

About the Portfolio

Description

The 361 Long/Short Equity ETF Portfolio attempts to capture the returns of select groups of top-performing long/short equity hedge fund managers. The premise behind the portfolio is that much of the managers' returns are generated through various risk exposures that can be measured and implemented by means of less expensive, liquid, and exchange-traded instruments. These typically include returns attributable to market movement as well as market timing. A proprietary multi-factor model is used to determine the underlying risk exposures while certain constraints are used to maintain the desired risk and return targets.

Summary

The 361 Long/Short Equity ETF Portfolio seeks to outperform the HFRX Equity Hedge Index* but with lower volatility and a low correlation to that Index.

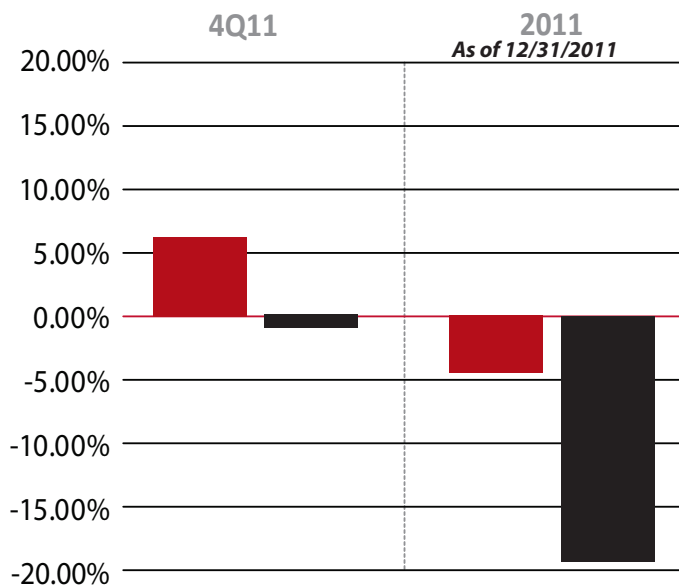
To do this, the 361 Long/Short Equity ETF Portfolio employs a replication strategy that attempts to replicate the returns of a non-investible universe of top-quartile performing long/short equity hedge fund managers, with exposure to both domestic and foreign equities, as identified using our proprietary quantitative and screening methodologies.

Highlights

Fund Inception:	1/1/2011
Benchmark:	HFRX Equity Hedge Fund
Minimum Investment:	\$100,000
Custodians:	Schwab Fidelity TD Ameritrade Trust Company of America

Portfolio Performance Summary

Annualized Total Return as of 12/31/2011



	4Q11	2011
361 Long/Short Equity ETF Portfolio	6.71%	-4.73%
HFRX Equity Hedge Index*	-0.85%	-19.07%

Performance is shown net of 125 basis points annual management fee.

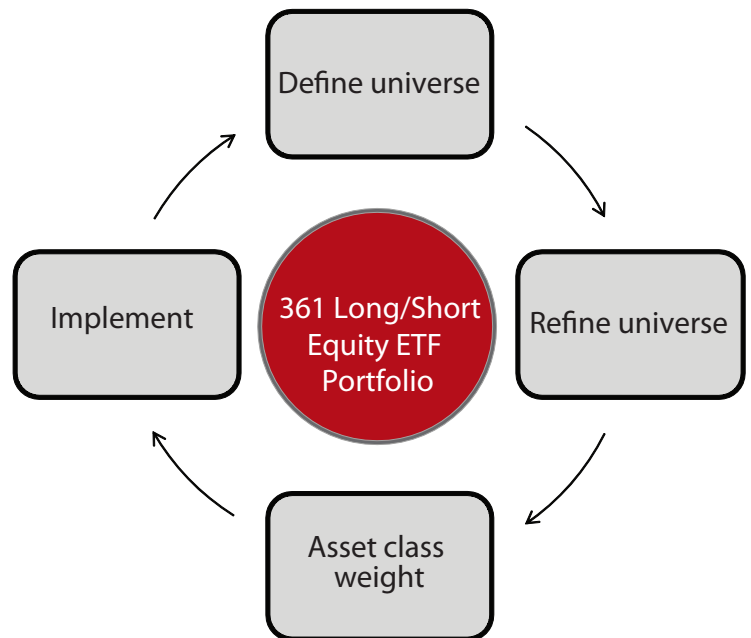
*HFRX Equity Hedge Index: Funds included in the Index include investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations, and valuation ranges of typical portfolios. Equity hedge managers would typically maintain at least 50%, and may in some cases be substantially invested in equities, both long and short. An index is not available for direct investment.

Investment Process

361 Capital's multi-step long/short investment process includes:

1. **Define a universe** of long/short equity hedge fund managers
2. **Refine this universe** using our proprietary quantitative models to screen for top-quartile hedge fund managers
3. Apply our proprietary replication model to determine appropriate **asset class weightings** and market exposures
4. Tactically **implement** with ETF's to track beta* exposures of top-quartile managers determined by our model

The 361 Long/Short Equity ETF Portfolio offers access to hedge fund strategies, but with lower fees, daily liquidity, and transparency.



Reasons to Invest

The 361 Long/Short Equity ETF Portfolio has the potential for:

- Attractive Long-Term Risk/Return Profile
- Growth with Lower Volatility than the Broad Markets
- Increased Portfolio Diversification Through Unique Market Exposure

Resources

361 Capital has created an Alternative Education Center (AEC) on our website with numerous educational resources, including:

- **Video Series**, featuring Morningstar's Director of Alternative Fund Research, covering the history, categories and implementation of alternative strategies.
- **Whitepapers** on a variety of topics, including hedge fund replication and the U.S. debt crisis.
- **Weekly research briefings**, written by 361 Capital Portfolio Manager Blaine Rollins, CFA.

Our team of investment specialists offer interactive support to you with customized implementation plans and a state-of-the-art asset allocation software tool.

Contact a 361 Capital investment specialist at:
(866) 361-1720
361info@361capital.com

*Beta measures the sensitivity of rates of portfolio return to movements in the market. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If the beta of a portfolio is 1.5, a 1 percent increase in the return of the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Past performance is not necessarily an indication of future results. The performance reflects the reinvestment of all dividends and income.

Returns are expressed in U.S. dollars.

361 Capital claims compliance with the Global Investment Performance Standards (GIPS®).

For the purpose of complying with the GIPs standards, the firm is defined as 361 Capital LLC, an independent investment advisor registered under the Investment Advisers Act of 1940. For a complete list and description of composites and/or a presentation that complies with the requirements of the GIPS standards contact 361 Capital at (303) 224-3900 or 361info@361capital.com.