

THE COVERED BRIDGE FUND



Annual Report

September 30, 2022

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.

Distributed by Northern Lights Distributors, LLC
Member FINRA



The Covered Bridge Fund

Annual Shareholder Letter (Unaudited)

09/30/2022

Dear Fellow Shareholders,

The 12-month period ended September 30, 2022, was a difficult year for both equity markets and fixed income markets in the U.S. and around the world. It was an environment in which both stock market averages and bond market indexes were down more than 10% with few places to hide. The Covered Bridge Fund (TCBIX) performed well on a relative basis and was down 7.40% outperforming the S&P 500 which was down 15.5%. During this time the markets continued to see a turnaround in dividend and value oriented equity strategies compared to growth stocks and our disciplined approach to writing covered calls helped cushion the downside in performance.

As inflation rates in the United States have moved significantly higher, interest rates have followed and are likely to continue to rise. This has had a negative impact on equity prices and volatility has returned in a meaningful way. Higher interest rates and increased volatility are two important components of option pricing and both are having a positive effect on option prices allowing greater income to be earned from the option premiums received. The primary objective of the Fund is income generation. The Fund was able to achieve a total income distribution, which includes dividends, call premiums, and capital gains of \$0.756 a share. This was higher than the \$0.674 distributed in the previous fiscal year.

Throughout the fiscal year ending September 30, 2022, there were only two sectors of the U.S. stock market that had positive performance: Energy and Utilities. It is of no surprise the best performing investments in the portfolio were Chesapeake Energy Corporation (3.1%) and Chevron Corporation (2.0%). With demand for energy rebounding off Covid-19 lows and a fixed total supply of oil, due in part to geopolitical conflict, it set up for high energy prices and robust performance for producers. We believe the energy sector will continue to outperform in this environment.

Consumer Staples proved once again to be a relatively safe place to invest amid elevated volatility. The Coca-Cola Company (0.0%) was the best performing consumer company in the Fund over the previous period. Coca-Cola was able to defend its market share and maintain profit margins in an inflationary environment. As Coca-Cola increased in price it was called away from the Fund and we will look to reinvest at more attractive valuations in the future.

As inflation started to hit levels not seen in several decades, the U.S. Financial sector faced considerable headwinds. As recession fears grew, Fed rate tightening materialized leading to a partially inverted yield curve. These factors drove down stock prices, particularly in the banking industry. JPMorgan Chase & Co. (3.6%) and Truist Financial Corporation. (2.3%) were among



the lagging performers in the Fund. We strongly believe these are now priced at attractive levels and we anticipate this sector to rebound substantially as we work through the current financial and macroeconomic landscape.

We remain very encouraged by the opportunity that lies ahead given the performance of high dividend-paying value oriented securities, the rise in interest rates, and the increase in volatility. These factors may allow the Fund to generate much greater income from option premiums going forward. In fact, the Fund continues to receive more premium income than it has in the past. Interest rates around the world continue to rise from exceptionally low levels which is causing investors to look for alternative sources of income beyond traditional fixed income securities and the Fund is designed specifically to meet this need.

The Fund will stick to its discipline of buying what we believe to be good large capitalization companies that pay above average dividends and overwriting approximately half of each position.

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	-6.94%	-11.61%	-7.40%	2.98%	4.13%	5.55%
TCBAX	-6.97%	-11.73%	-7.61%	2.72%	3.87%	5.28%
TCBAX With Load	-11.84%	-16.37%	-12.43%	0.88%	2.75%	4.66%
BMX Index	-7.59%	-17.01%	-11.21%	0.48%	1.94%	4.86%
Russell 1000 Value Index	-5.62%	-17.75%	-11.36%	4.36%	5.29%	7.71%
S&P Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	10.79%

Maximum Sales Charge of 5.25%

Performance data quoted above is historical. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment will fluctuate, so that shares when redeemed may be worth more or less than their original cost. For performance information current to the most recent month-end, please call 855-525-2151

There is no assurance that the fund will achieve its investment objectives. 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, 2023, in order to limit the Fund's expenses to 1.65% and 1.40% for Class A and Class I shares, respectively. Absent this contractual agreement the Fund's gross total annual operating expenses would be 1.73% for Class A and 1.48% for Class I. Please review the fund's prospectus for more information regarding the fund's fees and expenses.

Past performance is not indicative of future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. The data shown is for information purposes only and meant to represent how the fund may be allocated to different types of portfolios.

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 its investment objectives.

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.



Important Definitions: 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. The S&P 500 Index: is an unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. The referenced indices are shown for general market comparisons and are not meant to represent the Fund.

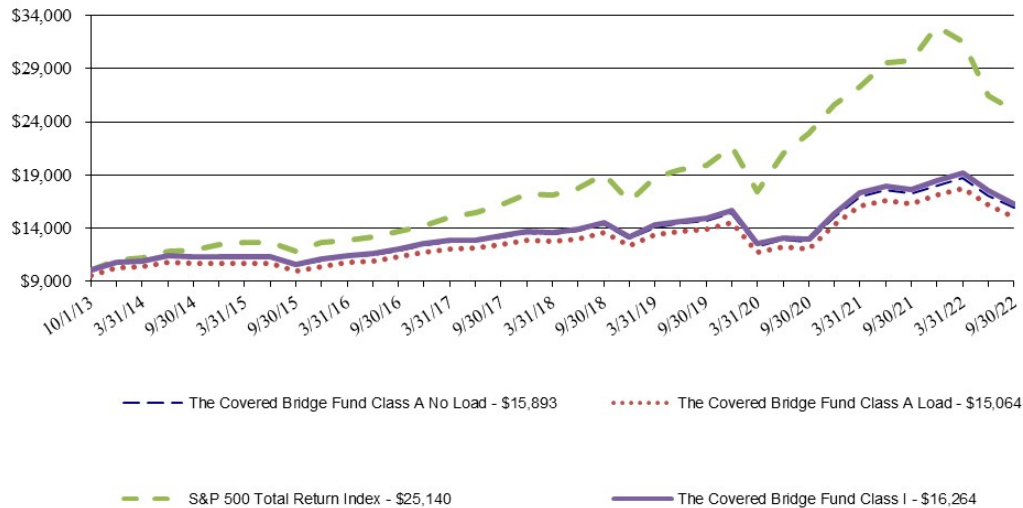
The Covered Bridge Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Stonebridge Capital Advisors, LLC is not affiliated with Northern Lights Distributors, LLC. 8214-NLD-10272022

The Covered Bridge Fund

Portfolio Review (Unaudited)

September 30, 2022

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



The Fund's performance figures* for the periods ended September 30, 2022, compared to its benchmark:

	One Year	Annualized	
		Five Years	Since Inception *
The Covered Bridge Fund:			
Class A without Load	(7.61)%	3.87%	5.28%
Class A with load	(12.43)%	2.75%	4.66%
Class I	(7.40)%	4.13%	5.55%
S&P 500 Total Return Index **	15.47%	9.24%	10.79%

* 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, 2023, 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, 2022, including underlying funds, are 1.73% for Class A and 1.48% 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 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, 2022

Portfolio Composition as of September 30, 2022

Breakdown by Sector		Breakdown by Country	
	Percent of Net Assets		Percent of Net Assets
Common Stocks	92.5%	Common Stocks	92.5%
Technology	19.4%	United States	86.1%
Financials	12.6%	Ireland	1.8%
Health Care	10.9%	Belgium	1.5%
Energy	9.8%	Bermuda	1.1%
Consumer Staples	9.1%	Britain	1.1%
Consumer Discretionary	8.0%	Canada	0.9%
Industrials	7.1%	Call Options Purchased	0.3%
Communications	5.8%	Call Options Written	(0.2)%
Materials	5.2%	Other Assets Less Liabilities	7.4%
Utilities	3.0%	Net Assets	100.0%
Real Estate	1.6%		
Call Options Purchased	0.3%		
Call Options Written	(0.2)%		
Other Assets Less Liabilities	7.4%		
Net Assets	100.0%		

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS
September 30, 2022

Shares		Fair Value
	COMMON STOCKS — 92.5%	
	AEROSPACE & DEFENSE - 2.8%	
6,000	Huntington Ingalls Industries, Inc.^	\$ 1,329,000
20,000	Raytheon Technologies Corporation	1,637,200
		<u>2,966,200</u>
	ASSET MANAGEMENT - 3.1%	
6,000	BlackRock, Inc. ^(b)	3,301,680
	BANKING - 8.7%	
36,000	JPMorgan Chase & Company	3,762,000
55,500	Truist Financial Corporation	2,416,470
75,000	US Bancorp	3,024,000
		<u>9,202,470</u>
	BEVERAGES - 1.5%	
35,000	Anheuser-Busch InBev S.A./NV - ADR	1,580,600
	BIOTECH & PHARMA - 10.1%	
5,000	Amgen, Inc.^	1,127,000
60,000	Gilead Sciences, Inc.^ ^(b)	3,701,400
15,000	Johnson & Johnson^	2,450,400
12,000	Merck & Company, Inc.^	1,033,440
55,000	Pfizer, Inc.^	2,406,800
		<u>10,719,040</u>
	CHEMICALS - 2.3%	
15,000	Avery Dennison Corporation	2,440,500
	DIVERSIFIED INDUSTRIALS - 3.4%	
8,000	Eaton Corp. PLC	1,066,880
15,000	Honeywell International, Inc.^ ^(b)	2,504,550
		<u>3,571,430</u>
	ELECTRIC UTILITIES - 3.0%	
15,000	CenterPoint Energy, Inc.	422,700
20,000	Dominion Energy, Inc.	1,382,200
15,000	Duke Energy Corporation	1,395,300
		<u>3,200,200</u>

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2022

Shares		Fair Value
COMMON STOCKS — 92.5% (Continued)		
FOOD - 4.3%		
30,000	Conagra Brands, Inc.^	\$ 978,900
35,000	Hormel Foods Corporation ^{^(b)}	1,590,400
60,000	Kraft Heinz Company	2,001,000
		<u>4,570,300</u>
HOME & OFFICE PRODUCTS - 2.4%		
55,000	Leggett & Platt, Inc.	1,827,100
50,000	Newell Brands, Inc.	694,500
		<u>2,521,600</u>
INSURANCE - 0.8%		
10,000	Prudential Financial, Inc.	857,800
		<u>857,800</u>
LEISURE FACILITIES & SERVICES - 0.7%		
9,000	Starbucks Corporation	758,340
		<u>758,340</u>
LEISURE PRODUCTS - 1.9%		
30,000	Hasbro, Inc. ^{^(b)}	2,022,600
		<u>2,022,600</u>
MEDICAL EQUIPMENT & DEVICES - 0.8%		
10,000	Medtronic plc	807,500
		<u>807,500</u>
METALS & MINING - 2.9%		
60,000	Barrick Gold Corporation	930,000
50,000	Newmont Corporation ^{^(b)}	2,101,500
		<u>3,031,500</u>
OIL & GAS PRODUCERS - 8.6%		
42,100	BP plc - ADR	1,201,955
35,100	Chesapeake Energy Corporation ^{^(b)}	3,306,771
15,000	Chevron Corporation	2,155,050
10,000	EOG Resources, Inc.	1,117,300
15,000	Exxon Mobil Corporation ^{^(b)}	1,309,650
		<u>9,090,726</u>
OIL & GAS SERVICES & EQUIPMENT - 1.2%		
60,000	Baker Hughes Company	1,257,600
		<u>1,257,600</u>

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2022

Shares		Fair Value
	COMMON STOCKS — 92.5% (Continued)	
	RETAIL - CONSUMER STAPLES - 1.2%	
10,000	Walmart, Inc.^	\$ 1,297,000
	RETAIL - DISCRETIONARY - 3.0%	
6,000	Home Depot, Inc.^	1,655,640
24,000	TJX Companies, Inc.	1,490,880
		<u>3,146,520</u>
	SEMICONDUCTORS - 8.7%	
16,000	Analog Devices, Inc. ^(b)	2,229,440
90,000	Intel Corporation ^(b)	2,319,300
21,000	Microchip Technology, Inc. ^(b)	1,281,630
30,000	QUALCOMM, Inc. ^(b)	3,389,400
		<u>9,219,770</u>
	SOFTWARE - 5.5%	
7,500	Microsoft Corporation^	1,746,750
65,000	Oracle Corporation ^(b)	3,969,550
		<u>5,716,300</u>
	TECHNOLOGY HARDWARE - 1.9%	
50,000	Cisco Systems, Inc. ^(b)	2,000,000
	TECHNOLOGY SERVICES - 3.4%	
30,000	International Business Machines Corporation^	3,564,300
	TELECOMMUNICATIONS - 5.8%	
250,000	AT&T, Inc.	3,835,000
61,000	Verizon Communications, Inc. ^(b)	2,316,170
		<u>6,151,170</u>
	TIMBER REIT - 1.6%	
60,000	Weyerhaeuser Company	1,713,600
	TRANSPORTATION & LOGISTICS - 0.9%	
6,000	United Parcel Service, Inc., Class B	969,240
	WHOLESALE - CONSUMER STAPLES - 2.0%	
14,000	Bunge Ltd.	1,155,980

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2022

Shares					Fair Value
	COMMON STOCKS — 92.5% (Continued)				
	WHOLESALE - CONSUMER STAPLES - 2.0% (Continued)				
14,000	Sysco Corporation				\$ 989,940
					2,145,920
	TOTAL COMMON STOCKS (Cost \$118,471,919)				
					97,823,906
Contracts ^(a)		Expiration Date	Exercise Price	Notional Value	Fair Value
	EQUITY OPTIONS PURCHASED* - 0.3%				
	CALL OPTIONS PURCHASED - 0.3%				
500	Apple, Inc.	11/18/2022	\$ 150.00	\$ 6,910,000	\$ 183,500
550	Bank of America Corporation	12/16/2022	35.00	1,661,000	29,150
200	Best Buy Company, Inc.	12/16/2022	80.00	1,266,800	23,000
700	Citigroup, Inc.	12/16/2022	52.50	2,916,900	18,900
170	Clorox Company	01/20/2023	150.00	2,182,630	37,400
360	JPMorgan Chase & Company	12/16/2022	120.00	3,762,000	52,200
250	Medtronic plc	12/16/2022	95.00	2,018,750	19,750
350	Westrock Company	01/20/2023	42.50	1,081,150	9,625
	TOTAL CALL OPTIONS PURCHASED (Cost - \$1,619,434)				373,525
	TOTAL EQUITY OPTIONS PURCHASED (Cost - \$1,619,434)				
					373,525
	TOTAL INVESTMENTS - 92.8% (Cost \$120,091,353)				
					\$ 98,197,431
	CALL OPTIONS WRITTEN - (0.2)% (Premiums Received - \$399,319)				
					(247,275)
	OTHER ASSETS IN EXCESS OF LIABILITIES- 7.4%				
					7,843,726
	NET ASSETS - 100.0%				
					\$ 105,793,882
Contracts ^(a)		Expiration Date	Exercise Price	Notional Value	Fair Value
	WRITTEN EQUITY OPTIONS* - (0.2)%				
	CALL OPTIONS WRITTEN- (0.2)%				
25	Amgen, Inc.	10/21/2022	\$ 230.00	\$ 563,500	\$ 10,250
75	Chesapeake Energy Corporation	11/18/2022	90.00	706,575	73,500
150	Conagra Brands, Inc.	10/21/2022	34.00	489,450	8,250
200	Gilead Sciences, Inc.	10/21/2022	65.00	1,233,800	9,200
20	Home Depot, Inc.	10/21/2022	270.00	551,880	30,580
60	Honeywell International, Inc.	10/21/2022	175.00	1,001,820	10,500

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2022

Contracts^(a) (continued)		Expiration Date	Exercise Price	Notional Value	Fair Value
WRITTEN EQUITY OPTIONS* - (0.2)%					
CALL OPTIONS WRITTEN- (0.2)% (Continued)					
100	Hormel Foods Corporation	10/21/2022	\$ 46.00	\$ 454,400	\$ 8,000
30	Huntington Ingalls Industries, Inc.	10/21/2022	230.00	664,500	10,050
100	International Business Machines Corporation	10/21/2022	125.00	1,188,100	20,000
60	Johnson & Johnson	10/21/2022	167.50	980,160	13,200
15	Johnson & Johnson	11/18/2022	165.00	245,040	8,100
60	Merck & Company, Inc.	11/18/2022	87.50	516,720	18,720
25	Microsoft Corporation	10/21/2022	242.50	582,250	10,250
125	Pfizer, Inc.	10/21/2022	45.00	547,000	9,625
50	Walmart, Inc.	10/21/2022	135.00	648,500	7,050
TOTAL CALL OPTIONS WRITTEN (Premiums Received - \$399,319)					247,275
TOTAL WRITTEN EQUITY OPTIONS (Premiums Received - \$399,319)					\$ 247,275

ADR - American Depositary Receipt
LTD - Limited Company
PLC - Public Limited Company
REIT - Real Estate Investment Trust

* Non-Income Producing security.
^ Security is subject to written call options.

^(a) Each option contract allows the holder of the option to purchase or sell 100 shares of the underlying security.
^(b) All or portion of the security is pledged as collateral for written options.

See accompanying notes to financial statements.

The Covered Bridge Fund
STATEMENT OF ASSETS AND LIABILITIES
September 30, 2022

Assets:

Investments in Securities at Value (cost \$120,091,353)	\$ 98,197,431
Cash	8,278,311
Cash - Options Collateral Account	56,700
Deposits with Broker for Options Written	2,144,850
Dividend and Interest Receivable	97,765
Receivable for Fund Shares Sold	86,952
Prepaid Expenses and Other Assets	38,861
Total Assets	108,900,870

Liabilities:

Payable for Investments Purchased	2,659,931
Options Written, at value (premiums received \$399,319)	247,275
Investment Advisory Fees Payable	94,214
Payable for Fund Shares Redeemed	45,335
Payable to Related Parties	28,050
Distribution (12b-1) Fees Payable	3,195
Accrued Expenses and Other Liabilities	28,988
Total Liabilities	3,106,988

Net Assets	\$ 105,793,882
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Class A Shares:

Net Assets (Unlimited shares of no par value beneficial interest authorized; 1,749,349 shares of beneficial interest outstanding)	\$ 14,730,175
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Net Asset Value and Redemption Price Per Share (a) (\$14,730,175/1,749,349 shares of beneficial interest outstanding)	\$ 8.42
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Offering Price Per Share (\$8.42/0.9475)	\$ 8.89
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Class I Shares:

Net Assets (Unlimited shares of no par value interest authorized; 10,877,267 shares of beneficial interest outstanding)	\$ 91,063,707
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Net Asset Value, Offering and Redemption Price Per Share (a) (\$91,063,707/10,877,267 shares of beneficial interest outstanding)	\$ 8.37
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Composition of Net Assets:

Paid-in-Capital	\$ 125,555,103
Accumulated Losses	(19,761,221)
Net Assets	\$ 105,793,882

(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, 2022

Investment Income:

Dividend Income (Less \$19,624 Foreign Taxes)	\$ 3,242,519
Interest Income	3,090
Total Investment Income	<u>3,245,609</u>

Expenses:

Investment Advisory Fees	1,135,870
Administration Fees	128,343
Third Party Administrative Servicing Fees	67,445
Transfer Agent Fees	64,810
Fund Accounting Fees	51,001
Distribution (12b-1) Fees - Class A	41,409
Registration & Filing Fees	35,000
Interest Expense	31,544
Chief Compliance Officer Fees	21,999
Legal Fees	17,997
Audit Fees	17,002
Custody Fees	15,002
Trustees' Fees	14,001
Printing Expense	10,284
Insurance Expense	3,701
Miscellaneous Expenses	3,000
Total Expenses	<u>1,658,408</u>
Net Investment Income	<u>1,587,201</u>

Net Realized and Unrealized Gain (Loss) on Investments:

Net Realized Gain on:	
Investments and Options Purchased	1,534,227
Options Written	6,971,478
Total Net Realized Gain	<u>8,505,705</u>

Net Change in Unrealized Depreciation on:	
Investments and Options Purchased	(19,119,194)
Options Written	(21,621)
Foreign Currency Translations	(172)
Total Net Change in Unrealized Depreciation	<u>(19,140,987)</u>

Net Realized and Unrealized Loss on Investments	<u>(10,635,282)</u>
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Net Decrease in Net Assets Resulting From Operations	<u><u>\$ (9,048,081)</u></u>
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The Covered Bridge Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021
Operations:		
Net Investment Income	\$ 1,587,201	\$ 1,411,594
Net Realized Gain	8,505,705	7,921,257
Net Change in Unrealized Appreciation (Depreciation)	(19,140,987)	18,889,712
Net Increase (Decrease) in Net Assets Resulting From Operations	(9,048,081)	28,222,563
Distributions to Shareholders From:		
Distributable Earnings		
Class A (\$0.72 and \$0.65, respectively)	(1,188,634)	(987,214)
Class I (\$0.74 and \$0.68, respectively)	(7,365,604)	(5,984,175)
Net Decrease in Net Assets From Distributions to Shareholders	(8,554,238)	(6,971,389)
Capital Share Transactions:		
Class A		
Proceeds from Shares Issued (206,877 and 215,149 shares, respectively)	2,016,099	2,224,169
Distributions Reinvested (122,985 and 97,691 shares, respectively)	1,166,539	967,505
Redemption Fee Proceeds	282	1,305
Cost of Shares Redeemed (211,273 and 148,458 shares, respectively)	(2,057,135)	(1,389,616)
Total Class A	1,125,785	1,803,363
Class I		
Proceeds from Shares Issued (2,488,148 and 1,438,764 shares, respectively)	24,584,609	14,031,660
Distributions Reinvested (616,714 and 467,588 shares, respectively)	5,797,694	4,602,378
Redemption Fee Proceeds	1,653	7,215
Cost of Shares Redeemed (1,376,620 and 1,962,309 shares, respectively)	(13,474,313)	(18,344,340)
Total Class I	16,909,643	296,913
Net Increase in Net Assets from Capital Share Transactions	18,035,428	2,100,276
Total Increase in Net Assets	433,109	23,351,450
Net Assets:		
Beginning of Year	105,360,773	82,009,323
End of Year	\$ 105,793,882	\$ 105,360,773

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, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018
Net Asset Value, Beginning of Year	\$ 9.82	\$ 7.71	\$ 9.48	\$ 10.60	\$ 10.46
Increase (Decrease) From Operations:					
Net investment income ⁽¹⁾	0.12	0.12	0.13	0.16	0.12
Net realized and unrealized gain (loss) on Investments	(0.80)	2.64	(1.40)	0.03	0.75
Total from operations	(0.68)	2.76	(1.27)	0.19	0.87
Less Distributions:					
From net investment income	(0.12)	(0.11)	(0.09)	(0.16)	(0.10)
From net realized gain	(0.60)	(0.54)	(0.30)	(1.15)	(0.63)
From return of capital	-	-	(0.11)	-	-
Total Distributions	(0.72)	(0.65)	(0.50)	(1.31)	(0.73)
Paid in capital from redemption fees ^{(1), (3)}	0.00	0.00	0.00	0.00	0.00
Net Asset Value, End of Year	<u>\$ 8.42</u>	<u>\$ 9.82</u>	<u>\$ 7.71</u>	<u>\$ 9.48</u>	<u>\$ 10.60</u>
Total Return ⁽²⁾	(7.61)%	35.96%	(13.71)%	2.58%	8.73%
Ratios/Supplemental Data					
Net assets, end of year (in 000's)	\$ 14,730	\$ 16,009	\$ 11,313	\$ 14,822	\$ 16,408
Ratio of expenses to average net assets:					
before reimbursement ⁽⁴⁾	1.67%	1.73%	1.79%	1.79%	1.80%
net of reimbursement	1.67%	1.69%	1.70%	1.75%	1.73%
Ratio of expenses to average net assets, excluding interest expense:					
before reimbursement ⁽⁴⁾	1.65%	1.69%	1.74%	1.69%	1.72%
net of reimbursement	1.65%	1.65%	1.65%	1.65%	1.65%
Ratio of net investment income to average net assets	1.18%	1.20%	1.49%	1.72%	1.15%
Portfolio turnover rate	147%	232%	204%	159%	186%

⁽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, and exclude the effect of sales loads and redemptions fees. Had the adviser not absorbed a portion of Fund expenses, total returns would have been lower.

⁽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 - 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, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018
Net Asset Value, Beginning of Year	\$ 9.77	\$ 7.68	\$ 9.44	\$ 10.56	\$ 10.44
Increase (Decrease) From Operations:					
Net investment income ⁽¹⁾	0.14	0.14	0.15	0.19	0.15
Net realized and unrealized gain (loss) on Investments	(0.80)	2.63	(1.38)	0.02	0.75
Total from operations	(0.66)	2.77	(1.23)	0.21	0.90
Less Distributions:					
From net investment income	(0.14)	(0.14)	(0.12)	(0.18)	(0.15)
From net realized gain	(0.60)	(0.54)	(0.30)	(1.15)	(0.63)
From return of capital	-	-	(0.11)	-	-
Total Distributions	(0.74)	(0.68)	(0.53)	(1.33)	(0.78)
Paid in capital from redemption fees ^{(1), (2)}	0.00	0.00	0.00	0.00	0.00
Net Asset Value, End of Year	<u>\$ 8.37</u>	<u>\$ 9.77</u>	<u>\$ 7.68</u>	<u>\$ 9.44</u>	<u>\$ 10.56</u>
Total Return ⁽²⁾	(7.40)%	36.23%	(13.42)%	2.86%	8.99%
Ratios/Supplemental Data					
Net assets, end of year (in 000's)	\$ 91,064	\$ 89,352	\$ 70,696	\$ 73,296	\$ 62,058
Ratio of expenses to average net assets:					
before reimbursement ⁽⁴⁾	1.42%	1.48%	1.54%	1.54%	1.55%
net of reimbursement	1.42%	1.44%	1.45%	1.50%	1.48%
Ratio of expenses to average net assets, excluding interest expense:					
before reimbursement ⁽⁴⁾	1.40%	1.44%	1.49%	1.44%	1.47%
net of reimbursement	1.40%	1.40%	1.40%	1.40%	1.40%
Ratio of net investment income to average net assets	1.43%	1.46%	1.74%	1.97%	1.40%
Portfolio turnover rate	147%	232%	204%	159%	186%

⁽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, and exclude the effect of redemptions fees. Had the adviser not absorbed a portion of Fund expenses, total returns would have been lower.

⁽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, 2022

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 Standards Codification Topic 946 “Financial Services Investment Companies” including FASB Accounting Standards 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 the Adviser as its valuation designee (the “Valuation Designee”). The Board may also enlist third party consultants such a valuation specialist at a public accounting firm, valuation consultant or financial officer of a security issuer on an as-needed basis to assist the Valuation Designee in determining a security-specific fair value. The Board is responsible for reviewing and approving fair value methodologies utilized by the Valuation Designee, which approval shall be based upon whether the Valuation Designee followed the valuation procedures established by the Board.

Fair Valuation Process –The applicable investments are valued by the Valuation Designee pursuant to valuation procedures established by the Board. 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 Valuation Designee, the prices or values available do not represent the fair value of the instrument; factors which may cause the Valuation Designee 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

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2022

actions of the securities markets, such as the suspension or limitation of trading; (iii) securities determined to be illiquid; and (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 a 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 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 a current bid from such independent dealers or other independent parties is unavailable, the Valuation Designee 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, 2022 for the Fund's assets and liabilities measured at fair value:

Assets *	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 97,823,906	\$ -	\$ -	\$ 97,823,906
Call Options Purchased	363,900	9,625	-	373,525
Total	\$ 98,187,806	\$ 9,625	\$ -	\$ 98,197,431
Liabilities				
Call Options Written	\$ (237,225)	\$ (10,050)	\$ -	\$ (247,275)
Total	\$ (237,225)	\$ (10,050)	\$ -	\$ (247,275)

The Fund did not hold any Level 3 securities during the year ended September 30, 2022.

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

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2022

Foreign Currency Translations – The books and records of the Fund are maintained in US dollars. The market values of securities which are not traded in US currency are recorded in the financial statements after translation to US dollars based on the applicable exchange rates at the end of the period. The costs of such securities are translated at exchange rates prevailing when acquired. Related interest, dividends and withholding taxes are accrued at the rates of exchange prevailing on the respective dates of such transactions.

Net realized gains and losses on foreign currency transactions represent net gains and losses from currency realized between the trade and settlement dates on securities transactions and the difference between income accrued versus income received. The effect of changes in foreign currency exchange rates on investments in securities are included with the net realized and unrealized gain or loss on investment securities.

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, 2022 as disclosed in the Schedule of Investments and the amounts realized and changes in unrealized gains and losses on derivative instruments during the period as disclosed within the Statement of Operations serve as indicators of the volume of derivative activity for the Fund.

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, 2022:

Derivative Investments		Location on the Statement of Assets and Liabilities	
Type	Risk	Liabilities	Amount
Options Purchased	Equity	Investments in Securities at Value	\$ 373,525
Options Written	Equity	Options Written, at value	(247,275)

The following is a summary of the location of derivative investments in the Fund's Statement of Operations for the year ended September 30, 2022:

Options Purchased	Equity	Net Realized Gain on Investments and Options Purchased	\$ 984,361
Options Written	Equity	Net Realized Gain on Options Written	6,971,478
Options Purchased	Equity	Net Change in Unrealized Depreciation on Investments and Options Purchased	(1,867,877)
Options Written	Equity	Net Change in Unrealized Depreciation on Options Written	(21,621)

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2022

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 complies 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, 2019 – September 30, 2021, or expected to be taken in the Fund's September 30, 2022 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.

3. CASH – CONCENTRATION IN UNINSURED ACCOUNT

For cash management purposes, the Fund may concentrate cash with the Fund's custodian. As of September 30, 2022, the Fund held \$8,335,011 in cash at U.S. Bank, N.A. and \$2,144,850 in cash at Interactive Brokers.

4. 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, 2022, the Adviser earned management fees of \$1,135,870.

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 Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2022

the Adviser))) at least until January 31, 2023, 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 three years of when the amounts were waived. During the year ended September 30, 2022, the Adviser did not waive any fees pursuant to its contractual agreement.

As of September 30, 2022, the following amounts are subject to recapture by the Adviser by September 30 of the following years:

2023	2024	2025	Total
\$ 77,832	\$ 42,633	\$ -	\$ 120,465

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, 2022, pursuant to the Plan, the Fund paid \$41,409. 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, 2022, the Distributor received \$68,669 in underwriting commissions for sales of Class A shares, of which \$11,316 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:

Ultimus Fund Solutions, LLC (“UFS”) – UFS, an affiliate of the Distributor, provides administration, fund accounting, and transfer agent services to the Trust. Pursuant to separate servicing agreements with UFS, the Fund pays UFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Trust are also officers of UFS, 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 UFS 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 UFS 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.

5. INVESTMENT TRANSACTIONS

The cost of purchases and proceeds from the sale of securities, other than short-term securities, for the year ended September 30, 2022, amounted to \$176,801,938 and \$155,950,030, respectively.

6. 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 Fund received redemption fees of \$8,520 and \$1,935, for the year ended September 30, 2021 and 2022 respectively.

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2022

7. 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, 2022, were as follows:

Tax Cost	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)	Net Unrealized (Depreciation)
\$ 119,838,808	\$ 811,423	\$ (22,700,075)	\$ (21,888,652)

8. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of distributions paid during the fiscal years ended September 30, 2022 and September 30, 2021 were as follows:

	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021
Ordinary Income	\$ 8,554,238	\$ 6,971,389
	\$ 8,554,238	\$ 6,971,389

As of September 30, 2022, 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 Distributable Earnings /(Accumulated Deficit)
\$2,193,791	\$ -	\$ -	\$ -	\$ (66,221)	\$ (21,888,791)	\$ (19,761,221)

The difference between book basis and tax basis accumulated net realized losses 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.

During the fiscal year ended September 30, 2022, the Fund utilized tax equalization which is the use of earnings and profits distributions to shareholders on redemption of shares as part of the dividends paid deduction for income tax purposes. Permanent book and tax differences, primarily attributable to tax adjustments for use of tax equalization credits, resulted in reclassifications for the Fund for the fiscal year ended September 30, 2022, as follows:

Paid In Capital	Accumulated Loss
\$ 256,410	\$ (256,410)

9. 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, 2022, Charles Schwab & Co, Inc. and Pershing LLC, accounts holding shares for the benefit of others in nominee name, held approximately 41% and 25%, 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, 2022

10. RECENT REGULATORY UPDATES

In October 2020, the Securities and Exchange Commission (the “SEC”) adopted new regulations governing the use of derivatives by registered investment companies (“Rule 18f-4”). Rule 18f-4 imposes limits on the amount of derivatives a Fund can enter into, eliminates the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treats derivatives as senior securities and requires funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

11. 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 schedule of investments, as of September 30, 2022, 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, 2022, 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 included 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, 2022 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 28, 2022**

The Covered Bridge Fund

DISCLOSURE OF FUND EXPENSES (Unaudited)

September 30, 2022

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, 2022 through September 30, 2022.

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 (4/1/22)	Ending Account Value (9/30/22)	Expenses Paid During Period (4/1/22 to 9/30/22)*
Actual			
Class A	\$1,000.00	\$848.30	\$7.74
Class I	\$1,000.00	\$849.60	\$6.58
Hypothetical (5% return before expenses)			
Class A	\$1,000.00	\$1,016.70	\$8.44
Class I	\$1,000.00	\$1,017.95	\$7.18

*Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratios of 1.67% and 1.42% 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).

LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

The Fund has adopted and implemented a written liquidity risk management program as required by Rule 22e-4 (the “Liquidity Rule”) under the 1940 Act. The program is reasonably designed to assess and manage the Fund’s liquidity risk, taking into consideration, among other factors, the Fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources.

During the fiscal year ended September 30, 2022, the Trust’s Liquidity Risk Management Program Committee (the “Committee”) reviewed the Fund’s investments and determined that the Fund held adequate levels of cash and highly liquid investments to meet shareholder redemption activities in accordance with applicable requirements. Accordingly, the Committee concluded that (i) the Fund’s liquidity risk management program is reasonably designed to prevent violations of the Liquidity Rule and (ii) the Fund’s liquidity risk management program has been effectively implemented.

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited)
September 30, 2022

The Trustees and officers of the Trust, together with information as to their principal business occupations during the past five years and other information, are shown below. Unless otherwise noted, the address of each Trustee and officer is 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

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**
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); formerly, Director of Global Futures Operations Control, Merrill Lynch, Pierce, Fenner & Smith, Inc. (1975-2011).	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); President, American Accounting Association (since August 2022); Vice President-Finance, American Accounting Association (2017-2020); President, Auditing Section of the American Accounting Association (2012-2015); AICPA Auditing Standards Board Member (2009-2012); Academic Fellow, United States Securities and Exchange Commission (2005-2006).	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); Asst. Vice President - Transportation Systems, Union Pacific Railroad Company (June 1976 to April 2014).	1	Northern Lights Fund Trust III (for series not affiliated with the Fund since 2015).

* As of September 30, 2022, the Trust was comprised of 32 active portfolios managed by 16 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

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
September 30, 2022

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
Eric Kane 1981	President	Since August 2022, indefinite	Vice President and Senior Managing Counsel, Ultimus Fund Solutions, LLC (since 2022); Vice President and Managing Counsel, Ultimus Fund Solutions, LLC (2020-2022); Vice President and Counsel, Gemini Fund Services, LLC (2017-2020); Assistant Vice President, Gemini Fund Services, LLC (2014- 2017).
Brian Curley 1970	Treasurer	Since February 2013, indefinite	Vice President, Ultimus Fund Solutions, LLC (since 2020); Vice President, Gemini Fund Services, LLC (2015-2020).
Viktoriya Pallino 1995	Secretary	Since August 2022, indefinite	Legal Administrator II, Ultimus Fund Solutions, LLC (since 2021); Legal Administrator I, Ultimus Fund Solutions, LLC (2019-2021); Legal Administration Associate, Gemini Fund Services, LLC (2017-2019).
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 1-888-985-9830.

Renewal of Advisory Agreement – The Covered Bridge Fund*

In connection with a meeting held on August 24-25, 2022, the Board, including a majority of the Trustees who are not “interested persons,” as that term is defined in the 1940 Act, discussed the renewal of the investment advisory agreement (the “Advisory Agreement”) between the Adviser 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 the Adviser was founded in 1997 and had over \$1.7 billion in assets under management. The Board reviewed the background of the Adviser’s key investment personnel, taking into consideration their education and financial industry experience. The Board discussed that the Adviser provided investment management services to private wealth and institutional clients. The Board examined the Adviser’s investment process, noting that it selected large cap equity securities using several screens based on fundamental data that focused on above average dividends, dividend payout ratios, cash flow, ratio analysis and qualitative factors. The Board commented that the Adviser conducted economic forecasting and macro analysis to target sectors and industries it believed were best positioned to strengthen throughout the period. The Board acknowledged that the Adviser wrote covered call options over a portion of Covered Bridge’s holdings to help mitigate downside risk. The Board noted that the Adviser had an experienced team of research analysts and option strategists executing the investment process and supporting Covered Bridge. The Board observed that the Adviser monitored compliance with Covered Bridge’s investment limitations with pre-trade checks performed by the Adviser’s chief compliance officer. The Board acknowledged that the Adviser selected and approved broker-dealers based on best execution. The Board noted that the Adviser added cybersecurity policies and procedures to its compliance manual. The Board concluded that it could expect the Adviser to continue providing satisfactory service to Covered Bridge and its shareholders.

Performance. The Board remarked that Covered Bridge had earned a 4-star Morningstar rating and outperformed its Morningstar category, peer group, and benchmark over the 1-year period. The Board noted that Covered Bridge underperformed its benchmark and peer group over the 3-year period and performed in line with its Morningstar category over the same period. The Board observed that Covered Bridge outperformed its peer group and Morningstar category over the 5-year period while trailing its benchmark over the same period. The Board recalled that the Adviser attributed the recent outperformance to security selection, an increase in income derived from option premiums, and avoiding speculative securities that drove the market upside in 2020 and 2021 and subsequent decline in 2022. The Board expressed its satisfaction with Covered Bridge’s performance and concluded that it could expect the Adviser to continue delivering reasonable returns for the benefit of Covered Bridge and its shareholders.

Fees and Expenses. The Board recognized that the Adviser's advisory fee and net expense ratio were each higher than the median and average of its peer group and Morningstar category, but below the category highs. The Board commented that the Adviser believed its advisory fee was appropriate due in part to the complexity of the covered call options in Covered Bridge's strategy and the additional resources required to utilize individual equity options on each position compared to many of its peers that used index products for their option writing strategy. Given these considerations, the Board concluded that the Adviser's advisory fee was not unreasonable.

Economies of Scale. The Board discussed Covered Bridge's size and its prospects for growth, concluding that the Adviser had not yet achieved meaningful economies of scale that would justify the implementation of breakpoints. The Board noted the Adviser's willingness to consider breakpoints as Covered Bridge increased its assets. The Board agreed to monitor and address the issue at the appropriate time.

Profitability. The Board reviewed the Adviser's profitability analysis and acknowledged that the Adviser had earned a reasonable profit in connection with its management of Covered Bridge. The Board considered factors cited by the Adviser to support the level of profits, including, without limitation, additional compliance costs and resources required for compliance with the Derivatives Rule and Valuation Rule. The Board concluded that the Adviser's profitability was not excessive.

Conclusion. Having requested and received such information from the Adviser 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 renewal schedule, these deliberations may or may not relate to the current performance results of Covered Bridge.

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 as an exhibit to its reports on Form N-PORT, within sixty days after the end of the period. Form N-PORT reports are available on the SEC's website at <http://www.sec.gov>. The information on Form N-PORT is available without charge, upon request, by calling 1-855-525-2151.

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