

THE COVERED BRIDGE FUND



Semi-Annual Report March 31, 2024

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

Semi Annual Shareholder Letter

03/31/2024

Dear Fellow Shareholders,

The six-month period ended March 31, 2024, was a very strong period for the U.S. equity markets with the S&P 500 returning 23.48%. The Covered Bridge Fund performed as expected in this period and was up 13.16%. The Fund will generally underperform a long only equity strategy in strong markets due to selling away half of the upside on each security to produce income that is then returned to shareholders. During this period, the Fund did outperform the CBOE S&P 500 Buy/Write Index (BXM), which was up 10.45%. This period saw a continuation of a narrow market with growth and technology stocks outperforming, but we did start to see broader participation from other sectors and a return to positive performance from dividend paying securities.

The best performing areas in the Fund for the six-month period ended March 31, 2024, were the Information Technology, Communication Services and Financial sectors. On the surface, this is not surprising, considering the same three sectors were the best performing areas for the S&P500. However, the interesting part is the underlying participation and widening of market breadth. For example, Qualcomm Inc was the best performing security in the portfolio, outperforming 5 of the Magnificent 7 stocks. Only Meta Platforms Inc and NVIDIA Corporation had better return (not held by the Fund). Juniper Networks Inc had a very strong price appreciation as Hewlett Packard Enterprises Co announced a full acquisition and the Fund was able to capture nearly the entire takeover premium.

On the Communication Services front, AT&T Inc and Verizon Communications Inc led the sector's performance in the Fund. In addition to these companies maintaining attractive dividend yields, we believe they will provide income and stability to the portfolio going forward.

The Financial sector had a strong showing for the period as investors believe interest rates likely peaked for this cycle. In addition, regional banks such as U.S.

Bancorp and Truist Financial Corporation proved they are much healthier than the banks that ran into liquidity issues in early 2023. We believe there is more upside to these companies as we navigate through this current economic climate.

Pfizer Inc. and Bristol-Myers Squibb Co are among the lagging stocks in the Fund for the previous period. In addition, as covered in the prospectus, the Fund will hold a protective put on occasion in an effort to reduce volatility. With the market's stronger than anticipated return, the put position was negative for the six-month period ended March 31, 2024.

Much like our expectations at the end of our last fiscal year, we remain very encouraged by the opportunity that lies ahead. As inflation continues to come down and the economy slows, we feel that the peak in interest rates is in sight. We believe that once interest rates level off and start to decline we will see investors start to shift away from a very narrow, growth-oriented environment and return to high quality dividend paying securities. The Fund should continue to benefit from higher rates and the increase in volatility. These factors may allow the Fund to generate greater income from option premiums going forward. In fact, the Fund continues to receive more premium income than it has in the past. 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.

The Covered Bridge Fund is now over 10 years old and over the past 10 years the Fund has consistently delivered above average income in a period where dividend paying securities have lagged the S&P 500. We look forward to an eventual reversal of this phenomenon and continue to believe that the Fund will see an environment in the near future with continued above average income and better total returns.

Thank you for being a Covered Bridge Fund shareholder.

Sincerely,

John Schonberg, CFA &

Michael Dashner, CFA

Performance
as of 3/31/24

| | 3-MONTH | YTD | 1-YEAR | 3-YEAR | 5-YEAR | 10-YEAR | SINCE INCEPTION 10/1/13 |
|--------------------|---------|--------|--------|--------|--------|---------|-------------------------------|
| TCBIX | 4.57% | 4.57% | 9.74% | 5.66% | 7.44% | 6.50% | 7.04% |
| TCBAX | 4.46% | 4.46% | 9.37% | 5.39% | 7.15% | 6.23% | 6.76% |
| TCBAX With Load | -1.02% | -1.02% | 3.63% | 3.50% | 6.00% | 5.66% | 6.22% |
| BXM | 6.02% | 6.02% | 11.89% | 6.18% | 5.93% | 5.94% | 6.52% |
| Russell 1000 | 8.99% | 8.99% | 20.27% | 8.11% | 10.32% | 9.01% | 9.79% |
| S&P 500 Index | 10.56% | 10.56% | 29.88% | 11.49% | 15.05% | 12.96% | 13.49% |

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 February 1, 2025, the Fund's gross total annual operating expenses would be 1.73% for Class A and 1.48% for Class I. The net annual fund operating expenses are



THE COVERED BRIDGE FUND

1.69% and 1.44% 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. Maximum Sales Charge of 5.25%.

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. 9023-NLD-05/14/2024

**The Covered Bridge Fund
Portfolio Review (Unaudited)
March 31, 2024**

The Fund's performance figures* for the periods ended March 31, 2024, compared to its benchmark:

| | Annualized | | | | |
|-------------------------------|-------------------|-----------------|-------------------|------------------|--------------------------|
| | Six Months | One Year | Five Years | Ten Years | Since Inception * |
| The Covered Bridge Fund: | | | | | |
| Class A without Load | 12.90% | 9.37% | 7.15% | 6.23% | 6.76% |
| Class A with load | 7.03% | 3.63% | 6.00% | 5.66% | 6.22% |
| Class I | 13.16% | 9.74% | 7.44% | 6.50% | 7.04% |
| S&P 500 Total Return Index ** | 23.48% | 29.88% | 15.05% | 12.96% | 13.49% |

* 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 February 1, 2025, 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, 2024, including underlying funds, are 1.77% for Class A and 1.52% 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)
March 31, 2024

Portfolio Composition as of March 31, 2024

| Breakdown by Sector | | Breakdown by Country | |
|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
| | Percent of Net Assets | | Percent of Net Assets |
| Common Stocks | 91.6% | Common Stocks | 91.6% |
| Technology | 15.6% | United States | 86.6% |
| Consumer Staples | 13.8% | Canada | 2.5% |
| Health Care | 12.2% | Ireland | 2.5% |
| Financials | 10.0% | Put Options Purchased | 0.1% |
| Energy | 9.1% | Short-Term Investments | 7.9% |
| Utilities | 6.5% | Call Options Written | (1.0)% |
| Materials | 6.3% | Other Assets Less Liabilities | 1.4% |
| Communications | 6.0% | Net Assets | 100.0% |
| Industrials | 5.8% | | |
| Consumer Discretionary | 4.9% | | |
| Real Estate | 1.4% | | |
| Put Options Purchased | 0.1% | | |
| Short-Term Investments | 7.9% | | |
| Call Options Written | (1.0)% | | |
| Other Assets Less Liabilities | 1.4% | | |
| Net Assets | 100.0% | | |

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Unaudited)
March 31, 2024

| Shares | | Fair Value |
|---------|--|-------------------|
| | COMMON STOCKS — 91.6% | |
| | AEROSPACE & DEFENSE - 1.4% | |
| 16,000 | Raytheon Technologies Corporation | \$ 1,560,480 |
| | APPAREL & TEXTILE PRODUCTS - 1.9% | |
| 22,800 | NIKE, Inc., Class B^ | 2,142,744 |
| | ASSET MANAGEMENT - 2.2% | |
| 3,000 | BlackRock, Inc.^ | 2,501,100 |
| | BANKING - 6.7% | |
| 27,500 | Bank of America Corporation^ | 1,042,800 |
| 70,000 | Truist Financial Corporation^ | 2,728,600 |
| 70,000 | US Bancorp^ | 3,129,000 |
| 15,000 | Wells Fargo & Company^ | 869,400 |
| | | <u>7,769,800</u> |
| | BIOTECH & PHARMA - 9.7% | |
| 60,000 | Bristol-Myers Squibb Company^ | 3,253,800 |
| 26,000 | Gilead Sciences, Inc.^ | 1,904,500 |
| 20,000 | Johnson & Johnson^ | 3,163,800 |
| 100,000 | Pfizer, Inc. | 2,775,000 |
| | | <u>11,097,100</u> |
| | CHEMICALS - 5.1% | |
| 5,600 | Avery Dennison Corporation^ | 1,250,200 |
| 10,000 | CF Industries Holdings, Inc.^ | 832,100 |
| 60,000 | Chemours Company (The)^ | 1,575,600 |
| 40,000 | Nutrien Ltd. | 2,172,400 |
| | | <u>5,830,300</u> |
| | DIVERSIFIED INDUSTRIALS - 2.1% | |
| 12,000 | Honeywell International, Inc.^ | 2,463,000 |
| | ELECTRIC UTILITIES - 6.5% | |
| 40,000 | CenterPoint Energy, Inc.^ | 1,139,600 |
| 30,000 | Dominion Energy, Inc. | 1,475,700 |
| 25,000 | Duke Energy Corporation^ | 2,417,750 |

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
March 31, 2024

| <u>Shares</u> | | <u>Fair Value</u> |
|---------------|---|-------------------|
| | COMMON STOCKS — 91.6% (Continued) | |
| | ELECTRIC UTILITIES - 6.5% (Continued) | |
| 33,000 | SEMPRA^ | \$ 2,370,390 |
| | | <u>7,403,440</u> |
| | FOOD - 4.9% | |
| 35,000 | General Mills, Inc.^ | 2,448,950 |
| 37,500 | Hormel Foods Corporation | 1,308,375 |
| 50,000 | Kraft Heinz Company (The)^ | 1,845,000 |
| | | <u>5,602,325</u> |
| | HOME & OFFICE PRODUCTS - 0.4% | |
| 50,000 | Newell Brands, Inc. | 401,500 |
| | INSTITUTIONAL FINANCIAL SERVICES - 0.6% | |
| 7,000 | Morgan Stanley^ | 659,120 |
| | INSURANCE - 0.5% | |
| 5,000 | Prudential Financial, Inc.^ | 587,000 |
| | LEISURE FACILITIES & SERVICES - 1.9% | |
| 24,000 | Starbucks Corporation^ | 2,193,360 |
| | LEISURE PRODUCTS - 0.7% | |
| 15,000 | Hasbro, Inc. | 847,800 |
| | MEDICAL EQUIPMENT & DEVICES - 2.5% | |
| 33,000 | Medtronic PLC | 2,875,950 |
| | METALS & MINING - 1.2% | |
| 40,000 | Barrick Gold Corporation | 665,600 |
| 20,000 | Newmont Corporation | 716,800 |
| | | <u>1,382,400</u> |
| | OIL & GAS PRODUCERS - 9.1% | |
| 30,000 | Chesapeake Energy Corporation^ | 2,664,900 |
| 21,000 | Chevron Corporation^ | 3,312,540 |
| 10,000 | EOG Resources, Inc.^ | 1,278,400 |

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
March 31, 2024

| <u>Shares</u> | | <u>Fair Value</u> |
|---------------|---|-------------------|
| | COMMON STOCKS — 91.6% (Continued) | |
| | OIL & GAS PRODUCERS - 9.1% (Continued) | |
| 27,000 | Exxon Mobil Corporation^ | \$ 3,138,480 |
| | | <u>10,394,320</u> |
| | RETAIL - CONSUMER STAPLES - 3.8% | |
| 10,000 | Target Corporation^ | 1,772,100 |
| 100,000 | Walgreens Boots Alliance, Inc. ^ | 2,169,000 |
| 7,500 | Walmart, Inc. ^ | 451,275 |
| | | <u>4,392,375</u> |
| | SEMICONDUCTORS - 7.2% | |
| 70,000 | Intel Corporation | 3,091,900 |
| 20,000 | QUALCOMM, Inc.^ | 3,386,000 |
| 10,000 | Texas Instruments, Inc.^ | 1,742,100 |
| | | <u>8,220,000</u> |
| | SOFTWARE - 2.7% | |
| 25,000 | Oracle Corporation^ | 3,140,250 |
| | TECHNOLOGY HARDWARE - 5.7% | |
| 60,000 | Cisco Systems, Inc.^ | 2,994,600 |
| 85,000 | Corning, Inc.^ | 2,801,600 |
| 20,000 | Juniper Networks, Inc. | 741,200 |
| | | <u>6,537,400</u> |
| | TECHNOLOGY SERVICES - 0.0%(a) | |
| 100 | International Business Machines Corporation | 19,096 |
| | TELECOMMUNICATIONS - 6.0% | |
| 200,000 | AT&T, Inc. | 3,520,000 |
| 81,100 | Verizon Communications, Inc. ^ | 3,402,956 |
| | | <u>6,922,956</u> |
| | TIMBER REIT - 1.4% | |
| 45,000 | Weyerhaeuser Company^ | 1,615,950 |
| | TOBACCO & CANNABIS - 1.9% | |
| 50,000 | Altria Group, Inc.^ | 2,181,000 |

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
March 31, 2024

| <u>Shares</u> | | | | | <u>Fair Value</u> |
|---------------|--|------------------------|-----------------------|-----------------------|-----------------------|
| | COMMON STOCKS — 91.6% (Continued) | | | | |
| | TRANSPORTATION & LOGISTICS - 2.3% | | | | |
| 18,000 | United Parcel Service, Inc., Class B^ | | | | \$ 2,675,340 |
| | WHOLESALE - CONSUMER STAPLES - 3.2% | | | | |
| 20,000 | Bunge Global S.A.^ | | | | 2,050,400 |
| 20,000 | Sysco Corporation^ | | | | 1,623,600 |
| | | | | | <u>3,674,000</u> |
| | TOTAL COMMON STOCKS (Cost \$116,511,249) | | | | <u>105,090,106</u> |
| | SHORT-TERM INVESTMENTS — 7.9% | | | | |
| | MONEY MARKET FUND - 7.9% | | | | |
| 9,058,172 | First American Treasury Obligations Fund, Class X, 5.22% (Cost \$9,058,172) ^(b) | | | | <u>9,058,172</u> |
| | Contracts^(c) | | | | |
| | EQUITY OPTIONS PURCHASED* - 0.1% | Expiration Date | Exercise Price | Notional Value | |
| | PUT OPTIONS PURCHASED - 0.1% | | | | |
| 200 | SPDR S&P 500 ETF Trust | 06/21/2024 | \$ 440 | \$ 10,461,400 | \$ 20,000 |
| 400 | SPDR S&P 500 ETF Trust | 06/21/2024 | 450 | 20,922,800 | 47,600 |
| 400 | SPDR S&P 500 ETF Trust | 06/21/2024 | 480 | 20,922,800 | 96,800 |
| | TOTAL PUT OPTIONS PURCHASED (Cost - \$751,894) | | | | <u>164,400</u> |
| | TOTAL EQUITY OPTIONS PURCHASED (Cost - \$751,894) | | | | <u>164,400</u> |
| | TOTAL INVESTMENTS - 99.6% (Cost \$126,321,315) | | | | \$ 114,312,678 |
| | CALL OPTIONS WRITTEN - (1.0)% (Premiums received - \$877,596) | | | | (1,163,795) |
| | OTHER ASSETS IN EXCESS OF LIABILITIES- 1.4% | | | | <u>1,574,432</u> |
| | NET ASSETS - 100.0% | | | | <u>\$ 114,723,315</u> |
| | WRITTEN EQUITY OPTIONS* - (1.0)% | | | | |
| | CALL OPTIONS WRITTEN- (1.0)% | | | | |
| 250 | Altria Group, Inc. | 05/17/2024 | \$ 45 | \$ 1,090,500 | \$ 14,500 |
| 25 | Avery Dennison Corporation | 04/19/2024 | 220 | 558,125 | 19,000 |
| 135 | Bank of America Corporation | 04/19/2024 | 36 | 511,920 | 31,050 |
| 15 | BlackRock, Inc. | 04/19/2024 | 820 | 1,250,550 | 41,250 |
| 100 | Bristol-Myers Squibb Company | 04/19/2024 | 53 | 542,300 | 19,700 |

See accompanying notes to financial statements.

THE COVERED BRIDGE FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
March 31, 2024

| <u>Contracts^(c)</u> <u>(continued)</u> | | <u>Expiration Date</u> | <u>Exercise Price</u> | <u>Notional Value</u> | <u>Fair Value</u> |
|--|---|------------------------|-----------------------|-----------------------|-------------------|
| | WRITTEN EQUITY OPTIONS* - (1.0)% | | | | |
| | CALL OPTIONS WRITTEN- (1.0)% (Continued) | | | | |
| 100 | Bunge Global S.A. | 04/19/2024 | \$ 98 | \$ 1,025,200 | \$ 62,100 |
| 200 | CenterPoint Energy, Inc. | 04/19/2024 | 28 | 569,800 | 15,000 |
| 50 | CF Industries Holdings, Inc. | 04/19/2024 | 85 | 416,050 | 6,750 |
| 200 | Chemours Company (The) | 04/19/2024 | 27 | 525,200 | 13,200 |
| 150 | Chesapeake Energy Corporation | 04/19/2024 | 85 | 1,332,450 | 66,000 |
| 50 | Chevron Corporation | 04/19/2024 | 155 | 788,700 | 22,350 |
| 200 | Cisco Systems, Inc. | 04/19/2024 | 50 | 998,200 | 10,400 |
| 425 | Corning, Inc. | 04/19/2024 | 32 | 1,400,800 | 51,850 |
| 50 | Duke Energy Corporation | 04/19/2024 | 95 | 483,550 | 13,000 |
| 50 | EOG Resources, Inc. | 04/19/2024 | 124 | 639,200 | 26,400 |
| 135 | Exxon Mobil Corporation | 04/19/2024 | 110 | 1,569,240 | 93,555 |
| 175 | General Mills, Inc. | 04/19/2024 | 68 | 1,224,475 | 51,975 |
| 130 | Gilead Sciences, Inc. | 04/19/2024 | 75 | 952,250 | 8,710 |
| 60 | Honeywell International, Inc. | 04/19/2024 | 198 | 1,231,500 | 50,400 |
| 50 | Johnson & Johnson | 04/19/2024 | 160 | 790,950 | 9,250 |
| 121 | Kraft Heinz Company (The) | 04/19/2024 | 35 | 446,490 | 25,289 |
| 35 | Morgan Stanley | 04/19/2024 | 88 | 329,560 | 23,660 |
| 108 | NIKE, Inc. | 04/19/2024 | 100 | 1,014,984 | 2,484 |
| 50 | Oracle Corporation | 04/19/2024 | 125 | 628,050 | 13,050 |
| 50 | Oracle Corporation | 04/19/2024 | 129 | 628,050 | 5,050 |
| 50 | Prudential Financial, Inc. | 04/19/2024 | 110 | 587,000 | 40,850 |
| 25 | QUALCOMM, Inc. | 04/19/2024 | 168 | 423,250 | 13,750 |
| 75 | QUALCOMM, Inc. | 04/19/2024 | 170 | 1,269,750 | 30,375 |
| 80 | RTX Corporation | 04/19/2024 | 94 | 780,240 | 34,400 |
| 50 | Sempra | 04/19/2024 | 70 | 359,150 | 12,250 |
| 60 | Starbucks Corporation | 05/17/2024 | 90 | 548,340 | 26,940 |
| 100 | Sysco Corporation | 04/19/2024 | 80 | 811,800 | 16,500 |
| 50 | Target Corporation | 04/19/2024 | 165 | 886,050 | 64,800 |
| 50 | Texas Instruments, Inc. | 04/19/2024 | 170 | 871,050 | 32,750 |
| 100 | Truist Financial Corporation | 04/19/2024 | 35 | 389,800 | 42,000 |
| 60 | United Parcel Service, Inc. | 05/17/2024 | 160 | 891,780 | 11,100 |
| 100 | US Bancorp | 04/19/2024 | 43 | 447,000 | 28,700 |
| 201 | Verizon Communications, Inc. | 04/19/2024 | 40 | 843,396 | 41,607 |
| 200 | Walgreens Boots Alliance, Inc. | 05/17/2024 | 23 | 433,800 | 17,200 |
| 75 | Walmart, Inc. | 04/19/2024 | 60 | 451,275 | 7,125 |
| 75 | Wells Fargo & Company | 04/19/2024 | 58 | 434,700 | 14,100 |
| 150 | Weyerhaeuser Company | 04/19/2024 | 34 | 538,650 | 33,375 |
| | TOTAL CALL OPTIONS WRITTEN (Premiums Received - \$877,596) | | | | 1,163,795 |
| | TOTAL EQUITY OPTIONS WRITTEN (Premiums Received - \$877,596) | | | | \$ 1,163,795 |

See accompanying notes to financial statements.

ETF - Exchange- Traded Fund
LTD - Limited Company
PLC - Public Limited Company
REIT - Real Estate Investment Trust
S.A. - Société Anonyme
SPDR - Standard & Poor's Depository Receipt

* Non-income producing security.
^ Security is subject to written call options.
(a) Percentage rounds to less than 0.1%.
(b) Rate disclosed is the seven-day effective yield as of March 31, 2024.
(c) Each option contract allows the holder of the option to purchase or sell 100 shares of the underlying security.

The Covered Bridge Fund
STATEMENT OF ASSETS AND LIABILITIES (Unaudited)
March 31, 2024

| | |
|---|-----------------------|
| Assets: | |
| Investments in Securities at Value (cost \$126,321,315) | \$ 114,312,678 |
| Cash | 28,360 |
| Deposits with Broker for Options Written | 1,498,881 |
| Dividend and Interest Receivable | 191,117 |
| Prepaid Expenses and Other Assets | 34,381 |
| Receivable for Fund Shares Sold | 9,008 |
| Total Assets | 116,074,425 |
| Liabilities: | |
| Options Written, at value (premiums received \$877,596) | 1,163,795 |
| Investment Advisory Fees Payable | 88,581 |
| Payable to Related Parties | 55,814 |
| Payable for Fund Shares Redeemed | 14,452 |
| Distribution (12b-1) Fees Payable | 2,588 |
| Accrued Expenses and Other Liabilities | 25,880 |
| Total Liabilities | 1,351,110 |
| Net Assets | \$ 114,723,315 |
| Class A Shares: | |
| Net Assets (Unlimited shares of no par value beneficial interest authorized; (1,325,777 shares of beneficial interest outstanding)) | \$ 12,291,655 |
| Net Asset Value and Redemption Price Per Share (a) ((\$12,291,655/1,325,777 shares of beneficial interest outstanding)) | \$ 9.27 |
| Maximum Offering Price Per Share (Maximum sales charge of 5.25%) | \$ 9.78 |
| Class I Shares: | |
| Net Assets (Unlimited shares of no par value interest authorized; (11,124,123 shares of beneficial interest outstanding)) | \$ 102,431,660 |
| Net Asset Value, Offering and Redemption Price Per Share (a) ((\$102,431,660/11,124,123 shares of beneficial interest outstanding)) | \$ 9.21 |
| Composition of Net Assets: | |
| Paid-in-Capital | \$ 124,816,886 |
| Accumulated Losses | (10,093,571) |
| Net Assets | \$ 114,723,315 |

(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 (Unaudited)
For the Six Months Ended March 31, 2024

| | |
|--|----------------------|
| Investment Income: | |
| Dividend Income (Less \$7,920 Foreign Taxes) | \$ 1,931,118 |
| Interest Income | 187,747 |
| Total Investment Income | 2,118,865 |
| Expenses: | |
| Investment Advisory Fees | 580,597 |
| Administration Fees | 85,000 |
| Interest Expense | 49,782 |
| Third Party Administrative Servicing Fees | 40,000 |
| Transfer Agent Fees | 37,500 |
| Fund Accounting Fees | 26,250 |
| Registration & Filing Fees | 25,000 |
| Distribution (12b-1) Fees - Class A | 16,438 |
| Chief Compliance Officer Fees | 12,599 |
| Legal Fees | 10,501 |
| Audit Fees | 9,499 |
| Custody Fees | 8,400 |
| Trustees' Fees | 7,799 |
| Printing Expense | 7,499 |
| Insurance Expense | 1,700 |
| Miscellaneous Expenses | 2,500 |
| Total Expenses | 921,064 |
| Less: Fee Waived by Adviser | (42,185) |
| Net Expenses | 878,879 |
| Net Investment Income | 1,239,986 |
| Net Realized and Unrealized Gain (Loss) on Investments: | |
| Net Realized Gain on: | |
| Investments and Options Purchased | 2,145,510 |
| Options Written | 2,745,207 |
| Total Net Realized Gain | 4,890,717 |
| Net Change in Unrealized Appreciation (Depreciation) on: | |
| Investments and Options Purchased | 8,454,921 |
| Options Written | (396,456) |
| Foreign Currency Translations | 4 |
| Total Net Change in Unrealized Appreciation | 8,058,469 |
| Net Realized and Unrealized Gain on Investments | 12,949,186 |
| Net Increase in Net Assets Resulting From Operations | \$ 14,189,172 |

See accompanying notes to financial statements.

The Covered Bridge Fund
STATEMENTS OF CHANGES IN NET ASSETS

| | For the Six Months Ended March 31, 2024 (Unaudited) | For the Year Ended September 30, 2023 |
|--|--|---|
| Operations: | | |
| Net Investment Income | \$ 1,239,986 | \$ 2,399,414 |
| Net Realized Gain | 4,890,717 | 7,827,210 |
| Net Change in Unrealized Appreciation | 8,058,469 | 1,388,600 |
| Net Increase in Net Assets Resulting From Operations | 14,189,172 | 11,615,224 |
| Distributions to Shareholders From: | | |
| Distributable Earnings | | |
| Class A (\$0.39 and \$0.77, respectively) | (548,337) | (1,464,397) |
| Class I (\$0.40 and \$0.79, respectively) | (4,550,335) | (9,219,820) |
| Net Decrease in Net Assets From Distributions to Shareholders | (5,098,672) | (10,684,217) |
| Capital Share Transactions: | | |
| Class A | | |
| Proceeds from Shares Issued (5,178 and 467,561 shares, respectively) | 46,604 | 4,316,976 |
| Distributions Reinvested (60,246 and 160,119 shares, respectively) | 538,251 | 1,440,691 |
| Redemption Fee Proceeds | 505 | 768 |
| Cost of Shares Redeemed (476,057 and 640,619 shares, respectively) | (4,192,919) | (5,782,715) |
| Total Class A | (3,607,559) | (24,280) |
| Class I | | |
| Proceeds from Shares Issued (566,393 and 2,236,849 shares, respectively) | 4,992,174 | 20,540,795 |
| Distributions Reinvested (415,155 and 831,602 shares, respectively) | 3,689,272 | 7,415,124 |
| Redemption Fee Proceeds | 4,047 | 4,676 |
| Cost of Shares Redeemed (2,056,146 and 1,746,997 shares, respectively) | (18,156,117) | (15,950,206) |
| Total Class I | (9,470,624) | 12,010,389 |
| Net Increase (Decrease) in Net Assets from Capital Share Transactions | (13,078,183) | 11,986,109 |
| Total Increase (Decrease) in Net Assets | (3,987,683) | 12,917,116 |
| Net Assets: | | |
| Beginning of Period | 118,710,998 | 105,793,882 |
| End of Period | \$ 114,723,315 | \$ 118,710,998 |

The Covered Bridge Fund - Class A
FINANCIAL HIGHLIGHTS

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

| | For the Six Months Ended March 31, 2024 (Unaudited) | For the Year Ended September 30, 2023 | 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 |
|--|--|---|---|---|---|---|
| Net Asset Value, Beginning of Period | \$ 8.57 | \$ 8.42 | \$ 9.82 | \$ 7.71 | \$ 9.48 | \$ 10.60 |
| Increase (Decrease) From Operations: | | | | | | |
| Net investment income ⁽¹⁾ | 0.08 | 0.16 | 0.12 | 0.12 | 0.13 | 0.16 |
| Net realized and unrealized gain (loss) on Investments | 1.01 | 0.76 | (0.80) | 2.64 | (1.40) | 0.03 |
| Total from operations | 1.09 | 0.92 | (0.68) | 2.76 | (1.27) | 0.19 |
| Less Distributions: | | | | | | |
| From net investment income | (0.08) | (0.15) | (0.12) | (0.11) | (0.09) | (0.16) |
| From net realized gain | (0.31) | (0.62) | (0.60) | (0.54) | (0.30) | (1.15) |
| From return of capital | - | - | - | - | (0.11) | - |
| Total Distributions | (0.39) | (0.77) | (0.72) | (0.65) | (0.50) | (1.31) |
| Paid in capital from redemption fees ^{(1), (3)} | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Asset Value, End of Period | \$ 9.27 | \$ 8.57 | \$ 8.42 | \$ 9.82 | \$ 7.71 | \$ 9.48 |
| Total Return ⁽²⁾ | 12.90% ⁽⁴⁾ | 10.74% | (7.61)% | 35.96% | (13.71)% | 2.58% |
| Ratios/Supplemental Data | | | | | | |
| Net assets, end of period (in 000's) | \$ 12,292 | \$ 14,874 | \$ 14,730 | \$ 16,009 | \$ 11,313 | \$ 14,822 |
| Ratio of expenses to average net assets: | | | | | | |
| before reimbursement ⁽⁴⁾ | 1.81% ⁽⁵⁾ | 1.76% | 1.67% | 1.73% | 1.79% | 1.79% |
| net of reimbursement | 1.73% ⁽⁵⁾ | 1.71% | 1.67% | 1.69% | 1.70% | 1.75% |
| Ratio of expenses to average net assets, excluding interest expense: | | | | | | |
| before reimbursement ⁽⁴⁾ | 1.73% ⁽⁵⁾ | 1.70% | 1.65% | 1.69% | 1.74% | 1.69% |
| net of reimbursement | 1.65% ⁽⁵⁾ | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% |
| Ratio of net investment income to average net assets | 1.92% ⁽⁵⁾ | 1.74% | 1.18% | 1.20% | 1.49% | 1.72% |
| Portfolio turnover rate | 55% ⁽⁶⁾ | 154% | 147% | 232% | 204% | 159% |

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

⁽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 \$0.01 per share.

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

⁽⁵⁾ Annualized.

⁽⁶⁾ Not annualized.

The Covered Bridge Fund - Class I
FINANCIAL HIGHLIGHTS

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

| | For the Six Months Ended March 31, 2024 (Unaudited) | For the Year Ended September 30, 2023 | 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 |
|--|--|---|---|---|---|---|
| Net Asset Value, Beginning of Period | \$ 8.51 | \$ 8.37 | \$ 9.77 | \$ 7.68 | \$ 9.44 | \$ 10.56 |
| Increase (Decrease) From Operations: | | | | | | |
| Net investment income ⁽¹⁾ | 0.10 | 0.18 | 0.14 | 0.14 | 0.15 | 0.19 |
| Net realized and unrealized gain (loss) on Investments | 1.00 | 0.75 | (0.80) | 2.63 | (1.38) | 0.02 |
| Total from operations | 1.10 | 0.93 | (0.66) | 2.77 | (1.23) | 0.21 |
| Less Distributions: | | | | | | |
| From net investment income | (0.09) | (0.17) | (0.14) | (0.14) | (0.12) | (0.18) |
| From net realized gain | (0.31) | (0.62) | (0.60) | (0.54) | (0.30) | (1.15) |
| From return of capital | - | - | - | - | (0.11) | - |
| Total Distributions | (0.40) | (0.79) | (0.74) | (0.68) | (0.53) | (1.33) |
| Paid in capital from redemption fees ^{(1),(3)} | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Asset Value, End of Period | \$ 9.21 | \$ 8.51 | \$ 8.37 | \$ 9.77 | \$ 7.68 | \$ 9.44 |
| Total Return ⁽²⁾ | 13.16% ⁽⁶⁾ | 10.96% | (7.40)% | 36.23% | (13.42)% | 2.86% |
| Ratios/Supplemental Data | | | | | | |
| Net assets, end of period (in 000's) | \$ 102,432 | \$ 103,837 | \$ 91,064 | \$ 89,352 | \$ 70,696 | \$ 73,296 |
| Ratio of expenses to average net assets: | | | | | | |
| before reimbursement ⁽⁴⁾ | 1.56% ⁽⁵⁾ | 1.51% | 1.42% | 1.48% | 1.54% | 1.54% |
| net of reimbursement | 1.48% ⁽⁵⁾ | 1.46% | 1.42% | 1.44% | 1.45% | 1.50% |
| Ratio of expenses to average net assets, excluding interest expense: | | | | | | |
| before reimbursement ⁽⁴⁾ | 1.48% ⁽⁵⁾ | 1.45% | 1.40% | 1.44% | 1.49% | 1.44% |
| net of reimbursement | 1.40% ⁽⁵⁾ | 1.40% | 1.40% | 1.40% | 1.40% | 1.40% |
| Ratio of net investment income to average net assets | 2.16% ⁽⁵⁾ | 1.99% | 1.43% | 1.46% | 1.74% | 1.97% |
| Portfolio turnover rate | 55% ⁽⁶⁾ | 154% | 147% | 232% | 204% | 159% |

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

⁽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 \$0.01 per share.

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

⁽⁵⁾ Annualized.

⁽⁶⁾ Not annualized.

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)

March 31, 2024

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 1.00% 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 investments, 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 investments 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 – 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 (Unaudited)(Continued)

March 31, 2024

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 investments, 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 March 31, 2024 for the Fund’s assets and liabilities measured at fair value:

| Assets * | Level 1 | Level 2 | Level 3 | Total |
|------------------------|----------------|---------|---------|----------------|
| Common Stocks | \$ 105,090,106 | \$ - | \$ - | \$ 105,090,106 |
| Short-Term Investments | 9,058,172 | - | - | 9,058,172 |
| Put Options Purchased | 164,400 | - | - | 164,400 |
| Total | \$ 114,312,678 | \$ - | \$ - | \$ 114,312,678 |
| Liabilities | | | | |
| Call Options Written | (1,163,795) | - | - | (1,163,795) |
| Total | \$ (1,163,795) | \$ - | \$ - | \$ (1,163,795) |

The Fund did not hold any Level 3 securities during the six months ended March 31, 2024.

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

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

March 31, 2024

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 March 31, 2024 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 March 31, 2024:

| Derivative Investments | | Location on the Statement of Assets and Liabilities | | Amount |
|------------------------|--------|---|--|-------------|
| Type | Risk | | | |
| Options Purchased | Equity | Investments in Securities at Value | | \$ 164,400 |
| Options Written | Equity | Options Written, at value | | (1,163,795) |

The following is a summary of the location of derivative investments in the Fund's Statement of Operations for the six months ended March 31, 2024:

| Derivative Investments Type | Risk | Location of Gain/Loss on Derivative | Amount |
|-----------------------------|--------|--|--------------|
| Options Purchased | Equity | Net Realized Gain on Investments and Options Purchased | \$ (421,785) |
| Options Written | Equity | Net Realized Gain on Options Written | 2,745,207 |
| Options Purchased | Equity | Net Change in Unrealized Depreciation on Investments and Options Purchased | (1,160,291) |
| Options Written | Equity | Net Change in Unrealized Depreciation on Options Written | (396,456) |

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

March 31, 2024

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, 2020 – September 30, 2023, or expected to be taken in the Fund's September 30, 2024 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 March 31, 2024, the Fund held \$28,360 in cash at U.S. Bank, N.A. and \$1,498,881 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 six months ended March 31, 2024, the Adviser earned management fees of \$580,597.

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 and indemnification of Fund service providers (other than the Adviser))) at least until February 1, 2025, so that the total annual operating expenses of the Fund do not exceed 1.65% and

The Covered Bridge Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

March 31, 2024

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 six months ended March 31, 2024, the Adviser waived \$42,185 in fees pursuant to its contractual agreement.

As of March 31, 2024, the following amounts are subject to recapture by the Adviser by September 30 of the following years:

| 2024 | 2025 | 2026 | Total |
|-----------|------|-----------|-----------|
| \$ 42,633 | \$ - | \$ 53,193 | \$ 95,826 |

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 six months ended March 31, 2024, pursuant to the Plan, the Fund paid \$16,438. 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 six months ended March 31, 2024, the Distributor did not receive any underwriting commissions for sales of the Funds’ class A shares.

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 six months ended March 31, 2024, amounted to \$59,120,760 and \$71,909,390, 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 \$4,552 and \$5,444, for the six months ended March 31, 2024, and the year ended September 30, 2023, respectively.

The Covered Bridge Fund
NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)
March 31, 2024

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 March 31, 2024, were as follows:

| Tax Cost | Gross Unrealized Appreciation | Gross Unrealized (Depreciation) | Net Unrealized (Depreciation) |
|----------------|----------------------------------|------------------------------------|----------------------------------|
| \$ 125,949,451 | \$ 2,116,437 | \$ (14,917,005) | \$ (12,800,568) |

8. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of distributions paid during the fiscal years ended September 30, 2023 and September 30, 2022 were as follows:

| | Fiscal Year Ended September 30, 2023 | Fiscal Year Ended September 30, 2022 |
|-----------------|---|---|
| Ordinary Income | \$ 10,684,217 | \$ 8,554,238 |
| | \$ 10,684,217 | \$ 8,554,238 |

As of September 30, 2023, 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) |
|-------------------------------------|-------------------------------------|--|-----------------------------------|----------------------------------|---|---|
| \$ 1,423,040 | \$ - | \$ - | \$ - | \$ (828) | \$ (20,606,283) | \$ (19,184,071) |

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, 2023, 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 and adjustments for prior year tax returns, resulted in reclassifications for the Fund for the fiscal year ended September 30, 2023, as follows:

| | |
|-----------------------|------------------------|
| Paid In Capital | Accumulated Deficit |
| \$ 353,857 | \$ (353,857) |

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 March 31, 2024, Charles Schwab & Co, Inc. and Pershing LLC, accounts holding shares for the benefit of others in nominee name, held approximately 55% and 26%, respectively, of the voting securities of the Fund. 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 (Unaudited)(Continued)
March 31, 2024

10. REGULATORY UPDATES

On January 24, 2023, the SEC adopted rule and form amendments to require mutual funds and ETFs to transmit concise and visually engaging streamlined annual and semiannual reports to shareholders that highlight key information. Other information, including financial statements, will not appear in a streamlined shareholder report but must be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024. At this time, management is evaluating the impact of these amendments on the shareholder reports for the Fund.

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.

The Covered Bridge Fund

DISCLOSURE OF FUND EXPENSES (Unaudited)

March 31, 2024

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 October 1, 2023 through March 31, 2024.

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 (10/1/23) | Ending Account Value (3/31/24) | Expenses Paid During Period (10/1/23 to 3/31/24)* |
|---|--|---|--|
| Actual | | | |
| Class A | \$1,000.00 | \$1,129.00 | \$9.21 |
| Class I | \$1,000.00 | \$1,131.60 | \$7.89 |
| Hypothetical (5% return before expenses) | | | |
| Class A | \$1,000.00 | \$1,016.35 | \$8.72 |
| Class I | \$1,000.00 | \$1,017.60 | \$7.47 |

*Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratios of 1.73% and 1.48% 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 (366).

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 six months ended March 31, 2024, 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)
March 31, 2024

Renewal of Advisory Agreement – The Covered Bridge Fund*

In connection with a meeting held on August 23-24, 2023, the Board, comprised entirely of 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 his or her 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 approximately \$1.9 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 noted that Covered Bridge holds approximately 40-60 securities, writes options on approximately half of the portfolio, purchases index options to protect against broad market sell offs, and tries to build a portfolio with a dividend yield that is twice the yield of the S&P 500. 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 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 3-star Morningstar rating and underperformed its Morningstar category, peer group, and benchmark over the 1-year, 5-year, and since inception periods. The Board noted that Covered Bridge outperformed its Morningstar category and peer group over the 3-year period and slightly underperformed its benchmark over the same period. The Board acknowledged that the Adviser attributed Covered Bridge’s underperformance to its relatively small exposure to technology stocks, which had

The Covered Bridge Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
March 31, 2024

experienced tremendous growth, and overweight to dividend stocks which had underperformed. The Board agreed that performance was acceptable.

Fees and Expenses. The Board recognized that the Adviser's advisory fee was below the peer group average but higher than the peer group median and Morningstar category median and average. The Board further observed that Covered Bridge's net expense ratio was higher than the medians and averages of its peer group and Morningstar category, but below the category high. The Board recalled 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 reached a specified level of 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 a dedicated risk management program that uses VaR, stress testing and back testing on a weekly basis. 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 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.

PRIVACY NOTICE

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
- Assets
- Retirement Assets
- Transaction History
- Checking Account Information
- Purchase History
- Account Balances
- Account Transactions
- Wire Transfer Instructions

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 don’t share |
| For joint marketing with other financial companies | No | We don’t share |
| For our affiliates’ everyday business purposes – information about your transactions and experiences | No | We don’t share |
| For our affiliates’ everyday business purposes – information about your creditworthiness | No | We don’t share |
| For nonaffiliates to market to you | No | We don’t share |

Questions? Call (631) 490-4300

Who we are

Who is providing this notice? Northern Lights Fund Trust III

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
- Provide account information
- Give us your contact information
- Make deposits or withdrawals from your account
- Make a wire transfer
- Tell us where to send the money
- Tells us who receives the money
- Show your government-issued ID
- Show your driver's license

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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