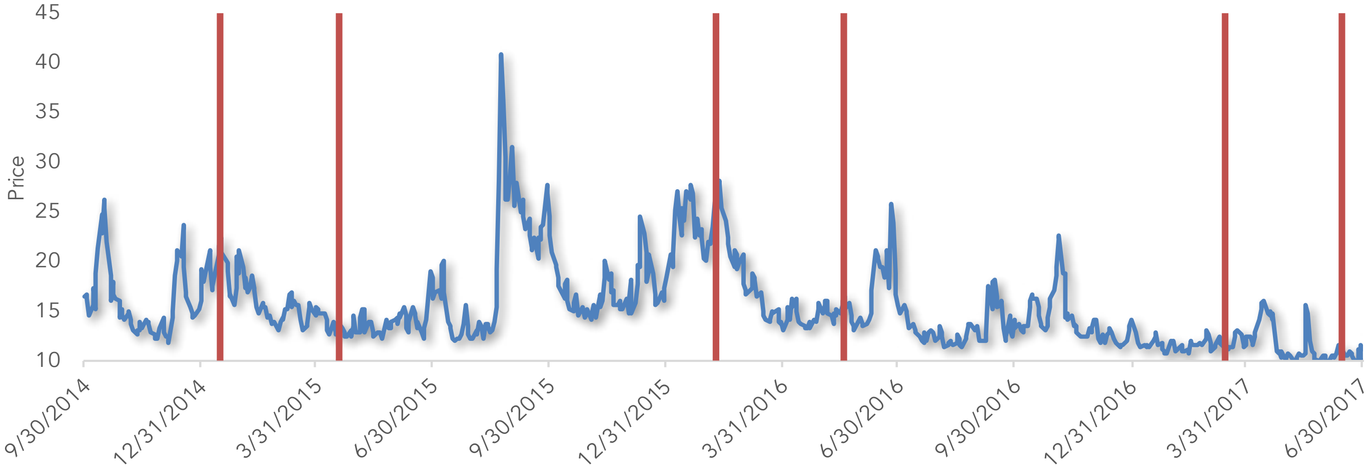
BRADDOCK MULTI-STRATEGY INCOME FUND

SECOND QUARTER 2017 COMMENTARY

Although the second quarter of 2017 was marked by political uncertainty centered on the Trump agenda, the financial markets focused on the slow but positive growth of the U.S. economy and the overall market belief that near-term downside risk is low. Both the US fixed income and equity sectors generated positive returns while market volatility indices reached historic lows (Exhibit 1).

Exhibit 1: VIX Index From 9/30/2014 To 6/30/2017



Source: Bloomberg Analytics. Red lines refer to periods of falling volatility.

The residential housing and the consumer sectors of the US economy demonstrated strength in the second quarter. Housing prices continued their positive trend that is primarily a result of long term demand outpacing housing supply. This translated into high demand throughout the Residential Mortgage Backed Securities (RMBS) sector. More specifically, investors are indicating that mortgage credit risk is lower than 2016 forecasts and correspondingly that credit spreads should be tighter (higher prices). The capital appreciation in these securities is one of the reasons the Braddock Multi-Strategy Income Fund ("the Fund", as measured by the institutional share) has outperformed the Fund's benchmark, the Bloomberg Barclays Aggregate Bond index, by 2.28%, as of 6/30/17.

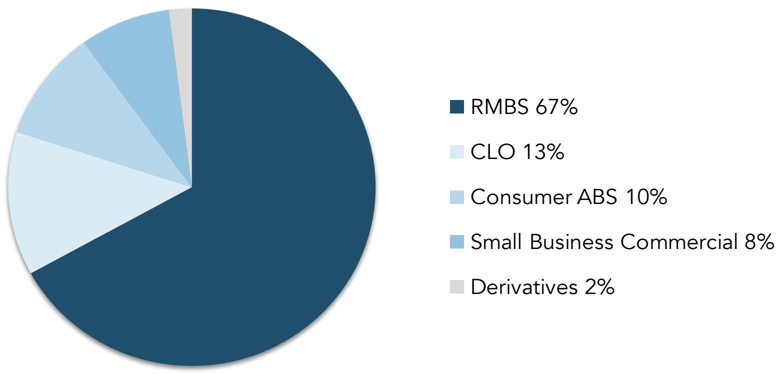
FUND COMPOSITION & ATTRIBUTION

While overall Fund composition was fairly steady throughout the quarter, the Fund did increase its allocation to Collateralized Loan Obligations (CLOs) from 8% to 13%. This increase coincided with the Fund's transition from CLO BB rated tranches to higher rated BBB rated CLO tranches. We believe these bonds are attractive due to their significant credit enhancement vs. forecasted and historical corporate default rates. Additionally, the floating rate nature of the debt is attractive given the Fed's additional plans for increasing the Fed Fund's rate.

The Fund's second quarter performance was driven by attractive bond cash flows and capital appreciation in the RMBS sector. The majority of the Fund's RMBS exposure is to higher quality borrowers, and deals backed by these types of loans experienced improved performance across several cash flow metrics: such as voluntary prepayments, lower defaults and higher recovery rates.

While Q2 price increases were impressive across all RMBS products, the Credit Risk Transfer (CRT) bonds have led 2017 RMBS market performance. CRT bonds are backed by conventional Fannie Mae and Freddie Mac mortgages, but unlike "Agency" paper these bonds provide the investor with exposure to the credit performance of the underlying loans. The Fund participated in the first CRT deal, which was issued in 2013. Since that time, the investor base has grown dramatically from traditional money managers and hedge funds to now include a significant portion of institutional investors: for instance banks, insurance companies, and mortgage REITs.

TOTAL ASSET BREAKDOWN (as of 6/30/17)



Liberty Street Funds

The performance of the Fund's Collateral Loan Obligations (CLO) and Asset Backed Securities (ABS) holdings were also positive for the quarter, but muted relative to the performance of the RMBS sector. There were no sectors in the Fund that experienced negative returns during the quarter.

REVIEWING THE RESIDENTIAL CREDIT CYCLE

On roughly the ten year anniversary of the housing crisis, it is valuable to review how that event changed the structured finance markets and mortgage finance industry. The downturn began in subprime mortgages (loans to borrowers with FICOs under 625). Investors noted an increasing number of loans were defaulting within just months of their origination (early payment defaults – "EPD"). Investors and mortgage insurance companies pressured loan originators to tighten underwriting standards and to explain the reasons for EPDs. Overtime, it became more and more apparent that not only had lending standards become too loose, but that the nearly all of the job's across the industry were being paid for volume of work done (loans closed, houses sold, appraisals completed) vs the quality of work done. As we all remember, the resulting losses from these unscrupulous loans impacted homeowners, the economy and the structured finance industry dramatically.

After years of tremendous work by industry participants and regulators, the structured products & securitization markets have been redesigned to provide well-structured assets to Institutional investors around the globe. In addition to stringent loan underwriting standards, loan origination and loan servicing have greatly benefitted from the technological advances of the last ten years. New regulations across the industry and risk retention requirements for loan originators have insured that the quality of loan origination will reign over the volume of origination. Most importantly to our Fund, these loans and operational requirements have provided Wall Street and the rating agencies quality collateral to underwrite new RMBS/ ABS bonds that create appropriate risk/return investment opportunities for investors.

We believe today's US housing market is poised for a long period of growth and the corresponding effects on new issue RMBS supply should be positive. Underlying credit performance seems likely to remain positive as MBA Mortgage Delinquencies have returned to historic norms (Exhibit 2). The U.S. Consumer balance sheet is strong as household debt to disposable income and consumer debt defaults (S&P/Experian Default Index) are at low levels not experienced since 2002 (Exhibit 2).

Exhibit 2

Housing Statistics	Date	Latest	3 yrs ago	5yr ago	10yr ago
MBA Purchase Index	7/14/17	246	175	187	437
MBA Mortgage Credit Availablity	6/30/17	179	128	101	868
MBA Mortgage Delinquencies (%)	3/31/17	4.7	6.4	7.6	5.0
NAR Existing Home Sale (mm/year)	6/30/17	5.52	4.94	4.47	5.12
Consumer Statistics		**Latest**	**3 yrs ago**	**5yr ago**	**10yr ago**
S&P Experian Consumer Default	6/30/17	0.82	1.0	1.5	1.7
US Household Debt to Disposible Income	3/31/17	104	107	110	130
Conf Board Consumer Confidence	6/30/17	119	86	63	105
Unemployment Rate	6/30/17	4.4	6.2	8.2	4.5

Sources: Mortgage Bankers Association, ("MBA") Fannie Mae, National Association of Realtors ("NAR"), Bureau of Economic Analysis

OUTLOOK

Throughout the life of the Fund, the Braddock team's deep portfolio management and industry experience has enabled the Fund to successful maneuver portfolio allocations and risk levels in various market environments. As the RMBS/ABS market's continue to grow, we believe the Fund's opportunities will benefit also.

Performance

The Braddock Multi-Strategy Income Fund (the "Fund"), as measured by the Fund's Institutional Share, returned 1.78% for the second quarter, 4.55% year to Date, and 8.51% over the 12 months. Last quarter, the Fund's strategy outperformed the Bloomberg Barclays Aggregate Bond Index by +0.33%, while trailing the BofA Merrill Lynch High Yield Index by -0.38%.

PERFORMANCE (%) as of 6/30/2017

	Q2 2017	YTD	1 Year	3 Year	5 Year	Ann ITD*
BDKAX	1.71	4.32	8.15	5.33	9.55	10.51
BDKAX w/Load	-2.60	-0.15	3.58	3.27	8.26	9.69
BDKCX	1.57	4.00	7.46	4.54	8.73	9.69
BDKNX	1.78	4.55	8.51	5.61	9.83	10.79
Bloomberg Barclays Agg Bond	1.45	2.27	-0.31	2.48	2.21	3.79
BofAML US High Yield	2.16	4.93	12.75	4.48	6.88	9.52

Performance data quoted represents past performance and is no guarantee of future results. *Total return figures include the reinvestment of dividends and capital gains. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month end performance, please call (800) 207-7108. Returns showing less than one year are cumulative. The gross operating expense ratio for the Class A, C, T, and Institutional Shares are 2.26%, 3.01%, 2.26%, and 2.01%, respectively. The Fund's advisor has contractually agreed, until April 30, 2018, to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses, excluding acquired fund fees and expenses do not exceed 1.78%, 2.53%, 1.78%, and 1.53% of the average daily net assets of the A Shares, C Shares, T Shares, and Institutional Shares, respectively. Otherwise, performance shown would have been lower. Class T Shares were not offered prior to May 1, 2017, and are not currently available for purchase. Therefore no performance for Class T Shares is provided. Performance results with load reflect the deduction for Class A Shares of the 4.25% maximum front end sales charge. Class C Shares are subject to a contingent deferred sales charge of 1.00% when redeemed within 12 months of purchase. Performance represented without the load would be lower if this charge was reflected. Because of ongoing market volatility, Fund performance may be subject to substantial short term changes. *ITD represents inception-to-date, 7/31/2009.*

The Fund commenced investment operations on December 31, 2015, after the conversion of a limited partnership Account, Braddock Structured Opportunities Fund Series A, L.P., which commenced operations on 7/31/2009, (the "Predecessor Account"), into shares of the Fund's Institutional Class. Information portrayed in the performance table and growth chart prior to December 31, 2015 is for the Predecessor Account. The Fund's objectives, policies, guidelines and restrictions are in all material respects equivalent to those of the Predecessor Account. The Predecessor Account was not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and therefore was not subject to certain restrictions imposed by the 1940 Act on registered investment companies and by the Internal Revenue Code of 1986 on regulated investment companies. If the Predecessor Account had been registered under the 1940 Act, the Predecessor Account's performance may have been adversely affected.

RISKS AND OTHER DISCLOSURES:

Before investing you should carefully consider the Braddock Multi-Strategy Income Fund's investment objectives, risks, charges and expenses. This and other information about the fund is in the prospectus and summary prospectus, a copy of which may be obtained by calling 800-207-7108 or by visiting the Fund's website at www.libertystreetfunds.com. Please read the Fund's prospectus or summary prospectus carefully before investing.

An investment in the Braddock Multi-Strategy Income Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks, which are more fully described in the prospectus: **Mortgage-backed securities**: subject to "prepayment risk" (the risk that borrowers will repay a loan more quickly in periods of falling interest rates) and "extension risk" (the risk that borrowers will repay a loan more slowly in periods of rising interest rates). If the Fund invests in mortgage-backed or asset-backed debt securities that are subordinated to other interests in the same pool, the Fund may receive payments only after the pool's obligations to other investors have been satisfied. The risk of defaults is generally higher in the case of mortgage pools that include so-called "subprime" mortgages. **Real estate risk**: property values may fall due to increasing vacancies or declining rents resulting from unanticipated economic, legal, employment, cultural or technological developments. **CLO risk**: Collateralized Loan Obligations (CLOs) largely depend on the type of underlying collateral securities and the tranche in which the Fund invests. While CLOs are subject to the typical risks associated with debt instruments (i.e., interest rate risk and credit risk), the Fund is also subject to asset manager, legal and regulatory, limited recourse, liquidity, redemption, and reinvestment risks as a result of the structure of CLOs in which the Fund may invest. **Credit Risk**: securities held by the Fund could be subject to credit risk, including factors that may impair the credit rating and which may cause the value of the Fund's investment to decline. **Interest rate risk**: your investment may go down in value when interest rates rise, because when interest rates rise, the prices of bonds and fixed rate loans fall. Generally, the longer the maturity of a bond or fixed rate loan, the more sensitive it is to this risk. Falling interest rates also create the potential for a decline in the Fund's income. These risks are greater during periods of rising inflation. **High Yield ("Junk") bond risk**: junk bonds are speculative investments which involve greater risk of default, downgrade, or price declines, can be more volatile and tend to be less liquid that investment-grade securities. **Repurchase agreement risk**: may be viewed as loans made by the Fund which are collateralized by the securities subject to repurchase. The Fund's investment in repurchase agreements may be subject to market and credit risk with respect to the collateral securing the repurchase agreements. **Reverse repurchase agreement risk**: reverse repurchases provide the Fund with cash for investment purposes, which creates leverage and subjects the Fund to the risks of leverage. Reverse repurchase agreements also involve the risk that the other party may fail to return the securities in a timely manner or at all. **Liquidity risk:** the Fund may not be able to sell some or all of the investments that it holds due to a lack of demand in the marketplace or other factors such as market turmoil. The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued by the Fund using a fair value methodology due to the fact that illiquid assets may be difficult to value. **Leverage risk**: as a result of borrowing or other investment techniques, the Fund may be leveraged. Leverage creates exposure to gains and losses in a greater amount than the dollar amount made in an investment. **Derivatives risk**: derivative instruments, futures contracts, options, swap agreements, and/or selling securities short involve risks different from direct investment in the underlying assets, including but not limited to: futures contracts may cause the value of the Fund's shares to be more volatile; the Fund may not fully benefit from or may lose money on option or shorting strategies; swaps may be leveraged, are subject to counterparty risk and may be difficult to value or liquidate. **Non-diversification risk**: as a non-diversified fund, the Fund may focus its assets in the securities of fewer issuers, which exposes the Fund to greater market risk that if its assets were diversified among a greater number of issuers. The Fund may not be suitable for all investors. We encourage you to consult with appropriate tax and financial professionals before considering an investment in the Fund.

The Bloomberg Barclays Aggregate Bond Index measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. Index Inception: 1/1/1986. One cannot directly invest in an index.

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Liberty Street Advisors, Inc. is the advisor to the Fund. The Fund is part of the Liberty Street Family of funds within the Investment Managers Series Trust.