

What are Liquid Alternatives?

These represent a category of funds that combine daily liquidity (in a mutual fund format) with non-traditional strategies that are typically unavailable to most individual investors.

Grant Park Funds has nearly 30 years experience creating and operating alternative investment funds which access multiple quantitative and discretionary investment strategies. Our experience reinforces the belief that long-term value is driven by three core mandates seeking to:

1. **Preserve capital and deliver positive returns over extended market cycles.**
2. **Maintain a low correlation with traditional stock and bond investments.**
3. **Enhance the risk/return profile of an existing portfolio.**

Organizing the investment landscape can help to identify which alternative investments are candidates for consideration. Each industry-leading content platform organizes assets into various groups and categories.

Alternative Investment Categories

	Potential Portfolio Benefits		
	Strategic Diversification	Low Correlation	Risk/Reward
Bear Market	◆		
Currency	◆		
Long/Short Equity	◆		
Market Neutral	◆		
Multialternative	◆	◆	◆
Managed Futures	◆	◆	◆

Potential Benefits of Accessing Liquid Alternatives



1. Strategic Diversification

Compared to traditional investments, the following factors form the core of liquid alternative investments and create the basis for enhanced portfolio diversification:

Non-traditional strategies:

Diverse strategies, such as quantitative analysis, are dissimilar to strategies found in traditional investments.

Broad investment universe:

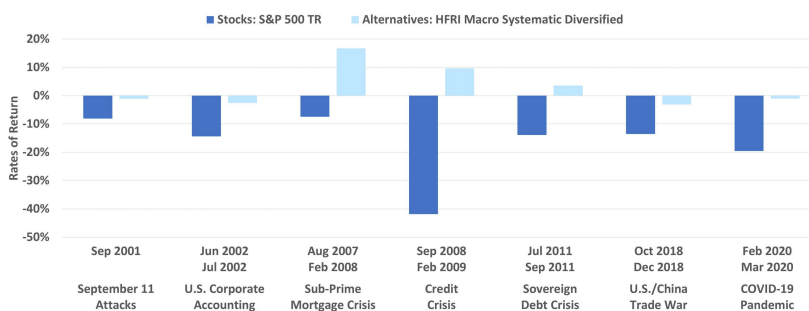
Access to global financial and commodity markets not typically included in traditional investments.

Ability to invest long and short:

Alternative investments may invest long and short, seeking profitable opportunities as prices rise or fall.

We believe the diversification benefits offered by liquid alternatives can help investors navigate the unforeseen drawdowns seen in traditional markets and smooth out the return stream.

Alternative Strategies v. S&P 500 During Crisis Periods



The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, 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. Past performance is no guarantee of future results.

2. Low Correlation

Enhancing a portfolio's risk/return profile is driven by the ability to include investments that display a low correlation to stocks and bonds. Typically, value-enhancing, diversifying investments produce independent returns through the strategies they execute, the universe in which they invest and the disciplined risk management that is applied to an actively managed portfolio. The combination of these factors can create an asset that contributes unique, persistent value to a portfolio's profile.

The table below provides correlations in Morningstar's alternative category groups. Actual funds may have lower correlations and offer greater diversification.

Liquid Alternative Categories Apr 1, 2007 - Jun 30, 2020¹

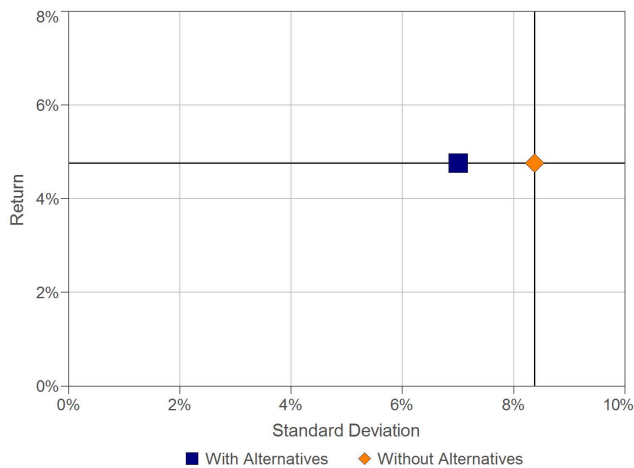
Category Names	1	2	3	4	5	6	7	8
1 US OE Multialternative								
2 US OE Market Neutral	0.40							
3 US OE Nontraditional Bond	0.84	0.38						
4 US OE Multicurrency	0.42	0.30	0.37					
5 US OE Managed Futures	-0.02	0.08	-0.22	-0.06				
6 US OE Long-Short Equity	0.90	0.55	0.73	0.44	-0.02			
7 Barclays Aggregate U.S. Bond TR	0.18	-0.01	0.18	0.08	0.03	-0.02		
8 HFRI Macro: Systematic Diversified Index	0.17	0.12	-0.06	0.02	0.83	0.10	0.23	
9 S&P 500 TR	0.92	0.40	0.71	0.42	-0.10	0.95	0.02	0.04

¹April 1, 2007 is the earliest common inception date for the benchmarks.

3. Enhanced Risk Reward

Adding alternatives that offer diversification and produce low correlated returns can enhance a portfolio's long-term risk adjusted returns.

Risk Reward Jan 1, 2000 - Jun 30, 2020



Portfolio Allocation	Without Alternatives	With Alternatives
U.S. Stocks:		
S&P 500 TR Index	40%	35%
International Stocks:		
MSCI EAFE	20%	15%
Bonds:		
Barclays Agg Bonds	40%	30%
Alternatives:		
HFRI Macro Systematic Diversified	0%	20%
Portfolio Performance		
Annualized RoR	4.76%	4.77%
Standard Deviation	8.20	6.96
Sharpe Ratio	0.38	0.44

Past performance is no guarantee of future results.

Building An Alternative Sleeve

Step 1: DEFINE THE OBJECTIVE

Identify the risks to the portfolio and define the objective of the alternative sleeve. For example, are you:

- Concerned about equity corrections?
- Worried about rising volatility and erratic market behavior?
- Concerned about rising or negative rates?
- Lacking diversification in your portfolios?

Step 2: BUILD A SOLUTION

Liquid Alternatives can help minimize the risks to a portfolio. When considering a strategy, select proven managers and funds that offer the following:

- Provide diversification and reduce portfolio concerns.
- Have a low correlation to the traditional markets and other alternatives.
- Improve the risk-reward profile of the portfolio.
- There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. No level of diversification or non-correlation can ensure profits or guarantee against losses.

The Grant Park Mutual Funds are distributed by Northern Lights Distributors, LLC member FINRA/ SIPC. Dearborn Capital Management, LLC is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risk including the possible loss of principal.

Investing in the commodities markets may subject the Fund to greater volatility than investments in traditional securities. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. There could be an imperfect correlation between the change in market value of the instruments held by the Fund and the price of the forward or futures contract or the fund may have to sell at a disadvantageous time. The success of hedging strategies depends on the advisor's or sub-advisor's ability to correctly assess the correlation between the instrument and portfolio being hedged and may result in loss.

In general, the price of a fixed income and U.S Government security falls when interest rates rise. Currency trading risks include market risk, credit risk and country risk. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. Sovereign debt investments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal. Using derivatives to increase the Fund's combined long and short exposure creates leverage, which can magnify the Fund's potential for gain or loss. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the advisor's ability to accurately anticipate the future value of a security or instrument.

Underlying Funds 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 an Underlying Fund. By investing in commodities indirectly through the Subsidiary, the Fund will obtain exposure to the commodities markets within the federal tax requirements that apply to the Fund, which may be taxed at less favorable rates than capital gains. The Subsidiary will not be registered under the Investment Company Act of 1940 ("1940 Act") and, unless otherwise noted in the Prospectus, will not be subject to all of the investor protections of the 1940 Act.

Certain Fund investments may be difficult to purchase or sell, preventing the Fund from selling such illiquid securities at an advantageous time or price. Swap agreements are subject to the risk that the counterparty to the swap will default on its obligation to pay the fund and the risk that the fund will not be able to meet its obligations to pay the counterparty to the swap. The fund may have investments that appreciate or depreciate significantly in value over sort periods of time, causing the fund's value per share to increase or decline in over short periods of time.

Glossary

Barclays Capital U.S. Aggregate Bond Index: Covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. Includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. The U.S. Aggregate Index is a component of the U.S. Universal Index in its entirety. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

HFRI Macro Systematic Diversified Index: Systematic: Diversified strategies have investment processes typically as a function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies which employ an investment process designed to identify opportunities in markets exhibiting trending or momentum characteristics across individual instruments or asset classes. Strategies typically employ quantitative process which focus on statistically robust or technical patterns in the return series of the asset, and typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean reverting strategies. Although some strategies seek to employ counter trend models, strategies benefit most from an environment characterized by persistent, discernable trending behavior. Systematic: Diversified strategies typically would expect to have no greater than 35% of portfolio in either dedicated currency or commodity exposures over a given market cycle.

Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE Index): A capitalization-weighted index that is designed to measure the investment returns of developed economies outside of North America. The index includes publicly traded stocks from 22 countries that are divided into industry groups, with representative stocks selected from each industry group. Cross-ownership is tracked to ensure that the market weight given each company is accurate. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Standard & Poor's 500 Total Return Index: A weighted index consisting of the 500 stocks in the S&P 500 Index, which are chosen by Standard & Poor's based on industry representation, liquidity, and stability. The stocks in the S&P 500 Index are not the 500 largest companies, rather the index is designed to capture the returns of many different sectors of the U.S. economy. The Total Return calculation includes the price-plus-gross cash dividend return. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Long-Short Equity: Represented by the Morningstar US OE Long-Short Equity Index, long-short portfolios hold sizable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long stock positions through exchange-traded funds or derivatives. At least 75% of the assets are in equity securities or derivatives. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Managed Futures: Represented by the Morningstar US OE Managed Futures Index, these funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. A majority of these funds follow trend-following, price-momentum strategies. Other strategies included in this category are systematic mean-reversion, discretionary global macro strategies, commodity index tracking, and other futures strategies. More than 60% of the fund's exposure is invested through derivative securities. These funds obtain exposure primarily through derivatives; the holdings are largely cash instruments. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Market Neutral: Represented by the Morningstar US OE Market Neutral Index, these funds attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment styles, currencies, and/or countries. They try to achieve this by matching short positions within each area against long positions. These strategies are often managed as beta-neutral, dollar-neutral, or sector-neutral. A distinguishing feature of funds in this category is that they typically have low beta exposures (< 0.3 in absolute value) to market indexes such as MSCI World. In attempting to reduce systematic risk, these funds put the emphasis on issue selection, with profits dependent on their ability to sell short and buy long the correct securities. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Multialternative: Represented by the Morningstar US OE Multialternative Index, these funds offer investors exposure to several different alternative investment tactics. Funds in this category have a majority of their assets exposed to alternative strategies. An investor's exposure to different tactics may change slightly over time in response to market movements. Funds in this category include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. The gross short exposure is greater than 20%. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Multicurrency: Represented by the Morningstar US OE Multicurrency Index, currency portfolios invest in multiple currencies through the use of short-term money market instruments; derivative instruments including and not limited to forward currency contracts, index swaps, and options; and cash deposits. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

US OE Non-Traditional Bond: Represented by the Morningstar US OE Non-Traditional Bond Index, the Nontraditional Bond category contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. Many funds in this group describe themselves as "absolute return" portfolios, which seek to avoid losses and produce returns uncorrelated with the overall bond market; they employ a variety of methods to achieve those aims. Another large subset are self-described "unconstrained" portfolios that have more flexibility to invest tactically across a wide swath of individual sectors, including high-yield and foreign debt, and typically with very large allocations. Funds in the latter group typically have broad freedom to manage interest-rate sensitivity, but attempt to tactically manage those exposures in order to minimize volatility. The category is also home to a subset of portfolios that attempt to minimize volatility by maintaining short or ultra-short duration portfolios, but explicitly court significant credit and foreign bond market risk in order to generate high returns. Funds within this category often will use credit default swaps and other fixed income derivatives to a significant level within their portfolios. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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