



**CENTERSTONE
INVESTORS**

**Centerstone Investors, LLC
Part 2A of Form ADV: Firm Brochure
March 29, 2024**

228 Park Avenue S, Suite 75938
New York, New York 10003
Telephone: (212) 503-5790
www.centerstoneinv.com
info@centerstoneinv.com

This brochure provides information about the qualifications and business practices of Centerstone Investors, LLC (“Centerstone” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 503-5790 or www.centerstoneinv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Centerstone is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

A copy of this brochure and additional information about Centerstone is also available on the SEC’s website at www.adviserinfo.sec.gov.



ITEM 2 – MATERIAL CHANGES

This Brochure of Centerstone Investors, LLC has been updated and in addition to certain routine updates, the following is a summary of the more material changes since we last filed our Part 2A of Form ADV on March 31, 2023:

- **Item 4 - Advisory Business** has been revised to include sub-advisory services as a type of advisory service offered;
- **Item 5 - Fees and Compensation** has been revised to include language describing sub-adviser fees;
- **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** has been revised to include information about the accounts of affiliated persons of the Firm; and
- **Item 12 – Brokerage Practices** has been revised to add disclosure describing the selection of broker-dealers for sub-adviser accounts.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other on-going disclosure information about material changes as necessary.

We will further provide you with a new Brochure, as necessary, based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Philip Santopadre, Chief Compliance Officer, at (212) 503-5789 or psantopadre@centerstoneinv.com.



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ITEM 4 - ADVISORY BUSINESS

Centerstone is a Delaware limited liability company that was formed in August 2015. Centerstone is wholly owned by Abhay Deshpande, Founder and Chief Investment Officer. Launched to provide our clients with a nimble and flexible, value-oriented investment approach, Centerstone is a privately owned SEC-registered investment adviser offering niche investment vehicles. We are heavily focused on the fundamental analysis of businesses and pride ourselves on our employee ownership culture, creating alignment with our investors.

Centerstone provides investment advisory services on a discretionary basis to the Centerstone Investors Fund and Centerstone International Fund (collectively the “Mutual Funds”), both registered under the Investment Company Act of 1940. Centerstone also provides discretionary investment advisory and sub-advisory services to institutional investors in separately managed accounts (“SMAs”). Where we serve as sub-adviser to institutional clients, another third-party investment adviser acts as the primary investment adviser to the client and delegates all or a portion of a client’s account to us for management in accordance with a selected strategy.

Centerstone generally utilizes two strategies, the Centerstone Global Multi-Asset Strategy and the Centerstone International Strategy for managing each of its Mutual Funds, and similarly offers these two strategies, as well as four sub-strategies of the Centerstone Global Multi-Asset Strategy in managing SMAs. The four sub-strategies include the Centerstone Global Equity Strategy, the Centerstone Non-U.S. Equity Strategy, the Centerstone Concentrated Global Equity Strategy, and the Centerstone Concentrated Non-U.S. Equity Strategy. Please see Item 8: Method of Analysis, Investment Strategies and Risk of Loss for more information about our strategies and related investment risks, which clients should review carefully before deciding to engage with us.

Centerstone will tailor its advisory services to each client’s investment objectives, restrictions and guidelines as communicated to Centerstone by each such client.

Centerstone does not currently participate in any wrap fee programs.

As of December 31, 2023, Centerstone managed approximately \$479,004,466 of client assets on a discretionary basis and \$0 on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Centerstone charges asset-based “management fees” to its clients.

Mutual Fund Management Fees

At present, the Mutual Funds pay a management fee of 0.90% of each respective Mutual Fund’s average daily net assets. Management fees are deducted from the Mutual Funds assets and are paid monthly in arrears.



In addition to management fees, the Mutual Funds are responsible for certain other expenses including, but not limited to administration, custodian, registration, legal, compliance, transfer agency, brokerage and other transactions costs. For more information with respect to brokerage commissions, see Item 12 – Brokerage Practices, below.

Additional information on the fees and expenses charged to the Mutual Funds is contained in the prospectus, which is available on Centerstone’s website (www.centerstoneinv.com), on EDGAR on the SEC’s website (www.sec.gov) or by calling 1-877-314-9006.

Separately Managed Account (“SMA”) Management Fees

With respect to its management of an SMA, Centerstone receives a management fee applicable to each SMA as set forth in detail in the investment management agreement (“IMA”) associated with each individual account. The management fees charged to each account are negotiable and will typically vary based on a number of factors, including, but not limited to, the size, composition and complexity of the SMA, length and nature of Centerstone’s relationship with the client, special services agreed upon with the client or other factors deemed relevant by Centerstone. The details of how management fees are calculated for each SMA are included in the IMA for each such client. SMA clients will generally be responsible for certain other fees such as custodial, consultant, brokerage and other transactions costs. For more information with respect to brokerage commissions, see Item 12 – Brokerage Practices, below.

Where Centerstone acts as sub-adviser to an SMA client, the client’s fees will be dictated by the client’s agreement with its primary adviser. Centerstone will receive a portion of the primary adviser’s fee in exchange for providing sub-advisory services to the particular client.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Centerstone does not charge performance-based fees.

ITEM 7 - TYPES OF CLIENTS

Description

Centerstone offers discretionary investment advisory services to registered investment companies and institutional investors through SMAs.

Account Minimums

Generally, the minimum asset level for an SMA is \$50 million, however, asset minimums may be lowered or waived in the sole discretion of Centerstone.



ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Centerstone utilizes two primary strategies: the Global Multi-Asset Strategy and the International Strategy, as well as four additional sub-strategies of the Global Multi-Asset Strategy. Those four sub-strategies include the Centerstone Global Equity Strategy, the Centerstone Non-U.S. Equity Strategy, the Centerstone Concentrated Global Equity Strategy, and the Centerstone Concentrated Non-U.S. Equity Strategy. These six strategies are discussed further below:

Centerstone Global Multi-Asset Strategy

The Global Multi-Asset Strategy seeks to deliver attractive real returns while avoiding the permanent impairment of capital over time by using a value approach to investing in global equity markets. The Global Multi-Asset Strategy particularly seeks companies that have financial strength and stability, strong management and fundamental value. The Adviser will follow a global, bottom-up oriented long-term investment philosophy. The investment philosophy and strategy seek a “margin of safety” in investments with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to “intrinsic value” is sought even for the best of businesses, with a deeper discount demanded for companies that the Adviser views as under business model, balance sheet, management or other stresses. “Intrinsic value” is based on our judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets. The Global Multi-Asset Strategy may invest in any size company, including large, medium and smaller companies. The Global Multi-Asset Strategy will normally invest primarily in equities (and securities convertible into equities) of U.S. and foreign companies and may also invest in fixed-income instruments (without regard to credit rating or time to maturity), short-term debt instruments, gold and other precious metals, or in instruments related to such precious metals such as commodity contracts, options on such contracts, structured notes and exchange traded funds (“ETFs”).

Centerstone International Strategy

The International Strategy seeks to deliver attractive real returns while avoiding the permanent impairment of capital over time by using a value approach to investing in non-U.S. equity markets. The International Strategy particularly seeks companies that have financial strength and stability, strong management and fundamental value. The Adviser will follow a bottom-up oriented long-term investment philosophy. The investment philosophy and strategy seek a “margin of safety” in investments with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to “intrinsic value” is sought even for the best of businesses, with a deeper discount demanded for companies that the Adviser views as under business model, balance sheet, management or other stresses. “Intrinsic value” is based on our judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets. The International Strategy may invest in any size company, including large, medium and smaller companies. The International Strategy will normally invest primarily in equities (and securities convertible into equities) of non-U.S. companies and may also invest in fixed-income instruments



(without regard to credit rating or time to maturity), short-term debt instruments, gold and other precious metals, or in instruments related to such precious metals such as commodity contracts, options on such contracts, structured notes and ETFs.

Centerstone Global Equity Strategy

The Global Equity Strategy is similar to the Global Multi-Asset Strategy described above except that it only invests in equities.

Centerstone Non-U.S. Equity Strategy

The Non-U.S. Equity Strategy limits the Global Multi-Asset Strategy to non-U.S. equity securities.

Centerstone Concentrated Global Equity Strategy

The Concentrated Global Equity Strategy is limited to the top 20 holdings of the Global Equity Strategy.

Centerstone Concentrated Non-U.S. Equity Strategy

The Concentrated Non-U.S. Equity Strategy is limited to the top 20 holdings of the Non-U.S. Equity Strategy.

Customized Programs

In addition to the programs described above, Centerstone may provide customized advisory services in respect of selected clients, to the extent agreed upon between Centerstone and such client. This advice may involve other customized advisory services based on a particular client's investment and financial situation, risks and goals, which may include consulting on portfolio construction, investment opportunities, hedging of existing assets and/or such other advisory services as Centerstone and the client may agree.

Methods of Analysis

Centerstone will follow a bottom-up oriented long-term investment philosophy. Centerstone identifies investment opportunities through intensive research of individual companies and generally does not focus or rely on current stock market conditions and other macro factors when assessing potential investment opportunities. Centerstone's investment philosophy and strategies seek a "margin of safety" in investments with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to "intrinsic value" is sought even for the best of businesses, with a deeper discount demanded for companies that Centerstone views as under business model, balance sheet, management or other stresses. "Intrinsic value" is based on Centerstone's judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.



Investment research is primarily done in-house with the support of current and historical public information, access to company management, broker research reports and analysts. Investments are made with the goal of avoiding impairment of capital, thus focusing on price, balance sheet, business quality, and management capital allocation history. Decisions to sell a position can be made due to changes in any of these criteria. Centerstone may seek investments in the equity securities of companies in industries that are believed to be temporarily depressed. Centerstone determines an issuer's economic ties to a particular country based on the location where such issuer is headquartered or incorporated, and the location from where the issuer derives at least 50% of its revenues or profits, if such location is other than the location where such issuer is headquartered or incorporated.

Certain Risk Factors

All investment programs and strategies, including those offered by Centerstone, involve a risk of loss that clients should be prepared to accept. The risk factors for each of the Centerstone strategies, as applicable, are discussed further below.

Risks in General. Economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets of the strategy's investments. There is risk that these and other factors may adversely affect the strategy's performance. The strategy may not be appropriate for all investors and is not intended to be a complete investment program. The strategy may lose money.

Management Risk. Management risk is the risk that the investment process used by Centerstone could fail to achieve the strategy's investment goal and cause an investment to lose value. Centerstone's judgments about the potential appreciation of a particular security may prove to be incorrect.

Market Risk. The value of investments may fluctuate in response to events specific to the companies or markets in which the strategy invests, as well as economic, political, or social events in the United States or abroad. The chief risk that you assume when investing in any strategy or product is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions, war, terrorism including cyber terrorism, natural and environmental disasters as well as public health emergencies. Market risk may have a material impact on a single issuer, an industry, a sector of the economy, or the market as a whole. The impact of the coronavirus (COVID-19), and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time.

Value Investing Risk. Value investing attempts to identify companies selling at a discount to their intrinsic value. Value investing is subject to the risk that a company's intrinsic value may never be fully realized by the market or that a company judged by Centerstone to be undervalued may actually be appropriately priced. Additionally, securities that exhibit value characteristics tend to



perform differently and shift into and out of favor with investors depending on changes in market and economic sentiment and conditions.

Equity Securities Risk. Investing in common stock (and securities convertible into common stocks), preferred stocks and ADRs, subjects the strategy to the risks associated with common stock investing. These risks include the financial risk of selecting securities that do not perform as anticipated, the risk that the stock markets in which the strategy invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change. The strategy may also invest in preferred stock which is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. Many factors affect the performance of each company, including the strength of the company's management or the demand for its product or services. The value of a company's share price may decline as a result of poor decisions made by management or lower demand for the company's products or services. In addition, a company's share price may also decline if its earnings or revenues fall short of expectations. There are overall stock market risks that may also affect the value of the strategy's investments. Over time, the stock markets tend to move in cycles, with periods when stock prices rise generally and periods when stock prices decline generally. The value of the strategy's investments may increase or decrease more than the stock markets in general. A portfolio is subject to these same risks to the extent that it invests directly in common stocks.

Large-Cap Company Risk. While large-cap companies may be less volatile than those of mid- and small-cap companies, they still involve risk. Large-cap companies usually cannot respond as quickly as smaller companies to competitive challenges, and their growth rates tend to lag the growth rates of well-managed smaller companies during strong economic periods. Further, the strategy may underperform funds that invest primarily in stocks of smaller capitalization companies during periods when the stocks of such companies are in favor.

Mid-Cap Company Risk. Generally, mid-cap companies may have more potential for growth than large-cap companies. Investing in mid-cap companies, however, may involve greater risk than investing in large-cap companies. Mid-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies and, therefore, their securities may be more volatile than the securities of larger, more established companies, making them less liquid than other securities. Mid-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if Centerstone wants to sell a large quantity of a mid-cap company's stock, it may have to sell at a lower price than Centerstone might prefer, or it may have to sell in smaller than desired quantities over a period of time.

Small-Cap Company Risk. Generally, small-cap, and less seasoned companies, have more potential for rapid growth. They also often involve greater risk than large- or mid-cap companies. These smaller-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large- or mid-cap companies, and, therefore, their securities tend to be more volatile than the securities of larger, more established companies,



making them less liquid than other securities. Small-cap company stocks tend to be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if Centerstone wants to sell a large quantity of a smaller-cap company's stock, it may have to sell at a lower price than Centerstone might prefer, or it may have to sell in smaller than desired quantities over a period of time. An investment that is subject to these risks may be more suitable for long-term investors who are willing to bear the risk of these fluctuations.

Fixed Income Risk. When a portfolio invests in fixed income securities, the value of such investments may fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments).

Junk Bond Risk. Securities rated below investment grade, sometimes called "junk bonds," and the type of unrated debt securities purchased by a portfolio, generally are considered to have more risk than higher-rated securities. They may also fluctuate more in price, and are less liquid than higher-rated securities. Their prices are especially sensitive to developments affecting the company's business and to ratings changes, and typically rise and fall in response to factors that affect the company's stock prices. Issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy, such as a recession or a sustained period of rising interest rates. The risk that the portfolio may lose its entire investment in defaulted bonds is greater in comparison to investing in non-defaulted bonds.

Cash and Cash Equivalents Risk. At any time, a portfolio may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

Foreign Investment Risk. Foreign investing involves risks not typically associated with U.S. investments which may affect the value of foreign securities, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries. A portion of the derivatives trades may take place on foreign markets. Neither existing SEC regulations nor regulations of any other U.S. governmental agency apply to transactions on foreign markets. The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with portfolio transactions are often higher in foreign countries than the United States. Additionally, investments in securities of foreign issuers, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting



standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies, particularly in emerging markets, may be less stable than the U.S. government and the U.S. economy.

Currency Risk. Changes in foreign currency exchange rates will affect the value of what a portfolio owns. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. dollars. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Gold and Precious Metals Risk. Gold and other precious metals prices can be influenced by a variety of economic, financial and political factors, especially inflation: when inflation is low or expected to fall, prices tend to be weak. Any market price movements, regulatory or technological changes, or economic conditions affecting gold-related investments may have an impact on the strategy's performance. Additionally, there are certain considerations related to gold and other direct precious metal investments, including custody and transaction costs that may be higher than those involving securities.

ETF Risk. Investment in an ETF carries security specific risk and market risk. Also, if the area of the market representing the underlying index or benchmark does not perform as expected for any reason, the value of the investment in the ETF may decline. In addition, due to transactions via market prices rather than at net asset value, the performance of an ETF may not completely replicate the performance of the underlying index. The strategy will indirectly pay its proportionate share of any fees and expenses paid by the ETF in which it invests in addition to the fees and expenses paid directly by the portfolio. The strategy also will incur brokerage costs when it purchases ETFs. As a result, the cost of investing in the strategy generally will be higher than the cost of investing directly in ETFs.

Hedging Risk. While hedging can reduce losses, it can also reduce or eliminate gains or cause losses if the market moves in a manner adverse to the portfolio construction employed by Centerstone or if the cost of the derivative outweighs the benefit of the hedge. Hedging also involves the risk that changes in the value of the derivative will not match those of the holdings being hedged as expected by Centerstone, in which case any losses on the holdings being hedged may not be reduced and may be increased. There can be no assurance that Centerstone's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. Centerstone is not required to use hedging and may choose not to do so.

ADR Risk. A portfolio may invest in U.S. dollar denominated ADRs. ADRs are receipts typically issued by a U.S. bank or trust company evidencing its ownership of the underlying foreign securities. Securities of foreign issuers, and consequently ADRs, may decrease in value due to changes in currency exchange rates, the economic climate in the issuer's home country or for a variety of other reasons.

Emerging Markets Risk. The risks of investing in foreign securities are increased in connection with investments in emerging markets. Emerging markets are countries generally considered to be



relatively less developed or industrialized. Emerging markets often face economic problems that could subject a portfolio to increased volatility or substantial declines in value. Deficiencies in regulatory oversight, market infrastructure, shareholder protections and company laws could expose a portfolio to risks beyond those generally encountered in developed countries. In addition, profound social changes and business practices that depart from norms in developed countries' economies have hindered the orderly growth of emerging economies and their markets in the past and have caused instability. High levels of debt tend to make emerging economies heavily reliant on foreign capital and vulnerable to capital flight. Countries in emerging markets are also more likely to experience high levels of inflation, deflation or currency devaluation, which could also hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative.

Derivatives Risk. Centerstone may use derivatives (including options, futures and forward contracts) to enhance returns or hedge against market declines. Centerstone's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to a portfolio. The use of leverage may also cause Centerstone to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify a portfolio's potential for gain or loss and, therefore, amplify the effects of market volatility.

Credit Risk. Credit risk is the risk that the issuer of a bond or other instrument will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of a portfolio's investment in that issuer. The value of the debt securities held by a portfolio fluctuates with the credit quality of the issuers of those securities. A portfolio could lose money if the issuer of a security is unable to meet its financial obligations or goes bankrupt. In addition, fluctuations in interest rates can affect the value of debt instruments held by a portfolio. An increase in interest rates tends to reduce the market value of debt instruments, while a decline in interest rates tends to increase their values. Longer-duration instruments tend to be more sensitive to interest rate changes than those with shorter durations.

Regulatory Risk. Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of



Centerstone to achieve a strategy's investment objective and could increase the expenses of a portfolio. For example, new (or revised) laws or regulations may be imposed by the SEC, the CFTC, the IRS, the U.S. Federal Reserve or other governmental regulatory authorities or self-regulatory organizations that could adversely affect the portfolios. The portfolios may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations. Regulators around the globe have increasingly taken measures to seek to increase the stability of the financial markets, including by proposing rules that may curtail the portfolio's ability to use derivative and other instruments. Centerstone continues to evaluate these measures, and there can be no assurance that they will not adversely affect the portfolios and their performance.

Securities Lending Risk. Centerstone may lend portfolio securities to U.S. Government securities dealers and to institutions, such as banks and certain broker-dealers. A portfolio may experience a loss or delay in the recovery of its securities if the borrower breaches its agreement with Centerstone.

Volatility Risk. A portfolio may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the portfolio's net asset value per share to experience significant increases or declines in value over short periods of time.

Cyber Security Risk. As the use of technology has become more prevalent in the course of business, the strategy has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Cyber-attacks include, among other things, the attempted theft, loss, misuse, improper release, corruption or destruction of, or unauthorized access to, confidential or highly restricted data relating to the strategy and its investors; and attempted compromises or failures to systems, networks, devices and applications relating to the operations of the strategy and its service providers. Cyber security breaches may result from unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) or from outside attacks, such as denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Centerstone's investment programs or an investment in any Mutual Fund or SMA advised by Centerstone.

ITEM 9 - DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Centerstone's advisory business or the integrity of Centerstone's management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Centerstone is not registered, nor does it have an application pending to register as a broker-dealer. The Mutual Funds that Centerstone advises are diversified series of shares of beneficial interest of Northern Lights Fund Trust III. The Mutual Funds are distributed by Northern Lights Distributors, LLC. Centerstone is not affiliated with Northern Lights Distribution, LLC. Sales professionals



who are employed by Centerstone are registered representatives of Northern Lights Distributors, LLC.

Certain inherent conflicts of interest may arise from the fact that Centerstone may carry on substantial investment activities for multiple clients simultaneously, including the Mutual Funds and SMAs. Centerstone may give advice and recommend investments to, or engage in investment transactions for, certain of its clients which advice or investments may differ from advice given to, or investments made for, other Centerstone clients, even though their investment objectives may be the same or similar.

Centerstone may act as an investment adviser to multiple clients, including the accounts of affiliated persons of the Firm. The investment methods and strategies that Centerstone uses to manage a particular client's account may be used by Centerstone when managing another client's account. Centerstone may have a conflict of interest in rendering advice to a particular client because the financial benefit from managing another client's account may be greater, which could provide an incentive to favor such other account. These potential conflicts of interest are identified under Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading and Item 12 - Brokerage Practices.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Centerstone has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Centerstone must acknowledge the terms of the Code of Ethics annually, or as amended. Centerstone's clients or prospective clients may request a copy of Centerstone's Code of Ethics by contacting the Chief Compliance Officer, Philip Santopadre, at (212) 503-5789.

As a matter of policy, Centerstone does not engage in principal trades with clients (purchase securities from or sell securities to clients) or engage in agency cross transactions (act as broker for a client account and the other party to the transaction). Centerstone may effect transactions in which a client purchases securities from, or sells securities to, another client's account (i.e., cross trades) where it determines that such trades are in the interest of both clients and otherwise comply with the Firm's Code of Ethics and cross trade policy.

Centerstone's employees and persons associated with Centerstone are required to follow Centerstone's Code of Ethics, when executing personal transactions. The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of Centerstone will not interfere with making decisions in the best interest of advisory clients. Although Centerstone employees are permitted to invest in the same securities that are recommended to or held by any of our clients, personal transactions are subject to limitations regarding the type and timing of transactions, including certain prohibitions, and pre-approval. Employee trading is regularly monitored under the Code of Ethics in an effort to prevent conflicts of interest between Centerstone



and its clients. In addition, from time-to-time Centerstone may manage an account with proprietary capital or the assets of an affiliated person of Centerstone. Such accounts may invest in the same or similar securities as third-party client accounts. The management of affiliated accounts creates a conflict of interest for Centerstone to favor affiliated accounts over third-party accounts. It is Centerstone's policy to always act in the best interest of its clients and has procedures in place to mitigate conflicts regarding side-by-side management of affiliated and third-party accounts.

ITEM 12 - BROKERAGE PRACTICES

Best Execution

Centerstone's policy is to obtain the best execution of client transactions over the long term, taking into account the full range and quality of services offered by executing brokers.

Selection of Brokers

While trade price is often a significant quantitative factor in best execution, Centerstone also evaluates qualitative execution factors, such as research capabilities, success of prior research recommendations, ability to execute trades, nature and frequency of sales coverage, depth of services provided, including back office and processing capabilities, financial stability and responsibility, reputation, commission rates, responsiveness to Centerstone and the value of research and brokerage products and services provided by such brokers. The determinative factor is not the lowest possible commission cost alone.

In limited circumstances, Centerstone may use a broker where a division or affiliate of such broker may have referred or may refer clients to Centerstone. Centerstone may be deemed to have a potential conflict of interest in receiving such referrals. Centerstone, however, does not consider such referrals in its selection of brokers.

Where Centerstone serves as sub-adviser to SMAs, the primary adviser or client may request or require that Centerstone use one or more specific broker-dealers in executing transactions for such accounts. Where Centerstone is directed to use a specific broker-dealer, it may not always be able to obtain best execution for such client transactions.

Research and Other Soft Dollar Benefits

In recognition of commission dollars generated by trades executed by Centerstone, Centerstone may generate credits with brokers, which could be used to pay for research provided by brokers. To the extent Centerstone generates such credits, it will be receiving a benefit by reason of the direction of such commissions.

It is Centerstone's policy not to enter into soft dollar arrangements for a product or service that may be used for both research and non-research purposes (i.e., a "mixed-use product or service").



Directed Brokerage

Under certain circumstances, clients may direct Centerstone to use certain brokers. Any such direction must be in writing from the client and approved by Centerstone's Chief Compliance Officer. Each directed brokerage arrangement must be evaluated to determine whether Centerstone has any discretion in the investment or order entry process that may still require a best execution analysis. Centerstone must disclose to any client requesting a directed brokerage arrangement, among other information, the conflicts of interest involved and the fact that the client may give up benefits of better pricing or lower commission, which might otherwise be available through participation in bunched orders.

Trade Allocation and Aggregation

Centerstone seeks to allocate transactions fairly and equitably among clients over time. Centerstone may aggregate or bunch the orders for multiple client accounts. Centerstone will only aggregate orders if that aggregation is in the interests of best execution and is consistent with the investment guidelines and restrictions of each client for which trades are aggregated. If an aggregated order is effected, participants in the transaction will receive an average price.

In some instances (i.e., directed brokerage), Centerstone may not be able to aggregate orders for all clients in which we seek to buy and sell the same security at the same time. Centerstone uses a trade rotation system intended to allocate transactions equitably over time across its client base, subject to extenuating circumstances and to trading directions imposed by clients. Clients whose transactions are filled after other clients' transactions may receive less favorable prices.

Allocations may differ from the procedures outlined above for many reasons, including specific investment objectives, cash available for investment, and client-imposed restrictions.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews

The Portfolio Manager and members of the investment team review performance, transactions, and holdings for client accounts on an ongoing basis. Generally, the Portfolio Manager, investment team, and members of the Compliance Department review client portfolios on a daily basis for adherence to investment objectives, guidelines, and restrictions.

Client Reporting

The nature and frequency of reports to SMA clients are determined mainly by the particular needs of each client. SMA clients open accounts with their custodian of choice and typically receive periodic reports (generally monthly or quarterly). Centerstone may also provide detailed information upon the request of any SMA client.

Centerstone's Mutual Fund clients generally furnish each Mutual Fund investor with annual reports which include audited financial statements prepared in accordance with generally accepted



accounting principles, and reports that include an unaudited statement of the net asset value of the Mutual Fund investor's interest in the Mutual Fund provided by the Mutual Funds' third-party administrator.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Although Centerstone does not currently anticipate doing so, Centerstone may enter into arrangements with affiliated and unaffiliated solicitors. Centerstone may pay such solicitors some portion of the advisory compensation received by Centerstone. Except in limited circumstances and as disclosed to the affected investor, such payments will not reduce the amount invested by a solicited investor. Such arrangements, if any, will be in compliance with Section 206(4)-1 of the Investment Advisers Act of 1940, as amended.

In addition to the above, Centerstone or its affiliated persons may accept gifts or entertainment from third parties to whom Centerstone directs business, including brokerage, investments and other financial and administrative services, in compliance with Firm policy and in observance of Centerstone's Code of Ethics. In these instances, when a conflict of interests seems to arise, Centerstone will seek to ensure that all business decisions are made independent of any gifts or entertainment received from any third party and will ensure that such business decisions comport with Centerstone's fiduciary duty to its clients and the Firm's policies.

ITEM 15 - CUSTODY

Centerstone currently does not have custody of the funds and securities of the SMAs, nor does it have custody of any funds or securities in the Mutual Funds it manages.

SMA clients may receive periodic statements from the custodian that holds and maintains the client's investment assets. Centerstone urges each client to carefully review such statements and compare such official custodial records to any account statements that Centerstone may provide such client. Centerstone's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

ITEM 16 - INVESTMENT DISCRETION

Unless otherwise agreed to by Centerstone and a particular client, Centerstone generally exercises discretionary authority over the accounts of its clients. Centerstone usually receives discretionary authority from the client at the outset of an advisory relationship, by means of an investment advisory or similar agreement, which grants a power of attorney in favor of Centerstone to select the identity and amount of any investments to be bought or sold for its clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client.



ITEM 17 - VOTING CLIENT SECURITIES

Centerstone holds the authority to vote proxies on behalf of the Mutual Funds it manages, and has adopted proxy voting policies and procedures designed to ensure that such proxies are voted in the best interests of those clients. Centerstone will engage Institutional Shareholder Services Inc. (“ISS”) as an independent third party to assist Centerstone with fulfilling its Proxy Voting Policy and Procedures. Pursuant to Centerstone’s proxy voting procedures, in the event that Centerstone receives proxies, the portfolio manager will generally vote proxies based on the recommendation of ISS. However, if Centerstone disagrees with the recommendation of ISS, it will vote proxies in the manner it believes to be in the best interest of the Mutual Fund and its shareholders.

At the express direction of a client, Centerstone will vote proxies for securities held in such client’s SMA. Unless such client has provided Centerstone specific voting instructions, Centerstone will generally vote such proxies consistent with the recommendations of ISS, except in cases where Centerstone believes that such recommendation would be inconsistent with the best interest of the client.

Centerstone may also engage ISS or another independent third party to cast any proxy votes on behalf of those clients in the event that the Chief Compliance Officer identifies a material conflict of interest in casting such votes.

Clients may obtain a copy of Centerstone’s complete Proxy Voting Policy and Procedures and information about how Centerstone voted any proxies on behalf of clients by contacting Centerstone at (212) 503-5790.

ITEM 18 - FINANCIAL INFORMATION

Centerstone is required to provide you with certain financial information or disclosures about its financial condition. Centerstone has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.