

Currents

January/February 2010

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Next Issue: Look for it in your mailbox at the beginning of April, just in time for Spring!

Welcome New Clients

Welcome to the below new clients:

- Clarus Capital Partners - hedge fund
- Hudson Varick Partners - hedge fund
- Samsung Life Investment - hedge fund
- Jasper Stone Partners - hedge fund
- Capstone Mount Yale Capital Group - mutual fund
- Investment Financial Group - mutual fund
- Ladenburg Thalmann Asset Management - additional mutual fund
- Ravenna Capital Management - mutual fund

Webinar Series

The second webinar in our series for alternative fund managers, The 10 Things Hedge Fund Managers Need to Ask When Outsourcing Fund Administration, was held January 28th. To listen to a playback of the webinar, go to http://www.geminifund.com/marketing/media/outsourcing_hf_admin.wmv. Gemini has also written a thought piece on this subject. To download your copy, go to http://www.geminifund.com/marketing/articles/outsourcing_hedge_fund_administration.pdf. Information about the next webinar will be available shortly.

How to Duplicate Clients, Attract Prospects and Create Advocates Without Talking

Join us for our next best practices call on February 23rd at 3:15 PM. This call will feature Dan Allison, Founder and President of Feedback Marketing Group. Dan will be discussing effective strategies that help Advisors duplicate their best clients and attract appealing prospects, while simultaneously creating advocacy without compromising their professionalism or integrity.

Reserve your webinar seat now at: <https://www2.gotomeeting.com/register/508161003>.

Fund Spotlight

This month, we'd like to highlight two mutual funds in the Northern Lights Fund Trust: The Rady Contrarian Long/Short Fund and The Rady Opportunistic Value Fund.

Rady Contrarian Long/Short Fund

Ticker: RADIX/RADCX/RADYX

Best Practices Calls:

Playback available: [Planning for the Unknown: Critical Business Owner Actions](#)

On December 22, NorthStar Co-Founder and Co-Chair W. Patrick Clarke and Tony Lewis from Vistage International hosted a call discussing:

- How they prepared for the most recent business cycle
- How you can remain profitable even in trying economic times
- How to improve your business through more strategic decision-making

Visit [http://www.geminifund.com/marketing/media/2009-12-22Planning for the Unknown Critical Business Owner Actions.wmv](http://www.geminifund.com/marketing/media/2009-12-22Planning%20for%20the%20Unknown%20Critical%20Business%20Owner%20Actions.wmv) to listen to the call.

Playback available: [Social Networking for Advisors: Tactics to Use With Clients, Prospects & Allied Professionals](#)

On January 26th, Andy Gluck of Advisor Products, Inc. hosted a call focusing on social media sites such as LinkedIn and Twitter and how advisors can best use them in their businesses.

To listen to the call, visit http://www.geminifund.com/marketing/media/social_networking.wmv.

Inception date: February 01, 2007

How this fund fits into a portfolio: The Contrarian Long/Short fund focuses on mid-large cap securities. The fund's ability to be tactically both long and short offers investors the flexibility to take advantage of various market environments. The fund seeks to use the longs and shorts in the portfolio to generate alpha and not only as a hedge. This quality differentiates us from many other similar strategies. The fund's contrarian approach to investing and focus on risk management and downside protection is exemplified by the portfolio's low downside capture. This strategy should be seen as a core allocation to an investor's portfolio.

Fund Description: Contrarian Long/Short is an equity fund managed by Rady Asset Management, LLC. Our primary objective is long term capital appreciation with a focus on risk management and downside protection. Rady Asset Management employs fundamental, bottom-up research driven analysis. Management believes that the Fund has a "natural hedge" that is a function of investing in stocks when their prices are significantly depressed and trading below their intrinsic value. Contrarian Value Long/Short implements short positions to take advantage of short term, transitory market inefficiencies.

*Mutual Funds involve risk including possible loss of principal. ETFs 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 ETFs and may be higher than other mutual funds that invest directly in stocks and bonds. When the Fund invests in foreign securities through ADRs, the Fund could be subject to greater risks because the Fund's performance may depend on issues other than the performance of a particular company or U.S. market sector. Stocks of mid-cap companies may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. An investor should consider the Fund's investment objective, risks, charges, and expenses carefully before investing. **This and other information about the Funds is contained in the fund's prospectus, which can be obtained by calling 877-302-7239.** Please read the prospectus carefully before investing. The Rady Contrarian Long/Short Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC.*

Rady Opportunistic Value Fund

Ticker: ROVIX/ROVCX/ROVYX

Inception date: October 22, 2009

How this fund fits into a portfolio: The Rady Opportunistic Value Fund focuses on mid-large cap securities. The fund's ability to be tactical with sector and cash allocations offers investors the flexibility to take advantage of various market environments. Being tactical also creates a "natural hedge" to the investors. The fund's Opportunistic approach to investing and focus on risk management and downside protection is exemplified by the portfolio's downside capture. This strategy should be seen as a core allocation to an investor's portfolio.

Fund Description: Rady Opportunistic Value Fund is a long-only equity portfolio managed by Rady Asset Management, LLC. Our primary objective is long-term capital appreciation with a focus on risk management and downside protection. Rady Asset Management employs fundamental, bottom-up research driven analysis. Management believes the portfolio has a "natural hedge" that is a function of investing in securities when their prices are significantly depressed and trading at or below their intrinsic value.

Mutual Funds involve risk including possible loss of principal. ETFs 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 ETFs and may be higher than other mutual funds that invest directly in stocks and bonds. An investor should

Did You Know?

Did you know Gemini Fund Services is one of five subsidiaries of NorthStar Financial Services Group, LLC?

NorthStar was formed by Gemini's founder, Michael Miola, in 2002 along with the founder of one of Gemini's sister companies. NorthStar currently has \$45 billion under administration and management.

The NorthStar subsidiaries consist of:

- CLS Investments, LLC - third-party money manager and registered investment advisor
- Orion Advisor Services, LLC - back-office service bureau and portfolio management system for advisors
- Gemini Fund Services, LLC - fund administration, fund accounting and transfer agency service provider for pooled investment solutions
- Northern Lights Compliance Services, LLC - compliance services for mutual funds and investment advisors by a team of independent chief compliance officers
- Northern Lights Distributors, LLC - broker/dealer and mutual fund distributor

consider the Fund's investment objective, risks, charges, and expenses carefully before investing. **This and other information about the Funds is contained in the fund's prospectus, which can be obtained by calling 877-302-7239.** Please read the prospectus carefully before investing. The Rady Opportunistic Value Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC.

You can find out more about the funds at www.radyassets.com. If you'd like your fund to be highlighted in our newsletter, let Jen Layne know by sending an email to jennifer.layne@geminifund.com.

2010: The Next Decade in Mutual Fund Regulation

Emile Molineaux, General Counsel and CCO for Gemini, along with JoAnn Strasser, Partner, Thompson Hine LLP, hosted a webinar on January 14th. The webinar focused on the last decade in mutual fund regulation and discussed current and future legislation that will define the industry ahead.

If you'd like to listen to the call, visit http://www.geminifund.com/marketing/media/2010_Next_Decade_MF_Regulation.wmv. If you are not receiving email invitations to our Quarterly Compliance Calls and would like to be added to the list, send an email to Jen Layne at jennifer.layne@geminifund.com.

2010 Conferences

The Northern Lights Fund Trust will be exhibiting at many conferences in 2010. These include:

- TD Ameritrade National Conference in Feb
- NAAIM Uncommon Knowledge in May
- Pershing INSITE in June
- Morningstar Investment Conference in June
- Schwab Impact in October
- Financial Advisor Symposium in November

Gemini will be exhibiting at the ICI Annual Meeting in May and sponsoring 3PM's annual conference in October. We'd love to know if you're attending, speaking and/or exhibiting any of the conferences listed above. Let Jen Layne know by sending an email to jennifer.layne@geminifund.com.

Client Spotlight

Rady Asset Management is a new client to Gemini. We welcome them and invite you to read a little about them. Rady Asset Management is an investment firm based in La Jolla, CA. The firm was founded in 2007 by Harry Rady who serves as Senior Portfolio Manager. Prior to establishing RAM, Harry served as the CIO of a multi-billion dollar financial/real estate/investment conglomerate. While at the conglomerate Harry managed a long-only equity portfolio valued in excess of \$500 million using his contrarian style of investing. This strategy continues to be managed under the Rady Opportunistic Value Fund (ROVIX, ROVYX, ROVCX); this composite was ranked in the top 1% for the 1,2,3,5, and 15 year periods ending June 30, 2009 by PSN Informa . Rady Asset Management also manages the Rady Contrarian Long/Short Fund (RADIX, RADYX, RADCX). The Long/Short fund offers access to hedge fund portfolio management, without any of the typical partnership restrictions. The RAM investment team has in excess of 45 years industry experience. Both the long-short Contrarian Fund and long-only Opportunistic Fund are open to new investors.

To learn more about Rady or their mutual funds, contact Jordan Greenhouse, Chief Operating Officer, at 877-302-7239 or by email at jordan@radyassets.com.

Disaster Recovery

It's our policy to maintain a comprehensive Business Continuity Plan (the "Plan") for all critical organization functions that would be necessary in the event of a disaster. This Plan details our efforts to exercise reasonable measures to protect employees and to safeguard assets and client accounts.

This Plan has been developed, in part, to conform to the requirements of rule 206(4)-7 of the Investment Advisers Act of 1940 and rules 3510 and 3520 of the Financial Industry Regulatory Authority. This Plan was specifically designed to guide us through a recovery effort of identified organization functions. At the onset of an emergency condition, our employees and resources will respond quickly to any condition which could impact our ability to perform critical orga-

nization functions.

We maintain space at a designated facility to which certain personnel and resources will be relocated in the event of a disaster. In addition, certain employees may be advised to work from their homes.

We have many designated teams that have certain responsibilities under the Plan. They include:

- Executive Management Team
- Emergency Response Team
- Emergency Technology Team
- IT Coordinator
- Insurance Coordinator
- Financial Coordinator
- Human Resources Coordinator
- Company Presidents
- Team Leaders
- Employees

We have many network redundancies and high availability features to reduce business interruption. These include:

- Fiber Sonet Ring
- Hot Standby Internet Router
- Lightning Protections
- Redundant Cooling
- Email Archive
- HP Recover-All
- High Availability Load Balancing
- High Availability Firewall Cluster
- Redundant Server Components
- LTO3 Tape Library
- Iron Mountain Backup Service
- Online Database Backups
- Document Imaging System
- Digital Call Recording
- Redundant Power – Backup Generator
- EMC CX3 Series Storage Area Network
- Quick Ship
- Warm Servers
- File Server Replication
- Database Replication

In case of a disaster, Gemini will facilitate customer interaction with the custodians holding client accounts via available forms of communication. You can rest easy - we are prepared and your client data is never in jeopardy.

SAS 70: What is it?

Definition:

SAS 70 (the Statement on Auditing Standards No. 70) is part of the AU Section 324 Codification of Auditing Standards which is used to report on controls placed in operation and the testing of the operating effectiveness of those controls. In simpler terms, it's a widely used compliance audit for assessing the internal control framework on service organizations that provide critical outsourcing activities for other entities.

Gemini is SAS 70 Type II certified for both fund accounting and our transfer agency. This means our audit covered not only controls placed in operation, like a SAS 70 Type I audit does, but our audit also included testing of operating effectiveness.

What does this mean to you?

Gemini has taken part in some very rigorous testing and put in place operations and controls that maintain the highest standard of service. We believe in quality and transparency and that is documented in these reports.

If you're interested in obtaining a copy of Gemini's SAS 70 Type II reports, visit Reporting Services and click on the Regulatory Document Center link.



Gemini Fund
Services, LLC



Pooled Investment Solutions