

NYSE Ticker: **LSAF**

LeaderShares[®] AlphaFactor[®] US Core Equity ETF

Objective

The LeaderShares[®] AlphaFactor[®] US Core Equity ETF seeks to provide investment results that correspond generally, before fees and expenses, to the performance of the AlphaFactor[®] US Core Equity Index.

Strategy

The AlphaFactor[®] US Core Equity Index utilizes a quantitative rules-based investment methodology that applies a multi-factor ranking process focused on the largest 1,000 U.S. common stocks based on market capitalization. The methodology selects stocks based on a number of characteristics that include, net share count reduction, cash flow growth, dividend yield, volatility, and debt/asset ratios.

- Differentiated smart beta approach to US Equity exposure in today's market environment
- Seeks to hold a diversified portfolio of US equity exposure focused on "liquidity theory" along with other quantitative factors that historical research has identified as attractive

Fund Facts

Portfolio Managers

Michael Messinger
Michael Cheung
Richard Duff

Category

Domestic Equity

Inception Date: October 2, 2018

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. The above index performance is not intended to serve as a proxy for the Fund's future or past performance. Past performance is not a guarantee of future results. The strategy used by the Fund's investment adviser may fail to produce the intended results or that imperfections, errors or limitations in the tools and data used by the investment adviser may cause unintended results.

The Russell 1000 Index represents the 1000 top companies by market capitalization in the United States. The index shown is for informational purposes only and is not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Drawdown is a measure of peak to trough loss in a given period; a maximum drawdown is a measure of the maximum peak to trough percentage loss in a given period.

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

8156-NLD-11/16/2020

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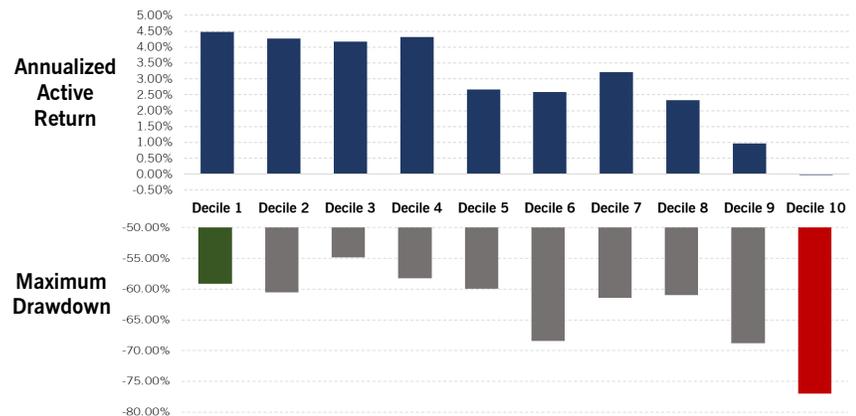
Liquidity Theory & Float Shrink

Liquidity theory offers investors a different approach than traditional fundamental stock-selection strategies. Rooted in basic supply and demand relationship, it contends that all else being equal, if the same amount of money is chasing a smaller amount of shares, the share price should increase, and vice versa.

Float shrink through share buybacks have historically shown to boost investment performance in portfolios. The idea is that every share of stock is a partial share of a company, and the fraction of that company that each remaining shareholder owns increases as the total outstanding shares decreases.

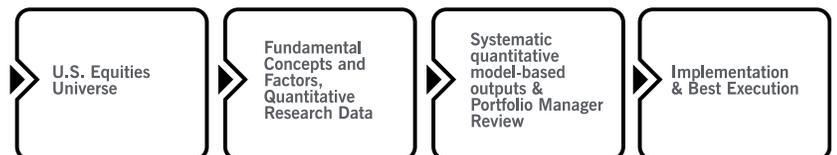
Float Shrink Factor

The data below demonstrates how the top decile of companies (Decile 1) in the Russell 1000 Index that led in share count reduction had the highest annualized active return and lowest drawdown risk compared to the bottom decile (Decile 10).



Sources: Bloomberg, Redwood. The above does not represent any trading or performance of the Fund and is for illustration purposes only. Data: Jan 2000 – 9/31/2020

Quantitative Methodology



For illustration purposes only