13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

April 1, 2020

Class I YTD Net Return: -30.25% Russell 2500 YTD: -29.72% AUM: $172 million

In the first quarter of 2020, the I shares (DDDIX) returned -30.25%, net of fees and expenses (versus -29.72% for the Russell 2500). The performance of our Fund and the markets were overwhelmed by the global pandemic COVID-19. Trying to analyze this performance during a worldwide pandemic is like trying to analyze a golf shot in the midst of a hurricane. The results are in no way going to reflect any technical or fundamental factors. Many stocks are trading more on panic selling and liquidity than fundamentals or catalysts. However, sticking with this analogy, if you continue with sound technical and fundamental disciplines, you should do very well when the wind dies down.

The total return for the 13D Activist Fund, net of fees and expenses, for the period ending March 31, 2020 are:

as of 3/31/20	Since Inception*	3 Month	YTD	1 Year	3 Year	5 Year	Inception Cumulative*	
13D Activist Fund I	8.32%	-30.25%	-30.25%	-22.83%	-3.61%	-0.80%	93.48%	
Russell 2500 TR	7.92%	-29.72%	-29.72%	-22.47%	-3.10%	0.49%	87.70%	
Lipper Percentile Rank	14th	N/A	N/A	65th	41st	48th	14th	
Position / Mid Cap Core Group	28/ 201	N/A	N/A	221/ 341	129/ 318	120/ 254	28/ 201	
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
13D Activist Fund I	21.27%	36.58%	15.46%	-10.92%	19.57%	23.78%	-13.47%	27.15%
Russell 2500 TR	17.88%	36.80%	7.07%	-2.90%	17.59%	16.81%	-10.00%	27.77%

* Inception Date is December 28, 2011

It is impossible for anyone to call a bottom in normal sell offs, and one that also depends on the global spread rate of an unprecedented virus is even harder to identify. We have no idea if we have seen the bottom, but we do know for sure that we are ~30% off the top, and historically that has been an excellent place for long term investors to enter US equities. When we are over the hump on this crisis, and quarantines and school and restaurant closures start reversing, we will have a healthy economy with a corrected stock market, a historically low fed funds rate, the largest ever government stimulus package and a president who judges his performance by the stock market months away from re-election. We strongly believe that now is an excellent time to start increasing allocations to US equities and we believe our Fund will excel over the next several years for many reasons.

First, small and mid-cap stocks have been lagging large and mega cap stocks for years and this has continued through the recent sell off. While the S&P500 was down approximately 30% YTD through March 23, the Russell 2500 was down approximately 40%. Moreover, over the past 1, 3 and 5 years the S&P annualized at (18.51%), 0.40% and 3.33%, versus (32.13%), (7.37%) and (2.72%) for the Russell 2500. We have felt for a long time that this performance gap would start to revert, and we believe that the market environment created by the pandemic will hasten that reversion. Many small cap companies traded more on lack of liquidity during the recent panic selling than on fundamentals or catalysts, and we believe that in a normalized environment, these companies will present the greatest value. Moreover, market participants are being reminded of some of the risks associated with global supply chains and global customers. In a global slowdown like we are experiencing now, we believe investors will find safety in domestic companies with less global exposure, particularly in a time when other countries do not have the resources to execute a $6 trillion stimulus program like the United States. These companies are predominantly small and mid-cap companies.

Second, with the repercussions from a global pandemic likely to reverberate for years with some industries such as travel and lodging taking many years to fully recover, for the first time in a long time global continued growth is not a certainty. Investors will not be able to buy growth stocks and just watch them grow like they were able to do over the past several years. Spreads between value and growth are trading at their widest point on record. We believe this will be the beginning of the long-awaited rotation from growth to value, and from index funds to active investing. There is no type of investing that is more active than activist investing. Activists are value investors who identify undervalued companies and create their own catalysts to close the valuation gaps. With activist stocks you do not necessarily have to wait for the market to recognize the value in a company - the activist agenda, if implemented correctly, should close the valuation gap. Moreover, with the markets down significantly from their highs, investors like activists have many more opportunities to take positions at prices they never thought they would see.

Third, it should be easier than ever to implement activist agendas. When markets are down it is harder for poor management to hide, and with many other shareholders under water in their portfolios, it is easier to get shareholder support for activist campaigns. Additionally, there will likely be fewer stock buybacks in the near future, making it even harder for underperforming management to stave off activists with financial engineering. While stock buybacks is also a tool used by activists as a component of an activist campaign, experienced activists rarely use it as a core component, and good operational, strategic and governance activism should continue to thrive. Investors may not be able to rely on the market beta to generate returns as they have during the lengthy bull market we have just exited. In such an environment, catalysts and activism become much more valuable.

During the first quarter, we exited three positions and added three new investments. We exited Chipotle (CMG) because Pershing Square sold down below 5% and ceased to be a 13D filer and we exited ForeScout Technologies, Inc. (FSCT) and Instructure, Inc. (INST) when it was announced that they were being acquired. It is worth noting that both of these positions were bought by us just a quarter earlier with the catalyst being a sale of the Company. Successful strategic activism like this tends to skew our average holding period and is offset by successful corporate governance activism where a good activist gets on the board of a good company for many years, consistently creating value for shareholders. We like having both types of activism in our portfolio.

During the quarter we bought: Green Dot Corp. (GDOT), MEDNAX Inc. (MD) and Olin Corp. (OLN). GDOT is a position of Starboard Value, who is a very successful activist investor and has extensive experience helping companies focus on operational efficiency and margin improvement. Starboard has watched this stock for a long time – it has been volatile since it went public in 2010 and most recently, the stock has fallen from a high of $91.51 on September 10, 2018 to $21.97 on December 16, 2019 due to heightened competition, growth deceleration and poor execution, resulting in consistent lowering of guidance over four consecutive quarters. The Company was the subject of an activist campaign in 2016 by Harvest Capital Strategies, LLC, where Harvest pushed for the Founder and CEO, Steven Streit to be replaced and Harvest successfully got two of its three nominees elected to the Board. Streit, however, retained his position. This is a typical situation we often see at a founder-run company, particularly for Starboard – where a visionary founder has grown a private company, taken it public but is still running it like a private company. In situations like this, there is a great deal of value that can be created by replacing the Founder-CEO with a more disciplined and shareholder focused public company CEO. The two impediments to that strategy are removing the founder and finding the right CEO. In this case, the first one has already been accomplished and the second one may be somewhat obvious. On December 31, 2019, Streit retired as President, CEO and director and co-founder/CFO, Mark Shifke resigned from the Company. So, the hard part was over before Starboard even got started. As an active shareholder, Starboard would certainly have its voice heard on a new CEO, but they, and many others, felt that the logical choice would be former NetSpend CEO Dan Henry. During Harvest Capital's proxy fight in 2016, the WSJ published an article speculating that Dan Henry was a leading candidate for the role if Streit were to be removed. In fact, Henry bought $500,000 of GDOT stock after Harvest's campaign was announced and said he would sell his shares if Harvest could not remove Streit. GDOT and NetSpend are very similar companies and Henry could potentially do at GDOT what he did at NetSpend. Both companies went public in 2010. When it was sold to Total System Services Inc. in 2013 for $1.4 billion, NetSpend shares were worth 46% more than the initial public offering price. Today, over six years after the NetSpend sale Green Dot still trades below its IPO price of $36 per share. On March 26, 2020 the Company announced that Dan Henry was hired as its new CEO. Now, there are additional opportunities to create value. The Company can focus on its operations as a standalone company and reverse what the founder-led management has done, following a lot of what Harvest outlined in 2016 including balancing growth initiatives, improving margins and optimizing capital allocation. Then there are a few interesting strategic paths that could be evaluated for the Company. If the Company wanted to explore a sale, it would likely first have to sell its deposits business so it is no longer regulated as a bank holding company, making the Company's pre-paid debit card business much more attractive to a wider universe of buyers. A better option might be for the Company to remain a bank holding company, giving it an advantage to some of its peers and it could explore its own accretive acquisitions, including potentially acquiring NetSpend where there would be a ton of synergies. NetSpend is the Company's only pure-play competitor that is now a small non-core subsidiary of Global Payments. Whatever the Company decides, this is a situation where a shareholder like Starboard could be very helpful in modeling out the different strategic and operational opportunities for the Company to see what the most optimal path is for shareholder value. Like all Starboard situations, we expect them to be looking for some board representation here, but not nearly the level they would have been looking for if Streit were still in control. A couple of board seats would probably suffice. As a provider or pre-paid cash cards Green Dot should not be significantly affected by COVID-19, but people do need to buy these cards and as long as non-essential retail stores are closed, there could be a short term effect on top and bottom line.

MEDNAX (MD) is another Starboard investment. MEDNAX is a provider of physician services including newborn, anesthesia, maternal-fetal, radiology and teleradiology, pediatric cardiology and other pediatric subspecialty care. Its three largest segments make up 83% of the Company's total revenue – Neonatology (36%), Anesthesiology (35%) and Radiology (12%). The Neonatal segment is the number one player in its space and the Anesthesiology and Radiology businesses are more fragmented. While the Neonatal business has had recent growth challenges, it is a mission critical service for a hospital and does not get a lot of pushback from insurance companies, unlike other areas such as emergency medicine. Over the past few years, the Company has suffered from EBITDA declines, a vast majority of this due to issues with the Anesthesia business centering around reimbursement and payer mix. Subsequently, the stock has underperformed - over the previous 1, 3 and 5 years it has returned -23.04%, -60.31% and -62.10% compared to the S&P500 which has returned 22.55%, 44.91% and 60.89% over the same periods. This is a situation where the sum of the parts could have a much larger valuation than the whole. The Company's Neonatal business would be valuable by itself to a private equity buyer, given the barriers to entry, its strong free cash flow, upside dynamics and as an interesting platform to build out other women's health services. The Anesthesia business could be a potential strategic asset to other competitors looking to build up their Anesthesia businesses and the radiology business could also be valuable to private equity firms with similar platforms looking to add scale. On December 10, 2019 it was announced that Starboard nominated a majority slate of directors to the Company's Board, but the list of eight nominees was just revealed as Starboard's position went over 5%, triggering a 13D filing. In true Starboard fashion, it is an all-star slate including industry experts and two of their own partners, Gavin Molinelli and Jeff Smith. Starboard is presumably going for a majority of the Board because it will be difficult to get anything accomplished from the outside. Based on last year's Annual Meeting results, their chances look favorable – at least 30% of votes were withheld from three directors. There is also another major sign of shareholder discontent – at last year's annual meeting, shareholders advised against executive compensation with 87.4% of votes against this proposal. MEDNAX is no stranger to activists - in November 2017, Elliott filed a 13D on the Company and tried to get the Company sold. They were unsuccessful but the stock was trading close to $50 per share back then. With the stock at $27.03 there is a lot more room for a large premium, possibly in the low $40s if all three businesses can be sold. Mednax's largest segment, Neonatal will not be affected by the COVID-19 pandemic. This is obviously an essential service for women giving birth and, if anything, even more children are being put into NICU with the possibility of COVID-

19 spreading to them. Radiology and Anesthesia are both services used on COVID-19 cases but the elimination of non-essential surgeries will likely hurt their revenue. Moreover, we expect majority control proxy fights and M&A to be more challenging in environments where non-essential meetings are avoided and further disruption is undesirable. So, this campaign may take a little longer than originally expected.

Olin Corp. (OLN) is a February 24, 2020 filing of Sachem Head. Sachem Head was founded by Scott Ferguson, the first investment professional hired at Pershing Square where he worked for nine years. This is our first investment from this activist primarily because although they are a good value investor, we have been critical of their ability to create shareholder value through activism. Specifically, they have historically created value by using activism as a threat as opposed to a tool. So, we initially chose not to invest in Olin. However, two things happened to make us change our mind. First, on February 29, 2020, Sachem Head and the Company entered into a Cooperation Agreement, pursuant to which the Company appointed Scott Ferguson (Founder and Managing Partner of Sachem Head) and William Barnes Hauptfuhrer (most recently served as CEO of Chapter IV Investors, LLC, an investment firm he founded in February 2006) as directors to the Company's Board and as members of the Directors and Corporate Governance Committee and the newly formed Operating Improvement Committee of the Board. This showed us that unlike most past situations, Sachem Head was in this for a longer term and the obstacle of board representation was removed. The second thing that happened is that the stock started to fall and we were able to get in at an average price of $12.11 versus Sachem Head's average price of $17.40. We love it when a catalyst strengthens as the stock price decreases absent any fundamental issues with the Company, and if the stock price decreases significantly below the activist's cost, that is an added plus for us. As a manufacturer of chemical products and ammunition, their businesses should not be directly affected by COVID-19 outside of the general slowing of the economy in the short term.

I would like to take this time to update you on 13D Management and our affiliated companies. First and most importantly, all of our people are safe, healthy and successfully telecommuting. We will continue to telecommute until it is safe to return to work. Secondly, the health of our business is strong too. While we have seen assets decline with the downturn in the market, as an event-driven manager, we have a lean infrastructure and the funds we operate are profitable at levels significantly lower than where we are today. Additionally, we operate an institutional research service and an annual conference, both of which have not seen any material declines in operations. So, not only do we have no intentions of laying off employees or reducing salaries, we will be looking to add to our employee count by hiring at least one salesperson to assist in our marketing efforts.

I truly believe this is the best time in many years to invest in small/mid cap value stocks with catalysts. If you would like to discuss my views, our portfolio or activism in general, please respond to this email and I will arrange a call with you at your convenience. I do not say this as a dry gesture. I would really love to use my quarantine time to talk with our clients about what we see in the markets and your thoughts. Thank you very much for your support during this trying time. We hope you are all staying safe and your families remain healthy.

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, which can be obtained on the web at www.13DActivistFund.com or by calling 1-877-413-3228, 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 Foreside Financial Services, LLC.

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.