

CLS'S ADVISORONE SHELTER FUND

AdvisorOne Funds

Investing is an emotional experience.

You have a lot at stake, and the markets can take you on a bumpy ride.

Suppose an investor has \$500,000 invested but then experiences a severe market downturn. If the investor lost 30% of his or her savings, it could take more than seven years to recover, which could be a major setback to retirement plans. **CLS's Shelter Fund is designed to potentially protect portfolio value during this type of catastrophic market decline.**

What makes the Shelter Fund different is that it's not simply about building an extremely conservative portfolio. Rather, when the market is experiencing a sustained uptrend, this Fund seeks growth opportunities for the portfolio. Yet, if the market declines below a pre-determined point, portions of the portfolio begin moving to more conservative investments in an effort to protect portfolio value and keep it on track with long-term financial goals.

Approximate years to recover initial investment after a market downturn*

First Year Loss	Years to Recover
-10%	2.2
-15%	3.3
-20%	4.6
-25%	5.9
-30%	7.3
-35%	8.8
-40%	10.5
-45%	12.3
-50%	14.2

**assumes a 5% real return (inflation-adjusted) after experiencing the indicated loss.*

What you need to know about CLS's Shelter Fund:

- ▶ Intended for investors who are particularly sensitive to market declines due to a shortened investing time horizon or an extreme fear of decreasing account value.
- ▶ Fund seeks long-term growth through an allocation to a mix of diversified equity and bond ETFs and mutual funds.
- ▶ In the event of a severe market decline, portions of the Fund moves from growth-seeking ETFs to low-volatility ETFs and/or U.S. Treasury bill ETFs.
- ▶ Designed to potentially protect portfolios from **catastrophic** losses - those that may permanently derail long-term financial objectives.
- ▶ There is a tradeoff for the security this Fund may provide, as the Fund favors security over some market gains.



CLS's Shelter Fund invests in diversified stock ETFs when the market is performing well. If the market begins to severely decline, the Fund's assets begin moving from growth-seeking ETFs to less volatile ETFs and/or U.S. Treasury bill ETFs in an effort to protect the Fund's value. When the market rebounds to a predetermined level, these "sheltered" assets will move back into equity ETFs.

Fund Illustration

Flat/Rising Market

Hypothetical positioning:

When the market is flat or performing well, the Shelter Fund is invested in diversified stock ETFs. However, as market conditions change, portions of the Fund may begin moving toward more conservative assets.

Declining Market

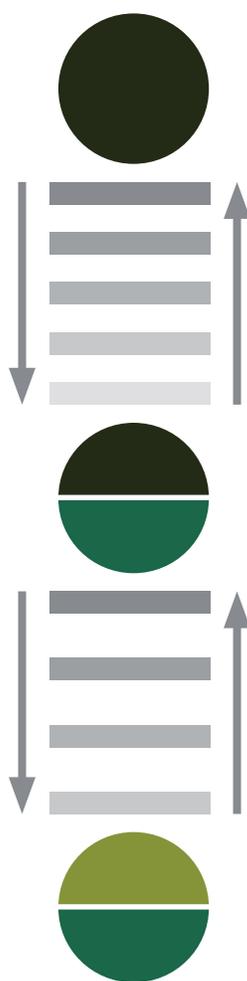
Hypothetical positioning:

If the market declines below a predetermined sensitivity level, the Fund begins moving out of growth-seeking assets and into low-volatility ETFs, while the rest of the Fund remains invested in diversified stock ETFs.

Severely Declining Market

Hypothetical positioning:

As the market decline becomes more severe, the Fund remains invested in low volatility ETFs and also begins investing in U.S. Treasury bill ETFs in an effort to provide additional protection against major stock market declines.



- Diversified stock ETFs
- Low volatility stock ETFs
- U.S. Treasury bill ETFs
- Trigger Points
- ↓ Movement out of market
- ↑ Movement into market

Reinvesting in the Market

At some point, markets reach a bottom and rebound. When this happens, CLS waits at least one month to allow volatility to reduce before beginning to reinvest the CLS Shelter Fund into growth-seeking assets.

As the Fund's value retraces the trigger points, we trade low volatility stock ETFs and U.S. Treasury ETFs for diversified stock ETFs. Because the Fund is heavily invested in less risky assets, the value of the market will likely increase more rapidly than the Fund during this period.

This example is an illustration of how the CLS Shelter Fund is designed to function and is not meant to show the expected behavior of your entire portfolio during the example periods shown.

By reacting to changes in the market, the CLS Shelter Fund may be involved in frequent trading which subjects the fund to increased trading expenses and potential tax consequences.

The CLS Shelter Fund invests in underlying mutual funds, and exchange-traded funds ("Underlying Funds"). As a result, the Fund indirectly bears investment management fees of the underlying funds in addition to the fees and expenses of the Fund. In some instances it may be less expensive for an investor to invest in the underlying funds directly. There is also a risk that investment advisors of those underlying funds may make investment decisions that are detrimental to the performance of the Fund. 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 to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. The Fund also invests in U.S. Treasury Bills, which can cause the value of your investment in the Fund to fluctuate with changes in interest rates. Long-term bonds are generally more sensitive to interest rate changes than short-term bonds.

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 (866) 811-0225. The prospectus should be read carefully before investing. The AdvisorOne Funds are distributed by Northern Lights Distributors, LLC, member [FINRA/SIPC](#).

Quick Facts

Ticker	CLSHX
Inception Date	12/31/2009
Minimum Investment	\$2,500
Objective	seeks to protect account principal against large market downturns, while also pursuing growth; primarily invests in Exchange Traded Funds (ETFs)
Benchmark	60% Russell 3000 Index, 15% MSCI ACWI ex-U.S. Index, 25% Barclays Capital 1-3 Monthly U.S. Treasury Index
Manager	Scott Kubie, CFA, CLS Chief Investment Strategist

There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

Performance*

AdvisorOne CLS Shelter N	
QTD	5.90%
YTD	1.83%
1 Yr	-2.44%
3 Yr	7.72%
5 Yr	2.72%
Since Inception	4.41%

Holdings Summary*

Federated Money Market Prime Cash	1.72%
Powershares S&P 500 Low Volatility ETF	5.06%
iShares Trust Core MSCI Eafe	9.97%
iShares S&P 500 Value	10.04%
iShares Core MSCI Em. Markets	10.09%
iShares MSCI ACWI Min. Vol. Index	10.30%
iShares S&P 500 Growth Index	13.25%
iShares MSCI USA Value Factor	15.06%
iShares MSCI USA Quality Factor	24.51%

**Portfolio holdings are subject to change and should not be considered investment advice.*

**As of 3/31/16*

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 for the Shelter Fund is 1.55% per the current prospectus. The advisor has agreed to a fee waiver agreement to limit total operating expenses at least through December 31, 2015, so that Class N Share direct expenses (not including expenses relating to dividends on short sales, interest expense, indirect fees and expenses of Underlying Funds and extraordinary or non-recurring expenses) do not exceed 1.15% per current prospectus of average daily net assets. Only the Fund's Board of Trustees may elect to terminate the waiver agreement. For performance information current to the most recent month-end, please call toll-free 1-866-811-0225.

ABOUT CLS

CLS was founded with one specific mission, which has endured as our guiding principle: to be a trusted partner with financial advisors and deliver innovative investment solutions and reliable portfolio management to individual investors.

1989
Founded

\$6B*
Assets Under Management

35k+
CLS clients

12
Portfolio managers & analysts

150+
Years of combined investment
management experience

*as of 4/30/16

This material does not constitute any representation as to the suitability or appropriateness of any security, financial product or instrument. There is no guarantee that investment in any program or strategy discussed herein will be profitable or will not incur loss. The graphs and charts contained in this work are for informational purposes only. No graph or chart should be regarded as a guide to investing. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. You should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. You should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not a guide to future performance. Investing in any security involves certain systematic risks including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any unsystematic risks associated with particular investment styles or strategies.

The views expressed herein are exclusively those of CLS Investments, LLC, and are not meant as investment advice and are subject to change. No part of this report may be reproduced in any manner without the express written permission of CLS Investments, LLC. Information contained herein is derived from sources we believe to be reliable, however, we do not represent that this information is complete or accurate and it should not be relied upon as such. All opinions expressed herein are subject to change without notice.

An ETF is a type of investment company whose investment objective is to achieve the same return as a particular index, sector, or basket. To achieve this, an ETF will primarily invest in all of the securities, or a representative sample of the securities, that are included in the selected index, sector, or basket. ETFs are subject to the same risks as an individual stock, as well as additional risks based on the sector the ETF invests in.

The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The index is composed of the 3,000 largest U.S. stocks. The MSCI All-Countries World Index, excluding U.S. (ACWI ex US) is an index considered representative of stock markets of developed and emerging markets, excluding those of the US. The Barclay's Capital 1-3 Month U.S. Treasury Bill® Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. An index is an unmanaged group of stocks considered to be representative of different segments of the stock market in general. You cannot invest directly in an index.

6374-NLD-6/2/2016 / 1736-CLS-6/2/2016