THOUGHTS ON THE RECENT SIMPLIFICATION TREND AND M&A WAVE

Through Q3 of 2017, we have seen close to $50 billion in Mergers and Acquisitions ("M&A") and a few more "simplification" transactions aimed at eliminating incentive distribution rights ("IDRs"), creating more streamlined business structures, and improving costs of capital. This is a very encouraging trend that we expect will continue.

As you may recall, shortly after the financial crisis of 2008 and 2009, a handful of bellwether Master Limited Partnerships ("MLPs") underwent similar "simplification" transactions— Magellan Midstream Partners, L.P. ("MMP"), Buckeye Partners, L.P. ("BPL"), and Enterprise Products Partners L.P. ("EPD"). As a result of these transactions, each of these companies entered the shale revolution and most recent commodity price downturn with a more advantageous and cost-effective structure. This structure presumably allows them to compete more effectively on projects and in M&A, which should ultimately drive growth and may protect some of the downside during periods of volatility.

Although many other MLPs acknowledged the advantage of these simplified structures, most chose not to pursue them for a variety of reasons, primarily because the "timing wasn't quite right." But this most recent commodity price downturn accelerated that timing for many, some out of necessity and some opportunistically, in order that they compete more effectively in a "lower-for-longer" environment. Since Kinder Morgan, Inc. ("KMI") kick-started the most recent trend with its "roll-up" in September 2014, the following midstream simplification transactions have been announced:

- 8/14/17: Parent Andeavor Corporation ("ANDV", formerly Tesoro Corporation) announced a long awaited agreement with Andeavor Logistics LP ("ANDX", formerly Tesoro Logistics LP) that retires its IDRs in exchange for LP units. In conjunction, ADNV announced the merger of Western Refining Logistics LP ("WNRL") with ANDX.
- 3/2/17: Parent VTTI B.V. (Vitol/BPL) announced intent to acquire outstanding VTTI Energy partners LP ("VTTI") units
- 2/1/17: Parent ONEOK Inc. ("OKE") announced intent to acquire outstanding ONEOK Partners LP ("OKS") units
- 1/14/17: Parent DCP LLC sells assets and associated debt to DCP Midstream Partners, LP ("DCP")
- 1/9/17: Parent Williams Companies Inc ("WMB") retires IDRs in exchange for Williams Partners LP ("WPZ") LP units, which cuts distribution
- 1/3/17: Parent Marathon Petroleum Corp ("MPC") announced intent to retire IDRs in exchange for MPLX LP ("MPLX") units
- 7/11/16: Parent Plains GP Holdings LP ("PAGP") retired IDRs in exchange for Plains All American Pipeline LP ("PAA") units, both cut distributions
- 5/31/16: Parent SemGroup Corp ("SEMG") acquired outstanding units of Rose Rock Midstream LP ("RRMS")
- 11/3/15: Parent Targa Resources Corp ("TRGP") acquired outstanding units of Targa Resource Partners LP ("NGLS")
- 5/6/15: Parent Crestwood Equity Partners LP ("CEQP") acquired outstanding units of Crestwood Midstream Partners LP ("CMLP")

We expect this list to grow as the asset class continues to mature. In fact, we expect some of our overweight holdings to announce and execute simplification transactions later in 2017 and/or early 2018. Importantly, as we said in our most recent annual letter, we do think IDRs serve an important purpose in the early stages of an MLP—they incentivize growth for both the Limited Partner ("LP") and General Partner ("GP")—but eventually (if the MLP has been successful in growing its distribution and likely generated some return for its investors along the way), simple math dictates that it does become a burden on cost of capital. We would like to see midstream c-corps and MLPs continue to follow the EPD and MMP blueprint, consistently delivering accretive growth through M&A and/or organic growth via a simplified and cost-advantaged structure.

Moreover, we anticipate the steady string of asset deals in the Permian (and other highly-coveted supply/demand centers) to continue. Over the past few years, quite a few assets developed by E&Ps, private equity, and other sellers have been sold to public MLPs. The following list is representative of major midstream deals made in the Permian since late 2014 (all happen to be by Fund constituents):

- 4/11/17: NuStar Energy LP ("NS") acquired crude gathering system from private equity-backed Navigator
- 2/13/17: PAA/ Noble Energy Partners LP ("NBLX") jointly acquire private equity-backed Advantage Pipeline
- 2/9/17: Western Gas Partners LP ("WES") acquires Permian gathering from WPZ in exchange for Marcellus gathering
- 1/24/17: PAA acquires Alpha Crude Connector from Concho Resources Inc. ("CXO") (public), Frontier (private)
- 1/23/17: TRGP acquires G&P assets of private equity-backed Outrigger
- 9/26/16: Sunoco Logistics Partners LP ("SXL") acquires crude logistics assets from private global trading group Vitol
- 9/15/15: Enlink Midstream Partners LP ("ENLK") acquires G&P assets from publicly-traded Matador Resources Co ("MTDR")
- 2/2/15: ENLK acquires G&P assets from private equity-backed Coronado Midstream
- 1/12/15: ENLK acquires crude logistics assets from LPC Crude Oil Marketing (private)
- 11/14/14: PAA acquires 50% interest in BridgeTex crude pipeline from Occidental Petroleum Corporation ("OXY") (public)
- 10/28/14: WES acquires G&P assets from private equity-backed Nuevo Midstream

We at Center Coast try to position ourselves as best we can to benefit from any type of M&A transaction, regardless of the type. But as we have stated before, we do not invest in M&A just for M&A's sake. Our investment process solely concentrates on seeking out strategic long-term quality assets at attractive valuations – which is usually puts us in the same mindset as other owner-operators eyeing strategic M&A. We continue to feel positive about the simplification and growing M&A trend going forward and continue to position the Fund to benefit from any ongoing activity.

Liberty Street Funds

As of September 30th, 2017 the Fund's top 5 holdings were as follows: Andeavor Logistics LP (ANDX) 7.58%, MPLX LP (MPLX) 7.52%, Enterprise Products Partners LP (EPD) 7.32%, Energy Transfer Partners LP (ETP) 7.08%, Enlink Midstream Partners LP (ENLK) 6.33%

Before investing you should carefully consider the Center Coast MLP Focus Fund's investment objectives, risks, charges and expenses. This and other information 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 prospectus or summary prospectus carefully before investing.

RISK AND OTHER DISCLOSURES:
An investment in the Center Coast MLP Focus 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:
•The Fund concentrates its investments in master limited partnerships (MLPs), which involve additional risks compared to those from investments in common stock, including, but not limited to, cash flow risk, tax risk, and risks associated with limited voting rights.
•Unlike most other open-end mutual funds, the Fund will be taxable as a regular corporation, or "C" corporation. Consequently, the Fund will accrue and pay federal, state and local income taxes on its taxable income, if any, at the Fund level, which will ultimately reduce the returns that the shareholder would have otherwise received. Additionally, on a daily basis the Fund's net asset value per share ("NAV") will include a deferred tax expense (which reduces the Fund's NAV) or asset (which increases the Fund's NAV, unless offset by a valuation allowance). To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The Fund's deferred tax expense or asset is based on estimates that could vary dramatically from the Fund's actual tax liability/benefit and, therefore, could have a material impact on the Fund's NAV.
•The Fund, unlike the MLPs in which it invests which are treated as partnerships for U.S. federal income tax purposes, is not a pass-through entity. Consequently, the tax characterization of the distributions paid by the Fund, such as dividend income or return of capital, may differ greatly from those of its MLP investments. An investment in the Fund does not provide the same tax benefits as a direct investment in an MLP.
•The Fund currently anticipates paying monthly cash distributions to shareholders at a rate that over time is similar to the distribution rate the Fund receives from the MLPs in which it invests, without offset for the expenses of the Fund. The Fund may maintain cash reserves, borrow or sell certain investments at less desirable prices in order to pay the expenses of the Fund. Because the Fund's distribution policy takes into consideration estimated future cash flows from its underlying holdings, and to permit the Fund to maintain a stable distribution rate, the Fund's distributions may not represent yield or investment return on the Fund's portfolio. To the extent that the distributions paid exceed the distributions the Fund has received, the distributions will reduce the Fund's net assets.
•The Fund is not required to make distributions and in the future could decide not to make such distributions or not to make distributions at a rate that over time is similar to the distribution rate it receives from the MLPs in which it invests.
•It is expected that a portion of the distributions will be considered tax deferred return of capital (ROC). ROC is tax deferred and reduces the shareholder's cost basis (until the cost basis reaches zero); and when the Fund shares are sold, if the result is a gain, it would then be taxable to the shareholder at the capital gains rate. Any portion of distributions that are not considered ROC are expected to be characterized as qualified dividends for tax purposes. Qualified dividends are taxable in the year received and do not serve to reduce the shareholder's cost basis. The portion of the Fund's distributions that may be classified as ROC is uncertain and can be materially impacted by events that are not subject to the control of the Fund's advisor or sub-advisor (e.g. mergers, acquisitions, reorganizations and other capital transactions occurring at the individual MLP level, changes in the tax characterization of distributions received from the MLP investments held by the Fund, or change in tax laws). Gains and other income realized by the Fund may also cause distributions from the Fund to be treated as taxable dividends rather than as ROC distributions. Because of these factors, the portion of the Fund's distributions that are considered ROC may vary materially from year to year. Accordingly, there is no guarantee that future distributions will maintain the same classification for tax purposes as past distributions.
•The MLPs owned by the Fund are subject to regulatory and tax risks, including but not limited to changes in current tax law which could result in MLPs being treated as corporations for U.S. federal income tax purposes or the elimination or reduction of MLPs tax deductions, which could result in a material decrease in the Fund's NAV and/or lower after-tax distributions to Fund shareholders.
•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 than if its assets were diversified among a greater number of issuers.
•Equity securities issued by MLPs may trade less frequently than larger companies due to their smaller capitalizations, which may result in erratic price movement or difficulty in buying or selling.
•A substantial portion of the MLPs within the Fund are primarily engaged in the energy sector. As a result, any negative development affecting that sector, such as regulatory, environmental, commodity pricing or extreme weather risk, will have a greater impact on the Fund than a fund that is not over-weighted in that sector.

The Fund may not be suitable for all investors. We encourage you to read the Fund's prospectus carefully and consult with appropriate tax and financial professionals before considering an investment in the Fund. The S&P 500® Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The Alerian MLP Index is a market-cap weighted, float-adjusted index which tracks the performance of the 50 most prominent energy Master Limited Partnerships (MLPs). The Fund accrues deferred income tax liabilities/assets which are reflected daily in the Fund's NAV. Index returns do not reflect deferred income tax liabilities/ assets. One cannot invest directly in an index. Earnings before interest, tax, depreciation and amortization (EBITDA) is a measure of a company's operating performance.

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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.