

TrueTalk Newsletter

SEPTEMBER 2020



TRUESHARES
Powered by TrueMark Investments

WHAT'S NEW

TrueCast Webinars

August was the first month for the TrueCast Webinars, a monthly series looking to provide you timely insights from our portfolio managers. *Sam Kim, Linda Zhang, Jordan Waldrep and Eric Metz* will weigh in each month on trends and themes they're seeing play out in the markets, and how those developments are impacting the way they're managing portfolios. Make sure to check out September's schedule in the *Events* section of the newsletter!

Third Fund Comes Out Under Structured Outcome ETF Series

TrueShares Structured Outcome (September) ETF (ticker: [SEPZ](#)) listed on the Cboe BZX on September 1st, making it the third fund to rollout in the series of twelve planned ETFs. Our Structured Outcome ETFs take a different approach to defined outcome investing, focusing on the impact of "right-tail" returns while seeking to provide a measure of risk mitigation. If you're interested in learning more, check out <https://www.true-shares.com/products> for information.

First Six Months of TrueShares ETFs: LRNZ & ECOZ

The end of August meant the wrap-up on the first six months for both of TrueShares first ETFs, TrueShares AI and Deep Learning ETF (ticker: [LRNZ](#)) and TrueShares ESG Active Opportunities ETF (ticker: [ECOZ](#)). Both funds are off to strong starts, outperforming their respective benchmarks since inception and providing exciting new thematic investing choices for investors.

etfLIVE North America Digital Summit

ETF Express is hosting their etfLIVE North America Digital Summit October 20-22 and TrueShares will be there! *Linda Zhang, Ph.D* (Purview Investments and co-PM on TrueShares ESG Active Opportunities ETF) will be part of a panel discussing the rise of ESG and *Michael N. Loukas* (CEO – TrueMark Investments/TrueShares) will be participating in a panel focused on thematic investing. For more information on the event, please visit <https://live.etfexpress.com/north-america-2020>.

EVENTS

TS ECOZ Webinar (9/9)

[Click here to register](#)

TS SEPZ Webinar (9/24)

[Contact us for more info](#)

etfLIVE North America Digital Summit (Oct 20-22)

[Click here for more info](#)

IN THE NEWS

ValueWalk's ValueTalks Podcast

CEO Michael Loukas discusses structured outcome investing.

ETF Express

Covers the launch of the TS Structured Outcome (August) ETF.

CIO INSIGHTS

w/ Jordan Waldrep



The past month has been unusual. August is usually a quiet time in the market with lower volumes as summer vacations are wrapped up. This year, not so much! This August was defined by continued health and social challenges. The continued spread of the Corona Virus here in the United States appears to be “page two” news now as total number of new cases has continued to fall, yet with no end in sight. The shooting of Jacob Blake by officers in Kenosha, Wisconsin on August 23 sparked further broad protests, including shutting down sporting events such as the NBA playoffs. During all of this, the ramp up to the presidential election intensified and the U.S. was hit by Hurricane Laura and Hurricane Marco. One would think this would result in shaky market but instead we experienced a persistent rise that probably gave every “bear” heartburn. The S&P 500 rose 7.19% in August¹ with very few down days.

The TrueShares AI and Deep Learning Fund (LRNZ) was outperformed by the NASDAQ in the month, but still returned over 8% (NAV return), and the fund is up strongly since its lows in March. The fund continues to focus on names that are opening new markets using AI. As a result, we believe they have the potential to deliver strong earnings in up and down economic environments. We saw that as Salesforce and Anaplan both delivered ~30% up weeks in the market after their earnings reports¹. We believe the application of AI to business is the next great wave of innovation occurring in the economy and Trueshares AI and Deep Learning is positioning itself to try to take advantage of that trend.

The TrueShares ESG Active Opportunities Fund (ECOZ) took advantage of the month of August to build on its strong start, delivering 1.81% outperformance (NAV Return) over the S&P 500. The fund's thematic investments in low carbon companies delivered as Tesla delivered 74% in the month and Enphase Energy delivered 28%¹. A few names dragged, such

as Clorox, which previously had shown strong upward price momentum. Management continues to emphasize low-emission investment in high-quality companies with good corporate governance. While this was a strong month, we believe the overall trends we are investing in have a long way to go to play out.

Finally, we launched our third Structured Outcome portfolio today, SEPZ. It joins JULZ and AUGZ as new products that allow investors to gain buffered market exposure. SEPZ structure should protect against the first 10% of losses in the S&P 500 Price Index over the next year while capturing 87-89% of the upside uncapped². We are excited to bring this unique investment to the buffered ETF market.

Holdings are subject to change. For updated holdings, click on the following links for the appropriate fund: for ECOZ, [click here](#); for LRNZ, [click here](#). Information is for the month ending 8/31/20, and 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.

1. Source: Bloomberg. One cannot invest directly in an index.

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.

PERFORMANCE

			Returns (as of 8/31/20)		Returns (as of 6/30/20)		
Fund	Ticker	Inception Date	1-Month	Since Inception	Since Inception	Expense Ratio	
TrueShares Technology, AI and Deep Learning ETF							
Fund (@ NAV) ^{3,4}	LRNZ	2/28/20	8.11%	57.28%	34.65%	0.68%	
Fund (@ Market Price) ^{3,4}	LRNZ	2/28/20	8.51%	57.64%	34.82%	0.68%	
Nasdaq Composite TR Index	-	-	9.70%	38.10%	17.82%	-	
TrueShares ESG Active Opportunities ETF							
Fund (@ NAV) ³	ECOZ	2/28/20	9.00%	26.30%	9.07%	0.58%	
Fund (@ Market Price) ³	ECOZ	2/28/20	9.31%	26.48%	9.26%	0.58%	
S&P 500 Index	-	-	7.19%	19.63%	5.65%	-	
TrueShares Structured Outcome ETFs ⁵							
July	July (@ NAV) ³	JULZ	6/30/20	5.50%	9.65%	N/A	0.79%
	July (@ Market Price) ³	JULZ	6/30/20	5.88%	10.00%	N/A	0.79%
	S&P 500 Price Index	-	-	7.01%	12.90%	N/A	-
August	August (@ NAV) ³	AUGZ	7/31/20	4.70%	4.70%	N/A	0.79%
	August (@ Market Price) ³	AUGZ	7/31/20	4.87%	4.87%	N/A	0.79%
	S&P 500 Price Index	-	-	7.01%	7.01%	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.

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

4. 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.

5. 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