

361 U.S. Small Cap Equity Fund

The third quarter marked a continuation of what has been a recurring theme: rising equity markets. The Russell 2000 Index, in particular, was one the best U.S.-centric indices at 5.67%. There was no shortage of events that could have derailed the index from moving higher, including the Equifax hack, multiple hurricanes, and political issues both domestically and globally. In conjunction, strength of U.S. companies, the prospects of corporate tax reform and robust consumer confidence aided to the positive return over the quarter.

The 361 U.S. Small Cap Equity Fund outperformed the benchmark handily for the quarter, generating a return of 8.47%—a net outperformance relative to the Russell 2000 Index of 2.80%.

Our behavioral models performed nicely for the third quarter. The portfolio experienced 576 positive earnings revisions by analysts, which compared favorably to a random portfolio that experienced 22 net earnings estimate decreases. This past quarter marks the 39th straight quarter our strategy was able to populate the portfolio with more positive earnings revisions compared to one that is randomly generated with a similar number of positions.

Important to the strategy is whether investors responded favorably to these earnings changes. For the third quarter, that was the case with a 27.4% response rate (the stocks that experienced positive earnings estimate revisions moved higher upon those estimate increases).

Given the portfolio is constructed to be sector neutral, sector tilts were not a significant driver of return for the quarter. We believe the inefficiency we seek to exploit is a stock specific anomaly and, therefore, stock selection drives return both positive and negative. For the third quarter, the portfolio benefited from sound stock picks, in particular, our stock picks outperformed in 9 of 11 sectors (the two exceptions were Telecommunication Services and Financials). The most notable contributors to return were Information Technology, Industrials and Health Care.

Fund Performance

Total Returns (%)	3Q17	YTD	1 Year	Since Inception 12/30/2016
361 U.S. Small Cap Equity Fund I	8.47%	12.70%	-	12.70%
Russell 2000 Index	5.67%	10.94%	-	10.94%
Morningstar Small Blend Category	5.15%	8.63%	-	8.63%

Annual Expense Ratio: Net 1.26% / Gross 1.54%. 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: 1.25%†

† 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.

Investments made in small and mid-capitalization companies may be more volatile and less liquid due to limited resources or product lines and more sensitive to economic factors. The Fund may also invest in exchange-traded funds (ETFs), thus shareholders will bear additional costs and the ETF may not exactly replicate the performance it seeks to track.

[†] 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 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. **Morningstar Small Blend Category** is defined as small-blend portfolios that favor U.S. firms at the smaller end of the market-capitalization range. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. Indices and categories are unmanaged and are used as a benchmark to judge relative performance against its peers. It is not possible to invest directly into an index or category. **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. **Surprise Rate** is the percentage of companies exceeding consensus estimate of at least one standard deviation above consensus. **Negative Surprise Rate** is the percentage of companies missing consensus estimate of at least one standard deviation below consensus. **Earnings Revisions** is the count of analyst changes or initiations of company earnings during a given period.

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