

THE COVERED BRIDGE FUND



Annual Report

September 30, 2019

Investor Information: 1-855-525-2151

This report and the financial statements contained herein are submitted for the general information of shareholders and are not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. Nothing herein contained is to be considered an offer of sale or solicitation of an offer to buy shares of The Covered Bridge Fund. Such offering is made only by prospectus, which includes details as to offering price and other material information.

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Member FINRA

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website www.thecoveredbridgefund.com and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically or to continue receiving paper copies of shareholder reports, which are available free of charge, by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you.



Dear Fellow Shareholders,

For the twelve-month period that ended September 30, 2019: the domestic equity market produced slightly positive equity returns with the S&P 500 index up 4.25%. In the same period, The Covered Bridge Fund (TCBIX) was up 2.86%. Although returns for both the equity market and the Fund were somewhat subdued in this period, volatility was not. The markets saw a dramatic downturn early in the period followed by a full recovery over the next nine months.

The Fund continues to perform well within its peer group and is in the top quartile of the Morningstar option writing category in the 1, 3 and 5-year time periods (*as of 9/30/19: 165 funds in the 1-year, 103 in the 3-year and 63 in the five-year*). We are pleased with this performance relative to the Fund's peers and will continue to pursue the Fund's stated objective of current income and realized gains from writing options with capital appreciation as a secondary objective.

In the past twelve months ended September 30, 2019, we have started to see a move out of growth stocks and into more value-oriented securities as well as a shift away from technology and a resurgence in financial stocks. One of the best performers in the Fund during the period was AT&T (3.4%) which pays over a 5% dividend and has started to perform much better after completing its \$85 billion acquisition of Time Warner. The Fund also saw strong performance in the Technology Sector from Qualcomm (.5%), Broadcom (2.5%), and Intel (2.7%), all of which should continue to benefit from the upcoming rollout of 5G technology around the world.

Over the past year ended September 30, 2019, the Fund was negatively impacted by investments in the Energy Sector as the positions in Schlumberger (.4%), Exxon Mobil (2.4%) and BP (1.7%) continue to underperform in a declining oil price environment. Many of the Fund's holdings in Energy continue to pay healthy dividends and should perform better as the price of oil recovers from the low end of its trading range.

Beginning the fiscal year starting October 1, 2019, the Fund has distributed income received from option premiums on a quarterly basis to smooth the Fund's dividend payments to shareholders and avoid a large distribution at the end of a calendar year. This was the first year of larger quarterly distributions which we plan to continue going forward.

As we move into 2020, we expect a much more difficult period for the US equity market. We are starting to see signs of weakening domestic and global economic growth which may lead to a slowdown in revenues and eventually corporate profits. This slowdown combined with trade uncertainty, an inverted yield curve and nervousness around the upcoming election raises the probability of a recession and negative equity returns. While it is difficult to call the top in equity prices, we expect it will occur sometime in the next six to twelve months.

The Fund's strategy allows it to become defensive when we are convinced an economic slowdown and a corresponding bear market is about to occur, which we now believe is the case. The Fund is positioned defensively relative to previous years with an increased cash position and downside protection in the form of index put options. The Fund will likely continue to become even more defensive as we move into the coming year.

Thank you for being a Covered Bridge Fund shareholder.

Sincerely,

John Schonberg, CFA
Michael Dashner, CFA



Performance & Important Disclosures:

	<i>TCBIX</i>	<i>TCBAX</i>	<i>TCBAX with Load</i>	<i>S&P 500</i>
<i>3-month</i>	1.71%	1.64%	-3.70%	1.70%
<i>YTD</i>	13.14%	12.99%	7.02%	20.55%
<i>1-year</i>	2.86%	2.58%	-2.83%	4.25%
<i>3-year</i>	7.57%	7.29%	5.38%	13.39%
<i>5-year</i>	5.70%	5.43%	4.30%	10.84%
<i>Since inception 10/1/13</i>	6.87%	6.59%	5.64%	12.13%

*There is no assurance that the fund will achieve its investment objectives. *The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until January 31, 2020, subject to possible recoupment from the Fund in future years. The Fund's gross total annual operating expenses are 1.80% for Class A and 1.55% for Class I and the net annual fund operating expenses are 1.73% and 1.48% of the Fund's average daily net assets for its Class A and Class I shares, respectively, per the Fund's prospectus dated February 1, 2019. Please review the fund's prospectus for more information regarding the fund's fees and expenses. For performance information current to the most recent month-end, please call 855-525-2151.*

Fund Objective: The fund seeks current income and realized gains from writing options with capital appreciation as a secondary objective.

Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges. The advisor has not previously managed a mutual fund. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. Higher portfolio turnover will result in higher transactional and brokerage costs. Selling covered call options will limit the Fund's gain, if any, on its underlying securities. The Fund continues to bear the risk of a decline in the value of its underlying stocks. Option premiums are treated as short-term capital gains and when distributed to shareholders, are usually taxable as ordinary income, which may have a higher tax rate than long-term capital gains for shareholders holding Fund shares in a taxable account. There is no guarantee that distributions will be paid.

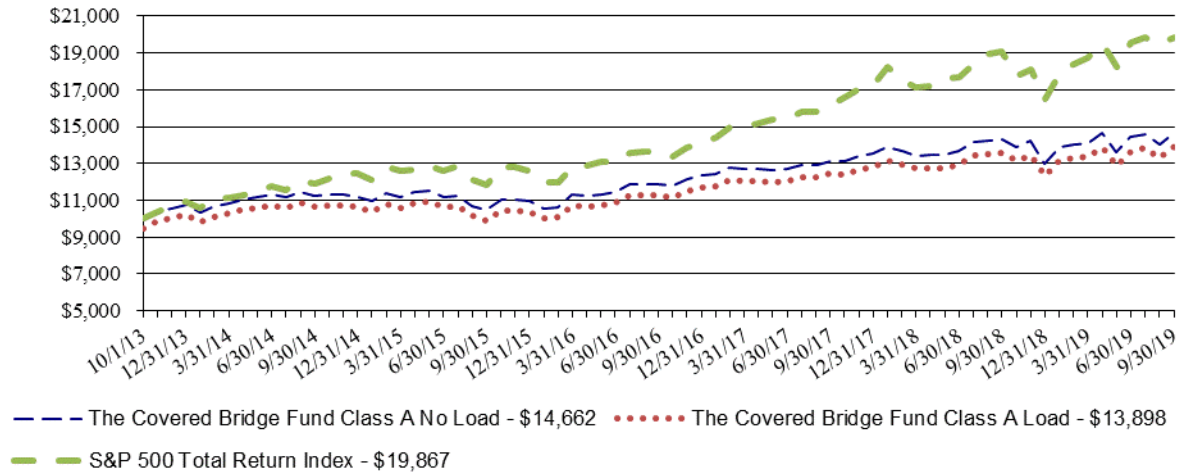
There is no assurance that the Fund will achieve its investment objectives.

Important Definitions: Put Options: An option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time. This is the opposite of a call option, which gives the holder the right to buy shares. S&P500: The S&P 500 or Standard & Poor's 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The index is widely regarded as the best gauge of large-cap U.S. equities. Covered Call: An options strategy whereby an investor holds a long position in an asset and writes (sells) call options on that same asset in an attempt to generate increased income from the asset. This is often employed when an investor has a short-term neutral view on the asset and for this reason holds the asset long and simultaneously has a short position via the option to generate income from the option premium.

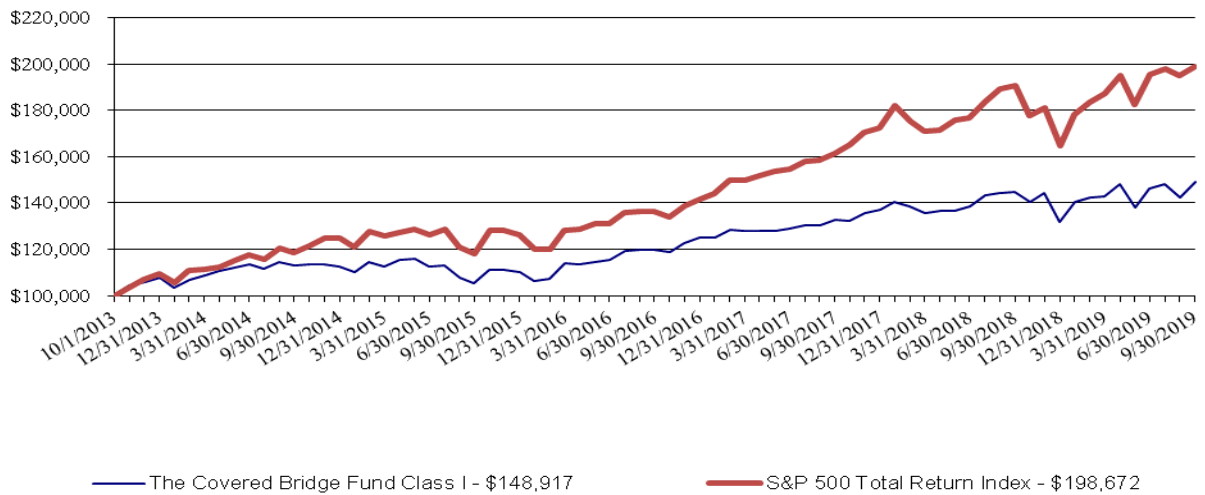
Mutual funds involve risk including the possible loss of principal. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Covered Bridge Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.THECOVEREDBRIDGEFUND.com or by calling +1-855-525-2151. The prospectus should be read carefully before investing. The Covered Bridge Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Stonebridge Capital Advisors, LLC is not affiliated with Northern Lights Distributors, LLC. 5928-NLD-11/1/2019

The Covered Bridge Fund Portfolio Review (Unaudited) September 30, 2019

Composition of the change in value of a \$10,000 investment for Class A



Composition of the change in value of a \$100,000 investment for Class I



The Covered Bridge Fund
Portfolio Review (Unaudited) (Continued)
September 30, 2019

The Fund's performance figures* for the periods ended September 30, 2019, compared to its benchmark:

	One Year	Annualized	
		Five Years	Since Inception *
The Covered Bridge Fund:			
Class A without Load	2.58%	5.43%	6.59%
Class A with load	(2.83)%	4.30%	5.64%
Class I	2.86%	5.70%	6.87%
S&P 500 Total Return Index **	4.25%	10.84%	12.13%

* The Fund's inception date was October 1, 2013.

**The S&P 500 Total Return Index is an unmanaged market capitalization-weighted index which is comprised of 500 of the largest U.S. domiciled companies and includes the reinvestment of all dividends. Investors cannot invest directly in an index or benchmark.

The performance data quoted is historical. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than the original cost. Total return is calculated assuming reinvestment of all dividends and distributions. Total returns would have been lower had the adviser not waived its fees and reimbursed a portion of the Fund's expenses. Returns for periods greater than one year are annualized. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until January 31, 2020, to ensure that the net annual Fund operating expenses (excluding acquired fund fees and expenses and certain other non-operating expenses) will not exceed 1.65% and 1.40%, respectively for Class A and Class I, subject to possible recoupment from the Fund in future years. The Fund's total gross annual operating expenses, per its prospectus dated February 1, 2019, including underlying funds, are 1.80% for Class A and 1.55% for Class I. Class A shares are subject to a maximum sales charge imposed on purchases of 5.25%. Class A and Class I shares are subject to a redemption fee of 1.00% of the amount redeemed if held less than 90 days. The above performance figures do not reflect the deduction of taxes that a shareholder would have to pay on Fund distributions or the redemption of the Fund shares. For performance information current to the most recent month-end, please call 1-855-525-2151.

The Covered Bridge Fund
Portfolio Review (Unaudited) (Continued)
September 30, 2019

Portfolio Composition as of September 30, 2019

Breakdown by Sector

	<u>Percent of Net Assets</u>
Common Stock	78.0%
Financial	17.5%
Consumer, Non-cyclical	16.4%
Technology	11.6%
Communications	9.6%
Consumer, Cyclical	8.8%
Energy	7.5%
Basic Materials	2.5%
Industrial	2.3%
Utilities	1.8%
Options Purchased	2.3%
Short-term Investments	29.2%
Call Options Written	(0.6)%
Liabilites Less Other Assets	(8.9)%
Net Assets	100.0%

Breakdown by Country

	<u>Percent of Net Assets</u>
Common Stock	78.0%
United States	74.3%
Britain	2.6%
Belgium	1.1%
Options Purchased	2.3%
Shot-term Investments	29.2%
Call Options Written	(0.6)%
Liabilites Less Other Assets	(8.9)%
Net Assets	100.0%

See accompanying notes to financial statements.

The Covered Bridge Fund
PORTFOLIO OF INVESTMENTS
September 30, 2019

Shares		Fair Value
COMMON STOCK - 78.0 %		
AGRICULTURE - 1.5 %		
20,000	Archer-Daniels-Midland Co. ^	\$ 821,400
9,400	Bunge Ltd.	532,228
		<u>1,353,628</u>
AIRLINES - 2.8 %		
16,500	Alaska Air Group, Inc. ^	1,071,015
25,000	Delta Air Lines, Inc. ^	1,440,000
		<u>2,511,015</u>
AUTO MANUFACTURERS - 1.5 %		
140,000	Ford Motor Co.	1,282,400
		<u>1,282,400</u>
BANKS - 11.3 %		
52,000	Bank of America Corp. ^	1,516,840
27,500	BB&T Corp. ^	1,467,675
20,000	Citigroup, Inc. ^	1,381,600
23,000	JPMorgan Chase & Co. ^ (a)	2,706,870
25,000	US Bancorp ^	1,383,500
30,000	Wells Fargo & Co. ^	1,513,200
		<u>9,969,685</u>
BEVERAGES - 2.1 %		
10,000	Anheuser-Busch InBev SA/NV - ADR ^	951,500
15,000	Molson Coors Brewing Co. ^	862,500
		<u>1,814,000</u>
BIOTECHNOLOGY - 5.0 %		
10,000	Amgen, Inc. ^	1,935,100
39,000	Gilead Sciences, Inc. ^ (a)	2,471,820
		<u>4,406,920</u>
CHEMICALS - 0.8 %		
4,033	Dow, Inc. (a)	192,172
6,666	DuPont de Nemours, Inc. (a)	475,353
		<u>667,525</u>
COMPUTERS - 5.8 %		
10,000	Apple, Inc. ^ (a)	2,239,700
20,000	International Business Machines Corp. ^ (a)	2,908,400
		<u>5,148,100</u>
ELECTRIC - 1.8 %		
7,700	Dominion Energy, Inc. ^	624,008
30,000	PPL Corp. ^	944,700
		<u>1,568,708</u>
FOOD - 1.0 %		
15,000	Kellogg Co. ^	965,250
		<u>965,250</u>
HOME & OFFICE FURNISHINGS - 1.3 %		
61,000	Newell Brands, Inc. ^	1,141,920
		<u>1,141,920</u>
INSURANCE - 1.7 %		
17,000	Prudential Financial, Inc.	1,529,150
		<u>1,529,150</u>
INVESTMENT MANAGEMENT - 3.1 %		
160,000	Invesco Ltd. (a)	2,710,400
		<u>2,710,400</u>
IRON/STEEL - 1.7 %		
29,900	Nucor Corp. ^	1,522,209
		<u>1,522,209</u>

See accompanying notes to financial statements.

The Covered Bridge Fund
PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2019

Shares		Fair Value			
COMMON STOCK (Continued) - 78.0 %					
LODGING - 2.0 %					
16,000	Wynn Resorts Ltd. ^	\$ 1,739,520			
MEDIA - 1.8 %					
64,300	Viacom, Inc. ^	1,545,129			
MISCELLANEOUS MANUFACTURING - 1.0 %					
100,000	General Electric Co. ^(a)	894,000			
OIL & GAS - 7.5 %					
40,000	BP PLC - ADR ^	1,519,600			
14,600	Chevron Corp.	1,731,560			
30,000	Exxon Mobil Corp. ^ ^(a)	2,118,300			
15,000	Marathon Petroleum Corp. ^	911,250			
10,000	Schlumberger Ltd.	341,700			
6,622,410					
PHARMACEUTICALS - 4.6 %					
43,500	Bristol-Myers Squibb Co. ^	2,205,885			
9,000	Johnson & Johnson ^	1,164,420			
20,000	Pfizer, Inc.	718,600			
4,088,905					
REAL ESTATE INVESTMENT TRUSTS - 1.4 %					
70,000	Host Hotels & Resorts, Inc. ^	1,210,300			
RETAIL - 3.3 %					
28,500	CVS Health Corp.	1,797,495			
1,000	Home Depot, Inc. ^	232,020			
17,000	Kohl's Corp. ^	844,220			
2,873,735					
SEMICONDUCTORS - 5.8 %					
8,000	Broadcom, Inc. ^	2,208,560			
47,000	Intel Corp. ^ ^(a)	2,421,910			
6,000	QUALCOMM, Inc.	457,680			
5,088,150					
TELECOMMUNICATIONS - 7.8 %					
80,000	AT&T, Inc. ^ ^(a)	3,027,200			
38,000	Cisco Systems, Inc. ^	1,877,580			
20,000	Verizon Communications, Inc. ^ ^(a)	1,207,200			
40,000	Vodafone Group PLC - ADR ^	796,400			
6,908,380					
TRANSPORTATION - 1.4 %					
10,000	United Parcel Service, Inc. ^	1,198,200			
TOTAL COMMON STOCK					
		68,759,639			
(Cost - \$75,548,638)					
Contracts**					
OPTIONS PURCHASED * - 2.3 %					
PUT OPTIONS PURCHASED - 0.6 %					
	Expiration	Exercise Price	Notional Amount		
800	SPDR S&P 500 ETF Trust	December 2019	\$ 280.00	\$ 22,400,000	349,600
400	SPDR S&P 500 ETF Trust	October 2019	300.00	12,000,000	180,000
TOTAL PUT OPTIONS PURCHASED					529,600
(Cost - \$602,718)					

See accompanying notes to financial statements.

The Covered Bridge Fund
PORTFOLIO OF INVESTMENTS (Continued)
September 30, 2019

Contracts**	Expiration	Exercise Price	Notional Amount	Fair Value
CALL OPTIONS PURCHASED - 1.7 %				
80	3M Co. MMM	January 2020	\$ 170.00 \$ 1,360,000	\$ 43,200
220	AbbVie, Inc.	January 2020	67.50 1,485,000	201,300
400	Archer-Daniels-Midland Co.	December 2019	38.00 1,520,000	149,000
200	Dow, Inc.	December 2019	45.00 900,000	88,000
800	Invesco Ltd.	January 2020	16.00 1,280,000	124,000
540	Kraft Heinz Co.	December 2019	27.50 1,485,000	103,140
550	Nordstrom, Inc.	January 2020	30.00 1,650,000	302,500
170	Prudential Financial, Inc.	December 2019	82.50 1,402,500	155,125
550	Tapestry, Inc.	January 2020	20.00 1,100,000	370,700
TOTAL CALL OPTIONS PURCHASED				1,536,965
(Cost - \$657,024)				
TOTAL OPTIONS PURCHASED				2,066,565
(Cost - \$1,259,742)				
SHORT-TERM INVESTMENT - 29.2 %				
MONEY MARKET FUND - 29.2 %				
25,730,314	JPMorgan U.S. Treasury Plus Money Market Fund - Institutional Shares, 1.82 % +			25,730,314
TOTAL SHORT-TERM INVESTMENT				25,730,314
(Cost - \$25,730,314)				
TOTAL INVESTMENTS - 109.5 % (Cost - \$102,538,694)				\$ 96,556,518
OPTIONS WRITTEN (Premiums Received - \$636,401) - (0.6) %				(569,366)
LIABILITIES LESS OTHER ASSETS - (8.9) %				(7,868,545)
NET ASSETS - 100.0 %				\$ 88,118,607

Contracts**	Expiration	Exercise Price	Notional Amount	Fair Value
CALL OPTIONS WRITTEN * - (0.6) %				
60	Alaska Air Group, Inc.	October 2019	\$ 65.00 \$ 390,000	\$ 9,600
70	Amgen, Inc.	October 2019	200.00 1,400,000	8,540
50	Anheuser-Busch InBev SA/NV - ADR	October 2019	95.00 475,000	10,300
50	Apple, Inc.	October 2019	220.00 1,100,000	36,050
100	Archer-Daniels-Midland Co.	October 2019	41.00 410,000	8,600
400	AT&T, Inc.	October 2019	37.00 1,480,000	40,400
100	Bank of America Corp.	October 2019	30.00 300,000	3,500
125	BB&T Corp.	October 2019	52.50 656,250	21,375
200	BP PLC - ADR	October 2019	39.00 780,000	5,000
150	Bristol-Myers Squibb Co.	November 2019	52.50 787,500	13,050
40	Broadcom Ltd.	October 2019	290.00 1,160,000	7,200
190	Cisco Systems, Inc.	October 2019	49.00 931,000	19,380
100	Citigroup, Inc.	October 2019	70.00 700,000	13,600
125	Delta Air Lines, Inc.	October 2019	60.00 750,000	8,250
77	Dominion Energy, Inc.	October 2019	77.50 596,750	28,721
100	Exxon Mobile Corp.	October 2019	71.50 715,000	8,000
150	Gilead Sciences, Inc.	November 2019	65.00 975,000	25,800
10	Home Depot, Inc.	October 2019	230.00 230,000	5,050
250	Host Hotels & Resorts, Inc.	November 2019	17.00 425,000	21,250
150	Intel Corp.	October 2019	50.00 750,000	32,700
60	Intel Corp.	November 2019	52.50 315,000	10,020
50	International Business Machines Corp.	October 2019	145.00 725,000	22,350

See accompanying notes to financial statements.

The Covered Bridge Fund
PORTFOLIO OF INVESTMENTS (Continued)
September 30, 2019

Contracts **		Expiration	Exercise Price	Notional Amount	Fair Value
CALL OPTIONS WRITTEN * (Continued) - (0.6) %					
60	Johnson & Johnson	October 2019	\$ 130.00	\$ 780,000	\$ 12,000
100	JPMorgan Chase & Co.	October 2019	120.00	1,200,000	8,200
50	Kellogg Co.	October 2019	65.00	325,000	4,250
85	Kohl's Corp.	October 2019	52.50	446,250	4,675
75	Marathon Petroleum Corp.	October 2019	61.00	457,500	13,500
75	Molson Coors Brewing Co.	November 2019	57.50	431,250	20,250
300	Newell Brands, Inc.	October 2019	18.00	540,000	33,300
140	Nucor Corp.	October 2019	52.50	735,000	8,820
150	PPL Corp.	October 2019	31.00	465,000	12,300
50	United Parcel Service, Inc.	October 2019	115.00	575,000	27,750
125	US Bancorp	October 2019	55.00	687,500	15,125
100	Verizon Communications, Inc.	November 2019	60.00	600,000	15,200
420	Viacom, Inc.	October 2019	25.00	1,050,000	8,400
200	Vodafone Group PLC - ADR	October 2019	20.00	400,000	6,600
100	Wells Fargo Co.	October 2019	52.50	525,000	2,900
80	Wynn Resort Ltd.	October 2019	113.00	904,000	17,360
TOTAL CALL OPTIONS WRITTEN					\$ 569,366
(Premiums Received - \$636,401)					

ADR - American Depositary Receipt

PLC - Public Limited Company

+ Variable rate security - interest rate is as of September 30, 2019.

^ Security is subject to written call options.

* Non-income producing security.

** Each call option contract allows the holder of the option to purchase/sell 100 shares of the underlying stock.

^(a) All or portion of the security is pledged as collateral.

The Covered Bridge Fund
STATEMENT OF ASSETS AND LIABILITIES
September 30, 2019

Assets:	
Investments in Securities at Value (cost \$102,538,694)	\$ 96,556,518
Cash - Options Collateral Account	56,700
Receivable for Fund Shares Sold	34,983
Deposits with Broker for Options Written	79,267
Dividend and Interest Receivable	90,198
Receivable for Investments Sold	69,624
Prepaid Expenses and Other Assets	27,577
Total Assets	96,914,867
 Liabilities:	
Payable for Investments Purchased	8,128,635
Options Written (premiums received \$636,401)	569,366
Investment Advisory Fees Payable	55,149
Payable to Related Parties	10,645
Distribution (12b-1) Fees Payable	3,017
Payable for Fund Shares Redeemed	1,000
Accrued Expenses and Other Liabilities	28,448
Total Liabilities	8,796,260
 Net Assets	 \$ 88,118,607
 Class A Shares:	
Net Assets (Unlimited shares of no par value beneficial interest authorized; 1,563,480 shares of beneficial interest outstanding)	\$ 14,822,235
Net Asset Value and Redemption Price Per Share (a) (\$14,822,235/1,563,480 shares of beneficial interest outstanding)	\$ 9.48
Offering Price Per Share (\$9.48/0.9475)	\$ 10.01
 Class I Shares:	
Net Assets (Unlimited shares of no par value interest authorized; 7,761,945 shares of beneficial interest outstanding)	\$ 73,296,372
Net Asset Value, Offering and Redemption Price Per Share (a) (\$73,296,372/7,761,945 shares of beneficial interest outstanding)	\$ 9.44
 Composition of Net Assets:	
Paid-in-Capital	\$ 94,009,496
Accumulated Losses	(5,890,889)
Net Assets	\$ 88,118,607

(a) The Fund charges a fee of 1% on redemptions of shares held for less than 90 days.

The Covered Bridge Fund
STATEMENT OF OPERATIONS
For the Year Ended September 30, 2019

Investment Income:	
Dividend Income (Less \$6,684 Foreign Taxes)	\$ 2,698,645
Interest Income	97,378
Total Investment Income	<u>2,796,023</u>
Expenses:	
Investment Advisory Fees	806,078
Administration Fees	81,325
Interest Expense	77,171
Transfer Agent Fees	52,584
Third Party Administrative Servicing Fees	48,551
Fund Accounting Fees	45,117
Distribution (12b-1) Fees - Class A	36,825
Registration & Filing Fees	28,741
Chief Compliance Officer Fees	22,117
Printing Expense	19,540
Audit Fees	16,002
Legal Fees	15,613
Trustees' Fees	13,184
Custody Fees	12,307
Insurance Expense	2,036
Miscellaneous Expenses	4,477
Total Expenses	<u>1,281,668</u>
Less: Fee Waived by Adviser	(38,799)
Net Expenses	<u>1,242,869</u>
Net Investment Income	<u>1,553,154</u>
Net Realized and Unrealized Gain (Loss) on Investments:	
Net Realized Gain (Loss) on:	
Investments and Options Purchased	(1,008,796)
Options Written	4,465,567
Total Net Realized Gain on Investments	<u>3,456,771</u>
Net Change in Unrealized (Depreciation) on:	
Investments and Options Purchased	(2,695,568)
Options Written	(15,453)
Total Net Change in Unrealized Depreciation	<u>(2,711,021)</u>
Net Realized and Unrealized Gain on Investments	<u>745,750</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 2,298,904</u>

The Covered Bridge Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018
Operations:		
Net Investment Income	\$ 1,553,154	\$ 942,593
Net Realized Gain from Investments	3,456,771	5,925,986
Net Change in Unrealized (Depreciation) on Investments	(2,711,021)	(998,632)
Net Increase in Net Assets Resulting From Operations	2,298,904	5,869,947
Distributions to Shareholders From:		
From Net Investment Income:		
Class A (\$0 and \$0.10, respectively)	-	(156,362)
Class I (\$0 and \$0.15, respectively)	-	(783,916)
From Net Realized Gains:		
Class A (\$0 and \$0.63, respectively)	-	(826,421)
Class I (\$0 and \$0.63, respectively)	-	(2,888,312)
Total Distributions Paid*		
Class A (\$1.31 and \$0, respectively)	(1,996,169)	-
Class I (\$1.33 and \$0, respectively)	(8,484,754)	-
Net Decrease in Net Assets From Distributions to Shareholders	(10,480,923)	(4,655,011)
Capital Share Transactions:		
Class A		
Proceeds from Shares Issued (56,714 and 357,193 shares, respectively)	542,289	3,660,727
Distributions Reinvested (209,674 and 94,647 shares, respectively)	1,939,294	955,868
Redemption Fee Proceeds	581	508
Cost of Shares Redeemed (251,391 and 186,984 shares, respectively)	(2,299,883)	(1,903,758)
Total Class A	182,281	2,713,345
Class I		
Proceeds from Shares Issued (2,041,192 and 1,445,094 shares, respectively)	19,296,108	14,904,188
Distributions Reinvested (835,965 and 342,497 shares, respectively)	7,704,259	3,450,051
Redemption Fee Proceeds	2,573	1,815
Cost of Shares Redeemed (991,173 and 710,865 shares, respectively)	(9,350,127)	(7,344,184)
Total Class I	17,652,813	11,011,870
Total Capital Share Transactions	17,835,094	13,725,215
Total Increase in Net Assets	9,653,075	14,940,151
Net Assets:		
Beginning of Year	78,465,532	63,525,381
End of Year **	\$ 88,118,607	\$ 78,465,532

* Distributions from net investment income and net realized capital gains are combined for the year ended September 30, 2019. See "New Accounting Pronouncements" in the Notes to Financial Statements for more information. The dividends and distributions to shareholders for the year ended September 30, 2018 have not been reclassified to conform to the current year presentation.

** Net Assets-End of Year includes undistributed net investment Income of \$5,481 as of September 30, 2018.

The Covered Bridge Fund - Class A
FINANCIAL HIGHLIGHTS

Per share data and ratios for a share of beneficial interest throughout each year presented.

	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016	For the Year Ended September 30, 2015
Net Asset Value, Beginning of Year	\$ 10.60	\$ 10.46	\$ 10.11	\$ 9.36	\$ 11.19
Increase (Decrease) From Operations:					
Net investment income ⁽¹⁾	0.16	0.12	0.09	0.08	0.11
Net realized and unrealized gain (loss) on Investments	0.03	0.75	0.96	1.15	(0.84)
Total from operations	0.19	0.87	1.05	1.23	(0.73)
Less Distributions:					
From net investment income	(0.16)	(0.10)	(0.08)	(0.07)	(0.10)
From net realized gain	(1.15)	(0.63)	(0.62)	(0.41)	(1.00)
Total Distributions	(1.31)	(0.73)	(0.70)	(0.48)	(1.10)
Paid in capital from redemption fees ⁽¹⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	-	0.00 ⁽³⁾
Net Asset Value, End of Year	\$ 9.48	\$ 10.60	\$ 10.46	\$ 10.11	\$ 9.36
Total Return ⁽²⁾	2.58%	8.73%	10.72%	13.58%	(7.13)%
Ratios/Supplemental Data					
Net assets, end of year (in 000's)	\$ 14,822	\$ 16,408	\$ 13,421	\$ 6,584	\$ 3,647
Ratio of expenses to average net assets:					
before reimbursement ⁽⁴⁾	1.79%	1.80%	2.10%	2.25%	2.33%
net of reimbursement	1.75%	1.73%	1.93%	1.90%	1.90%
Ratio of expenses to average net assets, excluding interest expense:					
before reimbursement ⁽⁴⁾	1.69%	1.72%	2.07%	2.25%	2.33%
net of reimbursement	1.65%	1.65%	1.90%	1.90%	1.90%
Ratio of net investment income to average net assets	1.72%	1.15%	0.91%	0.81%	1.03%
Portfolio turnover rate	159%	186%	222%	193%	208%

⁽¹⁾ Per share amounts are calculated using the average shares method, which more appropriately presents the per share data for the year.

⁽²⁾ Total returns are historical in nature and assume changes in share price, reinvestment of dividends and capital gains distributions, if any, excluding the effect of sales loads and redemptions fees. Had the adviser not absorbed a portion of Fund expenses, total returns would have been lower. Total returns for periods less than one year are not annualized.

⁽³⁾ Amount is less than \$0.01 per share.

⁽⁴⁾ Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the adviser.

The Covered Bridge Fund - Class I
FINANCIAL HIGHLIGHTS

Per share data and ratios for a share of beneficial interest throughout each year presented.

	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016	For the Year Ended September 30, 2015
Net Asset Value, Beginning of Year	\$ 10.56	\$ 10.44	\$ 10.10	\$ 9.38	\$ 11.20
Increase (Decrease) From Operations:					
Net investment income ⁽¹⁾	0.19	0.15	0.12	0.10	0.13
Net realized and unrealized gain (loss) on Investments	0.02	0.75	0.96	1.14	(0.82)
Total from operations	0.21	0.90	1.08	1.24	(0.69)
Less Distributions:					
From net investment income	(0.18)	(0.15)	(0.12)	(0.11)	(0.13)
From net realized gain	(1.15)	(0.63)	(0.62)	(0.41)	(1.00)
Total Distributions	(1.33)	(0.78)	(0.74)	(0.52)	(1.13)
Paid in capital from redemption fees ⁽¹⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	-	0.00 ⁽³⁾
Net Asset Value, End of Year	\$ 9.44	\$ 10.56	\$ 10.44	\$ 10.10	\$ 9.38
Total Return ⁽²⁾	2.86%	8.99%	11.02%	13.73%	(6.80)%
Ratios/Supplemental Data					
Net assets, end of year (in 000's)	\$ 73,296	\$ 62,058	\$ 50,104	\$ 29,175	\$ 24,232
Ratio of expenses to average net assets:					
before reimbursement ⁽⁴⁾	1.54%	1.55%	1.85%	2.00%	2.08%
net of reimbursement	1.50%	1.48%	1.68%	1.65%	1.65%
Ratio of expenses to average net assets, excluding interest expense:					
before reimbursement ⁽⁴⁾	1.44%	1.47%	1.82%	2.00%	2.08%
net of reimbursement	1.40%	1.40%	1.65%	1.65%	1.65%
Ratio of net investment income to average net assets	1.97%	1.40%	1.16%	1.09%	1.28%
Portfolio turnover rate	159%	186%	222%	193%	208%

⁽¹⁾ Per share amounts are calculated using the average shares method, which more appropriately presents the per share data for the year.

⁽²⁾ Total returns are historical in nature and assume changes in share price, reinvestment of dividends and capital gains distributions, if any, excluding the effect of redemptions fees.

Had the adviser not absorbed a portion of Fund expenses, total returns would have been lower. Total returns for periods less than one year are not annualized.

⁽³⁾ Amount is less than \$.01 per share.

⁽⁴⁾ Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the adviser.

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

I. ORGANIZATION

The Covered Bridge Fund (the “Fund”) is a diversified series of shares of beneficial interest of Northern Lights Fund Trust III (the “Trust”), a Delaware statutory trust organized on December 5, 2011 and registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The investment objective of the Fund is to seek current income and realized gains from writing options with capital appreciation as a secondary objective. The Fund commenced operations on October 1, 2013.

The Fund currently offers Class A and Class I shares. Class A shares are offered at net asset value plus a maximum sales charge of 5.25%. Class I shares are offered at net asset value. The Fund charges a fee of 1% on redemptions of shares held for less than 90 days. Each class represents an interest in the same assets of the Fund and classes are identical except for differences in their sales charge structures and distribution charges. All classes of shares have equal voting privileges except that each class has exclusive voting rights with respect to its service and/or distribution plans. The Fund’s income, expenses (other than class specific distribution fees) and realized and unrealized gains and losses are allocated proportionately each day based upon the relative net assets of each class.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Actual results could differ from those estimates. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services Investment Companies” including FASB Accounting Standard Update (“ASU”) No. 2013-08.

Security Valuation – The Fund’s securities are valued at the last sale price on the exchange in which such securities are primarily traded, as of the close of business on the day the securities are being valued. In the absence of a sale on the primary exchange, a security shall be valued at the mean between the current bid and ask prices on the day of valuation. NASDAQ traded securities are valued using the NASDAQ Official Closing Price (“NOCP”). Exchange traded options are valued at the last sale price or in the absence of a sale, at the mean between the current bid and ask prices. Short-term debt obligations having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost.

Securities for which current market quotations are not readily available or for which quotations are not deemed to be representative of market values are valued at fair value as determined in good faith by or under the direction of the Trust’s Board of Trustees (the “Board”) in accordance with the Trust’s Portfolio Securities Valuation Procedures (the “Procedures”). The Procedures consider the following factors, among others, to determine a security’s fair value: the nature and pricing history (if any) of the security; whether any dealer quotations for the security are available; and possible valuation methodologies that could be used to determine the fair value of the security.

The Fund may hold securities, such as private investments, interests in commodity pools, other non-traded securities or temporarily illiquid securities, for which market quotations are not readily available or are determined to be unreliable. These securities will be valued using the “fair value” procedures approved by the Board. The Board has delegated execution of these procedures to a fair value committee composed of one or more officers from each of the (i) Trust, (ii) administrator, and (iii) adviser. The committee may also enlist third party consultants such as a valuation specialist at a public accounting firm, valuation consultant, 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.

Fair Valuation Process – As noted above, the fair value committee is composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The applicable investments are valued collectively via inputs from each of these groups. For example, fair value determinations are required for the following securities: (i) securities for which market quotations are insufficient or not readily available on a particular business day (including securities for which there is a short and temporary lapse in the provision of a price by the regular pricing source), (ii) securities for which, in the judgment of the adviser, the prices or values available do not represent the fair value of the instrument. Factors which may cause the adviser to make such a judgment include, but are not limited to, the following: only a bid price or an asked price is available; the spread between bid and asked prices is substantial; the frequency of sales; the thinness of the market; the size of reported trades; and actions of the securities markets, such as the suspension or

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2019

limitation of trading; (iii) securities determined to be illiquid; (iv) securities with respect to which an event that will affect the value thereof has occurred (a "significant event") since the closing prices were established on the principal exchange on which they are traded, but prior to the Fund's calculation of its net asset value. Specifically, interests in commodity pools or managed futures pools are valued on a daily basis by reference to the closing market prices of each futures contract or other asset held by a pool, as adjusted for pool expenses. Restricted or illiquid securities, such as private investments or non-traded securities are valued via inputs from the adviser based upon the current bid for the security from two or more independent dealers or other parties reasonably familiar with the facts and circumstances of the security (who should take into consideration all relevant factors as may be appropriate under the circumstances). If the adviser is unable to obtain a current bid from such independent dealers or other independent parties, the fair value committee shall determine the fair value of such security using the following factors: (i) the type of security; (ii) the cost at date of purchase; (iii) the size and nature of the Fund's holdings; (iv) the discount from market value of unrestricted securities of the same class at the time of purchase and subsequent thereto; (v) information as to any transactions or offers with respect to the security; (vi) the nature and duration of restrictions on disposition of the security and the existence of any registration rights; (vii) how the yield of the security compares to similar securities of companies of similar or equal creditworthiness; (viii) the level of recent trades of similar or comparable securities; (ix) the liquidity characteristics of the security; (x) current market conditions; and (xi) the market value of any securities into which the security is convertible or exchangeable.

The Fund utilizes various methods to measure the fair value of all of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of input are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following tables summarize the inputs used as of September 30, 2019 for the Fund's assets and liabilities measured at fair value:

Assets *	Level 1	Level 2	Level 3	Total
Common Stock	\$ 68,759,639	\$ -	\$ -	\$ 68,759,639
Call Options Purchased	1,108,840	428,125	-	1,536,965
Put Options Purchased	529,600	-	-	529,600
Short-Term Investment	25,730,314	-	-	25,730,314
Total	\$ 96,128,393	\$ 428,125	\$ -	\$ 96,556,518
Liabilities				
Call Options Written	\$ 560,966	\$ 8,400	\$ -	\$ 569,366
Total	\$ 560,966	\$ 8,400	\$ -	\$ 569,366

The Fund did not hold any Level 3 securities during the year ended September 30, 2019.

* Please refer to the Portfolio of Investments for Industry Classification.

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2019

Option Transactions – The Fund is subject to equity price risk in the normal course of pursuing its investment objective and may purchase or sell options to help hedge against risk. When the Fund writes a call option, an amount equal to the premium received is included in the statement of assets and liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option. If an option expires on its stipulated expiration date or if the Fund enters into a closing purchase transaction, a gain or loss is realized. If a written call option is exercised, a gain or loss is realized for the sale of the underlying security and the proceeds from the sale are increased by the premium originally received. As writer of an option, the Fund has no control over whether the option will be exercised and, as a result, retains the market risk of an unfavorable change in the price of the security underlying the written option.

The Fund may purchase put and call options. Put options are purchased to hedge against a decline in the value of securities held in the Fund's portfolio. If such a decline occurs, the put options will permit the Fund to sell the securities underlying such options at the exercise price, or to close out the options at a profit. The premium paid for a put or call option plus any transaction costs will reduce the benefit, if any, realized by the Fund upon exercise of the option, and, unless the price of the underlying security rises or declines sufficiently, the option may expire worthless to the Fund. In addition, in the event that the price of the security in connection with which an option was purchased moves in a direction favorable to the Fund, the benefits realized by the Fund as a result of such favorable movement will be reduced by the amount of the premium paid for the option and related transaction costs. Written and purchased options are non-income producing securities. With purchased options, there is minimal counterparty risk to the Fund since these options are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded options, guarantees against a possible default.

The notional value of the derivative instruments outstanding as of September 30, 2019 as disclosed in the Portfolio of Investments and the amounts realized and changes in unrealized gains and losses on derivative instruments during the period as disclosed above and within the Statement of Operations serve as indicators of the volume of derivative activity for the Fund.

Offsetting of Financial Assets and Derivative Assets - The following table presents the Fund's liability derivatives available for offset under a master netting arrangement net of collateral pledged as of September 30, 2019.

Description	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Assets & Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets & Liabilities	Gross Amounts Not Offset in the Statement of Assets & Liabilities		
				Financial Instruments ⁽¹⁾	Cash Collateral Pledged	Net Amount
Liabilities:						
Call Options Written	\$ 569,366	\$ -	\$ 569,366	\$ 433,399	\$ 135,967	\$ -
Total	<u>\$ 569,366</u>	<u>\$ -</u>	<u>\$ 569,366</u>	<u>\$ 433,399</u>	<u>\$ 135,967</u>	<u>\$ -</u>

⁽¹⁾ The amount is limited to the derivative liability balance and, accordingly, does not include excess collateral pledged.

Impact of Derivatives on the Statement of Assets and Liabilities and Statement of Operations – The following is a summary of the location of derivative investments on the Fund's Statement of Assets and Liabilities as of September 30, 2019:

Derivative	Risk	Location on the Statement of Assets and Liabilities	Amount
Options Purchased	Equity	Investments in Securities at Value	\$ 2,066,565
Options Written	Equity	Options Written	(569,366)

The Covered Bridge Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2019

The following is a summary of the location of derivative investments in the Fund's Statement of Operations for the year ended September 30, 2019:

Derivative Investments Type	Risk	Location of Gain/Loss on Derivative	Amount
		Net Realized Loss on Investments and Options	
Options Purchased	Equity	Purchased	\$ (287,762)
Options Written	Equity	Net Realized Gain on Options Written	4,465,567
		Net Change in Unrealized Appreciation (Depreciation)	
Options Purchased	Equity	on Investments and Options Purchased	923,247
		Net Change in Unrealized Appreciation (Depreciation)	
Options Written	Equity	on Options Written	(15,453)

Security Transactions and Investment Income – Investment security transactions are accounted for on a trade date basis. Cost is determined and gains and losses are based upon the specific identification method for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Purchase discounts and premiums on securities are accreted and amortized over the life of the respective securities.

Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Expenses – Expenses of the Trust that are directly identifiable to a specific fund are charged to that fund. Expenses that are not readily identifiable to a specific fund are allocated in such a manner as deemed equitable, taking into consideration the nature and type of expense and the relative sizes of the funds in the Trust.

Federal Income Taxes – The Fund intends to continue to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and will distribute all of its taxable income, if any, to shareholders. Accordingly, no provision for federal income taxes is required in the financial statements. The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years ended September 30, 2016 – September 30, 2018, or expected to be taken in the Fund's September 30, 2019 tax returns. The Fund identifies its major tax jurisdictions as U.S. federal, Ohio and foreign jurisdictions where the Fund makes significant investments. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

Dividends and Distributions to Shareholders – Dividends from net investment income if any, are declared and paid quarterly, and distributions from net realized capital gains, if any, are declared and paid annually. Dividends and distributions to shareholders are recorded on the ex-dividend date. Dividends from net investment income and distributions from net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These "book/tax" differences are considered either temporary (e.g. deferred losses) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences do not require reclassification. Any such reclassifications will have no effect on net assets, results of operations, or net asset values per share of the Fund.

Indemnification – The Trust indemnifies its officers and Trustees for certain liabilities that may arise from the performance of their duties to the Trust. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the risk of loss due to these warranties and indemnities appears to be remote.

The Covered Bridge Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2019

3. INVESTMENT ADVISORY AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

Advisory Fees – Stonebridge Capital Advisors, LLC serves as the Fund’s investment adviser (the “Adviser”). Pursuant to an investment advisory agreement with the Trust on behalf of the Fund, the Adviser, under the oversight of the Board, directs the daily operations of the Fund and supervises the performance of administrative and professional services provided by others. As compensation for this service and the related expenses borne by the Adviser, the Fund pays the Adviser a management fee, computed and accrued daily and paid monthly, at an annual rate of 1.00% of the average daily net assets. For the year ended September 30, 2019, the Adviser earned management fees of \$806,078.

The Adviser has contractually agreed to waive all or part of its management fees and/or make payments to limit Fund expenses (exclusive of any front-end or contingent deferred loads; brokerage fees and commissions; acquired fund 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))) at least until January 31, 2020, so that the total annual operating expenses of the Fund do not exceed 1.65% and 1.40% of the average daily net assets for its Class A and Class I shares, respectively. Contractual waivers and expense payments may be recouped by the Adviser from the Fund, to the extent that overall expenses fall below the lesser of the expense limitation then in place or in place at time of waiver, within thirty-six months of when the amounts were waived. During the year ended September 30, 2019, the Adviser waived fees of \$38,799 pursuant to its contractual agreement.

As of September 30, 2019, the following amounts are subject to recapture by the Adviser by September 30 of the following years:

2020	2021	2022	Total
\$ 83,651	\$ 45,606	\$ 38,799	\$ 168,056

Distributor – The distributor of the Fund is Northern Lights Distributors, LLC (“NLD” or the “Distributor”). The Trust, with respect to the Fund, has adopted the Trust’s Master Distribution and Shareholder Servicing Plan for the Fund’s Class A shares (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act, to pay for certain distribution activities and shareholder services. The Plan provides a monthly service and/or distribution fee that is calculated by the Fund at an annual rate of 0.25% of the average daily net assets of Class A shares. For the year ended September 30, 2019, pursuant to the Plan, the Fund paid \$36,825. No such fees are payable with respect to Class I shares.

The Distributor acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s Class A shares, for the year ended September 30, 2019, the Distributor received \$7,252 in underwriting commissions for sales of Class A shares, of which \$1,196 was retained by the principal underwriter or other affiliated broker-dealers.

In addition, certain affiliates of the Distributor provide services to the Fund as follows:

Gemini Fund Services, LLC (“GFS”) – GFS, an affiliate of the Distributor, provides administration, fund accounting, and transfer agent services to the Trust. Pursuant to separate servicing agreements with GFS, the Fund pays GFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Trust are also officers of GFS, and are not paid any fees directly by the Fund for serving in such capacities.

Northern Lights Compliance Services, LLC (“NLCS”) - NLCS, an affiliate of GFS and the Distributor, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives customary fees from the Fund.

Blu Giant, LLC (“Blu Giant”) – Blu Giant, an affiliate of GFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund.

Effective February 1, 2019, NorthStar Financial Services Group, LLC, the parent company of GFS and its affiliated companies including NLD, NLCS and Blu Giant (collectively, the “Gemini Companies”), sold its interest in the Gemini Companies to a third party private equity firm that contemporaneously acquired Ultimus Fund Solutions, LLC (an independent mutual fund administration firm) and its affiliates (collectively, the “Ultimus Companies”). As a result of these separate transactions, the Gemini Companies and the Ultimus Companies are now indirectly owned through a common parent entity, The Ultimus Group, LLC.

The Covered Bridge Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2019

4. INVESTMENT TRANSACTIONS

The cost of purchases and proceeds from the sale of securities, other than short-term securities, for the year ended September 30, 2019, amounted to \$119,966,783 and \$121,272,035, respectively.

5. REDEMPTION FEES

The Fund may assess a short-term redemption fee of 1.00% of the total redemption amount if a shareholder sells their shares after holding them for less than 90 days. The redemption fee is paid directly to the Fund from which the redemption is made. The Fund received redemption fees of \$3,154, for the year ended September 30, 2019.

6. AGGREGATE UNREALIZED APPRECIATION AND DEPRECIATION – TAX BASIS

The identified cost of investments in securities owned by the Fund for federal income tax purposes and its respective gross unrealized appreciation and depreciation at September 30, 2019, were as follows:

Tax Cost	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)	Net Unrealized (Depreciation)
\$ 102,153,270	\$ 1,922,462	\$ (8,088,580)	\$ (6,166,118)

7. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of distributions paid during the fiscal years ended September 30, 2019 and September 30, 2018 were as follows:

	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018
Ordinary Income	\$ 10,480,923	\$ 4,655,011
	\$ 10,480,923	\$ 4,655,011

As of September 30, 2019, the components of accumulated earnings/ (deficit) on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gains	Post October Loss and Late Year Loss	Capital Loss Carry Forwards	Other Book/Tax Differences	Unrealized Appreciation/ (Depreciation)	Total Accumulated Earnings/(Deficits)
\$ 290,654	\$ -	\$ -	\$ -	\$ (15,425)	\$ (6,166,118)	\$ (5,890,889)

The difference between book basis and tax basis accumulated net realized gains and unrealized depreciation from investments is primarily attributable to the tax deferral of losses on wash sales. In addition, the amount listed under other book/tax differences is primarily attributable to the tax deferral of losses on straddles.

8. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates presumption of control of the fund, under Section 2(a)(9) of the 1940 Act. As of September 30, 2019, Charles Schwab & Co, Inc. and Stifel Nicolaus & Co, Inc. accounts holding shares for the benefit of others in nominee name, held approximately 30% and 69%, respectively, of the voting securities of the Fund's Class A shares and Charles Schwab & Co, Inc. and Pershing LLC, accounts holding shares for the benefit of others in nominee name, held approximately 50% and 33%, respectively, of the voting securities of the Fund's Class I shares. The Fund has no knowledge as to whether any beneficial owner included in these nominee accounts holds more than 25% of the voting shares of either class.

The Covered Bridge Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2019

9. NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, FASB issued ASU No. 2018-13, which changed certain fair value measurement disclosure requirements. The ASU, in addition to other modifications and additions, removed the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, and the policy for the timing of transfers between levels. For investment companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is allowed. The Fund early adopted ASU 2018-13 and the related changes have been incorporated into these financial statements.

In August 2018, the Securities and Exchange Commission adopted amendments to certain disclosure requirements under Regulation S-X to conform to US GAAP, including: (i) an amendment to require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities; and (ii) an amendment to require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These amendments have been adopted with these financial statements.

10. SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has determined that no events or transactions occurred requiring adjustment or disclosure in the financial statements.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees of Northern Lights Fund Trust III
and the Shareholders of The Covered Bridge Fund**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Covered Bridge Fund, a series of shares of beneficial interest in Northern Lights Fund Trust III (the "**Fund**"), including the portfolio of investments, as of September 30, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, and the related notes (collectively referred to as the "**financial statements**"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("**PCAOB**") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2019 by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

BBD, LLP

BBD, LLP

We have served as the auditor of one or more of the Funds in the Northern Lights Fund Trust III since 2013.

**Philadelphia, Pennsylvania
November 21, 2019**

The Covered Bridge Fund

DISCLOSURE OF FUND EXPENSES (Unaudited)

September 30, 2019

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, such as sales charges and redemption fees; and (2) ongoing costs, including management fees; distribution and/or shareholder servicing fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period beginning April 1, 2019 through September 30, 2019.

Actual Expenses

The “Actual” lines in the table below provide information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The “Hypothetical” lines in the table below provide information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balances or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or redemption fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value (4/1/19)	Ending Account Value (9/30/19)	Expenses Paid During Period (4/1/19 to 9/30/19)*
Actual			
Class A	\$1,000.00	\$1,042.30	\$8.45
Class I	\$1,000.00	\$1,043.80	\$7.17
Hypothetical (5% return before expenses)			
Class A	\$1,000.00	\$1,016.80	\$8.34
Class I	\$1,000.00	\$1,018.05	\$7.08

*Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratios of 1.65% and 1.40% for Class A and Class I, respectively, multiplied by the number of days in the period (183) divided by the number of days in the fiscal year (365).

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited)
September 30, 2019

Renewal of Advisory Agreement – The Covered Bridge Fund*

In connection with a meeting held on August 28-29, 2019, the Board of Trustees (the “Board”) of the Northern Lights Fund Trust III (the “Trust”), including a majority of the Trustees who are not “interested persons,” as that term is defined in the Investment Company Act of 1940, as amended, discussed the renewal of the investment advisory agreement (the “Advisory Agreement”) between Stonebridge Capital Advisors, LLC (“SCA”) and the Trust, with respect to The Covered Bridge Fund (“Covered Bridge”). In considering the renewal of the Advisory Agreement, the Board received materials specifically relating to Covered Bridge and the Advisory Agreement.

The Board relied upon the advice of independent legal counsel and its own business judgment in determining the material factors to be considered in evaluating the Advisory Agreement and the weight to be given to each such factor. The Board’s conclusions were based on an evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching conclusions with respect to the Advisory Agreement.

Nature, Extent and Quality of Services. The Board recognized that SCA was founded in 1997 as a registered investment adviser serving institutional and high net worth investors and that it launched Covered Bridge in 2013. The Board reviewed the extensive management experience of SCA’s principals and noted that SCA employed a disciplined option writing strategy that used a proprietary analysis to target industries and sectors that it believed were on the rise. The Board acknowledged SCA’s risk management plan included the use of covered calls and that trading activities were monitored weekly by SCA’s chief compliance officer to assure compliance with Covered Bridge’s investment limitations. The Board discussed that SCA had comprehensive best execution policies and procedures in place for broker-dealer selection. The Board recognized that SCA had expertise in managing its core investments with an options overlay. The Board concluded that SCA could be expected to continue providing high quality service to Covered Bridge and its shareholders.

Performance. The Board discussed that Covered Bridge had a 4-star Morningstar rating and had outperformed its peer group and Morningstar category across all periods with a top quartile performance ranking against its peer group and Morningstar category across all periods. The Board discussed that although Covered Bridge had trailed the S&P 500 TR Index across all periods, such underperformance could be expected given Covered Bridge’s option sub-strategy and the bullish trend of the market. The Board reviewed that Covered Bridge was achieving its investment objective. The Board concluded that SCA had provided reasonable results to Covered Bridge and its shareholders.

Fees and Expenses. The Board recognized that SCA’s 1.00% advisory fee was higher than the averages and medians of its peer group and Morningstar category but below the highs of each. The Board noted that Covered Bridge’s 1.39% net expense ratio was higher than the averages and medians of its peer group and Morningstar category but below the highs of each. The Board commented that SCA attributed its higher than average advisory fee to its use of individual equity

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
September 30, 2019

options on each position, which was labor intensive, whereas many of its peers used index products for their option writing strategy. The Board reviewed SCA's position that Covered Bridge's expense ratio was higher than its peer group due to Covered Bridge's limited asset size. Given these considerations, the Board concluded that SCA's advisory fee was not unreasonable.

Economies of Scale. The Board discussed Covered Bridge's size and its prospects for growth, concluding that it had not yet achieved meaningful economies of scale that would justify the implementation of breakpoints. It noted that SCA agreed that, as Covered Bridge grew and SCA achieved material economies of scale related to the services it provided, SCA would be willing to discuss implementing breakpoints. The Board agreed to monitor and address the issue at the appropriate time.

Profitability. The Board reviewed SCA's profitability analysis in connection with its management of Covered Bridge and acknowledged that SCA had earned a reasonable profit managing Covered Bridge. The Board concluded that SCA's profitability was not excessive.

Conclusion. Having requested and received such information from SCA as the Board believed to be reasonably necessary to evaluate the terms of the Advisory Agreement and as assisted by the advice of independent counsel, the Board concluded that the advisory fee was not unreasonable and that renewal of the Advisory Agreement was in the best interests of Covered Bridge and its shareholders.

*Due to timing of the contract approval schedule, these deliberations may or may not relate to the current performance results of the Fund.

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
September 30, 2019

The Trust held a Special Meeting (the “Special Meeting”) of its shareholders on August 12, 2019 for the purpose of electing trustees of the Trust. Although Patricia Luscombe and Jeffery D. Young have been serving as trustees by appointment since 2015, both were elected by the shareholders for an indefinite period at the Special Meeting. Ms. Luscombe and Mr. Young join James U. Jensen, John V. Palancia and Mark H. Taylor as duly elected trustees of the Trust.

At the close of business June 27, 2019, the record date for the Special Meeting, there were 374,510,202 outstanding shares of the Trust. Shares represented in person and by proxy at the Special Meeting equaled 78.67% of the outstanding shares of the Trust. Therefore, a quorum was present.

With respect to approval of the election of Patricia Luscombe, the following votes were cast:

For Approval	98.54%
Against Approval	0.00%
Abstained	1.46%

With respect to approval of the election of Jeffery D. Young, the following votes were cast:

For Approval	98.49%
Against Approval	0.00%
Abstained	1.51%

Fund
SUPPLEMENTAL INFORMATION (Unaudited)
September 30, 2019

This chart provides information about the Trustees and Officers who oversee the Fund. Officers elected by the Trustees manage the day-to-day operations of the Fund and execute policies formulated by the Trustees. The following is a list of the Trustees and executive officers of the Trust and each person's principal occupation over the last five years. The address of each Trustee and Officer is 17645 Wright Street, Suite 200, Omaha, Nebraska 68130 unless otherwise noted.

Independent Trustees					
Name, Address, Year of Birth	Position(s) Held with Registrant	Length of Service and Term	Principal Occupation(s) During Past 5 Years	Number of Funds Overseen In The Fund Complex*	Other Directorships Held During Past 5 Years**
James U. Jensen 1944	Trustee	Since February 2012, Indefinite	Chief Executive Officer, ClearWater Law & Governance Group, LLC (an operating board governance consulting company) (since 2004).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2012); Wasatch Funds Trust, (since 1986); University of Utah Research Foundation (April 2000 to May 2018).
Patricia Luscombe 1961	Trustee	Since January 2015, Indefinite	Managing Director of the Valuations and Opinions Group, Lincoln International LLC (since August 2007).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2015); Monetta Mutual Funds (since November 2015).
John V. Palancia 1954	Trustee, Chairman	Trustee, since February 2012, Indefinite; Chairman of the Board since May 2014.	Retired (since 2011).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2012); Northern Lights Fund Trust (since 2011); Northern Lights Variable Trust (since 2011); Alternative Strategies Fund (since 2012).
Mark H. Taylor 1964	Trustee, Chairman of the Audit Committee	Since February 2012, Indefinite	Director, Lynn Pippenger School of Accountancy, Muma College of Business, University of South Florida (since August 2019); Chair, Department of Accountancy and Andrew D. Braden Professor of Accounting and Auditing, Weatherhead School of Management, Case Western Reserve University (2009-2019); Vice President-Finance, American Accounting Association (2017-2020); President, Auditing Section of the American Accounting Association (2012-2015).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2012); Northern Lights Fund Trust (since 2007); Northern Lights Variable Trust (since 2007); Alternative Strategies Fund (since June 2010).
Jeffery D. Young 1956	Trustee	Since January 2015, Indefinite	Co-owner and Vice President, Latin America Agriculture Development Corp. (since May 2015); President, Celeritas Rail Consulting (since June 2014).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2015).

Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
September 30, 2019

* As of September 30, 2019, the Trust was comprised of 36 active portfolios managed by 15 unaffiliated investment advisers. The term “Fund Complex” applies only to the Fund. The Fund does not hold itself out as related to any other series within the Trust for investment purposes, nor does it share the same investment adviser with any other series.

** Only includes directorships held within the past 5 years in a company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of the Securities Exchange Act of 1934, or any company registered as an investment company under the 1940 Act.

Officers of the Trust

Name, Address, Year of Birth	Position(s) Held with Registrant	Length of Service and Term	Principal Occupation(s) During Past 5 Years
Richard Malinowski 80 Arkay Drive, Hauppauge, NY 11788 1983	President	Since August 2017, indefinite	Senior Vice President (since 2017), Vice President and Counsel (2015-2016) and Assistant Vice President (2012–2015), Gemini Fund Services, LLC.
Brian Curley 80 Arkay Drive, Hauppauge, NY 11788 1970	Treasurer	Since February 2013, indefinite	Vice President, Gemini Fund Services, LLC (since 2015), Assistant Vice President, Gemini Fund Services, LLC (2012-2014).
Eric Kane 80 Arkay Drive, Hauppauge, NY 11788 1981	Secretary	Since November 2013, indefinite	Vice President and Counsel, Gemini Fund Services, LLC (since 2017), Assistant Vice President, Gemini Fund Services, LLC (2014- 2017), Staff Attorney, Gemini Fund Services, LLC (2013-2014).
William Kimme 1962	Chief Compliance Officer	Since February 2012, indefinite	Senior Compliance Officer of Northern Lights Compliance Services, LLC (since 2011).

The Fund’s Statement of Additional Information includes additional information about the Trustees and is available free of charge, upon request, by calling toll-free at 1-855-525-2151.

NORTHERN LIGHTS FUND TRUST III

FACTS

WHAT DOES NORTHERN LIGHTS FUND TRUST III 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 depend on the product or service you have with us. This information can include:

- Social Security number and income
- assets, account transfers and transaction history
- investment experience and risk tolerance

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 Fund Trust III chooses to share and whether you can limit this sharing.

Reasons we can share your personal information	Does Northern Lights Fund Trust III share?	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 do not share
For joint marketing with other financial companies	NO	We do not share
For our affiliates' everyday business purposes —information about your transactions and experiences	NO	We do not share
For our affiliates' everyday business purposes —information about your creditworthiness	NO	We do not share
For our affiliates to market to you	NO	We do not share
For nonaffiliates to market to you	NO	We do not share

Questions?

Call 1-888-339-4230

What we do

How does Northern Lights Fund Trust III 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 Fund Trust III collect my personal information?

We collect your personal information, for example, when you

- open an account or give us contact information
- provide account information or give us your income information
- make deposits or withdrawals from your account

We also collect your personal information from 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 Fund Trust III does not share with our affiliates.*

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Northern Lights Fund Trust III 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 Fund Trust III doesn't jointly market.*

PROXY VOTING POLICY

Information regarding how the Fund voted proxies relating to portfolio securities for the most recent twelve month period ended June 30 as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies is available without charge, upon request, by calling 1-855-525-2151 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (1-800-SEC-0330). The information on Form N-Q is available without charge, upon request, by calling 1-855-525-2151.

INVESTMENT ADVISER

Stonebridge Capital Advisors, LLC
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Saint Paul, Minnesota 55114

ADMINISTRATOR

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80 Arkay Drive, Suite 110
Hauppauge, New York 11788