Capturing the Markets

TRUESHARES

Buffered Equity Strategies in 2020

When we launched our TrueShares Structured Outcome ETFs earlier this year, this represented an innovation in buffered strategy ETFs. Specifically, our strategy was designed for investors who were seeking more upside participation potential than was available in capped strategies.

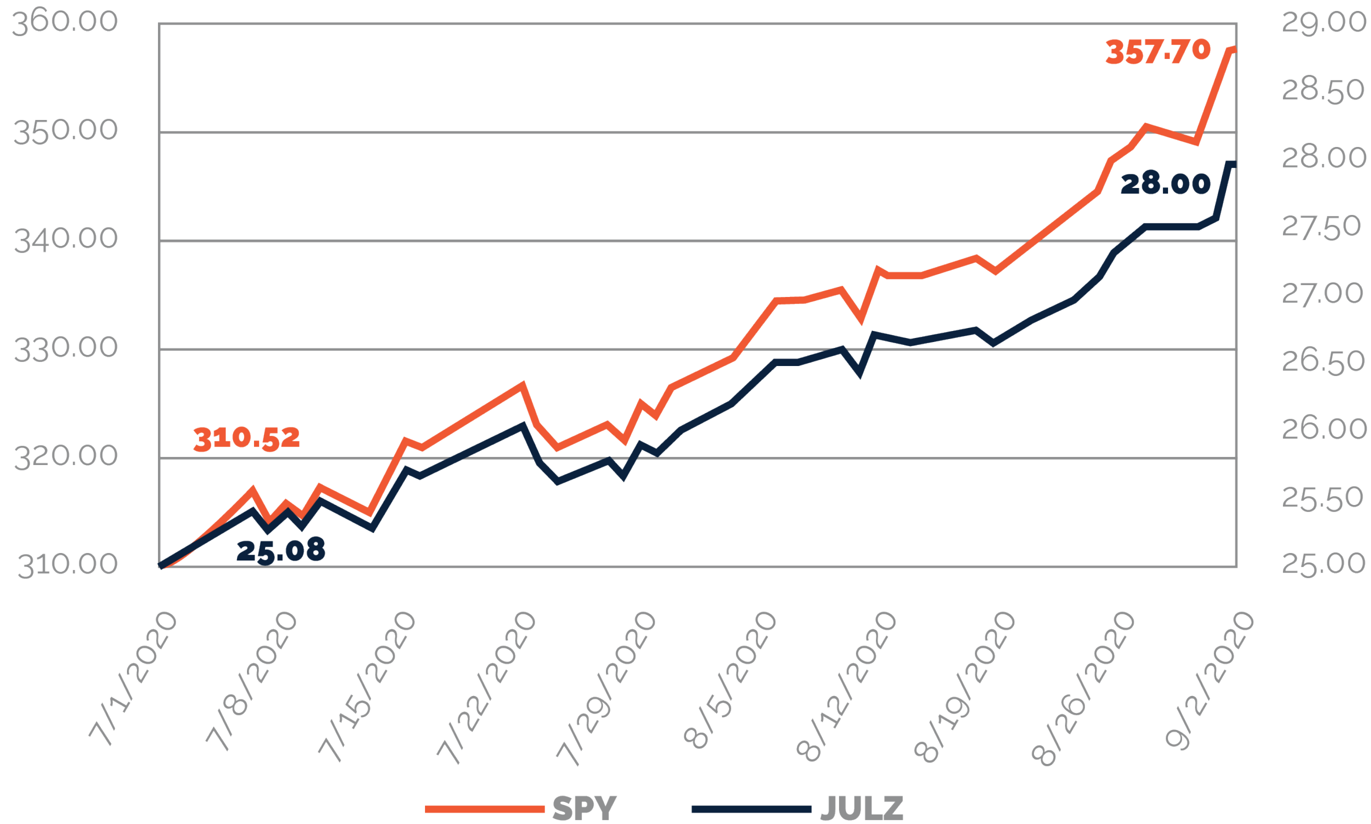
As 2020 has provided plenty of market swings since we launched this ETF series, we now have a few months of data that allows us to see how the strategies have performed in both up and down markets. We'll explore that performance here on both on a standalone basis as well as looking how we've performed vs capped structures. Let's start with exploring up market performance first.

Upside Capture

Our first TrueShares Structured Outcome ETF listed on the Cboe BZX exchange on July 1st this year. Its structure provided an initial 10% downside buffer[1] and is expected to capture 82-84% of the upside of S&P 500's performance.[2] After launch, the market experienced a steady rise until September 2. You can see the chart for JULZ and SPY (iShares S&P 500 Index ETF) below. That chart shows an 11.66% return for JULZ and a 15.19% return for SPY (representing a 77% participation rate).[3,4] That means that investors in JULZ were already capturing 92% of their expected outcome even though the structure still had 10 months left! That offers many opportunities for investors to lock in gains, adjust buffer levels, or simply go to cash. Let's compare this to a Capped Structure.

Price Chart: JULZ and SPY[4]

7/1/2020 - 9/2/2020



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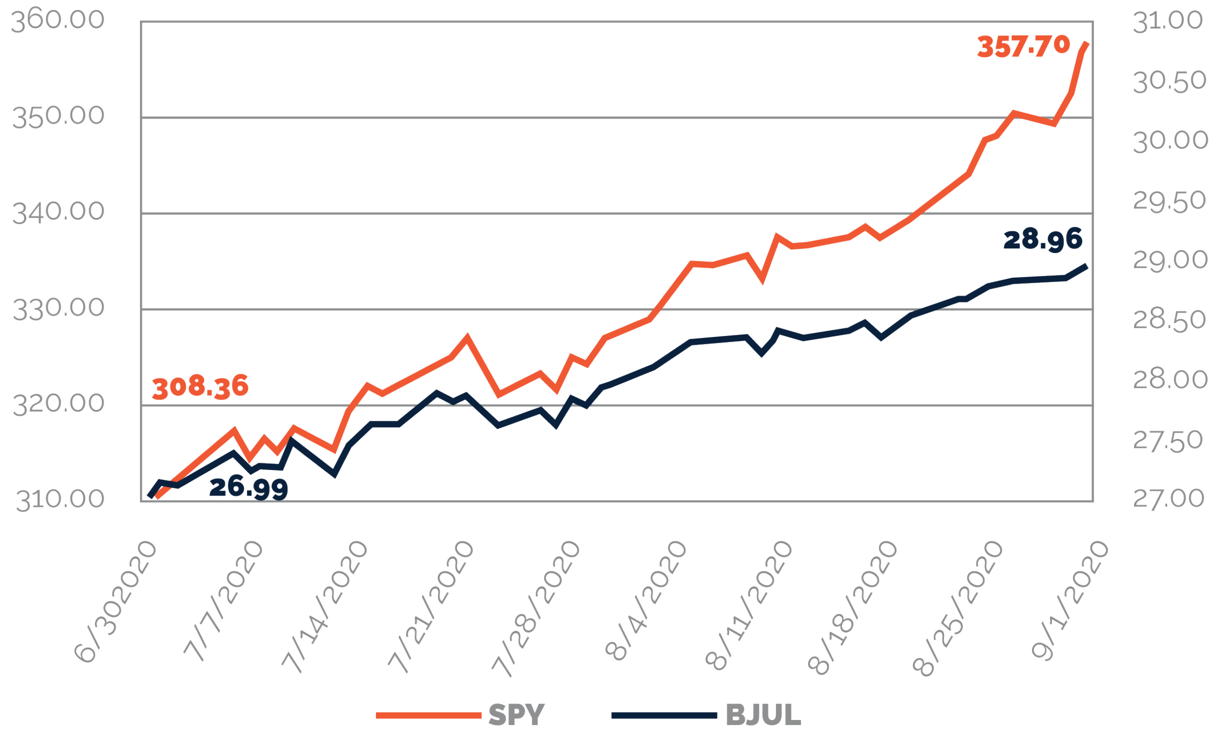
One of the leaders in the Structured Outcome space is Innovator Funds. The original provider of defined outcome ETFs, they utilize a capped strategy approach with their funds. Their July Buffered S&P 500 ETF was BJUL and it delivered an initial 9% buffer with a 17.1% cap on upside performance for the latest investment period. They reset their structure on June 30, 2020 and faced the same market conditions. *How did the capped structure perform over this period?* You can see in the chart at the right. Adding that one day[3] means that the S&P 500 returned 16.00% from 06/30/20 to 09/02/20. Over that same period BJUL returned 7.29%.[3,4] So, while the capped structure will provide 1:1 performance with the S&P 500 up to the stated cap, it only does that at the end of the investment period, so June 30, 2021 in this case. In the meantime, the capped structure only provided 46% of the upside capture, meaning that investors in that product will have to wait until the end of the period to realize most of their gains, assuming the market did not pull back, which it did.

Price Chart: BJUL and SPY[4]

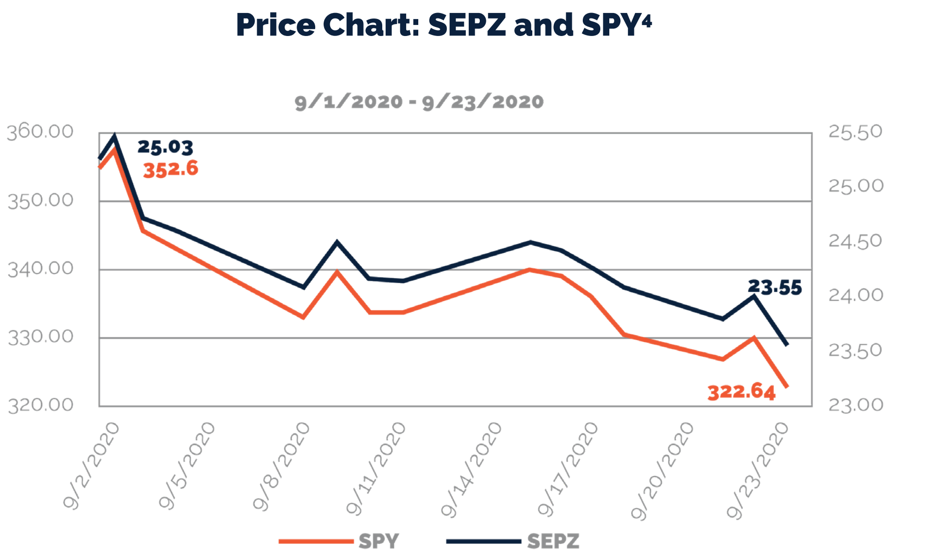
6/30/2020 - 9/2/2020

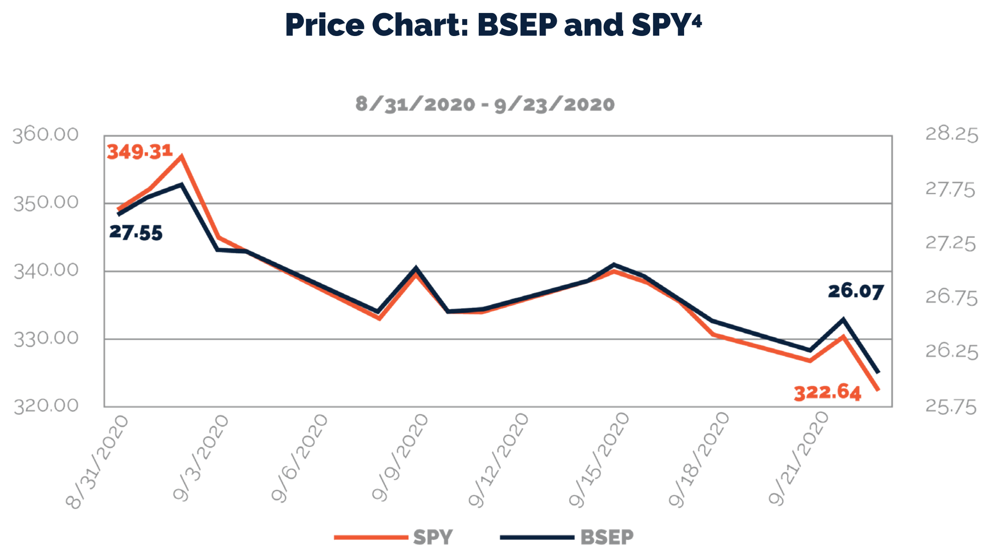


Buffered Strategy 101

So why do the intra-period returns for buffered strategies not match the market 1:1 for capped strategies or mirror expected participation rate perfectly for uncapped strategies? It's related to the fact that both strategies utilize long- and short-option positions to create the market exposure. For the capped strategy, the cap structure tends to weigh down the upside returns more heavily, especially the further away the fund is from the end of the investment period. The uncapped strategy is less restricted by its option positions, so the expectation is that it should track the underlying market more closely during the investment period.

Downside Capture





Turning our focus to downside performance, the structure of the capped and uncapped portfolios should provide similar buffering on the first 10% of losses of the reference index/ETF. These structures faced a more challenging environment in September. The September TrueShares Structured Outcome ETF (SEPZ) listed and started its investment period on September 1st, delivering an initial 10% downside buffer[1] while providing an 87-89% upside participation rate in the S&P 500.[2] After launch, the S&P 500 immediately sold off to September 23, 2020. You can see the chart for SEPZ and SPY over those 3 weeks above. SEPZ sold off with the market but buffered a small portion of the loss. The S&P was down -8.50% and SEPZ was down -5.91%.[3,4] That means that the structure offset 30% of the underlying losses even though the ETF still had over 11 months to go in its current investment period. It is important to note that if the market were to end at the level on 9/23/20, investors should expect the fund to have a return of 0% (gross of fees).

Looking at the capped structure, you see a similar outcome. Innovator's September Buffered S&P 500 ETF (BSEP) provides a 9% buffer and a 17.90% cap on gains. You can see that funds returns from its 08/31/20 structure reset to 09/23/20 in the right chart above. Over that period, the S&P was down -7.64% and BSEP was down -5.37%.[3,4] That shows the cap structure removed 30% of the underlying losses even though there was still over 11 months to go in the investment period.

This shows that these two structures both provide a similar buffering experience over the first 10% of losses. Beyond -10% the structures' return profile differ, but we do not have a real-world example of that to demonstrate to date.

Conclusion

Both the Capped and Uncapped Structures offer buffered exposure to the S&P 500. When focusing on the upside participation potential, it is our belief that the lumpy nature of the historical returns of the S&P 500 (with return "peaks" and "valleys") make it more beneficial to own the TrueShares Uncapped structure as it is more likely to deliver expected returns on the upside early in the investment process lending flexibility to investors.

Footnotes

1. In the event an investor purchases Shares after the date on which the options were entered into or sells Shares prior to the expiration of the options, the buffer that the Fund seeks to provide may not be available and there may be limited to no upside potential. The Fund does not provide principal protection and an investor may experience significant losses on its investment, including the loss of its entire investment.

2. Estimated upside market participation rate represents the relative exposure of the fund's call options to participate (gross of fees) in the potential upside movement of the S&P 500 Price Index. This will be determined by the relative price of call and put options at the start of the investment period (12-month period). There is no guarantee that the fund will be successful in providing these outcomes or objectives in any period.

3. Investment period start dates differ for TrueShares and Innovator products shown. As a result, the measurement periods shown above show a one-day difference at the beginning of the period. For TrueShares, the fund's investment return shown is based on the closing market value on the first day of the investment period to the closing price on the last day of the period shown.

4. Source: Bloomberg, as of 11/6/2020. **Performance data quoted above represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed or sold in the secondary market, may be worth more or less than the original cost**. Any performance shown is cumulative performance. Index performance does not represent True-Shares fund performance. It is not possible to invest directly in an index. All performance figures assume reinvestment of dividend and capital gains at net asset value; actual returns may differ.

Performance @ Market/NAV – As of 9/30/2020

	Inception Date	Since Fund Inception	1-Yr	3-Yr	5-Yr	10-Yr	Expense Ratio
JULZ	06/30/2020	6.73%* /6.46%*	--	--	--	--	0.79%
BJUL	08/28/2018	5.17% / 5.02%	8.40% / 7.85%	--	--	--	0.81%
SEPZ	08/31/2020	-2.68%* / -3.00%*	--	--	--	--	0.79%
BSEP	08/30/2019	9.75% / 9.19%	9.20% / 8.23%	--	--	--	0.79%
SPY	01/22/1993	9.69% / 9.69%	14.86% 14.97%	12.09% / 12.12%	13.97% / 13.98%	13.59% / 13.60%	0.0945%

*As fund is less than a year old, Since Inception performance shown is cumulative.

Performance data quoted above represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed or sold in the secondary market, may be worth more or less than the original cost. Investors will incur usual and customary brokerage commissions when buying or selling shares of the exchange-traded funds ("ETFs") in the secondary market, and that, if reflected, the brokerage commissions would reduce the performance returns. Current performance may be lower or higher than the performance shown. Shares are bought and sold at market price not net asset value ("NAV") and are not individually redeemable from the fund. Call 877.774.TRUE for more information.

All performance figures assume reinvestment of dividend and capital gains at net asset value; actual returns may differ. Performance 1-year and less are cumulative; performance over 1-year are average annualized total returns. For JULZ, SEPZ and SPY, market price performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when, in the case of the TrueShares ETFS, the NAV is typically calculated. For BJUL and BSEP, market price is based on closing price. NAV price performance is determined using the daily calculated NAV. They do not represent the returns you would receive if you traded shares at other times. Performance figures do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon redemption or sale of fund shares.

Important Information
The content herein includes the views, opinions and analysis of the investment manager as of the date of publication. These views and information are subject to change without notice, and are not meant to be a complete analysis of any market, industry, country, or company.

Certain information herein has been obtained from third party sources and, although believed to be reliable, has not been independently verified and its accuracy or completeness cannot be guaranteed. No representation is made with respect to the accuracy, completeness or timeliness of this document. TrueMark Investments accepts no liability for any losses arising from use of this information and reliance upon the comments, opinions and analysis in the materials is at the sole discretion of the reader.

All investments involve risk including possible loss of principal.

Before investing, carefully consider the True- Shares ETFs investment objectives, risks, charges and expenses. Specific information about the True-Shares is contained in the prospectus and a summary prospectus, copies of which may be obtained by visiting true-shares.com. Read the prospectus carefully before you invest. Foreside Fund Services, LLC, distributor.

The Fund has characteristics unlike many other traditional investment products and may not be suitable for all investors. You should only consider an investment in the Fund if you fully understand the inherent risks, which can be found in the prospectus.

RISK CONSIDERATIONS
An investment in an ETF is subject to risks and you can lose money on your investment in an ETF. There can be no assurance that the ETF will achieve its investment objective.

The Fund is recently organized with no operating history for prospective investors to base their investment decision which may increase risks. The Fund employs a buffered strategy in an attempt to buffer against losses in the S&P 500 Price Index over the course of a 1-year period. There is no guarantee the Fund will be successful in this strategy, and investors may experience losses beyond targeted levels.

The Fund invests in options, which involves leverage, meaning that a small investment in options could have a substantial impact on the performance of the Fund. The Fund may invest in FLEX Options issued and guaranteed for settlement by the OCC. The Fund bears the risk that the OCC will be unable or unwilling to perform its obligations under the FLEX Options contracts. Additionally, FLEX Options may be illiquid, and in such cases, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. As the options the Fund invests in derive their performance from the S&P 500 Price Index, the Fund is subject to the equity market risk associated with the index.

Additional risks of investing include management, non-diversification, portfolio turnover and tax risks. Detailed information regarding the specific risks of the funds can be found in their prospectuses.

The ETF’s portfolio is more volatile than broad market averages. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. ETF shares may only be redeemed directly with the ETF at NAV by Authorized Participants, in very large creation units. There can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

The Fund is designed to seek to achieve its strategy for investments made on the Initial Investment Day and held until the last day of the Investment Period. Investors purchasing shares in the fund after its 12-month investment period has begun or selling shares prior to the end of the investment period, may experience very different results than the fund’s stated investment objective. These periods begin at either the fund’s inception date or at each subsequent “Initial Investment Day”. Following the initial investment period after fund inception, each subsequent investment period will begin each year on the first day of the month the fund was incepted (subsequent “Initial Investment Days”). Fund management will target a 10% downside buffer, with expectations that it will generally fall between 8-12%. The Fund is not designed to protect against declines of more than 8-12% in the level of the S&P 500 Price Index, and there can be no guarantee that the Fund will be successful in implementing the buffer protect options strategy to avoid the first 8-12% decline.

Index Description: The S&P 500® Index is a widely recognized capitalization-weighted index that measures the performance of the large-capitalization sector of the U.S. stock market. The S&P 500 Price Index does not include reinvestment of dividends. Securities in the ETF’s portfolio will not match those in any index. **The ETF is benchmark agnostic and corresponding portfolios may have significant non-correlation to any index**. Index returns are generally provided as an overall market indicator. You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index’s returns. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

NOT FDIC INSURED — NO BANK GUARANTEE — MAY LOSE VALUE

Important Information: Peer Comparisons

Information as of 11/6/20, unless otherwise noted. All information shown is subject to change and is based on information readily available for the funds as of the date shown. The information here should not be used as the sole basis for making an investment decision. Readers should independently evaluate their investment options prior to making an investment decision, including reviewing a fund's prospectus.

	TrueShares Structured Outcome	Innovator Defined Outcome	SPY
Inception Date	JULZ: 6/30/2020 SEPZ: 8/31/2020	BJUL: 6/30/2020 BSEP: 8/31/2020	1/22/1993
Investment Objective	The Funds seek to provide investors with returns (before fees and expenses) that track those of the S&P 500 Price Return Index (the "S&P 500 Price Index") while seeking to provide a buffer against the first 8% to 12% of S&P 500 Price Index losses, over the 12 month investment period.	The Funds seek to provide investors with returns that match those of the S&P 500 Price Index, up to a stated upside cap (both net and gross of fees) while providing a buffer against the first 9% of S&P 500 Price Index losses, over a 12 month investment period.	The Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index (the "Index").
Investment Strategy	The Funds are an actively-managed exchange-traded fund ("ETF") that seeks to achieve its investment objective by investing substantially all of its assets in options that reference the S&P 500 Price Index. The Fund's investment adviser, TrueMark Investments, LLC ("TrueMark"), and sub-adviser, SpiderRock Advisors, LLC ("SpiderRock"), will employ a "buffer protect" options strategy that uses such options to seek to achieve exposure to the S&P 500 Price Index while mitigating the first 8% to 12% decline in the S&P 500 Price Index (the "Buffer") over a 12-month period beginning on a specified day each November (each, a "Roll Date"). The period from one Roll Date to the next Roll Date is referred to as the "Investment Period," and the first day of the Investment Period is referred to as the "Initial Investment Day").	The Funds invest at least 80% of its net assets in FLexible EXchange® Options ("FLEX Options") that reference the S&P 500 Price Return Index ("S&P 500 Price Index"). FLEX Options are exchange-traded options contracts with uniquely customizable terms. Although guaranteed for settlement by the Options Clearing Corporation (the "OCC"), FLEX Options are still subject to counterparty risk with the OCC and may be less liquid than more traditional exchange-traded options. Due to the unique mechanics of the Fund's strategy, the return an investor can expect to receive from an investment in the Funds have characteristics that are distinct from many other investment vehicles. It is important that an investor understand these characteristics before making an investment in the Funds.	The Trust seeks to achieve its investment objective by holding a portfolio of the common stocks that are included in the Index (the "Portfolio"), with the weight of each stock in the Portfolio substantially corresponding to the weight of such stock in the Index. Although the Trust may fail to own certain Index Securities at any particular time, the Trust generally will be substantially invested in Index Securities, which should result in a close correspondence between the performance of the Index and the performance of the Trust.
Total Expenses	0.79	BJUL: 0.81% BSEP: 0.79%	0.0945%
Management Style	Active	Active	Passive
Index	S&P 500 Price Index	S&P 500 Price Index	S&P 500 Index
Net Assets in $mil	JULZ: $6.2 SEPZ: $11.93	BJUL: $70.70 BSEP: $81.10	$303,543.21
Principal Risks	The principal risks of investing in the Funds are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with those of other funds. Each risk summarized below is considered a "principal risk" of investing in the Funds, regardless of the order in which it appears. As with any investment, there is a risk that you could lose all or a portion of your investment in the Funds. Some or all of these risks may adversely affect the Funds' net asset value per share ("NAV"), trading price, yield, total return and/or ability to meet its objectives. Other principal risks include: Buffered Strategy Investment Risk, Equity Market Risk, ETF Risks, Management Risk, New Fund Risk, Non-Diversification Risk, Portfolio Turnover Risk, Tax Efficiency Risk and US Treasury Obligations Risk.	You could lose money by investing in the Funds. An investment in the Funds are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Funds' investment objectives will be achieved. Other Principal Risks include: Buffered Loss Risk, Capped Upside Return Risk, FLEX Options Risk, Outcome Period Risk, Correlation Risk, Investment Objective Risk, Upside Participation Risk, Management Risk, Cap Change Risk, Market Risk, Non-Diversification Risk, Liquidity Risk, Valuation Risk, Operational Risk, Market Maker Risk, Trading Issues Risk, Active Markets Risk, Authorized Participation Concentration Risk, Counterparty Risk, Fluctuation of Net Asset Value Risk, Limitations of Intraday Indicative Value Risk, Cash Transactions Risk, Cyber Security Risk, Tax Risk. The Shares will change in value, and you could lose money by investing in the Fund. The Funds may not achieve their investment objective.	Passive Strategy/Index Risk: The Trust is not actively managed. Rather, the Trust attempts to track the performance of an unmanaged index of securities. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the Trust will hold constituent securities of the Index regardless of the current or projected performance of a specific security or a particular industry or market sector. Maintaining investments in securities regardless of market conditions or the performance of individual securities could cause the Trust's return to be lower than if the Trust employed an active strategy. Other principal risks include: Index Tracking Risk; Equity Investing and Market Risk

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