

361 Domestic Long/Short Equity Fund

U.S. equity markets logged their eleventh consecutive monthly gain in September, and ended the quarter with a return of 4.48%, as measured by the Russell 1000 Index. From a style perspective, it was more of the same, as growth stocks continued their dominance over their value peers, thanks in part to Technology sector gains—semiconductors were particularly strong, advancing by almost 14%, and both software and hardware stocks were up in the 7-8% range. High beta stocks, in general, experienced a resurgence, beating low beta stocks by almost 4% for the quarter, and smaller was better, with micro caps generating the best returns across the market cap spectrum.

The 361 Domestic Long/Short Equity Fund ended the quarter with a gain of 2.11%, trailing the category average of 2.55%, and the Russell 1000 Index, which advanced by 4.48%. As the Fund is only 70% exposed to equities on average, the strength of the equity market translated into an effective cost of about 1.3% on a relative basis for that 30% cash position.

From a beta perspective, the Fund was short stocks in the highest predicted beta quintile, and as that quintile outperformed all others, those shorts hurt performance, costing about 37 basis points. The alpha models were beneficial however, with the highest predicted alpha stocks advancing by over 550 basis points. Because the Fund was very much overweight in those stocks, it benefited to the tune of about 0.65% on a relative basis. Stock selection within those alpha quintiles was ultimately detrimental, costing the Fund about 1.38%.

Finally, from a sector perspective, an overweight to Technology stocks and an underweight to Consumer Discretionary were both positives, while an overweight to Real Estate hurt performance.

Fund Performance

Total Returns (%)	3Q17	YTD	1 Year	Since Inception 3/31/2016
361 Domestic Long/Short Equity Fund I	2.11%	6.83%	6.09%	4.92%
Russell 1000 Index	4.48%	14.17%	18.54%	16.93%
Morningstar Long/Short Category	2.55%	6.97%	8.68%	7.00%

Annual Expense Ratio: Net 1.83% / Gross 3.68%. Returns shown over one year are annualized. Returns include the reinvestment of dividends and income. Includes dividend and interest expense on short sales, acquired fund fees and expenses. When excluded, the net with limitation expense ratio is: 1.54%†

† Reflects contractual agreement to waive and/or pay for certain fees and expenses until 2/28/2018. See reverse for more information.

Past returns shown do not guarantee future results. Current performance may be lower or higher. Call 888-736-1227 for the latest month-end returns. Return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. Other share class performance may vary.

You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For a prospectus, or summary prospectus, that contains this and other information about the Funds, call 1-888-736-1227 or visit our website at www.361capital.com. Please read the prospectus or summary prospectus carefully before investing.

Investing involves risk, including possible loss of principal. The potential loss from a short sale is theoretically unlimited since the appreciation of the underlying asset also is theoretically unlimited. Foreign investment entails additional risk from adverse changes in currency exchange rates, tax regulation, and potential market instability. Frequent trading by the Fund may reduce returns and increase the number of taxable transactions. Concentration of its portfolio in relatively few issuers may make the Fund more volatile than a diversified fund.

[†] The Adviser has contractually agreed to maintain the total annual fund operating expenses at stated levels, exclusive of certain expenses such as acquired fund expenses and dividend and interest expenses on short sales until 2/28/2018. See Prospectus for additional details.

The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership, and includes the reinvestment of dividends. **Morningstar Long/Short Equity Category** is defined as long-short portfolios that hold sizable stakes in both long and short positions in equities and related derivatives. At least 75% of the assets are in equity securities or derivatives. It is not possible to invest directly in an index.

Beta measures a fund's sensitivity to market movements. The beta of a market is 1.00 by definition. **Alpha** measures the difference between a fund's actual and expected returns, based on beta, and is generally used as a measure of a manager's added value over a passive strategy.

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