



# ISSACHAR FUND

THE ISSACHAR FUND FACTSHEET

LIONX Q4 2020



- CONSERVATIVE
- MODERATE
- AGGRESSIVE
- DIVERSIFIED
- TACTICAL
- FACTOR
- ACTIVE
- PASSIVE
- INDEX
- FAITH-BASED
- ESG
- SRI
- STRATEGIC

FACTSHEET AS OF DECEMBER 31, 2020

The Issachar Fund (LIONX) provides investors with the liquidity, convenience and ease of access of a mutual fund, combined with the institutional risk management qualities of a hedge fund. LIONX is a diversified, tactically managed mutual fund that seeks to provide moderate capital appreciation consistent with capital preservation in an attempt to limit life-altering market declines. LIONX may employ sophisticated investment vehicles to be up to 300% long, 150% short or market neutral to actively manage market risk.

- Consider using LIONX as a replacement for a portion of your fixed income portfolio which seeks to reduce risk associated with rising interest rates
- LIONX could be included as a percentage of your equity allocation as the Fund seeks to provide non-correlated performance hedging and improved risk-adjusted return potential
- LIONX could be used as a core portfolio holding for conservative investors who want active risk management and seek to limit life-altering market declines

|                     |                                       |
|---------------------|---------------------------------------|
| Manager             | <b>Dexter P. Lyons</b>                |
| Family              | <b>Horizon Capital Management Inc</b> |
| Inception           | <b>2/28/2014</b>                      |
| Net Expense Ratio   | <b>1.98%</b>                          |
| Gross Expense Ratio | <b>3.38%</b>                          |
| Symbol & CUSIP      | <b>(LIONX) 66538E168</b>              |
| Distributions       | <b>Quarterly</b>                      |
| Benchmark           | <b>IQ Hedge Multi-Strategy Index</b>  |

| KEY FACTS               | 1 Year        | 3 Years       | 5 Years       | Since 2/28/14 |
|-------------------------|---------------|---------------|---------------|---------------|
| Max Drawdown %          | <b>-9.87%</b> | <b>-9.87%</b> | <b>-9.87%</b> | <b>-9.87%</b> |
| Monthly Std Deviation % | <b>4.42%</b>  | <b>2.85%</b>  | <b>2.29%</b>  | <b>2.00%</b>  |
| Ulcer Index             | <b>3.75%</b>  | <b>3.73%</b>  | <b>3.00%</b>  | <b>2.98%</b>  |
| Beta (vs Benchmark)     | <b>0.44</b>   | <b>0.44</b>   | <b>0.44</b>   | <b>0.36</b>   |

**RESPONSIBILITY**

The Issachar Fund is committed to investing in positive companies making the world a better place, and avoiding investments in companies involved in unethical and immoral business practices. We believe this is the right thing to do, both for the world and for portfolio returns. To accomplish this we use Inspire Investing's "Inspire Impact Score", a leading faith-based, environmental, social and governance (ESG) screening methodology, that aligns with biblically responsible investing (BRI) best practices.

**HISTORICAL PERFORMANCE 2/28/14 - 12/31/20**



The historical growth of \$10,000 chart reflects a hypothetical investment and assumes reinvestment of dividends and capital gains. Fund expenses, including management fees and other expenses were deducted. Past performance is not a guarantee of future results.

|  | 1 Year        | 3 Years Cumulative | 3 Years Annualized | 5 Years Cumulative | 5 Years Annualized | Since 2/28/14 Cumulative | Since 2/28/14 Annualized |
|--|---------------|--------------------|--------------------|--------------------|--------------------|--------------------------|--------------------------|
| Issachar Fund (LIONX)                    | <b>26.19%</b> | <b>33.62%</b>      | <b>10.14%</b>      | <b>41.15%</b>      | <b>7.14%</b>       | <b>43.73%</b>            | <b>5.45%</b>             |
| Benchmark: IQ Hedge Multi-Strategy Index | <b>6.26%</b>  | <b>12.61%</b>      | <b>4.04%</b>       | <b>23.18%</b>      | <b>4.26%</b>       | <b>25.02%</b>            | <b>3.32%</b>             |

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 gross annual fund operating expenses are 3.38%.



- B.S. Business Administration, University of Louisiana at Lafayette.
- Portfolio Manager at Horizon Capital Management (HCM) since 1990.
- Managed SMAs at HCM from 1990 to 2004.
- Managed HCM's Freedom Fund from 2004 to 2014.
- Portfolio Manager to the Issachar Fund (LIONX) since launch in 2014.

**PORTFOLIO MANAGER**

**Dexter P. Lyons**

I'm Dexter P. Lyons, a Christian money manager seeking to honor God as the Portfolio Manager of the Issachar Fund. I believe that God has gifted me with a passion and a purpose as I daily seek to fulfill my destiny. My obedience and love for Jesus drives me to honor Him by striving to be a good steward of all relationships and money that He has entrusted to me.

While working as a diesel mechanic in the late 80's, I lost over half of my savings during a two week period to a stock broker with an apparent conflict of interest. It was at that moment I decided that I would make every attempt to avoid this happening to me again. I studied the stock market and technology extensively in college and tried to figure out how I lost so much money in such a short period of time. My thinking at the time was, if I lost it, then that meant someone found it. That really intrigued me.

I have used sophisticated models and systems through the years and have come to one basic conclusion. Computer models and systems work until they don't, and no one rings a bell to tell you when the model quits working. Nothing can replace the grace, wisdom and common sense that God freely gives us. I want to share my over three decades of hard work and lessons learned with the shareholders of the Issachar Fund.

I am now over 55 years old. If you're like me, you have built some wealth and now you want to make your money work for you instead of the other way around. I believe it's important at this stage to protect your assets by mitigating the risk of life-altering losses, yet prudently growing assets at the right time. As a Portfolio Manager, I try to focus on getting base hits when market opportunities present themselves, instead of swinging for the fences at the risk of striking out. I attempt to limit those potential losses by managing risk and seek to identify opportunities that will grow assets conservatively over time.

I welcome you to invest with me in the Issachar Fund and look forward to serving you as a trusted portfolio manager as you work towards your financial goals.



## IMPORTANT RISK INFORMATION

**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.**

**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. No level of diversification or non-correlation can ensure profits or guarantee against losses. There is no assurance that the Fund will continue to make distributions.

**Benchmark:** The IQ Hedge Multi-Strategy Index seeks to replicate the risk-adjusted return characteristics of the collective hedge funds using various hedge fund investment styles, including long/short equity, global macro, market neutral, event-driven, fixed income arbitrage and emerging markets. Investments cannot be made in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance is no guarantee of future results.

**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, 2021, to ensure that net annual, operating expenses will not exceed 1.98% for Class N subject to possible recoupment from the Fund in future years. Without the waiver, the total annual operating expenses would be 3.38%. 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:** The Issachar Fund involves risks including the possible loss of principal, and may not be suitable for all investors. 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.

**Annualized Return** is the rate of return that is compounded year-over-year from the beginning to the end of the stated time period.

**Max Drawdown** measures the worst possible loss from any peak-to-trough decline during the period.

**Standard Deviation** is a measure of the dispersion of a set of data from its mean, generally used by investors as a gauge for the amount of expected volatility.

**Ulcer Index:** Measures the downside risk in terms of depth and duration showing the percentage drawdown one can expect from the highest price over a 14-day period.

**Beta** is a measurement of volatility where 1 is neutral; above 1 is more volatile; and less than 1 is less volatile.

**Socially responsible investing (SRI)**, or social investment, also known as sustainable, socially conscious, "green" or ethical investing, is any investment strategy which seeks to consider both financial return and social/environmental good to bring about social change regarded as positive by proponents.

**Environmental, social and governance (ESG)** criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

Total annual fund operating expenses are 3.38%. Total annual fund operating expenses after fee waiver and expense reimbursement are 1.98% (The Fund's adviser has contractually agreed to waive management fees and make payments to limit Fund expenses until January 31, 2021 so that total annual operating expenses do not exceed 1.70%, subject to recoupment from the Fund within three years). NLD Review Code: 3001-NLD-1/4/2021