About the Fund...
The Toroso Newfound Tactical Allocation Fund (the “Fund”) is an open-end mutual fund investing primarily in Exchange Traded Funds (ETFs). The Fund is a multi-asset class strategy focusing on investing in four primary economic regimes: Prosperity, Inflation, Recession, and Deflation. The tactical overlay uses relative momentum to target specific regimes as well as attempt to minimize exposure to regimes that may be out of favor. The Fund’s investment objective is to achieve long-term growth of capital. The Fund intends to do so with lower volatility than the overall equity market.

About Toroso...
Toroso Investments, LLC (“Toroso”) is the Fund’s sub-advisor responsible for the day to day management of the Fund’s portfolio. Toroso is a New York based, SEC registered investment advisor focused on research and asset management using ETFs and other exchange traded products. The firm designs asset allocation strategies that seek to perform well in all economic climates (prosperity, recession, inflation, and deflation). It emphasizes future objectives rather than past correlations, while recognizing the needs of its clients to have a more balanced risk profile in which not one single adverse economic scenario will likely deplete a client’s portfolio.

About Newfound...
Newfound Research, LLC (“Newfound”) has been engaged as a sub-advisor to act as the Fund’s tactical allocation manager. Newfound is a Boston-based registered investment advisor and quantitative asset manager focused on rule-based, outcome-oriented investment strategies and specializing in tactical asset and risk management. Newfound uses its proprietary, dynamic volatility-adjusted momentum-driven model to determine the tactical asset allocation of the Fund’s portfolio, within which Toroso defines the portfolio’s investments among ETFs and other exchange traded products.

Why Tactical Allocation?
Tactical asset allocation is a more active approach than strategic asset allocation. With tactical asset allocation, rather than following a static allocation and re-balancing on a periodic basis using historical averages of modern portfolio theory, one can choose to overweight or underweight asset classes based on a current analytical assessment of selected metrics. The relative momentum models of Newfound are intended to enhance the “all-weather” concept of economic regime investing by Toroso. In this way, the Fund strives to track the regimes as the economy changes, as opposed to waiting for a specific date on the calendar. And, unlike some other “all-weather” strategies, this Fund is concerned about the multiple tail risks that manifest themselves in certain economic environments.

Portfolio Construction
The table on the right shows the maximum, neutral, and minimum weight allocations to each asset class and the corresponding expected economic condition that would warrant such allocation. Newfound’s signals will specify the Fund’s weightings in a specific asset class at any point in time, and Toroso will make investments in ETFs for the Fund’s portfolio based on the tactical allocation signals. The Fund will be invested in four asset classes at all times; however, at any point in time, any of the asset classes could be underweight or overweight, based on the advice of Newfound.
Toroso Newfound Tactical Allocation Fund

When selecting specific ETFs, Toroso primarily focuses on index construction and portfolio holdings. Toroso employs a five-step process when determining ETFs that make up each asset class allocation:

1. Select the benchmark for each asset class
2. Seek opportunities to outperform the benchmark
3. Ensure acceptable diversification
4. Select ETFs that meet the criteria
5. Confirm selections provide better fundamentals than benchmark

ETFs are then evaluated based on attributes such as price-to-book ratios, fees, liquidity, and the availability of options on the ETF. Additionally, Toroso analyzes the index methodologies of each ETF under consideration and evaluates the extent of any overlapping holdings in other ETFs already held within the portfolio.

Investment Universe

The Fund invests in ETFs that primarily seek to track benchmark indices in four different asset classes: equities, fixed income instruments, inflation beneficiaries, and cash equivalents. Toroso considers equities to include common and preferred stocks, convertible securities and rights and warrants. They consider fixed income instruments to include bonds, notes and debentures. They defines inflation beneficiaries as any security that is more likely to hold its value during times of inflation, and consider these to include alternative and specialty investments such as commodities, real estate, and foreign currencies.

Before investing you should carefully consider the Toroso Newfound Tactical Allocation Fund’s investment objectives, risks, charges and expenses. This and other information is in the 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 carefully before investing.

RISK AND OTHER DISCLOSURES:

An investment in the Toroso Newfound Tactical Allocation 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:

- ETFs typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. An ETF is subject to the risks associated with direct ownership of the securities comprising the index on which the ETF is based. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. As a result, Fund shareholders indirectly bear their proportionate share of these acquired expenses. Therefore, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in securities.

- Due to a lack of demand in the marketplace or other factors, such as market turmoil, the Fund and the ETFs in which it invests may not be able to sell some or all of the investments that it holds, or may only be able to sell those investments at less than desired prices. Liquid assets may also be difficult to value.

- The stocks of small and medium size companies often involve more risk and volatility than those of larger companies. Among other things, small and medium size companies are often dependent on a small number of products and have limited financial resources, and there is generally less publicly available information about them. Companies with large market capitalizations go in and out of favor based on market and economic conditions, and could underperform returns of smaller companies.

- The prices of fixed income securities respond to economic developments. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, and longer-term and lower rated securities are more volatile than higher rated securities.

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- Foreign investment risk. These risks include currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies.

- Many of the risks with respect to foreign investments are more pronounced in developing or emerging market countries. Emerging market countries tend to have less government exchange controls, more volatile interest and currency exchange rates, less market regulation, and less developed economic, political and legal systems.

- Investments selected using tactical allocation strategies may perform differently from the market as a whole or from their expected performance. There can be no assurance that the Fund’s use of a tactical allocation strategy will enable the Fund to achieve positive returns or outperform the market.

- The value of your investment depends on the judgment of the Sub-Advisor about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. Investment strategies employed by the Sub-Advisor in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.

- The Fund is newly organized and has no operating history. As a result, prospective investors have no track record or history on which to base their investment decisions.

The Fund may not be suitable for all investors. We encourage you to consult with appropriate financial professionals before considering an investment in the fund.

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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 series of Investment Managers Series Trust.