13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

April 22, 2019

Class I YTD Net Return: 14.93%   S&P 500 YTD Net Return: 13.65%   AUM: $355 million

In the first quarter of 2019, the I shares returned 14.93%, net of fees and expenses (versus 13.65% for the S&P500). Like many domestic equity funds, this represented a rebound from the end of 2018 where such funds severely underperformed. We are optimistic in our outlook for US equities and for shareholder activism.

The total return for the 13D Activist Fund, net of fees and expenses, for the period ending March 31, 2019 are:

as of 3/31/19	1Q19	YTD	1 Year	3 Year	5 Year	Since Inception*	Inception Cumulative*
13D Activist Fund I	14.93%	14.93%	0.26%	13.20%	7.62%	13.51%	150.73%
S&P 500 TR	13.65%	13.65%	9.50%	13.51%	10.91%	14.32%	164.07%
Russell Mid Cap TR	16.54%	16.54%	6.47%	11.82%	8.81%	13.55%	151.37%
Lipper Percentile Rank	N/A	N/A	74th	9th	25th	4th	4th
Position / Mid Cap Core Group	N/A	N/A	286/388	27/331	70/281	9/225	9/225
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
13D Activist Fund I	21.27%	36.58%	15.46%	-10.92%	19.57%	23.78%	-13.47%
S&P 500 TR	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%

* Inception Date is December 28, 2011

We continue to believe that the market environment is ripe for shareholder activism just as it was after a similar sell off in 2015 and other times in the past for several reasons. First, activist investors are value investors and when markets are down, the gap between stock price and value increases, resulting in many more potential opportunities for activists. Second, in down markets it is harder for bad management to hide, leading to even more opportunities for activist investors. And third, in down markets it is easier for activists to get the support of other shareholders and implement their activist agenda. In fact, our research affiliate, 13D Monitor, published the attached article documenting how shareholder activism has historically rebounded from periods like we saw at the end of 2018.

We had a very busy first quarter, exiting seven positions and adding six new investments. We exited Travelport Worldwide Ltd. (TVPT) after it was announced that it will be acquired by Siris Capital Group and Evergreen Coast Capital, an affiliate of Elliott Associates. This is the catalyst we had expected, as we said in the original research report produced by our affiliate, 13D Monitor, on March 26, 2018:[1] "Travelport is the right size and sector to be considered by Elliott's Evergreen Coast Capital . . ." We also sold Mellanox (MLNX) after it agreed to sell itself to Nvidia who outbid Intel. Again, this did not come as a surprise to us as we stated in the 11/20/17 13D Monitor report:[2]: "There has been an unprecedented amount of industry consolidation and Mellanox is not likely to be left alone as it would likely get a premium valuation from a number of interested parties, including Intel, Nvidia, Microsemi, Broadcom or even Marvell who had previously looked at acquiring the Company but was rebuffed." We sold Marvell (MRVL) and CBRE Group (CBRE) when Starboard and ValueAct, respectively, sold below 5% and exited their 13Ds. We sold Hertz (HTZ, HRI) and Arcosa (ACA), two underweight, weaker catalyst positions, when Icahn and ValueAct, respectively, materially decreased their positions; and we sold Baxter (BAX) when Third Point decreased its position and announced that its director will not be standing for re-election to the board.

During the quarter we bought: Papa John's (PZZA), Caesars (CZR), Innoviva (INVA), Newell (NWL), Magellan (MGLN) and Knowles (KN). Starboard Value entered into an agreement with Papa John's pursuant to which it acquired $250 million of convertible debt and received three board seats, including Starboard founder Jeff Smith as Chairman of the Board. This structure had several benefits for the Company. First, it gave it much needed capital to reduce its debt load and use for investment purposes. Second, it diluted John Schnatter's ownership and greatly reduced the chances he increases his influence at the Company. And third, it added financial and industry expertise to the Board. Jeff Smith has a proven track record of success in these types of situations and was the Chairman of Darden, a very successful and similar turnaround situation. Starboard's first step will be to stabilize same store sales. There will be a natural stabilization that will take place as time passes but the Company can also work on better marketing which is not centered around Schnatter and more focused on the product. Over the long term, significant value can be created through operational changes. There are opportunities to improve the cost structure, make better use of technology and refranchise company owned stores. Approximately 20% of US stores are Company owned and getting that number down to 5 – 10% would result in real benefits to the Company.

Caesar's Entertainment Corp. (CZR) was a 13D filing of Carl Icahn. When you think of Carl Icahn, you do not really think casinos, but Icahn has had a tremendous history of creating value at casinos. In 1998 Icahn acquired the Stratosphere casino operations for $250 million, fixed it up, grew it and sold it in 2008 for $1.2 billion. Icahn acquired Tropicana out of bankruptcy in 2008, brought in new leadership and restructured it and sold it in April of 2018 for $1.85 billion. Icahn is urging the Company to conduct a strategic process to comprehensively assess the best path forward and believes that shareholder value might be best served, and enhanced, by selling the Company. However, there is also an opportunity to create value through new leadership and cost cutting. Since his 13D filing, Caesar's has replaced its CEO with Anthony Rodio, who served as CEO of Icahn's Tropicana Entertainment Inc. from 2012-18. The Company also announced the creation of a Transaction Committee to evaluate ongoing efforts in creating additional shareholder value, including a potential sale of the Company to companies expressing interest, including Eldorado Resorts and the Golden Nugget.

Innoviva (INVA) is our first investment from activist Sarissa Capital Management. Sarissa is an activist investor focused on the health care sector. It was founded in May, 2013 by Alex Denner, former Senior Managing Director of Icahn Capital. Alex was the lead in Icahn's investments in companies like Biogen, Amylin, Genzyme, MedImmune and ImClone and sat on the Boards of ImClone, Amylin, Biogen, Enzon and Adventrx Pharmaceuticals. Alex has a PHD in biotech and a rare combination of analytical skills in this sector and activist skills and experience. Innoviva was spun out of Theravance Biopharma, Inc. in June 2014 to unlock value of the royalties being received, but is one-third owned by Glaxo, who pays those royalties. All Innoviva does is receive royalties from Glaxo on three drugs – Breo, Anoro and Trelegy – which are respiratory related drugs, developed to make sure that drug particles are the right size to make it into the lungs after being inhaled. The Company receives $250 - $300 million in royalties per year and has no real operations other than cashing these checks (which happen

[1] 13D Monitor is the research affiliate of 13D Management LLC and is not an affiliate of Foreside Financial Services, LLC or any of its affiliates.

to be wire transfers to make it even easier). However, in 2018, the Company had $22.7 million in operating expenses. Sarissa initially got involved in this Company in March of 2017 when it reported a 2.7% ownership and nominated a majority slate to the Board. After almost a year of proxy fights and lawsuits, Sarissa settled with the Company in February of 2018 whereby Sarissa was able to appoint the entire five person Board sending the stock from $15.45 to a high of $20.06 on January 30, 2019 when a generic Advair was approved by the FDA sending the stock down to $16.24. With Sarissa at the helm, there are several outlets for value creation. First, just significantly decreasing Selling, General & Administrative expenses will add value. Second, improving corporate governance from a company that was working for management to a company working for shareholders is valuable. Third, there are avenues for financial improvements such as efficiently using the NOLs and optimizing the tax situation and making the royalty stream more constant and predictable. Finally, there is also a possibility that Glaxo would be interested in acquiring the two-thirds of the Company it does not already own. This would improve their profit margins, give them some value to their investment in Innoviva (as opposed to owning one-third of a company that is not distributing its profits) and give them potential value in Innoviva's intellectual property which Innoviva has not been able to fully exploit due to its arrangement with Glaxo.

We also made an underweight position in Knowles Corporation (KN), a 13D from Caligan Partners. Caligan Partners is a new activist-oriented investor formed by former Icahn Managing Director Sam Merksamer and former Carlyle Group Managing Director David Johnson. Caligan is nominating Merksamer and former Icahn Managing Director Jonathan Christodoro of Patriot Global to the Board. Knowles Corporation was spun out of Dover Corp. in 2014 and has a core expertise in acoustic components. It has three main businesses. First, it has been a leader in transducers for hearing aids since the 1940s. This business is essentially a duopoly (with Sonion AS of Denmark) with Knowles having a 70% market share. It is recession resistant and should grow as wealth increases in emerging markets. The second business designs and manufactures acoustic products, including microphones and audio processing technologies used in mobile handsets and wearables. This business is also a duopoly (with Infineon) with Knowles having a 55-60% market share. The third business is not acoustically oriented and is a high reliability, harsh environment capacitor business. This is capacitors for things like pacemakers and the US first strike missile defense system. Put simply, these are capacitors that have to work or people die. This business has long term contracts and 40% gross margins with high single digit expected annual growth. The two acoustic businesses comprise 80% of the Company's revenue and EBITDA. Despite having three strong and growing businesses, the Company's stock has declined from $30 in its February 2014 spinoff to $16.50 today. Part of the reason is that there were other legacy businesses from Dover that were divested at losses but part of the blame certainly has to lie with operating the core businesses. This is where a shareholder representative can be very helpful in freshening and refocusing a board and concentrating on shareholder value. A majority of the Board and the CEO have been in place since the spinoff and this board could certainly benefit from a shareholder representative. Based on their histories, if elected or appointed to the Board, we would expect Merksamer and Christodoro to engage with the board, get to know the Company from the inside and then develop suggestions regarding strategy, capital allocation and operations.

Magellan (MGLN) and Newell (NWL) are two older 13Ds that we have been watching and decided to buy now because of a significant price decrease and/or an increased activist catalyst. Since filing its 13D in December of 2018, Starboard has called upon Magellan's Board to explore a sale of the Company, and at the end of March received four Board seats, including one for Starboard principal, Peter Feld. Starboard has had significant outperformance when they get three or more directors elected, is more effective in its activism when they put one of their principals on the Board (versus a slate of independent directors), and Feld has the best track record of Starboard principals as a director. Newell is an Icahn 13D from March of 2018 when the stock was trading north of $28 per share. Starboard had started an activist campaign at Newelll at the same time but had since exited. We had preferred Starboard's activist agenda which included replacing the CEO versus Icahn's which primarily revolved around asset sales. Since then, the stock had dropped to $17 per share and the Company announced that the CEO will be retiring at the end of the second quarter of 2019.

Other interesting potential catalysts we are keeping an eye on include:

(i) The reported sales processes at Cars.com: On March 25, the Company announced that its previously announced process to explore strategic alternatives is ongoing and they continue to engage with multiple parties. The deadline to submit director nominations was extended to May 15.

(ii) The sales processes at Jack in the Box: On April 3, the National Jack in the Box Franchisee Association reiterated its call for new ownership and a CEO change. The Company extended its deadline with JANA Partners for appointing two new directors until April 30.

(iii) The reported sales process at Nielsen: on April 5 it was reported that private equity funds, including Advent and Apollo, were considering bids.

(iv) The reported sales process at Symantec: on November 6, it was reported that Thomas Bravo had approached Symantec about an acquisition, but it was later reported that they had also approached McAfee.

We appreciate your continued support 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.

The Lipper Mid-Cap Core Funds Peer Group have been presented as investment strategies with similar investment styles. Lipper rankings are based on total return of a fund's stated share class, are historical and do not represent future results. 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 3000 Growth Index is a market capitalization weighted index based on the Russell 3000 index. The Russell 3000 Growth Index includes companies that display signs of above average growth. The index is used to provide a gauge of the performance of growth stocks in the United States. Russell 3000 Value Index is a market-capitalization weighted equity index maintained by the Russell Investment Group and based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform. Included in the Russell 3000 Value Index are stocks from the Russell 3000 Index with lower price-to-book ratios and lower expected growth rates. The Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000 typically comprises approximately 90% of the total market capitalization of all listed U.S. stocks. It is considered a bellwether index for large-cap investing. The Russell 2500 Index is a broad index, featuring 2,500 stocks that cover the small- and mid-cap market capitalizations. The Russell 2500 is a market cap-weighted index that includes the smallest 2,500 companies covered in the Russell 3000 universe of United States-based listed equities. The Russell Midcap Index is a market capitalization weighted index comprised of 800 publicly traded U.S. companies with market caps of between $2 and $10 billion. The 800 companies in the Russell Midcap Index are the same 800 of the 1,000 companies that comprise Russell 1000 Index. The Russell 1000 Index is a compilation of the largest 1,000 publicly traded U.S. companies. The average Russell Midcap Index member has a market cap of $8 billion to $10 billion, with a median value of $4 billion to $5 billion. The index is reconstituted annually so that stocks that have outgrown the index can be removed and new entries can be added.

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

The views expressed in this update are as of the date of this letter. These views and any portfolio holdings discussed in this update are subject to change at any time based on market or other conditions. The Fund disclaims any duty to update these views, which may not be relied upon as investment advice. In addition, references to specific companies' securities should not be regarded as investment recommendations or indicative of the Fund's portfolio as a whole.