger, more established organizations. Investments in underlying funds that invest in Foreign equity and debt securities could subject the Fund(s) to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

A Risk Budget is expressed as a percentage of the risk of a well diversified equity portfolio and ranges from 0 to 110. The risk budgets for each of the AdvisorOne Funds are determined by CLS's Investment Committee.

The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The MSCI ACWI ex-U.S. Index is an index considered representative of stock markets of developed and emerging markets, excluding those of the US. The volatility of the indexes may be materially different from the individual performance attained by a specific investor. In addition, portfolio holdings of investors may differ significantly from the securities that comprise the indexes. You cannot invest directly in an index.

An ETF is a type of investment company whose investment objective is to achieve the same return as a particular market index. An ETF is similar to an index fund in that it will primarily invest in the securities of companies that are included in a selected market index. An ETF will invest in either all of the securities or a representative sample of the securities included in the index.

Investors should carefully consider the investment objectives, risks, charges and expenses of the AdvisorOne Funds. This and other information about the AdvisorOne Funds is contained in the prospectus, which can be obtained by calling 1-866-811-0225. The prospectus should be read carefully before investing.

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6227-NLD-2/7/2017