13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

April 10, 2018

Class I YTD: -0.82% S&P 500 YTD: -0.76% AUM: $373 million

In the first quarter of 2018, the I shares returned -0.82%, net of fees and expenses (versus -0.76% for the S&P500). From our inception on December 28, 2011 the Fund has averaged 15.78% annually, net of fees and expenses, versus 15.11% annually for the S&P 500. While we expected to have a greater outperformance and believe we will continue to increase this gap, we are very proud of these results, particularly in light of three extremely strong headwinds during the past six years.

First, during this period, $2.5 trillion was poured into passive index funds and ETFs while $400 million was taken out of actively managed funds and ETFs. When we started our Fund, there was $2.7 trillion in passive vehicles, compared with $6.8 trillion today. These passive inflows greatly bolster the performance of indexes relative to actively managed funds like ours. This trend cannot continue indefinitely and should revert at some time. Moreover, the more money that goes into these passive funds, the less efficient the market becomes and the more opportunities there are for value investors and activists in the future.

The second headwind has been FANG (the acronym for Facebook, Amazon, Netflix and Alphabet (previously Google)) representing the most popular and best performing tech stocks in the market which have generated spectacular returns. From our inception through the end of the first quarter of 2018 Facebook was up 318%, Amazon 732%, Netflix 2,888% and Alphabet 224%. As the S&P500 is a market cap weighted index, these stocks have had a huge effect on its performance. Simply put, without owning these stocks it has been very hard to outperform the S&P500 over the past six years. Other than a brief ownership of Netflix in 2012 and 2013, we have had absolutely no exposure to FANG stocks, but were still able to outperform. It is highly unlikely that these four stocks can keep on this pace and continue to prop up the indexes. In fact, for the first time in many years we are actually seeing bearish external factors with respect to Amazon (Trump's disagreement with their use of the postal service) and Facebook (its use and protection of user data).

The third headwind is Valeant. While we did very well in our Valeant investment (buying initially in the high $40s and selling near $120), the prospect of having two top activists (ValueAct and Pershing Square) with large positions in a company that was being accused of price gauging and fraud set a huge dark cloud over activism in general. This led to an exodus of capital from activist investments, sending our portfolio and the portfolio of activists down precipitously over a six month period (Mid-August 2015 – Mid-February 2016) despite the fact that the intrinsic value of our portfolio companies were unaffected during that time. We have never seen anything like this in the activist world in the 12 years we have been following activism and truly view this as a black swan event that combined two very rare occurrences: (i) two major activists being 13D filers in the same mega-cap company and (ii) a mega-cap company committing such atrocious acts that it lost 90% of its value in less than eight months. We think either of these events, much less both, are extremely unlikely to recur.

During the first quarter, we sold three positions and added two new positions. We exited NXP Semiconductors (NXPI) the day that Qualcomm raised its offer to $127.50. At that point, the activist catalyst was accomplished, we made a nice return and not being merger/arb investors, we do not like to have merger/arb investments. We also exited Stewart Information Services (STC) when it was announced that it would be acquired by Fidelity National Financial for the same reasons. Finally, we exited Deckers (DECK). Marcato Capital still had a live 13D in Deckers but we sold it for three reasons. First, the activist catalyst has significantly declined - the Company explored a sale with no takers and Marcato lost its proxy fight failing to get any directors on the Board. Second, although Marcato did not sell any shares, they filed a 13D that subtly disclosed that they took a short swap position, materially decreasing their economic exposure. Finally, we had bought the stock in the mid-50s and sold in the high 80s. We thought it was a good time to deploy that capital into other positions with stronger catalysts.

During the quarter we added Newell Brands, Inc. (NWL) and Autoliv Inc. (ALV). Newell is a 13D filing of Carl Icahn, who almost immediately entered into a Settlement Agreement with the Company reconstituting the Board and adding four Icahn representatives. The most interesting thing about this engagement is that it occurred in the middle of an activist campaign by Starboard Value to replace the entire board and reinstate the old Jarden management team. Jarden was acquired by Newell in 2016 and its products still represent approximately half of the company's revenue. The Jarden team would have likely made significant operational changes, divested non-core brands and ran Newell like they ran Jarden so successfully, mainly by decentralizing operations. Icahn came in as part activist and part white knight by agreeing with the company to take just less than half of the new board, not majority like Starboard was going for. While this will mean the present management team will likely stay more intact and the Jarden team will not be replacing them, Icahn and his directors will focus more on strategic operations and divesting brands than operational improvements. Starboard is now running a proxy fight for a minority of the Board as they are not happy with the Icahn agenda. The interesting thing here is not that there are two activists involved, but that the two activists are not aligned. This is extremely rare. While we would prefer the Starboard agenda to Icahn's, we believe that Icahn will be a catalyst for shareholder value, and the fact that Starboard is still there gives the Company a sense of urgency to create shareholder value.

Autoliv is a 13D filing of Cevian Capital, a European activist who is not that well known in the US but is the premier activist in Europe. Autoliv is a developer, manufacturer and supplier of automotive safety systems to the automotive industry. Its products are sold within two operating segments, Passive Safety and Electronics. The Passive Safety business segment's products include modules and components for frontal-impact airbag protection systems, side-impact airbag protection systems, seatbelts, steering wheels, inflator technologies, battery cable cutters, pedestrian protection systems and child seats. The Electronics segment includes restraint control electronics and crash sensors, active safety sensors and software for both advanced driver assistance systems and autonomous driving. Autoliv leads its competitors with a market share of approximately 38% in Passive Safety and has been winning even more business because in 2017, Takata, one of its major competitors, filed for bankruptcy after the largest automotive recall in history. On December 12, 2017, Autoliv announced its intent to separate its Electronics business following a strategic review of the current operating structure. Cevian supports the separation so this is somewhat of an amicable engagement. While the Nordic corporate governance rules are amongst the most shareholder friendly in the world, although domiciled in Sweden, Autoliv is incorporated in Delaware making it subject to U.S. federal and state regulations. Historically, the Company has not implemented the shareholder friendly practices that Swedish investors are used to. I expect that Cevian will work with management to rectify that and potentially take a board seat as they do with most of their portfolio companies.

The total return for the 13D Activist Fund, net of fees and expenses, and the S&P 500 for the period ending March 31, 2018 are:

as of 3/31/18	**YTD**	**1 Year**	**3 Year**	**5 Year**	**Since Inception***	**Inception Cumulative***
13D Activist Fund I	-0.82%	15.75%	7.47%	12.26%	15.78%	150.06%
S&P 500 TR	-0.76%	13.99%	10.78%	13.31%	15.11%	141.16%

as of 3/31/18	**2012**	**2013**	**2014**	**2015****	**2016**	**2017**	**YTD**
13D Activist Fund I	21.27%	36.58%	15.46%	-10.92%	19.57%	23.78%	-0.82%
S&P 500 TR	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-0.76%

* Inception Date is December 28, 2011

** Over the past six years, the Fund has consistently generated non-correlated outperformance, with the exception of the Valeant-plagued six month period starting in September of 2015. While the Fund did quite well on its Valeant investment, the idea that two major activists were invested in a mega-cap company accused of fraud caused a short term mass exodus away from anything "activist." This adversely affected the price, but not the value, of many of our portfolio positions. After two years of normalized returns, Valeant is certainly behind us and not likely to recur and we expect activism to continue to produce the non-correlated outperformance we have experienced since we launched the fund in 2011.

We are very excited for 2018 and please feel free to call with any questions.

Ken Squire

Please remember that past performance may not be indicative and is no guarantee of future results. The fund performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Fund performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. There is neither a front end load nor a deferred sales charge for the 13D Activist Fund I Class Shares. The A Class shares are subject to a maximum front end load of 5.75%. Shares held for less than 30 days of both classes are subject to a 2.00% redemption fee. The total operating expense ratio (including indirect expenses such as the costs of investing in underlying funds), as stated in the fee table in the Fund's prospectus dated January 29, 2018, is 1.51% for I Class, 1.76% for A Class and 2.51% for C Class. For most recent month end information, please visit www.13DActivistFund.com or call toll-free 1-877-413-3228.

Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices. Past performance may not be indicative of future results and does not reflect the impact of taxes on non-qualified accounts. The data herein is not guaranteed. You cannot invest directly in an index.
The S&P 500 Index is an unmanaged composite of 500-large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. The Russell 2000 is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. FANG stocks refer to Facebook, Amazon, Netflix & Google.

"The Morningstar Sustainability RatingTM is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance, or ESG, risks and opportunities relative to the fund's Morningstar Category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies that score well after normalization and controversy-level deductions are applied. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%); Above Average (next 22.5%); Average (next 35%); Below Average (next 22.5%); Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. The Portfolio

Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Please click on http://corporate1.morningstar.com/SustainableInvesting/ for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score."

Mutual Fund investing involves risk including loss of principal. Overall stock market risks will affect the value of individual instruments in which the Fund invests. Factors such as economic growth, market conditions, interest rate levels, and political events affect the U.S. securities markets. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money. The Fund is a non-diversified investment company, which makes the value of the Fund's shares more susceptible to certain risks than shares of a diversified investment company. The Fund has a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer. The value of small or medium capitalization company stocks may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. An investor should also consider the Fund's investment objective, charges, expenses, and risk carefully before investing.

Before investing, please read the Fund's prospectus and shareholder reports to learn about its investment strategy and potential risks. This and other information about the Fund is contained in the Fund's prospectus, which can be obtained on the web at www.13DActivistFund.com or by calling 1-877-413-3228. Please read the prospectus carefully before investing. The 13D Activist Fund is distributed by ALPS Distributors, Inc., member FINRA www.finra.org

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