



Opportunistic Growth

Related Fund

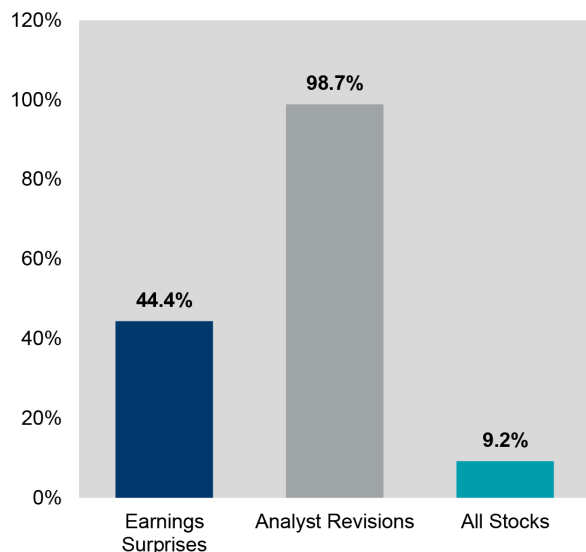
361 U.S. Small Cap Equity Fund (ASFZX)

Strategy Thesis

Based on over three decades of research, the thesis driving 361's traditional long-only equity strategies is based on the belief that behavioral tendencies such as overconfidence, information anchoring, herding, and risk aversion among Wall Street security analysts drive earnings estimate revisions—which in turn influences security prices and investment returns.

The Value of Perfect Foresight

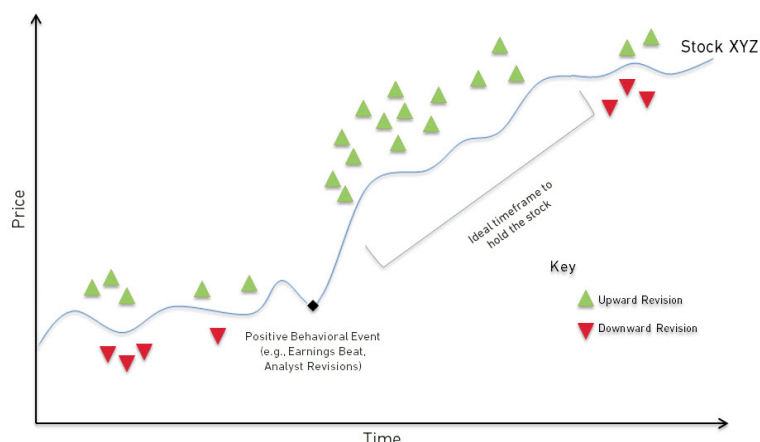
**Annualized Returns
Top Decile by Magnitude**
January 1, 1996 – December 31, 2016



Predicting Analyst Behavior

Investor expectations drive markets, but consensus forecasts produce average results. Instead of trying to out-forecast the market, we relentlessly pursue small behavioral inefficiencies that persist over long periods of time and across a variety of markets. We believe that these behavioral tendencies are systematic and predictable, allowing 361 Capital to realize long-term positive alpha for our investors by identifying, measuring, and exploiting such behavior through proprietary quantitative modeling.

Analyst Behavior and Stock Price



For illustration purposes only. Results shown are hypothetical and do not represent an actual analysts behavior.

Perfect foresight into the top decile of **corporate earnings surprises** since 1996 would have yielded more than a **44%** annualized return.

Perfect foresight into the top decile of security **analyst EPS revisions** since 1996 would have yielded nearly a **99%** annualized return.

Past performance is no guarantee of future results. Data from 01/01/96-12/31/16. Universe comprised of Russell 2000 Index stocks screened for price, liquidity and analyst coverage. *Data does not represent or predict the performance of any fund. It is not possible to invest in an index.*

“If there’s anything you’d want to know about the future of a security, other than the price, it would be whether the stock would experience an upward earnings revision.”

— John Riddle, CFA, Chief Investment Officer
Author of the foundational research surrounding thesis

Process

The investment process seeks to identify the “tails” of a distribution when modeling stocks that have the highest likelihood of realizing analyst revisions in the near term. Portfolios are constructed from securities that are ranked in the top decile of the quantitative model at the time of purchase.

Benchmark, liquidity, and analyst coverage are considered to build the equity universe for ranking consideration. Each stock is given an “Alpha Score” that is primarily driven by a series of behavioral models. The highest ranking stocks are candidates for the sector-neutralized portfolio. After a validation process, the final portfolio is constructed. A drop in quantitative ranking causes the stock to be reviewed and potentially replaced.

Data-Driven Lens

Collecting data on every stock worldwide ▪ 27,000 U.S. analyst sources ▪ 258,000 separate data points
270,000 revisions to earnings estimates annually (U.S.)

Selected Equity Universe

Behavioral Models

Used to identify the “Tails” of an anomaly

- Multiple models and timeframes
- Magnitude and direction of recent analyst activity

Earnings and Valuation Models further refine the universe.

Earnings Models

Earnings surprises are serially correlated

- Actual results vs. consensus adjustments
- Adjustments made for accruals (Quality Model)

Valuation Models

Inexpensive stocks have greater potential for upward revisions due to lower expectations

- Relative Sector Valuations Models:
Earnings-to-Price and Operating Cash Flow

Alpha score assigned to each security for ranking

Finalize Portfolio

Identify top decile stocks

Neutralize sectors and validate

Evenly weight selected stocks

Portfolio Implementation

What to Expect

When building portfolios, perhaps the best equation for advisors and their clients is: **Happiness = Reality – Expectations**. Advisors and their clients recognize that understanding how a portfolio should perform—the range of outcomes that are possible—is critical in staying committed to a long-term investment plan.

361 Capital's security analyst behavior prediction models have proved effective over various market cycles experienced over many years. Variance in portfolio returns, particularly on a relative basis are not normally related to how well we are able to predict behavior, but rather how investors in aggregate respond to the behavioral events our models have predicted. We have observed that investors react differently to individual stock events depending on their current attitudes toward risk and uncertainty. The descriptions below are not a guarantee of results or performance, but rather a general expectation during different types of market environments.

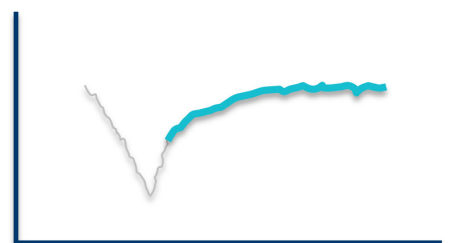
Sharply Declining Market



Early Recovery Market



Risk Stable Market



Strategy Expectations

Absolute Returns: Negative

Relative Returns: Positive

The opinions of experts are given more weight by investors and the Behavioral Models tend to perform well. Performance of the strategy relative to the average stock tends to be strong in this environment, but may lag cap-weighted benchmarks if the largest capitalization companies outperform significantly.

Absolute Returns: Positive

Relative Returns: Negative

Investors seem to care little about the fundamentals of individual stocks or the pronouncements of sell-side analysts in these markets. Although absolute returns for the strategy are likely positive during this period, relative returns normally lag due to investors' preference for high risk and quick returns.

Absolute Returns: Mixed

Relative Returns: Positive

In the most frequent environment, investors usually react positively to stock-specific events such as earnings surprises and analyst upgrades. As a result, we expect the models to work well during these sustained periods and portfolios to perform well on both an absolute and relative basis.

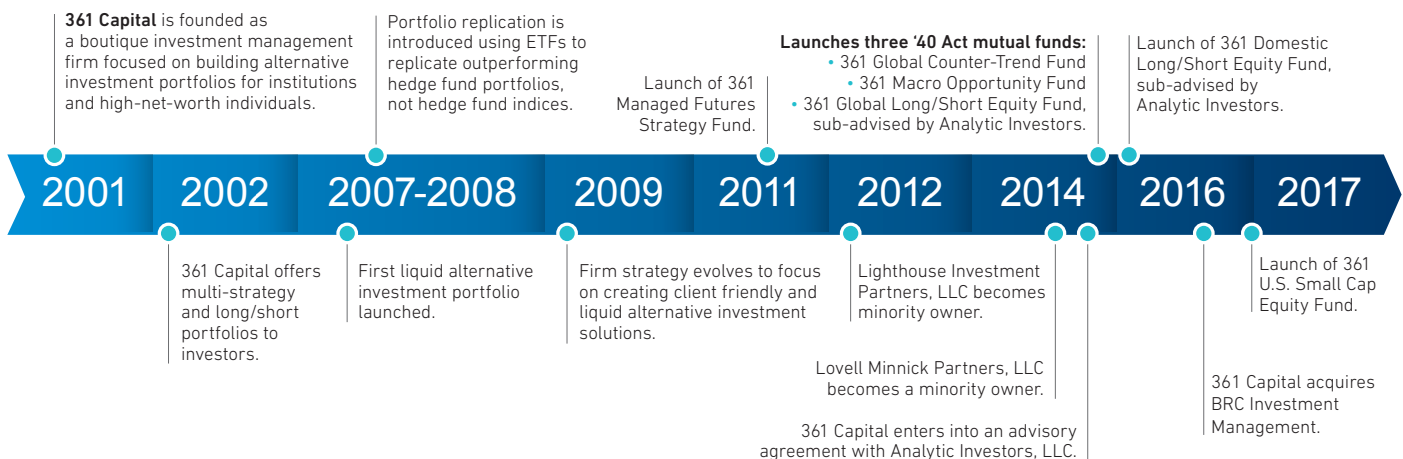


About 361 Capital

361 Capital is an award-winning boutique asset manager focused on delivering an array of distinctive investment strategies to institutions, advisors and their clients. Founded in 2001, the Firm specializes in creating innovative portfolio solutions using behavioral-driven, quantitative methods designed to monetize behavioral biases and market factors in order to pursue consistent alpha for client portfolios.

Distinctive Solutions

Today, the Firm combines its investment skills, experience and focus on transparency with that of other world-class investment managers to offer a collection of diverse strategies including alternatives and traditional long-only equities.



Alternative investments are speculative and involve substantial risks. It is possible that investors may lose some or all of their investment.

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

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† Awards: WealthManagement.com 2016 Industry Awards, Winner & 2015 Industry Awards, Finalist: Alternatives Asset Manager, <http://awards.wealthmanagement.com>. The WealthManagement.com Industry Awards recognizes the alternatives asset manager that has made an 'outstanding contribution' in adding a new initiative/program or enhancing an existing platform that improves advisors' understanding, usage, & portfolio management of alternatives. CTA Intelligence US Performance Awards 2014, Best Managed Futures Mutual Fund, <http://www.ctaperformanceawards.com>. The CTA Intelligence Performance Awards recognize and reward those CTAs (Commodity Trading Advisor) who have successfully outperformed their competitors over the last twelve months, as determined by a panel of expert judges. HFM US Performance Awards 2013, Newcomer – Managed Futures (CTA), <http://www.hfmweek.com>. The HFMWeek U.S. Performance Awards celebrate those funds that have stood out in the competitive market over the past twelve months, honoring those that have outperformed their peers and demonstrated impressive growth through the volatility of the last year.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

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.

Investment strategies employed by the Advisor in selecting investments for the fund depends on the judgment of the Advisor about the quality, behavioral biases, relative yield, value or market trends affecting a particular security, industry, sector or region and may not result in an increase in the value or overall performance of the fund.

The Fund is newly organized and has no operating history. As a result, investors have no track record or history on which to base their investment decisions. Investments made in small-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 may bear additional costs and the ETF may not exactly replicate the performance it seeks to track.

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.

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