13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

July 13, 2021

Class I YTD Net Return: 18.96%   Russell 2500 YTD: 16.97%   AUM: $279 million

In the second quarter of 2021, the I shares (DDDIX) returned 6.49%, net of fees and expenses (versus 5.44% for the Russell 2500). This was another very satisfying quarter for the Fund both in our absolute and net performance. While the strong large cap growth to smid cap value rotation tail winds have died down, we are very happy in a market with no headwinds or tailwinds. We believe the strategy of activism can flourish in such a market by effectively isolating the activist premia. The market's fear of the day seems to be inflation, whether it will happen and, if so, whether it will be transitory or not. Activists do not fear inflation and, in fact, welcome higher interest rates. While this would decrease the level of marginal strategic activism, the core operational and corporate governance activism should thrive in inflationary markets. For too long bad management teams have been able to finance their way out of bad business plans with stock buybacks and financial engineering. That stops when interest rates rise and activists will have a much easier time implementing their agendas, and change will occur more often and more quickly.

The total return for the 13D Activist Fund, net of fees and expenses, for the period ending June 30, 2021 are:

as of 6.30.21	ITD*	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	ITD* Cumulative
13D Activist Fund I	**15.47%**	**-0.71%**	**6.49%**	**18.96%**	**56.05%**	**14.43%**	**17.02%**	**292.46%**
Russell 2500 TR	14.91%	1.18%	5.44%	16.97%	57.79%	15.24%	16.35%	274.86%
Russell Mid Cap Value TR	13.41%	-1.16%	5.66%	19.45%	53.06%	11.86%	11.79%	230.76%
SP US Activist Interest Index TR	12.71%	7.37%	34.56%	34.56%	195.97%	18.31%	14.87%	206.69%
Lipper Percentile Rank	3rd	N/A	N/A	N/A	15th	22nd	4th	3rd
Lipper Ranking	5/ 197	N/A	N/A	N/A	51/ 345	64/ 288	9/ 239	5/ 197

as of 6.30.21	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
13D Activist Fund I	**21.27%**	**36.58%**	**15.46%**	**-10.92%**	**19.57%**	**23.78%**	**-13.47%**	**27.15%**	**18.93%**	**18.96%**
Russell 2500 TR	17.88%	36.80%	7.07%	-2.90%	17.59%	16.81%	-10.00%	27.77%	19.99%	16.97%
Russell MidCap Value TR	18.45%	33.46%	14.75%	-4.78%	20.00%	13.34%	-12.29%	27.06%	4.96%	19.45%
SP US Activist Interest Index TR	22.36%	57.62%	-4.74%	-17.85%	13.68%	8.96%	-14.04%	10.07%	27.71%	48.53%

* Inception Date is December 28, 2011

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. 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.

Something happened during the quarter that had no effect on the performance of our Fund but was potentially a watershed moment for shareholder activism. An activist hedge fund that most never heard of prior to December 2020, Engine No. 1 ("EN1"), won three board seats at Exxon, a $175 billion company, despite only having a $40 million (.02%) investment. This was one of many activist campaigns that occur each year, but this one will have ramifications well beyond adding three board seats at one company.

It certainly continues the long-term trend towards the acceptance of activism as a mainstream strategy. In fact, we seem to see one of these watershed moments every seven years, with the first one happening 14 years ago. In February of 2007, David Batchelder of Relational Investors was given a board seat at Home Depot owning just 1.6% of the Company's common stock. This was unheard of in 2007 – an activist successfully campaigning at a large cap company with less than 5% of the common stock. Seven years after that, in March of 2014, ValueAct took it one step further when its partner, Mason Morfit, received a board seat at mega-cap Company Microsoft with ValueAct owning only .86% of the Company's common stock. Now, another seven years later, Engine No. 1 wins three board seats at Exxon owning only .02% of the Company's common stock. This continued the trend of successful activism with declining ownership, but there are three major differences between this situation and the prior two that dramatically exhibit the exponential rate of the evolution of shareholder activism: (i) EN1 received three board seats, not one; (ii) EN1 won its seats in a proxy fight, not a settlement and (iii) unlike ValueAct and Relational, EN1 was hardly known when they launched their campaign.

The latter has certainly changed by now. Not only has Engine No. 1 shown the world who they are, they have done it in the best possible way. They have shown themselves to be a firm of high principal and conviction who will not back down from a Herculean task when they strongly believe in what they are doing. They have shown the marketplace that you do not need to own 5% of a company any more to effect change and you do not need to be a "household name" activist anymore to be successful. You just need conviction and a well-articulated, powerful argument.

The second difference – winning their seats instead of settling for them is a very important distinction for a couple of reasons. First, it shows that large institutional shareholders like Blackrock, Vanguard and State Street will not just support activists behind the scenes, but go on record and publicly vote for them, even a new activist versus a mega-cap company. Often companies settle with activists when there is uncertainty to how the vote will turn out. But here, it actually went down to a vote and the large index funds and other institutional shareholders did not back down from their support for the activist. Second, it sets the stage for additional confrontations in the future. When an activist settles for its board seats it generally comes along with a standstill agreement and a covenant or understanding to include the activist on the Company's board slate in future years. But none of that is agreed to in a proxy fight that comes down to a vote. One thing is clear that most in the media are missing – this was not the end of EN1's campaign but the end of the beginning. Depending on the receptiveness of the incumbent board, EN1 nominees may only have approximately nine months to ingratiate themselves with the board before nominees are chosen for next year. Will they be welcomed as true peers with valuable ideas and insights or looked at as outsiders with a disruptive agenda? If they are not re-nominated, EN1 will have to make a decision as to whether they have had enough of an impact or will run another proxy fight. Putting it another way, EN1 is a long-term investor with long-term elements to its activist agenda, and this election is only about one year.

This campaign also says a lot about the seriousness of ESG investing. It is one thing to "talk the talk", but this shows that shareholders are actually "walking the walk." Behind closed doors and in internal monologues, there are still people everywhere, including boardrooms and C suites who doubt whether ESG is for real or just a marketing ploy and whether it is a short-term trend or part of the investing fabric of the future. This campaign is strong evidence that it is real and here to stay. Going forward, Boards and corporate advisors will ignore or downplay ESG activism at their own peril. This has clearly shown that there is virtually no limit to what a good activist can accomplish with a compelling plan containing a strong ESG element. There used to be a stigma to supporting activists. Well, the burden has shifted when ESG is involved – today, large institutional investors seem ashamed to oppose an activist ESG campaign.

During the second quarter, we added three new positions and exited two positions. We exited Welbilt Inc. (WBT) when it was announced that the company is being acquired by Middleby Corp. and we exited SLM Corp. (SLM) when ValueAct filed a 13D amendment significantly decreasing their position. ValueAct, and 13D, did very well on this investment and the amendment indicated to us that ValueAct was in the process of exiting their large position. We used this opportunity to sell and redeploy the capital into positions with stronger activist catalysts instead of holding on while ValueAct continued to assert downward pressure on the stock as they exited their position. They have since filed a second amendment disclosing continued selling of the position.

During the quarter we added TreeHouse Foods, Inc. (THS), Alkermes PLC (ALKS) and Insight Enterprises Inc. (NSIT)[1]. TreeHouse (THS) is a filing of JANA Partners. JANA has extensive experience in this industry, with a successful track record in the consumer retail space and their involvement has led to sales of Pinnacle, PetSmart, Safeway, Whole Foods and ConAgra's spinoff of its Lamb Weston business. JANA knows TreeHouse well as a significant part of its assets were acquired from ConAgra at JANA's urging. JANA partner Scott Ostfeld is presently on the board of ConAgra, but don't look for ConAgra to be a potential acquirer. It is not interested in private label production, which is why it sold the Ralcorp business to TreeHouse in 2015 for $2.7 billion, less than three years after acquiring it for $5 billion. TreeHouse is a pure play private label business, which is an area of tremendous secular tailwinds. Private label brands are cheaper for consumers, more profitable for retailers and do not have the stigma of generic brands of yesteryear (think Whole Foods 365 or Costco's Kirkland). As a result, shelf space has been migrating towards private label space, with tremendous growth in the US, which is not close to the penetration level of Europe. TreeHouse is currently multiple years into an extensive turnaround program that has helped it significantly improve its product portfolio, go-to-market structure, and supply chain and service operations. However, it is also a broken equity story in that these operational improvements have not been reflected in the stock price. As one of the only pure play private label manufacturers, with no real comps, TreeHouse is not a great public company. The opportunity is for it to be sold to private equity, who has a ton of dry powder and a lot of pressure to do deals. Moreover, JANA knows most of the potential buyers having sold many similar companies in the past to firms like Cerberus, Veritas, BC Partners and Clayton, Dubilier and Rice. So, what is TreeHouse worth? In 2018, Post sold part of its private label business to Thomas H. Lee Partners for over 10 times EBITDA. A ten times multiple here would imply a 6 handle on a sale. Similar to their engagements in Whole Foods, ConAgra and Pinnacle, JANA has yet again teamed up with world-class executives who they are nominating to the Board. While their expertise would not be as necessary in the context of a sale of the Company, they could certainly help evaluate a potential sale, and they have tremendous experience in public markets as well, so they can help rehabilitate the equity story in the meantime.

Alkermes (ALKS) is a 13D position of 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. Alkermes is a biopharmaceutical company with $1 billion of revenue, $500 million of which is pure royalty revenue. The other $500 million are drugs that are profitable, but not necessarily blockbusters. A company like this with $500 million of royalties that fall directly to the bottom line should have very strong EBITDA margins, yet the Company has not been profitable for many years. This is due to a bloated cost structure and oversized infrastructure that is not aligned with the size of its platform. Additionally, the Company has assets like its royalty stream, manufacturing footprint and IL-2 oncology drug that could be monetized for far greater than the value attributed to them as part of Alkermes. Sanofi recently spent $2.5 billion to acquire a similar IL-2 drug and there is no evidence that Alkermes's IL-2 drug is being attributed any value by the markets. So, there is an opportunity to clean up the cost structure without cutting R&D and make the Company run much more efficiently with high EBITDA margins while optimizing the portfolio through strategic transactions. Another activist is doing just that - in December of 2020, Alkermes entered into an agreement with another activist, Elliott Management, as part of a Value Enhancement Plan designed to drive growth, improve operational and financial performance and enhance shareholder value. Pursuant to this plan, the Company announced (i) its commitment to achieving FY 2023 non-GAAP net income equal to 25% of the company's total revenues and EBITDA margin of 20% of total revenues and FY 2024 non-GAAP net income equal to 30% of the company's total revenues and EBITDA margin of 25% of total revenues; (ii) a newly set-up committee of the Board to evaluate a broad range of potential strategic options related to Alkermes' non-core assets, including monetization and divestiture opportunities and the Company's commitment to exploring a strategic collaboration for its IL-2 drug; (iii) the appointment of two new independent directors to replace two long-serving directors; and (iv) that the Board intends to recommend that the company's shareholders approve, at the company's 2021 Annual General Meeting of Shareholders, an amendment to the company's Articles of Association to declassify the Board. This Company has had a poor track record of management and governance with long tenured executives. For the first time in a long time, they now have a fresh, shareholder friendly board with the expertise to hold management accountable. On March 21, 2021, it was reported that Sarissa released an investor letter in which they announced that they have been

[1] As of 6/30/2021, the Fund's Top Ten Equity Holdings & Weightings are: CHENIERE ENERGY INC (4.60%); ELANCO ANIMAL HEALTH INC. (4.51%); PAPA JOHN'S INTERNATIONAL INC. (4.47%); HOWMET AEROSPACE INC. (4.39%); BOX INC. (4.34%); U.S. Dollar (4.19%); HOWARD HUGHES CORP (4.13%); PERSHING SQUARE TONTINE HOLDINGS (4.10%); ALKERMES PLC (3.90%); OLIN CORP (3.85%).

speaking with Alkermes PLC's management and other interested parties for some time and plan to continue to apply pressure on the Company to maximize shareholder value. Sarissa reportedly questioned whether the plan was sufficient. They now have negotiated for the option for one board seat. This is a reasonable settlement that highlights what seems to be obvious – that after the recent settlement with Elliott, there is not that much more Sarissa can do until the Company has had some time to implement its plan. Sarissa is putting the Company and shareholders on notice that if the plan does not proceed to its satisfaction, it will be able to take a board seat to try to push things along.

Insight Enterprises Inc. (NSIT) is a portfolio company of ValueAct Capital. ValueAct was founded by Jeff Ubben in 2000 and for twenty years it has been a premiere, pioneering corporate governance-oriented investor. In 2017, Jeff named Mason Morfit as CIO and in 2020, Jeff left ValueAct to start Inclusive Capital. Mason Morfit is a brilliant investor and made headlines in 2014 when he was named to the board of Microsoft. Under Morfit ValueAct has continued to be top corporate governance-oriented investors, with four of their seven investment partners on the boards of six of their portfolio companies. But they have also shown that they will pursue strategic activism under the right circumstances, something it rarely did under Ubben. This investment in NSIT follows up ValueAct's extremely successful investments in Seagate and Microsoft and their history of success in the Information Technology sector, averaging a 48.61% return on their 22 historic 13D filings in that sector, versus 18.85% for the S&P500. NSIT is a company that was put together over 33 years through a myriad of acquisitions and could likely use help with focus, integration and cost cutting, which could also include divesting certain businesses. More importantly, on May 6, 2021, the Company announced that Ken Lamneck intends to retire as President and Chief Executive Officer, effective December 31, 2021 and the Board has engaged an executive search firm to identify and evaluate potential successors from inside and outside the Company. There are few things more integral to the future of a company, and more value creative for activists, than CEO succession, and ValueAct will definitely want to have a seat on the Board for this decision. Moreover, in between CEOs is an optimal time to sell a company if there are interested parties. The Company does not have a shareholder representative on the Board and there is no better shareholder director out there than one of ValueAct's investment partners. ValueAct has a history of being able to help Boards create significant long-term value by adding one of its professionals to the Board, working with management and advising on and analyzing capital allocation and strategic opportunities with an eye toward shareholder value. This seems like a perfect opportunity for that, much like they have been doing at Seagate.

Thank you very much for your support. We hope you are all continuing to stay safe and that your families remain healthy.

Ken Squire

There can be no assurance that the investment manager's strategy will be successful. Principal loss is possible. The overall performance of the Fund is dependent not only on its investment performance but also on the underlying managers' ability to allocate assets.

*Before investing, please read the 13D Activist Fund's prospectus and shareholder reports to learn about its investment strategy and potential risks. An investor should also consider the Fund's investment objective, charges, expenses, and risk carefully before investing. This and other information about the Fund 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 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 **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 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. The **Russell Midcap® Value Index** measures the performance of the midcap value segment of the US equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true midcap value market. The **S&P U.S. Activist Interest Index** is designed to measure the performance of companies within the S&P U.S. BMI that have been targeted by an activist investor, as defined by S&P Capital IQ, within the last 24 months.

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.

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.