



CP High Yield Trend ETF

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Semi-Annual Report
June 30, 2022

1-844-509-2775
www.cpetfs.com

Distributed by Northern Lights Distributors, LLC
Member FINRA

CP High Yield Trend ETF

PORTFOLIO REVIEW (Unaudited)

June 30, 2022

Average Annual Total Return through June 30, 2022, as compared to its benchmark:

	Six Months	One Year	Since Inception (1)
CP High Yield Trend ETF - NAV	(7.53)%	(7.15)%	(2.34)%
CP High Yield Trend ETF - Market Price	(7.45)%	(7.06)%	(2.32)%
CP High Yield Trend Index (2)	(7.22)%	(6.53)%	(1.71)%
Bloomberg U.S. Aggregate Bond Index (3)	(10.35)%	(10.29)%	(2.46)%

The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the sales of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.cpetfs.com or by calling 1-844-509-2775. The Fund's per share net asset value or NAV is the value of one share of the Fund as calculated in accordance with the standard formula for valuing exchange traded fund shares. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. Market Price returns are calculated using the closing price and account for distributions from the Fund. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in the Fund at Market Price and NAV, respectively. The Fund's adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until at least April 30, 2023, to insure that total annual fund operating expenses after fee waiver and/or reimbursement (exclusive of any front-end or contingent deferred loads, taxes, brokerage fees and commissions, borrowing costs (such as interest and dividend expense on securities sold short), acquired fund fees and expenses, fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example option and swap fees and expenses), or extraordinary expenses such as litigation (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the adviser))) will not exceed 0.60% of the Fund's average daily net assets. These fee waivers and expense reimbursements are subject to possible recoupment by the adviser from the Fund in future years (within the three years from the time the fees were waived or reimbursed), if such recoupment can be achieved within the lesser of the foregoing expense limits or those in place at the time of recapture. This agreement may be terminated by the Trust's Board of Trustees only on 60 days' written notice to the adviser. Had the adviser not waived a portion of its fees, total returns would have been lower. The Fund's total gross annual operating expenses are 2.37% per the April 26, 2022 Prospectus.

- (1) As of the close of business on the day of commencement of operations on January 21, 2020.
- (2) The CP High Yield Trend Index is composed, in 20% increments, of U.S. high yield corporate bonds ("junk bonds") with the remainder in U.S. Treasury ETFs. Index returns assume reinvestment of dividends. Investors may not invest in the Index directly. Unlike the Fund's returns, the Index does not reflect any fees or expenses.
- (3) The Bloomberg U.S. Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and ten years. Index returns assume reinvestment of dividends. Investors may not invest in the Index directly. Unlike the Fund's returns, the Index does not reflect any fees or expenses.

Portfolio Composition as of June 30, 2022

Holdings By Asset Type	% of Net Assets
Exchange-Traded Fund	99.5%
Other Assets in Excess of Liabilities	0.5%
	100.0%

Please refer to the Schedule of Investments in this semi-annual report for a detailed listing of the Fund's holdings.

CP HIGH YIELD TREND ETF
SCHEDULE OF INVESTMENTS (Unaudited)
June 30, 2022

<u>Shares</u>		<u>Fair Value</u>
	EXCHANGE-TRADED FUND — 99.5%	
	FIXED INCOME - 99.5%	
78,126	iShares 3-7 Year Treasury Bond ETF	\$ 9,323,557
	TOTAL EXCHANGE-TRADED FUNDS (Cost \$9,915,536)	
	TOTAL INVESTMENTS - 99.5% (Cost \$9,915,536)	\$ 9,323,557
	OTHER ASSETS IN EXCESS OF LIABILITIES- 0.5%	45,204
	NET ASSETS - 100.0%	<u>\$ 9,368,761</u>

ETF - Exchange-Traded Fund

CP HIGH YIELD TREND ETF
STATEMENT OF ASSETS AND LIABILITIES (Unaudited)
June 30, 2022

ASSETS

Investment securities:	
At cost	\$ 9,915,536
At value	\$ 9,323,557
Cash and cash equivalents	30,059
Receivable due from advisor	8,501
Prepaid expenses and other assets	22,370
TOTAL ASSETS	9,384,487

LIABILITIES

Audit and tax fees payable	7,615
Transfer agent fees payable	4,954
Custody fees payable	1,859
Other accrued expenses and other liabilities	1,298
TOTAL LIABILITIES	15,726

NET ASSETS

\$ 9,368,761

NET ASSETS CONSIST OF:

Paid in capital	\$ 10,527,470
Accumulated losses	(1,158,709)

NET ASSETS

\$ 9,368,761

NET ASSET VALUE PER SHARE:

Net Assets	\$ 9,368,761
Shares of beneficial interest outstanding (\$0 par value, unlimited shares authorized)	425,000
Net asset value (Net Assets / Shares Outstanding), offering price and redemption price per share	\$ 22.04

CP HIGH YIELD TREND ETF
STATEMENT OF OPERATIONS (Unaudited)
For the Six Months Ended June 30, 2022

INVESTMENT INCOME	
Dividends	\$ 35,344
TOTAL INVESTMENT INCOME	<u>35,344</u>
EXPENSES	
Investment advisory fees	23,872
Administrative services fees	27,275
Professional fees	15,870
Compliance officer fees	6,943
Trustees fees and expenses	6,447
Transfer agent fees	5,951
Printing and postage expenses	4,960
Custodian fees	4,822
Insurance expense	496
Other expenses	6,199
TOTAL EXPENSES	<u>102,835</u>
Less: Fees waived/expenses reimbursed by the adviser	<u>(74,202)</u>
NET EXPENSES	<u>28,633</u>
NET INVESTMENT INCOME	<u>6,711</u>
REALIZED AND UNREALIZED LOSS ON INVESTMENTS	
Net realized loss on investments	(133,539)
Net change in unrealized depreciation on investments	(632,473)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS	<u>(766,012)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$ (759,301)</u></u>

See accompanying notes to financial statements.

CP HIGH YIELD TREND ETF
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2022 (Unaudited)	For the Year Ended December 31, 2021
FROM OPERATIONS:		
Net investment income	\$ 6,711	\$ 353,593
Net realized gain (loss) from investments	(133,539)	84,962
Net realized gain on in-kind redemptions	-	277,857
Net change in unrealized depreciation on investments	(632,473)	(431,510)
Net increase (decrease) in net assets resulting from operations	(759,301)	284,902
DISTRIBUTIONS TO SHAREHOLDERS:		
Return of capital	-	(27,987)
From net investment income	(6,248)	(353,593)
Decrease in net assets resulting from distributions to shareholders	(6,248)	(381,580)
FROM SHARES OF BENEFICIAL INTEREST:		
Proceeds from shares sold	-	3,011,749
Payments for shares redeemed	-	(5,416,063)
Net decrease in net assets resulting from shares of beneficial interest	-	(2,404,314)
TOTAL DECREASE IN NET ASSETS	(765,549)	(2,500,992)
NET ASSETS		
Beginning of Period	10,134,310	12,635,302
End of Period	<u>\$ 9,368,761</u>	<u>\$ 10,134,310</u>
SHARE ACTIVITY		
Shares Sold	-	125,000
Shares Redeemed	-	(225,000)
Net increase (decrease) in shares of beneficial interest outstanding	-	(100,000)

See accompanying notes to financial statements.

CP HIGH YIELD TREND ETF

FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period

	For the Six Months Ended June 30, 2022 (Unaudited)	For the Year Ended December 31, 2021	For the Period Ended December 31, 2020 (1)
Net asset value, beginning of period	\$ 23.85	\$ 24.07	\$ 25.00
Income from investment operations:			
Net investment income (2)	0.02	0.79	0.71
Net realized and unrealized loss on investments	(1.82)	(0.13)	(0.91)
Total from investment operations	(1.80)	0.66	(0.20)
Less distributions from:			
Net investment income	(0.01)	(0.81)	(0.72)
Return of capital	-	(0.07)	(0.01)
Total distributions	(0.01)	(0.88)	(0.73)
Net asset value, end of period	\$ 22.04	\$ 23.85	\$ 24.07
Market price, end of period *	\$ 22.05	\$ 23.84	\$ 24.07
Total return (3)	(7.53)% (4)	2.79%	(0.70)% (4)
Net assets, at end of period (000s)	\$ 9,369	\$ 10,134	\$ 12,635
Ratio of gross expenses to average net assets (6,9)	2.15% (5)	1.94%	1.91% (5)
Ratio of net expenses to average net assets (6)	0.60% (5)	0.60%	0.60% (5)
Ratio of net investment income to average net assets (7)	0.14% (5)	3.28%	3.17% (5)
Portfolio Turnover Rate (8)	144% (4)	255%	561% (4)

(1) The CP High Yield Trend ETF commenced operations on January 21, 2020.

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

(3) Total returns are historical in nature and assume changes in share price, reinvestment of all dividends and distributions, if any. Had the adviser not waived a portion of its fees, total returns would have been lower.

(4) Not annualized.

(5) Annualized.

(6) Does not include the expenses of other investment companies in which the Fund invests.

(7) Recognition of investment income by the Fund is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(8) Portfolio turnover rate excludes portfolio securities received or delivered as a result of processing capital share transactions in Creation Units. (Note 7)

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

* Market Price is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated.

CP High Yield Trend ETF

NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2022

1. ORGANIZATION

The CP High Yield Trend ETF (the "Fund") is a diversified series of Northern Lights Fund Trust III (the "Trust"), a trust organized under the laws of the State of Delaware on December 5, 2011, and registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Fund seeks to provide investment results that equals or exceeds, before fees and expenses, the performance of the CP High Yield Trend Index (the "Index"). The Fund commenced operations on January 21, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increase and decrease in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 "*Financial Services – Investment Companies*".

Security Valuation – Securities listed on an exchange are valued at the last reported sale price at the close of the regular trading session of the exchange on the business day the value is being determined, or in the case of securities listed on NASDAQ at the NASDAQ Official Closing Price ("NOCP"). In the absence of a sale, such securities shall be valued at the mean between the current bid and ask prices on the day of valuation. Options contracts listed on a securities exchange or board of trade for which market quotations are readily available shall be valued at the last quoted sales price or, in the absence of a sale, at the mean between the current bid and ask prices on the day of valuation. Option contracts not listed on a securities exchange or board of trade for which over-the-counter market quotations are readily available shall be valued at the mean between the current bid and ask prices on the day of valuation. Index options shall be valued at the mean between the current bid and ask prices on the day of valuation. Investments in open-end investment companies are valued at net asset value, including the short-term investment currently held. Debt securities (other than short-term obligations) are valued each day by an independent pricing service approved by the Board of Trustees of the Trust (the "Board") based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type, indications as to values from dealers, and general market conditions or market quotations from a major market maker in the securities. Short-term debt obligations, having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost.

Valuation of Underlying Investment Companies - The Fund may invest in portfolios of open-end or closed-end investment companies (the "Underlying Funds"). Mutual funds are valued at their respective net asset values as reported by such investment companies. Exchange-traded funds ("ETFs") are valued at the last reported sales price or official closing price. Open-end investment companies value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value in accordance with the methods established by the board of directors of the open-end funds. The shares of many closed-end investment companies and ETFs, after their initial public offering, frequently trade at a price per share, which is different than the net asset value per share. The difference represents a market premium or market discount of such shares. There can be no assurances that the market discount or market premium on shares of any closed-end investment company or ETF purchased by the Fund will not change.

The Fund may hold securities, such as private investments, interests in commodity pools, other non-traded securities or temporarily illiquid securities, for which market quotations are not readily available or are determined to be unreliable. These securities will be valued using the "fair value" procedures approved by the Board. The Board has delegated execution of these procedures to a fair value committee composed of one or more

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NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

June 30, 2022

representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The committee may also enlist third party consultants such as a valuation specialist from a public accounting firm, valuation consultant, or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value.

Fair Valuation Process – As noted above, the fair value committee is composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The applicable investments are valued collectively via inputs from each of these groups. For example, fair value determinations are required for the following securities: (i) securities for which market quotations are insufficient or not readily available on a particular business day (including securities for which there is a short and temporary lapse in the provision of a price by the regular pricing source); (ii) securities for which, in the judgment of the adviser, the prices or values available do not represent the fair value of the instrument. Factors which may cause the adviser to make such a judgment include, but are not limited to, the following: only a bid price or an asked price is available; the spread between bid and asked prices is substantial; the frequency of sales; the thinness of the market; the size of reported trades; and actions of the securities markets, such as the suspension or limitation of trading; (iii) securities determined to be illiquid; (iv) securities with respect to which an event that will affect the value thereof has occurred (a “significant event”) since the closing prices were established on the principal exchange on which they are traded, but prior to the Fund’s calculation of its net asset value. Restricted or illiquid securities, such as private investments or non-traded securities are valued via inputs from the adviser based upon the current bid for the security from two or more independent dealers or other parties reasonably familiar with the facts and circumstances of the security (who should take into consideration all relevant factors as may be appropriate under the circumstances). If the adviser is unable to obtain a current bid from such independent dealers or other independent parties, the fair value committee shall determine the fair value of such security using the following factors: (i) the type of security; (ii) the cost at date of purchase; (iii) the size and nature of the Fund’s holdings; (iv) the discount from market value of unrestricted securities of the same class at the time of purchase and subsequent thereto; (v) information as to any transactions or offers with respect to the security; (vi) the nature and duration of restrictions on disposition of the security and the existence of any registration rights; (vii) how the yield of the security compares to similar securities of companies of similar or equal creditworthiness; (viii) the level of recent trades of similar or comparable securities; (ix) the liquidity characteristics of the security; (x) current market conditions; and (xi) the market value of any securities into which the security is convertible or exchangeable.

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

June 30, 2022

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables summarize the inputs used as of June 30, 2022 for the Fund's investments measured at fair value:

Assets *	Level 1	Level 2	Level 3	Total
Exchange-Traded Fund	\$ 9,323,557	\$ -	\$ -	\$ 9,323,557
Total	\$ 9,323,557	\$ -	\$ -	\$ 9,323,557

The Fund did not hold any Level 2 or Level 3 securities during the period.

* Please refer to the Schedule of Investments for industry classifications.

Exchange Traded Funds - The Fund may invest in ETFs. ETFs are a type of fund bought and sold on a securities exchange. An ETF trades like common stock and represents a portfolio of securities. The Fund may purchase an ETF to gain exposure to a portion of the U.S. or a foreign market. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity on an ETF could result in it being more volatile. Additionally, ETFs have fees and expenses that reduce their value.

Underlying Funds Risk - ETFs in which the Fund invests are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund is higher than the cost of investing directly in the Underlying Funds and may be higher than other funds that invest directly in stocks and bonds.

Security Transactions and Related Income – Security transactions are accounted for on the trade date. Interest income is recognized on an accrual basis. Discounts are accreted and premiums are amortized on securities purchased over the lives of the respective securities using the effective yield method. Dividend income and expense are recorded on the ex-dividend date. Realized gains or losses from sales of securities are determined by comparing the identified cost of the security lot sold with the net sales proceeds.

Distributions to Shareholders – Dividends from net investment income, if any, are declared and paid monthly. Distributable net realized capital gains, if any, are declared and distributed annually. Dividends from net investment income and distributions from net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book/tax” differences are considered either temporary (e.g., deferred losses, capital loss carryforwards, etc.) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences do not require reclassification. Any such reclassifications will have no effect on net assets, results of operations, or net asset values per share of the Fund. Dividends that represent long term capital gain distributions from underlying investments are reclassified out of dividend income and presented separately for financial reporting purposes. The Fund holds certain investments which pay dividends to their shareholders based upon available funds from operations. Distributions received from investments in securities that represent a return of capital or long-term capital gains are recorded as a reduction of the cost of investments or as a realized gain, respectively.

Federal Income Taxes – The Fund complies with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no provision for federal income tax is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions and

CP High Yield Trend ETF

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

June 30, 2022

has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax year ended December 31, 2021, or expected to be taken in the Fund's December 31, 2022 year-end tax return. The Fund identified its major tax jurisdictions as U.S. federal, Ohio and foreign jurisdictions where the Fund makes significant investments. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses in the Statement of Operations. During the period ended June 30, 2022, the Fund did not incur any interest or penalties. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

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

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

Cash and Cash Equivalents - Idle cash may be swept into various overnight demand deposits and is classified as cash and cash equivalents on the Statement of Assets and Liabilities. The Fund maintains cash in a bank deposit account which, at times, may exceed United States federally insured limits. Amounts swept overnight are available on the next business day.

3. INVESTMENT TRANSACTIONS

For the six months ended June 30, 2022, cost of purchases and proceeds from sales of portfolio securities (excluding in-kind transactions and short-term investments), amounted to \$13,904,962 and \$13,938,421, respectively.

For the six months ended June 30, 2022, cost of purchases and proceeds from sales of portfolio securities for in-kind transactions, amounted to \$0 and \$0, respectively.

4. INVESTMENT ADVISORY AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

Counterpoint Mutual Funds, LLC serves as the Fund's investment adviser (the "Adviser"). Pursuant to an investment advisory agreement with the Trust, on behalf of the Fund, the Adviser, under the oversight of the Board, oversees the daily operations of the Fund, manages the Fund's portfolio, and supervises the performance of administrative and professional services provided by others. As compensation for its services and the related expenses borne by the Adviser, the Fund pays the Adviser a management fee, computed and accrued daily and paid monthly, at an annual rate of 0.50% of the Fund's average daily net assets. For the six months ended June 30, 2022, the Fund incurred \$23,872 in advisory fees.

The Adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until at least April 30, 2023, to insure that total annual fund operating expenses after fee waiver and/or reimbursement (exclusive of any front-end or contingent deferred loads, taxes, brokerage fees and commissions, borrowing costs (such as interest and dividend expense on securities sold short), acquired fund fees and expenses, fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example option and swap fees and expenses), or extraordinary expenses such as litigation (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the Adviser))) will not exceed 0.60% of the Fund's average daily net assets. These fee waivers and expense

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NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

June 30, 2022

reimbursements are subject to possible recoupment by the Adviser from the Fund in future years (within the three years from the time the fees were waived or reimbursed), if such recoupment can be achieved within the lesser of the foregoing expense limits or those in place at the time of recapture. This agreement may be terminated only by the Board on 60 days' written notice to the Adviser. During the six months ended June 30, 2022, the Adviser waived fees in the amount of \$74,202. As of June 30, 2022, the total amount of previously waived fees is \$289,827, of which \$144,927 is subject to recapture by December 31, 2023 and \$144,900 is subject to recapture by December 31, 2024.

Distributor – The distributor of the Fund is Northern Lights Distributors, LLC (the “Distributor”). The Board has adopted, on behalf of the Fund, the Trust’s Master Distribution and Shareholder Servicing Plan as amended (the “Plan”), pursuant to Rule 12b-1 under the 1940 Act, to pay for certain distribution activities and shareholder services related to Fund shares. Under the Plan, the Fund may pay 0.25% per year of the average daily net assets of Fund shares for such distribution and shareholder service activities. As of June 30, 2022, the Plan has not been activated. For the six months ended June 30, 2022, the Fund did not incur any distribution fees.

The Distributor acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares and is an affiliate of Ultimus Fund Solutions, LLC.

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

Ultimus Fund Solutions, LLC (“UFS”) – UFS, an affiliate of the Distributor, provides administration and fund accounting services to the Trust. Pursuant to separate servicing agreements with UFS, the Fund pays UFS customary fees for providing administration and fund accounting services to the Fund as shown in the Statement of Operations. Certain officers of the Trust are also officers of UFS, and are not paid any fees directly by the Fund for serving in such capacities.

Northern Lights Compliance Services, LLC (“NLCS”) – NLCS, an affiliate of UFS and the Distributor, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives customary fees from the Fund which are included in the chief compliance officer fees in the Statement of Operations.

Blu Giant, LLC (“Blu Giant”) – Blu Giant, an affiliate of UFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund which are included in the printing and postage expenses in the Statement of Operations.

5. AGGREGATE UNREALIZED APPRECIATION AND DEPRECIATION – TAX BASIS

Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
\$ 9,970,427	\$ -	\$ (646,870)	\$ (646,870)

CP High Yield Trend ETF
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
June 30, 2022

6. DISTRIBUTIONS TO SHAREHOLDER AND TAX COMPONENTS OF CAPITAL

The tax character of fund distributions paid for the periods ended December 31, 2021 and December 31, 2020 were as follows:

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2020
Ordinary Income	\$ 353,593	\$ 349,749
Long-Term Capital Gain	-	-
Return of Capital	27,987	4,409
	<u>\$ 381,580</u>	<u>\$ 354,158</u>

As of December 31, 2021, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gains	Post October Loss and Late Year Loss	Capital Loss Carry Forwards	Other Book/Tax Differences	Unrealized Appreciation/ (Depreciation)	Total Accumulated Earnings/(Deficits)
\$ -	\$ -	\$ -	\$ (378,763)	\$ -	\$ (14,397)	\$ (396,160)

The difference between book basis and tax basis unrealized appreciation and accumulated net realized loss from security transactions is primarily attributable to the tax deferral of losses on wash sales.

At December 31, 2021, the Fund had capital loss carry forwards ("CLCF") for federal income tax purposes available to offset future capital gains and capital loss carryforwards utilized, as follows:

Non-Expiring Short-Term	Non-Expiring Long-Term	Total	CLCF Utilized
\$ 378,763	\$ -	\$ 378,763	\$ 127,098

Permanent book and tax differences, primarily attributable to tax adjustments for the reclassification of distributions in excess and for the realized gain/(loss) on in-kind redemptions, resulted in reclassifications for the Fund for the fiscal year ended December 31, 2021 as follows:

Paid In Capital	Accumulated Earnings (Losses)
\$ 24,385	\$ (24,385)

7. CAPITAL SHARE TRANSACTIONS

Shares are not individually redeemable and may be redeemed by the Fund at net asset value only in large blocks known as "Creation Units." Shares are created and redeemed by the Fund only in Creation Unit size aggregations of 25,000 shares. Only Authorized Participants are permitted to purchase or redeem Creation Units from the Fund. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a DTC participant and, in each case, must have executed a Participant Agreement with the Distributor. Such transactions are generally permitted on an in-kind basis, with a balancing cash component to equate the transaction to the net asset value per share of the Fund on the transaction date. Cash may be substituted equivalent to the value of certain securities generally when they are not available in sufficient quantity for delivery, not eligible for trading by the Authorized Participant or as a result of other market circumstances. In addition, the Fund may impose transaction fees on purchases and redemptions of Fund shares to cover the custodial and other costs incurred by the Fund in effecting trades. A fixed fee payable to the custodian may be imposed on each creation and redemption transaction regardless of the number of Creation Units involved in the transaction ("Fixed Fee").

CP High Yield Trend ETF
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
June 30, 2022

Purchases and redemptions of Creation Units for cash or involving cash-in-lieu are required to pay an additional variable charge to compensate the Fund and its ongoing shareholders for brokerage and market impact expenses relating to Creation Unit transactions ("Variable Charge," and together with the Fixed Fee, the "Transaction Fees"). Transactions in capital shares for the Fund are disclosed in the Statement of Changes in Net Assets. For the six months ended June 30, 2022, the Fund did not pay any fixed fees. For the six months ended June 30, 2022, the Fund did not pay any variable fees.

The Transaction Fees for the Fund are listed in the table below:

Fixed Fee	Variable Charge
\$200	2.00%*

* The maximum Transaction Fee may be up to 2.00% of the amount invested.

8. UNDERLYING INVESTMENT IN OTHER INVESTMENT COMPANIES

The Fund currently invests a portion of its assets in the iShares 3-7 Year Treasury Bond ETF (the "iShares ETF"). The iShares ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between three and seven years. The Fund may redeem its investment from the iShares ETF at any time if the Adviser determines that it is in the best interest of the Fund and its shareholders to do so. The performance of the Fund will be directly affected by the performance of the iShares ETF. The financial statements of the iShares ETF, including the portfolio of investments, can be found at the Securities and Exchange Commission's ("SEC") website www.sec.gov and should be read in conjunction with the Fund's financial statements. As of June 30, 2022, the percentage of the net assets invested in the iShares ETF was 99.5%.

9. SUBSEQUENT EVENTS

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

CP High Yield Trend ETF

EXPENSE EXAMPLE (Unaudited)

June 30, 2022

ETFs have operating expenses. As a shareholder of the Fund you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. A shareholder may incur brokerage commissions on their purchases and sales of Fund shares, which are not reflected in the examples below.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as disclosed in the table below.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	Expenses Paid During Period
Actual	1/1/22	6/30/22		1/1/22 - 6/30/22*
CP High Yield Trend ETF	\$1,000.00	\$924.70	0.60%	\$ 2.86
Hypothetical (5% return before expenses)	1/1/22	6/30/22		1/1/22 - 6/30/22*
CP High Yield Trend ETF	\$1,000.00	\$ 1,021.82	0.60%	\$ 3.01

* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by the number of days in the period (181) divided by the number of days in the fiscal year (365).

For more information about current performance, holdings, or historical premiums/discounts, please visit our website at www.cpetfs.com.

PRIVACY NOTICE

FACTS	WHAT DOES NORTHERN LIGHTS FUND TRUST III DO WITH YOUR PERSONAL INFORMATION?
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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.
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number ▪ Assets ▪ Retirement Assets ▪ Transaction History ▪ Checking Account Information ▪ Purchase History ▪ Account Balances ▪ Account Transactions ▪ Wire Transfer Instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northern Lights Fund Trust III chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Northern Lights Fund Trust III share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call (402) 493-4603
Who we are	
Who is providing this notice?	Northern Lights Fund Trust III
What we do	
How does Northern Lights Fund Trust III protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.</p>
How does Northern Lights Fund Trust III collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ▪ Open an account ▪ Provide account information ▪ Give us your contact information ▪ Make deposits or withdrawals from your account ▪ Make a wire transfer ▪ Tell us where to send the money ▪ Tells us who receives the money ▪ Show your government-issued ID ▪ Show your driver's license <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ <i>Northern Lights Fund Trust III does not share with our affiliates.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> ▪ <i>Northern Lights Fund Trust III does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ▪ <i>Northern Lights Fund Trust III doesn't jointly market.</i>

PROXY VOTING POLICY

Information regarding how the Fund voted proxies relating to portfolio securities for the most recent twelve month period ended June 30 as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies is or will be available without charge, upon request, by calling 1-844-509-2775 or by referring to the SEC's website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. Form N-PORT is available on the SEC's website at <http://www.sec.gov>. The information on Form N-PORT is available without charge, upon request, by calling 1-844-509-2775.

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