POWER INCOME VIT FUND

Tactical Bond Management

Class 1 shares

Class 2 shares

PROSPECTUS

May 1, 2017

Advised by

W.E. DONOGHUE & CO., LLC

DEFENSIVE TACTICAL ASSET MANAGEMENT

629 Washington Street
Norwood, MA 02062

www.powerincomefund.com

1-877-7-PWRINC
(1-877-779-7462)

This Prospectus provides important information about the Fund that you should know before investing. Please read it carefully and keep it for future reference.

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FUND SUMMARY

Investment Objectives: The Fund's primary investment objective is total return from income and capital appreciation with capital preservation as a secondary objective.

Fees and Expenses of the Fund: This table describes the annual operating expenses that you may indirectly pay if you invest in the Fund through your retirement plan or if you allocate your insurance contract premiums or payments to the Fund. However, each insurance contract and separate account involves fees and expenses that are not described in this Prospectus. If the fees and expenses of your insurance contract or separate account were included in this table, your overall expenses would be higher. You should review the insurance contract prospectus for a complete description of fees and expenses. In the table below, Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)	**Class 1 Shares**	**Class 2 Shares**
Management Fees	1.00%	1.00%
Distribution and Service (12b-1) Fees	None	0.50%
Other Expenses	1.04%	1.04%
Acquired Fund Fees and Expenses(1)	0.52%	0.52%
Total Annual Fund Operating Expenses	2.56%	3.06%
Fee Waiver and Reimbursement (2)	(0.04)%	(0.04)
Total Annual Fund Operating Expenses After Fee Waiver	2.52%	3.02%

(1) Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial highlights because the financial statements include only the direct operating expenses incurred by the Fund.

(2) The Adviser has contractually agreed to waive its management fees and to make payments to limit Fund expenses, until April 30, 2018 so that the total annual operating expenses exclusive of "(i) any front-end or contingent deferred loads; (ii) brokerage fees and commissions; (iii) acquired fund fees and expenses; (iv) fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example options and swap fees and expenses); (v) borrowing costs (such as interest and dividend expense on securities sold short); (vi) taxes; and (vii) extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the Adviser) of the Fund do not exceed 2.00% and 2.50% for Class 1 and Class 2 Shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. This agreement may be terminated only by the Fund's Board of Trustees, on 60 days' written notice to the adviser.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. You would pay the same expenses if you did not redeem your shares. However, each insurance contract and separate account involves fees and expenses that are not included in the Example. If these fees and expenses were included in the Example, your overall expenses would be higher. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based upon these assumptions your costs would be:

Class	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Class 1	$255	$793	$1,357	$2,892
Class 2	$305	$941	$1,602	$3,371

Portfolio Turnover: The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its Fund). These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. A higher portfolio turnover rate may indicate higher transaction costs. During the most recent fiscal year, the Fund's portfolio turnover rate was 365% of the average value of its portfolio.

Principal Investment Strategies: The Fund's investment adviser seeks to achieve the Fund's primary investment objective by investing primarily in a diversified portfolio of income-producing high-yield fixed income securities, commonly known as "junk" bonds, and U.S. Treasury securities. The Fund defines junk bonds as those rated lower than Baa3 by Moody's Investors Service ("Moody's") or lower than BBB- by Standard and Poor's Rating Group ("S&P"), or, if unrated, determined by the adviser to be of similar credit quality. The adviser does not select individual bonds or other fixed income securities but instead, invests the Fund's assets in open end investment companies ("mutual funds") and exchange traded funds ("ETFs") that each invest primarily in junk bonds or U.S. Treasury securities.

The adviser seeks to achieve the Fund's secondary investment objective by hedging the Fund's investment portfolio when it believes security prices will decline. The adviser will hedge by increasing allocations to cash equivalents or U.S. Treasury securities, or by purchasing inverse mutual funds or inverse ETFs. The adviser may invest in inverse funds linked to the S&P 500 Index when it believes this strategy will provide an effective hedge for junk bond holdings and may invest in inverse funds linked to U.S. Treasury securities when it believes this strategy will provide an effective hedge for interest rate risk. Inverse funds typically lose value as the index or security tracked by the fund increases in value; a result that is the opposite from traditional funds. The Fund limits inverse investments, in total, to 50% of Fund assets.

The adviser selects mutual funds and ETFs without restriction as to minimum issuer credit quality, sector, country of origin, or security maturity with respect to the fixed income securities held by these funds. The Fund may invest in mutual funds and ETFs that employ derivatives, such as swap contracts, to obtain exposure to junk or U.S. Treasury bond returns. The Fund does not invest in derivatives directly and will limit investment in mutual funds and ETFs that invest primarily in derivatives to 50% of Fund assets.

The adviser buys traditional securities (mutual funds and ETFs) when it believes prices are stable or improving and sells them when it believes prices will fall. The adviser buys and sells inverse securities for hedging purposes. The adviser may engage in frequent buying and selling of securities to achieve the Fund's investment objectives.

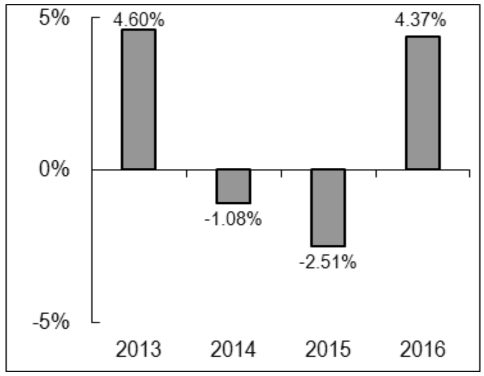
Principal Investment Risks: ***As with all mutual funds, there is the risk that you could lose money through your investment in the Fund. Many factors affect the Fund's net asset value and performance.***

The following risks apply to the Fund through its investments in ETFs and mutual funds.

- *Derivatives Risk:* Derivatives are subject to credit risk and liquidity risk. Additionally, even a small investment in derivatives (which include options, futures, swap contracts and other transactions) may give rise to leverage risk, and can have a significant impact on the Fund's performance.
- *Duration Risk:* Longer-term securities may be more sensitive to interest rate changes. Given the recent, historically low interest rates and the potential for increases in those rates, a heightened risk is posed by rising interest rates to a fund whose portfolios include longer-term fixed income securities.
- *Fixed Income Risk:* When the Fund invests in fixed income securities, the value of the Fund will fluctuate with changes in interest rates. Defaults by fixed income issuers in which the Fund invests will also harm performance. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates, which in turn may result in a decline in the value of the fixed income investments held by the fund. As a result, for the present, interest rate risk may be heightened.
- *Hedging Risk:* Inverse mutual funds and inverse ETFs may not effectively hedge the Fund's junk bond holdings or interest rate risk.
- *Junk Bond Risk:* Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price.
- *Liquidity Risk:* Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the fund's returns because the fund may be unable to transact at advantageous times or prices. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates, and a potential rise in interest rates may result in periods of volatility and increased redemptions. As a result of increased redemptions, the fund may have to liquidate portfolio securities at disadvantageous prices and times, which could reduce the returns of the fund. The reduction in dealer market-making capacity in the fixed income markets that has occurred in recent years also has the potential to decrease liquidity.
- *Management Risk:* The adviser's judgments about the attractiveness, value and potential appreciation of particular security in which the Fund invests may prove to be incorrect and may not produce the desired results.
- *Mutual Fund and ETF Risk:* Mutual funds and ETFs are subject to investment advisory fees and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing in the Fund will be higher than the cost of investing directly in other mutual funds and ETFs and may be higher than other mutual funds that invest directly in fixed income securities. Inverse mutual funds tend to limit the Fund's participation in overall market-wide gains. Each ETF and mutual fund is subject to specific risks, depending on the nature of the fund.
- *Turnover Risk:* A higher portfolio turnover will result in higher transactional and brokerage costs.

Performance: The bar chart and performance table set out below help show the returns and risks of investing in the Fund. The bar chart shows performance of the Class 2 shares of the Fund for each full calendar year since the Fund's inception. The performance table compares the performance of the Fund over time to the performance of a broad-based securities market index. You should be aware that the Fund's past performance may not be an indication of how the Fund will perform in the future. Updated performance information is available at no cost by visiting www.powerincomefund.com or by calling 1-877-7-PWRINC (1-877-779-7462).

Performance Bar Chart for Calendar Years Ended December 31[1]



Best Quarter:	2nd Quarter 2016	2.56%
Worst Quarter:	3rd Quarter 2014	(2.41)%

[1] The returns are for Class 2 Shares, which have substantially similar annual returns as the Class 1 shares because the shares are invested in the same portfolio of securities and the returns for Class 1 Shares would differ only to the extent that the classes do not have the same expenses.

Performance Table
Average Annual Total Returns
(For periods ended December 31, 2016)

	One Year	**Since the Portfolio's April 30, 2012 Inception**
Class 2 Shares	4.37%	1.69%
Class 1 Shares	6.78%	3.26%
Bloomberg Barclays Aggregate Bond Index	2.65%	2.08%

The Bloomberg Barclays Aggregate Bond Index is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes U.S. Treasury securities, Government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in U.S. Unlike the Fund's returns, the Bloomberg Aggregate Bond Index does not reflect any fees or expenses. An investor cannot invest directly in an index.

Investment Adviser: W.E. Donoghue & Co., LLC

Portfolio Managers: Richard E. Molari, COO, Jeffrey R. Thompson, President of the adviser, and William B. Dowler, Treasurer and Chief Compliance Officer of the adviser. Mr. Thompson and Mr. Dowler have each served the Fund as a Portfolio Co-Manager since it commenced operations in 2010. Mr. Molari has served the Fund as a Portfolio Co-Manager since October, 2016.

Purchase and Sale of Fund Shares: Shares of the Fund are intended to be sold to certain separate accounts of the participating life insurance companies, as well as qualified pension and retirement plans and certain unregistered separate accounts. You and other purchasers of variable annuity contracts, variable life contracts, participants in pension and retirement plans will not own shares of the Fund directly. Rather, all shares will be held by the separate accounts or plans for your benefit and the benefit of other purchasers or participants. Please refer to your insurance contract prospectus or retirement plan documents for additional information on purchase and sale of shares. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open, or as permitted under your insurance contract, separate account or retirement plan.

Tax Information: It is the Fund's intention to distribute all realized income and gains. Generally, owners of variable insurance contracts are not taxed currently on income or gains realized with respect to such contracts. However, some distributions from such contracts may be taxable at ordinary income tax rates. In addition, distributions made to an owner who is younger than 59 1/2 may be subject to a 10% penalty tax. Investors should ask their own tax advisors for more information on their own tax situation, including possible state or local taxes. Please refer to your insurance contract prospectus or retirement plan documents for additional information on taxes.

Payments to Broker-Dealers and Other Financial Intermediaries: If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank or insurance company), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson for more information.

ADDITIONAL INFORMATION ABOUT PRINCIPAL INVESTMENT STRATEGIES AND RELATED RISKS

General Information about the Fund and Adviser:

This Prospectus describes the Fund, a series of Northern Lights Variable Trust, a Delaware statutory trust (the "Trust"). W.E. Donoghue & Co., LLC serves as the Fund's investment adviser. The Fund is intended to be a funding vehicle for variable annuity contracts and flexible premium variable life insurance policies offered by the separate accounts of various insurance companies (each a "Participating Insurance Company").

The Trust has received an exemptive order from the SEC ("Exemptive Order") that permits the Funds of the Trust, including the Fund, to sell shares to separate accounts of unaffiliated insurance companies, and pension and retirement plans that qualify for special income tax treatment. These arrangements may present certain conflicts of interest due to differences in tax treatment and other considerations such that the interests of various variable contract owners participating in a Fund and the interests of pension and retirement plans investing in a Fund may conflict. For example, violation of the federal tax laws by one insurance company separate account investing directly or indirectly in a Fund could cause other variable insurance products funded by the separate account of another insurance company to lose their tax-deferred status unless remedial actions were taken. It is possible that a difference may arise among the interests of the holders of different types of contracts - for example, if applicable state insurance law or contract owner instructions prevent a Participating Insurance Company from continuing to invest in a Fund following a change in the Fund's investment policies, or if different tax laws apply to flexible premium variable life insurance contracts and variable annuities. The Trust's Board of Trustees (the "Board") and each Participating Insurance Company will attempt to monitor events to prevent such differences from arising. As a condition of the Exemptive Order, the Board will monitor events in order to identify any material irreconcilable conflicts which may arise (such as those arising from tax or other differences), and to determine what action, if any, should be taken in response to such conflicts. If such a conflict were to occur, one or more insurance companies' separate accounts might be required to withdraw their investments in one or more of the Funds. This might force a Fund, such as the Fund, to sell its securities at disadvantageous prices which could cause a decrease in the Fund's NAV.

Individual variable annuity contract holders and flexible premium variable life insurance policyholders are not "shareholders" of the Fund. The Participating Insurance Company and its separate accounts are the shareholders or investors, although such company will pass through voting rights to its variable annuity contract or flexible premium variable life insurance policyholders. Shares of the Fund are not offered directly to the general public.

The adviser, under the supervision of the Board of Trustees, is responsible for constructing and monitoring the Fund's investments to be consistent with the investment objective and principal investment strategies of the Fund. The Fund invests within a specific segment (or portion) of the capital markets and invests in a wide variety of securities consistent with its investment objective and style. The potential risks and returns of the Fund vary with the degree to which the Fund invests in a particular market segment and/or asset class.

INVESTMENT OBJECTIVES

The Fund's primary investment objective is total return from income and capital appreciation with capital preservation as a secondary objective. The Fund's investment objectives may be changed without shareholder approval by the Fund's Board of Trustees upon 60 days written notice to shareholders.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment adviser seeks to achieve the Fund's primary investment objective by investing primarily in a diversified portfolio of income-producing high-yield fixed income securities, commonly known as "junk" bonds, and U.S. Treasury securities. The Fund defines junk bonds as those rated lower than Baa3 by Moody's Investors Service ("Moody's") or lower than BBB- by Standard and Poor's Rating Group ("S&P"), or if unrated, determined by the adviser to be of similar credit quality. The adviser does not select individual junk bonds but instead, invests the Fund's assets in open end investment companies ("mutual funds") and exchange traded funds ("ETFs") that each invest primarily in junk bonds or U.S. Treasury securities.

The adviser seeks to achieve the Fund's secondary investment objective by hedging the Fund's investment portfolio when it believes security prices will decline. The adviser will hedge by increasing allocations to cash equivalents or U.S. Treasury securities or by purchasing inverse mutual funds or inverse ETFs. The adviser may invest in inverse funds linked to the S&P 500 Index when it believes this strategy will provide an effective hedge for junk bond holdings and may invest in inverse funds linked to U.S. Treasury securities when it believes this strategy will provide an effective hedge for interest rate risk. Inverse funds typically lose value as the index or security tracked by the fund increases in value; a result that is the opposite from traditional funds. The Fund limits inverse investments, in total, to 50% of Fund assets.

The adviser selects mutual funds and ETFs without restriction as to minimum issuer credit quality, sector, country of origin, or security maturity with respect to the fixed income securities held by these funds. The Fund may invest in mutual funds and ETFs that employ derivatives, such as swap contracts, to obtain exposure to junk or U.S. Treasury bond returns. The Fund does not invest in derivatives directly and will limit investment in mutual funds and ETFs that invest primarily in derivatives to 50% of Fund assets.

Adviser's Technical Trend Analysis

The adviser will manage the Fund's investment portfolio, in part, by using its technical trend analysis strategy. This strategy identifies investment trends utilizing the adviser's proprietary model system. This system tracks the changing prices of securities and identifies their momentum. Once the securities with the greatest positive momentum have been identified, the relative strength of the securities is evaluated (using the technical trend analysis strategy) to further identify those with the greatest potential to continue their positive momentum. The adviser will also employ its proprietary defensive trading system to help determine when to switch between junk bond funds, U.S. Treasury securities, cash equivalents, inverse mutual funds, or inverse ETF positions. The adviser believes this is a relatively conservative approach to defensive trading to manage risks and back out of the market and into defensive positions when conditions warrant. The adviser believes its technical trend strategy, which moves between fully invested and defensive positions, will minimize losses during a downturn and maximize gains during upturns. This collection of models and the adviser's technical trend analysis, in general, operate according to the momentum of the markets, and not on subjective judgments.

The adviser buys traditional securities (mutual funds and ETFs) when it believes prices are stable or improving and sells them when it believes prices will fall. The adviser identifies specific mutual funds and ETFs that its technical models indicate are in an uptrend as potential buy candidates. Conversely, the adviser's technical models may reclassify a mutual fund or ETF as in a downtrend, thus identifying it as a potential sell candidate. The adviser buys and sells inverse securities for hedging purposes. The adviser may engage in frequent buying and selling of securities to achieve the Fund's investment objectives.

PRINCIPAL INVESTMENT RISKS

There is no assurance that the Fund will achieve its investment objectives. The Fund's share price will fluctuate with changes in the market value of its Fund investments. When you sell your Fund shares, they may be worth less than what you paid for them and, accordingly, you can lose money investing in the Fund. Risks could adversely affect the net asset value, total return and the value of the Fund and your investment. The risk descriptions below provide a more detailed explanation of the principal investment risks that correspond to the risks described in the Fund Summary section of this Prospectus.

The following risks apply to the Fund through its investments in ETFs and mutual funds.

- *Derivatives Risk:* Derivative securities are subject to changes in the underlying securities or indices on which such transactions are based. There is no guarantee that the use of derivatives for investment purposes will be effective or that suitable transactions will be available. Even a small investment in derivatives (which include options, futures, swap contracts and other transactions) may give rise to leverage risk, and can have a significant impact on exposure to securities markets values and interest rates. Derivatives are also subject to credit risk (the counterparty may default) and liquidity risk (a fund may not be able to sell or otherwise exit the contract in a timely manner).

- *Duration Risk:* Longer-term securities may be more sensitive to interest rate changes. Given the recent, historically low interest rates and the potential for increases in those rates, a heightened risk is posed by rising interest rates to a fund whose portfolios include longer-term fixed income securities.
- *Fixed Income Risk:* When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of the fixed income securities owned by the Fund. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates, which in turn may result in a decline in the value of the fixed income investments held by the fund. As a result, for the present, interest rate risk may be heightened. In general, the market price of debt securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors impacting fixed income securities include credit risk, maturity risk, market risk, extension or prepayment risk, illiquid security risks and high yield securities risk. These risks could affect the value of a particular investment by the Fund possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.
- *Hedging Risk:* Inverse S&P 500 Index-linked mutual funds and ETFs may not effectively hedge the Fund's junk bond holdings. Additionally, inverse U.S. Treasury-linked mutual fund and ETFs may not effectively hedge interest rate risk. Hedging strategies may not perform as anticipated by the adviser and the Fund could suffer losses on the hedging vehicle while also suffering losses on the junk or U.S. Treasury bonds that were intended to benefit from the hedge.
- *Junk Bond Risk:* Lower-quality bonds, known as "high yield" or "junk" bonds, present a significant risk for loss of principal and interest. These bonds offer the potential for higher return, but also involve greater risk than bonds of higher quality, including an increased possibility that the bond's issuer, obligor or guarantor may not be able to make its payments of interest and principal (credit quality risk). If that happens, the value of the bond may decrease, and the Fund's share price may decrease and its income distribution may be reduced. An economic downturn or period of rising interest rates (interest rate risk) could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds (liquidity risk). Such securities may also include "Rule 144A" securities, which are subject to resale restrictions. The lack of a liquid market for these bonds could decrease the Fund's share price.
- *Liquidity Risk:* Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the fund's returns because the fund may be unable to transact at advantageous times or prices. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates, and a potential rise in interest rates may result in periods of volatility and increased redemptions. As a result of increased redemptions, the fund may have to liquidate portfolio securities at disadvantageous prices and times, which could reduce the returns of the fund. The reduction in dealer market-making capacity in the fixed income markets that has occurred in recent years also has the potential to decrease liquidity.
- *Management Risk:* The net asset value of the Fund changes daily based on the performance of the securities in which it invests. The ability of the Fund to meet its investment objectives is directly related to the adviser's allocation of the Fund's assets between hedged and unhedged positions using its investment strategy. The adviser's objective judgments, based its investment strategies, about the attractiveness and potential appreciation of particular investments in which the Fund invests may prove to be incorrect and there is no guarantee that the adviser's investment strategy will produce the desired results.
- *Mutual Fund and ETF Risk:* Mutual funds and ETFs are subject to investment advisory fees and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing in the Fund will be higher than the cost of investing directly in other mutual funds and ETFs and may be higher than other mutual funds that invest directly in fixed income securities. ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange. ETF shares may trade at a discount or a premium in market price if there is a limited market in such shares. ETFs are also subject to brokerage and other trading costs, which could result in greater expenses to the Fund. Mutual funds and ETFs may employ leverage. Because the value of ETF shares depends on the demand in the market, the adviser may not be able to liquidate the Fund's holdings at the most optimal time, adversely affecting performance. ETFs and index-tracking mutual funds in which the Fund invests will not be able to replicate exactly the performance of the indices they track.
    - *Inverse Risk*. Under certain circumstances, the adviser may invest in mutual funds, known as "inverse funds," which are designed to produce results opposite to market trends. Inverse funds seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark. Inverse funds are designed to rise in price when security prices are falling. Inverse index funds seek to provide investment results that will match a certain percentage of the inverse of the performance of a specific benchmark on a daily basis. For example, if an inverse fund's current benchmark is 100% of the inverse of the XYZ Index and that inverse fund meets its objective, the value of the inverse fund will tend to increase on a daily basis when the value of the underlying index decreases (if the XYZ Index goes down 5%

then the inverse fund's value should go up 5%). Conversely, when the value of the underlying index increases, the value of the inverse fund's shares tends to decrease on a daily basis (if the XYZ Index goes up 5% then the inverse fund's value should go down 5%).

  - *Leverage Risk*. ETFs and mutual funds may employ leverage, which magnifies the changes in the underlying index upon which they are based. For example, if an ETF's current benchmark is 200% of the XYZ Index and the ETF meets its objective, the value of the ETF will tend to increase or decrease twice the value of the change in the underlying index. (e.g., if the XYZ Index goes up 10% then the leveraged ETF's value should go up 20%; conversely, if the XYZ Index goes down 10% then the leveraged ETF's value should go down 20%).
  - *Strategy Risk.* Each ETF and mutual fund is subject to specific risks, depending on the nature of the fund. These risks could include liquidity risk, sector risk, foreign and emerging market risk.
  - *Tracking Risk.* ETFs and index-tracking mutual funds in which the Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities or index. In addition, the funds will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the funds may, from time to time, temporarily be unavailable, which may further impede the ETFs' and mutual funds' ability to track their applicable indices.

- *Turnover Risk:* A higher Fund turnover may result in higher transactional and brokerage costs associated with the turnover which may reduce the Fund's return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase the Fund's realized capital gains or losses, which may affect the taxes you pay as a Fund shareholder.

Temporary Investments: To respond to adverse market, economic, political or other conditions, the Fund may invest 100% of its total assets, without limitation, in high-quality short-term debt securities and money market instruments. The Fund may be invested in these instruments for extended periods, depending on the adviser's assessment of market conditions. These short-term debt securities and money market instruments may include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. While the Fund is in a defensive position, the opportunity to achieve its investment objective will be limited. Furthermore, to the extent that the Fund invests in money market mutual funds for its cash equivalent position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market funds' advisory and operational fees. The Fund may also invest a substantial portion of its assets in such instruments at any time to maintain liquidity or pending selection of investments in accordance with its policies.

Borrowing: The Fund may maintain a bank line of credit to permit temporary borrowing to meet redemption requests in an amount of up to 33% of the Fund's assets (defined as net assets plus borrowing for investment purposes).

Fund Holdings Disclosure: A description of the Fund's policies regarding the release of Fund holdings information is available in the Fund's Statement of Additional Information. Shareholders may request Fund holdings schedules at no charge by calling 1-877-7-PWRINC.

Cybersecurity: The computer systems, networks and devices used by the Portfolio and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized by the Portfolio and its service providers, systems, networks, or devices potentially can be breached. The Portfolio and its shareholders could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact the Portfolio's business operations, potentially resulting in financial losses; interference with the Portfolio's ability to calculate its NAV; impediments to trading; the inability of the Portfolio, the adviser, and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Portfolio invests; counterparties with which the Portfolio engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions (including financial intermediaries and service providers for the Portfolio's shareholders); and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

MANAGEMENT

Investment Adviser: W.E. Donoghue & Co., LLC, located at 629 Washington Street, Norwood, MA 02062, serves as investment adviser to the Fund. Subject to the authority of the Board of Trustees, the adviser is responsible for the overall management of the Fund's investments. The adviser is responsible for selecting the Fund's investments according to its investment objective, polices, and restrictions. The adviser was established in 1986 for the purpose of advising individuals and institutions. As of December 31, 2016 the adviser had over $2.2 Billion in assets under management.

Pursuant to an advisory agreement between the Fund and the adviser, the adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to 1.00% of the Fund's average daily net assets. The Fund's adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until at least April 30, 2018, to ensure that Total Annual Fund Operating Expenses After Fee Waiver and Reimbursement (exclusive of any front-end or contingent deferred loads, brokerage fees and commissions, acquired fund fees and expenses, fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example options and swap fees and expenses), borrowing costs (such as interest and dividend expense on securities sold short), taxes, and extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the Adviser)) will not exceed 2.00% and 2.50% for Class 1 and Class 2 shares, respectively; subject to possible recoupment from the Fund in future years on a rolling three year basis (within the three fiscal years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. Fee waiver and reimbursement arrangements can decrease the Fund's expenses and boost its performance. For the fiscal year ended December 31, 2016, the adviser received an annual advisory fee of 0.96% of the Fund's average daily net assets. A discussion regarding the basis for the Board of Trustees' approval of the advisory agreement is available in the Fund's most recent annual shareholder report dated December 31, 2016.

Fund Managers:

Richard E. Molari – *Chief Operations Officer*

Mr. Molari is an accomplished investment management operations and global trading specialist with over fifteen years of industry experience. He has extensive knowledge of international equity, fixed income and currency markets as well as back and middle office operations, portfolio accounting and compliance regulations. Rick joined W.E. Donoghue & Co., LLC in 2014 to manage the trading and operations team.

Prior to his current role, Rick spent nine years at a multi-billion dollar Boston based global hedge fund, trading international equities and managing trade operations. He started his professional career in fund accounting and back office administration with BISYS Hedge Fund Services Inc. Rick holds a dual Bachelor's of Science degree from Northeastern University in Finance and Entrepreneurship. He is currently an active member of the Boston Securities Traders Association and the Boston Security Analysts Society.

Jeffrey R. Thompson - *President*

Mr. Thompson has served as the adviser's Principal and Senior Vice President since 1999. Previously, Mr. Thompson worked as an Account Executive for national and super regional firms Lehman Brothers, Gruntal & Co., and Cowen & Co. from 1992-1996. There he worked with individual investors as well as institutional investors recommending and trading individual securities. Additionally, BTS Asset Management employed Mr. Thompson from 1996-1998 as a Regional Vice President providing investment advisory services to institutional clients. Mr. Thompson has more than 18 years' experience in the financial services industry.

William B. Dowler - *Chief Compliance Officer and Treasurer*

Mr. Dowler has served as the adviser's Principal and Vice President and Chief Compliance Officer since 2002. Mr. Dowler has had two separate occasions to work for W.E. Donoghue & Co., LLC (1994-1999 and 2002 to present). Mr. Dowler is a corporate officer as well as a member of the adviser's Investment Policy Committee. Previously, Mr. Dowler worked as an investment professional with independent and national firms, such as Advisory Group Equity Services, Jefferson Pilot Securities and Franklin Securities. Prior to working as being an investment professional, Mr. Dowler was an assistant manager of mutual fund operations with State Street Bank and Trust, Co. Mr. Dowler has more than 23 years' experience in the financial services industry.

The Fund's Statement of Additional Information provides additional information about the Fund Managers' compensation structure, other accounts managed by the Fund Managers, and the Fund Managers' ownership of shares of the Fund.

HOW SHARES ARE PRICED

The public offering price and Net Asset Value ("NAV") of Fund shares are determined at 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange ("NYSE") is open for business. NAV is computed by determining the aggregate market value of all assets of the Fund less its liabilities divided by the total number of the Fund's shares outstanding, on a per-class basis. ((Assets minus liabilities)/number of shares=NAV). The NYSE is closed on weekends and New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The NAV takes into account the per-class expenses and fees of the Fund, including investment advisory, administration, and distribution fees, if any, which are accrued daily. The determination of NAV of the Fund for a particular day is applicable to all applications for the purchase of shares, as well as all requests for the redemption of shares, received by the Fund (or an authorized broker or agent, or its authorized designee) before the close of trading on the NYSE on that day.

Generally, securities are valued each day at the last quoted sales price on each security's principal exchange. Securities traded or dealt in on one or more securities exchanges (whether domestic or foreign) for which market quotations are readily available and not subject to restrictions against resale shall be valued at the last quoted sales price on the primary exchange or, in the absence of a sale on the primary exchange, at the mean between the current bid and ask prices on such exchange. Securities primarily traded in the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") National Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price. If market quotations are not readily available, securities will be valued at their fair market value as determined using the "fair value" procedures approved by the Board. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security. Securities that are priced using fair value procedures may not be liquid and may not be readily tradable. The fair value prices can differ from market prices when they become available or when a price becomes available. The Board has delegated execution of these procedures to a fair value team composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The team may also enlist third party consultants such as an audit firm or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value. The Board reviews and ratifies the execution of this process and the resultant fair value prices at least quarterly to assure the process produces reliable results.

The Fund may use independent pricing services to assist in calculating the value of its Fund securities. With respect to foreign securities that are primarily listed on foreign exchanges or that may trade on weekends or other days when the Fund does not price its shares, the value of the Fund's investment Fund may change on days when you may not be able to buy or sell Fund shares. In computing the NAV of the Fund, the adviser values foreign securities held by the Fund, if any, at the latest closing price on the exchange in which they are traded immediately prior to closing of the NYSE. Prices of foreign securities quoted in foreign currencies are translated into U.S. dollars at current rates. If events materially affecting the value of a security in the investment Fund occur before the Fund prices its shares, the security will be valued at fair value. For example, if trading in a security is halted and does not resume before the Fund calculates its NAV, the adviser may need to price the security using the Fund's fair value pricing guidelines. Without a fair value price, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of the Fund's Fund securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the Fund's NAV by short-term traders.

With respect to any portion of the Fund's assets that is invested in one or more open-end management investment companies that are registered under the 1940 Act (mutual funds), the Fund's net asset value is calculated based upon the net asset values of the mutual funds in which the Fund invests, and the prospectuses for these companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.

HOW TO PURCHASE AND REDEEM SHARES

This Prospectus describes two classes of shares offered by the Fund: Class 1 and Class 2. The Fund offers these classes of shares so that you can choose the class that best suits your investment needs. Class 2 shares pay an annual fee of up to 0.50% for distribution expenses pursuant to a plan under Rule 12b-1 and Class 1 shares do not pay such fees. The main difference between each class is the ongoing fees. For information on ongoing distribution fees, see **Distribution Fees** on page 13 of this Prospectus. Each class of shares in the Fund represents interest in the same Fund of investments within the Fund. All share classes may not be available for purchase in all states.

As described earlier in this Prospectus, shares of the Fund are intended to be sold to certain separate accounts of the participating life insurance companies, as well as qualified pension and retirement plans and certain unregistered separate accounts. You and other purchasers of variable annuity contracts will not own shares of the Fund directly. Rather, all shares will be held by the separate accounts for your benefit and the benefit of other purchasers of variable annuity contracts. All investments in the Fund are credited to the shareholder's account in the form of full or fractional shares of the Fund. The Fund does not issue share certificates. Separate accounts may redeem shares to make benefit or surrender payments to you and other purchasers of variable annuity contracts or for other reasons described in the separate account prospectus that you received when you purchased your variable annuity contract. Redemptions are processed on any day on which the Fund is open for business. Please refer to your insurance contract prospectus or retirement plan documents for additional information.

When Order is Processed

Shares of the Fund are sold and redeemed at their current NAV per share without the imposition of any sales commission or redemption charge, although certain sales and other charges may apply to the policies or annuity contracts. These charges are described in the applicable product prospectus. Requests to purchase and sell shares are processed at the NAV next calculated after the request is received by the participating life insurance company, or qualified pension or retirement plan, in good order. All requests received in good order by a Participating Insurance Company, or qualified pension or retirement plan before the close of regular trading on the NYSE (normally 4:00 p.m. Eastern Time) on each day the NYSE is open will be executed on that same day. Requests received after the close of regular trading on the NYSE, or on any day the NYSE is closed, will be processed on the next business day. The Participating Insurance Company or qualified pension or retirement plan is responsible for properly transmitting purchase orders and federal Funds to the Fund.

The USA PATRIOT Act requires financial institutions, including the Fund, to adopt certain policies and programs to prevent money laundering activities, including procedures to verify the identity of customers opening new accounts. You will be required by your insurance company, or pension or retirement plan, to supply certain information, such as your full name, date of birth, social security number and permanent street address. This information will assist them in verifying your identity. As required by law, your insurance company, or pension or retirement plan may employ various procedures, such as comparing the information to fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct.

TAX CONSEQUENCES

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended ("Code"). As qualified, the Fund is not subject to federal income tax on that part of its taxable income that it distributes to the separate accounts. Taxable income consists generally of net investment income, and any capital gains. It is the Fund's intention to distribute all such income and gains.

Generally, owners of variable insurance contracts are not taxed currently on income or gains realized with respect to such contracts. However, some distributions from such contracts may be taxable at ordinary income tax rates. In addition, distributions made to an owner who is younger than 59 1/2 may be subject to a 10% penalty tax. Investors should ask their own tax advisors for more information on their own tax situation, including possible state or local taxes.

Shares of the Fund are offered to the separate accounts of the participating life insurance companies and their affiliates. Separate accounts are insurance company separate accounts that Fund the annuity contracts. Under the Code, the insurance company pays no tax with respect to income of a qualifying separate account when the income is properly allocable to the value of eligible variable annuity contracts. In order for shareholders to receive the favorable tax treatment available to holders of variable insurance contracts, the separate accounts, as well as the Fund, must meet certain diversification requirements. If the Fund does not meet such requirements, income allocable to the contracts would be taxable currently to the holders of such contracts. The diversification requirements are discussed below.

Section 817(h) of the Code and the regulations thereunder impose "diversification" requirements on the Fund. The Fund intends to comply with the diversification requirements. These requirements are in addition to the diversification requirements imposed on the Fund by Subchapter M and the Investment Company Act of 1940. The 817(h) requirements place certain limitations on the assets of each separate account that may be invested in securities of a single issuer. Specifically, the regulations provide that, except as permitted by "safe harbor" rules described below, as of the end of each calendar quarter or within 30 days thereafter, no more than 55% of a Fund's total assets may be represented by any one investment, no more than 70% by any two investments, no more than 80% by any three investments, and no more than 90% by any four investments.

Section 817(h) also provides, as a safe harbor, that a separate account will be treated as being adequately diversified if the diversification requirements under Subchapter M are satisfied and no more than 55% of the value of the account's total assets is cash and cash items, government securities, and securities of other regulated investment companies. For purposes of section 817(h), all securities of the same issuer, all interests in the same real property, and all interests in the same commodity are treated as a single investment. In addition, each U.S. government agency or instrumentality is treated as a separate issuer, while the securities of a particular foreign government and its agencies, instrumentalities, and political subdivisions all will be considered securities issued by the same issuer. If the Fund does not satisfy the section 817(h) requirements, the separate accounts, the insurance company, the policies and the annuity contracts may be taxable. See the prospectuses for the policies and annuity contracts.

For a more complete discussion of the taxation of the life insurance company and the separate accounts, as well as the tax treatment of the annuity contracts and the holders thereof, see the prospectus for the applicable annuity contract.

The preceding is only a summary of some of the important federal income tax considerations generally affecting the Fund and you; see the Statement of Additional Information for a more detailed discussion. You are urged to consult your tax advisors for more information.

DIVIDENDS AND DISTRIBUTIONS

All dividends are distributed to the separate accounts or other shareholders on an annual basis or more frequently and will be automatically reinvested in Fund shares unless an election is made on behalf of a separate account or other shareholder to receive some or all of the dividends in cash. Dividends are not taxable as current income to you or other purchasers of variable insurance contracts.

FREQUENT PURCHASES AND REDEMPTION OF FUND SHARES

The Fund discourages and does not accommodate market timing. Frequent trading into and out of the Fund can harm all Fund shareholders by disrupting the Fund's investment strategies, increasing Fund expenses, decreasing tax efficiency and diluting the value of shares held by long-term shareholders. If the Fund invests in ETFs that hold foreign securities, it is at greater risk of market timing because the underlying ETF holding foreign securities may, itself, be subject to time zone market timing because of differences between hours of trading between U.S. and foreign exchanges. The Fund is designed for long-term investors and is not intended for market timing or other disruptive trading activities. Accordingly, the Fund's Board has approved policies that seek to curb these disruptive activities while recognizing that shareholders may have a legitimate need to adjust their Fund investments as their financial needs or circumstances change.

The Fund reserves the right to reject or restrict purchase or exchange requests for any reason, particularly when a shareholder's trading activity suggests that the shareholder may be engaged in market timing or other disruptive trading activities. Neither the Fund nor the adviser will be liable for any losses resulting from rejected purchase or exchange orders. The adviser may also bar an investor who has violated these policies (and the investor's financial advisor) from opening new accounts with the Fund.

Because purchase and sale transactions are submitted to the Fund on an aggregated basis by the insurance company issuing the variable insurance contract or variable life contract, or other shareholder, the Fund is not able to identify market timing transactions by individual variable insurance contract or plan participant. Short of rejecting all transactions made by a separate account, the Fund lacks the ability to reject individual short-term trading transactions. The Fund, therefore, has to rely upon the insurance company or other shareholder to police restrictions in the variable insurance contracts or according to the insurance company's administrative policies, or such shareholder's plan documents. The Fund has entered into an information sharing agreement with the insurance company or other shareholders that use the Fund as an underlying investment vehicle for its separate accounts. Under this agreement, the insurance company or other shareholder is obligated to (i) adopt and enforce during the term of the agreement a market timing policy, the terms of which are acceptable to the Fund; (ii) furnish the Fund, upon its request, with information regarding contract or policyholder trading activities in shares of the Fund; and (iii) enforce its market timing policy with respect to contract, policyholders or plan participants identified by the Fund as having engaged in market timing.

The Fund will seek to monitor for market timing activities, such as unusual cash flows, and work with the applicable insurance company or plan to determine whether or not short-term trading is involved. When information regarding transactions in the Fund's shares is requested by the Fund and such information is in the possession of a person that is itself a financial intermediary to the insurance company (an "indirect intermediary"), the insurance company is obligated to obtain transaction information from the indirect intermediary or, if directed by the Fund, to restrict or prohibit the indirect intermediary from purchasing shares of the Fund on behalf of the contract or policyholder or any other persons. The Fund will seek to apply these policies as uniformly as practicable. It is, however, more difficult to locate and eliminate individual market timers in the separate accounts because information about trading is received on a delayed basis and there can be no assurances that the Fund will be able to do so. In addition, the right of an owner of a variable insurance product to transfer among sub-accounts is governed by a contract between the insurance company and the owner. Many of these contracts do not limit the number of transfers that a contract owner may make among the available investment options. The terms of these contracts, the presence of financial intermediaries (including the insurance company) between the Fund and the contract and policyholders and other factors such as state insurance laws may limit the Fund's ability to deter market timing. Multiple tiers of such financial intermediaries may further compound the Fund's difficulty in deterring such market timing activities. Variable insurance contract holders should consult the prospectus for their variable insurance contract for additional information on contract level restrictions relating to market timing.

DISTRIBUTION OF SHARES

Distributor: Northern Lights Distributors, LLC, 17605 Wright Street, Omaha, Nebraska 68130, is the distributor for the shares of the Fund. Northern Lights Distributors, LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Shares of the Fund are offered on a continuous basis.

Distribution Fees: The Trust, with respect to the Fund has adopted the Trust's Master Distribution and Shareholder Servicing Plan (the "Plan") pursuant to Rule 12b-1 of the 1940 Act which allows the Fund to pay the Fund's distributor with respect to the sale and distribution of Class 2 shares of the Fund. Shareholders of Class 2 shares of the Fund pay annual 12b-1 expenses of up to 0.50%. A portion of the fee payable pursuant to the Plan, equal to up to 0.25% of the average daily net assets, may be characterized as a service fee as such term is defined under Rule 2341 of the FINRA Conduct Rules. A service fee is a payment made for personal service and/or the maintenance of shareholder accounts.

The Fund's distributor and other entities are paid under the Plan for services provided and the expenses borne by the distributor and others in the distribution of Fund shares, including the payment of commissions for sales of the shares and incentive compensation to and expenses of dealers and others who engage in or support distribution of shares or who service shareholder accounts, including overhead and telephone expenses; printing and distribution of prospectuses and reports used in connection with the offering of Fund shares to other than current shareholders; and preparation, printing and distribution of sales literature and advertising materials. In addition, the distributor or other entities may utilize fees paid pursuant to the Plan to compensate dealers or other entities for their opportunity costs in advancing such amounts, which compensation would be in the form of a carrying charge on any un-reimbursed expenses.

You should be aware that if you hold your Class 2 shares for a substantial period of time, you may indirectly pay more than the economic equivalent of the maximum front-end sales charge allowed by FINRA due to the recurring nature of distribution (12b-1) fees.

Additional Compensation to Financial Intermediaries: The Fund's distributor, its affiliates, and the Fund's adviser may, at its own expense and out of its own legitimate profits, provide additional cash payments to financial intermediaries who sell shares of the Fund. Financial intermediaries include brokers, financial planners, banks, insurance companies, retirement or 401(k) plan administrators and others. These payments may be in addition to the Rule 12b-1 fees that are disclosed elsewhere in this Prospectus. These payments are generally made to financial intermediaries that provide shareholder or administrative services, or marketing support. Marketing support may include access to sales meetings, sales representatives and financial intermediary management representatives, inclusion of the Fund on a sales list, including a preferred or select sales list, or other sales programs. These payments also may be made as an expense reimbursement in cases where the financial intermediary provides shareholder services to Fund shareholders. The distributor may, from time to time, provide promotional incentives to certain investment firms. Such incentives may, at the distributor's discretion, be limited to investment firms who allow their individual selling representatives to participate in such additional commissions.

Householding: To reduce expenses, the Fund mails only one copy of the Prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Fund at 1-877-779-7462 on days the Fund is open for business or contact your financial institution. The Fund will begin sending you individual copies 30 days after receiving your request.

VOTING AND MEETINGS

The Participating Insurance Company that issued your variable contract will solicit voting instructions from you and other purchasers of variable annuity contracts with respect to any matters that are presented to a vote of shareholders. The insurance company may be required to vote on a proportional basis, which means that for shares outstanding for which it receives no instructions, the insurance company will vote those shares in the same proportion as the shares for which it did receive instructions (either for or against a proposal). To the extent the insurance company is required to vote the total Fund shares held in its separate accounts on a proportional basis, it is possible that a small number of variable insurance contract owners would be able to determine the outcome of a matter. Shareholders shall be entitled to one vote for each share held.

The Fund does not hold annual meetings of shareholders but may hold special meetings. Special meetings are held, for example, to elect or remove Trustees, change the Fund's fundamental investment policies, or approve an investment advisory contract. Unless required otherwise by applicable laws, one-third of the outstanding shares constitute a quorum (or one-third of the Fund or class if the matter relates only to the Fund or class).

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance for the period of the Fund's operations. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment if all dividends and distributions). This information for the Fund has been derived from the financial statements audited by BBD, LLP, the Fund's independent registered public accounting firm, whose report, along with the Fund's financial statements, are included in the Fund's December 31, 2016 annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period

	Class 1				
	For the Year Ended December 31, 2016	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2013**	**For the Period Ended December 31, 2012** [(1)]
Net asset value, beginning of period	$ 9.74	$ 10.10	$ 10.58	$ 10.31	$ 10.00
Activity from investment operations:					
Net investment income [(2)]	0.07	0.18	0.39	0.47	0.10
Net realized and unrealized gain (loss) on investments	0.60	(0.26)	(0.32)	0.11	0.21
Total from investment operations	0.67	(0.08)	0.07	0.58	0.31
Less distributions from:					
Net investment income	—	(0.28)	(0.39)	(0.20)	—
Net realized gains	—	—	(0.16)	(0.11)	—
Total distributions	—	(0.28)	(0.55)	(0.31)	—
Net asset value, end of period	$ 10.41	$ 9.74	$ 10.10	$ 10.58	$ 10.31
Total return [(3)]	6.88%	(0.83)%	0.63%	5.74%	3.10% [(4)]
Net assets, at end of period	$ 116	$ 109	$ 110	$ 109	$ 103
Ratio of gross expenses to average net assets before waiver [(5)]	2.04%	1.76%	1.75%	1.52%	1.68% [(6)]
Ratio of net expenses to average net assets after waiver [(5)]	2.00%	1.76%	1.75%	1.52%	1.68% [(6)]
Ratio of net investment income to average net assets [(5,7)]	0.66%	0.24%	1.48%	3.30%	1.42% [(6)]
Portfolio Turnover Rate	365%	459%	314%	340%	274% [(4)]

(1) The Power Income VIT Fund's Class 1 shares commenced operations April 30, 2012.
(2) Per share amounts calculated using the average shares method, which appropriately presents the per share data for the period.
(3) Total returns are historical in nature and assume reinvestment of dividends and capital gain distributions.
(4) Not annualized.
(5) Does not include the expenses of other investment companies in which the Fund invests.
(6) Annualized.
(7) Recognition of net investment income by the Fund is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period

	Class 2				
	For the Year Ended December 31, 2016	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2013**	**For the Period Ended December 31, 2012 (1)**
Net asset value, beginning of period	$ 9.38	$ 9.86	$ 10.49	$ 10.27	$ 10.00
Activity from investment operations:					
Net investment income (loss) (2)	0.07	(0.03)	0.21	0.29	0.13
Net realized and unrealized gain (loss) on investments	0.34	(0.22)	(0.32)	0.17	0.14
Total from investment operations	0.41	(0.25)	(0.11)	0.46	0.27
Less distributions from:					
Net investment income	—	(0.23)	(0.36)	(0.13)	—
Net realized gains	—	—	(0.16)	(0.11)	—
Total distributions	—	(0.23)	(0.52)	(0.24)	—
Net asset value, end of period	$ 9.79	$ 9.38	$ 9.86	$ 10.49	$ 10.27
Total return (3)	4.37%	(2.51)%	(1.08)%	4.60%	2.70% (4)
Net assets, at end of period (000s)	$ 10,389	$ 13,734	$ 16,398	$ 20,859	$ 29,930
Ratio of gross expenses to average net assets before waiver (5)	2.54%	2.26%	2.25%	2.02%	2.18% (6)
Ratio of net expenses to average net assets after waiver (5)	2.50%	2.26%	2.25%	2.02%	2.18% (6)
Ratio of net investment income (loss) to average net assets (5,7)	0.68%	(0.26)%	1.98%	2.80%	1.92% (6)
Portfolio Turnover Rate	365%	459%	314%	340%	274% (4)

(1) The Power Income VIT Fund's Class 2 shares commenced operations April 30, 2012.
(2) Per share amounts calculated using the average shares method, which appropriately presents the per share data for the period.
(3) Total returns are historical in nature and assume reinvestment of dividends and capital gain distributions.
(4) Not annualized.
(5) Does not include the expenses of other investment companies in which the Fund invests.
(6) Annualized.
(7) Recognition of net investment income (loss) by the Fund is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

PRIVACY NOTICE

Rev. February 2014

FACTS — WHAT DOES NORTHERN LIGHTS VARIABLE TRUST DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depends on the product or service that you have with us. This information can include: • Social Security number and wire transfer instructions • account transactions and transaction history • investment experience and purchase history When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northern Lights Variable Trust chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information:	Does Northern Lights Variable Trust share information?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	**YES**	**NO**
For our marketing purposes - to offer our products and services to you.	**NO**	**We don't share**
For joint marketing with other financial companies.	**NO**	**We don't share**
For our affiliates' everyday business purposes - information about your transactions and records.	**NO**	**We don't share**
For our affiliates' everyday business purposes - information about your credit worthiness.	**NO**	**We don't share**
For nonaffiliates to market to you	**NO**	**We don't share**

QUESTIONS? **Call 1-402-493-4603**

What we do:

How does Northern Lights Variable Trust protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How does Northern Lights Variable Trust collect my personal information?	We collect your personal information, for example, when you • open an account or deposit money • direct us to buy securities or direct us to sell your securities • seek advice about your investments We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • sharing for affiliates' everyday business purposes – information about your creditworthiness. • affiliates from using your information to market to you. • sharing for nonaffiliates to market to you. State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • *Northern Lights Variable Trust does not share with its affiliates.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • *Northern Lights Variable Trust does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. • *Northern Lights Variable Trust doesn't jointly market*.

POWER INCOME VIT FUND

Tactical Bond Management

Adviser	**W.E. Donoghue & Co., LLC** 629 Washington Street Norwood, MA 02062	Distributor	**Northern Lights Distributors, LLC** 17605 Wright Street Omaha, NE 68130
Independent Registered Public Accounting Firm	**BBD, LLP** 1835 Market Street, 26th Floor Philadelphia, PA 19103	Legal Counsel	**Thompson Hine LLP** 41 South High Street, Suite 1700 Columbus, OH 43215
Custodian	**MUFG Union Bank, N.A.** 400 California Street San Francisco, CA 94104	Transfer Agent	**Gemini Fund Services, LLC** 17605 Wright Street, Suite 2 Omaha, NE 68130

Additional information about the Fund is included in the Fund's Statement of Additional Information dated May 1, 2017 (the "SAI"). The SAI is incorporated into this Prospectus by reference (i.e., legally made a part of this Prospectus). The SAI provides more details about the Trust's policies and management. Additional information about the Fund's investments will also be available in the Fund's Annual and Semi-Annual Reports to Shareholders. In the Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

To obtain a free copy of the SAI and the Annual and Semi-Annual Reports to Shareholders, or other information about the Fund, or to make shareholder inquiries about the Fund, please call 1-877-779-7462 or visit www.powerincomefund.com. You may also write to:

Power Income VIT Fund
c/o Gemini Fund Services, LLC
17605 Wright Street, Suite 2
Omaha, Nebraska 68130

You may review and obtain copies of the Fund's information at the SEC Public Reference Room in Washington, D.C. Please call 1-202-551-8090 for information relating to the operation of the Public Reference Room. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at http://www.sec.gov. Copies of the information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549-1520.

Investment Company Act File # 811-21853