

TrueTalk Newsletter

OCTOBER 2020



TRUESHARES
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WHAT'S NEW

— Highlighting a Strong Second Quarter for ECOZ and LRNZ

September 30 wrapped up another strong quarter for both TrueShares ESG Active Opportunities ETF (ticker: [ECOZ](#)) and TrueShares Technology, AI and Deep Learning ETF (ticker: [LRNZ](#)). Both ETFs reflect TrueShares philosophy of helping investors gain access to investment strategies managed by experienced teams that are investing in the emerging themes and technologies driving the dynamic world we live in.

— Exploring the AI Effect on Getting Drugs to Market Faster

Against the backdrop of ongoing COVID-19 vaccine development efforts, Sam Kim (Founder – Black Hill Capital Partners and co-PM on LRNZ) shared insights on how AI is impacting time-to-market for drug development and what that means for biotech firms moving forward. To hear that discussion and additional views from Sam on the current state of AI and deep learning, catch the replay of the TrueCast webinar “[Artificial Intelligence Insights](#)” [here](#). For an update on the ETF's latest holdings, [visit the fund page](#).

— Discussing the Impacts of Sector Performance Divergence in 2020

Linda Zhang, Ph.D (Purview Investments and co-PM on ECOZ) shared her thoughts with SoFI on how sector performance has diverged widely in 2020, exploring what that's meant historically and how investors should view the resulting opportunities (or traps) moving forward. To read more from Linda on the topic, [see her blog post here](#).

— Positioning Structured Outcome Funds with Investors

Finally, TrueShares Structured Outcome (October) ETF listed on Cboe BZX on October 1st, making it the 4th fund in the series. Designed for investors concerned about market volatility but looking to participate when markets move up, these ETFs offer a different approach to structured outcome investing. To learn how the ETFs work and may fit in an investor's portfolio, check out the [investment case here](#).

TrueShares is having a busy October! Make sure to check out the “Events” on the right to see where you can catch up with us.

EVENTS

Cboe Webinar (10/15)

[Structured Outcome ETF's are Evolving: What It Means for Investors](#)

ETF Express (Oct 20-22)

[etfLIVE North America Digital Summit](#)

CFRA Research Webinar (10/21)

[How to Select Stocks Using ESG Criteria](#)

TrueCast Webinar: Structured Outcome Insights (10/27)

[Click here to register](#)

IN THE NEWS

ETF Trends Featured Article

CEO Michael Loukas on the pandemic bull market and a need for better structured outcome ETFs.

SoFI Blog

Linda Zhang talks about impacts from equity sector performance divergence.

Wealth Professional*

Mike Loukas chats about how buffered ETFs can help in a low-rate environment.

Options Insider Radio Podcast

A discussion with Mike Loukas on the option strategy used in the TrueShares Structured Outcome ETFs.

**Mentions of “tails” in the recording refers to the historical distribution of returns. Left (right) tail would be less common events on the downside (upside).*

CIO INSIGHTS

w/ Jordan Waldrep



Though I think we could all use a little less excitement in our lives at this point, September didn't want to cooperate. Facing the continued mix of challenges that 2020 has thrown at us, the markets delivered their first down month since March, with the S&P 500 posting a -3.80% loss in the month¹. At this point, there are so many factors pushing and pulling the market that anyone who tells you what is driving this ship is likely fooling themselves. But what we do know is that there is a pandemic, an election, pent up consumer demand, and a tremendous amount of stimulus that has been put into the system.

With this amount of uncertainty facing the market, and based on the intent of the underlying strategy, we are excited to continue launching the TrueShares Structured Outcome series of ETFs. Our October fund, (ticker: OCTZ), listed on the Cboe BZX on October 1st and is structured to deliver a return based off the S&P 500 Price Index performance over a one-year period. OCTZ is expected to provide an 8-12% downside buffer (with the advisor targeting 10%)² on the first of that index's losses if things turn sour in the market during the 12-month investment period, yet will provide an uncapped 80-82% participation on the index's upside performance³. All while providing liquidity throughout the year. OCTZ is trading now and TrueShares November Structured Outcome ETF (ticker: NVMZ) will list on Monday, November 2nd.

Despite the uncertainty out in the market, our thematic equity funds were able to deliver outstanding returns relative to their benchmarks during the 3rd quarter. The TrueShares Technology, AI and Deep Learning ETF (LRNZ) delivered 16.69% (at NAV) during the quarter, easily beating the NASDAQ Composite Index benchmark's return of 11.24% by +5.45%. LRNZ offers a unique approach to investment in the Artificial Intelligence ("AI") space as it is the only fund that we are aware of that has all the components that we

believe are driving this technological revolution: the algorithms that are the basis of AI, the hardware needed to process it, and the highest level application of this technology are all represented in LRNZ and each aspect helped to deliver the fund's outperformance in the quarter. It is our view that we are still in the very early stages of the Artificial Intelligence revolution and look forward to seeing how this exciting new sector potentially changes every aspect of the economy in the coming years.

The TrueShares ESG Active Opportunities ETF (ECOZ) was no less exciting during the 3rd quarter. ECOZ delivered 13.26% (at NAV) during the quarter, besting its benchmark S&P 500 Index's 8.93% return by +4.33%. ECOZ's distinct approach of viewing ESG risk factors as long-term impacts on company operations, income, and ultimately shareholders has allowed it to avoid some areas like traditional Energy companies that have faced difficulties during the pandemic. However, the real driving force of performance has been the companies we believe are leading the way in the changes occurring in business operations and consumer choices as a result of some larger trends such as solar and financial technology. The continued innovation we are seeing adds to our conviction about these spaces.

2020 has not gotten any easier and January 1, 2021 is not some magical date that everything will get better. The team here at TrueShares ETFs are committed to bringing innovative and unique ETF's to market. We hope that these funds give our investors the tools they need to weather the uncertainty ahead.

1. Source: Bloomberg, as of 9/30/20. One cannot invest directly in an index.

2. 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.

3. 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

PERFORMANCE

			Returns (as of 9/30/20)			
Fund	Ticker	Inception Date	1-Month	Since Inception	Expense Ratio	
TrueShares Technology, AI and Deep Learning ETF						
Fund (@ NAV) ^{4,5}	LRNZ	2/28/20	-0.10%	57.13%	0.68%	
Fund (@ Market Price) ^{4,5}	LRNZ	2/28/20	-0.18%	57.36%	0.68%	
Nasdaq Composite TR Index	-	-	-5.10%	31.06%	-	
TrueShares ESG Active Opportunities ETF						
Fund (@ NAV) ⁴	ECOZ	2/28/20	-2.19%	23.53%	0.58%	
Fund (@ Market Price) ⁴	ECOZ	2/28/20	-2.13%	23.79%	0.58%	
S&P 500 Index	-	-	-3.80%	15.09%	-	
TrueShares Structured Outcome ETFs ⁶						
July	July (@ NAV) ⁴	JULZ	6/30/20	-2.91%	6.46%	0.79%
	July (@ Market Price) ⁴	JULZ	6/30/20	-2.97%	6.73%	0.79%
	S&P 500 Price Index	-	-	-3.92%	8.47%	-
August	August (@ NAV) ⁴	AUGZ	7/31/20	-3.00%	1.56%	0.79%
	August (@ Market Price) ⁴	AUGZ	7/31/20	-2.76%	1.97%	0.79%
	S&P 500 Price Index	-	-	-3.92%	2.81%	-
September	September (@ NAV) ⁴	SEPZ	8/31/20	-3.00%	-3.00%	0.79%
	September (@ Market Price) ⁴	SEPZ	8/31/20	-2.68%	-2.68%	0.79%
	S&P 500 Price Index	-	-	-3.92%	-3.92%	-

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.

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

5. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

6. 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.

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 1-year and less are cumulative; performance over 1-year are average annualized total returns. Market price performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. 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.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting www.true-shares.com. Please read the prospectus carefully before you invest.

Index Descriptions:

Nasdaq Composite TR Index: The NASDAQ Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The index measures the performance of all domestic and international based common type stocks listed on the NASDAQ Stock Market. It includes common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests and tracking stocks. The index is market capitalization-weighted. The composition of the NASDAQ Composite is heavily weighted towards information technology companies.

S&P 500 Index and S&P 500 Price Index: The S&P 500 Index is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. 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. It is one of the most commonly followed equity indices, and many consider it to be one of the best representations of the U.S. stock market. The S&P 500 Price Index does not include reinvestment of dividends.

Securities in the ETFs' portfolios will not match those in any index. The ETFs are 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 (except for the S&P 500 Price Index), 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.

RISK CONSIDERATIONS

The Funds are recently organized with no operating history for prospective investors to base their investment decision which may increase risks.

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 ETF's portfolio is more volatile than broad market averages. Shares of the 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.

TrueShares Technology, AI and Deep Learning ETF: Equity Securities Risk. The value of the equity securities the Fund holds may fall due to general market and economic conditions. Foreign Securities Risk. Investments in the securities of foreign issuers involve risks beyond those associated with investments in U.S. securities. Information Technology Sector Risk. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Detailed information regarding the specific risks of LRNZ can be found in the prospectus. The Fund is recently organized with no operating history for prospective investors to base their investment decision which may increase risks. "Cash and Cash Equivalents Risk", as the adviser may keep up to 20% of portfolio in cash and is specific to LRNZ. Additional risks of investing in LRNZ include equity, market, management and non-diversification risks, as well as fluctuations in market value and NAV.

TrueShares ESG Active Opportunities ETF: The Fund is recently organized with no operating history for prospective investors to base their investment decision which may increase risks. The fund applies ESG and sustainability criteria in the investment process which may exclude securities of certain issuers for non-investment reasons and may cause the Fund to forgo some market opportunities available to funds that do not use ESG or sustainability criteria. ESG considerations may affect its exposure to certain sectors and/or types of investments, and may adversely impact the Fund's performance depending on whether such sectors or investments are in or out of favor in the market. In addition, the Fund's investments in certain companies may be susceptible to various factors that may impact their businesses or operations, including costs associated with government budgetary constraints that impact publicly funded projects and clean energy initiatives, the effects of general economic conditions throughout the world, increased competition from other providers of services, unfavorable tax laws or accounting policies and high leverage.

TrueShares Structured Outcome ETFs: 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 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 share 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 inception (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.

Foreside Fund Services LLC, distributor.

NOT FDIC INSURED — NO BANK GUARANTEE — MAY LOSE VALUE