

TrueTalk Newsletter

NOVEMBER 2020



TRUESHARES
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WHAT'S NEW

— Exploring the Rise of Renewable Energy

Despite the global economic uncertainty taking place in 2020, renewable energy is riding a surge of demand, corporate actions driving new-zero plans and supportive government policies. Linda Zhang and TrueShares explore these topics in a new piece, *"The Rise of Renewable Energy – The Electrification of the Economy"*. If you're interested in learning more, [get the document here](#).

— Questions about Structured Outcome Investing? We can Help!

Structured (or defined) outcome strategies seek to provide investors a risk-mitigated approach to investing in equities. They often use option strategies to create exposure to equity market upside while creating a downside buffer that seeks to help in times of market volatility. TrueShares offers its line of Structured Outcome ETFs that seek to provide investors a new approach to these types of strategies. To help advisors and investors understand how these strategies work, we've put together a Frequently Asked Questions (FAQ) document that's [available here](#).

— A Look at How AI is Impacting Biotech

In a time where there's a heightened focus on time-to-market on new drugs, there's been a focus on how technology is improving this process. At TrueShares, this is a theme we've been following for a while and we're providing insights on how AI is revolutionizing the drug discovery process in our new piece *"The Revolution of Drug Discovery"*. To learn more, download the document [here](#).

— TrueShares Structured Outcome ETFs Approach 6th Listing

Finally, TrueShares Structured Outcome (December) ETF is scheduled to list on Cboe BZX on December 1st, which will mark the 6th fund to launch 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 more about how we're different and to check out our most current offering, NVMZ, please [click here](#).

IN THE NEWS

Insights on China's Long-Term Plan

Linda Zhang, Ph.D, shares her views on China's 5-year plan, resulting investment ideas, and potential impacts from the U.S. elections. (Bloomberg TV)

LRNZ Mike Loukas notes the need for investors to look beyond giant tech and focus on companies leading innovation. (CNN Business)

LRNZ Mike Loukas shares his thoughts on exploring new tech segments that are producing growth stories. (TD Ameritrade)

ECOZ Jordan Waldrep weighs in with his thoughts on potential election impacts on renewable energy. (Reuters)

Structured Outcome Mike Loukas discusses challenges for buy-and-hold investors in a low-rate environment and where structured outcome products may help. (ETF Trends)

Investing in Low Rate Environments

Mike Loukas weighed in with some thoughts on ways to increase returns in a low-rate scenario. (U.S. News)

CIO INSIGHTS

w/ Jordan Waldrep



As with most things in 2020, this past October was anything but 'normal'. As I write this, we are a few days away from concluding the most contentious election season of my lifetime while the United States is experiencing its worst days of COVID-19 in terms of daily infections. With that backdrop, the market started the month strongly before a sell off, finishing down -2.66% on the S&P 500.¹ This marks the first back to back losing months for the index since the market bottomed out in March 2020. I could argue that there was some economic or earnings issue related to the sell off, but I believe that this fundamentally comes down to a desire for some level of certainty. The sooner the election is settled, and the markets can understand what they can expect from the U.S. Government over the next 2-4 years, the better. Whatever the outcome of the vote, a quick resolution and smooth retention or transition of power is what we believe will ultimately prove appealing to the markets.

October was an exciting month for the TrueShares line up despite the market volatility. We ended the month by launching our fifth Structured Outcome Product, this one with a November reset date. NVMZ had an initial 10% downside buffer on the first losses of the S&P 500 Price Index² and 81-83% upside market participation on that index's returns over the next year³. Given what we face over the next twelve months, these structured outcome funds provide controlled exposure to the S&P 500. If the market is up or down as a result of catalysts like this election, COVID, fires in California or a massive stimulus package, these funds should provide reduced volatility for investors. We believe they are an ideal way to position in this market.

Our equity funds also performed as one would expect in this environment. The TrueShares Technology, AI & Deep Learning ETF (LRNZ) has had an impressive start to its history. Through September, it outperformed the NASDAQ Composite by 26.07% (at NAV) before giving back 1.43% of that

relative performance difference in October. This fund is investing in companies that have long-term opportunities on the true cutting edge of technology. We believe that these companies will drive a transformation of business similar to the way the Internet and computers have in the past; if we are correct, there is a long cycle of opportunity ahead of LRNZ.

The TrueShares ESG Active Opportunities Fund (ECOZ) trailed the market by about 0.87% (at NAV) during the month as that fund experienced some profit taking in names after outperforming the S&P 500 by 8.44% since inception (at NAV) through September. ECOZ is designed to invest in companies that are leading the transition in Environmental, Social, and Governance issues. ESG funds have been growing AUM in 2020, with that positive momentum reflecting emerging catalysts supportive to impact investing during the pandemic. We believe many of those catalysts are longer-term themes that will help drive performance in these equities for the foreseeable future.

As we look forward to the conclusion of 2020 and on to 2021, I can continue to say with reasonable certainty that no one knows how this market is going to react to the news over the next 6 months. Good or bad, the TrueShares team will continue to develop and manage innovative ETFs that seek to provide investors the tools they need to weather the uncertainty ahead.

1. Source: Bloomberg, as of 10/30/20. One cannot invest directly in an index.

2. Fund management will target a 10% downside buffer, with expectations that it will generally fall between 8-12%. 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 10/31/20)		Returns (as of 9/30/20)		
Fund	Ticker	Inception Date	1-Month	Since Inception	Since Inception	Expense Ratio	
TrueShares Technology, AI and Deep Learning ETF							
Fund (@ NAV) ^{4,5}	LRNZ	2/28/20	-2.79%	52.74%	57.13%	0.68%	
Fund (@ Market Price) ^{4,5}	LRNZ	2/28/20	-3.25%	52.25%	57.36%	0.68%	
Nasdaq Composite TR Index	-	-	-2.26%	28.10%	31.06%	-	
TrueShares ESG Active Opportunities ETF							
Fund (@ NAV) ⁴	ECOZ	2/28/20	-3.53%	19.17%	23.53%	0.58%	
Fund (@ Market Price) ⁴	ECOZ	2/28/20	-4.00%	18.84%	23.79%	0.58%	
S&P 500 Index	-	-	-2.66%	12.03%	15.09%	-	
TrueShares Structured Outcome ETFs ⁶							
July	July (@ NAV) ⁴	JULZ	6/30/20	-1.98%	4.35%	6.46%	0.79%
	July (@ Market Price) ⁴	JULZ	6/30/20	-2.59%	3.96%	6.73%	0.79%
	S&P 500 Price Index	-	-	-2.77%	5.47%	8.47%	-
August	August (@ NAV) ⁴	AUGZ	7/31/20	-1.89%	-0.36%	1.56%	0.79%
	August (@ Market Price) ⁴	AUGZ	7/31/20	-2.69%	-0.77%	1.97%	0.79%
	S&P 500 Price Index	-	-	-2.77%	-0.04%	2.81%	-
September	September (@ NAV) ⁴	SEPZ	8/31/20	-1.91%	-4.85%	-3.00%	0.79%
	September (@ Market Price) ⁴	SEPZ	8/31/20	-2.86%	-5.46%	-2.68%	0.79%
	S&P 500 Price Index	-	-	-2.77%	-6.58%	-3.92%	-
October	October (@ NAV) ⁴	OCTZ	9/30/20	-2.47%	-2.47%	N/A	0.79%
	October (@ Market Price) ⁴	OCTZ	9/30/20	-2.96%	-2.96%	N/A	0.79%
	S&P 500 Price Index	-	-	-2.77%	-2.77%	N/A	-

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.

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