

NYSE Ticker: **SQEW**

LeaderShares[®] Equity Skew ETF

Objective

The LeaderShares[®] Equity Skew ETF seeks to generate long-term capital growth.

Strategy

The LeaderShares[®] Equity Skew ETF is built on the principles of Redwood's Skew Portfolio Theory (SPT). The ETF is a strategic equity portfolio comprised of a diversified portfolio that seeks to overweight holdings that demonstrate higher statistical return opportunity while underweighting holdings that demonstrates lower statistical return opportunity. The ETF seeks to hold exposure to the following: U.S. Large Cap Growth, U.S. Large Cap Value, U.S. Small Cap Growth, U.S. Small Cap Value, and Emerging Market Equities.

- Implements a rebalancing process based on statistical skew utilizing Skew Portfolio Theory (SPT)
- Seeks to dynamically overweight to asset classes that statistically show higher return opportunity, while maintaining directional beta to the overall equity market

Fund Facts

Portfolio Managers

Michael Messinger
Michael Cheung
Richard Duff

Category

Dynamic Equity

Inception Date: May 12, 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. 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 Fund's investment strategies may not result in an increase in the value or in overall performance equal to other similar investment vehicles having similar investment strategies. The Fund's tactical asset allocation strategy may be unsuccessful and may cause the Fund to miss attractive investment opportunities while in a defensive position.

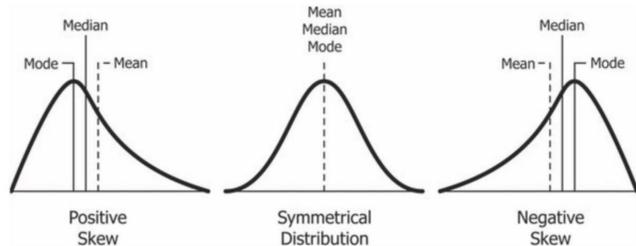
The S&P 500 (Growth and Value) indices are stock market indices based on the market capitalization of 500 leading companies in growth and value publicly traded in the U.S. stock market, as determined by Standard & Poor's. The Russell 2000 (Growth and Value) indices measure the performance of the small-cap segment of the U.S. equity universe, including approximately 2000 of the smallest securities in growth and value based on a combination of their market cap and current index membership. The Dow Jones Emerging Markets Index is designed to measure 95% of the market capitalization coverage of stocks traded in emerging markets. The indices shown are for informational purposes only and are 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.

Investors should carefully consider the investment objectives, risks, charges and expenses of the LeaderShares[®] Equity Skew 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[®] Equity Skew ETF is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.

8158-NLD-11/16/2020

What is Skew?

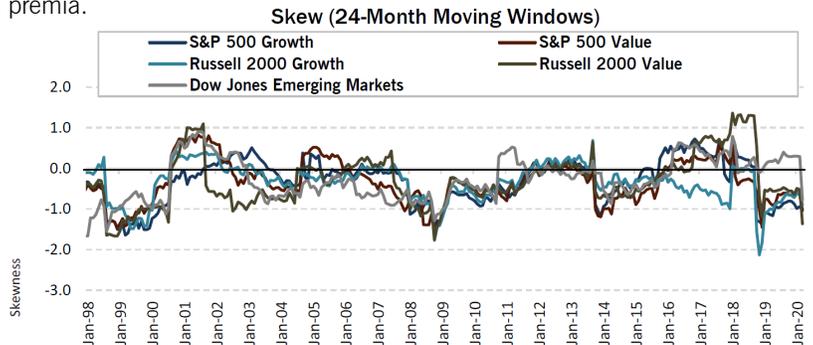
Skew measures the amount of asymmetry of a distribution around its mean. This measures the amount that a distribution leans in one direction or another around its average value. In a positive skew, the mean of the distribution is shifted to the right relative to its median and mode due to a right side tail. The opposite is true with a negative skew. The below illustrates "skewness" of a distribution.



Sources: Redwood, (Redwood, "The Third Moment in Equity Portfolio Theory & SPT" 2020). For illustration purposes only.

Prices Change Over Time, And So Does Skew

However, their skew also fluctuates over time about 0 at different points in time, providing opportunity to overweight and underweight to potentially capture risk premia.



Sources: Zephyr, Redwood, (Redwood, "The Third Moment in Equity Portfolio Theory & SPT" 2020). Data: July 1995 – June 2020. For illustration purposes only.

Why use Skew?

A process based on skew or SPT can be used to enhance portfolio construction in a real-time, forward-looking, implementable way, while addressing many problems of MPT's static assumptions.