

<SEC-DOCUMENT>0000910472-13-004712.txt : 20140304
<SEC-HEADER>0000910472-13-004712.hdr.sgml : 20140304

<ACCEPTANCE-DATETIME>20131112164434

<PRIVATE-TO-PUBLIC>

ACCESSION NUMBER: 0000910472-13-004712

CONFORMED SUBMISSION TYPE: 485APOS

PUBLIC DOCUMENT COUNT: 4

FILED AS OF DATE: 20131112

DATE AS OF CHANGE: 20140128

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: NORTHERN LIGHTS FUND TRUST III

CENTRAL INDEX KEY: 0001537140

IRS NUMBER: 000000000

STATE OF INCORPORATION: DE

FILING VALUES:

FORM TYPE: 485APOS

SEC ACT: 1933 Act

SEC FILE NUMBER: 333-178833

FILM NUMBER: 131210905

BUSINESS ADDRESS:

STREET 1: 17605 WRIGHT STREET

CITY: OMAHA

STATE: NE

ZIP: 68130

BUSINESS PHONE: 631-470-2621

MAIL ADDRESS:

STREET 1: 17605 WRIGHT STREET

CITY: OMAHA

STATE: NE

ZIP: 68130

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: NORTHERN LIGHTS FUND TRUST III

CENTRAL INDEX KEY: 0001537140

IRS NUMBER: 000000000

STATE OF INCORPORATION: DE

FILING VALUES:

FORM TYPE: 485APOS
SEC ACT: 1940 Act
SEC FILE NUMBER: 811-22655
FILM NUMBER: 131210906

BUSINESS ADDRESS:

STREET 1: 17605 WRIGHT STREET
CITY: OMAHA
STATE: NE
ZIP: 68130
BUSINESS PHONE: 631-470-2621

MAIL ADDRESS:

STREET 1: 17605 WRIGHT STREET
CITY: OMAHA
STATE: NE
ZIP: 68130

<SERIES-AND-CLASSES-CONTRACTS-DATA>
<NEW-SERIES-AND-CLASSES-CONTRACTS>
<OWNER-CIK>0001537140
<NEW-SERIES>
<SERIES-ID>S000043906
<SERIES-NAME>Teton Valley Fund
<CLASS-CONTRACT>
<CLASS-CONTRACT-ID>C000136250
<CLASS-CONTRACT-NAME>Teton Valley Fund Class A
</CLASS-CONTRACT>
<CLASS-CONTRACT>
<CLASS-CONTRACT-ID>C000136251
<CLASS-CONTRACT-NAME>Teton Valley Fund Class I
</CLASS-CONTRACT>
</NEW-SERIES>
</NEW-SERIES-AND-CLASSES-CONTRACTS>
</SERIES-AND-CLASSES-CONTRACTS-DATA>
</SEC-HEADER>
<DOCUMENT>
<TYPE>485APOS
<SEQUENCE>1
<FILENAME>f485a.htm
<DESCRIPTION>485APOS
<TEXT>
<!doctype html public "-//IETF//DTD HTML//EN">
<HTML>
<HEAD>
<TITLE>GemCom, LLC</TITLE>
<META NAME="author" CONTENT="Eric Kane">
<META NAME="date" CONTENT="11/12/2013">
</HEAD>

<BODY style="margin-top:0;font-family:Times New Roman; font-size:10pt; color:#000000">
<P style="line-height:12pt; margin:0px" align=center>Securities Act Registration No. 333-178833</P>
<P style="line-height:12pt; margin:0px" align=center>Investment Company Act Registration No. 811-22655</P>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin:0px" align=center>As filed with the Securities and Exchange Commission on
November 12, 2013</P>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin:0px" align=center>SECURITIES AND EXCHANGE COMMISSION</P>
<P style="line-height:12pt; margin:0px" align=center>Washington, D. C. 20549</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:9.2px" align=center>
</P>
<P style="line-height:12pt; margin:0px" align=center>REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
ý</P>
<P style="line-height:12pt; margin:0px; font-family:Wingdings" align=center>¨<FONT style="font-
family:Times New Roman"> Pre-Effective Amendment No.</P>
<P style="line-height:12pt; margin:0px; font-family:Wingdings" align=center>ý<FONT style="font-
family:Times New Roman"> Post-Effective Amendment No. 78</P>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:9.2px" align=center>and/or</P>
<P style="line-height:12pt; margin:0px" align=center>REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT
OF 1940 ý</P>
<P style="line-height:12pt; margin:0px; font-family:Wingdings" align=center>ý<FONT style="font-
family:Times New Roman"> Amendment No. 79</P>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:9.2px" align=center>(Check appropriate box or
boxes.)</P>
<P style="line-height:18pt; margin:0px" align=center>Northern Lights Fund Trust III</P>
<P style="line-height:10pt; margin-top:0px; margin-bottom:5.867px" align=center>(Exact Name of Registrant as
Specified in Charter)</P>
<P style="line-height:10pt; margin-top:0px; margin-bottom:5.867px" align=center>
</P>
<P style="margin:0px; padding-left:0px" align=center>17605 Wright Street, Omaha, NE 68130</P>
<P style="margin:0px" align=center>(Address of Principal Executive Offices)(Zip Code)</P>
<P style="margin:0px" align=center>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:7.533px" align=center>Registrant’s Telephone
Number, including Area Code: (402) 895-1600</P>
<P style="margin:0px" align=center>The Corporation Trust Company</P>
<P style="margin:0px" align=center>1209 Orange Street</P>
<P style="margin:0px" align=center>Wilmington, DE 19801</P>
<P style="margin:0px" align=center>(Name and Address of Agent for Service)</P>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin:0px" align=center>With copy to:</P>
<div align="center">
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0><TR height=0 style="font-size:0"><TD
width=319.2 /><TD width=319.2 /></TR>
<TR><TD style="margin-top:0px; border:1px solid #000000" valign=top width=319.2><P style="line-height:12pt;
margin:0px" align=center>JoAnn M. Strasser, Thompson Hine LLP</P>
<P style="line-height:12pt; margin:0px" align=center>41 South High Street, 17th Floor</P>
<P style="line-height:12pt; margin:0px" align=center>Columbus, Ohio 43215</P>
<P style="margin:0px" align=center>614-469-3265 (phone)</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:9.2px" align=center>614-469-3361 (fax)</P>
</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-
bottom:1px solid #000000" valign=top width=319.2><P style="margin:0px" align=center>James P. Ash,</P>
<P style="margin:0px" align=center>Gemini Fund Services, LLC</P>
<P style="margin:0px" align=center>80 Arkay Drive</P>
<P style="margin:0px" align=center>Hauppauge, New York 11788</P>
<P style="line-height:12pt; margin:0px" align=center>(631) 470-2600</P>
</TD></TR>
</TABLE>
</div>
<P style="line-height:12pt; margin:0px" align=center>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:7.533px">Approximate date of proposed public
offering: As soon as practicable after the effective date of the Registration Statement.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:4.2px">It is proposed that this filing will become
effective:</P>
<P style="margin:0px; font-family:Wingdings">¨ Immediately upon
filing pursuant to paragraph (b)</P>
<P style="margin:0px; font-family:Wingdings">¨ On (date)
pursuant to paragraph (b)</P>
<P style="margin:0px; font-family:Wingdings">¨ 60 days after
filing pursuant to paragraph (a)(1)</P>
<P style="margin:0px; font-family:Wingdings">¨ On (date)
pursuant to paragraph (a)(1)</P>
<P style="margin:0px">X 75 days after filing pursuant to paragraph (a)(2)</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:4.2px; font-family:Wingdings">¨<FONT
style="font-family:Times New Roman"> On (date) pursuant to paragraph (a)(2) of Rule 485.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:4.2px">If appropriate, check the following box:</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:4.2px; font-family:Wingdings">¨<FONT
style="font-family:Times New Roman"> This post-effective amendment designates a new effective date for a
previously filed post-effective amendment.</P>
<P style="margin:0px">
</P>
<P style="margin:0px">

<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>

</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>

Maximum Deferred Sales Charge (Load) (as a percentage of purchase price)

Redemption Fee

(as a % of amount redeemed if held less than 30 days)

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees

2.00%

2.00%

Distribution and Service (12b-1) Fees

None

None

Other Expenses

(1)

2.75%

2.75%

Dividends on Securities Sold Short

1.20%

1.20%

Remaining other expenses

1.55%

1.55%

Total Annual Fund Operating Expenses

4.75%

4.75%

Fee Waiver

(3)

1.25%

1.25%

Total Annual Fund Operating Expenses After Fee Waiver

3.50%

3.50%

securities. The Adviser is not limited by industry or sector in its stock selection, but rather endeavors to sell short securities of companies that it believes are overvalued by historical market and other quantitative and qualitative measures.

The Fund sells stocks short, and will realize a gain if, at the time of purchase, the price of the stock is less than the price of the stock at the time it was sold short. The Fund may be 100% short; i.e., its outstanding short positions are equal to its net assets. As a Fund focusing its investments in short positions, the Adviser seeks to maximize returns in declining markets, as measured by the returns of the S&P 500. In rising markets, as measured by returns of the S&P 500, the Fund seeks to outperform the inverse of the S&P 500.

Principal Investment Risks: As with all mutual funds, there is the risk that you could lose money through your investment in the Fund. The Fund is not intended to be a complete investment program.

Equity Securities Risk: Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value. The equity securities sold short by the Fund may experience sudden, unpredictable increases in value or long periods of increasing in value. This may occur because of factors affecting securities markets generally or a particular company.

Limited History of Operations: The Fund is a new mutual fund and has a limited history of operations for investors to evaluate.

Management Risk: The Adviser's reliance on its strategy and judgments about the attractiveness, value and potential appreciation of particular securities and the tactical allocation among the Fund's investments may prove to be incorrect and may not produce the desired results.

--

--

--

--

Market Risk: Overall equity and fixed income securities market risks affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets. The Fund typically will be approximately 90-100% short. Accordingly, in rising stock markets its risk of loss will be greater than in declining stock markets.

New Adviser Risk: The Adviser is a newly created investment adviser and has not previously managed a mutual fund.

Short Position Risk: The Fund will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which the Fund purchases an offsetting position. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security or instrument. The Fund's losses are potentially unlimited in a short position transaction.

Small and Medium Capitalization Stock Risk: The price of small or medium capitalization company stocks may be subject to more abrupt or erratic market movements than larger, more established companies or the market averages in general.

Turnover Risk: A higher portfolio turnover will result in higher transactional and brokerage costs and may result in higher taxes when Fund shares are held in a taxable account.

Performance: Because the Fund has only recently commenced investment operations, no performance information is presented for the Fund at this time. In the future, performance information will be presented in this section of this Prospectus. Also, shareholder reports containing financial and performance information will be mailed to shareholders semi-annually. Updated performance information will be

available at no cost by visiting www.tetontunds.com or by calling 1-800-[ADVISER PHONE].

Investment Adviser: Teton Fund Management, LLC

Portfolio Managers: Andrew G. Matthes and Gary L. Cooper have each served the Fund as its Portfolio Manager since it commenced operations.

Purchase and Sale of Fund Shares: The minimum initial investment is \$250,000, and the minimum subsequent investment is \$10,000 for all accounts and all share classes. The Fund reserves the right to waive any investment minimum. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone, or through a financial intermediary and will be paid by ACH, check or wire transfer.

Tax Information: Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. However, these dividend and capital gain distributions may be taxable upon their eventual withdrawal from tax-deferred plans.

Payments to Broker-Dealers and Other Financial Intermediaries: If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its

--

--

--

--

related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ADDITIONAL INFORMATION ABOUT PRINCIPAL INVESTMENT STRATEGIES AND RELATED RISKS

Investment Objective:

The Fund seeks capital appreciation. The Fund's investment objective may be changed by the Fund's Board of Trustees upon 60 days; written notice to shareholders.

Principal Investment Strategies:

The Fund seeks capital appreciation by identifying companies whose stocks are expected to decline in price and selling those stocks short. The Fund will take short positions in domestic equity securities of companies (i) listed on the S&P 500 Total Return Index (the S&P 500) or (ii) that have market capitalization above \$4 billion, trade at least \$25 million per day and have short interests of fewer than 15% of shares outstanding at the time the Fund takes the short position. The Fund's investment adviser, Teton Fund Management, LLC (the Adviser), seeks to outperform the inverse of the S&P 500 through taking short positions in top index underperformers. The Fund seeks to find stocks that, in the opinion of the Adviser, are over-valued, have deteriorating fundamentals and/or are suffering from material balance sheet weaknesses.

The Adviser utilizes a bottom-up approach augmented by a top-down fundamental analysis of S&P 500 company financials, as well as proprietary research in its selection of portfolio securities. The Adviser is not limited by industry or sector in its stock selection, but rather endeavors to sell short securities of companies that it believes are overvalued by historical market and other quantitative and qualitative measures.

The Fund sells stocks short, and will realize a gain if, at the time of purchase, the price of the stock is less than the price of the stock at the time it was sold short. The Fund may be 100% short; i.e., its outstanding short positions are equal to its net assets. As a Fund focusing its investments in short positions, the Adviser seeks to maximize returns in declining markets, as measured by the returns of the S&P 500. In rising markets, as measured by returns of the S&P 500, the Fund seeks to outperform the inverse of the S&P 500.

Principal Investment Risks:

The following risks may apply to the Fund's investments:

<I>Equity Securities Risk:</I> Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value. The equity securities sold short by the Fund may experience sudden, unpredictable increases in value or long periods of increasing in value. This may occur because of factors affecting securities markets generally or a particular company.</P>

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

Portfolio Holdings Disclosure: A description of the Fund's policies regarding the release of portfolio holdings information is available in the Fund's Statement of Additional Information.

MANAGEMENT

Investment Adviser: Teton Fund Management, LLC, 1 Maritime Plaza, Suite 1555 San Francisco, CA 94111, serves as investment adviser to the Fund. Subject to the authority of the Board of Trustees, the Adviser is responsible for management of the Fund's investment portfolio. The Adviser is responsible for selecting the Fund's investments according to the Fund's investment objective, policies and restrictions. The Adviser was established in [2013] for the purpose of advising the Fund. Pursuant to an advisory agreement between the Fund and the Adviser, the Adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to [2.00]% of the Fund's average daily net assets.

The Adviser has contractually agreed to waive its fees and reimburse expenses of the Fund, at least until January [], 2016 to ensure that Total Annual Fund Operating Expenses After Fee Waiver and Reimbursement (exclusive of any [taxes, interest, brokerage commissions, dividend expense on securities sold short, acquired fund fees and expenses, or extraordinary expenses such as litigation or reorganization costs]) will not exceed [3.5]% of average daily net assets attributable to the Fund. The fee waiver and expense reimbursement is subject to possible recoupment from the Fund within the three years after the fiscal year end during which the fees have been waived or reimbursed, if such recoupment can be achieved within the foregoing expense limits. These agreements may be terminated only by the Fund's Board of Trustees, on 60 days written notice to the Adviser. Fee waiver and reimbursement arrangements can decrease a Fund's expenses and boost its performance. A discussion regarding the basis for the Board of Trustees' approval of the advisory agreement will be available in the Fund's annual or semi-annual report to shareholders.

Portfolio Managers: The Fund is managed on a day to day basis by Andrew G. Matthes and Gary L. Cooper. The SAI provides additional information about each portfolio manager's compensation, other accounts managed by the portfolio manager, and the portfolio manager's ownership in the Fund.

Andrew G. Matthes serves as Portfolio Manager to the Fund. Mr. Matthes has been the Managing Director of the Adviser since 2013. Prior to founding the Adviser, Mr. Matthes previously managed a short-biased hedge fund for 19 years with Matthes Capital Management. Mr. Matthes began his investment career with Dreyfus Corporation, and also worked for Kingdon Capital and the Feshbach Brothers. Mr. Matthes earned a degree in Economics from Bowdoin College in 1986.

--

--

--

</TABLE>

Performance: Gary L. Cooper serves as Portfolio Manager to the Fund. Mr. Cooper has been the Managing Director of the Adviser since 2013. Prior to founding the Adviser, Mr. Cooper previously co-managed a \$1 billion short-only fund with Osterweis Capital Management, and concurrently co-managed the short book for an Osterweis long/short hedge fund from 2007 to 2010. Prior to working for Osterweis, Mr. Cooper worked as a senior equity analyst, focusing on consumer oriented companies, with Banc of America Securities. Mr. Cooper earned a degree in Business Administration from San Diego State University in 1991, and an MBA from University of Southern California in 1997.

Performance:

Because the Fund has only recently commenced investment operations, no performance information is presented for the Fund at this time. In the future, performance information will be presented in this section of this Prospectus. Also, shareholder reports containing financial and performance information will be mailed to shareholders semi-annually. Updated performance information will be available at no cost by calling 1-[-]-[-]-[-].

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt"><U>HOW SHARES ARE PRICED</U></P>

<P style="margin:0px">
</P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The net asset value (“NAV”) and offering price (NAV plus any applicable sales charges) of each class of shares is determined at 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange (“NYSE”) is open for business. The NYSE is closed on weekends and New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. </P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>NAV is computed by determining, on a per class basis, the aggregate market value of all assets of the Fund, less its liabilities, divided by the total number of shares outstanding ((assets-liabilities)/number of shares = NAV). The NAV takes into account, on a per class basis, the expenses and fees of the Fund, including management, administration, and distribution fees, which are accrued daily. The determination of NAV for a share class for a particular day is applicable to all applications for the purchase of shares, as well as all requests for the redemption of shares, received by the Fund (or an authorized broker or agent, or its authorized designee) before the close of trading on the NYSE on that day. </P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Generally, the Fund’s securities are valued each day at the last quoted sales price on each security’s primary exchange. Securities traded or dealt in upon one or more securities exchanges (whether domestic or foreign) for which market quotations are readily available and not subject to restrictions against resale shall be valued at the last quoted sales price on the primary exchange or, in the absence of a sale on the primary exchange, at the last bid on the primary exchange. Securities primarily traded in the National Association of Securities Dealers’ Automated Quotation System (“NASDAQ”) National Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price. If market quotations are not readily available, securities will be valued at their fair market value as determined in good faith by the adviser in accordance with procedures approved by the Board and evaluated by the Board as to the reliability of the fair value method used. In these cases, the Fund’s NAV will reflect certain portfolio securities’ fair value rather than their market price. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security. The fair value prices can differ from market prices when they become available or when a price becomes available. </P><P style="margin-top:0px; margin-bottom:7.333px" align=justify>

--

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify> </P>

<P style="margin:0px">
</P>

<P style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; page-break-before:always">
</P>

<P style="margin:0px">
</P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The Fund may use independent pricing services to assist in calculating the value of the Fund’s securities. If events materially affecting the value of a security in the Fund’s portfolio occur after the close of trading on a foreign market but before the Fund prices its shares, the security will be valued at fair value. For example, if trading in a portfolio security is halted and does not resume before the Fund calculates its NAV, the Adviser may need to price the security using the Fund’s fair value pricing guidelines. Without a fair value price, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of the Fund’s portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the Fund’s NAV by short term traders. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the prices used by other mutual funds to determine net asset value, or from the price that may be realized upon the actual sale of the security.</P><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>With respect to any portion of the Fund’s assets that are invested in one or more open-end management investment companies registered under the 1940 Act, each Fund’s net asset value is calculated based upon the net asset values of those open-end management investment companies, and the prospectuses for these companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt"><U>HOW TO PURCHASE SHARES </U></P>

<P style="margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">Share Classes</P>

<P style="line-height:13pt; margin-top:6.133px; margin-bottom:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>This Prospectus describes two classes of shares offered by the Fund: Class A and Class I. The Fund offers these classes of shares so that you can choose the class that best suits your investment needs. Refer to the information below so that you can choose the class that best suits your investment needs. The main difference between each class is the sales charge. Each class of shares in the Fund represents interest in the same portfolio of investments within the Fund. There is no investment minimum on reinvested distributions and the Fund may change investment minimums at any time. The Fund reserves the right to waive sales charges, as described below. The Fund and the Adviser may each waive investment minimums at their individual discretion.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">Factors to Consider When Choosing a Share Class </P>

<P style="margin-top:6.133px; margin-bottom:6.133px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>When deciding which class of shares of the Fund to purchase, you should consider your investment goals, present and future amounts you may invest in the Fund, and the length of time you intend to hold your shares. To help you make a determination as to which class of shares to buy, please refer back to the examples of the Fund's expenses over time in the Fees and Expenses of the Fund section for the Fund in

this Prospectus. You also may wish to consult with your financial adviser for advice with regard to which share class would be most appropriate for you.

<P style="margin:0px">

</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />

<TR><TD style="margin-top:0px" valign=top>

<P style="margin:0px; font-family:Arial" align=center>8</P>

</TD></TR>

</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>

<P style="margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; page-break-before:always">
</P>

<P style="margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">Class A Shares</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Class A shares are offered at the public offering price, which is net asset value per share plus the applicable sales charge. The sales charge varies, depending on how much you invest. There are no sales charges on reinvested distributions. You can also qualify for a sales charge reduction or waiver through a right of accumulation or a letter of intent if you are a U.S. resident. See the discussions of "Right of Accumulation" and "Letter of Intent" below. The Fund reserves the right to waive any load as described below. The following sales charges apply to your purchases of Class A shares of the Fund.

<P style="margin:0px" align=justify>
</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 align=center><TR height=0

style="font-size:0"><TD width=180 /><TD width=147 /><TD width=147 /><TD width=127 /></TR>

<TR><TD style="margin-top:0px; border:1px solid #000000" valign=bottom width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Amount Invested</P>

</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=147><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Sales Charge as a% of Offering Price⁽¹⁾</P>

</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=147><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Sales Charge as a% of Amount Invested</P>

</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=127><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Dealer Reallowance</P>

</TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">Under \$25,000</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>5.00%</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$25,000 to \$49,999</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$50,000 to \$99,999</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$100,000 to \$249,999</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$250,000 to \$499,999</P>

</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$500,000 to \$999,999</P>

size:11pt">\$500,000 to \$999,999</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=180><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">\$1,000,000 and above</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>1.00%</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=147><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=127><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD></TR>
</TABLE>
<P style="margin-top:0px; margin-bottom:11.133px; padding-left:48px; font-family:Arial,Times New Roman">
⁽¹⁾ Offering price includes the front-end sales load. The sales charge you pay may differ slightly from the amount set forth above because of rounding that occurs in the calculations used to determine your sales charge. </P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt"><I>How to Reduce Your Sales Charge</I></P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>You may be eligible to purchase Class A shares at a reduced sales charge. To qualify for these reductions, you must notify the Fund's distributor, Northern Lights Distributors, LLC (the "distributor"), in writing and supply your account number at the time of purchase. You may combine your purchase with those of your "immediate family" (your spouse and your children under the age of 21) for purposes of determining eligibility. If applicable, you will need to provide the account numbers of your spouse and your minor children as well as the ages of your minor children.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><U>Rights of Accumulation</U>: To qualify for the lower sales charge rates that apply to larger purchases of Class A shares, you may combine your new purchases of Class A shares with Class A shares of the Fund that you already own. The applicable initial sales charge for the new purchase is based on the total of your current purchase and the current value of all other Class A shares that you own. The reduced sales charge will apply only to current purchases and must be requested in writing when you buy your shares. </P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Shares of the Fund held as follows cannot be combined with your current purchase for purposes of reduced sales charges:</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; float:left">·</P>
<P style="margin-top:0px; margin-bottom:7.333px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>Shares held indirectly through financial intermediaries other than your current purchase broker-dealer (for example, a different broker-dealer, a bank, a separate insurance company account or an investment adviser);</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>
<P style="margin-top:0px; margin-bottom:7.333px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>Shares held through an administrator or trustee/custodian of an Employer Sponsored Retirement Plan (for example, a 401(k) plan) other than employer-sponsored IRAs; and</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>
<P style="margin-top:0px; margin-bottom:7.333px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>Shares held directly in the Fund account on which the broker-dealer (financial adviser) of record is different than your current purchase broker-dealer.</P>
<P style="margin-top:0px; margin-bottom:7.333px; clear:left" align=justify>

</P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />
<TR><TD style="margin-top:0px" valign=top>
<P style="margin:0px; font-family:Arial" align=center>9</P>
</TD></TR>
</TABLE>
<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><U>Letters of Intent</U>: Under a Letter of Intent ("LOI"), you commit to purchase a specified dollar amount of Class A shares of the Fund, with a minimum of \$25,000, during a 13-month period. At your written request, Class A shares purchases made during the previous 90 days may be included. The amount you agree to purchase determines the initial sales charge you pay. If the full-face amount of the LOI is not invested by the end of the 13-month period, your account will be adjusted to the higher initial sales charge level for the amount actually invested. You are not legally bound by the terms of your LOI to purchase the amount of your shares stated in the LOI. The LOI does, however, authorize the Fund to hold in escrow 5% of the total amount you intend to purchase. If you do not complete the total intended purchase at the end of the 13-month period, the Fund's transfer agent will redeem the necessary portion of the escrowed shares to make up the difference between the reduced rate sales charge (based on the amount you intended to purchase) and the sales charge that would normally apply (based on the actual amount you purchased). </P><P style="margin:0px" align=justify>
</P>
<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><U>Repurchase of Class A Shares</U>: If you have redeemed Class A shares of the Fund within the past 120 days, you may repurchase an equivalent amount of Class A shares of the Fund at NAV, without the normal front-end sales charge. In effect, this allows you to reacquire shares that you may have had to redeem, without repaying the front-end sales charge. You may exercise this privilege only once and must notify the

without repaying the front-end sales charge. You may exercise this privilege only once and must notify the Fund that you intend to do so in writing. The Fund must receive your purchase order within 120 days of your redemption. Note that if you reacquire shares through separate installments (e.g., through monthly or quarterly repurchases), the sales charge waiver will only apply to those portions of your repurchase order received within 120 days of your redemption.

Sales Charge Waivers

The sales charge on purchases of Class A shares is waived for certain types of investors, including:

•

Current and retired directors and officers of the Fund sponsored by the adviser or any of its subsidiaries, their families (e.g., spouse, children, mother or father) and any purchases referred through the adviser.

•

Employees of the adviser and their families, or any full-time employee or registered representative of the distributor or of broker-dealers having dealer agreements with the distributor (a "Selling Broker") and their immediate families (or any trust, pension, profit sharing or other benefit plan for the benefit of such persons).

•

Any full-time employee of a bank, savings and loan, credit union or other financial institution that utilizes a Selling Broker to clear purchases of the fund's shares and their immediate families.

•

Participants in certain "wrap-fee" or asset allocation programs or other fee-based arrangements sponsored by broker-dealers and other financial institutions that have entered into agreements with the distributor.

•

Clients of financial intermediaries that have entered into arrangements with the distributor providing for the shares to be used in particular investment products made available to such clients and for which such registered investment advisers may charge a separate fee.

•

Institutional investors (which may include bank trust departments and registered investment advisers).

--

--

--

--

--

•

Any accounts established on behalf of registered investment advisers or their clients by broker-dealers that charge a transaction fee and that have entered into agreements with the distributor.

•

Separate accounts used to fund certain unregistered variable annuity contracts or Section 403(b) or 401(a) or (k) accounts.

•

Employer-sponsored retirement or benefit plans with total plan assets in excess of \$5 million where the plan's investments in the Fund are part of an omnibus account. A minimum initial investment of \$1 million in the Fund is required. The distributor in its sole discretion may waive these minimum dollar requirements.

The Fund does not waive sales charges for the reinvestment of proceeds from the sale of shares of a different fund where those shares were subject to a front-end sales charge (sometimes called a "NAV transfer").

Class I Shares

Class I shares of the Fund are sold at NAV without an initial sales charge. This means

that 100% of your initial investment is placed into shares of the Fund.

<P style="margin-top:6.133px; margin-bottom:6.133px; font-family:Arial; font-size:11pt" align=justify>
Minimum and Additional Investment Amounts: The minimum initial investment is \$250,000, and the minimum subsequent investment is \$10,000 for all accounts. The Fund reserves the right to waive any investment minimum. The Fund reserves the right to waive any minimum. There is no minimum investment requirement when you are buying shares by reinvesting dividends and distributions from the Fund. </P>

<P style="margin-top:6.133px; margin-bottom:6.133px; font-family:Arial; font-size:11pt" align=justify><I>Purchasing Shares:</I></P>
<P style="margin-top:6.133px; margin-bottom:6.133px; font-family:Arial; font-size:11pt" align=justify>You may purchase shares of the Fund by sending a completed application form to the following address: </P>

<P style="margin:6.133px" align=justify>
</P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 align=center><TR height=0 style="font-size:0"><TD width=313 /><TD width=313 /></TR>
<TR><TD style="margin-top:0px" valign=top width=313><P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center><I>Regular Mail</I></P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>Teton Valley Fund</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>c/o Gemini Fund Services, LLC</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>PO Box 541150</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>Omaha, Nebraska 68154-1150</P>
</TD><TD style="margin-top:0px" valign=top width=313><P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center><I>Express/Overnight Mail</I></P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>Teton Valley Fund</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>c/o Gemini Fund Services, LLC</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>17605 Wright Street, Suite 2</P>
<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=center>Omaha, Nebraska 68130-2095</P>
</TD></TR>
</TABLE>

<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The USA PATRIOT Act requires financial institutions, including the Fund, to adopt certain policies and programs to prevent money-laundering activities, including procedures to verify the identity of customers opening new accounts. As requested on the Application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing a P.O. Box will not be accepted. This information will assist the Fund in verifying your identity. Until such verification is made, the Fund may temporarily limit additional share purchases. In addition, the Fund may limit additional share purchases or close an account if it is unable to verify a shareholder's identity. As required by law, the Fund may employ various procedures, such as comparing the information to fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct.</P><P style="line-height:13pt; margin:0px" align=justify>
</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />
<TR><TD style="margin-top:0px" valign=top>
<P style="margin:0px; font-family:Arial" align=center>11</P>
</TD></TR>
</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Purchase through Brokers:</I> You may invest in the Fund through brokers or agents who have entered into selling agreements with the Fund's distributor. The brokers and agents are authorized to receive purchase and redemption orders on behalf of the Fund. Such brokers are authorized to designate other intermediaries to receive purchase and redemption orders on the Fund's behalf. The Fund will be deemed to have received a purchase or redemption order when an authorized broker or, if applicable, a brokers authorized designee receives the order. The broker or agent may set their own initial and subsequent investment minimums. You may be charged a fee if you use a broker or agent to buy or redeem shares of the Fund. Finally, various servicing agents use procedures and impose restrictions that may be in addition to, or different from those applicable to investors purchasing shares directly from the Fund. You should carefully read the program materials provided to you by your servicing agent.</P><P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Purchase by Wire:</I> If you wish to wire money to make an investment in the Fund, please call the Fund at 1-800-[ADVISER PHONE] for wiring instructions and to notify the Fund that a wire transfer is coming. Any commercial bank can transfer same-day funds via wire. The Fund will normally accept wired funds for investment on the day received if they are received by the Fund's designated bank before the close of regular trading on the NYSE. Your bank may charge you a fee for wiring same-day funds. </P>

<P style="line-height:13pt; margin-top:6.133px; margin-bottom:6.133px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Transactions through [WEBSITE]:</I> You may purchase the Fund's shares and redeem the Fund's shares through the website [WEBSITE]. To establish Internet transaction privileges you must enroll through the website. You automatically have the ability to establish Internet transaction privileges unless you decline the privileges on your New Account Application or IRA Application. You will be required to enter into a user's agreement through the website in order to enroll in these privileges. In order to conduct Internet transactions, you must have telephone transaction privileges. To purchase shares through the website you must also have ACH instructions on your account. </P>
<P style="line-height:13pt; margin-top:6.133px; margin-bottom:6.133px; font-family:Arial,Times New Roman;

font-size:11pt" align=justify>Redemption proceeds may be sent to you by check to the address of record, or if your account has existing bank information, by wire or ACH. Only bank accounts held at domestic financial institutions that are ACH members can be used for transactions through the website.

 Transactions through the website are subject to the same minimums as other transaction methods. </P>

<P style="line-height:20pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">HOW TO REDEEM SHARES</P>
<P style="line-height:13pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Redeeming Shares: You may redeem all or any portion of the shares credited to your account by submitting a written request for redemption to: </P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />
<TR><TD style="margin-top:0px" valign=top>
<P style="margin:0px; font-family:Arial" align=center>13</P>
</TD></TR>
</TABLE>
<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 align=center><TR height=0 style="font-size:0"><TD width=313 /><TD width=313 /></TR>
<TR><TD style="margin-top:0px" valign=top width=313><P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center><I>Regular Mail</I></P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Teton Valley Fund</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>c/o Gemini Fund Services, LLC</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>PO Box 541150</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Omaha, Nebraska 68154-1150</P>
</TD><TD style="margin-top:0px" valign=top width=313><P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center><I>Express/Overnight Mail</I></P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Teton Valley Fund</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>c/o Gemini Fund Services, LLC</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>17605 Wright Street, Suite 2</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=center>Omaha, Nebraska 68130-2095</P>
</TD></TR>
</TABLE>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Redemptions by Telephone</I>: The telephone redemption privilege is automatically available to all new accounts except retirement accounts. If you do not want the telephone redemption privilege, you must indicate this in the appropriate area on your account application or you must write to the Fund and instruct it to remove this privilege from your account. </P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The proceeds will be sent by mail to the address designated on your account or wired directly to your existing account in a bank or brokerage firm in the United States as designated on your application. To redeem by telephone, call 1-800-[ADVISER PHONE]. The redemption proceeds normally will be sent by mail or by wire within three business days after receipt of your telephone instructions. IRA accounts are not redeemable by telephone.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The Fund reserves the right to suspend the telephone redemption privileges with respect to your account if the name(s) or the address on the account has been changed within the previous 30 days. Neither the Fund, the transfer agent, nor their respective affiliates will be liable for complying with telephone instructions they reasonably believe to be genuine or for any loss, damage, cost or expenses in acting on such telephone instructions and you will be required to bear the risk of any such loss. The Fund or the transfer agent, or both, will employ reasonable procedures to determine that telephone instructions are genuine. If the Fund and/or the transfer agent do not employ these procedures, they may be liable to you for losses due to unauthorized or fraudulent instructions. These procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions, providing written confirmation of the transactions and/or tape recording telephone instructions.</P><P style="line-height:13pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Redemptions through Broker:</I> If shares of the Fund are held by a broker-dealer, financial institution or other servicing agent, you must contact that servicing agent to redeem shares of the Fund. The servicing agent may charge a fee for this service.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Redemptions by Wire</I>: You may request that your redemption proceeds be wired directly to your bank account. The Fund's transfer agent imposes a \$15 fee for each wire redemption and deducts the fee directly from your account. Your bank may also impose a fee for the incoming wire. </P>
<P style="line-height:13pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify><I>Automatic Withdrawal Plan:</I> If your individual accounts, IRA or other qualified plan account have a current account value of at least [\$250,000], you may participate in the Fund's Automatic Withdrawal

Plan, an investment plan that automatically moves money to your bank account from the Fund through the use of electronic funds transfers. You may elect to make subsequent withdrawals by transfers of a minimum of \$250 on specified days of each month into your established bank account. Please contact the Fund at 1-800-[ADVISER PHONE] for more information about the Fund's Automatic Withdrawal Plan.

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Redemptions in Kind: The Fund reserves the right to honor requests for redemption or repurchase orders by making payment in whole or in part in readily marketable securities (redemption in kind) if the amount is greater than the lesser of \$250,000 or 1% of the Fund's

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />

<TR><TD style="margin-top:0px" valign=top><P style="margin:0px; font-family:Arial" align=center>14</P></TD></TR>

</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P><P style="margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; page-break-before:always">
</P>

<P style="margin:0px">
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>assets. The securities will be chosen by the Fund and valued under the Fund's net asset value procedures. A shareholder will be exposed to market risk until these securities are converted to cash and may incur transaction expenses in converting these securities to cash.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>When Redemptions Are Sent: Once the Fund receives your redemption request in good order as described below, it will issue a check based on the next determined NAV following your redemption request. The redemption proceeds normally will be sent by mail or by wire within three business days after receipt of a request in good order. If you purchase shares using a check and soon after request a redemption, your redemption proceeds will not be sent until the check used for your purchase has cleared your bank (usually within 10 days of the purchase date).

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width="853"><TR height=0 style="font-size:0">

<TD width=853 /></TR>

<TR><TD style="margin-top:0px" valign=top width=853><P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Good Order: Your redemption request will be processed if it is in good order. To be in good order, the following conditions must be satisfied:

<P style="margin:0px; text-indent:-24px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>·</P>

<P style="margin-top:0px; margin-bottom:-2px; width:24px; font-family:Symbol; font-size:11pt; float:left">·</P>

<P style="margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>The request should be in writing, unless redeeming by telephone, indicating the number of shares or dollar amount to be redeemed;

<P style="margin:0px; text-indent:-24px; font-family:Arial; font-size:11pt; clear:left" align=justify>·</P>

<P style="margin-top:0px; margin-bottom:-2px; width:24px; font-family:Symbol; font-size:11pt; float:left">·</P>

<P style="margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>The request must identify your account number;

<P style="margin:0px; text-indent:-24px; font-family:Arial; font-size:11pt; clear:left" align=justify>·</P>

<P style="margin-top:0px; margin-bottom:-2px; width:24px; font-family:Symbol; font-size:11pt; float:left">·</P>

<P style="margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>The request should be signed by you and any other person listed on the account, exactly as the shares are registered; and

<P style="margin:0px; text-indent:-24px; font-family:Arial; font-size:11pt; clear:left" align=justify>·</P>

<P style="margin-top:0px; margin-bottom:-2px; width:24px; font-family:Symbol; font-size:11pt; float:left">·</P>

<P style="margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>If you request that the redemption proceeds be sent to a person, bank or an address other than that of record or paid to someone other than the record owner(s), or if the address was changed within the last 30 days, or if the proceeds of a requested redemption exceed \$50,000, the signature(s) on the request must be medallion signature guaranteed by an eligible signature guarantor.

</TD></TR>

</TABLE>

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>When You Need Medallion Signature Guarantees: If you wish to change the bank or brokerage account that you have designated on your account, you may do so at any time by writing to the Fund with your signature guaranteed. A medallion signature guarantee assures that a signature is genuine and protects you from unauthorized account transfers. You will need your signature guaranteed if:

<P style="line-height:15pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; float:left">·</P>

<P style="line-height:13pt; margin:0px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>you request a redemption to be made payable to a person not on record with the Fund;

<P style="line-height:13pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>

<P style="line-height:13pt; margin:0px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>you request that a redemption be mailed to an address other than that on record with the Fund.</P>

the fund, </P>

<P style="line-height:13pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>

<P style="line-height:13pt; margin:0px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>the proceeds of a requested redemption exceed \$50,000; </P>

<P style="line-height:13pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>

<P style="line-height:13pt; margin:0px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>any redemption is transmitted by federal wire transfer to a bank other than the bank of record; or</P>

<P style="line-height:13pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:11pt; clear:left; float:left">·</P>

<P style="line-height:13pt; margin:0px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:11pt" align=justify>your address was changed within 30 days of your redemption request.</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial; font-size:11pt" align=justify>Signatures may be guaranteed by any eligible guarantor institution (including banks, brokers and dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations). Further documentation will be required to change the designated account if shares are held by a corporation, fiduciary or other organization.<I> A notary public cannot guarantee signatures.</I> </P>

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<P style="line-height:13pt; margin:0px" align=justify>
</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />

<TR><TD style="margin-top:0px" valign=top>

<P style="margin:0px; font-family:Arial" align=center>15</P>

</TD></TR>

</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>

<P style="margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; page-break-before:always">
</P>

<P style="margin:0px">
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Retirement Plans: If you own an IRA or other retirement plan, you must indicate on your redemption request whether the Fund should withhold federal income tax. Unless you elect in your redemption request that you do not want to have federal tax withheld, the redemption will be subject to withholding.</P>

<P style="line-height:12pt; margin:0px">
</P>

<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Low Balances: If at any time your account balance in the Fund falls below \$200,000 the Fund may notify you that, unless the account is brought up to at least \$200,000 within 30 days of the notice; your account could be closed. After the notice period, the Fund may redeem all of your shares and close your account by sending you a check to the address of record. Your account will not be closed if the account balance drops below required minimums due to a decline in NAV. The Fund will not charge any redemption fee on involuntary redemptions.</P>

<P style="line-height:20pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">

<U>FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The Fund discourages and does not accommodate market timing. Frequent trading into and out of the Fund can harm all Fund shareholders by disrupting the Fund's investment strategies, increasing Fund expenses, decreasing tax efficiency and diluting the value of shares held by long-term shareholders. The Fund is designed for long-term investors and is not intended for market timing or other disruptive trading activities. Accordingly, the Fund's Board has approved policies that seek to curb these disruptive activities while recognizing that shareholders may have a legitimate need to adjust their Fund investments as their financial needs or circumstances change. The Fund currently uses several methods to reduce the risk of market timing. These methods include, but are not limited to committing staff to review, on a continuing basis, recent trading activity in order to identify trading activity that may be contrary to the Fund's Market Timing Trading Policy.</P><P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Though these methods involve judgments that are inherently subjective and involve some selectivity in their application, the Fund seeks to make judgments and applications that are consistent with the interests of the Fund's shareholders. </P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Based on the frequency of redemptions in your account, the Adviser or transfer agent may in its sole discretion determine that your trading activity is detrimental to the Fund as described in the Fund's Market Timing Trading Policy and elect to reject or limit the amount, number, frequency or method for requesting future purchases or exchanges into the Fund.</P>

<P style="margin-top:0px; margin-bottom:7.333px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The Fund reserves the right to reject or restrict purchase requests for any reason, particularly when the shareholder's trading activity suggests that the shareholder may be engaged in market timing or other disruptive trading activities. Neither the Fund nor the Adviser will be liable for any losses resulting from rejected purchase orders. The Adviser may also bar an investor who has violated these policies (and the investor's financial advisor) from opening new accounts with the Fund. </P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Although the Fund attempts to limit disruptive trading activities, some investors use a variety of strategies to hide their identities and their trading practices. There can be no guarantee that the Fund will be able to identify or limit these activities. Omnibus account arrangements are common forms of holding shares of the Fund. While the Fund will encourage financial intermediaries to apply the Fund's Market Timing Trading Policy to their customers who invest indirectly in the Fund, the Fund is limited in its ability to monitor the trading activity or enforce the Fund's Market Timing Trading Policy with respect to customers of financial intermediaries. For example, should it occur, the Fund may not be able to detect market timing that may be facilitated by financial intermediaries or made difficult to identify in the omnibus accounts used by those intermediaries for aggregated purchases, exchanges and redemptions on behalf of all their customers. More </P><P style="margin:0px" align=justify>

</P>

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />

<TR><TD style="margin-top:0px" valign=top>
<P style="margin:0px; font-family:Arial" align=center>16</P>
</TD></TR>
</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>specifically, unless the financial intermediaries have the ability to apply the Fund's Market Timing Trading Policy to their customers through such methods as implementing short-term trading limitations or restrictions and monitoring trading activity for what might be market timing, the Fund may not be able to determine whether trading by customers of financial intermediaries is contrary to the Fund's Market Timing Trading Policy. Brokers maintaining omnibus accounts with the Fund have agreed to provide shareholder transaction information to the extent known to the broker to the Fund upon request. If the Fund or its transfer agent or shareholder servicing agent suspects there is market timing activity in the account, the Fund will seek full cooperation from the service provider maintaining the account to identify the underlying participant. At the request of the Adviser, the service providers may take immediate action to stop any further short-term trading by such participants.</P><P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt"><U>TAX STATUS, DIVIDENDS AND DISTRIBUTIONS</U></P>
<P style="margin:0px">
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Any sale or exchange of the Fund's shares may generate tax liability (unless you are a tax-exempt investor or your investment is in a qualified retirement account). When you redeem your shares you may realize a taxable gain or loss. This is measured by the difference between the proceeds of the sale and the tax basis for the shares you sold. (To aid in computing your tax basis, you generally should retain your account statements for the period that you hold shares in the Fund.)</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>The Fund intends to distribute substantially all of its net investment income and net capital gains annually in December. Both distributions will be reinvested in shares of the Fund unless you elect to receive cash. Dividends from net investment income (including any excess of net short-term capital gain over net long-term capital loss) are taxable to investors as ordinary income, while distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss) are generally taxable as long-term capital gain, regardless of your holding period for the shares. Any dividends or capital gain distributions you receive from the Fund will normally be taxable to you when made, regardless of whether you reinvest dividends or capital gain distributions or receive them in cash. Certain dividends or distributions declared in October, November or December will be taxed to shareholders as if received in December if they are paid during the following January. Each year the Fund will inform you of the amount and type of your distributions. IRAs and other qualified retirement plans are exempt from federal income taxation until retirement proceeds are paid out to the participant. </P><P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Your redemptions, including exchanges, may result in a capital gain or loss for federal tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the amount you receive when you sell them.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>On the account application, you will be asked to certify that your social security number or taxpayer identification number is correct and that you are not subject to backup withholding for failing to report income to the IRS. If you are subject to backup withholding or you did not certify your taxpayer identification number, the IRS requires the Fund to withhold a percentage of any dividend, redemption or exchange proceeds. The Fund reserves the right to reject any application that does not include a certified social security or taxpayer identification number. If you do not have a social security number, you should indicate on the purchase form that your application to obtain a number is pending. The Fund is required to withhold taxes if a number is not delivered to the Fund within seven days.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 width=100%><TR height=0 style="font-size:0"><TD />

<TR><TD style="margin-top:0px" valign=top>
<P style="margin:0px; font-family:Arial" align=center>17</P>
</TD></TR>
</TABLE>

<P style="line-height:10pt; margin:0px; font-size:8pt"> </P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>This summary is not intended to be and should not be construed to be legal or tax advice. You should consult your own tax advisors to determine the tax consequences of owning the Fund's shares.</P>
<P style="line-height:13pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt"><U>DISTRIBUTION OF SHARES</U></P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-family:Arial,Times New Roman; font-size:11pt" align=justify>Distributor: Northern Lights Distributors, LLC, 17605 Wright Street, Omaha, Nebraska 68130, is the distributor for the shares of the Fund. Northern Lights Distributors, LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Shares of the Fund are offered on a continuous basis.</P>
<P style="line-height:13pt; margin:0px" align=justify>
</P>

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

Householding: To reduce expenses, the Fund mails only one copy of a Prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Fund at 1-800-[ADVISER PHONE] on days the Fund is open for business or contact your financial institution. The Fund will begin sending you individual copies thirty days after receiving your request.

FINANCIAL HIGHLIGHTS

Because the Fund has only recently commenced investment operations, no financial highlights are available for the Fund at this time. In the future, financial highlights will be presented in this section of the Prospectus.

18

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?

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
- Purchase History
- Assets
- Account Balances
- Retirement Assets

Roman">Account Transactions</P>
<P style="margin:0px; font-family:Wingdings; font-size:11pt">§ Transaction History</P>
<P style="margin:0px; font-family:Wingdings; font-size:11pt">§ Wire Transfer Instructions</P>
<P style="margin:0px; font-family:Wingdings; font-size:11pt">§ Checking Account Information</P>
<P style="margin:0px">
</P>
<P style="margin:0px; text-indent:-9.333px; font-size:11pt"> When you are <I>no longer</I> our customer, we continue to share your information as described in this notice.</P>
</TD></TR>
<TR><TD style="margin-top:0px; background-color:#6F6F6F" valign=top width=61.2 colspan=2><P style="margin:0px; font-size:11pt">How?</P>
</TD><TD style="margin-top:0px" valign=top width=808 colspan=9><P style="margin:0px; font-size:11pt">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.</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=61.2 colspan=2><P style="margin:0px; font-size:11pt"> </P>
</TD><TD style="margin-top:0px" valign=top width=289 colspan=4><P style="margin:0px; font-size:11pt"> </P>
</TD><TD style="margin-top:0px" valign=bottom width=120.333><P style="margin:0px; font-size:11pt"> </P>
</TD><TD style="margin-top:0px" valign=bottom width=386 colspan=4><P style="margin:0px; font-size:11pt"> </P>
</TD></TR>
<TR><TD style="margin-top:0px; background-color:#6F6F6F" valign=bottom width=350.2 colspan=6><P style="margin:0px; font-size:11pt">Reasons we can share your personal information</P>
</TD><TD style="margin-top:0px; background-color:#6F6F6F" valign=bottom width=120.333><P style="margin:0px; font-size:11pt" align=center>Does Northern Lights Fund Trust III share?</P>
</TD>
<TD style="margin-top:0px; background-color:#6F6F6F" valign=bottom width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>Can you limit this sharing?</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For our everyday business purposes –</P>
<P style="margin:0px; font-size:11pt">such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>Yes</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For our marketing purposes –</P>
<P style="margin:0px; font-size:11pt">to offer our products and services to you</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>We don't share</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For joint marketing with other financial companies</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>We don't share</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For our affiliates' everyday business purposes –</P>
<P style="margin:0px; font-size:11pt">information about your transactions and experiences</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>We don't share</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For our affiliates' everyday business purposes –</P>
<P style="margin:0px; font-size:11pt">information about your creditworthiness</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>We don't share</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=350.2 colspan=6><P style="margin:0px; font-size:11pt">For nonaffiliates to market to you</P>
</TD><TD style="margin-top:0px" width=120.333><P style="margin:0px; font-size:11pt" align=center>No</P>
</TD><TD style="margin-top:0px" width=386 colspan=4><P style="margin:0px; font-size:11pt" align=center>We don't share</P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=107.267 colspan=3><P style="margin:0px; font-size:11pt"> </P>
</TD><TD style="margin-top:0px" width=760 colspan=8><P style="margin:0px; font-size:11pt"> </P>
</TD></TR>
<TR><TD style="margin-top:0px; background-color:#6F6F6F" valign=top width=107.267 colspan=3><P style="margin:0px; font-size:11pt">Questions?</P>
</TD><TD style="margin-top:0px" width=760 colspan=8><P style="line-height:18pt; margin-top:5.533px; margin-bottom:5.533px; font-size:11pt">Call (402) 493-4603 </P>
</TD></TR>
<TR><TD style="margin-top:0px" valign=top width=107.267 colspan=3><P style="margin:0px; padding:0px; font-size:11pt"> </P></TD>

align=justify>The investment objective of the Fund and the descriptions of the Fund's principal investment strategies are set forth under "Investment Objective, Principal Investment Strategies, Related Risks" in the Prospectus. The Fund's investment objective is not fundamental and may be changed without the approval of a majority of the outstanding voting securities of the Trust. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The following pages contain more detailed information about the types of instruments in which the Fund may invest, strategies the Adviser may employ in pursuit of the Fund's investment objective and a summary of related risks. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Equity Securities </U></P>

<P style="line-height:12.5pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Equity securities in which the Fund invests include common stocks, preferred stocks and securities convertible into common stocks, such as convertible bonds, warrants, rights and options. The value of equity securities varies in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be significant. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Common Stock</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Common stock represents an equity (ownership) interest in a company, and usually possesses voting rights and earns dividends. Dividends on common stock are not fixed but are declared at the discretion of the issuer. Common stock generally represents the riskiest investment in a company. In addition, common stock generally has the greatest appreciation and depreciation potential because increases and decreases in earnings are usually reflected in a company's stock price.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Preferred Stock</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in preferred stock with no minimum credit rating. Preferred stock is a class of stock having a preference over common stock as to the payment of dividends and the recovery of investment should a company be liquidated, although preferred stock is usually junior to the debt securities of the issuer. Preferred stock typically does not possess voting rights and its market value may change based on changes in interest rates.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12pt; margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>4</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>The fundamental risk of investing in common and preferred stock is the risk that the value of the stock might decrease. Stock values fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, common stocks have provided greater long-term returns and have entailed greater short-term risks than preferred stocks, fixed-income securities and money market investments. The market value of all securities, including common and preferred stocks, is based upon the market's perception of value and not necessarily the book value of an issuer or other objective measures of a company's worth.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Fixed Income/Debt/Bond Securities</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Yields on fixed income securities are dependent on a variety of factors, including the general conditions of the money market and other fixed income securities markets, the size of a particular offering, the maturity of the obligation and the rating of the issue. An investment in the Fund will be subjected to risk even if all fixed income securities in the Fund's portfolio are paid in full at maturity. All fixed income securities, including U.S. Government securities, can change in value when there is a change in interest rates or the issuer's actual or perceived creditworthiness or ability to meet its obligations.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>There is normally an inverse relationship between the market value of securities sensitive to prevailing interest rates and actual changes in interest rates. In other words, an increase in interest rates produces a decrease in market value. The longer the remaining maturity (and duration) of a security, the greater will be the effect of interest rate changes on the market value of that security. Changes in the ability of an issuer to make payments of interest and principal and in the markets' perception of an issuer's creditworthiness will also affect the market value of the debt securities of that issuer. Obligations of issuers of fixed income securities (including municipal securities) are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Reform Act of 1978. In addition, the obligations of municipal issuers may become subject to laws enacted in the future by Congress, state legislatures, or referenda extending the time for payment of principal and/or interest, or imposing other constraints upon enforcement of such obligations or upon the ability of municipalities to levy taxes. Changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness will also affect the market value of the debt securities of that issuer. The possibility exists, therefore, that the ability of any issuer to pay, when due, the principal of and interest on its debt securities may become impaired.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The corporate debt securities in which the Fund may invest include corporate bonds and notes and short-term investments such as commercial paper and variable rate demand notes. Commercial paper (short-term promissory notes) is issued by companies to finance their or their affiliate's current obligations and is

primarily, notes, as issued by companies to finance short-term obligations typically redeemable upon not more than 30 days' notice. These obligations include master demand notes that permit investment of fluctuating amounts at varying rates of interest pursuant to a direct arrangement with the issuer of the instrument. The issuer of these

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>5</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>obligations often has the right, after a given period, to prepay the outstanding principal amount of the obligations upon a specified number of days' notice. These obligations generally are not traded, nor generally is there an established secondary market for these obligations. To the extent a demand note does not have a 7-day or shorter demand feature and there is no readily available market for the obligation, it is treated as an illiquid security.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in sovereign bonds. Sovereign bonds involve special risks not present in corporate bonds. The governmental authority that controls the repayment of the bonds may be unable or unwilling to make interest payments and/or repay the principal on its bonds. If an issuer of sovereign bonds defaults on payments of principal and/or interest, the Fund may have limited recourse against the issuer. In the past, certain governments of emerging market countries have declared themselves unable to meet their financial obligations on a timely basis, which has resulted in losses to holders of such government's debt.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange, the relative size of the debt service burden, the sovereign debtor's policy toward principal international lenders and local political constraints.

 Sovereign debtors may also be dependent on expected disbursements from foreign governments, multilateral agencies and other entities to reduce principal and interest arrearages on their debt. The failure of a sovereign debtor to implement economic reforms, achieve specified levels of economic performance or repay principal or interest when due may result in the cancellation of third-party commitments to lend funds to the sovereign debtor, which may further impair such debtor's ability or willingness to service its debts.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in debt securities, including non-investment grade debt securities.

 The following describes some of the risks associated with fixed income debt securities:</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Interest Rate Risk. Debt securities have varying levels of sensitivity to changes in interest rates.

In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes although they usually offer higher yields to compensate investors for the greater risks. The longer the maturity of the security, the greater the impact a change in interest rates could have on the security's price. In addition, short-term and long-term interest rates do not necessarily move in the same amount or the same direction. Short-term securities tend to react to changes in short-term interest rates and long-term securities tend to react to changes in long-term interest rates.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Credit Risk. Fixed income securities have speculative characteristics and changes in economic conditions or other circumstances are more likely to lead to a

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>6</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>weakened capacity of those issuers to make principal or interest payments, as compared to issuers of more highly rated securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Extension Risk. The Fund is subject to the risk that an issuer will exercise its right to pay principal on an obligation held by the Fund (such as mortgage-backed securities) later than expected. This may happen when there is a rise in interest rates. These events may lengthen the duration (i.e. interest rate sensitivity) and potentially reduce the value of these securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Prepayment Risk. Certain types of debt securities, such as mortgage-backed securities, have yield and maturity characteristics corresponding to underlying assets. Unlike traditional debt securities, which may pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on certain mortgage-backed securities may include both interest and a partial payment of principal. Besides the scheduled repayment of principal, payments of principal may result from the voluntary prepayment, refinancing, or foreclosure of the underlying mortgage loans.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Securities subject to prepayment are less effective than other types of securities as a means of "locking in" attractive long-term interest rates. One reason is the need to reinvest prepayments of principal; another is the possibility of significant unscheduled prepayments resulting from declines in interest rates. These prepayments would have to be reinvested at lower rates. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. Prepayments may also significantly shorten the effective maturities of these securities, especially during periods of declining interest rates. Conversely, during periods of rising interest rates, a reduction in prepayments may increase the effective maturities of these securities, subjecting them to a greater risk of decline in market value in response to rising interest rates than

traditional debt securities, and, therefore, potentially increasing the volatility of the Fund.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>At times, some of the mortgage-backed securities in which the Fund may invest will have higher than market interest rates and therefore will be purchased at a premium above their par value. Prepayments may cause losses in securities purchased at a premium, as unscheduled prepayments, which are made at par, will cause the Fund to experience a loss equal to any unamortized premium.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Certificates of Deposit and Bankers' Acceptances</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Certificates of deposit are receipts issued by a depository institution in exchange for the deposit of funds. The issuer agrees to pay the amount deposited plus interest to the bearer of the receipt on the date specified on the certificate. The certificate usually can be traded in the secondary market prior to maturity. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in insured bank obligations. The Federal Deposit Insurance Corporation ("FDIC") insures the deposits of federally insured banks and savings and </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>7</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>loan associations (collectively referred to as "banks") up to \$250,000. The Fund may purchase bank obligations that are fully insured as to principal by the FDIC. Currently, to remain fully insured as to principal, these investments must be limited to \$250,000 per bank; if the principal amount and accrued interest together exceed \$250,000, the excess principal and accrued interest will not be insured. Insured bank obligations may have limited marketability. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Bankers' acceptances typically arise from short-term credit arrangements designed to enable businesses to obtain funds to finance commercial transactions. Generally, an acceptance is a time draft drawn on a bank by an exporter or an importer to obtain a stated amount of funds to pay for specific merchandise. The draft is then "accepted" by a bank that, in effect, unconditionally guarantees to pay the face value of the instrument on its maturity date. The acceptance may then be held by the accepting bank as an earning asset or it may be sold in the secondary market at the going rate of discount for a specific maturity. Although maturities for acceptances can be as long as 270 days, most acceptances have maturities of six months or less.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Time Deposits and Variable Rate Notes</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in fixed time deposits, whether or not subject to withdrawal penalties. The commercial paper obligations, which the Fund may buy are unsecured and may include variable rate notes. The nature and terms of a variable rate note (i.e., a "Master Note") permit the Fund to invest fluctuating amounts at varying rates of interest pursuant to a direct arrangement between the Fund as Lender, and the issuer, as borrower. It permits daily changes in the amounts borrowed. The Fund has the right at any time to increase, up to the full amount stated in the note agreement, or to decrease the amount outstanding under the note. The issuer may prepay at any time and without penalty any part of or the full amount of the note. The note may or may not be backed by one or more bank letters of credit. Because these notes are direct lending arrangements between the Fund and the issuer, it is not generally contemplated that they will be traded; moreover, there is currently no secondary market for them. Except as specifically provided in the Prospectus, there is no limitation on the type of issuer from whom these notes may be purchased; however, in connection with such purchase and on an ongoing basis, the Fund's advisor will consider the earning power, cash flow and other liquidity ratios of the issuer, and its ability to pay principal and interest on demand, including a situation in which all holders of such notes made demand simultaneously. Variable rate notes are subject to the Fund's investment restriction on illiquid securities unless such notes can be put back to the issuer on demand within seven days.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Commercial Paper</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may purchase commercial paper. Commercial paper consists of short-term (usually from 1 to 270 days) unsecured promissory notes issued by corporations in order to finance their current operations. <P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>It may be secured by letters of credit, a surety bond or other forms of collateral. <P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Commercial paper is usually repaid at maturity by the </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>8</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>issuer from the proceeds of the issuance of new commercial paper. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>As a result, investment in commercial paper is subject to the risk the issuer cannot issue enough new commercial paper to satisfy its outstanding commercial paper, also known as rollover risk. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Commercial paper may become illiquid or may suffer from reduced liquidity in certain circumstances. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Like all fixed income securities, commercial paper prices are susceptible to fluctuations in interest rates. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>If interest rates rise, commercial paper prices will decline. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>The short-term nature of a commercial paper investment makes it less susceptible to interest rate risk than many other fixed income securities because interest rate risk typically increases as maturity lengths increase. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Commercial paper tends to yield smaller returns than longer-term corporate debt because securities with shorter maturities typically have lower effective yields than those with longer maturities. <P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>As with all fixed income securities, there is a chance that the issuer will default on its commercial paper obligation.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Repurchase Agreements</U> </P>

<P style="line-height:12.5pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may enter into repurchase agreements. In a repurchase agreement, an investor (such as the Fund) purchases a security (known as the "underlying security") from a securities dealer or bank. Any such dealer or bank must be deemed creditworthy by the Adviser. At that time, the bank or securities dealer agrees to repurchase the underlying security at a mutually agreed upon price on a designated future date. The repurchase price may be higher than the purchase price, the difference being income to the Fund, or the purchase and repurchase prices may be the same, with interest at an agreed upon rate due to the Fund on repurchase. In either case, the income to the Fund generally will be unrelated to the interest rate on the underlying securities. Repurchase agreements must be "fully collateralized," in that the market value of the underlying securities (including accrued interest) must at all times be equal to or greater than the repurchase price. Therefore, a repurchase agreement can be considered a loan collateralized by the underlying securities. </P><P style="line-height:14pt; margin:0px; text-indent:64px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Repurchase agreements are generally for a short period of time, often less than a week, and will generally be used by the Fund to invest excess cash or as part of a temporary defensive strategy. Repurchase agreements that do not provide for payment within seven days will be treated as illiquid securities. In the event of a bankruptcy or other default by the seller of a repurchase agreement, the Fund could experience both delays in liquidating the underlying security and losses. These losses could result from: (a) possible decline in the value of the underlying security while the Fund is seeking to enforce its rights under the repurchase agreement; (b) possible reduced levels of income or lack of access to income during this period; and (c) expenses of enforcing its rights. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>High Yield Securities</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in high yield securities. High yield, high risk bonds are securities that are generally rated below investment grade by the primary rating agencies (BB+ or lower by S&P and Ba1 or lower by Moody's). Other terms used to </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>9</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>describe such securities include "lower rated bonds," "non-investment grade bonds," "below investment grade bonds," and "junk bonds." These securities are considered to be high-risk investments. The risks include the following:</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Greater Risk of Loss. These securities are regarded as predominately speculative. There is a greater risk that issuers of lower rated securities will default than issuers of higher rated securities. Issuers of lower rated securities generally are less creditworthy and may be highly indebted, financially distressed, or bankrupt. These issuers are more vulnerable to real or perceived economic changes, political changes or adverse industry developments. In addition, high yield securities are frequently subordinated to the prior payment of senior indebtedness. If an issuer fails to pay principal or interest, the Fund would experience a decrease in income and a decline in the market value of its investments. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Sensitivity to Interest Rate and Economic Changes. The income and market value of lower-rated securities may fluctuate more than higher rated securities. Although non-investment grade securities tend to be less sensitive to interest rate changes than investment grade securities, non-investment grade securities are more sensitive to short-term corporate, economic and market developments. During periods of economic uncertainty and change, the market price of the investments in lower-rated securities may be volatile. The default rate for high yield bonds tends to be cyclical, with defaults rising in periods of economic downturn. For example, in 2000, 2001 and 2002, the default rate for high yield securities was significantly higher than in the prior or subsequent years.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Valuation Difficulties. It is often more difficult to value lower rated securities than higher rated securities. If an issuer's financial condition deteriorates, accurate financial and business information may be limited or unavailable. In addition, the lower rated investments may be thinly traded and there may be no established secondary market. Because of the lack of market pricing and current information for investments in lower rated securities, valuation of such investments is much more dependent on judgment than is the case with higher rated securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Liquidity. There may be no established secondary or public market for investments in lower rated securities. Such securities are frequently traded in markets that may be relatively less liquid than the market for higher rated securities. In addition, relatively few institutional purchasers may hold a major portion of an issue of lower-rated securities at times. As a result, the Fund may be required to sell investments at substantial losses or retain them indefinitely when an issuer's financial condition is deteriorating.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Credit Quality. Credit quality of non-investment grade securities can change suddenly and unexpectedly, and even recently-issued credit ratings may not fully reflect the actual risks posed by a particular high-yield security.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>10</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>New Legislation. Future legislation may have a possible negative impact on the market for high yield, high risk bonds. As an example, in the late 1980's, legislation required federally-insured savings and loan associations to divest their investments in high yield, high risk bonds. New legislation, if enacted, could have a material negative effect on the Fund's investments in lower rated securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>High yield, high risk investments may include the following:</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Straight fixed-income debt securities. These include bonds and other debt obligations that bear a fixed or variable rate of interest payable at regular intervals and have a fixed or resettable maturity date. The particular terms of such securities vary and may include features such as call provisions and sinking funds.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Zero-coupon debt securities. These bear no interest obligation but are issued at a discount from their value at maturity. When held to maturity, their entire return equals the difference between their issue price and their maturity value.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Zero-fixed-coupon debt securities. These are zero-coupon debt securities that convert on a specified date to interest-bearing debt securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Pay-in-kind bonds. These are bonds which allow the issuer, at its option, to make current interest payments on the bonds either in cash or in additional bonds. These are bonds sold without registration under the Securities Act of 1933, as amended ("1933 Act"), usually to a relatively small number of institutional investors.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Convertible Securities. These are bonds or preferred stock that may be converted to common stock.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Preferred Stock. These are stocks that generally pay a dividend at a specified rate and have preference over common stock in the payment of dividends and in liquidation.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Loan Participations and Assignments. These are participations in, or assignments of all or a portion of loans to corporations or to governments, including governments of less developed countries ("LDCs").</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Securities issued in connection with Reorganizations and Corporate Restructurings. In connection with reorganizing or restructuring of an issuer, an issuer may issue common stock or other securities to holders of its debt securities. The Fund may hold such common stock and other securities even if it does not invest in such securities.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Municipal Government Obligations</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>In general, municipal obligations are debt obligations issued by or on behalf of states, territories and possessions of the United States (including the District of </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>11</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Columbia) and their political subdivisions, agencies and instrumentalities. Municipal obligations generally include debt obligations issued to obtain funds for various public purposes. Certain types of municipal obligations are issued in whole or in part to obtain funding for privately operated facilities or projects. Municipal obligations include general obligation bonds, revenue bonds, industrial development bonds, notes and municipal lease obligations. Municipal obligations also include additional obligations, the interest on which is exempt from federal income tax, that may become available in the future as long as the Board of the Fund determines that an investment in any such type of obligation is consistent with the Fund's investment objectives. Municipal obligations may be fully or partially backed by local government, the credit of a private issuer, current or anticipated revenues from a specific project or specific assets or domestic or foreign entities providing credit support such as letters of credit, guarantees or insurance. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Bonds and Notes. General obligation bonds are secured by the issuer's pledge of its full faith, credit and taxing power for the payment of interest and principal. Revenue bonds are payable only from the revenues derived from a project or facility or from the proceeds of a specified revenue source. Industrial development bonds are generally revenue bonds secured by payments from and the credit of private users. Municipal notes are issued to meet the short-term funding requirements of state, regional and local governments. Municipal notes include tax anticipation notes, bond anticipation notes, revenue anticipation notes, tax and revenue anticipation notes, construction loan notes, short-term discount notes, tax-exempt commercial paper, demand notes and similar instruments. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Municipal Lease Obligations. Municipal lease obligations may take the form of a lease, an installment purchase or a conditional sales contract. They are issued by state and local governments and

installment purchase or a conditional sales contract. They are issued by state and local governments and authorities to acquire land, equipment and facilities, such as vehicles, telecommunications and computer equipment and other capital assets. The Fund may invest in Underlying Funds that purchase these lease obligations directly, or it may purchase participation interests in such lease obligations (See "Participation Interests" section). States have different requirements for issuing municipal debt and issuing municipal leases. Municipal leases are generally subject to greater risks than general obligation or revenue bonds because they usually contain a "non-appropriation" clause, which provides that the issuer is not obligated to make payments on the obligation in future years unless funds have been appropriated for this purpose each year. Such non-appropriation clauses are required to avoid the municipal lease obligations from being treated as debt for state debt restriction purposes. Accordingly, such obligations are subject to "non-appropriation" risk. Municipal leases may be secured by the underlying capital asset and it may be difficult to dispose of any such asset in the event of non-appropriation or other default.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Master Limited Partnerships</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>An MLP is an entity that is generally taxed as a partnership for federal income tax purposes and that derives each year at least 90% of its gross income from “Qualifying </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>12</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Income”. Qualifying Income for MLPs includes interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from commodities or commodity futures, and income and gain from mineral or natural resources activities that generate Qualifying Income. MLP interests (known as units) are traded on securities exchanges or over-the-counter. An MLP’s organization as a partnership and compliance with the Qualifying Income rules generally eliminates federal tax at the entity level.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>An MLP has one or more general partners (who may be individuals, corporations, or other partnerships) which manage the partnership, and limited partners, which provide capital to the partnership but have no role in its management. Typically, the general partner is owned by company management or another publicly traded sponsoring corporation. When an investor buys units in an MLP, the investor becomes a limited partner.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>MLPs are formed in several ways. A nontraded partnership may decide to go public. Several nontraded partnerships may roll up into a single MLP. A corporation may spin-off a group of assets or part of its business into an MLP of which it is the general partner, to realize the assets’ full value on the marketplace by selling the assets and using the cash proceeds received from the MLP to address debt obligations or to invest in higher growth opportunities, while retaining control of the MLP. A corporation may fully convert to an MLP, although since 1986 the tax consequences have made this an unappealing option for most corporations. Unlike the ways described above, it is also possible for a newly formed entity to commence operations as an MLP from its inception.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The sponsor or general partner of an MLP, other energy companies, and utilities may sell assets to MLPs in order to generate cash to fund expansion projects or repay debt. The MLP structure essentially transfers cash flows generated from these acquired assets directly to MLP limited partner unitholders.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>In the case of an MLP buying assets from its sponsor or general partner the transaction is intended to be based upon comparable terms in the acquisition market for similar assets. To help insure that appropriate protections are in place, the board of the MLP generally creates an independent committee to review and approve the terms of the transaction. The committee often obtains a fairness opinion and can retain counsel or other experts to assist its evaluation. Since both parties normally have a significant equity stake in the MLP, both parties are aligned to see that the transaction is accretive and fair to the MLP.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>As a motivation for the general partner to successfully manage the MLP and increase cash flows, the terms of MLPs typically provide that the general partner receives a larger portion of the net income as distributions reach higher target levels. As cash flow grows, the general partner receives a greater interest in the incremental income compared to the interest of limited partners. Although the percentages vary among MLPs, the general partner’s marginal interest in distributions generally increases </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>13</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>from 2% to 15% at the first designated distribution target level moving up to 25% and ultimately 50% as pre-established distribution per unit thresholds are met. Nevertheless, the aggregate amount distributed to limited partners will increase as MLP distributions reach higher target levels. Given this incentive structure, the general partner has an incentive to streamline operations and undertake acquisitions and growth projects in order to increase distributions to all partners.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Because the MLP itself generally does not pay federal income tax, its income or loss is allocated to its investors, irrespective of whether the investors receive any cash payment or other distributions from the MLP. An MLP typically makes quarterly cash distributions. Although they resemble corporate dividends, MLP distributions are treated differently for tax purposes. The MLP distribution is treated as a return of capital to the extent of the investor’s basis in his MLP interest and, to the extent the distribution exceeds the investor’s basis in the MLP, generally as capital gain. The investor’s original basis is the price paid for the units. The basis is adjusted downwards with each

distributions, the original basis to the price paid for the asset. The basis is adjusted downward from each distribution and allocation of deductions (such as depreciation) and losses, and upwards with each allocation of taxable income and gain.

The partner will not incur federal income tax on distributions until: (1) he sells his MLP units and pays tax on his gain, which gain is increased due to the basis decrease due to prior distributions; or (2) his basis reaches zero. When the units are sold, the difference between the sales price and the investor's adjusted basis is gain or loss for federal income tax purposes.

The business of certain MLPs is affected by supply and demand for energy commodities because such MLPs derive revenue and income based upon the volume of the underlying commodity produced, processed, distributed, and/or marketed. Pipeline MLPs have indirect commodity exposure to gas and oil price volatility because although they do not own the underlying energy commodity, the general level of commodity prices may affect the volume of the commodity that the MLP delivers to its customers and the cost of providing services such as distributing natural gas liquids (NGLs). The costs of natural gas pipeline MLPs to perform services may exceed the negotiated rates under negotiated rate contracts. Specifically, processing MLPs may be directly affected by energy commodity prices. Propane MLPs own the underlying energy commodity, and therefore have direct exposure to energy commodity prices, although the Adviser intends to target high quality MLPs that seek to mitigate or manage direct margin exposure to commodity prices. However, the MLP industry in general could be hurt by market perception that an MLP's performance and valuation are directly tied to commodity prices.

REITs

The Fund may invest in the equity securities of real estate investment trusts (REITs) focused on the energy industry. A REIT is a corporation or business trust that invests in real estate and derives its income from rents or sales of real property or interest on loans secured by mortgages on real property. The market value of REITs

may be affected by numerous factors, including decreases in the value of real estate, vacancies, decreases in lease rates, defaults by lessees, changes in the tax laws or by their inability to qualify for the tax-free pass-through of their income.

may be affected by numerous factors, including decreases in the value of real estate, vacancies, decreases in lease rates, defaults by lessees, changes in the tax laws or by their inability to qualify for the tax-free pass-through of their income.

Energy Trust Securities.

The Fund may invest in U.S. royalty trusts. U.S. royalty trusts are generally not subject to U.S. federal corporate income taxation at the trust or entity level. Instead, each unitholder of the U.S. royalty trust is required to take into account its share of all items of the U.S. royalty trust's income, gain, loss, deduction and expense. It is possible that the Fund's share of taxable income from a U.S. royalty trust may exceed the cash actually distributed to it from the U.S. royalty trust in a given year. In such a case, the Fund will have less after-tax cash available for distribution to shareholders.

Exchange-Traded Notes (ETNs)

The Fund may invest in ETNs, which are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy, minus applicable fees. ETNs are traded on an exchange (e.g., the New York Stock Exchange) during normal trading hours; however, investors also can hold ETNs until they mature. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's market benchmark or strategy factor. ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN also may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. When the Fund invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. A decision by the Fund to sell ETN holdings may be limited by the availability of a secondary market. In addition, although an ETN may be listed on an exchange, the issuer may not be required to maintain the listing, and there can be no assurance that a secondary market will exist for an ETN.

ETNs also are subject to tax risk. No assurance can be given that the IRS will accept, or a court will uphold, how the Fund characterizes and treats ETNs for tax purposes.

An ETN that is tied to a specific market benchmark or strategy may not be able to replicate and maintain exactly the composition and relative weighting of securities, commodities or other components in the applicable market benchmark or strategy. Some ETNs that use leverage can, at times, be relatively illiquid, and thus they may be difficult to purchase or sell at a fair price. Leveraged ETNs are subject to the same risk as other instruments that use leverage in any form. The market value of ETNs may

differ from their market benchmark or strategy. This difference in price may be

due to the fact that the supply and demand in the market for ETNs at any point in time is not always identical to the supply and demand in the market for the securities, commodities or other components underlying the market benchmark or strategy that the ETN seeks to track. As a result, there may be times when an ETN trades at a premium or discount to its market benchmark or strategy.

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>United States Government Obligations</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>These consist of various types of marketable securities issued by the United States Treasury, i.e., bills, notes and bonds. Such securities are direct obligations of the United States government and differ mainly in the length of their maturity. Treasury bills, the most frequently issued marketable government security, have a maturity of up to one year and are issued on a discount basis. The Fund may also invest in Treasury Inflation-Protected Securities (TIPS). TIPS are special types of treasury bonds that were created in order to offer bond investors protection from inflation. The values of the TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). If the CPI goes up by half a percent, the value of the bond (the TIPS) would also go up by half a percent. If the CPI falls, the value of the bond does not fall because the government guarantees that the original investment will stay the same. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>United States Government Agency Obligations</U></P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>These consist of debt securities issued by agencies and instrumentalities of the United States government, including the various types of instruments currently outstanding or which may be offered in the future. Agencies include, among others, the Federal Housing Administration, Government National Mortgage Association ("GNMA"), Farmer's Home Administration, Export-Import Bank of the United States, Maritime Administration, and General Services Administration. Instrumentalities include, for example, each of the Federal Home Loan Banks, the National Bank for Cooperatives, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Farm Credit Banks, the Federal National Mortgage Association ("FNMA"), and the United States Postal Service. These securities are either: (i) backed by the full faith and credit of the United States government (e.g., United States Treasury Bills); (ii) guaranteed by the United States Treasury (e.g., GNMA mortgage-backed securities); (iii) supported by the issuing agency's or instrumentality's right to borrow from the United States Treasury (e.g., FNMA Discount Notes); or (iv) supported only by the issuing agency's or instrumentality's own credit (e.g., Tennessee Valley Association). On September 7, 2008, the U.S. Treasury Department and the Federal Housing Finance Authority (the "FHFA") announced that FNMA and FHLMC had been placed into conservatorship, a statutory process designed to stabilize a troubled institution with the objective of returning the entity to normal business operations. The U.S. Treasury Department and </P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>16</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>the FHFA at the same time established a secured lending facility and a Secured Stock Purchase Agreement with both FNMA and FHLMC to ensure that each entity had the ability to fulfill its financial obligations. The FHFA announced that it does not anticipate any disruption in pattern of payments or ongoing business operations of FNMA and FHLMC.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Government-related guarantors (i.e. not backed by the full faith and credit of the United States Government) include FNMA and FHLMC. FNMA is a government-sponsored corporation owned entirely by private stockholders. It is subject to general regulation by the Secretary of Housing and Urban Development. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the United States Government. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>FHLMC was created by Congress in 1970 for the purpose of increasing the availability of mortgage credit for residential housing. It is a government-sponsored corporation formerly owned by the twelve Federal Home Loan Banks and now owned entirely by private stockholders. FHLMC issues Participation Certificates ("PC's"), which represent interests in conventional mortgages from FHLMC's national portfolio. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the United States Government. Commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers also create pass-through pools of conventional residential mortgage loans. Such issuers may, in addition, be the originators and/or servicers of the underlying mortgage loans as well as the guarantors of the mortgage-related securities. Pools created by such nongovernmental issuers generally offer a higher rate of interest than government and government-related pools because there are no direct or indirect government or agency guarantees of payments in the former pools. However, timely payment of interest and principal of these pools may be supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance and letters of credit. The insurance and guarantees are issued by governmental entities, private insurers and the mortgage poolers. </P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Securities of Other Investment Companies</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund's investments in Exchange Traded Funds ("ETFs"), mutual funds and closed-end funds involve certain additional expenses and certain tax results, which would not be present in a direct investment in the underlying fund. Generally, the Fund will not purchase securities of another investment company if, as a result: (i) more than 10% of the Fund's total assets would be invested in securities of other investment companies, (ii) such purchase would result in more than 3% of the total

outstanding voting securities of any such investment company being held by the Fund, or (iii) more

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>17</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>than 5% of the Fund's total assets would be invested in any one such investment company. However, many ETFs have obtained exemptive relief from the SEC to permit unaffiliated funds to invest in the ETFs' shares beyond the above statutory limitations, subject to certain conditions and pursuant to a contractual arrangement between the particular ETF and the investing fund. A Fund may rely on these exemptive orders to invest in unaffiliated ETFs. In the alternative, the Fund intends to rely on Rule 12d1-3, which allows unaffiliated mutual funds and ETFs to exceed the 5% limitation and the 10% limitation, provided the aggregate sales loads any investor pays (i.e., the combined distribution expenses of both the acquiring fund and the acquired fund) does not exceed the limits on sales loads established by FINRA for funds of funds. In addition to ETFs, the Fund may invest in other investment companies such as open-end mutual funds or exchange-traded closed-end funds, within the limitations described above.</P><P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Closed-End Investment Companies</U> </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest its assets in "closed-end" investment companies (or "closed-end funds"), subject to the investment restrictions set forth above. Shares of closed-end funds are typically offered to the public in a one-time initial public offering by a group of underwriters who retain a spread or underwriting commission of between 4% or 6% of the initial public offering price. Such securities are then listed for trading on the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automated Quotation System (commonly known as "NASDAQ") and, in some cases, may be traded in other over-the-counter markets. Because the shares of closed-end funds cannot be redeemed upon demand to the issuer like the shares of an open-end investment company (such as the Fund), investors seek to buy and sell shares of closed-end funds in the secondary market. </P><P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund generally will purchase shares of closed-end funds only in the secondary market. The Fund will incur normal brokerage costs on such purchases similar to the expenses the Fund would incur for the purchase of securities of any other type of issuer in the secondary market. The Fund may, however, also purchase securities of a closed-end fund in an initial public offering when, in the opinion of the Adviser, based on a consideration of the nature of the closed-end fund's proposed investments, the prevailing market conditions and the level of demand for such securities, they represent an attractive opportunity for growth of capital. The initial offering price typically will include a dealer spread, which may be higher than the applicable brokerage cost if the Fund purchased such securities in the secondary market. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The shares of many closed-end funds, after their initial public offering, frequently trade at a price per share, which is less than the net asset value per share, the difference representing the "market discount" of such shares. This market discount may be due in part to the investment objective of long-term appreciation, which is sought by many closed-end funds, as well as to the fact that the shares of closed-end funds are not redeemable by the holder upon demand to the issuer at the next determined net asset value but rather are subject to the principles of supply and demand in the </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>18</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>secondary market. A relative lack of secondary market purchasers of closed-end fund shares also may contribute to such shares trading at a discount to their net asset value. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest in shares of closed-end funds that are trading at a discount to net asset value or at a premium to net asset value. There can be no assurance that the market discount on shares of any closed-end fund purchased by the Fund will ever decrease. In fact, it is possible that this market discount may increase and the Fund may suffer realized or unrealized capital losses due to further decline in the market price of the securities of such closed-end funds, thereby adversely affecting the net asset value of the Fund's shares. Similarly, there can be no assurance that any shares of a closed-end fund purchased by the Fund at a premium will continue to trade at a premium or that the premium will not decrease subsequent to a purchase of such shares by the Fund. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Closed-end funds may issue senior securities (including preferred stock and debt obligations) for the purpose of leveraging the closed-end fund's common shares in an attempt to enhance the current return to such closed-end fund's common shareholders. The Fund's investment in the common shares of closed-end funds that are financially leveraged may create an opportunity for greater total return on its investment, but at the same time may be expected to exhibit more volatility in market price and net asset value than an investment in shares of investment companies without a leveraged capital structure. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Open-end Investment Companies</U> </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund and any "affiliated persons," as defined by the 1940 Act, may purchase in the aggregate only up to 3% of the total outstanding securities of any underlying fund. Accordingly, when affiliated persons hold shares of any of the underlying fund, the Fund's ability to invest fully in shares of those funds is restricted, and the Adviser must then, in some instances, select alternative investments that would not have been its first preference. The 1940 Act also provides that an underlying fund whose shares are purchased by the Fund when relying on certain exemptions to limitations on investments in other investment companies will be obligated to redeem shares held by the Fund only in an amount up to 1% of the underlying fund's

outstanding securities during any period or less than 30 days. Therefore, shares held by the Fund when relying on certain exemptions to limitations on investments in other investment companies under the 1940 Act in excess of 1% of an underlying fund's outstanding securities will be considered not readily marketable securities, which, together with other such securities, may not exceed 15% of the Fund's total assets.

Under certain circumstances, an underlying fund may determine to make payment of a redemption by the Fund wholly or partly by a distribution in kind of securities from its portfolio, in lieu of cash, in conformity with the rules of the Securities and Exchange Commission ("SEC"). In such cases, the Fund may hold securities distributed by an underlying fund until the Adviser determines that it is appropriate to dispose of such securities.

Investment decisions by the investment advisers of the underlying fund(s) are made independently of the Fund and its Adviser. Therefore, the investment adviser of one underlying fund may be purchasing shares of the same issuer whose shares are being sold by the investment adviser of another such fund. The result would be an indirect expense to the Fund without accomplishing any investment purpose.

Exchange Traded Funds

ETFs are generally passive funds that track their related index and have the flexibility of trading like a security. They are managed by professionals and provide the investor with diversification, cost and tax efficiency, liquidity, marginability, are useful for hedging, have the ability to go long and short, and some provide quarterly dividends. Additionally, some ETFs are unit investment trusts (UITs). ETFs typically have two markets. The primary market is where institutions swap "creation units" in block-multiples of, for example, 50,000 shares for in-kind securities and cash in the form of dividends. The secondary market is where individual investors can trade as little as a single share during trading hours on the exchange. This is different from open-ended mutual funds that are traded after hours once the net asset value (NAV) is calculated. ETFs share many similar risks with open-end and closed-end funds.

Foreign Securities

General. The Fund may invest in foreign securities and exchange traded funds ("ETFs") and other investment companies that hold a portfolio of foreign securities. Investing in securities of foreign companies and countries involves certain considerations and risks that are not typically associated with investing in U.S. government securities and securities of domestic companies. There may be less publicly available information about a foreign issuer than a domestic one, and foreign companies are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. There may also be less government supervision and regulation of foreign securities exchanges, brokers and listed companies than exists in the United States. Interest and dividends paid by foreign issuers may be subject to withholding and other foreign taxes, which may decrease the net return on such investments as compared to dividends and interest paid to the Fund by domestic companies or the U.S. government. There may be the possibility of expropriations, seizure or nationalization of foreign deposits, confiscatory taxation, political, economic or social instability or diplomatic developments that could affect assets of the Fund held in foreign countries. Finally, the establishment of exchange controls or other foreign governmental laws or restrictions could adversely affect the payment of obligations.

To the extent the Fund's currency exchange transactions do not fully protect the Fund against adverse changes in currency exchange rates, decreases in the value of currencies of the foreign countries in which the Fund will invest relative to the U.S. dollar will result in a corresponding decrease in the U.S. dollar value of the Fund's assets denominated in those currencies (and possibly a corresponding increase in the amount

of securities required to be liquidated to meet distribution requirements). Conversely, increases in the value of currencies of the foreign countries in which the Fund invests relative to the U.S. dollar will result in a corresponding increase in the U.S. dollar value of the Fund's assets (and possibly a corresponding decrease in the amount of securities to be liquidated).

Securities Options

The Fund may purchase and write (i.e., sell) put and call options. Such options may relate to particular securities or stock indices, and may or may not be listed on a domestic or foreign securities exchange and may or may not be issued by the Options Clearing Corporation. Options trading is a highly specialized activity that entails greater than ordinary investment risk. Options may be more volatile than the underlying instruments, and therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves.

A call option for a particular security gives the purchaser of the option the right to buy, and the writer (seller) the obligation to sell, the underlying security at the stated exercise price at any time prior to the expiration of the option, regardless of the market price of the

exercise price at any time prior to the expiration of the option, regardless of the market price of the security. The premium paid to the writer is in consideration for undertaking the obligation under the option contract. A put option for a particular security gives the purchaser the right to sell the security at the stated exercise price at any time prior to the expiration date of the option, regardless of the market price of the security.

Stock index options are put options and call options on various stock indices. In most respects, they are identical to listed options on common stocks. The primary difference between stock options and index options occurs when index options are exercised. In the case of stock options, the underlying security, common stock, is delivered. However, upon the exercise of an index option, settlement does not occur by delivery of the securities comprising the index. The option holder who exercises the index option receives an amount of cash if the closing level of the stock index upon which the option is based is greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. This amount of cash is equal to the difference between the closing price of the stock index and the exercise price of the option expressed in dollars times a specified multiple. A stock index fluctuates with changes in the market value of the stocks included in the index. For example, some stock index options are based on a broad market index, such as the Standard & Poor's 500 Index or the Value Line Composite Index or a narrower market index, such as the Standard & Poor's 100 Index. Indices may also be based on an industry or market segment, such as the AMEX Oil and Gas Index or the Computer and Business Equipment Index. Options on stock indices are currently traded on the Chicago Board Options Exchange, the New York Stock Exchange, the American Stock Exchange, the Pacific Stock Exchange and the Philadelphia Stock Exchange.

The Fund's obligation to sell an instrument subject to a call option written by it, or to purchase an instrument subject to a put option written by it, may be terminated prior

If an option purchased by the Fund expires unexercised, the Fund realizes a loss equal to the premium paid. If the Fund enters into a closing sale transaction on an option purchased by it, the Fund will realize a gain if the premium received by the Fund on the closing transaction is more than the premium paid to purchase the option, or a loss if it is less. If an option written by the Fund expires on the stipulated expiration date or if the Fund enters into a closing purchase transaction, it will realize a gain (or loss if the cost of a closing purchase transaction exceeds the net premium received when the option is sold). If an option written by the Fund is exercised, the proceeds of the sale will be increased by the net premium originally received and the Fund will realize a gain or loss.

Certain Risks Regarding Options.

There are several risks associated with transactions in options. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. In addition, a liquid secondary market for particular options, whether traded over-the-counter or on an exchange, may be absent for reasons which include the following: there may be insufficient trading interest in certain options; restrictions may be imposed by an exchange on opening transactions or closing transactions or both; trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options or underlying securities or currencies; unusual or unforeseen circumstances may interrupt normal operations on an exchange; the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading value; or one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist, although outstanding options that had been issued by the Options

Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

Successful use by the Fund of options on stock indices will be subject to the ability of the Adviser to correctly predict movements in the directions of the stock market. This requires different skills and techniques than predicting changes in the prices of individual securities. In addition, a fund's ability to effectively hedge all or a portion of the securities in its portfolio, in anticipation of or during a market decline, through transactions in put options on stock indices, depends on the degree to which price movements in the underlying index correlate with the price movements of the securities held by the Fund. Inasmuch as the Fund's securities will not duplicate the components of an index, the correlation will not be perfect. Consequently, the Fund bears the risk that the prices of its securities being hedged will not move in the same amount as the prices of its put options on the stock indices. It is also possible that there may be a negative correlation between the index and the Fund's securities that would result in a loss on both such securities and the options on stock indices acquired by the Fund.

top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. The purchase of options is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The purchase of stock index options involves the risk that the premium and transaction costs paid by the Fund in purchasing an option will be lost as a result of unanticipated movements in prices of the securities comprising the stock index on which the option is based.</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>There is no assurance that a liquid secondary market on an options exchange will exist for any particular option, or at any particular time, and for some options no secondary market on an exchange or elsewhere may exist. If the Fund is unable to close out a call option on securities that it has written before the option is exercised, the Fund may be required to purchase the optioned securities in order to satisfy its obligation under the option to deliver such securities. If the Fund is unable to effect a closing sale transaction with respect to options on securities that it has purchased, it would have to exercise the option in order to realize any profit and would incur transaction costs upon the purchase and sale of the underlying securities.</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Cover for Options Positions</U>. </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Transactions using options (other than options that the Fund has purchased) expose the Fund to an obligation to another party. The Fund will not enter into any such transactions unless it owns either (i) an offsetting ("covered") position in securities or other options or (ii) cash or liquid securities with a value sufficient at all times to cover its potential obligations not covered as provided in (i) above. The Fund will comply with SEC guidelines regarding cover for these instruments and, if the guidelines so require, </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>23</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>set aside cash or liquid securities in a segregated account with the Fund's custodian in the prescribed amount. Under current SEC guidelines, the Fund will segregate assets to cover transactions in which the Fund writes or sells options.</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Assets used as cover or held in a segregated account cannot be sold while the position in the corresponding option is open, unless they are replaced with similar assets. As a result, the commitment of a large portion of the Fund's assets to cover or segregated accounts could impede portfolio management or the Fund's ability to meet redemption requests or other current obligations.</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Options on Futures Contracts</U> </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may purchase and sell options on the same types of futures in which it may invest. Options on futures are similar to options on underlying instruments except that options on futures give the purchaser the right, in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put), rather than to purchase or sell the futures contract, at a specified exercise price at any time during the period of the option. Upon exercise of the option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by the delivery of the accumulated balance in the writer's futures margin account which represents the amount by which the market price of the futures contract, at exercise, exceeds (in the case of a call) or is less than (in the case of a put) the exercise price of the option on the futures contract. Purchasers of options who fail to exercise their options prior to the exercise date suffer a loss of the premium paid. </P><P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Dealer Options</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may engage in transactions involving dealer options as well as exchange-traded options. Certain additional risks are specific to dealer options. While the Fund might look to a clearing corporation to exercise exchange-traded options, if the Fund were to purchase a dealer option it would need to rely on the dealer from which it purchased the option to perform if the option were exercised. Failure by the dealer to do so would result in the loss of the premium paid by the Fund as well as loss of the expected benefit of the transaction.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Exchange-traded options generally have a continuous liquid market while dealer options may not. Consequently, the Fund may generally be able to realize the value of a dealer option it has purchased only by exercising or reselling the option to the dealer who issued it. Similarly, when the Fund writes a dealer option, it may generally be able to close out the option prior to its expiration only by entering into a closing purchase transaction with the dealer to whom the Fund originally wrote the option. While the Fund will seek to enter into dealer options only with dealers who will agree to and which are expected to be capable of entering into closing transactions with the Fund, there can be no assurance that the Fund will at any time be able to liquidate a dealer option at a favorable price at any time prior to expiration. Unless the Fund, as a covered dealer call option writer, is able to effect a closing purchase transaction, it will not be able to </P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>24</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>liquidate securities (or other assets) used as cover until the option expires or is exercised. In the event of insolvency of the other party, the Fund may be unable to liquidate a dealer option. With respect to options written by the Fund, the inability to enter into a closing transaction may result in material losses to the Fund. For example, because the Fund must maintain a secured position with

respect to any call option on a security it writes, the Fund may not sell the assets, which it has segregated to secure the position while it is obligated under the option. This requirement may impair the Fund's ability to sell portfolio securities at a time when such sale might be advantageous.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Staff of the SEC has taken the position that purchased dealer options are illiquid securities. The Fund may treat the cover used for written dealer options as liquid if the dealer agrees that the Fund may repurchase the dealer option it has written for a maximum price to be calculated by a predetermined formula. In such cases, the dealer option would be considered illiquid only to the extent the maximum purchase price under the formula exceeds the intrinsic value of the option. Accordingly, the Fund will treat dealer options as subject to the Fund's limitation on illiquid securities. If the SEC changes its position on the liquidity of dealer options, the Fund will change its treatment of such instruments accordingly.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Futures Contracts</U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>A futures contract provides for the future sale by one party and purchase by another party of a specified amount of a specific financial instrument (e.g., units of a stock index) for a specified price, date, time and place designated at the time the contract is made. Brokerage fees are paid when a futures contract is bought or sold and margin deposits must be maintained. Entering into a contract to buy is commonly referred to as buying or purchasing a contract or holding a long position. Entering into a contract to sell is commonly referred to as selling a contract or holding a short position. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Unlike when the Fund purchases or sells a security, no price would be paid or received by the Fund upon the purchase or sale of a futures contract. Upon entering into a futures contract, and to maintain the Fund's open positions in futures contracts, the Fund would be required to deposit with its custodian or futures broker in a segregated account in the name of the futures broker an amount of cash, U.S. government securities, suitable money market instruments, or other liquid securities, known as "initial margin." The margin required for a particular futures contract is set by the exchange on which the contract is traded, and may be significantly modified from time to time by the exchange during the term of the contract. Futures contracts are customarily purchased and sold on margins that may range upward from less than 5% of the value of the contract being traded. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>If the price of an open futures contract changes (by increase in underlying instrument or index in the case of a sale or by decrease in the case of a purchase) so that the loss on the futures contract reaches a point at which the margin on deposit does not satisfy margin requirements, the broker will require an increase in the margin. However, if the value of a position increases because of favorable price changes in the </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>25</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>futures contract so that the margin deposit exceeds the required margin, the broker will pay the excess to the Fund. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>These subsequent payments, called "variation margin," to and from the futures broker, are made on a daily basis as the price of the underlying assets fluctuate making the long and short positions in the futures contract more or less valuable, a process known as "marking to the market." The Fund expects to earn interest income on its margin deposits. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Although certain futures contracts, by their terms, require actual future delivery of and payment for the underlying instruments, in practice most futures contracts are usually closed out before the delivery date. Closing out an open futures contract purchase or sale is effected by entering into an offsetting futures contract sale or purchase, respectively, for the same aggregate amount of the identical underlying instrument or index and the same delivery date. If the offsetting purchase price is less than the original sale price, the Fund realizes a gain; if it is more, the Fund realizes a loss. Conversely, if the offsetting sale price is more than the original purchase price, the Fund realizes a gain; if it is less, the Fund realizes a loss. The transaction costs must also be included in these calculations. There can be no assurance, however, that the Fund will be able to enter into an offsetting transaction with respect to a particular futures contract at a particular time. If the Fund is not able to enter into an offsetting transaction, the Fund will continue to be required to maintain the margin deposits on the futures contract. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>For example, one contract in the Financial Times Stock Exchange 100 Index future is a contract to buy 25 pounds sterling multiplied by the level of the UK Financial Times 100 Share Index on a given future date. Settlement of a stock index futures contract may or may not be in the underlying instrument or index. If not in the underlying instrument or index, then settlement will be made in cash, equivalent over time to the difference between the contract price and the actual price of the underlying asset at the time the stock index futures contract expires. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<A><P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Swap Agreements</U></P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may enter into swap agreements for purposes of attempting to gain exposure to equity, debt, commodities or other asset markets without actually purchasing those assets, or to hedge a position. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a day to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or

instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested in a "basket" of securities representing a particular index.

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Most swap agreements entered into by the Fund calculate the obligations of the parties to the agreement on a "net basis." Consequently, the Fund's current obligations

<P style="margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>26</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>(or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). Payments may be made at the conclusion of a swap agreement or periodically during its term.

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Swap agreements do not involve the delivery of securities or other underlying assets. Accordingly, if a swap is entered into on a net basis, if the other party to a swap agreement defaults, the Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive, if any.

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The net amount of the excess, if any, of the Fund's obligations over its entitlements with respect to a swap agreement entered into on a net basis will be accrued daily and an amount of cash or liquid asset having an aggregate net asset value at least equal to the accrued excess will be maintained in an account with the Custodian. The Fund will also establish and maintain such accounts with respect to its total obligations under any swaps that are not entered into on a net basis. Obligations under swap agreements so covered will not be construed to be "senior securities" for purposes of the Fund's investment restriction concerning senior securities.

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Because they are two-party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid for the Fund's illiquid investment limitations. The Fund will not enter into any swap agreement unless the Adviser believes that the other party to the transaction is creditworthy. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counter-party.

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may enter into a swap agreement in circumstances where the Adviser believes that it may be more cost effective or practical than buying the securities represented by such index or a futures contract or an option on such index. The counter-party to any swap agreement will typically be a bank, investment banking firm or broker/dealer. The counter-party will generally agree to pay the Fund the amount, if any, by which the notional amount of the swap agreement would have increased in value had it been invested in the particular stocks represented in the index, plus the dividends that would have been received on those stocks. The Fund will agree to pay to the counter-party a floating rate of interest on the notional amount of the swap agreement plus the amount, if any, by which the notional amount would have decreased in value had it been invested in such stocks. Therefore, the return to the Fund on any swap agreement should be the gain or loss on the notional amount plus dividends on the stocks less the interest paid by the Fund on the notional amount.

<P style="margin:0px" align=justify>
</P>

<P style="line-height:12pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid in comparison with the markets for other similar instruments that are traded in the OTC market.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Regulation as a Commodity Pool Operator </I></P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>27</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>The Trust, on behalf of the Fund, has filed with the National Futures Association, a notice claiming an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act, as amended (17CEA), and the rules of the Commodity Futures Trading Commission (17CFTC) promulgated thereunder, with respect to the Funds' operations. Accordingly, the Fund is not currently subject to registration or regulation as a commodity pool operator.

<P style="line-height:14pt; margin-top:0px; margin-bottom:13.333px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>When-Issued, Forward Commitments and Delayed Settlements</U></P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may purchase and sell securities on a when-issued, forward commitment or delayed settlement basis. In this event, the Custodian (as defined under the section entitled "Custodian") will segregate liquid assets equal to the amount of the commitment in a separate account. Normally, the Custodian will set aside portfolio securities to satisfy a purchase commitment. In such a case, the Fund may be required subsequently to segregate additional assets in order to assure that the value of the account remains equal to the amount of the Fund's commitment. It may be expected that the Fund's net assets will fluctuate to a greater degree when it sets aside portfolio securities to cover such purchase commitments than when it sets aside cash.

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund does not intend to engage in these transactions for speculative purposes but only in furtherance of its investment objectives. Because the Fund will segregate liquid assets to satisfy its

purchase commitments in the manner described, the Fund's liquidity and the ability of the Adviser to manage them may be affected in the event the Fund's forward commitments, commitments to purchase when-issued securities and delayed settlements ever exceeded 15% of the value of its net assets.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund will purchase securities on a when-issued, forward commitment or delayed settlement basis only with the intention of completing the transaction. If deemed advisable as a matter of investment strategy, however, the Fund may dispose of or renegotiate a commitment after it is entered into, and may sell securities it has committed to purchase before those securities are delivered to the Fund on the settlement date. In these cases, the Fund may realize a taxable capital gain or loss. When the Fund engages in when-issued, forward commitment and delayed settlement transactions, it relies on the other party to consummate the trade. Failure of such party to do so may result in the Fund incurring a loss or missing an opportunity to obtain a price credited to be advantageous.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The market value of the securities underlying a when-issued purchase, forward commitment to purchase securities, or a delayed settlement and any subsequent fluctuations in their market value is taken into account when determining the market value of the Fund starting on the day the Fund agrees to purchase the securities. The Fund does not earn interest on the securities it has committed to purchase until it has paid for and delivered on the settlement date.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Illiquid and Restricted Securities</U> </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>28</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>The Fund may invest up to 15% of its net assets in illiquid securities. Illiquid securities include securities subject to contractual or legal restrictions on resale (e.g., because they have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and securities that are otherwise not readily marketable (e.g., because trading in the security is suspended or because market makers do not exist or will not entertain bids or offers). Securities that have not been registered under the Securities Act are referred to as private placements or restricted securities and are purchased directly from the issuer or in the secondary market. Foreign securities that are freely tradable in their principal markets are not considered to be illiquid.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Restricted and other illiquid securities may be subject to the potential for delays on resale and uncertainty in valuation. The Fund might be unable to dispose of illiquid securities promptly or at reasonable prices and might thereby experience difficulty in satisfying redemption requests from shareholders. The Fund might have to register restricted securities in order to dispose of them, resulting in additional expense and delay. Adverse market conditions could impede such a public offering of securities.

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>A large institutional market exists for certain securities that are not registered under the Securities Act, including foreign securities. The fact that there are contractual or legal restrictions on resale to the general public or to certain institutions may not be indicative of the liquidity of such investments. Rule 144A under the Securities Act allows such a broader institutional trading market for securities otherwise subject to restrictions on resale to the general public. Rule 144A establishes a "safe harbor" from the registration requirements of the Securities Act for resale of certain securities to qualified institutional buyers. Rule 144A has produced enhanced liquidity for many restricted securities, and market liquidity for such securities may continue to expand as a result of this regulation and the consequent existence of the PORTAL system, which is an automated system for the trading, clearance and settlement of unregistered securities of domestic and foreign issuers sponsored by the Financial Industry Regulatory Authority, Inc. ("FINRA"). </P><P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Under guidelines adopted by the Trust's Board, the Adviser may determine that particular Rule 144A securities, and commercial paper issued in reliance on the private placement exemption from registration afforded by Section 4(2) of the Securities Act, are liquid even though they are not registered. A determination of whether such a security is liquid or not is a question of fact. In making this determination, the Adviser will consider, as it deems appropriate under the circumstances and among other factors: (1) the frequency of trades and quotes for the security; (2) the number of dealers willing to purchase or sell the security; (3) the number of other potential purchasers of the security; (4) dealer undertakings to make a market in the security; (5) the nature of the security (e.g., debt or equity, date of maturity, terms of dividend or interest payments, and other material terms) and the nature of the marketplace trades (e.g., the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer); and (6) the rating of the security and the financial condition and prospects of the issuer. In the case of commercial paper, the Adviser will also determine that the paper (1) is not traded flat or in default as to principal and interest, and (2) is rated in one of the two highest rating categories by at least two National Statistical </P><P style="line-height:12.5pt; margin:0px" align=justify>

<P style="margin:0px; font-size:12pt" align=center>29</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Rating Organizations ("NRSROs") or, if only one NRSRO rates the security, by that NRSRO, or, if the security is unrated, the Adviser determines that it is of equivalent quality. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Rule 144A securities and Section 4(2) commercial paper that have been deemed liquid as described above will continue to be monitored by the Adviser to determine if the security is no longer liquid as the result of changed conditions. Investing in Rule 144A securities or Section 4(2) commercial paper could have the effect of increasing the amount of the Fund's assets invested in illiquid securities if institutional

the effect of increasing the amount of the Fund's assets invested in illiquid securities if institutional buyers are unwilling to purchase such securities. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Lending Portfolio Securities</U> </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>For the purpose of achieving income, the Fund may lend its portfolio securities, provided (1) the loan is secured continuously by collateral consisting of U.S. Government securities or cash or cash equivalents (cash, U.S. Government securities, negotiable certificates of deposit, bankers' acceptances or letters of credit) maintained on a daily mark-to-market basis in an amount at least equal to the current market value of the securities loaned, (2) the Fund may at any time call the loan and obtain the return of securities loaned, (3) the Fund will receive any interest or dividends received on the loaned securities, and (4) the aggregate value of the securities loaned will not at any time exceed one-third of the total assets of the Fund. </P>

<P style="line-height:12.5pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Short Sales </U></P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may sell securities short as an outright investment strategy and to offset potential declines in long positions in similar securities. A short sale is a transaction in which the Fund sells a security it does not own or have the right to acquire (or that it owns but does not wish to deliver) in anticipation that the market price of that security will decline. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>When the Fund makes a short sale, the broker-dealer through which the short sale is made must borrow the security sold short and deliver it to the party purchasing the security. The Fund is required to make a margin deposit in connection with such short sales; the Fund may have to pay a fee to borrow particular securities and will often be obligated to pay over any dividends and accrued interest on borrowed securities. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>If the price of the security sold short increases between the time of the short sale and the time the Fund covers its short position, the Fund will incur a loss; conversely, if the price declines, the Fund will realize a capital gain. Any gain will be decreased, and any loss increased, by the transaction costs described above. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>To the extent the Fund sells securities short, it will provide collateral to the broker-dealer and (except in the case of short sales "against the box") will maintain additional asset coverage in the form of cash, U.S. government securities or other liquid </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>30</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>securities with its custodian in a segregated account in an amount at least equal to the difference between the current market value of the securities sold short and any amounts required to be deposited as collateral with the selling broker (not including the proceeds of the short sale). The Fund does not intend to enter into short sales (other than short sales "against the box") if immediately after such sales the aggregate of the value of all collateral plus the amount in such segregated account exceeds 30% of the value of the Fund's net assets. This percentage may be varied by action of the Board of Trustees. A short sale is "against the box" to the extent the Fund contemporaneously owns, or has the right to obtain at no added cost, securities identical to those sold short.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin-top:0px; margin-bottom:16px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><U>Underlying Funds</U></P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may invest a portion of its assets in corporations (including foreign corporations), limited partnerships and other pooled investment vehicles ("Underlying Funds"). Each Underlying Fund, or share class of the Underlying Fund, is managed by its own manager or trading adviser, pursuant to a proprietary strategy. The Underlying Funds may use a form of leverage often referred to as "notional funding" - that is the nominal trading level for an Underlying Fund will exceed the cash deposited in its trading accounts. For example, if the Underlying Fund manager wants the Underlying Fund to trade a \$200,000,000 portfolio (the "nominal trading level") the Underlying Fund's margin requirement may be \$10,000,000. The Underlying Fund can either deposit \$200,000,000 to "fully fund" the account or can deposit only a portion of the \$200,000,000, provided that the amount deposited meets the account's ongoing minimum margin requirements. The difference between the amount of cash deposited in the account and the nominal trading level of the account is referred to as notional funding. The use of notional funding (i.e., leverage) will increase the volatility of the Underlying Funds. In addition, the leverage may make the Underlying Funds subject to more frequent margin calls. Being forced to raise cash at inopportune times to meet margin calls may prevent the Underlying Fund manager from making investments it considers optimal. As currently structured, the cash deposited in the trading account for each Underlying Fund will be available to meet the margin requirements of any share class of the Underlying Fund. However, additional funds to meet margin calls are available only to the extent of the Underlying Fund's assets and not from the Subsidiary or the Fund. Underlying Fund management fees are based on the nominal trading level and not the cash deposited in the trading account. For illustration purposes only, assume an Underlying Fund has assets of \$50 million. The Underlying Fund is notionally funded and uses a nominal trading level of \$200 million. The Underlying Fund pays its manager an annual management fee of 1% of the nominal account size, or \$2,000,000. While the management fee represents 1% of the nominal account size (\$200 million), the management fee represents 4% of the cash deposited (\$50 million) in the Underlying Fund's trading account. The Underlying Funds are typically offered privately and no public market for such securities will exist.</P><P style="line-height:14pt; margin:0px" align=justify>
</P>

<div style="border-bottom-style: solid; border-bottom-width: 1px; padding-bottom: 1px">

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">PORTFOLIO TURNOVER</P>
</div>

<P style="margin:0px">
</P>

<P style="margin:0px">

</P>

<P style="margin:0px; font-size:12pt" align=center>31</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>The Fund may sell a portfolio investment soon after its acquisition if the Adviser believes that such a disposition is consistent with attaining the investment objective of the Fund. Portfolio investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of continuing to hold such investments. A high rate of portfolio turnover (over 100%) may involve correspondingly greater transaction costs, which must be borne directly by the Fund and ultimately by its shareholders. High portfolio turnover may result in the realization of substantial net capital gains. To the extent short-term capital gains are realized, distributions attributable to such gains will be deemed ordinary income for federal income tax purposes. </P>

<P style="margin:0px">
</P>

<div style="border-bottom-style:solid; border-bottom-width:1px; padding-bottom:1px">

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">INVESTMENT RESTRICTIONS</P>

</div>

<P style="margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund has adopted the following investment restrictions that may not be changed without approval by a "majority of the outstanding shares" of the Fund which, as used in this SAI, means the vote of the lesser of (a) 67% or more of the shares of the Fund represented at a meeting, if the holders of more than 50% of the outstanding shares of the Fund are present or represented by proxy, or (b) more than 50% of the outstanding shares of the Fund. The Fund may not:</P>

<P style="line-height:12.5pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">1.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Issue senior securities. This limitation is not applicable to activities that may be deemed to involve the issuance or sale of a senior security by the Fund, provided that the Fund's engagement in such activities is consistent with or permitted by the 1940 Act, as amended, the rules and regulations promulgated thereunder or interpretations of the SEC or its staff;</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">2.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Borrow money, except (a) from a bank, provided that immediately after such borrowing there is an asset coverage of 300% for all borrowings of the Fund; or (b) from a bank or other persons for temporary purposes only, provided that such temporary borrowings are in an amount not exceeding 5% of the Fund's total assets at the time when the borrowing is made. This limitation does not preclude the Fund from entering into reverse repurchase transactions, provided that the Fund has an asset coverage of 300% for all borrowings and repurchase commitments of the Fund pursuant to reverse repurchase transactions;</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">3.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Purchase securities on margin, participate on a joint or joint and several basis in any securities trading account, or underwrite securities. (Does not preclude the Fund from obtaining such short-term credit as may be necessary for the clearance of purchases and sales of its portfolio securities, and except to the extent that the Fund may be deemed an underwriter under the Securities Act of 1933, by virtue of disposing of portfolio securities);</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">4.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Purchase or sell real estate or interests in real estate. This limitation is not applicable to investments in marketable securities that are secured by or represent interests in real estate. This limitation does not preclude the Fund from investing in mortgage</P>

<P style="line-height:14pt; margin:0px; clear:left" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>32</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; padding-left:24px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>related securities or investing in companies engaged in the real estate business or that have a significant portion of their assets in real estate (including real estate investment trusts);</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">5.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Invest 25% or more of the market value of its assets in the securities of companies engaged in any one industry. (Does not apply to investment in the securities of the U.S. Government, its agencies or instrumentalities);</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">6.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Purchase or sell commodities (unless acquired as a result of ownership of securities or other investments or through commodity forward contracts, futures contracts or options), except

that the Fund may purchase and sell forward and futures contracts and options to the full extent permitted under the 1940 Act, sell foreign currency contracts in accordance with any rules of the Commodity Futures Trading Commission, invest in securities or other instruments backed by commodities, and invest in companies that are engaged in a commodities business or have a significant portion of their assets in commodities; or

<P style="line-height:14pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">7.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Make loans to others, except (a) through the purchase of debt securities in accordance with its investment objectives and policies, (b) to the extent the entry into a repurchase agreement is deemed to be a loan, and (c) by loaning portfolio securities.</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:43px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund observes the following policies, which are not deemed fundamental and which may be changed without shareholder vote. The Fund may not:</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">1.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Invest in any issuer for purposes of exercising control or management;</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">2.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Invest in securities of other investment companies except as permitted under the 1940 Act;</P>

<P style="line-height:14pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">3.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Invest, in the aggregate, more than 15% of its net assets, measured at time of purchase, in securities with legal or contractual restrictions on resale, securities, which are not readily marketable and repurchase agreements with more than seven days to maturity; or</P>

<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; width:24px; font-family:Arial,Times New Roman; font-size:12pt; float:left">4.</P>

<P style="line-height:14pt; margin:0px; padding-left:24px; text-indent:-2px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any assets of the Fund except as may be necessary in connection with borrowings described in limitation (2) above. Margin deposits, security interests, liens and collateral arrangements with respect to transactions involving options, futures contracts, short sales and other permitted investments and techniques are not deemed to be a mortgage, pledge or hypothecation of assets for purposes of this limitation.</P>

<P style="line-height:14pt; margin:0px; clear:left" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>If a restriction on the Fund's investments is adhered to at the time an investment is made, a subsequent change in the percentage of Fund assets invested in certain securities or other instruments, or change in average duration of the Fund's investment portfolio, resulting from changes in the value of the Fund's total assets, will not be</P>

<P style="margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>33</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>considered a violation of the restriction; provided, however, that the asset coverage requirement applicable to borrowings shall be maintained in the manner contemplated by applicable law.</P>

<P style="margin:0px" align=justify>
</P>

<div style="border-bottom-style: solid; border-bottom-width: 1px; padding-bottom: 1px">

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">INVESTMENT ADVISER</P></div>

<P style="margin:0px">
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>The Adviser</I>. Teton Fund Management, LLC, 1 Maritime Plaza, San Francisco, CA 94111, serves as investment adviser to the Fund. Subject to the authority of the Board of Trustees, the Adviser is responsible for management of the Fund's investment portfolio. The Adviser is responsible for selecting the Fund's investments according to the Fund's investment objective, policies and restrictions. The Adviser was established in [2013] for the purpose of advising the Fund. As of the date of this SAI, it had no assets under management because the Fund has not yet commenced operations. The Adviser is deemed to be controlled by Andrew G. Matthes and Gary L. Cooper, [by virtue of their ownership of a majority of the membership interests of the Adviser.]</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Pursuant to an Investment Advisory Agreement, the Fund pays the Adviser, on a monthly basis, an annual advisory fee equivalent to 2.00% of the Fund's average daily net assets. The Adviser has contractually agreed to waive its fees and reimburse expenses of the Fund, at least until January [___], 2016 to ensure that Total Annual Fund Operating Expenses After Fee Waiver and Reimbursement (exclusive of any taxes, interest, brokerage commissions, dividend expense on securities sold short, acquired fund fees and expenses, or extraordinary expenses such as litigation or reorganization costs) will not exceed 3.5% of the Fund's average daily net assets. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. These agreements may be terminated only by the Fund's Board of Trustees, on 60 days written notice to the Adviser.</P>

 Fee waiver and reimbursement arrangements can decrease a Fund's expenses and boost its performance.

The Advisory Agreement will continue in effect for two (2) years initially and thereafter shall continue from year to year provided such continuance is approved at least annually by (a) a vote of the majority of the Independent Trustees, cast in person at a meeting specifically called for the purpose of voting on such approval and by (b) the majority vote of either all of the Trustees or the vote of a majority of the outstanding shares of the Fund. The Advisory Agreement may be terminated without penalty on no more than 60 days written notice by a vote of a majority of the Trustees or the Adviser, or by holders of a majority of that Trust's outstanding shares. The Advisory Agreement shall terminate automatically in the event of its assignment.</P>

<P style="margin:0px" align=justify>
</P>

<div style="border-bottom-style: solid; border-bottom-width: 1px; padding-bottom: 1px">

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt" align=justify>PORTFOLIO MANAGERS</P>

</div>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Portfolio Manager</I>. As described in the Prospectus, the Portfolio Managers listed below are responsible for the management of the Fund and, as of [____], 2014, the other accounts set forth in the following tables. </P>

<P style="margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>34</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always"> </P>

<div align="center">

<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0><TR height=0 style="font-size:0">

<TD width=166 /><TD width=16 /><TD width=81 /><TD width=14 /><TD width=79 />

<TD width=13 /><TD width=81 /><TD width=13 /><TD width=77 /><TD width=18 />

<TD width=75 /><TD width=23 /><TD width=101 /></TR>

<TR><TD style="margin-top:0px; border:1px solid #000000" valign=bottom width=164><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=15><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=173 colspan=3><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Other Registered Investment Companies </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=12><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=170 colspan=3><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Other Pooled Investment Vehicles </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=17><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=198 colspan=3><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Other Accounts </P>

</TD></TR>

<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=164><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt">Portfolio Manager </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=15><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=80><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Number </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=13><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=78><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Total </P>

</TD>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Assets </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=12><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

</TD>

<TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=bottom width=80><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=center>Number </P>

35

Conflicts of Interest.

In general, when a Portfolio Manager has responsibility for managing more than one account, potential conflicts of interest may arise. Those conflicts could include preferential treatment of one account over others in terms of allocation of resources or of investment opportunities. For instance, the Adviser may receive fees from certain accounts that are higher than the fee it receives from the Fund, or it could receive a performance-based fee on certain accounts. The procedures to address conflicts of interest, if any, are described below.

The Adviser attempts to avoid conflicts of interest that may arise as a result of the management of multiple client accounts. From time to time, the Adviser may recommend or cause a client to invest in a security in which another client of the Adviser has an ownership position. The Adviser has adopted certain procedures intended to treat all client accounts in a fair and equitable manner. To the extent that the Adviser seeks to purchase or sell the same security for multiple client accounts, the Adviser may aggregate, or bunch, these orders where it deems this to be appropriate and consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client account will participate at the average share prices for the bunched order. When a bunched order is only partially filled, the securities purchased will be allocated on a pro-rata basis to each account participating in the bunched order based upon the initial amount requested for the account, subject to certain exceptions. Each participating account will receive the average share price for

the bunched order on the same business day. In the event a single block transaction cannot be effected across all custodial platforms, a trade rotation policy shall be implemented to ensure fairness of execution. The trade rotation policy sequences each directed client that was not aggregated into the block order onto a rotating list defining the timing of order releases. For purposes of speed, all directed clients who share a particular broker are assumed to be a single block on the trade rotation schedule. The execution of trades is rotated among the directed clients. If a trade for a particular rotation is not completed during the trading day, any remaining portion of the trade will be completed on the following day(s) before any trade in the same security may be initiated for the next rotation. After the trades have been completed, the schedule is moved up in order and the next broker is put first on the list for the next implementation of trades.

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Compensation</I>. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>For services as Portfolio Manager to the Fund, Mr. Matthes and Mr. Cooper each receives a salary and shares in the profits of the Adviser. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Ownership of Securities</I>. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>As of the date of this SAI, the Portfolio Manager beneficially owned the following amounts in the Fund:</P>

<P style="margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt">Portfolio Manager</P>	<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt">Dollar Range of Shares Beneficially Owned</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:11pt">Andrew G. Matthes </P>	<P style="margin:0px; font-family:Arial; font-size:12pt" align=center>None</P>
<P style="margin:0px; font-family:Arial; font-size:11pt">Gary L. Cooper</P>	<P style="margin:0px; font-family:Arial; font-size:12pt" align=center>None</P>

</TABLE>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>

<P style="margin:0px">
</P>

<P style="margin:0px">
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Specific decisions to purchase or sell securities for the Fund are made by the Portfolio Managers who are employees of the Adviser. <P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Generally, the Adviser is authorized by the Trustees to allocate the orders placed by it on behalf of the Fund to brokers or dealers who may, but need not, provide research or statistical material or other services to the Fund or the Adviser for the Fund's use. Such allocation is to be in such amounts and proportions as the Adviser may determine. </P>

<P style="margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin-top:0px; margin-bottom:8px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>In selecting a broker or dealer to execute each particular transaction, the Adviser will generally take the following into consideration: </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:12pt; float:left">·</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:8px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:12pt" align=justify>the best net price available; </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:12pt; clear:left; float:left">·</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:8px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:12pt" align=justify>the reliability, integrity and financial condition of the broker or dealer; </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:12pt; clear:left; float:left">·</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:8px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:12pt" align=justify>the size of and difficulty in executing the order; and </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:-2px; text-indent:24px; width:48px; font-family:Symbol; font-size:12pt; clear:left; float:left">·</P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:8px; padding-left:48px; text-indent:-2px; font-family:Arial; font-size:12pt" align=justify>the value of the expected contribution of the broker or dealer to the investment performance of the Fund on a continuing basis. </P>

<P style="line-height:14pt; margin-top:0px; margin-bottom:8px; clear:left" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>36</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Brokers or dealers executing a portfolio transaction on behalf of the Fund may receive a commission in excess of the amount of commission another broker or dealer would have charged for executing the transaction if the Adviser determines in good faith that such commission is reasonable in relation to the value of brokerage and research services provided to the Fund. In allocating portfolio brokerage, the Adviser may select brokers or dealers who also provide brokerage, research and other services to other accounts over which the Adviser exercises investment discretion. <P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Some of the services received as the result of Fund transactions may primarily benefit accounts other than the Fund, while services received as the result of portfolio transactions effected on behalf of those other accounts may primarily benefit the Fund.</P>

<P style="margin:0px" align=justify>
</P>

</div>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Trust has adopted policies and procedures that govern the disclosure of the Fund's portfolio holdings. These policies and procedures are designed to ensure that such disclosure is in the best interests of Fund shareholders.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>It is the Trust's policy to: (1) ensure that any disclosure of portfolio holdings information is in the best interest of Trust shareholders; (2) protect the confidentiality of portfolio holdings information; (3) have procedures in place to guard against personal trading based on the information; and (4) ensure that the disclosure of portfolio holdings information does not create conflicts between the interests of the Trust's shareholders and those of the Trust's affiliates. </P>

<P style="line-height:12.5pt; margin:0px" align=justify>
</P>

<P style="line-height:12.5pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund discloses its portfolio holdings by mailing the annual and semi-annual reports to shareholders approximately two months after the end of the fiscal year and semi-annual period. In addition, the Fund discloses its portfolio holdings reports on Forms N-CSR and Form N-Q two months after the end of each quarter/semi-annual period. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund may choose to make portfolio holdings information available to rating agencies such as Lipper, Morningstar or Bloomberg more frequently on a confidential basis. </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Under limited circumstances, as described below, the Fund's portfolio holdings may be disclosed to, or known by, certain third parties in advance of their filing with the Securities and Exchange Commission on Form N-CSR or Form N-Q. In each case, a determination has been made that such advance disclosure is supported by a legitimate business purpose and that the recipient is subject to a duty to keep the information confidential. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Adviser. Personnel of the Adviser, including personnel responsible for managing the Fund's portfolio, may have full daily access to Fund portfolio holdings since that information is necessary in order for them to provide management, administrative, and </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>37</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>investment services to the Fund. As required for purposes of analyzing the impact of existing and future market changes on the prices, availability, demand and liquidity of such securities, as well as for the assistance of portfolio managers in the trading of such securities, Adviser personnel may also release and discuss certain portfolio holdings with various broker-dealers.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Gemini Fund Services, LLC. Gemini Fund Services, LLC is the transfer agent, fund accountant, administrator and custody administrator for the Fund; therefore, its personnel have full daily access to the Fund's portfolio holdings since that information is necessary in order for them to provide the agreed-upon services for the Trust.</P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>[CUSTODIAN]. [CUSTODIAN] is custodian for the Fund; therefore, its personnel have full daily access to the Fund's portfolio holdings since that information is necessary in order for them to provide the agreed-upon services for the Trust. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Tait Weller & Baker LLP. Tait Weller & Baker LLP is the Fund's independent registered public accounting firm; therefore, its personnel have access to the Fund's portfolio holdings in connection with auditing of the Fund's annual financial statements and providing assistance and consultation in connection with SEC filings. </P>

<P style="line-height:14pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>

Thompson Hine LLP. Thompson Hine LLP is counsel to the Fund; therefore, its personnel have access to the Fund's portfolio holdings in connection with review of the Fund's annual and semi-annual shareholder reports and SEC filings.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>

Additions to List of Approved Recipients </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund's Chief Compliance Officer is the person responsible, and whose prior approval is required, for any disclosure of the Fund's portfolio securities at any time or to any persons other than those described above. In such cases, the recipient must have a legitimate business need for the information and must be subject to a duty to keep the information confidential. There are no ongoing arrangements in place with respect to the disclosure of portfolio holdings. In no event shall the Fund, the Adviser, or any other party receive any direct or indirect compensation in connection with the disclosure of information about the Fund's portfolio holdings.</P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>

Compliance With Portfolio Holdings Disclosure Procedures </P>

<P style="line-height:12pt; margin:0px" align=justify>
</P>

<P style="line-height:14pt; margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund's Chief Compliance Officer will report periodically to the Board with respect to compliance with the Fund's portfolio holdings disclosure procedures, and from time to time will provide the

Custodian

[CUSTODIAN] located at [ADDRESS], serves as the custodian of the Fund's assets pursuant to a custody agreement (the "Custody Agreement") by and between the Custodian and the Trust on behalf of the Fund. The Custodian's responsibilities include safeguarding and controlling the Fund's cash and securities, handling the receipt and delivery of securities, and collecting interest and dividends on the Fund's investments. Pursuant to the Custody Agreement, the Custodian also maintains original entry documents and books of record and general ledgers; posts cash receipts and disbursements; and records purchases and sales based upon communications from the Adviser. The Fund may employ foreign sub-custodians that are approved by the Board to hold foreign assets.

Compliance Services

Northern Lights Compliance Services, LLC ("NLCS"), located at 80 Arkay Drive, Hauppauge, NY 11788, an affiliate of GFS and the Distributor, provides a Chief Compliance Officer to the Trust as well as related compliance services pursuant to a consulting agreement between NLCS and the Trust.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Fund has selected Cohen Fund Audit Services, Ltd. located at 1350 Euclid Ave., Suite 800, Cleveland, OH 44115, as its independent registered public accounting firm for the current fiscal year. The firm provides services including (i) audit of annual financial statements, and (ii) assistance and consultation in connection with SEC filings.

LEGAL COUNSEL

Thompson Hine LLP, 41 South High Street, 17th Floor Columbus, Ohio 43215 serves as the Trust's legal counsel.

DISTRIBUTOR

Northern Lights Distributors, LLC, located at 17605 Wright Street, Omaha, NE 68130 (the "Distributor") serves as the principal underwriter and national distributor for the shares of the Trust pursuant to an underwriting agreement with the Trust (the "Underwriting Agreement"). The Distributor is registered as a broker-dealer under the Securities Exchange Act of 1934 and each state's securities laws and is a member of FINRA. The offering of the Fund's shares are continuous. The Underwriting Agreement provides that the Distributor, as agent in connection with the distribution of Fund shares, will use its best efforts to distribute the Fund's shares.

The Underwriting Agreement provides that, unless sooner terminated, it will continue in effect for two years initially and thereafter shall continue from year to year, subject to annual approval by (a) the Board or a vote of a majority of the outstanding shares, and (b) by a majority of the Trustees who are not interested persons of the Trust or of the Distributor by vote cast in person at a meeting called for the purpose of voting on such approval.

The Underwriting Agreement may be terminated by the Fund at any time, without the payment of any penalty, by vote of a majority of the entire Board of the Trust or by vote of a majority of the outstanding shares of the Fund on 60 days written notice to the Distributor, or by the Distributor at any time, without the payment of any penalty, on 60 days written notice to the Fund. The Underwriting Agreement will automatically terminate in the event of its assignment.

DESCRIPTION OF SHARES

41

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="margin:0px; page-break-before:always" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Each share of beneficial interest of the Trust has one vote in the election of Trustees. Cumulative voting is not authorized for the Trust. This means that the holders of more than 50% of the shares voting for the election of Trustees can elect 100% of the Trustees if they choose to do so, and, in that event, the holders of the remaining shares will be unable to elect any Trustees. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Shareholders of the Trust and any other future series of the Trust will vote in the aggregate and not by series except as otherwise required by law or when the Board determines that the matter to be voted upon affects only the interest of the shareholders of a particular series or classes. Matters such as election of Trustees are not subject to separate voting requirements and may be acted upon by shareholders of the Trust voting without regard to series. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Trust is authorized to issue an unlimited number of shares of beneficial interest. Each share has equal dividend, distribution and liquidation rights. There are no conversion or preemptive rights applicable to any shares of the Fund. All shares issued are fully paid and non-assessable.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">CODE OF ETHICS</P></div>

<P style="margin:0px">
</P>

<P style="margin:0px">
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Trust, the Adviser and the Distributor have each adopted codes of ethics under Rule 17j-1 under the 1940 Act that governs the personal securities transactions of their board members, officers and employees who may have access to current trading information of the Trust. Under the code of ethics adopted by the Trust (the "Code"), the Trustees are permitted to invest in securities that may also be purchased by the Fund. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>In addition, the Trust has adopted a code of ethics, which applies only to the Trust's executive officers to ensure that these officers promote professional conduct in the practice of corporate governance and management. The purpose behind these guidelines is to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the SEC and in other public communications made by the Funds; (iii) compliance with applicable governmental laws, rule and regulations; (iv) the prompt internal reporting of violations of this Code to an appropriate person or persons identified in the Code; and (v) accountability for adherence to the Code.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">PROXY VOTING POLICIES</P></div>

<P style="margin:0px">
</P>

<P style="margin:0px">
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Board has adopted Proxy Voting Policies and Procedures ("Policies") on behalf of the Trust, which delegate the responsibility for voting proxies to the Adviser or </P>

<P style="margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>42</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>its designee, subject to the Board's continuing oversight. The Policies require that the Adviser or its designee vote proxies received in a manner consistent with the best interests of the Fund and shareholders. The Policies also require the Adviser or its designee to present to the Board, at least annually, the Adviser's Proxy Policies, or the proxy policies of the Adviser's designee, and a record of each proxy voted by the Adviser or its designee on behalf of the Fund, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Where a proxy proposal raises a material conflict between the Adviser's interests and the Fund's interests, the Adviser will resolve the conflict by voting in accordance with the policy guidelines or at the client's directive using the recommendation of an independent third party. If the third party's recommendations are not received in a timely fashion, the Adviser will abstain from voting the securities held by that client's account. A copy of the Adviser's proxy voting policies is attached hereto as Appendix A.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Information regarding how the Fund voted proxies during the most recent 12-month period ended June 30 is available without charge, upon request, by calling toll free, [PHONE], by accessing the Fund's website at [website] and by accessing the information on proxy voting filed by the Fund on Form N-PX on the SEC's website at <I>www.sec.gov</I>. In addition, a copy of the Fund's proxy voting policies and procedures are also available by calling [PHONE] and will be sent within three business days of receipt of a request.</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">PURCHASE, REDEMPTION AND PRICING

OF FUND SHARES

Calculation of Share Price

As indicated in the Prospectus under the heading "Net Asset Value," the net asset value ("NAV") of the Fund's shares is determined by dividing the total value of the Fund's portfolio investments and other assets, less any liabilities, by the total number of shares outstanding of the Fund.

For purposes of calculating the NAV, portfolio securities and other assets for which market quotes are available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services. Securities primarily traded in the NASDAQ National Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price ("NOCP"). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the last bid price. Certain securities or investments for which daily market quotes are not readily available may be valued, pursuant to guidelines established by the Board, with reference to other securities or indices. Short-term investments having a maturity of 60 days or less are generally valued at amortized cost. Exchange traded options, futures and options on futures are valued at the settlement price determined by

43

the exchange. Other securities for which market quotes are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction.

Investments initially valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange is closed and an investor is not able to purchase, redeem or exchange shares.

Fund shares are valued at the close of regular trading on the New York Stock Exchange (normally 4:00 p.m., Eastern time) (the "NYSE Close") on each day that the New York Stock Exchange is open. For purposes of calculating the NAV, the Fund normally uses pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. Domestic fixed income and foreign securities are normally priced using data reflecting the earlier closing of the principal markets for those securities. Information that becomes known to the Fund or its agents after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of the security or the NAV determined earlier that day.

In unusual circumstances, instead of valuing securities in the usual manner, the Fund may value securities at fair value or estimate their value as determined in good faith by the Board or their designees, pursuant to procedures approved by the Board. Fair valuation may also be used by the Board if extraordinary events occur after the close of the relevant market but prior to the NYSE Close.

The Trust expects that the holidays upon which the New York Stock Exchange ("NYSE") will be closed are as follows: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Purchase of Shares

Orders for shares received by the Fund in good order prior to the close of business on the NYSE on each day during such periods that the NYSE is open for trading are priced at the public offering price, which is NAV plus any sales charge, or at NAV per share (if no sales charges apply) computed as of the close of the regular session of trading on the NYSE. Orders received in good order after the close of the NYSE, or on a day it is not open for trading, are priced at the close of such NYSE on the next day on which it is open for trading at the next determined net asset value per share plus sales charges, if any.

Redemption of Shares

44

The Fund will redeem all or any portion of a shareholder's shares of the Fund when requested in accordance with the procedures set forth in the "Redemptions" section of the Prospectus. Under the 1940 Act, a shareholder's right to redeem shares and to receive payment therefore may be suspended at times:

(a) when the NYSE is closed, other than customary weekend and holiday closings; (b) when trading on that exchange is restricted for any reason; (c) when an emergency exists as a result of which disposal by the Fund of securities owned is not reasonably practicable or it is not reasonably practicable for the Fund to fairly determine the value of net assets, provided that applicable rules and regulations of the Securities and Exchange Commission (or any succeeding governmental authority) will govern as to whether the conditions prescribed in (b) or (c) exist; or (d) when the Securities and Exchange Commission by order permits a suspension of the right to redemption or a postponement of the date of payment on redemption.

In case of suspension of the right of redemption, payment of a redemption request will be made based on the net asset value next determined after the termination of the suspension.

Supporting documents in addition to those listed under "Redemptions" in the Prospectus will be required from executors, administrators, trustees, or if redemption is requested by someone other than the shareholder of record. Such documents include, but are not restricted to, stock powers, trust instruments, certificates of death, appointments as executor, certificates of corporate authority and waiver of tax required in some states when settling estates.

TAX STATUS

The following discussion is general in nature and should not be regarded as an exhaustive presentation of all possible tax ramifications. All shareholders should consult a qualified tax adviser regarding their investment in the Fund.

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), which requires compliance with certain requirements concerning the sources of its income, diversification of its assets, and the amount and timing of its distributions to shareholders. Such qualification does not involve supervision of management or investment practices or policies by any government agency or bureau. By so qualifying, the Fund should not be subject to federal income or excise tax on its net investment income or net capital gain, which are distributed to shareholders in accordance with the applicable timing requirements. Net investment income and net capital gain of the Fund will be computed in accordance with Section 852 of the Code.

45

Net investment income is made up of dividends and interest less expenses. Net capital gain for a fiscal year is computed by taking into account any capital loss carryforward of the Fund. The Fund's net realized capital gains from securities transactions will be distributed only after reducing such gains by the amount of any available capital loss carryforwards. Capital losses incurred in tax years beginning after December 22, 2010 may now be carried forward indefinitely and retain the character of the original loss. Under previously enacted laws, capital losses could be carried forward to offset any capital gains only for eight years, and carried forward as short-term capital losses, irrespective of the character of the original loss. Capital loss carryforwards are available to offset future realized capital gains. To the extent that these carryforwards are used to offset future capital gains it is probable that the amount offset will not be distributed to shareholders.

The Fund intends to distribute all of its net investment income, any excess of net short-term capital gains over net long-term capital losses, and any excess of net long-term capital gains over net short-term capital losses in accordance with the timing requirements imposed by the Code and therefore should not be required to pay any federal income or excise taxes. Distributions of net investment income and net capital gain will be made after the end of each fiscal year. Both types of distributions will be in shares of the Fund unless a shareholder elects to receive cash.

To be treated as a regulated investment company under Subchapter M of the Code, the Fund must also (a) derive at least 90% of its gross income from dividends, interest, payments with respect to securities loans, net income from certain publicly traded partnerships and gains from the sale or other disposition of securities or foreign currencies, or other income (including, but not limited to, gains from options, futures or forward contracts) derived with respect to the business of investing in such securities or currencies, and (b) diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the market value of the Fund's assets is represented by cash, U.S. government securities and securities of other regulated investment companies, and other securities (for purposes of this calculation, generally limited in respect of any one issuer, to an amount not greater than 5% of the market value of the Fund's assets and 10% of the outstanding voting securities of such issuer) and (ii) not more than 25% of the value of its assets is invested in the securities of (other than U.S. government securities or the securities of other regulated investment companies) any one issuer, two or more issuers which the Fund controls and which are determined to be engaged in the same or similar trades or businesses, or the securities of certain publicly traded partnerships.

If the Fund fails to qualify as a regulated investment company under Subchapter M in any fiscal year, it will be treated as a corporation for federal income tax purposes. As such, the Fund would be required to pay income taxes on its net investment income and net realized capital gains, if any, at the rates generally applicable

to corporations. Shareholders of the Fund generally would not be liable for income tax on the Fund's net investment income or net realized capital gains in their individual capacities. Distributions to shareholders, whether from the Fund's net investment income or net

<P style="margin:0px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>46</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always"

align=justify>realized capital gains, would be treated as taxable dividends to the extent of current or accumulated earnings and profits of the Fund. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The Fund is subject to a 4% nondeductible excise tax on certain undistributed amounts of ordinary income and capital gain under a prescribed formula contained in Section 4982 of the Code. The formula requires payment to shareholders during a calendar year of distributions representing at least 98% of the Fund's ordinary income for the calendar year and at least 98.2% of its capital gain net income (i.e., the excess of its capital gains over capital losses) realized during the one-year period ending October 31 during such year plus 100% of any income that was neither distributed nor taxed to the Fund during the preceding calendar year. Under ordinary circumstances, the Fund expects to time its distributions so as to avoid liability for this tax. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>The following discussion of tax consequences is for the general information of shareholders that are subject to tax. Shareholders that are IRAs or other qualified retirement plans are exempt from income taxation under the Code. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Distributions of taxable net investment income and the excess of net short-term capital gain over net long-term capital loss are generally taxable to shareholders as ordinary income, unless such distributions are attributable to “qualified dividend income” eligible for the reduced federal income tax rates applicable to long-term capital gains, provided certain holding period and other requirements are satisfied. The special tax treatment of qualified dividend income will expire for taxable years beginning after December 31, 2012, unless Congress enacts legislation providing otherwise.</P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Distributions of net capital gain ("capital gain dividends") generally are taxable to shareholders as long-term capital gain, regardless of the length of time the shares of the Fund have been held by such shareholders. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>For taxable years beginning after December 31, 2012, certain U.S. shareholders, including individuals and estates and trusts, will be subject to an additional 3.8% Medicare tax on all or a portion of their “net investment income,” which should include dividends from the Fund and net gains from the disposition of shares of the Fund. U.S. shareholders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the Fund.</P>

<P style="margin-top:6.667px; margin-bottom:6.667px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>A redemption of Fund shares by a shareholder will result in the recognition of taxable gain or loss in an amount equal to the difference between the amount realized and the shareholder's tax basis in his or her Fund shares. Such gain or loss is treated as a capital gain or loss if the shares are held as capital assets. The gain or loss will generally be treated as long-term capital gain or loss if the shares were held for more than one year and if not held for such period, as short-term capital gain or loss. However, any loss realized upon the redemption of shares within six months from the date of their purchase will be treated as a long-term capital loss to the extent of any amounts treated as capital gain dividends during such six-month period. All or a portion of any loss realized upon the redemption of shares may be disallowed to the extent </P>

<P style="margin:6.667px" align=justify>

</P>

<P style="margin:0px; font-size:12pt" align=center>47</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin-top:6.667px; margin-bottom:6.667px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>shares are purchased (including shares acquired by means of reinvested dividends) within 30 days before or after such redemption. </P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Distributions of taxable net investment income and net capital gain will be taxable as described above, whether received in additional shares or cash. Shareholders electing to receive distributions in the form of additional shares will have a cost basis for federal income tax purposes in each share so received equal to the net asset value of a share on the reinvestment date. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>All distributions of taxable net investment income and net capital gain, whether received in shares or in cash, must be reported by each taxable shareholder on his or her federal income tax return. Dividends or distributions declared in October, November or December as of a record date in such a month, if any, will be deemed to have been received by shareholders on December 31, if paid during January of the following year. Redemptions of shares may result in tax consequences (gain or loss) to the shareholder and are also subject to these reporting requirements. </P>

<P style="margin:0px" align=justify>
</P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify>Under the Code, the Fund will be required to report to the Internal Revenue Service all distributions of income and capital gains as well as gross proceeds from the redemption or exchange of Fund shares, except in the case of certain exempt shareholders. Under the backup withholding provisions of Section 3406 of the Code, distributions of net investment income and net capital gain and proceeds from the redemption or exchange of the shares of a regulated investment company may be subject to withholding of federal income tax in the case of non-exempt shareholders who fail to furnish the investment company with their taxpayer identification numbers and with required certifications regarding their status under the federal income tax law, or if the Fund is notified by the IRS or a broker that withholding is required due to an incorrect TIN or a previous

fund is notified by the IRS of a broker that withholding is required due to an incorrect TIN or a previous failure to report taxable interest or dividends. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld.

Options, Futures, Forward Contracts and Swap Agreements

To the extent such investments are permissible for the Fund, the Fund's transactions in options, futures contracts, hedging transactions, forward contracts, straddles and foreign currencies will be subject to special tax rules (including mark-to-market, constructive sale, straddle, wash sale and short sale rules), the effect of which may be to accelerate income to the Fund, defer losses to the Fund, cause adjustments in the holding periods of the Fund's securities, convert long-term capital gains into short-term capital gains and convert short-term capital losses into long-term capital losses. These rules could therefore affect the amount, timing and character of distributions to shareholders.

Passive Foreign Investment Companies

Investment by the Fund in certain "passive foreign investment companies" ("PFICs") could subject the Fund to a U.S. federal income tax (including interest charges) on distributions received from the company or on proceeds received from the disposition of shares in the company, which tax cannot be eliminated by making distributions to Fund shareholders. However, the Fund may elect to treat a PFIC as a "qualified electing fund" ("QEF election"), in which case the Fund will be required to include its share of the company's income and net capital gains annually, regardless of whether it receives any distribution from the company.

The Fund also may make an election to mark the gains (and to a limited extent losses) in such holdings "to the market" as though it had sold and repurchased its holdings in those PFICs on the last day of the Fund's taxable year. Such gains and losses are treated as ordinary income and loss. The QEF and mark-to-market elections may accelerate the recognition of income (without the receipt of cash) and increase the amount required to be distributed for the Fund to avoid taxation. Making either of these elections therefore may require the Fund to liquidate other investments (including when it is not advantageous to do so) to meet its distribution requirement, which also may accelerate the recognition of gain and affect the Fund's total return.

Foreign Currency Transactions

The Fund's transactions in foreign currencies, foreign currency-denominated debt securities and certain foreign currency options, futures contracts and forward contracts (and similar instruments) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency concerned.

Other Regulated Investment Companies

Generally, the character of the income or capital gains that the Fund receives from another investment company will pass through to the Fund's shareholders as long as the Fund and the other investment company each qualify as a regulated investment company. However, to the extent that another investment company that qualifies as a regulated investment company realizes net losses on its investments for a given taxable year, the Fund will not be able to recognize its share of those losses until it disposes of

shares of such investment company. Moreover, even when the Fund does make such a disposition, a portion of its loss may be recognized as a long-term capital loss, which will not be treated as favorably for federal income tax purposes as an ordinary deduction. In particular, the Fund will not be able to offset any capital losses from its dispositions of shares of other investment companies against its ordinary income. As a result of the foregoing rules, and certain other special rules, it is possible that the amounts of net investment income and net capital gains that the Fund will be required to distribute to shareholders will be greater than such amounts would have been had the Fund invested directly in the

securities held by the investment companies in which it invests, rather than investing in shares of the investment companies. For similar reasons, the character of distributions from the Fund (e.g., long-term capital gain, qualified dividend income, etc.) will not necessarily be the same as it would have been had the Fund invested directly in the securities held by the investment companies in which it invests.

Foreign Taxation

Income received by the Fund from sources within foreign countries may be subject to withholding and other taxes imposed by such countries. Tax treaties and conventions between certain countries and the U.S. may reduce or eliminate such taxes. If more than 50% of the value of the Fund's total assets at the close of its taxable year consists of securities of foreign corporations, the Fund may be able to elect to pass through to the Fund's shareholders the amount of eligible foreign income and similar taxes paid by the Fund. If this election is made, a shareholder generally subject to tax will be required to include in gross income (in addition to taxable dividends actually received) his or her pro rata share of the foreign taxes paid by the Fund, and may be entitled either to deduct (as an itemized deduction) his or her pro rata share of foreign taxes in computing his or her taxable income or to use it as a foreign tax credit against his or her U.S. federal income tax liability, subject to certain limitations. In particular, a shareholder must hold his or her shares (without protection from risk of loss) on the ex-dividend date and for at least 15 more days during the 30-day period surrounding the ex-dividend date to be eligible to claim a foreign tax credit with respect to a gain dividend. No deduction for foreign taxes may be claimed by a shareholder who does not itemize deductions. Each shareholder will be notified within 60 days after the close of the Fund's taxable year whether the foreign taxes paid by the Fund will be passed through for that year.

Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the shareholder's U.S. tax attributable to his or her total foreign source taxable income. For this purpose, if the pass-through election is made, the source of the Fund's income will flow through to shareholders of the Fund. With respect to the Fund, gains from the sale of securities will be treated as derived from U.S. sources and certain currency fluctuation gains, including fluctuation gains from foreign currency-denominated debt securities, receivables and payables will be treated as ordinary income derived from U.S. sources. The limitation on the foreign tax credit is applied separately to foreign source passive income, and to certain other types of income.

50

before always a shareholder may be unable to claim a credit for the full amount of his or her proportionate share of the foreign taxes paid by the Fund. The foreign tax credit can be used to offset only 90% of the revised alternative minimum tax imposed on corporations and individuals and foreign taxes generally are not deductible in computing alternative minimum taxable income.

Original Issue Discount and Pay-In-Kind Securities

Current federal tax law requires the holder of a U.S. Treasury or other fixed income zero coupon security to accrue as income each year a portion of the discount at which the security was purchased, even though the holder receives no interest payment in cash on the security during the year. In addition, pay-in-kind securities will give rise to income which is required to be distributed and is taxable even though the Fund holding the security receives no interest payment in cash on the security during the year.

Some of the debt securities (with a fixed maturity date of more than one year from the date of issuance) that may be acquired by the Fund may be treated as debt securities that are issued originally at a discount. Generally, the amount of the original issue discount ("OID") is treated as interest income and is included in income over the term of the debt security, even though payment of that amount is not received until a later time, usually when the debt security matures. A portion of the OID includable in income with respect to certain high-yield corporate debt securities (including certain pay-in-kind securities) may be treated as a dividend for U.S. federal income tax purposes.

Some of the debt securities (with a fixed maturity date of more than one year from the date of issuance) that may be acquired by the Fund in the secondary market may be treated as having market discount. Generally, any gain recognized on the disposition of, and any partial payment of principal on, a debt security having market discount is treated as ordinary income to the extent the gain, or principal payment, does not exceed the accrued market discount on such debt security. Market discount generally accrues in equal daily installments. The Fund may make one or more of the elections applicable to debt securities having market discount, which could affect the character and timing of recognition of income.

Some debt securities (with a fixed maturity date of one year or less from the date of issuance) that may be acquired by the Fund may be treated as having acquisition discount, or OID in the case of certain types of debt securities. Generally, the Fund will be required to include the acquisition discount, or OID, in income over the term of the debt security, even though payment of that amount is not received until a later time, usually when the debt security matures. The Fund may make one or more of the elections applicable to debt securities having acquisition discount, or OID, which could affect the character and timing of recognition of income.

51

of cash interest the Fund actually received. Such distributions may be made from the cash assets of the Fund or by liquidation of portfolio securities, if necessary (including when it is not advantageous to do so). The Fund may realize gains or losses from such liquidations. In the event the Fund realizes net capital gains from such transactions, its shareholders may receive a larger capital gain distribution, if any, than they would in the absence of such transactions.

Shareholders of the Fund may be subject to state and local taxes on distributions received from the Fund and on redemptions of the Fund's shares.

A brief explanation of the form and character of the distribution accompany each distribution. After the end of each year the Fund issues to each shareholder a statement of the federal income tax status of all distributions.

Shareholders should consult their tax advisers about the application of federal, state and local and foreign tax law in light of their particular situation.

ANTI-MONEY LAUNDERING PROGRAM

The Trust has established an Anti-Money Laundering Compliance Program (the "Program") as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act"). To ensure compliance with this law, the Trust's Program provides for the development of internal practices, procedures and controls, designation of anti-money laundering compliance officers, an ongoing training program and an independent audit function to determine the effectiveness of the Program. The Trust's secretary serves as its Anti-Money Laundering Compliance Officer.

Procedures to implement the Program include, but are not limited to, determining that the Fund's Distributor and Transfer Agent have established proper anti-money laundering procedures, reporting suspicious and/or fraudulent activity and providing a complete and thorough review of all new opening account applications. The Trust will not transact business with any person or entity whose identity cannot be adequately verified under the provisions of the USA PATRIOT Act.

As a result of the Program, the Trust may be required to "freeze" the account of a shareholder if the information on government lists of known terrorists or other suspicious persons, or the Trust may be required to transfer the account or proceeds of the account to a governmental agency.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a fund. A control person is one who owns, either directly or indirectly more than 25% of the voting securities of a company or acknowledges the existence of control. Shareholders who have the power to vote a large percentage of shares (at least 25%) of the Fund can control the Fund and could determine the outcome of a shareholders' meeting.

MANAGEMENT

The business of the Trust is managed under the direction of the Board in accordance with the Agreement and Declaration of Trust and the Trust's By-laws (the "Governing Documents"), which have been filed with the SEC and are available upon request. The Board consists of five individuals, all of whom are not "interested persons" (as defined under the 1940 Act) of the Trust and the Adviser ("Independent Trustees"). Pursuant to the Governing Documents of the Trust, the Trustees shall elect officers including a President, a Secretary, a Treasurer, a Principal Executive Officer and a Principal Accounting Officer. The Board retains the power to conduct, operate and carry on the business of the Trust and has the power to incur and pay any expenses, which, in the opinion of the Board, are necessary or incidental to carry out any of the Trust's purposes. The Trustees, officers, employees and agents of the Trust, when acting in such capacities,

shall not be subject to any personal liability except for his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of his or her duties. </P><P style="margin:0px" align=justify>
</P><P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Board Leadership Structure</I>. The Board is led by Jerry Vincentini, who has served as the Chairman of the Board since the Trust commenced operations as an SEC-registered investment company in 2012. The Board has not appointed a Lead Independent Trustee because all Trustees are Independent Trustees. Under the Trust's Agreement and Declaration of Trust and By-Laws, the Chairman of the Board is responsible for (a) presiding at Board meetings, (b) calling special meetings on an as-needed basis, and (c) execution and administration of Trust policies, including (i) setting the agendas for Board meetings and (ii) providing information to Board members in advance of each Board meeting and between Board meetings. Generally, the Trust believes it best to have a non-executive Chairman of the Board, who together with the President (principal executive officer), are seen by our shareholders, business partners and other stakeholders as providing strong leadership. The Trust believes that its Chairman/Lead Independent Trustee, the independent chair of the Audit Committee, and, as an entity, the full Board of Trustees, provide effective leadership that is in the best interests of the Trust, its Funds and each shareholder.</P><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Board Risk Oversight</I>. The Board of Trustees is comprised entirely of Independent Trustees with an Audit Committee with a separate chair. The Board is responsible for overseeing risk management, and the full Board regularly engages in discussions of risk management and receives compliance reports that inform its oversight of risk management from its Chief Compliance Officer at quarterly meetings </P><P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>53</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>and on an ad hoc basis, when and if necessary. The Audit Committee considers financial and reporting the risk within its area of responsibilities. Generally, the Board believes that its oversight of material risks is adequately maintained through the compliance-reporting chain where the Chief Compliance Officer is the primary recipient and communicator of such risk-related information.</P>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Trustee Qualifications</I>. Generally, the Fund believes that each Trustee is competent to serve because of their individual overall merits including: (i) experience, (ii) qualifications, (iii) attributes and (iv) skills. Mark H. Taylor has over two decades of academic and professional experience in the accounting and auditing areas, has PhD, Masters and Bachelor degrees in Accounting, is a Certified Public Accountant and is the Andrew D. Braden Professor of Accounting and Auditing at the Weatherhead School of Management at Case Western Reserve University. He serves as a member of three other mutual fund boards outside of the Fund Complex, has served a fellowship in the Office of the Chief Accountant at the headquarters of the United States Securities Exchange Commission, served a three-year term on the AICPA Auditing Standards Board (2008-2011), and like the other Board members, possesses a strong understanding of the regulatory framework under which investment companies must operate based on his years of service to this Board and other mutual fund boards. Mr. Jerry Vincentini is a retired business owner with decades of hands-on business experience in the academic ceremony rental market and agricultural production areas. He holds a Bachelors of Science degree in business, and currently serves on three non-profit boards. He also possesses an adequate understanding of the regulatory framework under which investment companies must operate based on his years of service to another mutual fund board of directors. Mr. Anthony M. Payne has over 30 years of business experience in financial services and gaming industries including serving as an Executive Director of Iowa West Foundation (philanthropic non-profit foundation) and Iowa West Racing Association (non-profit corporation) from 1996 to July 2008. Mr. Payne served as the President of the Council Bluffs Area Chamber of Commerce/Industrial Foundation. He also served as the Chairman of the First National Bank of Council Bluffs and serves as a director of another mutual fund. He serves as a Trustee of Goodwill Industries, Inc. Mr. Payne is a Graduate of the University of Nebraska (Lincoln) and completed further graduate work at Southern Methodist University. Mr. James Jensen has over 30 years of business experience in financial services industry including over 20 years of mutual fund board experience. Since April 2008, Mr. Jensen has served as the Chief Executive Officer of Clearwater Law & Governance Group, where he devotes full time to corporate law practice and board governance consulting for operating companies. From 2001 to 2008, Mr. Jensen co-founded and was Chairman of the Board for Intelisum, Inc., a company pursuing computer and measurement technology and products. From 1986 to 2004, Mr. Jensen held key positions with NPS Pharmaceuticals, Inc., as Vice President, Corporate Development, Legal Affairs and General Counsel and Secretary. In addition to his business experience, Mr. Jensen is Chairman of the Board of Bayhill Capital Corporation and is a Director of the University of Utah Research Foundation. Mr. Jensen was the founder and first President of the MountainWest Venture Group (now "MountainWest Capital Network") in 1983. Mr. Jensen is a member of the National </P><P style="margin:0px" align=justify>
</P>

<P style="margin:0px; font-size:12pt" align=center>54</P>

<P style="margin:0px; font-size:8pt"> </P>

<P style="line-height:10pt; margin:0px">
</P>

<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>

<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt; page-break-before:always" align=justify>Association of Corporate Governance ("NACD"). Mr. Jensen graduated with a BA degree from the University of Utah in 1967 and received degrees of Juris Doctor and Master of Business Administration from Columbia University in 1971. Mr. John V. Palancia has over 30 years of business experience in financial services industry including serving as the Director of Futures Operations for Merrill Lynch, Pierce, Fenner & Smith, Inc. Mr. Palancia also holds a Bachelor of Science degree in Economics. He also possesses a strong understanding of risk management, balance sheet analysis and the regulatory framework under which regulated financial entities must operate based on service to Merrill Lynch. Additionally, he is well versed in the regulatory framework under which investment companies must operate based on his service as a member of 2 other fund boards. The Trust does not believe any one factor is determinative in assessing a Trustee's qualifications, but that the collective experience of each Trustee makes them each highly qualified and well versed in the regulatory framework under which investment companies must operate.</P><P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt" align=justify> </P>

<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt" align=justify><I>Trustees and Officers</I>. 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.

rayne</r<

<p style="margin: 0px; font-family: Arial;">1942</p>	<p style="margin: 0px; font-family: Arial;">Trustee</p>	<p style="margin: 0px; font-family: Arial;">February 2012, Indefinite</p>	<p style="margin: 0px; font-family: Arial;">Retired; (since 2008); Executive Director, Iowa West Foundation (philanthropic non-profit foundation) and Iowa West Racing Association (non-profit corporation) (1996 &#150; 2008).</p>	<p style="margin: 0px; font-family: Arial;">19</p>	<p style="margin: 0px; font-family: Arial;">Lifetime Achievement Fund, Inc. (February 2012 to April 2012)</p>
<p style="margin: 0px; font-family: Arial;">James U. Jensen</p>	<p style="margin: 0px; font-family: Arial;">Trustee</p>	<p style="margin: 0px; font-family: Arial;">February 2012, Indefinite</p>	<p style="margin: 0px; font-family: Arial;">Chief Executive Officer, ClearWater Law & Governance Group, LLC (an operating board governance consulting company) (since 2008); Of Counsel, Woodbury & Kesler (Law Firm, since 2008); Legal Consultant, Jensen Consulting (2004-2008).</p>	<p style="margin: 0px; font-family: Arial;">19</p>	<p style="margin: 0px; font-family: Arial;">Wasatch Funds Trust, (since 1986); Agricon Global Corporation, formerly Bayhill Capital Corporation (large scale farming in Ghana, West Africa) (since December 2007); Lifetime Achievement Fund, Inc. (since February 2012).</p>

56

<p style="margin: 0px; font-family: Arial, Times New Roman;">John V. Palancia 1954</p>	<p style="margin: 0px; font-family: Arial, Times New Roman;">Trustee</p>	<p style="margin: 0px; font-family: Arial, Times New Roman;">February 2012, Indefinite</p>	<p style="margin: 0px; font-family: Arial, Times New Roman;">Retired (since 2011); Formerly, Director of Futures Operations Control, Merrill Lynch, Pierce, Fenner & Smith, Inc. (1975 - 2011).</p>	<p style="margin: 0px; font-family: Arial, Times New Roman;">115</p>	<p style="margin: 0px; font-family: Arial, Times New Roman;">Ladenburg Thalmann Alternative Strategies Fund (since June 2012); Lifetime Achievement Fund, Inc. (February 2012 to April 2012); Northern Lights Fund Trust (December 2011); Northern Lights Variable Trust (December 2011)</p>
--	--	--	---	--	--

* The address of each Trustee and officer is c/o Gemini Fund Services, LLC, 17605 Wright Street, Omaha, Nebraska 68130

** The "Fund Complex" includes the following registered management investment companies in addition to NL III: Northern Lights Fund Trust, and Northern Lights Variable Trust.

*** Mark H. Taylor also serves as an independent trustee of Northern Lights Fund Trust (“NL Trust”) and Northern Lights Variable Trust, each separate trust in the Fund Complex. On May 2, 2013, the SEC filed an Order instituting settled administrative proceedings (the “Order”) against Northern Lights Compliance Services, LLC (“NLCS”), Gemini Fund Services, LLC (“GFS”), certain current Trustees of the Trust, and one former Trustee. To settle the SEC's charges, GFS and NLCS each agreed to pay \$50,000 penalties, and both firms and the named Trustees agreed to engage an independent compliance consultant to address the violations found in the Order. The firms and the named Trustees agreed to settle with the SEC without admitting or denying the SEC's findings, while agreeing to cease and desist from committing or causing any violations and any future violations of those provisions. There were no allegations that shareholders suffered any monetary harm. The SEC charges were not against the Adviser or the Funds.

Officers of the Trust

Name	Address	Year of Birth	Position(s) Held with Registrant	Length of Service	Principal Occupation(s) During Past 5 Years
Andrew Rogers	80 Arkay Drive Hauppauge, NY 11788	1969	President	February 2012, indefinite	Chief Executive Officer, Gemini Fund Services, LLC (since 2012); President and Manager, Gemini Fund Services, LLC (2006 - 2012); Formerly Manager, Northern Lights Compliance Services, LLC (2006 – 2008); and President and Manager, GemCom LLC (2004 - 2011).
Brian Curley	80 Arkay Drive Hauppauge, NY 11788	1970	Treasurer	February 2013, indefinite	Assistant Vice President, Gemini Fund Services, LLC (since 2012); Senior Controller of Fund Treasury, The Goldman Sachs Group, Inc. (2008 – 2012); Senior Associate of Fund Administration, Morgan Stanley (1999 – 2008).
James P. Ash	80 Arkay Drive Hauppauge, NY 11788	1976	Secretary	February 2012, indefinite	Senior Vice President, Gemini Fund Services, LLC (since 2012); Vice President of Gemini Fund Services, LLC (2011 - 2012); Director of Legal Administration, Gemini Fund Services, LLC (2009 - 2011); Assistant Vice President of Legal Administration, Gemini Fund Services, LLC (2008 - 2011).
William Kimme	1963		Chief Compliance Officer		

February 2012, indefinite

Compliance Officer of Northern Lights Compliance Services, LLC (since 2007); Vice President of Investment Support Services for Mutual of Omaha Companies (2002 – 2006).

The Board has an Audit Committee that consists solely of Trustees who are not "interested persons" of the Trust within the meaning of the 1940 Act. The Audit Committee's responsibilities include: (i) recommending to the Board the selection, retention or termination of the Trust's independent auditors; (ii) reviewing with the independent auditors the scope, performance and anticipated cost of their audit; (iii) discussing with the independent auditors certain matters relating to the Trust's financial statements, including any adjustment to such financial statements recommended by such independent auditors, or any other results of any audit; (iv) reviewing on a periodic basis a formal written statement from the independent auditors with respect to their independence, discussing with the independent auditors any relationships or services disclosed in the statement that may impact the objectivity and independence of the Trust's independent auditors and recommending that the Board take appropriate action in response thereto to satisfy itself of the auditor's independence; and (v) considering the comments of the independent auditors and management's responses thereto with respect to the quality and adequacy of the Trust's accounting and financial reporting policies and practices and internal controls. The Audit Committee operates pursuant to an Audit Committee Charter. Mr. Taylor is Chairman of the Audit Committee. During the past fiscal year, the Audit Committee held 6 meetings.

Effective January 1, 2013, the Trust pays each Independent Trustee an annual fee of \$24,000, as well as reimbursement for any reasonable expenses incurred attending the meetings, to be paid quarterly. The Audit Committee Chairman receives an additional annual fee of \$3,500. In addition, the Chairman of the Board receives an additional annual fee of \$3,500. No "interested persons" who serve as a Trustee of the Trust will receive any compensation for their services as Trustee. None of the executive officers receive compensation from the Trust. The table below details the amount of compensation the Trustees are estimated to receive from the Trust during the fiscal year ending October 31, 2013. The Trust does not have a bonus, profit sharing, deferred compensation, pension or retirement plan.

Name and Position	Aggregate Compensation From Trust*
Mark H. Taylor	\$27,500
Jerry Vincentini	\$27,500
Anthony M. Payne	\$24,000
	\$24,000

58

Anthony M. Payne	\$24,000
	\$24,000

Roman">James U. Jensen</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>\$24,000</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>\$24,000</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=191.2><P style="margin:0px; font-family:Arial,Times New Roman">John V. Palancia</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>\$24,000</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>\$154,000</P>
</TD></TR>
</TABLE>
<P style="margin:0px; font-family:Arial,Times New Roman" align=justify>* Trustees' fees will be allocated ratably to each Fund in the Trust.</P>
<P style="margin:0px; font-family:Arial,Times New Roman" align=justify>** The "Fund Complex" includes the following registered management investment companies in addition to the Trust: Northern Lights Fund Trust, Northern Lights Fund Trust II, and Northern Lights Variable Trust. </P>
<P style="margin:0px">
</P>
<P style="margin:0px; text-indent:48px; font-family:Arial,Times New Roman; font-size:12pt"><I>Trustees' Ownership of Shares in the Fund</I>. As of December 31, 2012, the Trustees beneficially owned the following amounts in the Fund:</P>
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:12pt"> </P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 align=center><TR height=0 style="font-size:0"><TD width=174.133 /><TD width=167.533 /><TD width=255.867 /></TR>
<TR><TD style="margin-top:0px; background-color:#F2F2F2; border:1px solid #000000" width=174.133><P style="margin:0px; font-family:Arial,Times New Roman" align=center>Name of Trustee</P>
</TD><TD style="margin-top:0px; background-color:#F2F2F2; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>Dollar Range of Equity Securities in the Fund</P>
</TD><TD style="margin-top:0px; background-color:#F2F2F2; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies*</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=174.133><P style="margin:0px; font-family:Arial,Times New Roman">Mark H. Taylor </P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=174.133><P style="margin:0px; font-family:Arial,Times New Roman">Jerry Vincentini </P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>Over \$100,000</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=174.133><P style="margin:0px; font-family:Arial,Times New Roman">Anthony M. Payne</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=174.133><P style="margin:0px; font-family:Arial,Times New Roman">James U. Jensen</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=174.133><P style="margin:0px; font-family:Arial,Times New Roman">John V. Palancia</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=167.533><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=255.867><P style="margin:0px; font-family:Arial,Times New Roman" align=center>None</P>
</TD></TR>
</TABLE>
<P style="margin:0px; padding-left:18px; font-family:Arial,Times New Roman">* The "Family of Investment Companies" includes the following registered management investment companies in addition to the Trust: Northern Lights Fund Trust, Northern Lights Fund Trust II, and Northern Lights Variable Trust. </P>
<P style="margin:0px">
</P>
<div style="border-bottom-style: solid; border-bottom-width: 1px; padding-bottom: 1px">
<P style="margin:0px; font-family:Arial,Times New Roman; font-size:14pt">FINANCIAL STATEMENTS</P>
</div>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px">
</P>

The Fund has not yet commenced operations and, therefore, has not produced financial statements. Once produced, you can obtain a copy of the financial statements contained in the Fund's Annual or Semi-Annual Report without charge by calling the Fund at [PHONE].

BR

59

APPENDIX A

PROXY VOTING POLICIES AND PROCEDURES

OLE_LINK1 OLE_LINK2

TETON FUND MANAGEMENT, LLC

PROXY VOTING POLICY AND PROCEDURES

[TO BE PROVIDED]

60

PART C

OTHER INFORMATION

Item 28. Exhibits.

(a) Articles of Incorporation.

(i) Registrant's Agreement and Declaration of Trust, which was filed as an exhibit to the Registrant's Registration Statement on Form N-1A on December 30, 2011, is incorporated by reference.

(ii) Certificate of Trust, which was filed as an exhibit to the Registrant's Registration Statement on Form N-1A on December 30, 2011, is incorporated by reference.

(b) By-Laws. Registrant's By-Laws as previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.

(c) Instruments Defining Rights of Security Holder. None other than in the Declaration of Trust and By-Laws of the Registrant.

(d) Investment Advisory Contracts.

(i) Management Agreement for Lifetime Achievement Fund as previously filed on April 9, 2012 to the Registrant's Registration Statement on Form N-1A, and hereby incorporated by reference.

(ii) Investment Advisory Agreement between Swan Wealth Advisors, Inc. and Registrant, with respect to the Swan Defined Risk Fund as previously filed on November 13, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 17, and hereby incorporated by reference.

(iii) Investment Advisory Agreement between Taylor Investment Advisors, LP and Registrant, with respect to the Taylor Xplor Managed Futures Strategy Fund as previously filed on August 23, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 8, and hereby incorporated by reference.

(iv) Sub-Advisory Agreement between Taylor Investment Advisors, LP and BlackRock Investment Management, LLC with respect to Taylor Xplor Managed Futures Strategy Fund as previously filed on November 13, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 17, and hereby incorporated by reference.

(v)

(vi)

(vii)

(viii)

(ix)

(ix)

Investment Sub-Advisory Agreement between Persimmon Capital Management, LP and Caerus Global Investors, LLC, with respect to the Persimmon Long/Short Fund

as previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.

(x)

Investment Sub-Advisory Agreement between Persimmon Capital Management, LP and M.A. Weatherbie & Co., Inc., with respect to the Persimmon Long/Short Fund as

previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.

(xi)

Investment Sub-Advisory Agreement between Persimmon Capital Management, LP and Sonica Capital, LLC, with respect to the Persimmon Long/Short Fund

as previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.

(xii)

Investment Advisory Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor U.S. Tactical Core Fund as previously filed on December 26, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 24, and hereby incorporated by reference.

(xiii)

Investment Advisory Agreement between Spectrum Advisory Services, Inc. and Registrant, with respect to the Marathon Value Portfolio as previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.

(xiv)

Investment Advisory Agreement between Momentum Investment Partners, LLC d/b/a Avatar Investment Management and Registrant, with respect to the Avatar Capital Preservation Fund, Avatar Tactical Fixed Income Fund, Avatar Absolute Return Fund and Avatar Global Opportunities Fund as previously filed on March 1, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 31, and hereby incorporated by reference.

(xv)

(xv)

....,
</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Investment Sub-Advisory Agreement between Persimmon Capital Management, LP and Turner Investments, L.P., with respect to the Persimmon Long/Short Fund

as previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xvi)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Investment Sub-Advisory Agreement between Persimmon Capital Management, LP and ISF Management, LLC, with respect to the Persimmon Long/Short Fund as

previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xvii)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Triumph Alternatives, LLC and Registrant, with respect to the Discretionary Managed Futures Strategy Fund

as

previously filed on May 30, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xviii)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Sub-Advisory Agreement between Triumph Alternatives, LLC and Milne, LLC d/b/a/ JKMilne Asset Management, with respect to the Discretionary Managed Futures Strategy Fund

as

previously filed on May 30, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xix)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Pinnacle Family Advisers, LLC and Registrant, with respect to the Pinnacle Tactical Allocation Fund

as

previously filed on May 15, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 51, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xx)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Stonebridge Capital Advisors, LLC and Registrant, with respect to the Covered Bridge Fund

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xxi)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Global View Capital Management, Ltd. and Registrant, with respect to the Tactical Asset Allocation Fund

as

previously filed on September 6, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 67, and hereby incorporated by reference.</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xxii)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor Tactical Core International Developed Markets Fund and Good Harbor Tactical Equity Income Fund

as

previously filed on September 23, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 70, and hereby incorporated by reference. </P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xxiii)</P>

<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Investment Advisory Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor Tactical Core International Moderate Fund to be filed by subsequent amendment. </P>

to the Swan Defined Risk Fund as previously filed on November 13, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 17, and hereby incorporated by reference. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between CARF Management LLC and the Registrant, with respect to the River Rock IV Fund filed on September 5, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 10, and hereby incorporated by reference. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iv)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Taylor Investment Advisors, LP and the Registrant, with respect to the Taylor Xplor Managed Futures Strategy Fund as previously filed on August 23, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 8, and hereby incorporated by reference. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(v)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Footprints Asset Management & Research, Inc., and Registrant, with respect to the Footprints Discover Value Fund as previously filed on November 13, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 17, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(vi)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between GL Capital Partners, LLC, and Registrant, with respect to the GL Macro Performance Fund as previously filed on December 10, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 20, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(vii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Persimmon Capital Management, LLC, and Registrant, with respect to the Persimmon Long/Short Fund as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(viii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor U.S. Tactical Core Fund as previously filed on December 26, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 24, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(ix)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Triumph Alternatives, LLC and Registrant, with respect to the Discretionary Managed Futures Strategy Fund

as

previously filed on May 30, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(x)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Pinnacle Family Advisers, LLC and Registrant, with respect to the Pinnacle Tactical Allocation Fund

as

previously filed on May 15, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 51, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xi)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Stonebridge Capital Advisors, LLC and Registrant, with respect to The Covered Bridge Fund

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Global View Capital Management, Ltd. and Registrant, with respect to the Tactical Asset Allocation Fund

as

previously filed on September 6, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 67, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xiii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor Tactical Core International Developed Markets Fund and Good Harbor Tactical Equity Income Fund

as

previously filed on September 23, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 70, and hereby incorporated by reference. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xiv)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Good Harbor Financial, LLC and Registrant, with respect to the Good Harbor Tactical Core International Moderate Fund to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xv)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between First Associated Investment Advisors, Inc. and Registrant, with respect to The Teberg Fund to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xvi)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Expense Limitation Agreement between Total Investment Management, Inc. and Registrant, with respect to the RESQ Absolute Equity Fund and RESQ Absolute Income Fund to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xvii)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>
Expense Limitation Agreement between Teton Fund Management, LLC and Registrant, with respect to the Teton Valley Fund to be filed by subsequent amendment. </P>

</P>
<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(i) Legal Opinion.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; float:left">(i)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Legal Opinion and Consent

as previously filed on November 5, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 77, is hereby incorporated by reference.

<STRIKE></STRIKE>

</P>
<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(j) Other Opinions. Consent of Independent Registered Public Accounting Firm
to be filed by subsequent amendment. </P>

<STRIKE></STRIKE>

</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(k) Omitted Financial Statements. None.
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(l) Initial Capital Agreements. None.
</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(m) Rule 12b-1 Plans. </P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; float:left">(i)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Master Distribution and Shareholder Servicing Plan Pursuant to Rule 12b-1 for Class A Shares
as previously filed on November 5, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 77, and hereby incorporated by reference.

<STRIKE></STRIKE>

</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(ii)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>
Master Distribution and Shareholder Servicing Plan Pursuant to Rule 12b-1 for Class C Shares as

previously filed on September 23, 2013 to the Registrant's Registration Statement in Post-Effective

previously filed on September 23, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 70, and hereby incorporated by reference. </P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iii)</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Master Distribution and Shareholder Servicing Plan Pursuant to Rule 12b-1 for Class N Shares

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iv)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Master Distribution and Shareholder Servicing Plan Pursuant to Rule 12b-1 for No-Load Shares

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(v)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Master Distribution and Shareholder Servicing Plan Pursuant to Rule 12b-1 for Non-Designated Class

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(n) Rule 18f-3 Plan

as previously filed on November 5, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 77, and hereby incorporated by reference.

<STRIKE></STRIKE>

</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>

(o) Reserved.

</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>

(p) Code of Ethics.

</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; float:left">

(i)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics for the Trust as previously filed on April 9, 2012 to the Registrant's Registration Statement on Form N-1A, and hereby incorporated by reference.

</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(ii)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics for Manarin Investment Counsel, Ltd. as previously filed on April 9, 2012 to the Registrant's Registration Statement on Form N-1A, and hereby incorporated by reference.

</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(iii)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics for Northern Lights Distributors as previously filed on April 9, 2012 to the Registrant's Registration Statement on Form N-1A, and hereby incorporated by reference.

</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(iv)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Swan Wealth Advisors, Inc. was filed previously filed on June 8, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 4, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(v)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Taylor Investment Advisors, LP was filed previously filed on June 8, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 4, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(vi)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of CARF Management LLC was filed previously filed on June 18, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 5, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(vii)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics for BlackRock, Inc. as previously filed on August 23, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 8, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(viii)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Footprints Asset Management & Research, Inc. as previously filed on November 13, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 17, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(ix)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of GL Capital Partners, LLC as previously filed on December 10, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 20, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(x)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Persimmon Capital Management LP as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xi)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Caerus Global Investors, LLC

as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xii)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of M.A. Weatherbie & Co., Inc

as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xiii)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code

of Ethics of Sonica Capital, LLC

as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xiv)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Good Harbor Financial, LLC

as previously filed on December 26, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 24, and hereby incorporated by reference

..

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xv)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of Spectrum Advisory Services, Inc. as previously filed on March 8, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 33, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xvi)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of Momentum Investment Partners, LLC d/b/a Avatar Investment Management

as previously filed on March 1, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 31, and hereby incorporated by reference

..

</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xvii)

</P>
<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of

Ethics of Turner Investments, L.P. as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xviii)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of ISF Management, LLC as previously filed on December 17, 2012 to the Registrant's Registration Statement in Post-Effective Amendment No. 23, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xix)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of Triumph Alternatives, LLC

as

previously filed on May 30, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xx)

</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of

Milne, LLC d/b/a/ JKMilne Asset Management

as

previously filed on May 30, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xxi)

</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of

Pinnacle Family Advisers, LLC

as

previously filed on May 15, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 51, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xxii)

</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of

Stonebridge Capital Advisors, LLC

as

previously filed on August 19, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 62, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(xxiii)

</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of

Global View Capital Management, Ltd.

as

previously filed on September 6, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 67, and hereby incorporated by reference.</P>

<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(xxiv)</P>

<P style="margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of Milliman Financial Risk Management LLC

<STRIKE></STRIKE>

as previously filed on November 5, 2013 to the Registrant's Registration Statement in Post-Effective Amendment No. 77, and hereby incorporated by reference.

<STRIKE></STRIKE>

</P>

<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt;

clear:left; float:left">(ii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of First Associated Investment Advisors, Inc. to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Code of Ethics of Total Investment Management, Inc. to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">

(iv)

</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>

Code of Ethics of Teton Fund Management, LLC to be filed by subsequent amendment. </P>
<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(q) Powers of Attorney. </P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; float:left">(i)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Power of Attorney for the Trust, and a certificate with respect thereto, and each trustee and executive officer, as previously filed on May 30, 2013 to the Registration Statement in Post-Effective Amendment No. 53, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(ii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Power of Attorney for the DMFSF Fund Limited, and a certificate with respect thereto, and each director, as previously filed on June 4, 2013 to the Registration Statement in Post-Effective Amendment No. 54, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; clear:left; float:left">(iii)</P>
<P style="line-height:12pt; margin:0px; padding-left:96px; text-indent:-2px; font-size:12pt" align=justify>Power of Attorney for the TXMFS Fund Limited, and a certificate with respect thereto, and each director, as previously filed on June 4, 2013 to the Registration Statement in Post-Effective Amendment No. 54, and hereby incorporated by reference.</P>
<P style="line-height:12pt; margin:0px; clear:left" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 29. Control Persons. None.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 30. Indemnification.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Reference is made to Article VIII of the Registrant's Agreement and Declaration of Trust Instrument which is included, Section 8 of the Underwriting Agreement, Section 7 of the Custody Agreement, and Section 4 of the Fund Services Agreement. The application of these provisions is limited by the following undertaking set forth in the rules promulgated by the Securities and Exchange Commission:</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:13pt; margin:0px; font-size:12pt" align=justify>Article VIII, Section 2(b) provides that every note, bond, contract, instrument, certificate or undertaking and every other act or document whatsoever issued, executed or done by or on behalf of the Trust, the officers or the Trustees or any of them in connection with the Trust shall be conclusively deemed to have been issued, executed or done only in such Person's capacity as Trustee and/or as officer, and such Trustee or officer, as applicable, shall not be personally liable therefore, except as described in the last sentence of the first paragraph of Section 2 of Article VIII.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a trustee, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in such Act and will be governed by the final adjudication of such issue. The Registrant may maintain a standard mutual fund and investment advisory professional and directors and officers liability policy. The policy, if maintained, would provide coverage to the Registrant, its Trustees and officers, and could cover its advisers, among others. Coverage under the policy would include losses by reason of any act, error, omission, misstatement, misleading statement, neglect or breach of duty.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>The Underwriting Agreement provides that the Registrant agrees to indemnify, defend and hold Northern Lights Distributors, LLC (“NLD”), its several officers and directors, and any person who controls NLD within the meaning of Section 15 of the Securities Act free and harmless from and against any and all claims, demands, liabilities and expenses (including the reasonable cost of investigating or defending such claims, demands or liabilities and any reasonable counsel fees incurred in connection therewith) which NLD, its officers and directors, or any such controlling persons, may incur under the Securities Act, the 1940 Act, or common law or otherwise, arising out of or based upon: (i) any untrue statement, or alleged untrue statement, of a material fact required to be stated in either any Registration Statement or any Prospectus, (ii) any omission, or alleged omission, to state a material fact required to be stated in any Registration Statement or any Prospectus or necessary to make the statements in any of them not misleading, (iii) the Registrant's failure to maintain an effective Registration statement and Prospectus with respect to Shares of the Funds that are the subject of the claim or demand, or (iv) when the

Prospectus with respect to shares of the Fund that are the subject of the claim or demand, or (iv) unless the Registrant fails to provide NLD with advertising or sales materials to be filed with the FINRA on a timely basis.

The Fund Services Agreements with Gemini Fund Services, LLC (“GFS”) provides that the Registrant agrees to indemnify and hold GFS harmless from and against any and all losses, damages, costs, charges, reasonable counsel fees, payments, expenses and liability arising out of or attributable to the Registrant's refusal or failure to comply with the terms of the Agreement, or which arise out of the Registrant's lack of good faith, gross negligence or willful misconduct with respect to the Registrant's performance under or in connection with this Agreement.

The Consulting Agreement with Northern Lights Compliance Services, LLC (“NLCS”) provides that the Registrant agree to indemnify and hold NLCS harmless from and against any and all losses, damages, costs, charges, reasonable counsel fees, payments, expenses and liability arising out of or attributable to the Trust's refusal or failure to comply with the terms of the Agreement, or which arise out of the Trust's lack of good faith, gross negligence or willful misconduct with respect to the Trust's performance under or in connection with the Agreement. NLCS shall not be liable for, and shall be entitled to rely upon, and may act upon information, records and reports generated by the Trust, advice of the Trust, or of counsel for the Trust and upon statements of the Trust's independent accountants, and shall be without liability for any action reasonably taken or omitted pursuant to such records and reports.

Item 31. Activities of Investment Advisor and Sub-Advisor.

Certain information pertaining to the business and other connections of each Advisor of each series of the Trust is hereby incorporated herein by reference to the section of the respective Prospectus captioned “Investment Advisor” and to the section of the respective Statement of Additional Information captioned “Investment Advisory and Other Services.” The information required by this Item 26 with respect to each director, officer or partner of each Advisor is incorporated by reference to the Advisor's Uniform Application for Investment Adviser Registration (“Form ADV”) on file with the Securities and Exchange Commission (“SEC”). Each Advisor's Form ADV may be obtained, free of charge, at the SEC's website at www.adviserinfo.sec.gov, and may be requested by File No. as follows:

Swan Wealth Advisors, Inc. the Advisor of the Swan Defined Risk Fund – File No. ̡-70881.

Taylor Investment Advisors, LP, the Advisor of the Taylor Xplor Managed Futures Strategy Fund – File No. 801-61075.

BlackRock Investment Management, LLC, the Sub-Advisor of the Taylor Xplor Managed Futures Strategy Fund – File No. 801-56972.

CARF Management LLC, the Adviser of the River Rock IV Fund – File No. 801-76858.

Footprints Asset Management & Research, Inc., the Adviser of the Footprints Discover Value Fund – File No. 801-62315.

GL Capital Partners, LLC, the Adviser of the GL Macro Performance Fund – File No. 801-73180.

Persimmon Capital Management, LP, the Adviser of the Persimmon Long/Short Fund – File No. 801-56210.

Caerus Global Investors, LLC, a Sub-Advisor of the Persimmon Long/Short Fund – File No. 801-72410.

M.A. Weatherbie & Co., Inc., a Sub-Advisor of the Persimmon Long/Short Fund – File No. 801-50672.

Sonica Capital, LLC, a Sub-Advisor of the Persimmon Long/Short Fund – File No. 801-76955.

Good Harbor Financial, LCC, the Adviser of the Good Harbor U.S. Tactical Core Fund, Good Harbor Tactical Core International Developed Markets Fund, Good Harbor Tactical Core International Moderate Fund and Good Harbor Tactical Equity Income Fund – File No. 801-71064.

Spectrum Advisory Services, Inc., the Adviser of the Marathon Value Portfolio – File No. 801-40286.

Momentum Investment Partners, LLC d/b/a Avatar Investment Management the Adviser of the Avatar Capital Preservation Fund, Avatar Tactical Fixed Income Fund, Avatar Absolute Return Fund and Avatar Global Opportunities Fund – File No. 801-72684.

Turner Investments, L.P.,

a Sub-Advisor of the Persimmon Long/Short Fund – File No. 801-36220.

ISF Management. LLC. a Sub-Advisor of the Persimmon Long/Short Fund – File No. 801-71827.

</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Triumph Alternatives, LLC, the Adviser of the Discretionary Managed Futures Strategy Fund – File No. 801-77659.
</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Milne, LLC d/b/a JKMilne Asset Management, a Sub-Adviser of the Discretionary Managed Futures Strategy Fund– File No. 801-63470.</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Pinnacle Family Advisers, LLC, the Adviser of the Pinnacle Tactical Allocation Fund – File No. 801-78013.</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Stonebridge Capital Advisors, LLC, the Adviser of The Covered Bridge Fund– File No. 801-53760.</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Global View Capital Management, Ltd., the Adviser of the Tactical Asset Allocation Fund – File No. 801-72887.</P>
<P style="margin:0px; font-size:12pt" align=justify>Milliman Financial Risk Management, LLC, the Adviser of the Even Keel Managed Risk Fund, Even Keel Opportunities Managed Risk Fund, Even Keel Traveler Managed Risk Fund and Even Keel Explorer Managed Risk Fund – File No. 801-73056.</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>First Associated Investment Advisors, the Adviser of The Teberg Fund – File No. 801-60972.</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Total Investment Management, Inc., the Adviser of the RESQ Absolute Equity Fund and RESQ Absolute Income Fund– File No. 801-69759</P>
<P style="line-height:14pt; margin-top:6.667px; margin-bottom:6.667px; font-size:12pt" align=justify>Teton Fund Management, LLC the Adviser of the Teton Valley Fund– to be

<STRIKE></STRIKE>

provided in subsequent amendment.

</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 32. Principal Underwriter. </P>
<P style="line-height:13pt; margin-top:16px; margin-bottom:0px; font-size:12pt">(a) NLD, is the principal underwriter for all series of Northern Lights Fund Trust III. NLD also acts as principal underwriter for the following: </P>
<P style="line-height:12pt; margin-top:16px; margin-bottom:0px; font-size:12pt" align=justify>AdvisorOne Funds, AmericaFirst Quantitative Funds, Arrow Investments Trust, Compass EMP Funds Trust, Copeland Trust, Dominion Funds, Inc., Equinox Funds Trust, GL Beyond Income Fund, Miller Investment Trust, Mutual Fund Series Trust, Nile Capital Investment Trust, North Country Funds, Northern Lights Fund Trust, Northern Lights Fund Trust II, Northern Lights Fund Trust III, Northern Lights ETF Fund Trust, Northern Lights Variable Trust, OCM Mutual Fund, Roge Partners Funds, Resource Real Estate Diversified Income Fund, The DMS Funds, The Multi-Strategy Growth & Income Fund, The Saratoga Advantage Trust, Total Income+ Real Estate Fund, Tributary Funds, Inc., Two Roads Shared Trust and Vertical Capital Income Fund.</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify> </P>
<P style="line-height:12pt; margin-top:16px; margin-bottom:0px; font-size:12pt" align=justify>(b) NLD is registered with Securities and Exchange Commission as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. The principal business address of NLD is 17605 Wright Street, Omaha, Nebraska 68130. NLD is an affiliate of Gemini Fund Services, LLC. To the best of Registrant’s knowledge, the following are the members and officers of NLD: </P>
<P style="line-height:13pt; margin:0px; font-size:12pt" align=justify> </P>
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0 align=center><TR height=0 style="font-size:0"><TD width=124 /><TD width=342.133 /><TD width=152 /></TR>
<TR><TD style="margin-top:0px; border:1px solid #000000" valign=top width=124><P style="line-height:13pt; margin:0px" align=justify>Name </P>
</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=342.133><P style="line-height:13pt; margin:0px" align=justify>Positions and Offices </P>
<P style="line-height:13pt; margin:0px" align=justify>with Underwriter </P>
</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=152><P style="line-height:13pt; margin:0px" align=justify>Positions and Offices </P>
<P style="line-height:13pt; margin:0px" align=justify>with the Trust</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=124><P style="line-height:13pt; margin:0px" align=justify>Brian Nielsen</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=342.133><P style="line-height:13pt; margin:0px" align=justify>Manager, CEO, Secretary</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=152><P style="line-height:13pt; margin:0px" align=justify>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=124><P style="line-height:13pt; margin:0px" align=justify>Bill Wostoupal</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=342.133><P style="line-height:13pt; margin:0px" align=justify>President</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=152><P style="line-height:13pt; margin:0px" align=justify>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=124><P style="line-height:13pt; margin:0px" align=justify>Daniel Applegarth</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top

width=342.133><P style="line-height:13pt; margin:0px" align=justify>Treasurer </P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top
width=152><P style="line-height:13pt; margin:0px" align=justify>None</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-
bottom:1px solid #000000" valign=top width=124><P style="line-height:13pt; margin:0px" align=justify>Mike
Nielsen</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top
width=342.133><P style="line-height:13pt; margin:0px" align=justify>Chief Compliance Officer and AML
Compliance Officer</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top
width=152><P style="line-height:13pt; margin:0px" align=justify>None</P>
</TD></TR>
</TABLE>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>(c) Not applicable.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 33. Location of Accounts and
Records.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>All accounts, books and documents required to be
maintained by the Registrant pursuant to Section 31(a) of the Investment Company Act of 1940 and Rules 31a-1
through 31a-3 thereunder are maintained at the office of the Registrant, Adviser, Sub-Adviser, Principal
Underwriter, Transfer Agent, Fund Accountant, Administrator and Custodian at the addresses stated in the SAI.
</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Swan Wealth Advisors, Inc. 277 E. Third Avenue, Unit A
Durango, CO 81301, pursuant to the Investment Advisory Agreement with the Trust, maintains all records
required pursuant to such agreement with respect to the Swan Defined Risk Fund. </P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Taylor Investment Advisors, LP, 100 Crescent Court, Suite
525, Dallas, TX 75201, pursuant to the Investment Advisory Agreement with the Trust, maintains all record
required pursuant to such agreement with respect to the Taylor Xplor Managed Futures Strategy Fund. </P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>BlackRock Investment Management, LLC, One University
Square Drive, Princeton, NJ 08540, pursuant to the Sub-Advisory Agreement with the Trust, maintains all record
required pursuant to such agreement with respect to the Taylor Xplor Managed Futures Strategy Fund. </P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>CARF Management LLC, 1899 Powers Ferry Road SE, Suite 120,
Atlanta, Georgia 30339, pursuant to the Advisory Agreement with the Trust, maintains all record required
pursuant to such agreement with respect to the River Rock IV Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Footprints Asset Management & Research, Inc., 11422
Miracle Hills Drive, Suite 208, Omaha, NE 68154 pursuant to the Advisory Agreement with the Trust, maintains
all record required pursuant to such agreement with respect to the Footprints Discover Value Fund.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>GL Capital Partners, LLC, 400 Fifth Avenue, Suite 600,
Waltham, MA 02451 pursuant to the Advisory Agreement with the Trust, maintains all record required pursuant to
such agreement with respect to the GL Macro Performance Fund.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Persimmon Capital Management, LP, 1777 Sentry Parkway,
Gwynedd Hall, Suite 102, Blue Bell, PA 19422 pursuant to the Advisory Agreement with the Trust, maintains all
record required pursuant to such agreement with respect to the Persimmon Long/Short Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>
Caerus Global Investors, LLC, 712 Fifth Avenue, 19th Floor, New York, NY 10019 pursuant to the Sub-Advisory
Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such agreement with
respect to the Persimmon Long/Short Fund.
</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>
Inflection Partners LLC, 388 Market Street, Suite 1300, San Francisco, CA 94111 pursuant to the Sub-Advisory
Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such agreement with
respect to the Persimmon Long/Short Fund.
</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>
M.A. Weatherbie & Co., Inc., 256 Franklin Street, Suite 1601, Boston, MA 02110 pursuant to the Sub-
Advisory Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such
agreement with respect to the Persimmon Long/Short Fund.
</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>
Open Field Capital LLC, 1140 Avenue of the Americas, 9th Floor, New York, NY 10036 pursuant to the Sub-
Advisory Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such
agreement with respect to the Persimmon Long/Short Fund.
</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

Sonica Capital, LLC, 400 Madison Avenue, 17th Floor, New York, NY 10017 pursuant to the Sub-Advisory Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such agreement with respect to the Persimmon Long/Short Fund.

</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

Good Harbor Financial, LLC, 155 N. Wacker Drive, Suite, Chicago, IL 60606 pursuant to the Advisory Agreements with Trust, maintains all record required pursuant to such agreement with respect to the Good Harbor U.S. Tactical Core Fund, Good Harbor Tactical Core International Developed Markets Fund, Good Harbor Tactical Core International Moderate Fund and Good Harbor Tactical Equity Income Fund.

</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Spectrum Advisory Services, Inc., 1050 Crown Pointe Parkway, Suite 750, Atlanta, GA 30338 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Marathon Value Portfolio.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Momentum Investment Partners, LLC d/b/a Avatar Investment Management, 575 Lexington Avenue, 8th Floor, New York, NY 10022 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Marathon Value Portfolio.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

Turner Investments, L.P., 1205 Westlakes Drive, Suite 100, Berwyn, PA 19312 pursuant to the Sub-Advisory Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such agreement with respect to the Persimmon Long/Short Fund.

</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

ISF Management, LLC, 767 Third Avenue, 39th Floor, New York, NY 10017 pursuant to the Sub-Advisory Agreement with Persimmon Capital Management, LP, maintains all record required pursuant to such agreement with respect to the Persimmon Long/Short Fund.

</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

Triumph Alternatives, LLC, 316 Sixth Avenue, Suite 100, LaGrange, Illinois 60525

pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Discretionary Managed Futures Strategy Fund.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Milne, LLC d/b/a/ JKMilne Asset Management, Royal Palm Corporate Center, 1520 Royal Palm Square Blvd., #210, Fort Meyers, FL 33919

pursuant to the Sub-Advisory Agreement with Triumph Alternatives, LLC, maintains all record required pursuant to such agreement with respect to the

Discretionary Managed Futures Strategy Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Pinnacle Family Advisers, LLC, 4200 S. Quail Creek Ave., Suite A, Springfield, MO 65810 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Pinnacle Tactical Allocation Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Stonebridge Capital Advisors, LLC, 2550 University Avenue West, Suite 180 South, Saint Paul, MN 55114 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to The Covered Bridge Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Global View Capital Management, Ltd., Stone Ridge Business Center III, Suite 350, Waukesha, WI 53188 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Tactical Asset Allocation Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Milliman Financial Risk Management, LLC, 71 S. Wacker Drive, 31st Floor, Chicago, IL 60606 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Even Keel Managed Risk Fund, Even Keel Opportunities Managed Risk Fund, Even Keel Traveler Managed Risk Fund and Even Keel Explorer Managed Risk Fund. </P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>First Associated Investment Advisors, Inc., 5161 Miller Trunk Highway Duluth, MN 55811 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to The Teberg Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>Total Investment Management, Inc. 9383 East Bahia Drive, Suite 120, Scottsdale, AZ 85260 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to RESQ Absolute Equity Fund and RESQ Absolute Income Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; font-size:12pt" align=justify>

Teton Fund Management, LLC 1 Maritime Plaza, Suite 1555, San Francisco, CA 94111 pursuant to the Advisory Agreement with Trust, maintains all record required pursuant to such agreement with respect to the Teton Valley Fund.

<STRIKE></STRIKE>

</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 34. Management Services. Not applicable.</P>
<P style="line-height:12pt; margin:0px" align=justify>
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>Item 35. Undertakings. The Registrant undertakes that each Subsidiary and each Director of each Subsidiary hereby consents to service of process within the United States, and to examination of its books and records. </P>
<P style="line-height:12pt; margin:0px" align=justify>

</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<HR style="margin-bottom:9.6px; padding-top:9.6px" noshade size=1.333>
<P style="margin:0px; page-break-before:always">
</P>
<P style="margin:0px">
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt" align=justify>SIGNATURES</P>
<P style="line-height:12pt; margin:0px">
</P>
<P style="line-height:12pt; margin:0px; text-indent:48px; font-size:12pt" align=justify>Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, as amended, the Registrant

<STRIKE></STRIKE>

has duly caused this Post-Effective Amendment No. 7

8

<STRIKE></STRIKE>

to the Registration Statement on Form N-1A to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hauppauge, State of New York, on the

12

<STRIKE></STRIKE>

th day of November, 2013.</P>
<P style="line-height:12pt; margin:0px">
</P>
<P style="line-height:12pt; margin:0px; text-indent:288px; font-size:12pt">Northern Lights Fund Trust III</P>
<P style="line-height:12pt; margin:0px">
</P>
<P style="line-height:12pt; margin:0px; text-indent:288px; font-size:12pt">By:<U> Andrew Rogers*</U></P>
<P style="line-height:12pt; margin:0px; text-indent:288px; font-size:12pt">Andrew Rogers, President</P>
<P style="line-height:12pt; margin:0px">
</P>
<P style="line-height:12pt; margin:0px; text-indent:48px; font-size:12pt" align=justify>Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on the dates indicated.</P>
<P style="line-height:12pt; margin:0px">
</P>
<P style="line-height:12pt; margin:0px; font-size:12pt">Northern Lights Fund Trust III</P>
<div align="center">
<TABLE style="margin-top:0px; font-size:10pt" cellpadding=0 cellspacing=0><TR height=0 style="font-size:0"><TD width=261.067 /><TD width=232.133 /></TR>
<TR><TD style="margin-top:0px; border:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Name</P>
</TD><TD style="margin-top:0px; border-top:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Title</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Andrew Rogers*</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">President </P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Brian Curley*</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Treasurer</P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Mark H. Taylor*</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Independent Trustee </P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Jerry Vincentini*</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Independent Trustee </P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">Anthony M. Payne*</P>
</TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Independent Trustee </P>
</TD></TR>
<TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">James H. Jensen*</P>

bottom:1px solid #000000; width:261.067px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Independent Trustee </P></TD></TR><TR><TD style="margin-top:0px; border-left:1px solid #000000; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=261.067><P style="margin:0px; font-size:12pt">John V. Palancia* </P></TD><TD style="margin-top:0px; border-right:1px solid #000000; border-bottom:1px solid #000000" valign=top width=232.133><P style="margin:0px; font-size:12pt">Independent Trustee </P></TD></TR></TABLE></div>

<P style="margin:0px">
</P><P style="margin-top:0px; margin-bottom:-2px; width:288px; font-size:12pt; float:left">*By:</P><P style="margin:0px; text-indent:-2px; font-size:12pt"><U>Date:</U></P><P style="margin-top:0px; margin-bottom:-2px; width:288px; font-size:12pt; clear:left; float:left"> <U>/s/ James P. Ash, Esq.</U></P><P style="margin:0px; text-indent:-2px; font-size:12pt">November

12,

<STRIKE></STRIKE>

2013</P><P style="margin:0px; font-size:12pt; clear:left">James P. Ash</P><P style="margin:0px; font-size:12pt">*Attorney-in-Fact – Pursuant to Powers of Attorney as previously filed on May 30, 2013 and June 4, 2013.</P><P style="margin:0px">
</P></BODY>

<!-- EDGAR Validation Code: 210143A1 --></HTML></TEXT></DOCUMENT><DOCUMENT><TYPE>GRAPHIC<SEQUENCE>3<FILENAME>coverletter002.gif<TEXT>

begin 644 coverletter002.gif M1TE&.#EA>@(\^'<'`"Y!`"``````+``````!Z`CX`AP`\$\$\$!`0("`@,#`P0\$ M!`4%108!@<'!P@("D)"0H*"@L+"PP,#`T-#0X.#@\/#Q`0\$!\$1(2\$A,3 M\$Q04!45%186%A<7%Q@8&!D9&1H:&AL;&QP<'!T='1X>'A\`?'R`@("\$A(2(B M(B,C(R0D)"4E)28F)B<G)R@H*"DI*2HJ*BLK*RPL+"TM+2XN+B\O+S`P,#\$Q M,3(R,C,S,S0T-#4U-38V-C<W-S@X.#DY.3HZ.CL[.SP\/#T]/3X^/C_/T!` M0\$%!04)"0D-#0T1\$1\$5%149&1D='1TA(2\$E)24I*2DM+2TQ,3\$U-34Y.3D]/ M3U!04%145)24E-34U145%5555965E=75UA86%E965I:6EM;6UQ<7%U=75Y> M7E?7V!@8&%A86)B8F-C8V1D9&5E969F9F=G9VAH:&EI:6IJ>FMK:VQL;&UM M;6YN;F]0;W!P<'%Q<7)R<G-S<W1T='5U=79V=G=W=WAX>'EY>7IZ>GM[>WQ\ M?'U]7Y^?G]_?X"@"(&@8*"@H.#@X2\$A(6%A8:&AH>'AXB(B(F)B8J*BHN+ MBXR,C(V-C8Z.CH^/CY"0D)&1D9*2DI.3DY24E)65E9:6EI>7EYB8F)F9F9J: MFIN;FYR<G)V=G9Z>GI^?GZ"@H*&AH:*BHJ.CHZ2DI*6EI::FIJ>GIZBHJ*FI MJ:JJJJKJZRLK*VMK:ZNKJ^OK["PL&QL;*RLK.SL[2TM+6UM;:VMK>WM[BX MN+FYN;JZKN[N[R\O+V]0;Z^OK^_O\#`P,'!P<+"PL/#P\3\$Q,7%Q<;&QL?` MQ\C(R,G)R<K^RLO+R\S,S,W-S<[.SL_/S]#0T-'1T=+2TM/3T]34U-75U=;6 MUM?7U]C8V-G9V=K:VM0;V]S<W-W=W=[>WM_?W^#@X.'AX>+BXN/CX^3DY.7E MY>;FYN?GY^CHZ.GIZ>KJZNOKZ^SL[.WM[>[N[N_O[_#P\/'Q\?+R\O/S_3T M]/7U]?;V]O?W]_CX^/GY^?KZ^00[^_S_/_W]_?[^_O___PC^/_]2Q6%73^! M"! ,J5.A0'AE,"R-*G\$BQHL6+&#-JW,BQH\>/(\$.*\$FRI,F3%.J7,FR9!D` M&WH,F4FSILV:/S8`F-2RI\^?0(,*'4JTJ-&C2)..]!<\$@-.G4*-*A;I+J=6K M6+-JW<JUJ]>0%NN!<)IA#BE6:.5\$%4`(+:M0910X)2`-K-V[>//JW<NW+\IR M`P#4\$*?06%0\$ZQ3Z0@"6&_D"-+GDRYLN61M0`XJ+;0,-0\$[1;"2"1W>73 MJ%.K7LWZ:IX</QUC@IZH34`%N*UWLV[M^_?0/O]8+`MHN>GM17J6Y%!-#G MT*--+GVZ56S*)QYTF5XA-FFSJX,/^BQ]/7F1V^-O+JU/_OKWZ\]OQ29L&KCZX M;- '<">R'+1HW^]Y\$4]Q`\PA#21YQ&)(*-Q%U(XU)W63S743]4`-@-./\4X\Z MX%>3S8?^S3.1/]/Z(\@<<?WP2S3X2[1/-)W[`X0<GS.BS\$#018&/?- /<HU(\T M#];'330BNF?DD4@:5]H`FFC00\$1)G`0RD(A^_Q2@)0)%&"\$0N08D8\$` M!(@`0`(`!/#+0<AE`2442)00CT3?0-GE`>@L0H\$#"1@`&`\$H`!#3P`8Y" MXU21`5C!`8`4&TB9`^GK10`\$PD+\$J`8W0D]`D"AP@90&=#0/'<BX`0 M2;JZJ0^*V)D#`Z9/:4%`TZ<\^X+#P%`;:L`B0/[9@```!)RSSS[>7.&4 M`%TX]\^U,SPE`#1D0)5`*DP\]RI@!U2?(``*4PYTTJ8X8QF`3[[=*,# M!`HDQ`X.3A%Q#`Z[-.(7(!T`UW_43#R67DI6.<MCT`\$`A<0S(:P45VQ M1;(J%,%3JT2DQE-2).0/*08\'(F/:3P%A#P)A0*5'Q//FJ]3\$)R3T#90)?;/ M+XP14\$`M_23A5=-)/1."09@0Q`W`SCE1(\)P7(`6=\$DU(\+4#5AHT`J`#! M.Q>'+?;8&2=\$PE._1/3`4V4DE\$P#3@!`ST+VM/`4&Y+&M7^!M(FY`R:3EE@ M&D+HY+P?%D_AL(\`/1.BT"H`"-/0/#`0_,U"LSQE`HL([1#5`Q`*M`S`+P M]NFHOUHVOBB@K?93:2"\$C\-.N2(1*4\9P`Q"70,.0"41>?%PX(+,+5/A3.0_3 MR5,#K"/-4S_@DY`]C0Q>R%-A2"0. !\$\ADM`!SSQ%&*A*/0-`#NDKO[Z`*TN M4.M.I;W0VD[%+A`0`CAE@*<10;.Q4V?@'0"FO`"G?`!J2U,`"D)`0(0<SRG) MNP54NL&-IP2`#0F(B#QTXI162,0?XG,*!X3UCQT^!PQ>(H#0)0\$0=P`"R+ MH0RIX[Y_P`\`E,(_0!@OW^@X2G^+YA(/XCPE!#80R"?^`-T/G@(*A;@!)`LH M00,)9SB!G&)\[='!TYP2@"@ (V:U`P!KC&12\$`%&9Y[`#S8<3819@,A+H3A M#.=1][4(\:SX(<)>\/S=5/(/RHG%.:0!&U/*4<`JD\$`CQ`L`M@ (3D>`,` MZ`%W!30'P\X@,XRIS)^^&,341F`%*XQH3X\I0'ZD0@PH**)-,+C`])XP%-: MH+XUO&6N#S-`9Dw05[ZG]__<\. `B`%*\$5#9W3(\`8!7X`,`&'\$/(' @` MB7U44G`.K&(V*N`4!A!#(/MP@^<<H!\$S.T?77B*!,X9D6H\$QBF%<*5`6I\$P M`!`!3K;AS`4^]F773H%!VEH@T`%2@81P\$X@[C"64Z!`D4E`Y1@`L0,<0\$/ M3SSE1G;1P8P\`YK.N4!-J,B\O`QBBV:H`H(V<<D)K`6/QQ\$T]Y0.<BPHU% M.040\@P:(7PWAGWDDY1`#:I7`D`5BW\$E.&4008!P`.*/`(\JWA#(#RE`C`F\$`

M8`"V6P0`<+H/%3AE`>3(0)*NX0,BJ&\$5?4,(.-:P`*`@8(1C_\$,-3%! ".B5BC
M@\$Y1\$[_D0^8/B40[7BA4`+=+*L0-8<)V:']^C\$0IU""(A*E6>>>1=%.*.(I
M,SA`""*0H7[@X*MA%2D\$,>(/96#M*5CXAR\$.L.(R)%,JMMC^ZS_<,;.K)D*P
MA<VM;H5RV<-<%Q]W@,H;)2*%IQSAG\$68J\$#6P;V'.2P-L0&L4Q!05]J<B)%
M<F`E`6"?"?0C?TYIQ\$0L2LY4EE"-M\$&,0,C1Y'<0G*BV(,?Z&`(/DSC#;=(
MJ2+.N8H,2,?:R`''@A!T#LX17_J\$1:?.-0!`B#V`!RGP\$-9V*(/A#\#
M(@1QQ&0,PAIZ\,,@?.&.-.:CBG/U8Q-9<80V!8(/WB#`'@CQB#OP0G23V48<
M%)\$(/J!1(+A@1C]HT8;+\$4,093#&\$PB!AU@([@Q*`>,C=".,UOYC`RH2V6V
M(0<6VL,7_Y""(%HL`VH(1!Z!F!`^/21AB`CL(Q1Y, <Y[H`*?^!`"0_X1AZT
M\8]R%&(0>##.09<8#ZHXAZ=,,0<`)8:L!(".H81#\$4D@TW-. (0?5`F0."Q
MX3ZDP;\6.<!S+&0&R(6(8I%2#- *YA301:0>'7B** ,I`^4*9#1/08`9@_99
MIV0+DU5<R#L@.\. \$=V`]<B`"9[2`QPC9`Q/H4)"8K` `R+D%S9U2GM!XH\C
MD,\$?T*B') (YP#V?T^P++0\$@R&-#B?)AA!0N31Q3L,0U[X`^4Z`&/?3PB=-
MHP5"WH<D^`&+`B!#\$7"PAS1JP0`=:&(3(.R\$. [#A#QF`62#=("5%1&"J(+0
M4SOX1#[^F`"\$QUT&!+JXARX<`J!,`\$,_[B`"\$#Q#SGD@AOR\$, \$NVG&-)KRB
M`_700A`T@8H+I-L?5;BD9/R1!\$;\`Q4Z^\$<LL`B;A!-IP(!#]X\8]\$!/?`
MLO"!0`00VQT8!H""<4(]UN\$`9?1#`Z%(1KW0/8]IC`\$3-`'!&(PCV\$X`!<`
M28/2%+(!:=R#%ASP(%]W8`H]NN)R%#%5`HPW(2<P`7S.^BP\$.<4\$1QQ(;H`
M(IW^@8_+5S;/[P0`%-HD7:~?LVGC!5@^!.`\$!,?C*4W]ARC\$: (R(L\$,#Y*S:
M?J2XL(5D`KR#8DUQ-`!>_W#`DE`R`24F;DIT\$S\$V;+A`907^<85AZ: `4`BG`
M&A`0LKLH?L"N8<_8B\$A*RA#?%HASU8D(I]3(%E4<A\$. _13`_GYHQ!:=`6R
MH0A7`))0A`5SPP.C(!"Z4`')0QDA<`!7T`+YH`UB,`&-1@*T`>RH0\CPS+#
M8`*CYPT`X`RH8`48<`S`H`7.%AF@,`3],`8:H`S`P! /0,`88("QD`&],(!;
MT`W=T`D`_(!`D%&`<4=<`S`\$`;\X`H`C2)A#]\@`^`W`D`T:H#P/`"V,`Q/
M4`&UX`]NX`P)0%0D`]^+0,`L`@LA(#M;8Q\$.15`HQ`7\!1JQ!`T\!1:D!#C
M,`)/\$3JRUU@1<!T"40\28&L"\$4+^`H!20/84WX00Y0`5Q1<1&""G3`QV/`4
M)Q,T50`4.Y!6_2`(\$Z(((\$Y)0`*!I5M,&3[%M`]#\$MP`\$E`"0T`=]RI0.5S`+
M@`V;5`.9\$`#Y+`%W@=^`*`%SF`!SG`99I`]`<%^ [B<\$@^!`CZ`\$QY`(`A\$`
M6U`U]`_D\$`4")`&8! [BN`;,C`"W^"+_Z`"ES.\$0!YE1&`,`\$&,>`.>G`+
M0J!7`T`'(U!`LA`I9`"4#,%[`+IB`+AX`!T4".EF\$.&G`,@[`8P` (=44`
MOG`#I; (/="`"8(/"`)DH`&0UB.^64)0<`'(7`-3`&Y&@`-#`+_C`%X`<,
M%Y!`*RP`^L`P)"9XP`<#0!DKW#V0H\$+T`B`*2"2V0\$?A@#M<0"AX@%2WP`MJP
M#@?1#07D=#X2!4]A`^AST#`^AP;,>2`"0D#]#F-;&%;-3@%/V&\$+C@#%#0/0*1
M#]M5`*@@A>4\Q:1*1!.C!"5N3#`+5-E#%U+I-`\$U+:#`&`4@%"4Y#`5D`#%S
M)4"@;2(1#U#P"780`S82BP(Q?0)Q"7KP"2L`?FR0#?AP!CB06E)(A<^P!9\p
M!6AP&8Z@`OR##^L`!.XW!_YP!1.7@`5?@7U\$@`ON00=CX#[#0!I^P`WJU!^p
M#W`"L94C@MHE2<P>NMX<:X0!`P!)Z@!X`T#ZM`Y/R@?`AX`P/T`T`D0X7
M(`Z6(`0)H`@=\$`2HT00WL`W>4`%F,%N-.0<WT`_RT`^`X)J`*8#^AUT)%%`^`%
M`S[X`<EP`3X8`DBP#`C4!4L^0_A`&":`<\$`VQ<`G`_D74`0Y67@`00I*
M<!#&D`"0EW<4`0@/0`Q300`48`QW<%KHL@6<`!V?`\$`7U\$`!\$\$\$4P:+\$@`Q
MH>`.4`=G8P!5D`W;@`96%0%5`"(QX<\(4QXL\$1/00DP`0%4`8<`!4>`<`<`
MMQ`C\$!@`"2`0`B?(P!@0`ZR!PD<E`%GT`B!`"0#\$`RP"8(<0U@P\$T`8`!%
MX`5*1#@D`\$`@`0B<0J6`_`TH`^NO`/DS`\$@`0!IQ`.K?`\$(D()).I`/9V!F
M^)`&A!0T`Q`*_B`DN,,`\$!)D_\$.1.`%W+`.B<`/J""P<`-9@`&Y`"+4D@&
M90`=1!`XV`+_H`"EC`K`%B;`\$*A`/R`_Z`/+=`"I\$#B2`/W&`%BF<9
M!`*`^0`-3&,@I&ZT`+`Q\$#;9(/(<!U_`&3`_`V`'TA@)IB"%C?`"J`\$*
M2,`/_3`%%,H)340%/`^+CM`.M^`%P` (1?,/IV`#LB\$#CR8(0+,/0\$`"A`^/
M1+`%WT`/'U`5_9`I40@`.X`-]`<`(<`/JZ`(`C\$`"`.V&`("-\$`/`*`^`=
M2>`U`#^HF?@`_`_@#P`#8\$`-A`1"FB"!FJP!W0WLSZ;!SF+!L`_!GC@LST+
M!XS0)I(0!T; ;!W6`!PRQ#8B`!"=P`1J`DE`"-0@.M:@!D9K!X`@&_Z@`#1`
MIO`_#FUP!TW; !K&P"VGOM`V@!J00\$?R@#`7@`R(P`1X@`V8`H!+!#IZ0!2W`
M`14@`CL`!R`0`(!#6[PM6]0?L,B"RNPI!AQ#J`!0D`W`NPN"IA0`-HP`9<`
M`9NP":81#I*`"Z!06?F`4N=P":K`#)K`9`9`";#0AI-1#ZPP"(`OS@`I&@
M`8TP#J!`"940"P)A#7R&29E0"9(`#-]0"98P"9J`"3:3#I+^@`NC\$`LLH@&
M>PZ8X`B2X`G:<)B1X0V3T`B2(`KFP`Z7NY*I,`KJ4`N6L&0?0`FR<\$3Y`N!
M\$`G#T`_WH`JK0"?`)\`R6L0Z`^`SE@`Z?`>)<C8`JL0`B7T`[T4`J=0`[[`N7
M@`WC8`FLP`ZF`Z`F`"Q`^SP"+U`N%<`B7`JMJPHLLP^)(`B.L`O[H`^S4`JI
M1`OV8`Z!@!#9(`GH.PID.@Y@M@^<`A_(`GVT`J?=Q7^@`_T4`^LR1`]D\$S`J
MX;_S8`^0.Q!Z8`_T<`MN!`^0,6[-<:ZI0Y,0L9HG,9J?!7C0`UN_,9P`,=R
M/,=S;`W\`EL`9P(`BZJ[N`^`;\`S`IT],&;0`&`<]#`NOL`@)P&00`'B`R!
M@C`*JL#`?5P(KA1`>_#`?2`,(0;(GBP)-0(+JS#*I\$S*IGS`J)S`JKS`K`S`*
MKOS`L!S+LCS+M%S+MGS+N)S+NKS+0-S+00S+P,S`*H(H0=SD5QGS,QQP!`-`&
M;67,`0`!A8H0[4`">#45`6`!KI`%1XD<1`_)H`\$<(`.)"G\$.8Z`"@,`!7Q`
M5V`!4#&!&0#.YP(`&2`BM(/,]GS/^)S/^KS/_-S/_OS/_!W0`CW0!%W0!GW0
M")W0`Kw0`7UQ`E",ZW,]P`.K!K4?S`NV`.>H.U!`)V?843V`,`Z2`,`V<`
M3^&Q`-'`^`_5\$`64X/4S`*(<B\$,`\$`%`P#S8]#H^@`"00&07,T#[]TT`=US`(
MU\$1=US9]USAMU`Z=\$)\$0!4[]U%`=U5[]U5/-!`?SS#]L2%;`\$?Z03E!1`T9
M<\14A`_# [+T#EPR0GQ5\$S\$P(><P-4YQ2?Y0!P!05XI0!GB=UWJ]UWS=UW[
MUX`=V((]V(1=V(9]V(B=V(J]V(S=V([]V)`=V9(]V91=V8`=TD;A`U+!(3!
M3%#Q`6(L\$%8%`'")\$!`P3F`N:P``%R0\$.LOS@!@;?`_#0I@BFM[V[C-&^E@
MH@J`2!2A55!Q`K;[#U85`+V7\$!0`M2S%(0@.K`^`>)*`^_12R[0`_?D,7N
MD0`8`w?P`_P0`X+HP[G`Y`D("+^T`[0\$`VY4@[D8`_`H#/[4`[GP`_OL#7?
M?<GI8"/H0`[\30[GP`[D`(-NY/!])L=M0P0`D]MM140-Y6MS`;=HKP`OX10#
M0`H3,@P`+72#0F!0]:X-NM8@Q-X`FQH`:=`X6H`K`H`?`[]0`_>\$`/JD`]U
ML`R`H[P`^`@`/Q\$`^VX)WVD,G[\`ETP"+D(`.X@]7P`5[P`A%`^2)0`?%
M4`#)6QGZ(`[7`U`Y`_0<.49M`_MP`[YT`_NL`Y`)`_K@`_Y<;B[0]F3N8:
ML@[ZD0`L`^`_0`8D.`Z81#92.;^]K`.?KY&=,Y70>,.NL\$[/&`0`_`/]>`_`
MW8`-Y@T/?CX`*PGI;`/["`QNV7@3X`!%0`<3`'\@`N`!`@\$!R#H/3?%5Q"H0
M&*[ARP7;9TP,""`.2#(/`*!4/U)Z=8\$`\$M` (M+(\$`_`)_0;`UQ7@`,`!0/)N`"
MA*\$*`.8(\$`'`^`/2J"G)W`%4_P/?E`'@NH-"("6E.\$-50`'(K`^`,`(,`=)`+
M<`#UD`/99`\$`/`/EY!#&(,+Z`.T`!M`M\$%XE!:`SD`(`.#`X?`!TN0.2`*`
MZ3`%M+`&?*\$ (S3W;+`]-XX`"84!G1Q`&_;/6%#Q6?`!H]X`(%#`/0H,)P`_%
MIW`)-,`#^";UK`8@`_`#0# [S@`-,`#S6@#.0;5)K>37@N\$9[N%*`>\$*`W,C`*
MH`%;E!>00`ONVK#M`*F0`J`*`W3E`M,`_3>/Z`^!Z[`_96@#R#`!7:@\$,1^
MMH3,`N*@[/_0`"L0`G0@`-+!`"V`?`YU[0`A[=PN&?RP!)*`\$,>P`U09-&HP
M!/MP`&S0CB)`^AQ0!/_`"@[(-6@`%4!#QY`#DQ0C#40S6`0#<@`^V.>!40
M"0?1!G`DOR`#ZI`_E@`PB0#/C`!53<#TK0`-D0!`_`L(7#`UP#`T`_?0

M!W+P#^M@`<>P!@).6#4/`RNx%`Q\PC1\Q`.\$,5PUJ6S,\$7^0^!&W/2#@T*
M,.6D=P*Y@[]H`&0`?_X`5?P/4P-`YBH`]?L`*2@&"-0`S5```*`4#3V\$`2*
M<`D:AW8[N+;7AGRH`!X]A!U\$-T`\0\8A':`V/S[9TQ\$07_LBOQ3=.`/0`1^7
M_L&[T(?`NG\U?`\$\$\$TW>#1KA\$)YF5+E2I8M7;YR\$C4!T?]ONCSIR.,H6SK
M-`130V=,-4(HL7WP0@Z9!G@(\9\$[:W%NS+&_JU#\$*,<3*Y=07X%&U;L6);)
M!`!`"X"!N9>+TJ*MP2\E"+0!K**\$L.*D/U`\$T@ZI-PP`!`I3K&J0%]>07K!X*
M3)*%`DRY`L[T.Q#.`U`YB6;_ZE3^^<L@Y%_M`I(OQCM`RDF_\`:\`)^9</#(-7
M_QKA^H<-1(Q_MQ;`-<T4",Y\Z"+TAP#=9N>1Y"WJAK!/E)#(,\0PB5,C0X3V
M2[PNN,GSL4.VN)<Z5=C%DC5Z1;46!X?9AYGRCI\$H)3AR9MXOY=^2.:/;R[0
MXQF4_/EBC`!4:0`=A/)IP950/)AC!GJNDF`*+_*1KT,//Y3/K+<6V,HEM]Z*
M:ZZZ[CHIKP/O>"N,7P8K[#`TVCFIF`\`;\`%`!`V\$2YXHf!NEB%VHT>*2<)"K!
M[]DI_0&`!SF`,2*?`=JP(1M9<.`FMC)RH><+0/3Y1QLDP%&BEG_LH8"0=)Y0
M8BM9`KC^Y4<[>?]`R7N@9(:8Q[0T9]&R0#`D#+^F2>:#,[YIYHT^+EB`RQ"
MV":4),@;)YD5\(&`D7_ZT>(<:)>Z91X([Y;NCLV,PR\$\$_4J[ZIY4\$H.F`"AHP
M0VF.-?ZIIx5`_/E`!`!+:R4:%>LXCXP]U+##`!`B#3(/#5:;4,`*RT!6-\$F6VW
MU4:,MP!(\$26Z+`K)1=1TL>)MX"@23#TG+G)`G`8&M:>S0\$9QV&6H(6(7C6
M`9:E7G!`*;E[#_Y`!GC&.:`0/BS*Y81)`V`C`!GC)6"(2,>/"(0A,ON-D&B`.N
M&4^7\$::)!@,^S%#E`V9B@(/0/20XY10]\$)!XK`FXP(1,8Z#^V\$<=&*!(!)+
MK)#KET)2HD>+*MCYAQH?[@@E#&?^B:4#9N9)(@Y8-\$`&`22XZ#)GL\]&2<10
MUV8;1;G\$7=%%<05)JAX50"7/71@#B1;MOO_.>9YOR.D`H7N^P?`\$?N2QQYUX
M\$(`!`#+OH2>YM_.9AYY[W.D7`V_X[F<=<(`&W*5)Z(FG<[%_P<<>`-SA`)\+
M%;<GI7TR-[0?<L91?1Y[YO`WG7OD\7?VTH_4>VVEW=;17)91+2!#5:Z1H*W
M\;\$;H7;085>F2EI\$!`/WSQQR>_?//7TEY```3`A!CWWX=_F"N^#?>D<0\$(!B5T
M%&`")5H,2`OVKJ(W:ZAD&PX8!/K^%+A`!C;0@0^\$X#_4MY:VT.]M"(G`!`=)2
MFY,X0P`!J%=`*!5`"`.!C`&E914KL800`X`:"+X1A#&4X0QJ`98(A9,F)TE*_
M?JRB`&GQPK[D00:TR(%*M`&`M`"/7LTXTAT,00A`\$,3MP``EX1PVUN\$4N
M=M&+Q[MA!90WCUU`8`#`\$`!SF@.`%0B`0,H`\$&8(!+J:0=*0#`0?Z1`CG#
MT0!_.`9!0D%U7W1D(=\$9"(5&98PFLB`_EH&,Y@Q#6Q(DAG>*(<DK1\$-24Z#
M)<U@Q#@08DEF5(,;IP09*9E1HD6VTI60A&4-&]D2`<+E@K`\$92YUN4M>2K!:
M:*&@(\`VV\$MB%M.8QWSA+`/XR`]L(@O/A&8TI3E-:E;3FEDP&#*UN4UN=E.9
M*ZDE`%8`+3,PSYSG1.>^NKE.=K83EL((P%L\$\\(V7*.);(HC=&02P3W[VTY_
M!&A`!2H`=:;K3H`=%*%U;9AN,0?:/B6`H[HC614U*(7Q6A&-;I1CB;CE@D%
M:4A%.CY^=\$,`!X`"`. /I5,&9H%M]6\$<A1SI3FM9TD8Y@`0/:UH`30"\$E;S`!
M`-E&`!D@PZ9`16I29\B`%MB@!T^%ZE-OT(+6H(0+ +=!5*,J`Q?P0JE?!6M8
=R</?7ST)/W0!\\$0L@^<L(2MI!-K7.4JUX```#L_

end
</TEXT>
</DOCUMENT>
<DOCUMENT>
<TYPE>GRAPHIC
<SEQUENCE>4
<FILENAME>coverletter004.gif
<TEXT>

begin 644 coverletter004.gif
M1TE&.#EA>(`^!<`<`"Y!`"``````+``````!X`CX`A_____[^_OW]_?S_/O[
M^_KZ^OQY^?CX^/?W];V]07U]?3T]/S_+R\0`Q`?#P_.0[^[N[NWM]>SL
M[.OKZ^AKJZNGIZ>CHZ.?GY^;FYN7EY>3DY./CX^+BXN`AX>#@X-?W][>WMW=
Mw=S<W-0;V]K:VMG9V=C8V-?7U];6UM75U=34U-/3T]+2TM`1T=#0T,/_S[.
MSLW-S<S,S,0+R^K*RLG)R<C(R,?`Q`;&QL7%Q<3\$Q,/#P\+`PL`!P<#`P+^_
MO[Z^OKV);R\0+N[N[JZNKFYN;BXN+>WM[:VMK6UM;2TM+.SL[*RLK&QL;"P
ML*^OKZJNKJVMK:RLK*GKJZJJJJFIJ:BHJ*>GIZ:FIJ6EI:2DI*.CHZ*BHJ&A
MH: "@H)^?GYZ>GIV=>9R<G)N;FYJ:FIF9F9B8F)>7EY:6E165E924E).3DY*2
MDI&1D9"0D(^/CXZ.CHV-C8R,C(N+BXJ*BHF)B8B(B(>`AX:&AH6%A82\$A(.#
M@X*`@H&!@8`"@`]_?WY^?GU]?7Q?`M[>WIZ>GEY>7AX>`=W=W9V=G5U=71T
M=`-S<W)R<G%Q<7!P<@;VYN;FUM;6QL;&MK:VIJ:FEI:6AH:&=G9V9F9F5E
M961D9&-C8V)B8F%A86!@8%]?7UY>7EU=75Q<7%M;6UI:6EE965A86%=75U96
M5E5555145%-34U)24E%145!04\$]/3TY.3DU-34Q,3M+2TI*2DE)24A(2\$=`
M1T9&1D5%141\$1\$-#0T)"0D%!04!`0#_/SX^/CT]/3P\`#L[.SHZ.CDY.3@X
M.#<W-S8V-C4U-30T-#,S,S(R,C\$Q,3`P,"`O+RXN+BTM+2PL+"LK`RHJ*BDI
M*2@H*`<G)R8F)B4E)20D)",C(R(B(B\$A(2`@(!?`QX>`AT=`1P<`!L;&QH:
M&AD9&1@8&!<7%Q86%A45%104%! ,3\$Q(2\$A\$1\$1`0\$` \/#PX.#@T-#0P,#`L+
M"PH*`@D)"0@`<`!P8!@4%100\$! ,#`P("`@\$!`0` ``C^`\$` `(FR%3,##
M!A,B7*BP(<.`#B-"G"BQ(L6+%C-BW*BQ(\`/`D."`"FR),F3)E.B7*FR)<N7
M+F/"G"E3H4`HZ."AR\E3I\^>0` *#4ITJ-&B2(\J3<ITJ=.F4)]*C4IUJM6J
M6*]JS<IUJ]>N8+^#4MVK-FR:,_Z%`@`@EL("-S&A2NW+MV[<_/ :U8MWK]^
M@/D*`CLX,.`!AA,77RH8L>+&D!]+=DPY<N7)EC-CWGRYLV;/GR#^+^#DT:M.G1
MISFS7<VZM>07L&/+GDV[MNW;N`/KWL[VMA`?P(+`TZ\N`/`CR),K7\Z\N?/G
MT*`-+GTZ]N07KV+`KW\Z]N_?OX,/^BQ]/OKSY\^C3JU_/OKW[]_#CRY]/O[[
M^_CSZ]_/O[___P`&*.``!`!9HX(\$QH<`\$""\A0\$*,+0E75X"49C@>X@`DF&&
M<`"``1`H`!G!(!`\$).*!P9L08`#:`T`@<!,@8.`!PHEPX`&)C&V1`"@<
M+`J\$18]M@8\$D0V^09;4(`(`(UFH0`%JNA@<0(L+Q(R(F7ACDDUVRAS`*
MB"!]QFY6N80\$(&.`B4B)`S9XHJN8;"FDQ?BA@0T/Z`#`!ZX8`(`.&ZAP0P
MT"SI(3+((`\$!+`#DJ1X\$2```C9N48D!H6RM*1`(\$J\$2```[80`@`#,@0B0`R
M-PZ\$#0+^,(`3*2(05CI0J`(!4:I`H`!)"!0=L@8+%&R!`Z/8(`B\$);H*`H0
M*D`^B0`42!J(!20W8>).L0)"8"00BMP\$"3;4"X0+NI_A\$B\$JPJP\$!CYQLX1(I
M`-M*.AL@D4*`SHL(8,)LH<XA`LMJF`B+`"PVFL>N.V^"I;>`2;HA"/@P%
M/,3>!(`I`#2,"K&P8,D6,!0#@`4V`F\$""RH\(\$N6Q^SAO`*`H&!R8FX0\$,E
MKUT"@H=K:&0,`1XA6HG%D/=UC`T*`"3,50(F&JJ;`\"@\$`JKH\$B\8GPM/H:
M,@G/!`34MXEL((`ZFH`IQ&AP@JTT&BK,+M,4SDS\$#`/`#)C);"R2",`3
M(1J(`,-6P1EW+`.N8(`C,@CHL!9XA)B`\$*B,0*#1VKIZXP`%S0#80"PD0(!C
M)@`0]`P(!)&N!L?3T%8X,"1/SX?`F]@^6S0JV,#1^D!88`E`I<-#0`P<`!Q
M-0Y8P`L`EVY!`?B,\$\$2`*`A*,HK,K\U`(!PP670+J*`X@`!D`%J;`"@,7@C0)L
MGIC-XP`!P60B@0`:>!T)B(88`\$E#H`P6U0083:VV<Q^3\K1`P&!3Q@FF@
M(!8(`\$M+ID,\$)#DI9,A`0284)DA8-!YU"A+`B`X45`P0F3%4C!+%(!G!8
M(0!P` `=:90D*D(`##!`!`?1#3C^BFL1.*`A.N!XF>E:PTVL(0(5)D)"6!X
MTZ>@`0,P&G&Y,Z`!2\$EGC.-09#QG@HN`FV%3\$D[%=&W!%A`Z"(D@`6)=F\$!2

MT-@\"BBXA8&!@*\$!\\H>&W`\$@9JNY'3C@T2\$D5`X27, (&#(ZG/#XA`07-`@, T
M6`,*6*#ADGCH&@)`@2U(H(%4H4)&`*A-1&!8B>.@@0NL(`\$>(#B@ZBX&A`@
M@`D8B,-*WTM8>1`C\"/18F\"@0`\$@!C8H\$^81`!;#\"A_+BN!IF30T!Z(#\"\\4!F
M)A5\"!FXP\$#C8(\"3%W,421\$@;+P`%,+*EI\"\$%,D`A(8A`AE%+)(NE-4Q
M*\$`%G^A(+AT`*R[\$+!*\"8%B!P`OC*)BS4-&ZC3TP^(P+\$P0>)A`(F8U
M=,B);?3R%Q8,%<A3G%MK,&\"15\$`#X\"A(U+^\$A&?<*`YU@!21*!#(P;FA@5P
MX\"!U`O&9A%8SQV?9\$;J]=[D(`*?@+C=*@XG9C:DDD(`-`\$%`#`\\2(\$\"BSA
M(D)7DQ\$VY*2U\$J`C1C@\$`-@B*`B.P`0`3M9,1!M1ILG,!XTR9TQ(.S*4E%.`
M;NT!RQFNME\$0H2I>HA`)(!US(CWL#?\":G,-A-&8&@I#K%>`\$B@\$;\$!4`
MI909\"J,;I*Z)CJP`>%0<YA:S&EIMDKB`P_6`VAL`#_0QU.[K^;,R0,+\"#&L=N
M#@N3BIZ\$0-7,U:>K:BT6\\(K;#DU,K\"#`BY2UKJ.%75S20V;D&[6%KR:#!RH
MZ-G+V-)3`(`B2?*\$3P>-*K*7YI0MF%)D6V3U5N]:]499!0`T\"H6*K;6E:P`(
M*_YT)!\"STJY%P9I96\\N546<!PVQ0L.YZHFHC9`RP7\$IZXVMU%\$\"%5BMMJUDL
M`!PK(&@8V@_@X`A>D`R[](Q!\"P\$CA@8-\$G\$0,\$G^VPP`@VMP@\"P+0HF\"0L
M=D8D`K(%\$J)]`2@P2(;T]:VP^%PF`7)D#DSI:*0@&N\$.\"KZ\\H(`!@0\"(>)
MA*%V%/14V-B9E%L7S&*18[L`@(`7^LY@L\$#00M[8UPT>7((SM#`@#0U2Z\$:1.
M]:C]>%0@:@[D]T[% ,CR`\"PLWPP0:&`8D7-@SQS(B\\FK,);-TY?=FB,\"\"UZ\"!
MTI;\"-\$)8`!<8LDMEL)8*\"?Y[ZPFA@`NXM`<4<(-PT*`*1C@=R#PB)&V4/=/
M>\"@5FB;RE*,!X\"E/8?E)G+9LA\"@(`XE]5U\"A4Y;H-F4BE:VFDL^B\$HXGB88E
M0@-\$(``&\"`\"#B3?*\$3P>-*K*7YI0MF%)D6V3U5N]:]499!0`T\"H6*K;6E:P`(
M\"88AXIB)K1=`,`1DZ?S+3D9*Z!`(\$VG<K,\$`OPM\$\"1<Z4DDNI`%2V;/MFC)
MT+\\+`1S^@H;OD>`,`106#PRP!(`\$47`UY5M3EVH\$!K4\"&0PUQP\$F.G@EBSNK
MA6:R4\\2L1#1,H`,`;T\"EDAI.S@I9Z4<R@D`.+=YT1!_I?J\"@TNV:SAX1BNAI
M`FSS:A0%/@\"@86<P4-`%;ZRD9N,+Q%2:H(U4=+V)1[10;8H8ENX\\;7Y#`4U
M*HB*6KI?-%@<1\"K\"0(Z(A050S`\\#*34D(FX\$0(3[#PW-)J?/2A;OSGL>/!AH
MXPRS_/GLF+CTJ\$^]ZK6<S079=43NBSL9T][A0%AY+:J/73TBF;=^_][WP`^^
M\\(=/_.(;_C(3[RE_WB#6/\"\"`0NZ!;`SZ]*`LVG0VM^5BA7TW[[JB(.W
M%HCUIQV7UQ496<+^LAL`LYAL`TNL!QLZ\"#]29*E5F7Z6-9\$T%\"Z1C8V#X8V.W
M`P>X`GL2!PTU)%VZ(E2[@3\\R<C`_@\"18@&;I%\"121RP(D\$.0,')6HTZP(\"-8
MD#.YHR*HP)`%CON)QQT\"@\"X3E0`7K@P4P\"(,FXCE8T#J9&X\"03\$88\$\\0
M\\(+@`P6M(X0@<#3F=R,\$\\8+2)RSW=RJY<CJM@P)-^\$-!!%ZU`Y/HDNY@@@V
M2,88\$)0@`(`#0\$SHTB\$]1G0Z8B*0L%?@(!Q2-%&8`#H#`0VOQ5,GU197)21U
MUC8`0\$X(0\$KX5E\$KART=\$UK\$8EK^*0@<_3<+;AXBX8\$.`\\`\$-)PE3)3Q&(D
M,%!E/I8R@,9.)H,M\$`(`&@B(`-H5C-NW]6\$N\"!`?\\@B=]4])K*\$\\<8V#U0A
M)68I40<7.<0B+I(P)!-(.X*(CH8+4(5,L<09I=EDP0<RL4:(L8CM_,GK,%2
MG`96GB:-`(`.%!U+\"#B3?*\$3P>-*K*7YI0MF%)D6V3U5N]:]499!0`T\"H6*K;6E:P`(
MB\"00YQ*/3U)+0/)`5]B`ZV@U?K0:(=,NX,A+\"\"!E`2**GH<#T(`ZP0\"\\!1N
M88@-2`#T+`N,%\"\"U;@:3[4:18\$ZKX4*\">`!+`0\$NLP<+X8J2T*`J`NH0@`
MP80\"P(#^!ZA09T#VCVP!\"X%2@*C\"%ANF4RW)\"9QFDI!07_FU3E\"`#R`GD\"_C
MD%26,?)74B+\"A^6X&XB\$]S&9CI/&(C6R&N.B)ATT490T,UNS+N<\"D5-4+^6C
M)%IFD^4B0(@@;BE#0QC0:G68D!699A`R7Z!@)E5U5N9\$.JRQD1529=#V1X,2
M(B0)>R8)!F\$H\$/U*AB`\"\$NB7`]X(V\"#\"9XD>ZL137U86R)6<4U4,+^S<Z3`
M2A^V*NF\$\"(P:P:VQ!;AF33E@B?`V#5!I+@WE;0!`7BE*U@9+QPT-_UE,A.`
M\"#(\"+NF\$/X`6D2\$?Y)`<4<B,`!I.%`FR99F\"7=0`Y(1T\"\"GG^Y`E%N(.&`U2H
M0RP[YUU\\N3LC0S%HL#7E6:'PG&:(`?QI7=<SPOLBD`(&YB93F<MYDLTD[>
M*2,.A`F,DCB84*\"NA`2D!PGV!0J>%C?&V2UM49BW)\"*HPH\"X.1M8X&D263/;
MDDU/0HQ`HCD%<3N:DSOI5%M?%B1[-D-]6\$JY@PI8U8Z3UE(==\"-`<#,1%2%[
M8J`V`I,L`@7@8DY4MB1]F69#4E@/THO`5B\$B.8<(@`(`8\$(W0TNT!TF%@C`X`
M)`3Y%5#X\"3:(D#I`D#`Q\\V<4B20Z!03.\\H<-@BD`L(H\"\$4.8<Z1/`@LX4\$Y@
M`@GY\"L.26P_DYX7JAO2J52\$R\$G^:%!S%0()3)! (Y<Q1N)W&W<B?&0G\"`<[
MIH((A=HN-%HB0+`Z\$5>@3A9J+)*!\$;)`_Y18A(Q-F!JAE`F+`ZM#4DB&`N
M2P8(G&0F`\$4D2\$Y`%#0.2B!`\$70(\$80#63<F.9)B:4#51.S]4:D=%#
ML?BK%G03E]B.M\\-!\"JHH)((L.X(&6(FHX8*J+\".8\$!G-Q*-J?JGZKJN[#H<
M/-JN\\!JO\\CJO]%JO]GJO^)JO^KJO_-JO_OJO`!NP`CNP!(L\"&Y)IY`(`D%!`
MLX\$Y[(;H?BEH&`JH5<R7K<<(4>P&KNQ0+!.N9)_K-%^AQD;@#!9N@&E(D,J
M2T)NW*/^H+2!(\"123M\"77/5.)P5+.D\$#,P>C*#)Z%`L5_Z<SS[&W925\"[Y
ML+5A)R`RL\\#H&CC@+#B0JC\"@H`5Y8SHK*@(*G&;G+\"2RL5Z;'&PC0-09&L@P
MLK`A6;RQDJN!!`?HIKBQ*4NR81&5/5R\"`UTS4]!P+I&Y-^YC.3@(\"Q03B516
MIUGK4\"3Y*.`*`<_2*ZB0:ZL!\"!)X(F<V70\\X7]39FC7GLCHT9*:2=2<\"#F#T
MM:);`\$`0GV+\"(S@`!%U2MA\"`74J(JZ+`P7I*#-\$,CH((0,ANP.!!DK(OA0
M2I;5(;B`!GC=4\"!/OX-DL2).0((`#TIN?\"-`PHF&P!#2`^4HCRV&;3Z1LF
M*2HE9A04VU\\4XS*1&UI`9C58<UKTZ\$>NA@?`\$PKPF^L^6>C6[^_`0;0&4@?
M@Z\"14K:EPSK0P+0@H&:_I\"6&@P/@`:``G\$SFQ@@(HL\$+PUH)(`2PW@POM
MA@Q+@@F&HY]P\\(&NPS>* ,E,OLV[0VX+8`[IRA9KY&048[V+(B2U5:Z&BP*S
M-\$,NJ7C?9:FM43I.-C5ENRSX\$KF?\"]-G!0NJZ1;:>\$\\^\\\$\\,E,_PS9!RR/T
M:[]6K!M(4,'S.S<J=)\\P0(9_]\"(,BEG+E8TN,EG>:I]B)85/U;LH@`^M;-M
MBB6BTXS:R50S=WLD+\"4BI50\\?,+^;,%AJONED`!`P\$`II@0#&R7#VEL<\$(`/
M>!!!=]1)LEM4+02XAUZSGNNE1,K7X(#*R)D=@[<\".L7+@[5T=-TU)N;PP#
M]=1F2`0%LEP;^F*3D7DN:#`P900&J/`BF*!%D,HGQDZ_D(SI(0`LC;X2BC
MF_(B;MIXM2M6&;N/P8*H(`-+,@MN;,E/!7+G@0!*\"!UY[(K\\04B\"BDC:\$!`=
M51P<W4L](K)1+\\)B08LZ6].%8A4A=P5K^-.OPH*T)`H5#1#LX8J[E,Z/59+
M-*.:C3S+#%T;<(`/BH+,UQ.!?Z0Y08P-D;*DGBNL`D\$HI,(M0W`*MP2)XC,
MM=-*^\\?^K6VYI=<`^XGT)Z.K_=BZBK4A+9?!BBFS3)3`LIF>5,>L,`!B0
MF/<I3B\\B/UK+%CK=-D%<+A*+9WR,[-56_>T=2,(QXR,*<#\"6`P,R9RQV:W
M00T]UASYQ@L,A3V,V\"@4\"B2M`PL?,4F<2(!8FBD-X:+\"7[3@]D6#^#\"1W6
MFN+ZJRVE3UR\"\":M8.-3BK10H&H`!+;!0E;2&#-#`P)V)\"V#P*`5ZA?VBOG&W
M@@]V5ZJ)SN/;>[TA+IPJ5I#`P=YZ-138JC-M)PYF-G-945Y#+QT8R9\$BK\$5S
M4C+I9)7UV!E2,UJS(S<VK@U*ULB]'2\"@S-\"1N,G]W-\"-+`R/W47=W6?W8
KG=W:0=W<W=W>_W@`=[B/= [D7=[F?=[HG=[J0=[LW=[N_=[P`_]`\$1`.`S_

end
</TEXT>
</DOCUMENT>
<DOCUMENT>
<TYPE>CORRESP
<SEQUENCE>5
<FILENAME>filename5.htm

<!EXI>
<!doctype html public "-//IETF//DTD HTML//EN">
<HTML>
<HEAD>
<TITLE>GemCom, LLC</TITLE>
<META NAME="date" CONTENT="11/12/2013">
</HEAD>
<BODY style="margin-top:0;font-family:Times New Roman; font-size:10pt; color:#000000">
<P style="margin:0px">
</P>
<P style="margin:0px; font-size:12pt"> </P>
<P style="margin:0px; font-size:12pt"> </P>
<P style="margin:0px; font-size:12pt"> </P>
<P style="margin:0px; font-size:12pt"> </P>
<P style="margin:0px; font-size:12pt"> </P>
<P style="margin:0px; font-size:12pt">November 12, 2013</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px; font-size:12pt"><U>VIA ELECTRONIC TRANSMISSION</U></P>
<P style="margin:0px">
</P>
<P style="margin:0px; font-size:12pt">Securities & Exchange Commission</P>
<P style="margin:0px; font-size:12pt">Public Filing Desk</P>
<P style="margin:0px; font-size:12pt">100 F Street, N.E.</P>
<P style="margin:0px; font-size:12pt">Washington, D.C. 20549</P>
<P style="margin:0px">
</P>
<P style="margin-top:0px; margin-bottom:-2px; text-indent:48px; width:96px; font-size:12pt; float:left">Re:
</P>
<P style="margin:0px; text-indent:-2px; font-size:12pt"><U>Northern Lights Fund Trust III, File Nos. 333-
178833 and 811-22655</U></P>
<P style="margin:0px; clear:left">
</P>
<P style="margin:0px; font-size:12pt">Dear Sir/Madam:</P>
<P style="margin:0px">
</P>
<P style="margin:0px; font-size:12pt" align=justify>On behalf of Northern Lights Fund Trust III, a registered
investment company (the “Trust”), we hereby submit, via electronic filing, Post-Effective Amendment
No. 78 to the Trust’s Registration Statement under the Securities Act of 1933. The Amendment is
filed pursuant to Rule 485(a) promulgated under the Securities Act of 1933. The main purpose of this
filing is to register shares of the Teton Valley Fund.</P>
<P style="margin:0px" align=justify>
</P>
<P style="margin:0px; text-indent:48px; font-size:12pt" align=justify>If you have any questions, please
contact Tanya Goins at (202) 973-2722 or JoAnn Strasser at (614) 469-3265.</P>
<P style="margin:0px">
</P>
<P style="margin-top:0px; margin-bottom:16px; padding-left:269.733px; font-size:12pt">Very truly yours,</P>
<P style="margin-top:0px; margin-bottom:16px; padding-left:269.733px; font-size:12pt">/s/ Tanya L.
Goins</P>
<P style="margin-top:0px; margin-bottom:16px; padding-left:269.733px; font-size:12pt">Tanya L. Goins</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px">
</P>
<P style="margin:0px; font-size:8pt"></P>
<P style="margin:0px">

</P>
</BODY>
<!-- EDGAR Validation Code: DC8B7593 -->
</HTML>
</TEXT>
</DOCUMENT>
</SEC-DOCUMENT>