361 Domestic Long/Short Equity Fund

With the newly formed Trump administration taking their seats in Washington, Brexit beginning to take shape, and Asian markets shrugging off the potential for the "Trump effect" to reduce international trade, markets moved decisively higher for the first quarter of 2017. The Russell 1000 Index was up 6.03% for, while the 361 Domestic Long/Short Equity Fund returned 2.21%.

One of the bigger hurdles for any long/short equity fund in a market that moves decisively higher is a reduced net market exposure, that is, a meaningful cash position. Because the 361 Domestic Long/Short Equity Fund has a relatively static net long bias of +70% market exposure, that cash position created a headwind for the strategy.

When viewing U.S. equity markets through the lens of risk, i.e., beta, the first quarter of 2017 witnessed a slight normalization in risk/return characteristics. The lowest beta stocks outperformed (+5.25%) the highest beta stocks (+4.15%), albeit slightly as one can see. Perhaps most noteworthy, moderate beta stocks outperformed handedly. Recalling the original thesis of viewing beta as quintiles for risk, quintile 1 represents the lowest beta stocks while quintile 5 represents the highest beta stocks. In between reside quintiles 2, 3 and 4, representing more moderate beta companies, increasing in beta commensurate with a higher quintile classification. Quintile 3 specifically, was the best performer for the quarter, at +9.07%. On a relative basis, then, even though the portfolio has exposure to this quintile, it was lower than the index, and therefore a negative contributor on an attribution basis.

The main culprit for underperformance for the quarter was stock selection. The Factor Momentum Model, or "Alpha Model" as termed, generally located those stocks that were believed to have the highest expected return. A meaningful net long exposure to those stocks, as such, proved fruitful. Relative to the market, however, stock selection within the model was lagging, and detracted from the quarter.

At a sector level, there were some standouts. In particular, a net short exposure to the Energy sector was the right one, given that sector was the worst performer within the market (and one of only two sectors in negative territory for the quarter). Elsewhere in the portfolio, an overweight to Information Technology was a positive, as that was the best performer. While various sector tilts provided a relative tailwind, stock selection across most sectors was lagging and detracted.

Generally speaking, "risk-on" markets can be difficult for this strategy in relative terms. In fact, we don't expect the Fund to keep pace in these sorts of markets consistently. The first quarter was no exception. The Fund still posted a positive number, though, in a relatively difficult market for the strategy.

Fund Performance

Total Returns (%)	1Q17	1 Year	Since Inception 3/31/2016
361 Domestic Long/Short Equity Fund I	2.21%	2.82%	2.82%
Russell 1000 Index	6.03%	17.43%	17.43%
Morningstar Long/Short Category	2.87%	6.46%	6.46%

Annual Expense Ratio: Net with Limitation 1.54%† / Net 1.83% / Gross 3.68%. Returns shown over one year are annualized.
† 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, lax 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.

† Furthermore, 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.