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S1 00:02 Good afternoon and welcome to the Q1 2017 Context Macro Opportunities Conference Call and Webinar. All participants will be in listen-only mode. After today's presentation, there'll be an opportunity to ask questions. If you're at your computer, please submit your questions in the questions chat box on the bottom of your webinar control panel, or you may submit your questions directly to trogers@dakotafunds.com. Please note this event is being recorded. I would now like to turn the conference call over to Mr. John Culbertson, President and CIO of Context Asset Management. John, please go ahead.

S2 00:37 Thank you, Tracy, and thank you, everyone, for joining. We appreciate you joining the call this afternoon. I'd first like to start with a little bit of background on our parent company, Context Capital Partners. We've been in business since 2005, and our core business has been partnering with alternative investment managers, really in a variety of forms, and helping them grow their businesses both in terms of seed capital and acceleration capital as well. And as a business, we've been involved in everything from hedge funds to PE funds to registered funds in our asset management business. Since 2005, our parent has seeded 16 strategies with over $400 million in assets. We launched Context Asset Management, which is our registered funds business, in 2013, and the strategy was really for us to capitalize on our investment talent that we have in in-house, our seeding experience, and really trying to bring very differentiated liquid strategies to the market. And our Macro Opportunities Fund is the first of these strategies that we're going to talk about today.

S2 01:50 If you look at slide four, we show our investment team and our board, and we think one of our core strengths at Context is our depth and breadth of investment expertise. You can see from the listing of our senior investment team, our experience really does span everything from quantitative proprietary trading to traditional asset management, really in all forms, in all vehicles, in private funds and registered funds, SMAs, and in prop trading, and really across all types of allocators, from pensions and endowments to family offices. We think this experience that we have gives us a very unique perspective into what strategies really make the most sense for investors' portfolios.

S2 02:37 If you go to slide five, you can see, a key question for everyone that's allocating capital in the alternative space is really, what defines a successful alternative investment strategy? What does success really look like in the alternative space? And for us at Context, we think there's three simple, concise criteria that define success, whether it's in a liquid form, or a private form, or an SMA. And the first of these three is differentiation. And we mean by this that the strategy return stream should be uncorrelated, should be different. The less a return stream looks like beta, the more valuable that return stream is to a portfolio. So differentiation and little correlation is the first of these three criteria. And the second is asymmetry. And what we mean by this is that one should expect to make more than they can lose in that strategy. You could also look at this as having positive convexity. The shape of the return stream should not look like a 45-degree angle. It should have a positive and convex slope to it. And the third criteria that we use is efficiency, which is really the return to risk ratio. That ratio should be higher than just passive equity exposure. Ratios like Sharpe ratios and Sortino ratios are good measures for efficiency. So differentiation, asymmetry,

and efficiency are these three core criteria that we think define success for an alternative investment.

S2 04:17 So on slide seven, I'd like to take a moment and just talk a little bit about the sub-advisor, First Principles, for Macro Opportunities. First Principles Capital Management is an $8 billion institutional asset manager based in New York. The firm is focused on highly customized asset liability management mandates and some other specialized fixed income solutions. And that's been their business exclusively since the firm's inception 11 years ago. They have a very strong and deep management team that goes back to proprietary trading at JP Morgan prior to the Chase merger. And this particular strategy that we have in the mutual fund has a 10-year related private track record that you can see in the prospectus. The track record, which is also GIPS compliant, is just a clear demonstration of the expertise and a differentiation of their approach. In a context, we've known First Principles for a long time. The firms have a history together in prior businesses, and we took several years in preparing them as a partner to launch the strategy. On page nine, you can see the senior management team at First Principles and their history together, which is prior to First Principles, and then since they joined First Principles about 10 or 11 years ago. So with that, I'm going to hand this off to my colleague, Andy Dudley, who will talk about the Macro Opportunities Fund and our recent performance in the first quarter. Andy?

S3 05:45 Thanks. Thanks so much, John. I think, as John already mentioned, it's really helpful to remember that the strategy for which the mutual fund is based essentially comes from a substantially similar privately run strategy that First Principles developed and is managed on behalf of one of their endowment clients going back over 11 years. So the strategy is designed really to harness mostly fixed income-related instruments, and - maybe we can go to slide 11 - it's really meant to deliver a very specific objective. That is a modest return stream in normal market environments with very low correlation to risk assets but also offer the potential to perform very well in a meaningfully negative environment for equities and risk assets. The fund is explicitly designed to be uncorrelated, and therefore, a diversifying return stream as part of a broader portfolio. So when you think about the endowment, they really consider the strategy of creative alternative allocation that satisfies many of the objectives of both a high-quality fixed income allocation without some of the undue interest rate risk and also an alternative strategy allocation, which is to say, uncorrelated and asymmetric.

S3 07:14 We believe really that mutual fund investors can view it in a very similar way. So the investment process at First Principles is driven by a macro orientation, informed by specific subsector specialist teams, and organized really around a weekly cycle of both formal and informal meetings in order to really think about and source the most appropriate kinds of exposures for the strategy. But really, this is not your typical bond funds kind of approach. Maybe we go to slide 12. Structurally, on slide 12, there are really three sources of return and risk for the strategy. The first is a current income component made up of primarily short-dated, high-quality fixed income securities. These positions are in the portfolio to provide a consistent, reliable income. That is, these are mostly corporate bonds but can also include things like mortgage-backed securities, asset-backed securities, as well as bank loans. These positions can account for probably the majority of the capital of the fund, somewhere in that sort of 60 to 70 percent of the fund's capital. But when thought of another way, that is, in risk terms, they really will only contribute a small portion of the day-to-day risk of the fund because of their short duration profile.

S3 08:43 The second source of return is the tactical relative value component. These are the bread-and-butter kinds of trades that First Principles has executed in the last 25 years, both as prop traders as well as asset managers. Examples of this kind of trade include things that are typically offsetting long and short risk exposures. These trades are generally designed to be much less overtly rate-directional or market-directional in the bond space, as well as uncorrelated to each other. We

would expect these trades to produce a modest but uncorrelated return stream, which compliments the income portion of the portfolio.

S3 09:52 The third source of returns are the structural low or negative correlation exposures or cheap convexity. These are the exposures that are designed to do very well when risk assets fall substantially. So a first-order example of this kind of exposure could simply be buying puts on risk assets or paying premium for some kind of protection in some form. However, very often, these kinds of trades are less direct. That is, second- or third-order kinds of sources of convexity. They tend to have the asymmetric step function or option-like payoff profiles, but aren't necessarily created directly with options. Exposures that carry very cheaply and can be held for long periods of time are really ideal for this part of the portfolio. Slide 13, please.

S3 11:04 So through a combination of these three strategy buckets, the fund seeks to provide a return profile that's uncorrelated, asymmetric, and efficient. This slide is really a stylized breakdown of that return distribution that is the fund's objective over time. The income provides a base return, and this is complemented in normal market environments by returns from the relative value exposures. And when risk assets significantly underperform, the structural exposures offer the potential for really substantial upside. That is the right side of the distribution here. But it's important to remember, of course, that the tail outcomes will be less common. The key part of this goal, of course, is when these kinds of returns come. That is, the right tail or the fund’s targeting of these kinds of upsides are meant to occur, right, when risk assets do poorly. Slide 14, please.

S3 12:06 So slide 14 is the updated performance, the monthly performance summary for the fund through the first quarter of 2017 as well as the cumulative performance for the first quarter, the trailing one year, and the since-inception period. Notably, the fund was down about 1% during the first quarter, a period during which traditional market risk enjoyed solid returns. Equity and credit markets were especially notable for the quarter, returning 2.7% for high yield as well as six-plus percent for the two equity indices, these continuing much of the rally we saw towards the end of '16. Widening the lens to the longer period and the since-inception period, roughly 19 months ago for the fund, the fund is slightly positive since inception, and that is above the Morningstar Multi-Alternative Universe for the same period, which was down a little over 1%, but behind, of course, both the bond as well as the equity indices. Slide 15, please.

S3 13:13 So on slide 15, we outline really some of the main performance contributors during the first quarter. The fund enjoyed positive contributions, as you would expect from the income components. Very stable market environment for credit was helpful in that period. It also had a positive contribution from the 30-year swap spread trade in the relative value part of the fund. However, these returns were offset by some of the tactical trading exposures in the futures during the quarter, and more than that, much of the structural low correlation exposures. Normally, the kinds of trades that are not necessarily overlapping in the short-term relative to one another also hurt performance in a coincident manner during the quarter. This included the long protection exposure in Mexico, the interest rate options position, as well as T-Bill, Libor basis swap. Slide 16, please.

S3 14:11 So given this kind of performance, it really makes sense, I think, to look a little closer at the market environment that's evolved in the last quarter and really in the last year. So slide 16 depicts one of the more significant market themes of the last year, that is, the significant decline in volatility across really several parts of the marketplace. There have been a lot of headlines, of course, regarding the decline in equity market volatility, but the volatility decline is really a broader phenomenon. The charts on this page show the move lower in volatility for three different markets. We have equity as it is represented here by SPX or the S&P 500, the credit markets represented by the HYG, High Yield ETF, as well as interest rates or government interest rates as represented by the TLT ETF over the last year. The light blue lines on these charts reflect the time series for implied volatilities as taken

or calculated from the pricing in the options markets for these instruments. And the black lines on these charts are the rolling 60-day trailing realized volatility for these instruments.

S3 15:28 You can think of the implied volatility as one form of forward-looking measure on the part of the marketplace. That is what investors expect going forward. And the historical volatility, of course, is a measure of what has happened more recently in the last couple of months. These numbers are remarkable really for two reasons, among others. But first, several markets, not just equities, sit at or near their lows by both vol measures. Also, the falling expectations for vol in some sense, that is, the implied vol, has been justified by a fall in the realized volatility during the period. As a long-term frame of reference, realized equity vol has typically been in the low-to-mid teens. So here we have single digit vol in terms of markets realized outcome, and that's a pretty unusual kind of phenomenon. We don't often get to these levels. Slide 17, please.

S3 16:34 So when you think about the impact on the fund, the declining vol really has had, I think, two main impacts. First, there is the direct impact. That is, the decline in implied volatility has driven net long vol, primarily options-related exposure, lower in value. This has certainly been part of what has hurt the fund in terms of performance. But there's also a secondary and less direct or indirect impact. That is, the potential opportunities set for relative value activity, both within and across markets, is made smaller by the less-realized market variability. Both of these factors, both of these elements, are certainly part of the current performance challenge for the Macro Opportunities strategy. Of course, it's not clear how the environment will evolve from here, given the potential, of course, for either domestic or geopolitical forces to potentially impact the marketplace. But regardless, the fund still remains very committed to the overall strategy, particularly as it relates to the structural bucket, despite what are essentially these short- to medium-term kinds of market headwinds. Page 18, please.

S3 17:53 So moving on, page 18 offers the current positioning of the fund as at the end of the first quarter. As a summary, the income component is primarily short corporates with small mortgage and bank loan exposure. It is complemented in the relative value exposures with the 30-year swap spread trade, curve- and rate-related hedges, and some tactical trading positions in the futures market. And the third component, the structural component, includes a long position in Mexico credit default protection and interest rate options based, both flattener position that is net long volatility and the long-tenured T-Bill versus Libor basis swap. Slide 19, please.

S3 18:40 So slide 19 reflects these exposures shown in notional long, short, net by security type as of the end of the first quarter, as well as the recent risk analysis of the fund's returns. Remember that the notional numbers here include cash instruments as well as notional derivative exposures. In capital terms, as I mentioned earlier, the income component accounts for somewhere, 60 to 70 percent or so, of the capital, but again, will likely only constitute about 10% or so of the risk contribution given its shorter maturity profile. Most of the day-to-day variability of the fund is driven by the exposures in bucket two and three, much of which will be a combination, of course, of both cash instruments as well as liquid derivative exposures. In terms of risk characteristics, so the right-side table, it's really important to note that the associated realized correlation of the fund during the first quarter, that is, that third column there from the right side, to the traditional bond types of indices, the credit indices, the equity markets, and some of the corresponding alternative categories - so really, across the board - the correlation of the fund has been very low relative to all these comparison points. That is, one of the key objectives of the strategy, to be a portfolio diversifier, is very evident in these kinds of correlation numbers. Slide 20, please.

S3 20:13 So really, to summarize, there are three main points we think you should walk away with this quarter. First, of course, the fund really is an attempt to creatively reimagine how to deliver a fixed income strategy that is a portfolio diversifier. Second, the portfolio construction is a unique blend that can achieve on that kind of risk outcome, and the team at First Principles remains very

committed to that objective. And then third, lastly, the recent performance, that is Q1 2017 results, are really a reflection of that strategy in light of this sort of declining volatility environment that's been pretty extreme, actually, that we've seen. And so with that, I'll turn it back to you, Tracy, for any Q&A.

S1 21:01 Right. Thank you very much, Andy and John, for your comments this afternoon. And we'll now open up for Q&A to our audience. As a friendly reminder, if you are at your computer, please submit your questions in the questions chat box on the bottom of your control panel, or you may email them to trogers@dakotafunds.com. First question for the two of you. One of the questions on the last call was about, markets are favorable to the strategy and-- or, excuse me, what markets are favorable to the strategy and which environments are most difficult? Maybe the answer bears repeating this quarter.

S3 21:36 Yeah, I think that's right. I think, again, like we did last time, let's start with the more difficult environment. The performance will be more modest, right, in environments when the broader market volatility is low and when rates are low. In that kind of world, right, there's less opportunity for relative value activity and for longer vol-biased positioning, right - sort of a core piece of the strategy - to do well. Of course, risk assets in those kinds of environments are probably performing really well alongside that. So when you think about the first quarter, right, not surprisingly, that description is almost exactly what's taken place, almost in the extreme, right, with vol not just stable but declining, as we showed, and currently sitting at or near long-term low levels. But on the other end of the spectrum, right, the strategy here is designed to deliver the better performance figures when risk assets do poorly and when vol across markets moves higher. That is a significant goal of the fund. So finding a creative way to deliver this outcome is at the heart of the fund's value. The team makes no predictions, no direct predictions, necessarily about when exactly this kind of environment will occur, just that it continues to look for ways to get in front of that kind of scenario at a reasonable price so that they're ready when it does eventually happen.

S1 23:21 Great. Thank you so much, Andy. Next question, given the likelihood for additional Fed rate hikes and also the growing possibility of some degree of domestic political uncertainty how is FPCM adjusting portfolio exposures?

S3 23:36 Yeah. So the strategy itself is not necessarily shifting dramatically as a result of these specific potential market drivers, right? So you mentioned the potential for rate hikes. First Principal's approach to portfolio construction and strategy is, by definition, less dependent on the overall direction of interest rates. So it's actually more about leaning against complacency as it relates to things like rate hikes, as opposed to specifically trading on Fed expectations directly. So as late 2016 demonstrated, the fund's flexibility can be valuable in navigating periods when the market is too complacent about the potential impact of higher rates. Beyond that, what really drives First Principles' ability to source returns is what an unexpected rise in market volatility might do to the full range of relative value opportunities to the extent increase in rate vol shakes things up, and that could be caused by a lot of different drivers, right? There may be an increase in opportunities in the relative value space, and that can actually improve the return potential of the strategy.

S1 25:05 Thank you very much, Andy. Next question. While it hasn't created a lasting impact this year, does First Principles worry about geopolitical events having an impact on markets? What's the potential for non-US exposures either in foreign bonds or foreign currency to become a part of the strategy?

S3 25:25 Sure. So the current complacency, right, that we mentioned in the presentation and in the last question-- I think, in several markets, it makes First Principles think really carefully about how to proceed in their risk-taking. I mean, not just in terms of global exposure but the kinds of exposure in the US as well. I think, as it relates to global risk exposures, historically, the strategy has not chosen to make non-US exposures a significant driver of returns. That said, to the extent that some opportunities offer an option like risk profile-- so currently in the strategy, they have a Mexico

credit default swap, long protection trade on-- I think the team has added it, right, to the mix, when that makes sense. But more likely, and again, in a way similar to the response to the last question, to the extent that geopolitical turmoil impacts traditional market risk, the sheer number of opportunities may expand for more relative value activity. And it's possible that there would be additional non-US exposures as part of that activity. So actually, looking at it a different way, in some ways, First Principles might actually worry more that the global markets had been so calm. That is, while they're not predicting it, I think some level of normal increased market volatility driven by unexpected events or geopolitical events that actually might be healthy both for investors and the strategy on a lot of levels. I think I said this last time. I think it's worth it to keep repeating. In terms of how First Principles chooses to allocate, the team is probably best described as opportunistic but also patient. Opportunistic is about taking what the market offers you, right? But patient really means being patient enough not to rush to create exposures that aren't yet priced correctly or attractive enough. This remains a sort of constant approach for First Principles in even this sustained calm environment.

S1 28:10 Great. Thank you so much, Andy. It looks like that concludes our Q&A session for today. And I would just like to turn the call back over to you and John for any closing remark.

S3 28:22 Sure. Well, I guess I'd just like to say thank you, everybody, for taking the time to listen to the call today. We really appreciate your attention. Should you have any further questions, please feel free to reach out to the folks at Dakota or to us directly at Context. Thank you again.

S1 28:44 Thank you again to John and Andy for your time this afternoon and to our audience for your participation. The conference is now concluded and you may now disconnect.

Inception date: 8.4.15 (date the Fund commenced investment operations).

Important Information:

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information about the Fund is in the prospectus, a copy of which may be obtained by calling 1-844-511-9653. Please read the prospectus carefully before you invest.

For the period ended 3/31/17, the Fund's one-year total return for the Institutional Share was -0.54%, Since Inception (8/4/15, date the Fund commenced investment operations) the annualized return was 0.35%. The performance quoted is past performance and may not be indicative of future results. Investment returns may fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown. Returns for one year or less are cumulative. Shares redeemed within 90 days of purchase will be charged a 2.00% redemption fee. For the most recent month-end performance, please call 844-511-9653. Gross expense ratio: 3.35%. Context Advisers II, L.P. (the "Adviser") has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses (net) 2.13% through April 30, 2018.

An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Risks are detailed in the prospectus and include, but are not limited to, the following: Asset-backed and mortgage-backed securities are subject to risk of prepayment. These types of securities may also decline in value because of mortgage foreclosures or defaults on the underlying obligations; Credit default swap agreements involve special risks because they may be difficult to value, are highly susceptible to liquidity and credit risk, and generally pay a return only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty); Investments in figures contracts involve additional costs, may be more volatile than other investments, and may involve a small initial investment relative to the risk assumed. The prices of futures can be highly volatile, using futures can lower total return, and the potential loss from futures can exceed the Fund's initial investment.

The Fund may use derivatives (including futures, options, swap agreements and forward contracts) to enhance returns or

hedge against market declines. The Fund's derivative investments have risks, including the imperfect correlation between the value of such instruments and underlying assets of the Fund, which creates the possibility that the loss on such instruments may be greater than the gain in the value in the Fund.

Investing in foreign companies involves certain risks not generally associated with investments in the securities of U.S. companies. In addition, individual international country economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency, and balance of payments position. Emerging markets investments are subject to additional risks due to greater political and economic uncertainties as well as a relative lack of information about companies in such markets.

Hedging is a strategy in which the Fund uses a derivative to offset the risks associated with other Fund holdings. There can be no assurance that the Fund's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. The Fund may incur leverage by borrowing directly or by making investments in reverse repurchase agreements. The use of leverage has the risk of capital losses that exceed the net assets of the Fund. Employing leverage will cause the net asset value of the Fund to be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the Fund to pay interest.

The Fund is "non-diversified", investing in fewer securities at any one time than a diversified fund. A decline in the value of, or default by, a single issuer makes the Fund more susceptible to financial, economic or market events impacting such issuer. Short selling involves unlimited risk including the possibility that losses to the Fund may exceed the original amount it invested. Investments in small and medium capitalization companies may be less liquid and their securities' prices may fluctuate more than those of larger, more established companies.
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