The Covered Bridge Fund
Semi Annual Shareholder Letter
4/29/20

Dear Fellow Shareholders,

The previous six months ending March 31, 2020 were an extremely volatile period for the U.S. equity market and The Covered Bridge Fund and should be broken down in two distinctly different quarters. The Covered Bridge Fund's performance for the fourth quarter of 2019 was in line with expectations in a sharply rising equity market. For the fourth quarter, The Fund (TCBIX) was up 4.72% versus the S&P 500 which was up 9.06%.

This however changed dramatically during the first quarter of 2020 as the US entered a period of great uncertainty surrounding COVID-19 and a corresponding decline in US equity markets. During the quarter, The Fund was down 19.85% in line with the S&P 500 which was down 19.60%. On the surface this seems a little disappointing as The Fund should give slight protection given the call premiums that were earned during the quarter. While this occurred, the underlying securities owned in The Fund also underperformed the S&P 500, offsetting much of the premiums received. Value stocks underperformed growth stocks in the quarter with the Russell 1000 Value index down 26.73%, 7.13% lower than the S&P 500. This is a continuation of a trend that has been in place for quite a few years so while we did receive option premium income that offset some of the decline, our underlying securities continued to languish. Overall, for the six-month period The Fund was down 16.07% vs the S&P 500 which was down 12.31%.

Throughout this period our best performing stocks were primarily in the healthcare sector. Pharmaceutical companies such as Gilead Sciences Inc (1.89%) and Bristol-Myers Squibb Co (.56%) recovered quickly from the market lows. We believe this is due to a COVID-19 vaccine and antiviral research. We also believe the healthcare sector will see continued demand for their products even in the event of a potential recession.

Throughout the market turbulence, two sectors were hit particularly hard, finance and energy. Financial stocks broadly sold off as the Federal Reserve lowered interest rates in an effort to cushion the economic fallout from the COVID-19 virus. Banks and asset managers were both negatively impacted as the market priced in lower profitability forecasts. Invesco Ltd (2.99%) was among our worst performing assets in this period. The energy sector was plagued with a global oversupply of oil. As indication surfaced of slowing global demand for oil, there was a price war developing between Russia and Saudi Arabia driving down the global price of oil to historic levels. This price war only exacerbated the oversupply of oil in the market and caused oil stocks to plummet. The hardest hit companies were the exploration and production firms. The Fund invested primarily in integrated oil service companies such as Exxon Mobil Corp (1.92%), BP PLC (2.45%) and Chevron Corp (2.29%).

While these stocks were still down during the six-month period, they outperformed dedicated oil production companies. We believe supply will be reduced to meet demand and the price of oil will stabilize.

Going forward, we feel very encouraged by the opportunity that lies ahead. Volatility has returned to the U.S. equity market and should remain elevated for the foreseeable future. This allows The Fund to generate much greater income from option premiums going forward. Given the current levels of volatility, we are taking in more than twice the premium than we had in the first three months of the year. This occurs because the VIX (CBOE Volatility Index) spiked to over 80 during March and remains over 50 at the time of this writing. The last period that the VIX was this elevated occurred in the 2008-2009 time period where it hit 80 in October of 2008 and remained above 20 for all of 2009. This spike in volatility creates higher option prices which, in turn, generates greater income to the portfolio going forward.

We have entered what we believe to be a bear market that will take months and quarters to work through. We plan to navigate this by sticking to our discipline of buying what we believe to be good large cap companies that pay above average dividends and overwriting approximately half of each position. We will also carry an above average cash position along with some downside protection in the form of index puts. This will be a long process but we believe sticking to our discipline may yield better results and continue to generate income in this trying time.

Thank you for being a Covered Bridge Fund shareholder.

Sincerely,
John Schonberg, CFA &
Michael Dashner, CFA

	3-Month	*YTD*	*1-Year*	*3-Year*	*5-year*	*Since Inception 10/1/13*
TCBIX	*-19.85%*	*-19.85%*	*-12.39%*	*-0.83%*	*2.15%*	*3.49%*
TCBAX	*-19.94%*	*-19.94%*	*-12.69%*	*-1.11%*	*1.87%*	*3.22%*
TCBAX With Load	*-24.15%*	*-24.15%*	*-17.30%*	*-2.86%*	*0.78%*	*2.37%*
S&P 500	*-19.60%*	*-19.60%*	*-6.98%*	*5.10%*	*6.73%*	*8.92%*
Russell 1000 Value Index	*-26.73%*	*-26.73%*	*-17.19%*	*-2.19%*	*1.89%*	*4.72%*
BXM Index	*-22.22%*	*-22.22%*	*-15.73%*	*-2.36%*	*1.42%*	*3.18%*

Maximum Sales Charge of 5.25%

*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, 2021, the Fund's gross total annual operating expenses would be 1.80% for Class A and 1.55% for Class I. The net annual fund operating expenses are 1.76% and 1.51% of the Fund's average daily net assets for its Class A and Class I shares, subject to possible recoupment from the Fund in future years. 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.
Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. There is no assurance that the Fund will achieve it's investment objectives.

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.

Important Definitions: The S&P 500 Index: An unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. You cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.The Russell 1000 Index: a subset of the Russell 3000 Index, represents the 1000 top companies by market capitalization in the United States. The BXM: tracks the performance of a hypothetical covered call strategy on the S&P 500 Index. Call Option: An agreement that gives an investor the right (but not the obligation) to buy a stock, bond, commodity or other instrument at a specified price within a specific time period. 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. 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. the Volatility Index, or VIX: is a real-time market index that represents the market's expectation of 30-day forward-looking volatility.

Important Risk Information: 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. 5634-NLD-4/30/2020