

NYSE Ticker: **ACTV**

LeaderShares[®] Activist Leaders[®] ETF

Objective

The LeaderShares[®] Activist Leaders[®] ETF seeks to generate long-term capital growth.

Strategy

The LeaderShares[®] Activist Leaders[®] ETF employs an investment approach that utilizes a proprietary quantitative methodology built on the foundation of tracking legally mandated targets of shareholder activism. These equity securities are identified using filings known as "13D" filings that are submitted with the Securities and Exchange Commission ("SEC"). Rules adopted under the Securities Exchange Act of 1934 require a shareholder that acquires, with an activist intent, more than 5% of a company's shares to file a form with the SEC known as a Schedule 13D that discloses the investor's identity and the investor's purpose in acquiring those shares.

- Tracks activist investors as defined by the portfolio managers.
- Seeks to invest in similar positions of activist investors based on 13D filings that are required if an investor acquires 5% or more of a stock while intending to be a non-passive investor.

Fund Facts

Portfolio Managers

Michael Messinger
Michael Cheung
Richard Duff

Category

Strategic Equity

Inception Date: October 27, 2020

Important Risk Information & Disclosures

Exchange Traded Funds involve risk including the possible loss of principal. There is no assurance the Fund will meet its stated objectives.

Although the Fund does not intend to invest in companies for the purpose of effecting change or influencing or controlling management itself, the Fund invests in companies that the Adviser believes have potential for capital appreciation resulting from such changes. The Adviser's evaluation of companies may prove incorrect, or the efforts which they invest may not be successful, or even if successful, may have unintended affects or cause the Fund's investment to lose value.

Investors should carefully consider the investment objectives, risks, charges and expenses of the LeaderShares[®] Activist Leaders ETF. This and other important information about the Fund are contained in the prospectus, which can be obtained at leadersharetfs.com or by calling 1-480-757-4277. The prospectus should be read carefully before investing. The LeaderShares[®] Activist Leaders ETF is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.
8153-NLD-11/13/2020

What is activism in investing?

Rather than being a passive observer of a company's fundamentals and price, an activist investor seeks to pro-actively influence corporate actions with the goal of increasing shareholder value, and ultimately value to themselves and their investors. Typically hedge fund managers, activists often take large positions to gain influence. Their growing involvement and effect on stock prices may be creating a shifting market paradigm as investors seek a differentiated source of returns.

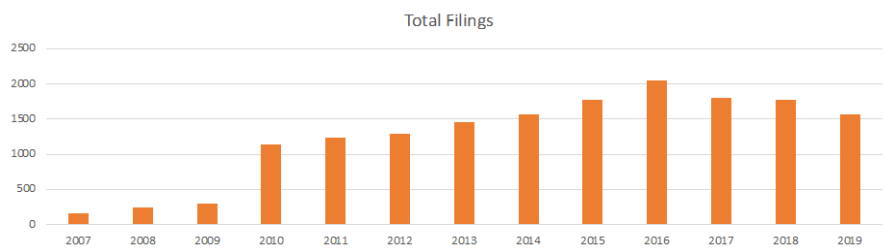
What do activists do?

Substantive Actions	Governance Changes	Tactical Actions
<ul style="list-style-type: none">• Increase Dividends• Evaluate Strategic Alternatives (Mergers/Sale)• Buyback Shares	<ul style="list-style-type: none">• Align Interest Through Executive Compensation• Initiate Proxy Voting to Refresh Board• Recommend Change/Replace CEO• Increase Size of Board	<ul style="list-style-type: none">• Adopt Poison Pill• Recommend Efficient Capital Allocation• Target Value-Adding Business Model• Postpone Meeting Dates or Call Special Meetings• Identify and Evaluate Key Environmental, Social, and Governance Issues

Sources: Bloomberg, Redwood.

Activists' Filings: 13D, 13D/A

The number of 13D and 13D/A filings have increased versus a decade ago and may have more influence on the marketplace.



Sources: Activist Insights, Redwood. For illustration purposes only.

Examples of "Activists"

- Elliot Management
- Carl Icahn
- Third Point Partners
- Starboard Value
- ValueAct Capital
- Triun Partners

Sources: Investopedia, Redwood. Examples are categorized as "Activists" by www.investopedia.com. The Fund may or may not follow the above activists. Data: As of 9/30/2020