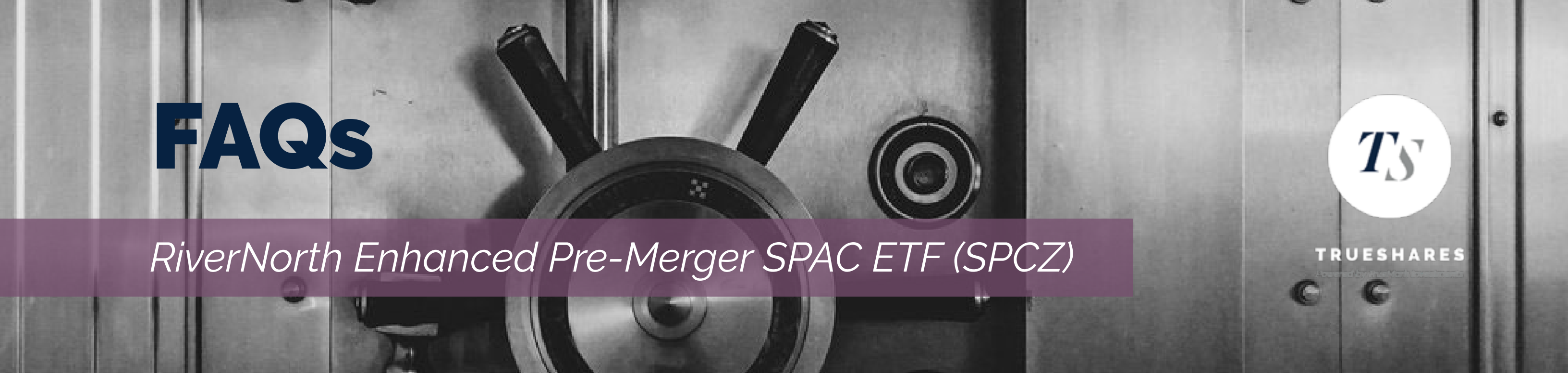

FAQs

RiverNorth Enhanced Pre-Merger SPAC ETF (SPCZ)

TRUESHARES

RiverNorth Enhanced Pre-Merger SPAC ETF (SPCZ) is an actively managed fund that invests in pre-merger securities of special purpose acquisition companies, or SPACs, whose business plan is to raise capital in an Initial Public Offering (IPO) and, within a specific period of time, engage in a merger or acquisition with one or more unidentified companies.

The Fund aims to capture the potential discount, equity upside, and interest income of pre-merger SPACs. A goal of the Fund is to achieve positive absolute rates of return, particularly when measured against the level of risk assumed. The Fund can be utilized in the alternatives allocation in a portfolio in an effort to capture alpha with low correlation to traditional asset classes.

To learn more about how the fund works or to help with specific questions you might have, we've provided answers to some of the frequently asked questions (FAQ) we've received in the section below.

Alpha, is defined as the excess return on an investment relative to the return on a benchmark index.
Correlation, in the finance and investment industries, is a statistic that measures the degree to which two secruities move in relation to each other.

APPROACH

How does the RiverNorth Enhanced Pre-Merger SPAC ETF investment strategy differ from those of a fundamental investor in SPACs?

A fundamental investor may analyze a SPAC's target company and decide to maintain an investment in the common shares after the acquisition has been completed. After the business combination the stock will trade based on market's outlook for the company and it is a much riskier investment than when it was still a SPAC. RiverNorth's strategy is to sell or redeem a SPAC's common shares before an acquisition has been completed and while the redemption option limits the SPAC's downside risk.

Does Portfolio Management get involved in analyzing the "quality" of management upon IPO, or avoid/prefer certain cases?

Yes, we have a call with nearly every SPAC management team to learn about the team's background, their strategy for the SPAC, and the sources of their deal flow. From these discussions we decide whether the SPAC's warrant coverage is appropriate and if we will invest.

If you are promoting a diversified investment style, tell us why we should choose SPCZ?

Given RiverNorth's experience trading CEFs for over 15 years and SPACs for over 5 years, RiverNorth has experience in actively trading and managing the risk and opportunity relative to SPACs trading at a premium and a discount to trust value. RiverNorth is also a dedicated SPAC investor and has the connectivity to deal flow.

What are the important events in the life span of a SPAC (with typical intervals)?

1. IPO (Initial Public Offering)
2. Announcement of an acquisition – typically 12+ months after the IPO
3. Shareholder vote on a business combination – typically around 4 months after the announcement of an acquisition
4. Closing of the acquisition – typically 1-5 days after the shareholder vote
5. Liquidation of the SPAC if an acquisition is not completed – typically 18-24 after the IPO

Which exact day (or intervals) can an investor choose to redeem shares? (call it T + 0)

Shareholders may elect to redeem their shares from the date they receive their proxy until two or three days before the shareholder meeting date. The time interval this covers is usually 20-30 days.

Which day can you receive the trust account value back if you choose to redeem (T + X)?

Redeeming shareholders typically receive the trust account value back within 10 days of the closing of the business combination.

What happens when there is a shortage in the trust account for the merger due to large redemptions?

The merger agreement between a SPAC and a target company will typically contain a minimum cash requirement. If redemptions are too large it could cause a merger agreement to be canceled. In some cases target companies have decided to waive the minimum cash requirement in order to complete a business combination or the SPAC sponsors have been able to raise additional cash outside of the trust account in order to meet the minimum.

Please explain the nature of a warrant: Whole or partial, why is it attached to the unit, cost, exercise prices, maturity terms, etc.)?

Warrants are typically included in a SPAC's units in order to encourage investors to buy shares in the IPO. A standard SPAC IPO sells units consisting of one share of common stock plus ½ warrant for $10.00 per unit. Standard terms for the warrants are an $11.50 exercise price, and an expiration date of 5 years after the completion of a business combination.

When a Sponsor receives 20% of total post-IPO shares, is dilution a concern?

The 20% sponsor promote is disclosed in SEC filings and is known about by investors. It is up to the SPAC sponsor and target company to structure an acquisition that the market will value at $10.00+ per share despite the dilution. If a SPAC liquidates the sponsor shares are worth $0, so in order to close an acquisition some sponsors have agreed to forfeit a portion of their shares.

Do sponsors also get any warrants after receiving 20% shares?

In addition to the 20% promote, sponsors typically purchase warrants or units through a private placement at the closing of the IPO in order to pay costs associated with the IPO and to fund working capital. Shares received in the private placement are not eligible to be redeemed.

What happens (who pays) if expenses and fees end up exceeding a sponsor's initial contribution?

If a SPAC is running low on working capital the sponsor will typically loan the SPAC additional funds so that they can continue working on finding a target and closing an acquisition. Generally the loan is not repaid if an acquisition is not closed.

SPAC GENERAL INFORMATION

Are there any expenses, fees, or taxes paid out from the trust account?

Typically funds from the trust account are only released to pay franchise and income taxes, and potentially dissolution expenses if the SPAC liquidates. Occasionally a sponsor is allowed to take a portion of the interest earned out of the trust account for working capital needs. In these cases the maximum amount the sponsor is allowed to take out is stated up front in SEC filings.

Are there conditions in which the trust account can become overfunded?

Occasionally SPAC sponsors contribute additional cash to the trust account to raise the redemption value over the $10.00 IPO price. This guarantees an investor a positive return if they buy at the IPO price and later redeem their shares or the SPAC liquidates, and is done to encourage investors to participate in an IPO.

Can sponsors trade shares or warrants in the secondary market?

Sponsors are allowed to acquire shares and warrants in the secondary market. Sponsors are not allowed to sell any private placement shares or warrants that they receive at the closing of a SPAC's IPO until after an acquisition has been completed.

If a sponsor buys additional shares in the secondary market, can he redeem those shares?

Yes, shares acquired in the secondary market would have the same rights as those of any other shareholder, and could be redeemed.

When share price is above the trust value, why are there no active arbitrage activities (i.e., short SPAC and long warrant)?

SPAC warrants tend to be efficiently priced relative to the common shares. In other words, SPAC warrant prices generally reflect the full intrinsic value of the warrant plus some amount for the time value of the warrant. In cases where warrants have traded at prices below their intrinsic value, it was because it was not possible to short the common shares or the borrow rate was extremely high.

SPAC GENERAL MARKET

If the market sees the number of unsuccessful mergers increase, would the popularity of SPACs be sustainable?

Over the past year there have been many well received acquisitions by SPACs and the SPAC market has experienced unprecedented growth in the number of IPOs and assets raised. If the outlook for the success of SPAC acquisitions decreases, interest in SPACs could also decrease. However, decreasing interest in SPACs could lead to new opportunities to buy shares trading on the secondary market at low prices.

TRUESHARES
Powered by TrueMark Investments

IMPORTANT INFORMATION

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

Distributor: Foreside Fund Services, LLC.

RISK CONSIDERATIONS

New Fund Risk. The Fund is a recently organized investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision.

Leverage Risk. The use of leverage is speculative could magnify the Fund's gains or losses and increase risk. This is the speculative factor known as leverage. Borrowing also may cause the Fund to liquidate positions under adverse market conditions to satisfy its repayment obligations. Borrowing increases the risk of loss and may increase the volatility of the Fund.

Pre-Combination (Pre-Merger) SPAC Risk. The Fund invests in equity securities and warrants of SPACs. Pre-combination SPACs have no operating history or ongoing business other than seeking Combinations, and the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable Combination. There is no guarantee that the SPACs in which the Fund invests will complete a Combination or that any Combination that is completed will be profitable. Unless and until a Combination is completed, a SPAC generally invests its assets in U.S. government securities, money market securities, and cash. Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial Combination because certain stockholders, including stockholders affiliated with the management of the SPAC, may have sufficient voting power, and a financial incentive, to approve such a transaction without support from public stockholders.

Some SPACs may pursue Combinations only within certain industries or regions, which may increase the volatility of their prices. In addition, the Fund may invest in vehicles formed by SPAC sponsors to hold founder shares, which may be subject to forfeiture or expire worthless and which generally have more limited liquidity than SPAC shares issued in an IPO. In addition, the Fund may invest in vehicles formed by SPAC sponsors to hold founder shares, which may be subject to forfeiture or expire worthless and which generally have more limited liquidity than SPAC shares issued in an IPO.

Foreign Securities Risk. Foreign SPACs Investments in SPACs domiciled or listed outside of the U.S. may involve risks not generally associated with investments in the securities of U.S. SPACs, such as risks relating to political, social, and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices. Further, tax treatment may differ from U.S. SPACs and securities may be subject to foreign withholding taxes.

Small-Cap Risk. SPACs will have a more limited pool of companies with which they can pursue a business combination relative to larger capitalization companies. That may make it more difficult for a small capitalization SPAC to consummate a business combination.