Stock Market Update: Seeing Great Returns With Reduced Risk

The Issachar Fund (LIONX, BRI, ESG) is 98% invested (2% Cash) in 44 leading growth stocks on Sunday, Feb. 21, 2021, with $59 million in AUM at $ per share. I sold a few stocks before their earnings announcements last week to avoid any potential negative surprises. Consequently, I would rather miss out on a gap up in price after earnings than sustain a steep loss in an earnings miss. Very few growth stocks are blowing up after earnings, and I believe that is a healthy sign. However, growth stocks did take a breather last week, but I think they may be ready to resume their uptrends. My job is to manage the risk, and I view this as a favorable risk/reward relationship, so we are all-in for now. Yes, all my eggs are in one big basket (LIONX), but I am watching it like a hawk! (Please see performance table below, and there is no guarantee that any investment will achieve its objectives, generate positive returns or avoid losses.)

Yields on the U.S. Treasury 20-year bonds have risen over 36% this year! That means these treasury bonds have lost over -9% in real value. Commodity prices have increased over 12%, and oil is up over 20%. Gold is down over -6%, while the digital gold, Bitcoin, is up over 77% YTD! I believe inflation is rearing its ugly head, and we should pay attention to its impact on the economy and stock market. However, the stock market does not seem to care because it is less than 1% from an all-time high. If inflation is causing rates to rise and bond prices to decline, I would expect growth stocks to continue to shine as bond investors seek better returns. I believe this disruption we are witnessing is being caused by the Fed’s excessive money printing, and I do not see them stopping anytime soon. I will continue to do my best to maximize gains and minimize losses, so let’s enjoy the ride while it lasts.

The Fed increased its balance sheet last week by $115 billion to an all-time high of $ trillion! Wow, they have really stepped on the gas this time. I wonder if they see trouble ahead. I also wonder why the Fed is allowing rates to rise. Can’t they create more free money to buy more bonds and cause rates to fall? Maybe that is what they are doing. Isn’t the market bigger than the Fed’s ability to control rates? If that is the case, we could be in trouble, and things could get ugly. However, I do not believe the Fed will go down without a fight, so get ready for them to crank up the printing presses even more. The more money they print, the more some will likely flow into the stock market, lifting many growth stock boats.

Bottom Line: Issachar is fully invested and doing well. Growth stocks took a breather last week and might be ready to run higher along with the cyclical/value stocks (basic materials, machines, finance and so on) that seem to be under accumulation. I am encouraged to see a bit of rotation into the cyclicals as this may confirm this bull may have more room to run higher. Cyclicals are at the top of my buy list as new money flows into Issachar. So, thank you for adding to your account and trusting me to steward your assets. I believe the Fed has our back, which adds to my conviction level as I find new inventory to buy. I trust that God is giving me the wisdom to manage His fund in a way that brings glory to His name. God is truth, and He will never leave us because He loves us unconditionally! I pray this gives you peace.

“It is better to trust in the Lord than to put confidence in man” (Ps. 118:8).

The Issachar Board approved an institutional share class (LIOTX), and I expect it to be available soon at Schwab, Fidelity, TD Ameritrade, Pershing and ETrade.

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 %.

For the one week ending 2/19/21, LIONX returned %, with the IQ Hedge Multi-Strategy Index (IQX) at % and the S&P 500 Index (SPX) at %. The year-to-date return for LIONX is %, with IQX at % and SPX at %. For the one year ending 12/31/20, LIONX returned %, with IQX at % and SPX at %. The 5-year annualized return for LIONX was %, with IQX at % and SPX at %. Since inception on 2/28/14, LIONX has a % annualized return with IQX at % and SPX at %. The maximum draw-down since inception for LIONX has been %, with IQX at % and SPX at %. The monthly standard deviation since inception for LIONX has been 2%, with IQX at % and SPX at %.

Bottom line: LIONX has achieved great returns with reduced risk! Praise Jesus!

Read the fourth quarter fact sheet here and listen to *Biblical Stock Market Updates* on the Charisma Podcast Network. {eoa}

LIONX *is a BRI/ESG, tactical, alternative, mutual fund actively managed like a hedge fund.*

Investors should carefully consider the investment objectives, risks, charges and expenses of the Issachar Fund. This and other important information about the Fund are contained in the prospectus, which can be obtained by calling 1-866-787-8355 or visiting . The Prospectus should be read carefully before investing. The Issachar Fund is distributed by Northern Lights Distributors, LLC., member FINRA/SIPC.

Horizon Capital Management Inc. (HCM) is not affiliated with Northern Lights Distributors, LLC.

Important Risk Information: *Mutual Funds involve risks, including the possible loss of principal. An investment in the Fund may not be appropriate for all investors. The Fund may hold cash positions when the adviser feels that the market is not producing returns greater than the short-term cash investments in which the Fund may invest. 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 adviser's judgment about the attractiveness, value and potential appreciation of particular asset classes and securities in which the Fund invests may prove incorrect and may not produce the desired results. Past performance is no guarantee of future results. Ratings are only one form of Fund performance and should not be used as the sole consideration in making an investment decision. For more information regarding the fund, including current performance, please visit . For more information on LIONX, please visit . NLD Review Code: 4362-NLD-2/22/2021.*