

# Swan Defined Risk Fund

Class C Shares SDRCX

## a series of Northern Lights Fund Trust III

Supplement dated January 31, 2017 to the Prospectus and Statement of Additional Information  
dated November 1, 2016

Please be advised that, effective immediately, a contingent deferred sales charge will be assessed only to Class C shares of the Swan Defined Risk Fund (the "Fund") purchased prior to February 1, 2017, which are sold within one year of purchase. Class C shares of the Fund purchased on or after February 1, 2017 will not be subject to a contingent deferred sales charge.

Therefore, the fee table on page 1 of the prospectus has been amended and restated as shown below. Any references to a contingent deferred sales charge in the prospectus or statement of additional information should reflect the fact that such fees will be charged only for Class C shares of the Fund purchased prior to February 1, 2017 which are sold within one year of purchase.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold Class C shares of the Fund.

<b>Shareholder Fees (fees paid directly from your investment)</b>	<b>Class C</b>
Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)	None
Maximum Deferred Sales Charge (Load)	None <sup>(1)</sup>
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions	None
Redemption Fee (as a % of amount redeemed, if sold within 30 days)	None
<b>Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)</b>	
Management Fees	1.00%
Distribution and Service (12b-1) Fees	1.00%
Other Expenses	0.17%
Acquired Fund Fees and Expenses <sup>(2)</sup>	0.13%
<b>Total Annual Fund Operating Expenses</b>	<b>2.30%</b>

(1) Class C shares purchased prior to February 1, 2017 that are redeemed during the first 12 months, may be subject to a contingent deferred sales charge in the amount of the commissions paid on the shares redeemed.

(2) Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial highlights because the financial statements include only the direct operating expenses incurred by the Fund.

Please be further advised that, effective immediately, any and all fees or commissions paid to brokers or distributors of Class C shares of the Fund under to the Distribution Plan adopted by the Fund pursuant to Rule 12b-1 of the Investment Company Act of 1940 will be paid on a monthly basis following the sale of those shares.

Accordingly, the **Class C Shares** disclosure under the *How To Purchase Shares* section of the prospectus on page 31 of that document is amended as follows:

Class C shares of the Funds are offered at their NAV without an initial sales charge. This means that 100% of your initial investment is placed into shares of the Fund. Class C shares pay 1.00% on an annualized basis of their average daily net assets as reimbursement or compensation for service and distribution related activities with respect to the Fund and/or shareholder services (also known as “12b-1 fees”). Over time, fees paid under this distribution and service plan will increase the cost of a Class C shareholder’s investment and may cost more than other types of sales charges.

If you have significant holdings in the Swan Funds, you may not be eligible to invest in Class C shares. Specifically, you may not purchase Class C shares if you are eligible to purchase Class A shares without an initial sales charge due to the accumulation of \$1 million or more of shares of the Swan Funds, at either an individual level or when combined with the holdings of your immediate family (your spouse and your children under the age of 21). See “Class A Shares” and “Rights of Accumulation” above for more information regarding sales charge discounts.

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*You should read this Supplement in conjunction with the Prospectus and Statement of Additional Information dated November 1, 2016, which provides information that you should know about the Funds before investing. These documents are available upon request and without charge by calling the Funds toll-free at 1-877-896-2590.*

*Please retain this Supplement for future reference.*