13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

October 8, 2018

Class I YTD: 3.49% S&P 500 YTD: 10.56% AUM: $392 million

In the third quarter of 2018, the I shares returned -0.39%, net of fees and expenses (versus 7.71% for the S&P500). Relative to the S&P500, this is one of our worst quarters since inception. While we are disappointed with the Fund's performance over the past three months, we are enthusiastic about the portfolio and the future. We believe this poor quarter was due to two things. First, it was a disappointing earnings season with a lack of catalyst realizations. Activism has always been a lumpy strategy and often activist campaigns are "J curves" with things getting worse before they get better. However, one of the benefits of activism is that the worse companies do, the more power the activists get and the more likely they are to implement their activist agendas. We believe we will see the second part of the "J" curve in many of our activist situations.

The total return for the 13D Activist Fund, net of fees and expenses, for the period ending September 30, 2018 are:

as of 9/30/18	3Q18	YTD	1 Year	3 Year	5 Year	Since Inception*	Inception Cumulative*
13D Activist Fund I	-0.39%	3.49%	14.53%	14.64%	10.72%	15.25%	160.92%
S&P 500 TR	7.71%	10.56%	17.91%	17.31%	13.95%	15.75%	168.68%
Lipper Percentile Rank	-	-	17th	22nd	26th	4th	4th
Position / Mid Cap Core Group	-	-	68/419	75/344	78/301	8/258	8/258
	2012	**2013**	**2014**	**2015****	**2016**	**2017**	**YTD**
13D Activist Fund I	21.27%	36.58%	15.46%	-10.92%	19.57%	23.78%	3.49%
S&P 500 TR	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	10.56%

* Inception Date is December 28, 2011

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

The second headwind we are experiencing is a historically unusual outperformance by growth stocks versus value stocks. Year to date, the Russell 3000 Growth index is up 15.91% versus 2.30% for the Russell 3000 Value index. We have a very distinct and specialized strategy – we offer a pure, diversified exposure to the strategy of shareholder activism. Activists are value investors, or more accurately *under*value investors. They find undervalued stocks and then they act as the catalyst to close the valuation gap. Therefore we have a portfolio of value stocks and intend to

always have a portfolio of value stocks. We continue to strongly believe in shareholder activism and its ability to generate understandable and repeatable alpha, and will continue to provide what we believe to be the best exposure to the strategy. We do not believe that growth can continue this dominance over value indefinitely and divergences like this have historically reverted back to the mean. We do not know when that reversion will start, but think the Fund is in an excellent position to deliver outsized returns when it does, particularly in a flat market where investors cannot rely on the markets to generate returns and need catalysts. Patient investors get rewarded over the long term and we appreciate your patience.

During the third quarter, we exited five positions and bought two new positions. We exited Forest City Realty Trust (FCE-A) when it agreed to be acquired by Brookfield Asset Management; we sold Imperva (IMPV), Automatic Data Processing (ADP) and MEDNAX (MD) when the activists sold below 5% and exited their 13D filings; and we sold Pentair (PNR) when Matthew Peltz resigned from the Board, consequently eliminating the activist catalyst. During the quarter, we added Nielsen Holdings (NLSN) and Symantec Corp. (SYMC).

Nielsen is a 13D filing of Elliott Associates. Although Elliott is known for their activism in the technology sector, they have been a successful activist in many sectors. Moreover, their strong relationships with private equity have greatly helped their activist efforts, which could prove to be beneficial here. Nielsen is trading at a very depressed valuation, down approximately 50% from early 2017. It trades at 8.5 times EBITDA versus 15 times EBITDA for its peers, and Dun and Bradstreet, a declining peer, was recently acquired for 14 times EBITDA. Nielsen has two businesses: (i) Watch segment - a television and online video ratings business, which is a virtual monopoly growing at mid-single digits with 45% EBITDA margins; and (ii) Buy segment - which provides retail transactional measurement data, consumer behavior information, and analytics primarily to businesses in the consumer packaged goods industry. The Buy segment is a duopoly with a much smaller company, IRI, which is owned by private equity and reportedly for sale. The Buy segment has been somewhat struggling because the consumer clients they sell to have been under pressure. Although the Buy segment accounts for only 20% of Nielsen's EBITDA, it has somewhat monopolized the Company narrative. The operational opportunities are primarily at the Buy segment, which has been out-invested by IRI, which uses more technology versus the traditional feet on the ground strategy of Nielsen. Additionally, this has exposed IRI to the faster growing segment of the market. However, the primary opportunity here is strategic. Nielsen has announced that it is exploring a strategic review of the Buy business, but private equity is more likely interested in buying the whole Company. The Company was acquired by a syndicate of private equity investors (Blackstone, Carlyle, KKR, Hellman Friedman and TH Lee) in 2006 for $12 billion and IPOed in 2011 for a huge profit at $23 per share. The Company is trading below its Initial Public Offering (IPO) price of 2011 despite a 190% increase in the NASDAQ since then. What makes this an even more opportune time for a sale is that the Company recently announced that its CEO will be resigning by year-end. This could lead to a second go-around for private equity, who still knows the Company very well. The Company's Chairman is a private equity investor at Carlyle, Blackstone still has a board seat and the former CEO of Nielsen is the head of portfolio operations at Blackstone. Although the Company has a lot of debt (approximately 5 times EBITDA), there is still plenty of capacity for private equity, with Dun and Bradstreet acquired with 10 times leverage. Since Elliott's filing, (i) the Company announced that it has expanded its strategic review to include a sale of the entire Company and (ii) it has been reported that Blackstone and Carlyle were both interested in a possible acquisition of the Company.

Symantec Corp. (SYMC) is a 13D filing of Starboard Value. Starboard is a very successful activist investor and has extensive experience helping companies focus on operational efficiency and margin improvement. Much of that experience includes companies like Symantec – legacy technology companies with great brands and strong revenue streams, but with company specific issues hindering performance. Symantec is a company that is not growing in a growing industry and is trading near its five year low in an industry that is trading near its highs. It is presently trading at approximately three times revenue versus five to seven times for peers. There have been some operational stumbles that have caused this, but the biggest reason has been an accounting investigation that was disclosed in May of 2018 and caused the stock to drop 33% on that one day to a level from which it has not at all recovered. Symantec has two businesses, consumer and enterprise. The consumer business has products like Norton Antivirus and Lifelock - low growth but very profitable with high retention rates. The enterprise business is where the main

operational issues are. That business is experiencing very little growth and guiding to 14 – 15% operating margins. Most businesses like these have a rule of 40 – where a combination of growth and operating margins should exceed 40%. Clearly, Symantec's enterprise business falls significantly below that. There are three opportunities to create value here. First, just getting the accounting issues behind them and restoring credibility would go a long way with investors. Three of Starboard's five nominees were directors at Marvell, which also had accounting problems and which the new board rectified quickly and efficiently. Second, the main opportunity is improving margins, which is something that Starboard has gained an expertise at doing with portfolio companies. With no additional revenue growth, an improvement of profit margins from approximately 25% to 40% could result in a $30 stock price using a 10 times EBITDA multiple (peers trade at over 15 times EBITDA). Finally, if the Company could achieve any real revenue growth, that would add to shareholder return. However, revenue growth is the hardest thing to achieve as an activist investor. It is something that management needs to do. CEO Greg Clark is relatively new and has been doing a good job fixing problems he inherited. I would expect that Starboard would work with him to accomplish these operational goals. It is important to note that Silver Lake and Bain private equity funds have both made investments in the Company and each has a board seat. These investors are economic animals and would likely support anything they would expect to create shareholder value. Since Starboard's 13D filing, it entered into a Settlement Agreement with the Company pursuant to which four new directors were appointed, including three named by Starboard and one approved by Starboard and the Company. Additionally, the Company announced that it has completed its Audit Committee investigation, and will not have to restate financials.

Other interesting potential catalysts we are keeping an eye on include: the reported sales processes at Cars.com, Arconic and Nielsen, the continued value creating initiatives by Chipotle's new CEO, and the CEO succession and potential sale of the protein business at Hain Celestial.

We will be making our tax distribution on November 6, 2018, with a record date of November 5, 2018. As a tax aware fund, 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 2016 and 2017, this year we expect to have a small distribution of approximately 3.7% of assets.

We appreciate your 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.

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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. FANG stocks refer to Facebook, Amazon, Netflix & Google.

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

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

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