STRATEGY OVERVIEW

Long/Short Equity

Related Funds:

361 Domestic Long/Short Equity Fund (ADMZX)

361 Global Long/Short Equity Fund (AGAZX)

361 CAPITAL®

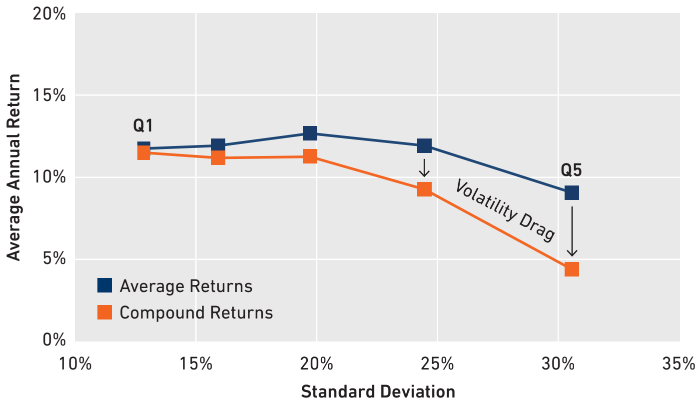
The thesis driving 361's Long/Short Equity strategies (sub-advised by Analytic Investors) contends that, over time, stocks with higher betas do not outperform stocks with lower betas as financial theory suggests. This "low volatility" anomaly is well researched and widely accepted by both academics and practitioners alike.

Winning by Not Losing

Within the equity asset class, limiting losses by owning low volatility stocks has had a positive impact on long-term performance. As shown in both examples below, the risky quintiles did not result in increased returns, substantially reinforcing the concept that investors are not rewarded for taking additional risk. Additionally, the more volatility that is realized, the greater impact it has on compounded returns.

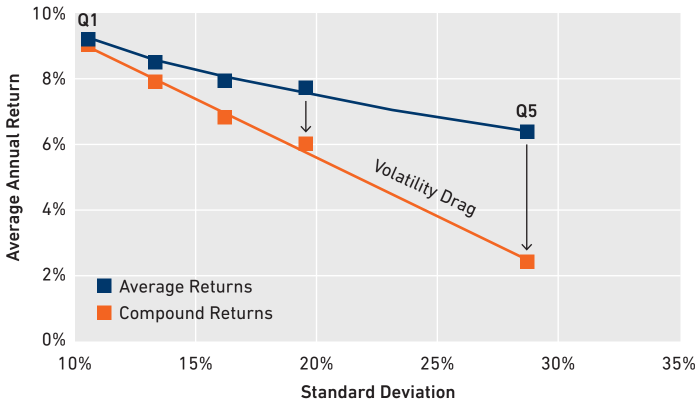
Performance by Risk Quintile — The Negative Effects of Volatility

U.S. Large Cap (1968-2005)*



Source: "Minimum-Variance Portfolios in the U.S. Equity Market" Clarke, de Silva, Thorley, *The Journal of Portfolio Management*, Fall 2006.

MSCI World Index (1997-2012)



Source: "Exploiting the Volatility Anomaly in Financial Markets" de Silva, March 2012.

Beyond Low Volatility

As a pioneer of the research surrounding low volatility investing, Analytic Investors has applied their findings to exploiting this well-documented anomaly, and incorporated quantitative methodologies to enhance the stock selection process for both their long and short holdings. The overarching philosophy contributing to the stock selection process maintains that stock performance is driven by fundamental characteristics that can be identified and observed independently as they fall in and out of favor with investors over time. Therefore, these characteristics possess explanatory power that can be predictive of a stock's future outperformance or underperformance relative to a broad benchmark. Further, this dynamic factor exposure is in stark contrast to the static beta exposure achieved with "Smart Beta" approaches.

Seminal Research

The Road to Low Volatility Investing

1972

The Capital Asset Pricing Model: Some Empirical Tests

— Black, Jensen, Scholes

1992

The Cross-Section of Expected Stock Returns

— Fama, French

1997

On Persistence in Mutual Fund Performance

— Carhart

2006

Minimum Variance Portfolios in the U.S. Equity Market

— Clarke, de Silva, Thorley

Portfolios are constructed with a 100% long exposure to stocks that have lower predicted betas and positive predicted alphas. Each portfolio has short exposure ranging from 25% to 35% consisting of stocks with higher predicted betas and lower predicted alphas. This results in a portfolio that has roughly 70% net exposure to its respective index, but with significantly less volatility than the benchmark.

Selected Equity Universe

Risk Assessment

Fundamental Risk

Statistical Risk

Stock-Specific Risk

Alpha Engine

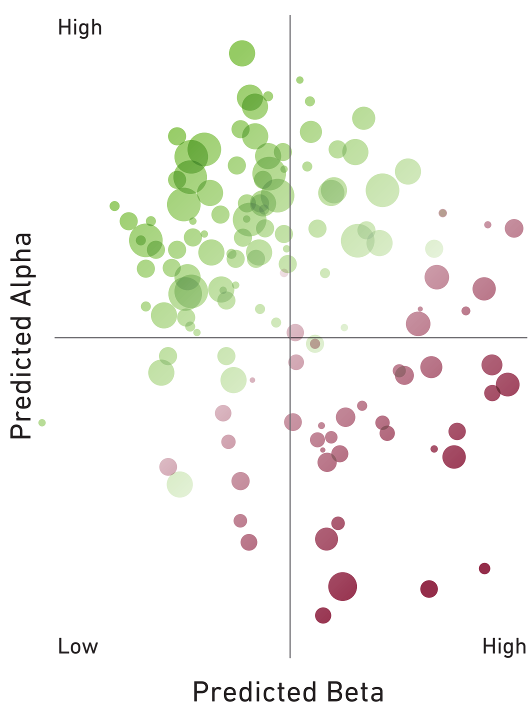
Fundamental Characteristics**

Factor Momentum

Factor Mean Reversion

Optimization

Analytic Investors evaluates each stock's risk from three distinct angles. The use of a variety of risk-forecasting models across multiple timeframes results in a robust risk forecast.



- Long
- Short

Independent from the risk assessment, each stock is analyzed to determine the potential for outperformance relative to the market. Analytic Investors examines between 30-70 characteristics, depending on the strategy,** to determine what investors' preferences are when investing, and consequently what characteristics are driving market returns. This dynamic security selection and weighting process is adaptive to the ever-changing investment landscape.

**361 Global Long/Short Equity Fund examines 30+ characteristics and uses the MSCI World Index as its equity universe, while 361 Domestic Long/Short Equity Fund examines 70+ characteristics and uses the Russell 1000 Index as its equity universe. Parameters set by the Advisor are subject to change.

When implemented as part of an integrated portfolio strategy, allocations to Long/Short Equity provide investors with the potential to capture equity-like returns while managing volatility and drawdown risk compared to a long-only equity approach. As a result, Long/Short Equity may improve a client's overall experience—keeping them invested across market cycles so that portfolio assets can continue to work and the power of compounding can be fully realized over the long term.

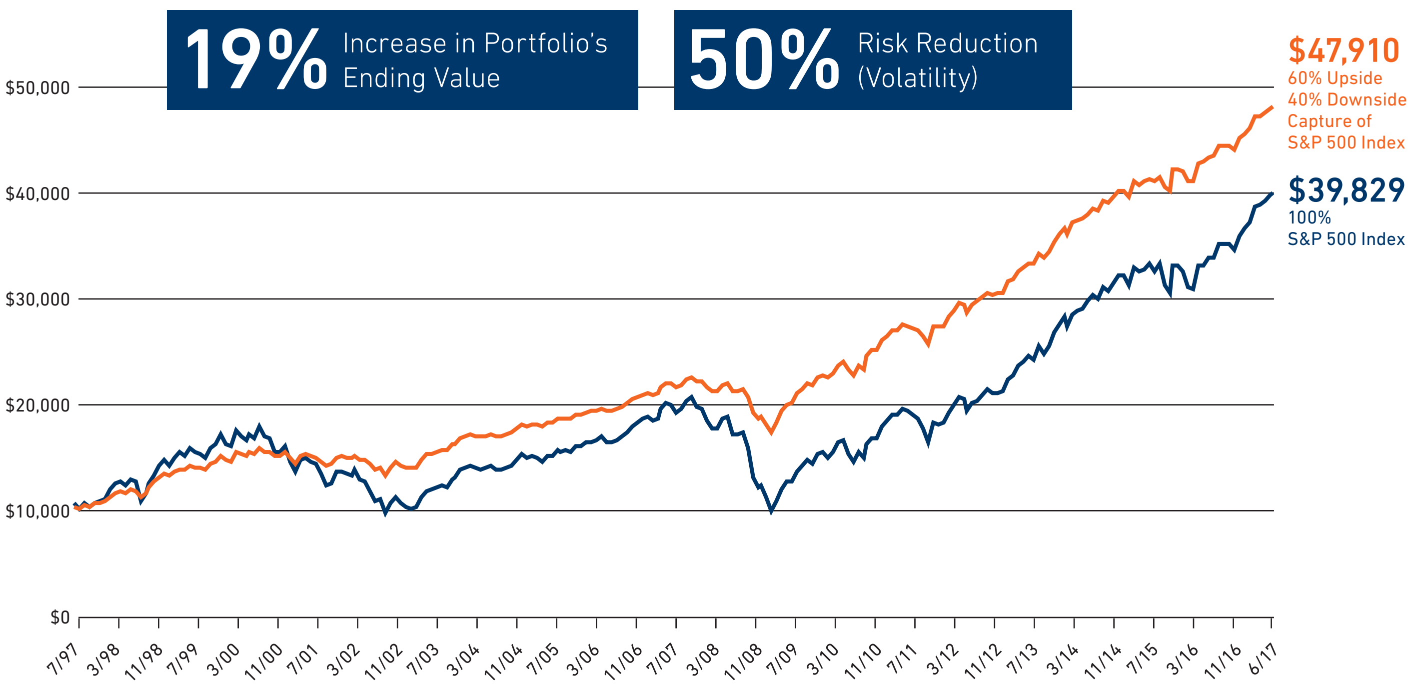
Enhanced Return Potential

Managing Risk Matters

As the chart below shows, minimizing the impact of market losses is equally as important, if not more, than capturing 100% of market gains. Hedged equity strategies, such as Long/Short Equity, that maintain a lower net equity exposure, while pursuing alpha, can play a vital role in an investor's portfolio. This is achieved by minimizing downside risk in the event of a downturn, while still offering equity market participation and enhanced return potential over the long term.

The Importance of Upside and Downside Capture

Hypothetical Growth of $10,000



Past performance does not guarantee future results.
Source: Morningstar. Data from 07/1997 - 06/2017.
Volatility as measured by standard deviation.

Summary

Long/Short Equity strategies seek to capture equity-like returns while managing downside risk—enhancing the overall risk/return profile of an investor's portfolio. 361 Capital's Long/Short Equity strategies, sub-advised by Analytic Investors, take advantage of the low volatility anomaly by owning lower risk stocks and shorting higher risk stocks, and dynamically allocating to high predicted alpha stocks to generate meaningful alpha from both long and short exposures.

About 361 Capital

361 Capital is a leading boutique asset manager focused on delivering distinctive investment solutions to institutions, advisors and their clients. Founded in 2001, the Firm offers alternative and traditional long-only equity strategies at the cutting edge of evolving markets—uniquely designed to meet investor goals of growth, risk management and diversification.

Analytic INVESTORS

About Analytic Investors

Founded in 1970, Analytic Investors is an asset management firm specializing in quantitative investment solutions and portfolio management. The Los Angeles-based firm strives to anticipate and capitalize on changes in the investment climate through a disciplined, active management strategy. Analytic Investors is widely recognized for innovative research, disciplined quantitative processes and sophisticated risk control techniques, as well as being considered a leader in exploiting the low volatility anomaly. Analytic Investors, an independently operated subsidiary of Wells Fargo Asset Management, has been managing a Global Long/Short Equity strategy for eight years.

For additional insights, call 866.361.1720 or visit 361capital.com.

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.

There are no guarantees that any strategy will be successful. 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. 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 361 Global Long/Short Equity Fund invests in foreign investments that entail additional risk from adverse changes in currency exchange rates, tax regulation, and potential market instability.

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.

Beta measures a fund's sensitivity to market movements. The beta of a market is 1.00 by definition.

Average Return is referring to the arithmetic mean, which is the sum of a collection of numbers divided by the number of numbers in the collection.

Compounded Return is referring to the geometric mean. In mathematics, the geometric mean is a type of mean or average, which indicates the typical value of a set of numbers by using the multiplication of their values (as opposed to the arithmetic mean which uses their sum).

Volatility Drag denotes the negative impact of volatility to realized returns. For example, losing 50% requires a 100% gain to break even between two return series (or if one has $10 and loses $5, they must double their money to gain the value in their investment back to $10) whereas a 10% loss only requires roughly an 11% gain to break even.

Standard Deviation is a statistical measurement of performance fluctuations. Generally, the higher the standard deviation, the greater the expected volatility of returns.

*U.S. Large Cap is primarily the Russell 1000 Index. However, monthly returns for the Russell 1000 large capitalization index are available starting in January 1979, 11 years after the January 1968 start date of the "Minimum-Variance Portfolios in the U.S. Equity Market" study. For the overlapping 324 months from 1/1979 through 12/2005, the correlation coefficient between the CRSP-based market return and the Russell 1000 Index is 99.7%, indicating a very close match. The CRSP database has comprehensive monthly and daily returns data on several hundred NYSE shares dating back to 1926. The academic research's specification of 1,000 U.S. domiciled equity securities, excluding closed-end funds and REITS, requires the addition of the Amex market, which is not included for a full calendar year in CRSP until 1963.

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.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The index includes reinvestments of dividends, net of foreign withholding taxes.

Large Cap Equities is represented by the S&P 500 Index which is a commonly recognized, market capitalization weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance.

It is not possible to invest directly in an index.

The 361 Funds are distributed by IMST Distributors, LLC.