13D Activist Fund

A Qualitatively Analyzed Portfolio of Activism

January 10, 2023

Class I YTD Net Return: -17.51% Russell 2500 YTD: -18.37% AUM: $187 million

In the fourth quarter of 2022, the I shares (DDDIX) returned 10.16%, net of fees and expenses (versus 7.43% for the Russell 2500)[1,2]. This was a strong last quarter to a tough year. We were able to outperform our benchmark over a year that was marred with tremendous volatility and uncertainty. Uncertainty that stemmed from the inflationary environment and actions of the Fed and their global counterparts, from the war in Eastern Europe, from COVID still affecting many in the world, particularly China, and from supply chain issues with global tentacles. As a result, 2022 was a transition year and a year of edification. During 2022 we learned that inflation was not transitory but that it is also controllable once we admitted there was a problem. We learned that the hearts, conviction, strength and pride of the Ukrainian people is stronger than most had expected, notably Russia. And we learned that there were repercussions from globalization and the pendulum is now moving back to a more comfortable place with greater supply chain certainty. Finally, we have learned that investors can no longer put their money into index funds or growth stocks and expect a return. This knowledge should allow market participants to act with more confidence in 2023.

Fund Net Performance[1,2]

	MTD	QTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
13D Activist Fund I	-5.18%	10.16%	-17.51%	-17.51%	5.45%	5.22%	10.37%	11.31%
Russell 2500 TR Index	-5.95%	7.43%	-18.37%	-18.37%	5.00%	5.89%	10.03%	10.72%
HFRI Activist Index	-4.35%	5.42%	-17.19%	-17.19%	1.97%	2.18%	4.95%	6.32%

	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%**	**-17.51%**
Russell 2500 TR	17.88%	36.80%	7.07%	-2.90%	17.59%	16.81%	-10.00%	27.77%	19.99%	18.18%	-18.37%
HFRI Activist Index	20.94%	16.05%	6.57%	1.15%	10.38%	5.45%	-10.42%	17.26%	10.31%	16.09%	-17.23%

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.

If you ask any professional athlete what the hardest thing to do in sports almost everyone would say hit a baseball. But it has been said that if you ask the top football coaches, many would tell you the hardest thing to do in sports is to walk in to the locker room during halftime of the Super Bowl and change the plan that got you there because it is no longer working. We believe that 2023 and beyond will be a market for stock pickers and that in order to

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[1] Data is presented through 12/31/2022, 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.

get returns, many investors and financial advisors are going to have to change their philosophies that have been working for them for many years. Mainly, they are going to have to stop prioritizing low fees and focus on net returns, long term track records and experience of the portfolio manager.

In reading fund marketing materials, you will often see in the legal disclaimer the phrase: “Past performance is not indicative of future results.” It is something that we have seen so often that it has become ingrained in our brains, and we read it without really thinking about what it is saying. Of course, past performance is indicative of future results. In fact, I believe it is the best indicator of future success. Isn’t this the first thing anyone looks at when evaluating a fund? That is why the regulators do not make mutual funds disclaim that “past performance is not ***indicative*** of future results”, but they require funds to disclaim that “past performance is no ***guarantee*** of future results.” That statement is true, but past returns are certainly indicative of future results. Many of the most successful institutional investors I talk with value more than anything an experienced management team with a record of proven long-term success, not low fees, and we believe this is the philosophical change that many investors and advisors are going to have to make in this market if they want to have continued success.

For over 16 years 13D Management (“13D”), the Fund’s investment advisor, has been analyzing activist catalysts and forming deep relationships in the activist community through its institutional research company, 13D Monitor. For 11 years 13D has used this knowledge to build a portfolio of names that offers investors access to what we believe to be the best activist catalysts of the best activist investors. The Fund has been able to outperform our Russell 2500 benchmark over that 11-year period, net of fees and expenses, even in the face of strong growth stock headwinds over the last several years. We are excited for the environment for value funds like our fund and believe that the catalyst-driven component to our strategy will escalate returns even further. Investors in our fund from inception have done better than had they invested in our benchmark and we strongly believe that this strategy will more than adequately reward our investors into the future.

During the fourth quarter, we added two new positions: MDU Resources Group, Inc. (MDU) and Crown Holdings, Inc. (CCK).

MDU Resources Group

MDU is an investment by Corvex Management. Corvex was founded in 2011 by Keith Meister, Carl Icahn's former lieutenant who served as CEO and Vice Chairman of Icahn Enterprises. Corvex is a highly concentrated, fundamentally driven hedge fund that uses activism as a tool, but not a primary strategy. Their preference is not to be activist, with a proxy fight being a last resort, and would prefer to amicably be invited on Boards.

MDU Resources is a regulated energy delivery and construction materials and services business. The Company is organized into the following four business segments: (i) Utilities: electric and natural gas distribution, (ii) pipeline, (iii) construction materials and contracting (their aggregates business), and (iv) construction services. MDU operates in a conglomerate structure with utilities, pipeline, construction materials and contracting, and construction services. Its utilities business operates in eight states - North Dakota, South Dakota, Idaho, Washington, Montana, Oregon, Wyoming and Minnesota, and depending on the state, makes somewhere near 10% contracted profit on its costs.

This activist campaign is all about pure play and simplicity. One need look no further than Corvex’s 2020 activist campaign at utilities company Exelon to see that. At Exelon, in October of 2020 Corvex stated that the company trades at a discount with a 30% stock upside because of its diversified business structure and that pure play regulated businesses receive premium valuations[3]. The stock was trading at $39.32 then. Six months later, Exelon announced that it will spinoff Constellation Energy Corp. In February of 2022, when the spinoff was completed the stock was trading at $41.24 per share. Exelon shareholders received $16.50 of value as of the spinoff closing

[3] Source: 13DMonitor.com

date and $28.77 worth of value as of today's price from their Constellation holdings and not only did Exelon shares not drop, but they are trading at $43.23 per share today[4].

Corvex is likely pursuing a similar gameplan here. These are all good businesses that alone should be 20x earnings businesses, but together they trade at a discount due to the conglomerate structure. MDU took the first step in pursuing this value creation opportunity last year when they announced that they would be spinning off their aggregates business, Knife River Corp, which is expected to be completed in the second quarter of 2023. When they made that announcement in August of 2022 it was unclear if this was the Company taking the first step in a larger plan to break apart its conglomerate structure or whether they were placating an activist who has been buying stock for some time now. The Company's choice of advisors on the spinoff transaction are all top advisors in defending against activists which sends a mixed message as to management's intent. However, on November 3, 2022, the Company announced that a strategic review of its construction services business was underway, with completion targeted for the first half of 2023.[5] These are steps in the right direction but not likely enough to preclude Corvex from commencing a proxy fight if they do not come to agreement with the Company prior to the nomination window of January 10 – February 9, 2023.

What Corvex would be looking for is the divestiture of the construction services segment and some form of board representation to help management more efficiently operate the business. This is similar to what Carl Icahn, Keith Meister's former mentor, is doing at Southwest Gas. This plan could potentially result in a $45+ stock price at MDU in an investment that has significant downside and inflation protection as a rate-based utility[5]. There is also an Activist ESG (AESG) thesis here. The Company's energy generation is currently divided into three areas: coal, natural gas and renewables. However, as equipment and facilities depreciate, they can no longer be included in the rate base and the Company cannot get paid on them. So, companies like MDU will close facilities and retire equipment and build new facilities and buy new equipment that can be added back into the rate base. The trend in the industry is towards more environmentally friendly assets. So, while MDU presently is approximately 1/3 coal, 1/3 natural gas and 1/3 renewables, in 2010 the Company was only 11% renewables[6].

Crown Holdings, Inc.

Crown Holdings, Inc ("Crown") is an investment by Carl Icahn, the grandfather of shareholder activism and a true pioneer of the strategy. Crown is a worldwide leader in the design, manufacture and sale of packaging products for consumer goods and industrial products. They operate in three segments: Beverage, which accounts for ~70% of EBITDA; Transit Packaging and Food, both of which collectively make up the other ~30% of EBITDA[7]. Their consumer packaging solutions primarily support the beverage and food industries through the sale of aluminum and steel cans. Their packaging for industrial products includes steel and plastic consumables and equipment, paper-based protective packaging, and plastic film consumables and equipment, which are sold into the metals, food and beverage, construction, agricultural, corrugated and general industries.

Crown operates in a consolidated global market that only has four scaled players globally and high barriers to entry – regional monopolies due to shipping costs, long-term contracts and training and experience to operate plants. They have an accelerating growth profile, which is catalyzed by sustainability trends and changing consumer preference - ~75% of new products go into cans today versus ~30% in 2014. They also enjoy the downside protection of a non-cyclical product. The Company grew EBITDA during the pandemic, where demand for aluminum cans spiked since restaurants and bars were forced to close and consumers were buying canned cocktails and beer to consume at home. The Company has underperformed its peers, including its main competitor Ball Corp. and they saw a steep drop in the stock price from $85.01 on October 24th to $70.69 on October 25th following their most recent earnings release. They attributed their lowered financial outlook to inflation, high

[4] Source: Bloomberg as of 12/31/2022.
[5] Source: www.mdu.com as of 12/15/2022.
[6] Source: Company SEC Filings.
[7] Source: Company SEC Filings.

interest rates and unfavorable currency translation[8]. This underperformance is also due to shuddered demand for canned beverages that exploded during the pandemic, leading to an overage of inventory.

The opportunity to create shareholder value here is relatively simple: sell non-core businesses, buy back shares and focus on the pure play beverage business. The Company acquired Signode, a transit packaging business, for $3.9 billion in 2017[9], and might be reluctant to sell it for less than that now. However, there is a lot of value to selling that business, the least of which is the amount of proceeds they receive (within reason). There is more value in how they use those proceeds (i.e., buying back stock in an undervalued, growing business). There is also tremendous value in freeing up management to focus on the core business, and there is value to being a pure play business and getting a market multiple closer to their pure play peer, Ball Corp. So, management should not be as focused on what they can get for Signode as in what a sale allows them to do for the future. Crown also runs an aerosol and food-packaging business that manufactures cans for household products and snacks and still owns a minority stake in the European food-can business. Icahn believes that the Company should sell all of these non-core assets and focus on the beverage can business which has secular tailwinds and is undervalued relative to its pure play peer. Using cash flow to strengthen the balance sheet and repurchase stock ahead of this would enhance shareholder returns as the Company closes this valuation gap.

Icahn is not the only activist with a position in Crown. Impactive Capital first disclosed a stake in Crown in their Q1 2020 13F filing and has advocated for the Company to pursue the same opportunities that Icahn is advocating for – divesting non-core assets and share buybacks. Shortly thereafter, Crown announced a strategic review of its portfolio and capital allocation priorities which resulted in the 80% divestiture of the Company’s European Tinplate business in 2021[10]. But there is clearly more portfolio simplification that can be done here. Impactive always has an ESG thesis in their investments and looks for situations where positive ESG improvements can drive value. This situation is no exception. Focusing on the growing aluminum can market as a replacement for plastic and glass is not only good for the Company but good for the environment. Because aluminum’s inherent properties don’t change through use or recycling, cans are 100% recyclable repeatedly.

We believe there is a lot of value here regardless of who the management team is. I would not assume that Icahn or Impactive want to see a change in management. But if management is not up to the task, that is always a possibility. On a recent conference call, Crown CEO Timothy Donahue said: “You never like to say, we’re caught off guard, but I think we were really.” When you are a CEO who has been caught off guard, the last thing you want to see is Carl Icahn show up in your stock.

During the quarter, we exited Elanco Animal Health Incorporated (ELAN), New Relic, Inc. (NEWR), Olin Corporation (OLN) and eHealth, Inc. (EHTH) when the activists involved decreased their positions below 5% and exited their 13D filings. We also exited Enviva Inc. (EVA) after a period of strong stock performance and a determination by us that the activist catalyst was not as strong anymore.

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

Ken Squire

[8] Source: Company Third Quarter financial results as of 10/24/2022.
[9] Source: Company SEC Form 8-K filing as of 12/19/2017.
[10] Source: Company SEC Form 8-K filing as of 04/08/2021.

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 TR** 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. **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.

Top 10 Holdings as of 12/31/2022: Howmet Aerospace 6.21%; TreeHouse Foods 5.88%; ARAMARK 5.82%; Dollar Tree 5.48%; Alkermes 4.99%; Godaddy 4.42%; Pearson ADR 4.23%; Mercury Systems 4.13%; Southwest Gas Holdings 3.68%; Wix.Com 3.30%.: Allocations should not be viewed as predictive composition of the Fund's portfolio, which may change at any time.

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