13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

October 10, 2022

Class I YTD Net Return: -25.12% Russell 2500 YTD: -24.01% AUM: $184 million

In the third quarter of 2022, the I shares (DDDIX) returned -12.11%, net of fees and expenses (versus -2.82% for the Russell 2500)[1,2]. This was one of our worst quarters since our inception and while we are focused on long term returns, severe underperformance like this certainly deserves an explanation. We came into this year believing that the market environment was primed for value investing and activism and that in flat and down markets without a growth stock headwind, activism will outperform. During the first half of the year, we were achieving this, outperforming the Russell 2500 by 700 basis points[3]. In the third quarter, several factors led to the reversal of this outperformance. During the quarter there was a "growth spurt" – with the last three months seeing a rebound to growth investing over value investing. Accordingly, investors were taking their profits from the recent value stock surge and investing them in growth stocks that have not been this low in many years. Since our positions had been doing so well, we were the victims of even more profit taking.

Fund Net Performance[1,2]

	MTD	QTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
13D Activist Fund I	-10.75%	-12.11%	-25.12%	-23.32%	5.82%	5.32%	9.86%	10.59%
Russell 2500 TR Index	-9.53%	-2.82%	-24.01%	-21.11%	5.36%	5.45%	9.58%	10.24%
HFRI Activist Index	-7.93%	-1.87%	-21.44%	-18.99%	2.40%	1.07%	5.73%	5.95%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
13D Activist Fund I	**21.27%**	**36.58%**	**15.46%**	**-10.92%**	**19.57%**	**23.78%**	**-13.47%**	**27.15%**	**18.93%**	**19.55%**	**-25.12%**
Russell 2500 TR	17.88%	36.80%	7.07%	-2.90%	17.59%	16.81%	-10.00%	27.77%	19.99%	18.18%	-24.01%
HFRI Activist Index	20.94%	16.05%	6.57%	1.15%	10.38%	5.45%	-10.42%	17.26%	10.31%	16.09%	-21.44%

Past performance does not guarantee 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. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. For the most recent month end performance information, visit www.13DActivistFund.com or call 1-877-413-3228.

We believe this is a temporary phenomenon and that the markets will return to a positive environment for value investors. Mike Tyson famously said that everyone has a plan until they get hit. Well, the macro market factors of high inflation, rising interest rates, a land war in Eastern Europe and supply issues, among others, hit many long only portfolios hard this quarter. We do not think of this as a Mike Tyson uppercut to which the market cannot get up from, but more like being hit by a big wave in the ocean leading to temporary disorientation, and in

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[1] Data is presented through 09/30/2022, unless otherwise stated. Returns are shown for the Fund's Class I share class (DDDIX) net of the Total Expense Ratio of 1.51%. Inception to date (ITD) returns are calculated on an annualized basis using daily performance. All returns include dividend and capital gain distributions. The Total Expense Ratio represents the expense ratio applicable to investors and is comprised of 13D's management fee, indirect expenses such as the costs of investing in underlying funds and other expenses as noted in the Fund's Prospectus. There is neither a front-end load nor a deferred sales charge for DDDIX. Please see the Fund's Prospectus.

[2] Indices are provided for general comparison purposes only and may include holdings that are substantially different than investments held by the Fund and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses. Performance of equity indices reflects the reinvestment of dividends. Indices are unmanaged and investors cannot invest in an index.

[3] Comparisons will differ, in some cases significantly, if the relative performance is measured over the course of a month, quarter, year or longer. Past performance does not guarantee future results.

the context of this analogy, to many investors hastily reacting instead of thoughtfully acting. During this time we continued to stick to our investment strategy and philosophy and believe we are at the point, or near the point, where the market emerges from the waves with a clearer head and a more rational investing mindset.

During the quarter we added the following five positions: Freshpet, Inc. (FRPT) (JANA Partners), Griffon Corp. (GFF) (Voss Capital), New Relic, Inc. (JANA Partners), Southwestern Gas Holdings Inc. (SWX) (Icahn) and Wix.com Ltd. (WIX) (Starboard Value).[4]

Freshpet, Inc.

FRPT is an investment by JANA Partners, who has extensive experience and a successful track record in the consumer retail space and their involvement has led to sales of Pinnacle Foods, PetSmart, Safeway, Whole Foods and ConAgra's spinoff of its Lamb Weston business. JANA entered into Nomination Agreements, pursuant to which the following six nominees have agreed to become members of a potential JANA director slate for election at the Company's 2023 Annual Meeting: (i) Diane Dietz, former CEO of Rodan & Fields, LLC, (ii) James Lillie, former CEO of Jarden Corporation, (iii) Timothy R. McLevish, former CFO of Kraft Foods Inc.; (iv) Dwyane Wade, former professional basketball player in the NBA; (v) Carsten Charles ("CC") Sabathia, Jr., former professional pitcher in MLB; and (vi) Ginger Gorden, CEO of the GD Group, Inc., a business management services company. Additionally, JANA announced that it intends to have discussions with the Company's Board and management team regarding (a) evaluating the Company's strategic value in a sale, capitalizing on interest in the category from significantly larger players with lower costs of capital, strong operational capabilities, global footprints and greater scale; (b) capital allocation, including the Company's capacity expansion initiatives; (c) operations, fill rates, costs, free cash flow, brand building and margin execution; (d) investor communication; (e) management; (f) management compensation and incentives; and (g) board composition and governance matters.

Freshpet is a manufacturer of fresh food for dogs and cats – they have a great product in an attractive growing market, with huge distribution and exclusivity deals which are hard to replicate. The Company owns 27,000 Freshpet refrigerators throughout grocery and specialty stores. These are refrigerators that the Company buys, maintains and stocks, which is a win-win for the Company and the retailer. The Company benefits because it gives them a huge moat to their business and a competitive advantage over peers and the retailers love it because it does not take up any of their existing refrigerator space and because customers buying fresh pet food are less likely to stock up on the product, which takes up refrigerator space, and pulls the customer back to the store sooner.

Since April of 2021, the Company's stock has declined from $184 per share to $45 per share, while revenue has increased from $425 million to over $500 million in the past year and is continuing to grow. The problem is not the top line. The problem is that the business has quickly scaled to a point where the capabilities of the management team are not sufficient for the challenge. We see this frequently in activist campaigns, such as Chipotle. This has led to issues like a 70% fill rate on customer orders, where well-run peers generally operate at a 95 – 100% fill rate.

The first opportunity for value creation here is to moderate the Company's expansion plans and get the supply chain right. Without this, the Company could end up using all of their cash and balance sheet capacity to fund its expansion. It has already financed three equity offerings to fund its growth. These operational issues are fixable but that would require a reconstituted board and management team that is focused on efficiently growing the business. Unfortunately, senior management does not seem to be well positioned, or focused, on growing the business to maximize shareholder value. The Company's Chairman, Charles Norris, has served on the Board for 16 years, and although the Company brought in a new CEO in 2016, the co-founder, Scott Morris, still holds the title of President and COO and if you want to know how focused he is on the Company all you need to know is that in 2020 he co-founded a new company, Hive Brands, while presumably working full time as president and COO of Freshpet. Shockingly, the Board had no issue with this.

[4] See Important Disclosure Information for the Fund's top 10 holdings (as a percent of NAV) as of 9/30/222.

The other opportunity to create shareholder value, is a sale of the Company. Pet and baby products are two of the most attractive categories among consumer packaged goods ("CPGs") businesses, which is a consolidating space as these businesses are notoriously difficult to grow organically. There would likely be significant interest in Freshpet from larger CPG companies that already have a pet food business or from CPG companies that want to break into this business. These larger companies already have the management team and infrastructure capable of managing almost any rate of growth with 95%+ fill rates. This would be the much easier option with less time and uncertainty and is something the Company should definitely explore. In this regard, this is very similar to JANA's 2017 campaign at Whole Foods, which had similar problems and dynamics to Freshpet and was quickly sold to Amazon. Achieving either of these value creation opportunities will depend on JANA's ability to either amicably or forcibly get board seats.

Like in many of its past activist situations, JANA has teamed up with an all-star group of operators to assist in developing its thesis, consult with and, if need be, potentially be Board nominees. The six individuals who have agreed to be potential JANA director nominees at the 2023 Annual Meeting include former CEOs, CFOs and CMOs of large public companies and two individuals who we are more used to seeing on a court or a field than a boardroom, Dwyane Wade, formerly of the Miami Heat, and CC Sabathia, formerly of the NY Yankees. While Messrs. Wade and Sabathia might not have obvious relevant experience like former public company executives, Mr. Wade does have entrepreneurial experience as the founder of Wade Cellars and they both have extensive experience growing their own brands. Moreover, to achieve what they have in sports requires an extreme level of work ethic and focus, two things the Company seems to desperately need along with diversity of experience and perspective as the Board is 90% white and 70% male. Although JANA has agreements with six potential nominees, there are only four seats up for election next year so there is likely room for only three of these six, as JANA historically includes one of their own executives on board slates. Accordingly, the slate that makes the most sense would be a JANA nominee, two former executives and either Mr. Wade or Sabathia.

The Company's 2022 Annual Meeting was held on October 3, so JANA did not have the opportunity to nominate directors this year. But at next year's October meeting, the Company's long tenured Chairman, Charles Norris, and the CEO, William Cyr, are both up for election, and if they get replaced there will be a real power shift at the Company not to mention a shareholder mandate for change. Moreover, there is a high likelihood that this shareholder base will support JANA based on the severe underperformance of the Company. Many large shareholders, including those who bought in the May 2022 stock offering at $81 per share, are well under water on their investment and would likely support JANA. These same shareholders would also likely support a sale of the Company at, for example, a 40% premium despite that being far below the 2021 high of $184 per share and unlike many similarly situated companies, there might not be too much resistance from management to a sale. The President/co-founder has one foot out the door with the launch of his new company, the 76 year old Chairman is up for election next year and would presumably rather leave by selling the Company than by getting voted off the Board and the CEO, who is also up for election next year, would have similar motivation in addition to a likely large payday on a sale.

Griffon Corp.

GFF is an investment by Voss Capital, a Houston - based hedge fund focused on underfollowed special situations. They are not traditional activists but have successfully used activism as a tool in the past.

Voss first reported holding Griffon in their Q3 2021 13F filing. On November 23, 2021, prior to exceeding 5% ownership, they nominated three directors for election to the Board and later reduced their slate to two directors. Throughout their proxy fight, they released letters and presentations detailing their belief that the Company has poor corporate governance and excessive executive compensation, and that the Company should commence a strategic review. In a January 2022 presentation, they stated that the Company's stock could be worth $50/share (currently in the low $30's) through the implementation of a plan that includes (i) selling the Defense Electronics segment, (ii) exploring alternatives for Home and Building Products, (iii) using cash to reduce debt and pay a special dividend, (iv) right-sizing corporate overhead, and (v) improving margins at the Consumer segment. They also criticized the Company's merger and acquisition ("M&A") strategy, specifically highlighting their disapproval of the Company's acquisition of Hunter Fan for $845 million from MidOcean Partners. Ultimately, at the 2022 Annual Meeting, shareholders elected one of Voss's director candidates, H. C. Charles Diao, to the Board where he currently serves as a director.

In May of 2022 the Company announced that the Board initiated a review of strategic alternatives, including a possible sale, merger, divestiture, recapitalization or other strategic transaction. Voss has now taken their ownership up from 2.3% to 5.2% and filed a 13D. In their 13D filing, they state that they are "pleased by the Issuer's May announcement". They then note that they increased their investment based on their hope that the strategic review will result in a transaction that will unlock value. So, the hard part is done. Voss launched a proxy fight, won a board seat and now they are endorsing the Company's strategic review. Since they sold their Defense Electronics business earlier this year for $330 million, the strategic focus likely is concentrated on a potential sale of the Home and Building Products business.

This is not the first time Voss had a strategic thesis at a portfolio company. In their 13D on Benefytt Technologies filed in December 2019, they highlighted the strategic opportunities at the Company and the active M&A environment in the Company's space – Benefytt Technologies was acquired by Madison Dearborn Partners on August 31, 2020. Also, on January 6, 2020, Voss filed a 13D on Rosetta Stone with no Item 4 language, but the Company was acquired by Cambium Learning on October 15, 2020.

There are several reasons to expect that some strategic transaction is likely to take place here: (a) Voss's presence in the boardroom, (b) the Company already sold its Defense Electronics segment after Voss had advocated for that, and (c) the Company's announcement that they are now pursuing an additional strategic review. Moreover, the next Annual Meeting of Shareholders will be in February of 2023 and for the first time the Company will have a majority of directors (9 of 14) up for election because they recently started the process of declassifying the Board. So, if the Company is not responsive to Voss's suggestions, Voss could launch another proxy fight for majority control this time.

This is the first time we have invested in a situation with Voss Capital as the activist. The general risk to investing with an activist we do not know very well or we do not know to be very experienced in activism is that they will be unable to accomplish their activist agenda. However, we are confident investing with them at this point because the hard part of the campaign is done and management appears to be following Voss' suggestions – Voss has already gained board representation, the Company has divested its Defense Electronics segment and the Company is launching a full strategic review. We do not see this as a long drawn-out activist campaign at this point, but an activist engagement that is in its late innings and going as planned.

New Relic, Inc.

NEWR is an investment by JANA Partners. On June 6, 2022, JANA and the Company entered into a Cooperation Agreement, pursuant to which the Company agreed to accept the resignation of current directors Adam Messinger, Dan Scholnick and Jim Tolonen from the Board and to appoint Kevin Galligan (Partner and Director of Research of JANA Strategic Investments) and Susan D. Arthur (CEO of CareerBuilder) as directors to the Board.

JANA is not the first activist to engage with New Relic – on July 9, 2021, Engaged Capital and New Relic entered into an unusual agreement, pursuant to which Radhakrishnan ("RK") Mahendran, Partner at HMI Capital, the Company's largest shareholder, was appointed to the Board as a director with a term expiring at the 2023 Annual Meeting. In October 2021, Engaged issued a presentation highlighting its belief that the Company's underperformance was due to issues with their technology and product strategy, product shortcomings in key areas, customer focus and gaps/high turnover in leadership. They felt that many of those historic issues had been remedied including a new CEO and executive team and that the turnaround efforts were beginning to show progress. However, by October 2021, the Company was still trading at a significant discount to peers – 6x EV/Revenue versus 20x and 37.5x for peers Dynatrace and Datadog, respectively. Engaged's plan has not been turning out as they had hoped, with the stock down 23.30% since the date of their settlement versus -4.84% for the S&P 500 over the same period. This has clearly gotten the attention of JANA, who will be in a much better position to create value for shareholders with one of its own partners on the Board of the Company.

JANA settled for two board seats here, one for Kevin Galligan, Partner and Director of Research of JANA Strategic Investments, and one for Susan D. Arthur, CEO of CareerBuilder. This is consistent with JANA's activist strategy – buying at a good price where there is an opportunity for strategic activism and operational activism in conjunction with a director with industry or operational experience. Putting both Susan Arthur and Kevin Galligan on the board adds board representatives with both operational and financial/strategic experience to give the most flexibility in choosing the path that creates most value for shareholders. JANA has recent experience in both of these areas in the technology sector – their most recent campaigns in the sector are Zendesk, where they successfully opposed the Zendesk and Momentive Global Inc merger; and Vonage and Perspecta, where they successfully advocated for a sale of the company in both cases.

Southwestern Gas Holdings, Inc.

This is an investment by Carl Icahn, who initially reached out to the Company in October of 2021 in response to the announcement of the Company's proposed acquisition of Questar Pipeline Company. Icahn came out in opposition to this deal for a number of reasons, including because he believed the Company was massively overpaying and the transaction would result in a dramatic equity dilution for shareholders. Icahn urged the Company to drop the deal and focus on several value creating opportunities.

Icahn believes that the Company's service division is worth $36 per share and the regulated utility business is worth $53 per share. So, he would like to see the true value of these assets reflected in the stock price. Although he does not outwardly urge management to monetize the service business to attain its true value, it is something that management has considered and based on Icahn's history and investing philosophy, he would not be against it at the right price. The second opportunity is for the Company to improve its margins in the regulated utility business, which Icahn believes can add $15 per share. When a utility company such as SWX takes on a new project, the regulators analyze the Company's proposed costs for the project and allow them a return on equity ("ROE") based on those costs. SWX's allowed ROE is 9.35% but their actual ROE is only 7.1% versus an average of 9.2% for its peers[5]. This is because SWX management pads the proposed costs to its utility projects with egregious personal expenses such as golf memberships, massages, manicures, and extravagant dinners and hotels. On more than one occasion, the regulators did not accept these as legitimate project expenses, thus reducing the Company's ROE to 7.1%. Fixing this margin issue can be done with good old-fashioned activism that Icahn knows better than anyone – reconstituting the board and replacing the management team with individuals the new board will hold accountable. It is no coincidence that since 2015, when John Hester became CEO, the Company's general and administrative (G&A) expenses has gone up by 42%[5]. The third opportunity to create value is to increase the rate base by adding certain of the Company's projects to it that regulators have not allowed. This can be done by bringing in a management team that would repair relationships with the regulators, which Icahn believes could add another $8 per share to the value of the Company. To accomplish his agenda, Icahn launched a proxy fight to replace the entire board commenced a tender offer for all common shares at $75 per share in cash.

On December 31, 2021, the Company completed its acquisition of Dominion Energy Quester Pipeline, in a transaction valued at $1.975 billion including $430 million of debt. On March 1, 2022, the Company announced that it plans to spin off Centuri Group, Inc., an unregulated utility services platform diversified across the U.S. and Canada, from the Company within the next 9 to 12 months. Icahn previously called on the Company to sell Centuri, but viewed this as a vague promise meant to block Icahn's tender offer. On March 14, 2022, Icahn increased his tender offer from $75 per share to $82.50 per share. On April 18, 2022, the Company announced that it received an indication of interest to acquire the Company well in excess of Icahn's $82.50 per share offer and that the Company authorized the review of a full range of strategic alternatives.

[5] Source: www.carlicahn.com. "Open Letter to Southwest Gas Board of Directors", 10/05/2021 and 03/07/2022.

On May 6, 2022, Icahn and the Company entered into a Settlement Agreement, pursuant to which four Icahn directors were appointed to the board, three incumbents resigned from the Board and John P. Hester resigned as President and CEO. Following the 2022 Annual Meeting, the Board continued the previously announced review of strategic alternatives including a sale of the Company, a separate sale of one or more of its business units and/or the spin-off of Centuri.

Wix.com, Ltd.

Starboard is a very successful activist investor and has extensive experience helping companies focus on operational efficiency and margin improvement. Starboard also has a successful track record in the Information Technology sector. In 45 prior engagements, it has a return of 32.36% versus 13.90% for the S&P 500 over the same period Starboard has had a notable track record with web applications companies going back to 2004 with their 13D investment in Register.com. Register.com was sold to Web.com in 2005 for $135 million, yielding Starboard a 30.82% return versus 11.37% for the S&P 500 over the same period. On June 8, 2018, Starboard filed a 13D on Web.com Group Inc. and on October 10, 2018, Web.com was acquired by Siris Capital Group and combined three years later with Endurance International, a comp to GoDaddy's hosting business. Starboard made a 47.27% return on its Web.com 13D versus -1.82% for the S&P 500 over the same period. Finally, on December 27, 2021, Starboard filed a 13D on GoDaddy Inc. which is a live 13D where Starboard currently has a 6.12% return versus -19.16% return for the S&P 500 over the same period.[6]

Wix is a market leader in web development tools that operates in an attractive space with long-term growth tailwinds. They have a sticky business that is not typically impacted in bad economies – people do not shut down their websites in down markets.

Prior to COVID, the Company was growing in the high teens but growth increased to approximately 30% per year during COVID. During this time, the Company increased their cost structure and hired new employees. However, this high growth rate was not a new, perpetual level of growth as much as it was an accelerant of growth and since COVID the Company's growth rate has declined to approximately 10%. As a result, the Company's free cash flow ("FCF") margins declined from 15% to 0%. These margins should not only return to 15% but could exceed 20%. The Company initially targeted 20% FCF margins but that assumed a 20% growth rate. They have since committed to 20% FCF margins by 2025 that is not dependent on 20% growth by implementing a $150 million cost savings program[7,8]. If the Company is committing to 20%, it is very likely that more than that can be achieved and we have seen companies significantly exceed their estimates before with Starboard involved. As they have done many times in the past, Starboard will work with the Company to help generate a better balance of growth and profitability. While the Rule of 40 (growth rate plus profit margin) for software companies does not squarely apply here, it is certainly analogous and Starboard could work with the Company to help it achieve double digit growth rates and double digit free cash flow margins.

In addition to the cost savings plan, the Company recently announced a plan to buy back $500 million of stock. This sounds like things companies do when they know there is an activist at the door. Whatever the motivation, it is good for shareholders that it appears that the Company and Starboard are on the same page, and it looks like they can work together to increase shareholder value. Starboard has extensive experience in helping companies optimize growth and margins, typically from a board level. Based on their history and track record, we think this would be best done with Starboard getting one or two seats on the Board.

While Starboard's primary objective here is operational, when an activist engages with a company, it often puts that company in pseudo-play getting the attention of strategic investors and private equity. While Starboard is not advocating for any strategic transaction, they are economic animals with fiduciary duties and if an offer came in at the right price, they would weigh it against shareholder value as a standalone entity and do what they believe to be best for shareholders. There has also been speculation that Starboard is trying to get Wix acquired by

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[6] Source: www.13DMonitor.com as of 9/30/22.

[7] Source: Wix "Shareholder Update First Quarter" as of May 16, 2022.

[8] Source: Wix "Shareholder Update Second Quarter" as of August 10, 2022.

GoDaddy, as Starboard is one of the largest shareholders of GoDaddy. GoDaddy is not likely the best potential acquirer for this Company and this is not something Starboard would even suggest. If GoDaddy or anyone else showed an interest in acquiring the Company and the Company decided to sell, Starboard would recommend that the Company sell to the best offer after an arms-length sales process.

There is one other similarity between Wix and many other Starboard activist positions. It is run by the founder, who often is not the best person to operate a public company. Moreover, in this case, the Company's co-founder, CEO and director, Avishai Abrahami, co-founder and VP of Client Development, Nadav Abrahami, and Chief Architect of Research and Development, Yoav Abrahami, are all brothers. Also, the President and COO, Nir Zohar, is married to the VP Design & Brand, Hagit Zohar. While this could look like a classic case of nepotism and a founder-led company being run like a private Company, this is not necessarily the case here and not likely a focus of Starboard. This management team developed great products resulting in a best-of-breed, market leader. Moreover, they are already taking steps to focus on operations. This is not about selling the Company or replacing management, but purely working with the Company to focus on free cash flow and shareholder value as opposed to solely focusing on growth.

During the quarter, we exited AppHarvest, Inc. (APPH) and Evolent Health, Inc. (EVH), when Inclusive Capital Partners and Engaged Capital, respectively, sold below 5% and exited their 13D filings. AppHarvest was a costly lesson for us about investing in special purpose acquisition companies ("SPACs") as we were victims of a bloated valuation and a warrant and PIPE overhang that ultimately materially brought down the stock. Evolent was a very good position for us and an example of good activism where Engaged Capital was successful in getting a representative on the Board and convincing management to focus on the core healthcare payment solutions business. From 2019 to 2021, Evolent revenue went from $688 million to $908 million and EBITDA went from -$30 million to $29 million.

We also exited Pershing Square Tontine Holdings ("PSTH"), Bill Ackman's noble attempt at a large, shareholder-friendly SPAC, the only SPAC we know of where management did not take dilutive sponsor shares. We exited this position when our shares were redeemed at the expiration of the SPAC investment period[9]. Two final things to mention with respect to PSTH. First, Bill Ackman was entitled to hold back $100,000 for wind-up costs and instead distributed that money to shareholders, something we rarely see in wound-down SPACs. Second, slightly tongue-in-cheek but a reflection on the SPAC industry, at a $20.05 return on a $20.00 investment, PSTH was one of the most successful SPACs of the last several years. Presently, according to SpacResearch.com, of 406 closed SPAC deals, 367 trade below their $10 SPAC offering price.

The last position we exited was The Howard Hughes Corporation (HHC). This is a position we bought back in 2012 at the Fund's inception as Pershing Square was a large 13D investor and Bill Ackman was Chairman. We exited this position despite the fact that Pershing Square continues to be a large 13D investor, Bill Ackman continues to be Chairman and Pershing Square has not been decreasing its position. We are always evaluating our holdings as to what the activist catalyst is and if we believe the catalyst has weakened, we will sell early. We sold HHC because we do not believe there is a strong activist catalyst there any longer. Pershing Square recently announced in an investor letter that it will be changing its strategy to something it refers to as Pershing Square 3.0:

> The result is that all of our interactions with companies over the last five years have been cordial, constructive, and productive. We intend to keep it that way as it makes our job easier and more fun, and our quality of life better. So, if it is helpful to call this quieter approach Pershing Square 3.0, let it hereby be so anointed.

Pershing Square 1.0 they refer to as "transactional activism" and Pershing Square 2.0 they describe as joining boards and creating shareholder value from the inside. They were excellent at doing both of those things. However,

[9] The Fund continues to hold a Special Purpose Acquisition Rights ("SPAR") that were issued in connection with the PSTH mandatory conversion. These SPARs could have value if Pershing Square is able to get the SPAR structure approved by regulators.

"quieter" and "easier" is not the type of activism that we see working often and, in fact, we hardly characterize it as activism at all. This is not at all a criticism of Pershing Square and Pershing Square 3.0 may very well be a successful strategy; it just is not the type of investing that belongs in our portfolio.

We will be making a distribution on December 8, 2022, with a record date of December 6, 2022. As a tax aware strategy, we do what we can to minimize the amount of this distribution and have made a series of 31-day sales to that end. We have often been able to prevent distributions in the past, but due to the appreciation of the Fund during 2020 and 2021, this year we expect to have a small distribution of approximately $1.81 per share.

We appreciate your support and please feel free to call with any questions.

Ken Squire

Important Disclosure Information

This material is not an offer to sell the Fund's securities and is not soliciting an offer to buy the Fund's securities. All investors should consider the investment objectives, risks, charges and expenses of the Fund 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 and summary prospectus, which can be obtained from the Fund's website www.13DActivistFund.com or by calling 1-877-413-3228. Please read the prospectus carefully before investing.

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. **References to certain specific companies' securities, revenue and operations is obtained from unaffiliated third parties and is subject to subsequent adjustments. 13D makes no assurances as to the accuracy or completeness thereof.**

No Assurance of Investment Return. In considering any investment performance information contained in the Materials, prospective investors should bear in mind that past or estimated performance is not necessarily indicative of future results and there can be no assurance that a Fund will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met.

Important Risks: 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.

Index Comparison: Historical performance results for investment indices have been provided for general comparison purposes only. Indices may include holdings that are substantially different than investments held by the Fund and do not reflect the strategy of the Fund. It should not be assumed that your account holdings correspond directly to any comparative indices. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses. Performance of equity indices reflects the reinvestment of dividends. Indices are unmanaged and investors cannot invest in an index or category. Index data is obtained from unaffiliated third parties and is subject to subsequent adjustments. 13D makes no assurances as to the accuracy or completeness thereof.

Glossary. 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. **HFRI Event Driven Activist Index** includes strategies which over a given market cycle would expect to have greater than 50% of the portfolio in activist positions. The HFRI indices are updated 3x per month and as a result the numbers reflected herein may not be final and are subject to change. Data obtained from Hedge Fund Research Inc. **Enterprise value-to-revenue (EV/R)** is a measure of the value of a stock that compares a company's enterprise value to its revenue. **Return on equity (ROE)** is a measure of financial performance calculated by dividing net income by shareholders' equity. **Private investment in public equity (PIPE**) is the buying of shares of publicly traded stock at a price below the current market value per share. **EBITDA**, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to net income. **Basis points (bps)** are a unit of measure used in finance to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001. **Free cash flow (FCF)** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets.

Top 10 Holdings as of 9/30/2022: The Fund's Top 10 Holdings as of 9/30//2022: Howmet Aerospace Inc. 5.66%; Dollar Tree 5.64%; Olin Corp 5.48%; Treehouse Foods Inc. 5.20%; Aramark 5.17%; Enviva Inc 4.68%; Alkermes Plc 4.48%; Mercury Systems Inc. 4.48%; GoDaddy Inc. 4.18%; Southwest Gas Holdings Inc. 3.96%. Allocations should not be viewed as predictive composition of the Fund's portfolio, which may change at any time.

The foregoing information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice.

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