

# LIONX – a Core Holding Where Risk Is Actively Managed



## CORE PORTFOLIO FUND

Issachar Fund (LIONX) returns to the original concept of a mutual fund, designed to invest in the manager's best investment ideas, without constraint, across all markets. This includes the flexibility to manage risk in down market cycles by hedging or moving to cash positions in an effort to protect capital. The Fund is structured as a managed-risk, CORE buy-and-hold portfolio position. LIONX seeks positive results by actively managing the impact of down markets and exploiting the manager's investment flexibility in an effort to grow the portfolio over full market cycles and provide consistent, low volatility returns.

The Fund is managed by Horizon Capital Management, Inc., owned and operated by Dexter P. Lyons, a 28+ year veteran of the investment industry. Lyons has managed assets for individual and institutional investors through separately managed accounts and mutual funds since 1990. Through LIONX, his time-tested investment approach is available to investors in a publicly traded No-Load mutual fund structure with the flexibility of a hedge fund. Lyons is the largest single investor in the fund, which holds 100% of his investable assets.

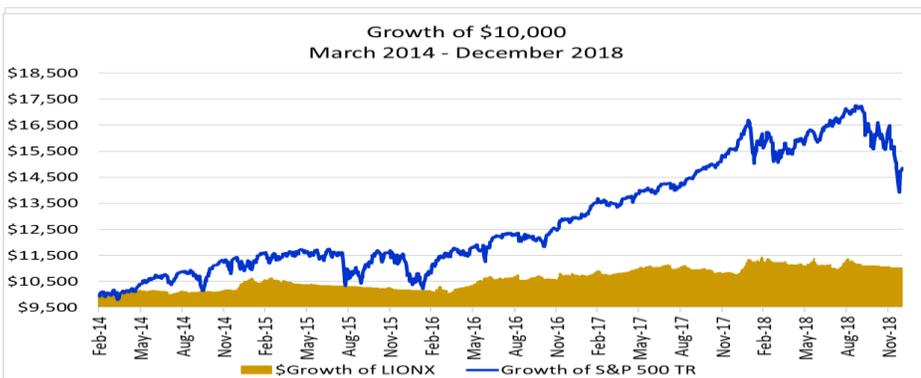
## Strategy

**Objective:** Long-Term Capital Appreciation

**Investment Approach:** Flexible opportunistic long and/or short investment strategy in which the Fund may invest in fixed income and/or equity securities through mutual funds, exchange-traded funds (ETFs), individual securities and other investment companies. The Fund may take long positions of up to 300% and/or short positions of up to 150% of the Fund's net assets in fixed income and/or equity securities directly or through the use of total return swaps or futures contracts.

**Philosophy:** LIONX does not follow the traditional buy-and-hold strategy of spreading assets over several investment classes as a way to manage risk. Risk is actively managed in an effort to avoid major market declines and stay invested during major advances.

## Performance



In periods of increased volatility, the Fund shows lower volatility and reduced drawdowns, a key objective of its design to manage risk.

*Past performance is not indicative of future returns. See disclosures on page 4.*

**Hedge:** An investment to reduce the risk of adverse price movements in an asset.

**Long/Short:** An investing strategy of taking long positions in asset classes that are expected to appreciate and short positions in asset classes that are expected to decline.

## Fund Data

**Fund Symbol:** LIONX

**Website:** [www.LIONX.net](http://www.LIONX.net)

**Portfolio Manager:** Dexter P. Lyons  
Managing client assets since 1990.

**Fund Type:** Tactical, Alternative,  
No-Mandate, Opportunistic and  
Unconstrained

**Minimum Initial Investment:** \$1,000

**Income Distributions:** Quarterly  
*There is no assurance that future  
dividends or capital gains will be paid.*

**Benchmark:** S&P 500 Index

**Inception:** February 28, 2014

### Investment:

Direct through Gemini Fund Services  
(866-787-8355)

On several No-Load, No-Transaction-Fee  
(NTF) brokerage platforms

**Investment Advisor:** Horizon Capital  
Management, Inc.  
Horizon is an independent Registered  
Investment Adviser (RIA) with only one  
client, the Issachar Fund (LIONX).

**Current Investments:** As of 12/31/18,  
LIONX is 100% invested in CASH!



### Issachar Fund (LIONX)

c/o Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha, NE 68130  
866-787-8355 . 337-983-0676  
[Dexter@LIONX.net](mailto:Dexter@LIONX.net)

**LIONX – A Core Fund Holding  
designed to help you meet  
your financial goals.**

# Performance Data for LIONX



## LIONX Affiliations Provide Strong Technology and Industry Expertise

The Fund has allied itself with strong industry partners to assure sound operations, high quality customer service and compliance with regulatory requirements.

### Adviser:

Horizon Capital Management, Inc.  
106 Valerie Drive  
Lafayette, LA 70508

### Distributor:

Northern Lights Distributors, LLC  
17605 Wright Street  
Omaha, NE 68130

### Custodian:

U.S. Bank National Association, LLC  
1555 N. River Center Drive  
Milwaukee, WI 53212

### Transfer Agent:

Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha, NE 68130

### Independent Public Accountant:

RSM US LLP  
555 Seventeenth Street, Suite 1000  
Denver, CO 80202

### Legal Counsel:

Thompson Hine LLP  
41 S. High Street, Suite 1700  
Columbus, OH 43215



## ISSACHAR FUND

c/o Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha, NE 68130  
866-787-8355  
[www.LIONX.net](http://www.LIONX.net)

## Average Annual Total Returns

As of December 31, 2018

	Last Month	Last QTR	YTD	1 Year	3 Year Annualized	Since Inception (2/28/14) Annualized
LIONX – Class N	-0.29%	-1.35%	2.41%	2.41%	2.65%	2.02%
S&P 500 Index	-9.03%	-13.52%	-4.38%	-4.38%	9.26%	8.58%

*The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free 866-787-8355. Total annual fund operating expenses are 3.29% (includes acquired fund fees of mutual funds purchased). The Fund's Investment Adviser has contractually agreed to reduce its fees and/or absorb expenses until at least January 31, 2020, to ensure that net annual operating expenses do not exceed 2.49% for Class N, subject to possible recoupment from the Fund in future years. Results shown reflect the waiver, without which the results could have been lower.*

## Risk Management

For the period Feb 28, 2014 to December 31, 2018

	LIONX	S&P 500 INDEX
Maximum Drawdown	-5.68% (3-13-15 – 4-6-15)	-19.36% (9-20-18 – 12-24-18)
Greatest Daily NAV % Gain	1.25% (2-23-18)	3.91% (8-26-15)
Greatest Daily NAV % Loss	-1.63% (9-9-16)	-4.10% (2-05-18)
Days with Unchanged NAV	47% (578 market days out of 1220)	18% (225 market days out of 1220)
Beta	0.05	1.00
Standard Deviation	1.01%	3.82%

**47% of the time, the LIONX NAV was Unchanged indicating lower Price Volatility.**

**Drawdown:** Worst possible loss from any peak-to-trough decline during period.

**Beta:** Systematic risk of a portfolio that measures its sensitivity to a benchmark. A beta less than 1.00 implies less risk than the Index.

**Standard Deviation:** Measures the degree of variation of monthly returns around the mean (average) return. The higher the volatility of investment returns, the higher the standard deviation will be and a lower standard deviation implies less risk.

# Issachar Fund Manager's Perspective

My early investing experience was an all too common one. I trusted the wrong investment professional and lost 50% of my savings. Lesson learned, I went to college and studied computers and the financial markets. Since that time, I have managed client assets both in individual accounts and as the portfolio manager of mutual funds.

Issachar Fund (LIONX) was launched in 2014, largely with my own capital, to provide an economical means of offering my money management approach to others. 100% of my investment capital is invested in the LIONX. With all my eggs in one basket, I watch that basket very carefully every day. I do everything I can to protect assets and in the process, increase the value of the portfolio. Every shareholder in LIONX knows their investments receive the same careful management. My approach to investing is based on two key principals:

**There are times to be invested and there are times to sit patiently in cash.** I hate losing money more than I like making it. Many people don't realize how hard it is to recover from losses. Lose 50% of your assets to a bear market and you have to make 100% just to get back to break even. If you can avoid the majority of the market's down trends, I believe you can grow assets with less risk.

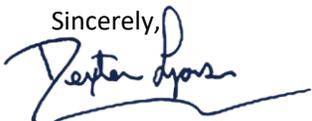
**I cannot manage the return I get, but I can manage the risk I take.** Gains are dependent on the market's movement. I can't control that. But I can attempt to manage the risk I take. **If you look at our performance since inception (2/28/14) through 9/30/18 the maximum drawdown loss for LIONX is 5.68% compared to a 19.37% maximum drawdown loss for the S&P 500.**

LIONX was deliberately structured to be opportunistic - to go where gains can be found. I am not a single strategy manager but a flexible manager who can focus on one or many investment opportunities based on the best risk-adjusted assets I am able to find. I rely a lot on trend lines and chart analysis to identify trends that I perceive as sustainable and worth the risk of my investment. The Fund utilizes primarily mutual funds and exchange traded funds (ETFs) that exhibit good risk-adjusted returns to help protect and grow the assets under my discretion. I like using mutual funds and ETFs because they tend to trend well with good day-to-day serial price correlations. In a low-risk environment, leverage can be used to enhance returns. In high-risk environments, LIONX has the ability to move to cash or short elements of the market.

Issachar Fund was named after the Biblical tribe of Issachar, "[the] Sons of Issachar were known for their understanding of the times...." 1 Chronicles 12:32. The lion in the fund logo represents Jesus, the Lion of Judah. I believe that God has gifted me with a passion and a purpose for managing money. I strive to honor that gift by being a good steward of all the relationships and money he has entrusted to me. Like the sons of Issachar, my goal is to understand the signs of the times and know the best course to achieve the financial goals of the Issachar investors.

While LIONX is still a very young fund with a limited track record, it is based on more than 28 years of market experience and benefits from solid back office support through Gemini Fund Services and Northern Lights Distributors. While there can never be any guarantees as to future performance, I believe LIONX is structured for success and I invite you to join me and come along for the ride as I manage the risk so we might achieve our investment goals.

Sincerely,



Dexter P. Lyons  
Portfolio Manager



## Dexter P. Lyons Portfolio Manager

*As a student at the University of Louisiana, Dexter Lyons became fascinated with the activity and trends of the stock market and the use of computers in analyzing market trends. In his last year of college, he co-founded Horizon Capital Management, Inc. to manage client portfolios through separately managed accounts.*

*Dexter graduated with a bachelor's degree in Business Administration from the College of Business at the University of Louisiana at Lafayette in 1991 and went on to manage client assets for the next 28+ years. In 2013, he bought out his partner and began the process to launch the Issachar Fund to expand availability to his investment approach.*

*On February 28, 2014, Issachar Fund (LIONX) began trading as a 1940 Act Mutual Fund.*

*In addition to his position as portfolio manager of LIONX, Dexter served 10 years on the Westminster Christian Academy's School Board of Governors and serves in Men's Ministry at Our Savior's Church in Lafayette, LA, pastored by Pastor Jacob Aranza.*

*Dexter is happily married to Deirdre since 1994 and is blessed with four beautiful children.*

# Issachar Fund (LIONX) Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the Issachar Fund (LIONX). This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-866-787-8355. The prospectus should be read carefully before investing. The Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Horizon Capital Management Inc., is not affiliated with Northern Lights Distributors, LLC.

**Fund Description:** LIONX is a Diversified, Unconstrained, Tactical, No-Load, No-Transaction Fee and No-Redemption Fee 1940 Act Mutual Fund designed with Hedge Fund abilities. By prospectus, LIONX can be up to 300% Long, up to 150% Short, 100% in Cash or anywhere in between at the portfolio manager's discretion depending on his perception of risk in the market. LIONX can use Mutual Funds, ETFs, Stocks, Bonds, SWAPS, Futures, Options and Derivatives to position itself in order to achieve its goal of Long-Term Capital Appreciation.

**Benchmark:** The S&P 500 Total Return index is an unmanaged index of common stock performance that assumes that any cash distributions, such as dividends, are reinvested for 500 leading companies in leading industries of the U.S. economy. One cannot invest directly in the S&P 500.

**Performance:** Performance results presented herein do not indicate future performance. Actual client portfolio results will vary based on the timing of deposits and withdrawals. Returns are presented net of fees and include the reinvestment of all dividends.

**Fees:** No-Load mutual funds are sold without a sales charge, however other fees and expenses do apply to an investment in the Fund. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses until at least January 31, 2020, to ensure that net annual, operating expenses will not exceed 2.30% for Class N subject to possible recoupment from the Fund in future years. Without the waiver, the total annual operating expenses would be around 2.91%. As assets under management increase, actual fund expenses on a per share basis are forecast to decline to a level approximating that of the cap amount. All fees and expenses are accrued and deducted from the daily net asset value (NAV or price per share).

**Risks:** Mutual Funds involve risks including the possible loss of principal. The Fund may engage in frequent trading, leading to increased portfolio turnover, higher transaction costs, and the possibility of increased net capital gains, including net short-term capital gains that will be taxable to shareholders as ordinary income when distributed. The Fund may hold cash positions. There is a risk that the sections of the market in which the Fund invests will begin to rise or fall rapidly and the Fund will not be able to sell stocks quickly enough to avoid losses, or reinvest its cash positions into areas of the advancing market quickly enough to capture the initial returns of changing market conditions. The Fund's investments in large capitalization stocks may underperform Funds that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor. Investments in small-capitalization and mid-capitalization companies involve greater risks and volatility than investing in larger capitalization companies. Small and medium-size companies often have narrower markets for their goods and/or services and more limited managerial and financial resources than larger, more established companies.

The Fund may invest in debt instruments which have varying levels of sensitivity to changes in interest rates, credit risk and other factors. The Fund may invest a significant portion of its assets in securities that are rated below investment grade or "junk bonds." Junk bonds may be sensitive to economic changes, political changes, or adverse developments specific to a company. These securities generally involve greater risk of default or price changes than other types of fixed-income securities and the Fund's performance may vary significantly as a result.

The value of the Fund's asset-backed securities may be affected by changes in interest rates, the availability of information concerning the interests in and structure of the pools of purchase contracts, financing leases or sales agreements that are represented by these securities, the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities that provide any supporting letters of credit, surety bonds, or other credit enhancements. The Fund may invest in municipal securities that carry additional risk including changes in federal, state or local laws that may make a municipal issuer unable to make interest payments when due. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenue, for the project or from the assets. Moreover, an adverse interpretation of the tax status of municipal securities may make such securities decline in value. In addition to the risks typically associated with fixed income securities, loan participations carry other risks, including the risk of insolvency of the lending bank or other intermediary. Loan participations may be unsecured or not fully collateralized, may be subject to restrictions on re-sale and sometimes trade infrequently on the secondary market.

The Fund may use investment techniques, including investments in futures contracts, forward contracts, options and swaps, which may be considered to be aggressive investment techniques. The use of derivatives may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives, such as counterparty risk and the risk that the derivatives may become illiquid. The use of derivatives may result in larger losses or smaller gains than investing in the underlying securities directly. Interest rate swaps are subject to interest rate and credit risk. Total return swaps are subject to counterparty risk, which relate to credit risk of the counterparty and liquidity risk of the swaps themselves. There may be an imperfect correlation between the prices of options, futures, and/or forward contract and movements in the price of the securities (or indices) hedged or used for cover which may cause a given hedge not to achieve its objective. There may not be a liquid secondary market for futures contracts and Forward currency transactions include the risks associated with fluctuations in currency. If the Fund uses a hedging instrument at the wrong time or judges the market conditions incorrectly, the hedge might be unsuccessful, reduce the Fund's investment return or create a loss. Use of leverage can magnify the effects of changes in the value of the Fund, and may make the fund more volatile and increase the risk for loss in adverse environments. Short positions are designed to profit from a decline in the price of particular securities, baskets of securities or indices. The Fund will lose value if the instrument's price rises – a result that is the opposite from traditional mutual funds.

Investments in foreign securities and securities that provide exposure to foreign securities involve greater risks than investing in domestic securities. As a result, the Fund's returns and NAVs may be affected to a large degree by fluctuations in currency exchange rates, political, diplomatic or economic conditions and regulatory requirements in other countries. The Fund also may invest in depositary receipts, including ADRs, which are traded on exchanges and provide an alternative to investing directly in foreign securities. Investments in ADRs are subject to many of the risks associated with investing directly in foreign securities. The laws and accounting, auditing, and financial reporting standards in foreign countries typically are not as strict as they are in the U.S., and there may be less public information available about foreign companies. Investments in emerging markets instruments involve greater risks than investing in foreign instruments in general. Risks of investing in emerging market countries include political or social upheaval, nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets and risks from an economy's dependence on revenues from particular commodities or industries among others. These and other risks are discussed in greater detail in the fund prospectus.

NLD Review Code: 3002-NLD-1/2/2019