

## **Horizon Spin-off and Corporate Restructuring Fund**

Supplement dated August 28, 2017, to the Prospectus, Summary Prospectus and Statement of Additional Information (“SAI”) each dated September 1, 2016, as amended.

### **IMPORTANT NOTICE ON PURCHASE OF FUND SHARES**

Effective as of the close of business on August 31, 2017, the Horizon Spin-off and Corporate Restructuring Fund (the “Horizon Fund”) will be closed to all investment, and the Horizon Fund’s transfer agent will not accept orders for purchases of additional shares of the Horizon Fund, either from current Horizon Fund shareholders or from new investors. Existing shareholders may continue to redeem Horizon Fund shares. If all shares of the Horizon Fund held in an existing account are redeemed, the shareholder’s account will be closed. This temporary closure is expected to last until September 18, 2017, at which time the Horizon Fund intends, subject to shareholder approval at the special meeting described below, to re-open as the Kinetics Spin-Off and Corporate Restructuring Fund (the “Acquiring Fund”), a newly created series of Kinetics Mutual Funds, Inc.

As previously disclosed, the Board of Trustees of Investment Managers Series Trust (the “Trust”) approved an Agreement and Plan of Reorganization (the “Plan”) providing for the reorganization of the Horizon Fund into the Acquiring Fund. The reorganization of the Horizon Fund is subject to approval by its shareholders.

The Trust has called a shareholder meeting at which shareholders of the Horizon Fund will be asked to consider and vote on the Plan. Shareholders of the Horizon Fund have been provided with a combined prospectus/proxy statement with additional information about the shareholder meeting and the proposed reorganization. The shareholder meeting has been adjourned to September 14, 2017. If shareholders of the Horizon Fund approve the reorganization, the reorganization is expected to take effect on September 18, 2017.

*Please file this Supplement with your records.*

## Horizon Spin-off and Corporate Restructuring Fund

Supplement dated May 12, 2017 to the  
Prospectus, Summary Prospectus and Statement of Additional Information (“SAI”)  
each dated September 1, 2016.

### **\*\*\* IMPORTANT NOTICE REGARDING PROPOSED FUND REORGANIZATION \*\*\***

On March 16, 2017, the Board of Trustees of Investment Managers Series Trust (the “Trust”) approved an Agreement and Plan of Reorganization (the “Plan”) providing for the reorganization of the Horizon Spin-off and Corporate Restructuring Fund (the “Acquired Fund”), a series of the Trust, into a newly organized series (the “Acquiring Fund”) of Kinetics Mutual Funds, Inc., subject to completion of certain due diligence reviews. The reorganization of the Acquired Fund is subject to approval by its shareholders.

The Acquiring Fund will have the same investment objective and a substantially similar principal strategy as the Acquired Fund. Following the reorganization, Kinetics Asset Management, LLC (“Kinetics”), an affiliate of Horizon Asset Management LLC, the Fund’s current sub-advisor, will serve as the Acquiring Fund’s investment advisor and provide day-to-day portfolio management services to the Acquiring Fund.

The Plan provides for the Acquired Fund to transfer all of its assets to the Acquiring Fund in return for shares of the Acquiring Fund and the Acquiring Fund’s assumption of the Acquired Fund’s liabilities. Shareholders of the Acquired Fund will become shareholders of the Acquiring Fund, receiving shares of the Acquiring Fund equal in value to the shares of the Acquired Fund held by the shareholders prior to the reorganization. The reorganization is intended to qualify as a tax-free transaction for federal tax purposes. Kinetics and Liberty Street Advisors, Inc., the Acquired Funds’ current investment advisor, have agreed to bear the costs of the Acquired Fund related to the reorganization.

The Trust will call a shareholder meeting at which shareholders of the Acquired Fund will be asked to consider and vote on the Plan. If shareholders of the Acquired Fund approve the reorganization, the reorganization is expected to take effect in July 2017.

Shareholders of the Acquired Fund will receive a combined prospectus/proxy statement with additional information about the shareholder meeting and the proposed reorganization. Please read the proxy materials carefully, as they will contain a more detailed description of the proposed reorganization.

***Please file this Supplement with your records.***



## **Horizon Spin-off and Corporate Restructuring Fund**

**Class A Shares (LSHAX)  
Class C Shares (LSHCX)  
Institutional Class Shares (LSHUX)**

**PROSPECTUS  
September 1, 2016**

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**The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

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**Horizon Spin-off and Corporate Restructuring Fund**  
*A series of Investment Managers Series Trust (the "Trust")*

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**This Prospectus sets forth basic information about the Fund that you should know before investing. It should be read and retained for future reference.**

**The date of this Prospectus is September 1, 2016.**

## SUMMARY SECTION

### Investment Objective

The Horizon Spin-off and Corporate Restructuring Fund (the “Fund”) seeks to achieve long-term growth of capital.

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in A Shares of the Fund. More information about these fees and other discounts is available from your financial professional and in the section titled “Reduced Sales Charges – A Shares” on page 37 of this Prospectus.

	<u>Class A Shares</u>	<u>Class C Shares</u>	<u>Institutional Class Shares</u>
<b>Shareholder Fees</b>			
<i>(fees paid directly from your investment)</i>			
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	5.75% <sup>(1)</sup>	None	None
Maximum deferred sales charge (load) (as a percentage of the lesser of the value redeemed or the amount invested)	1.00% <sup>(2)</sup>	1.00% <sup>(2)</sup>	None
Wire fee	\$20	\$20	\$20
Overnight check delivery fee for weekday	\$25	\$25	\$25
Retirement account fees (annual maintenance fee)	\$15	\$15	\$15
<b>Annual Fund Operating Expenses</b>			
<i>(expenses that you pay each year as a percentage of the value of your investment)</i>			
Management fees	1.00%	1.00%	1.00%
Distribution and service (Rule 12b-1) fees	0.25%	1.00%	None
Other expenses	0.49%	0.49%	0.49%
Shareholder service fee	0.08%	0.08%	0.08%
All Other Expenses	0.41%	0.41%	0.41%
Acquired fund fees and expenses <sup>3</sup>	0.09%	0.09%	0.09%
<b>Total annual fund operating expenses</b>	1.83%	2.58%	1.58%
Fees waiver and/or expenses reimbursements <sup>(4)</sup>	(0.24%)	(0.24%)	(0.24%)
<b>Total annual fund operating expenses after fee waiver and/or expense reimbursements <sup>(3,4)</sup></b>	<b>1.59%</b>	<b>2.34%</b>	<b>1.34%</b>

1 No initial sales charge is applied to purchases of \$1 million or more.

2 A contingent deferred sales charge (“CDSC”) of 1.00% will be charged on certain Class A Share purchases of \$1 million or more that are redeemed in whole or in part within 12 months of the date of purchase. A CDSC of 1.00% will be charged on Class C Share purchases that are redeemed in whole or in part within 12 months of purchase.

3 The total annual fund operating expenses and total annual fund operating expenses after fee waiver and/or expense reimbursements do not correlate to the ratio of expense to average net assets appearing in the financial highlights table, which table reflects only the operating expenses of the Fund and does not include acquired fund fees and expenses.

4 The Fund’s advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding, as applicable, front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, acquired fund fees and expenses (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization and extraordinary expenses such as litigation expenses) do not exceed 1.50%, 2.25% and 1.25% of the average daily net assets of the A Shares, C Shares and Institutional Shares, respectively. This agreement is in effect until August 31, 2017, and may be terminated before that date only by the Trust’s Board of Trustees. The Fund’s advisor is permitted to seek reimbursement from the Fund for a period ending three full fiscal years after the date of the waiver or payment.

### **Example**

This example is intended to help you compare the costs of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
A Shares	\$727	\$1,096	\$1,487	\$2,581
C Shares	\$340	\$780	\$1,349	\$2,897
Institutional Shares	\$136	\$475	\$838	\$1,858

You would pay the following expenses if you did not redeem your shares:

	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
C Shares	\$237	\$780	\$1,349	\$2,897

### **Portfolio Turnover**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 2% of the average value of its portfolio.

### **Principal Investment Strategies**

Under normal market conditions, the Fund will pursue its investment objective by investing at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of spin-off companies, companies subject to other forms of corporate restructuring, parents of any such companies, and publicly traded shareholder activist holding companies which, by way of their shareholder ownership in other companies, have caused such other companies to undergo spin-offs and other forms of corporate restructurings. The Fund considers a spin-off company or a company subject to a corporate restructuring to be any company that has experienced one of the following events within five years of the Fund's investment in the company: a spin-off distribution of stock of a subsidiary company by its parent company to parent company shareholders; an equity "carve-out" or "partial initial public offering" in which a parent company sells a percentage of the equity of a subsidiary in a public offering; or the parent company of any such company after the public disclosure of the corporate restructuring. The Fund may invest in a parent company of a spin-off company or a company subject to a corporate restructuring, or a publicly traded shareholder activist holding company which has caused such other companies to undergo the spin-off or corporate restructuring, after the public disclosure of the planned spin-off or corporate restructuring, during the spin-off or corporate restructuring process, or after the

actual spin-off or corporate restructuring. If the Fund invests in a parent company of a spin-off company or a company subject to a corporate restructuring prior to a spin-off or restructuring, the Fund would, upon the completion of the spin-off or restructuring, receive the shares of the spin-off company. The Fund may retain shares of both the parent and the spin-off company, the shares of only one, or the shares of neither.

The Fund will invest in both U.S. and foreign equity stocks. The Fund's investments in foreign equity stocks may be in both developed and emerging markets. The Fund's equity investments may include common stock, preferred stock, securities convertible into common stock, warrants, rights and other equity securities having the characteristics of common stock (such as depositary receipts). The Fund may invest in any size company, including small- and medium-sized companies, and further may invest in companies which are financially distressed. In addition, under certain market conditions, the Fund may invest in a company at the time of its initial public offering ("IPO").

The Fund may invest up to 20% of its assets in companies that, for a variety of reasons, the Fund's sub-advisor believes may have the potential to be subject to a future spin-off or corporate restructuring, including instances in which a similar company may have recently announced a spin-off; the company may be under investor pressure to consider strategic alternatives; or the current segments of the company may not have a synergistic fit, and as a result the company's stock trades at a discount to that of its closest peers. The Fund may invest in potential spin-off and corporate restructuring companies that the Fund's sub-advisor believes may, based on its in-house research, have the most favorable risk/reward characteristics.

The Fund's sub-advisor seeks to avoid short-term investing and significant portfolio turnover. The sub-advisor utilizes its in-house research capabilities to seek to identify businesses at inflection points in their corporate life cycles with what the sub-advisor believes are attractive risk/reward profiles. The Fund's sub-advisor believes that returns are often the result of the market's inefficiency in initially valuing corporate restructurings due in part to lack of coverage by the investment community and initial indiscriminate selling pressure. For instance, companies that have been "spun-off" from their corporate parents by way of corporate restructurings may not be followed closely by financial sector analysts, which could lead to advantageous disparities between a company's valuation and growth prospects relative to its pricing in the marketplace. The Fund's sub-advisor uses a process that focuses primarily on the analysis of individual companies rather than on the industry in which the company may operate. This "bottom-up" approach may result in multiple investments in the same sector or industry. However, the sub-advisor pays careful attention to the limitation of sector and industry concentrations.

### **Principal Risks of Investing**

Risk is inherent in all investing. A summary description of certain principal risks of investing in the Fund is set forth below. Before you decide whether to invest in the Fund, carefully consider these risk factors associated with investing in the Fund, which may cause investors to lose money. There can be no assurance that the Fund will achieve its investment objective.

- ***Management and Strategy Risk:*** 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, issuer, 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 that of other investments.

- **Market Risk:** The market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The market value of a security or instrument also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.
- **Equity Risk:** The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.
- **Event Driven Risk:** The sub-advisor's evaluation of the outcome of a proposed spin-off or corporate restructuring may prove incorrect and the Fund's return on an investment may be negative. Even if the sub-advisor's judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause the Fund to lose money or fail to achieve a desired rate of return. In addition, the ability of a shareholder activist holding company to effectuate a spin-off or restructuring is subject to the same risks and the sub-advisor's evaluation of such a company's capabilities may be incorrect.
- **Small-cap and Mid-cap Company Risk:** The securities of small-capitalization or mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions.
- **Large-Cap Company Risk:** Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.
- **Specific Strategy/Research Risk:** The Fund's sub-advisor and an affiliate of the Fund's advisor author and collaborate on research reports regarding spin-off related companies for institutional subscribers. Consistent with its compliance policies and procedures, the sub-advisor may impose for a period of time an internal restriction in the trading in certain securities related to spin-off companies, corporate restructuring companies and/or their parent companies discussed in these research reports. As a result, the Fund may be prevented from trading in such securities at their optimal value or time as might otherwise have been permitted if such restrictions were not in effect. In addition, if subscribers to

the research services buy or sell securities that are described in the reports, it could potentially have an adverse effect on the price of securities bought or sold by the Fund.

- ***Preferred Stock Risk:*** Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stock, dividends and a fixed share of the proceeds resulting from a liquidation of the company. The market value of preferred stock is subject to company-specific and market risks applicable generally to equity securities and is also sensitive to changes in the company's creditworthiness, the ability of the company to make payments on the preferred stock, and changes in interest rates, typically declining in value if interest rates rise.
- ***Convertible Securities Risk:*** Convertible securities are subject to market and interest rate risk and credit risk. When the market price of the equity security underlying a convertible security decreases the convertible security tends to trade on the basis of its yield and other fixed income characteristics, and is more susceptible to credit and interest rate risks. When the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features and be more exposed to market risk. Convertible securities are typically issued by smaller capitalized companies with stock prices that may be more volatile than those of other companies.
- ***Warrants and Rights Risk:*** Warrants and rights may lack a liquid secondary market for resale. The prices of warrants may fluctuate as a result of speculation or other factors. Warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move in tandem with the prices of their underlying securities and therefore are highly volatile and speculative investments. Failing to exercise subscription rights to purchase common stock would dilute the Fund's interest in the issuing company. The market for such rights is not well developed, and the Fund may not always realize full value on the sale of rights.
- ***Liquidity Risk:*** Due to a lack of demand in the marketplace or other factors, the Fund may not be able to sell some or all of the investments that it holds, or it may only be able to sell those investments at less than desired prices.
- ***Valuation Risk:*** 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. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the Fund had not fair-valued the security or had used a different valuation methodology.
- ***Distressed Securities Risk:*** Financially distressed securities involve considerable risk that can result in substantial or even total loss of the Fund's investment. It is often difficult to obtain information as to the true condition of financially distressed securities. These securities are often subject to litigation among the participants in bankruptcy or reorganization proceedings.

- **Foreign Investment Risk:** The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments and changes in the regulatory environments of foreign countries. In addition, changes in exchange rates and interest rates may adversely affect the values of the Fund's foreign investments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and foreign financial intermediaries may be subject to less supervision and regulation than U.S. financial firms. Foreign securities include ADRs and GDRs. Unsponsored ADRs and GDRs are organized independently and without the cooperation of the foreign issuer of the underlying securities, and involve additional risks because U.S. reporting requirements do not apply and the issuing bank will recover shareholder distribution costs from changes in share prices and payment of dividends.
- **Emerging Markets Risk:** Many of the risks with respect to foreign investments are more pronounced for investments in issuers in developing or emerging market countries. Emerging market countries tend to have more government exchange controls, more volatile interest and currency exchange rates, less market regulation, and less developed economic, political and legal systems than those of more developed countries. In addition, emerging market countries may experience high levels of inflation and may have less liquid securities markets and less efficient trading and settlement systems.
- **Currency Risk:** The values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. Dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.
- **Initial Public Offerings Risk:** The Fund may purchase securities of companies in IPOs. Special risks associated with these securities may include limited numbers of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and the companies' limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies.
- **Non-Diversification Risk:** The Fund is classified as "non-diversified", which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.

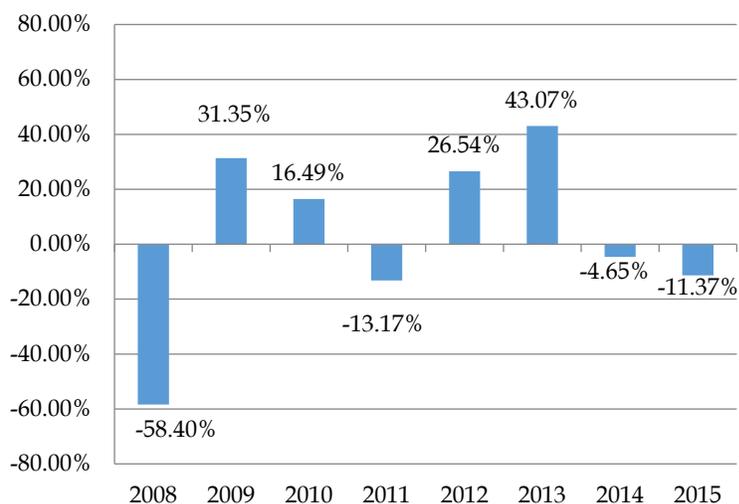
### **Performance**

The performance information provided below indicates some of the risks of investing in the Fund by comparing the Fund with the performance of a broad-based market index. The Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. On February 11, 2014, the Fund's principal investment strategy changed. The performance information for periods prior to that date is attributable to the Fund's previous

principal investment strategy. The predecessor to the Fund (the “Predecessor Fund”) commenced operations on May 4, 2007. Effective as of the close of business on October 9, 2009, the Predecessor Fund reorganized into the Fund. Performance results shown in the bar chart and the performance table below for the period prior to October 9, 2009, reflect the performance of the Predecessor Fund. The bar chart shows performance of the Fund’s Institutional shares. Sales loads are not reflected in the bar chart, and if those charges were included, returns would be less than those shown. Class A and C shares performance would be lower than the Institutional Class performance because of the higher expenses paid by Class A and C shares. Updated performance information is available on the Fund’s website at [www.libertystreetfunds.com](http://www.libertystreetfunds.com).

**Calendar Year Total Return (before taxes) for Institutional Class Shares**

For each calendar year at NAV



The year-to-date return as of June 30, 2016 was 1.15%.

<b>Institutional Class Shares</b>		
Highest Calendar Quarter Return at NAV	24.53%	Quarter Ended 6/30/2009
Lowest Calendar Quarter Return at NAV	(29.16)%	Quarter Ended 12/31/2008

**Average Annual Total Returns (for the Periods Ended December 31, 2015)**

	<b>1 Year</b>	<b>5 Years</b>	<b>Since Inception</b>	<b>Inception Date/From</b>
<b>Institutional Class</b> – Return Before Taxes	(11.37)%	5.85%	(1.45)%	July 11, 2007
<b>Institutional Class</b> – Return After Taxes on Distributions*	(11.37)%	5.76%	(1.60)%	July 11, 2007
<b>Institutional Class</b> – Return After Taxes on Distributions and Sale of Fund Shares*	(6.44)%	4.59%	(1.06)%	July 11, 2007
<b>Class A Shares</b> – Return Before Taxes	(15.81)%	4.55%	(1.31)%	May 4, 2007
<b>Class C Shares</b> – Return Before Taxes	(12.87)%	4.96%	(1.38)%	May 24, 2007
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	1.38%	12.57%	5.83%	July 11, 2007

\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown for Institutional Class shares and after-tax returns for classes other than Institutional Class shares will vary from returns shown for Institutional Class shares.

**Investment Advisors and the Sub-advisor**

Liberty Street Advisors, Inc. is the Fund's investment advisor (the "Advisor"). Horizon Asset Management LLC is the Fund's sub-advisor ("Horizon" or the "Sub-advisor").

**Portfolio Managers**

Steven M. Bregman and Murray Stahl have served as the portfolio managers of the Fund since its inception in May 2007 and are jointly and primarily responsible for the day-to-day management of the Fund's portfolio.

**Purchase and Sale of Fund Shares**

To purchase shares of the Fund, you must invest at least the minimum amount.

<b>Minimum Investments</b>	<b>To Open Your Account</b>	<b>To Add to Your Account</b>
<b>A Shares and C Shares*</b>		
Standard Accounts	\$2,500	\$100
Traditional and Roth IRA Accounts	\$2,500	\$100
Accounts with Systematic Investment Plans	\$2,500	\$100
Qualified Retirement Plans	\$2,500	\$100
<b>Institutional Shares</b>		
All Accounts	\$1,000,000	\$100,000

Fund shares are redeemable on any business day the New York Stock Exchange (the “NYSE”) is open for business by written request or by telephone.

\* The maximum investment amount for the C Share is \$999,999.

**Tax Information**

The Fund’s distributions are generally taxable, and will ordinarily be taxed as ordinary income, qualified dividend income or capital gains, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account. Shareholders investing through such tax-advantaged arrangements may be taxed later upon withdrawal of monies from those arrangements.

**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies (including the Advisor) may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary to recommend the Fund over another investment. Ask your financial adviser or visit your financial intermediary’s website for more information.

## **MORE ABOUT THE FUND'S INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS**

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### **Investment Objective**

The Fund's investment objective is to achieve long-term growth of capital. There is no assurance that the Fund will achieve its investment objective.

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees of the Fund without shareholder approval, upon at least 60 days' prior written notice to shareholders. The Fund's investment strategies and policies may be changed from time to time without shareholder approval or prior written notice, unless specifically stated otherwise in this Prospectus or the Statement of Additional Information ("SAI").

### **Principal Investment Strategies**

Under normal market conditions, the Fund will pursue its investment objective by investing at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of spin-off companies, companies subject to other forms of corporate restructuring, parents of any such companies, and publicly traded shareholder activist holding companies which, by way of their shareholder ownership in other companies, have caused such other companies to undergo spin-offs and other forms of corporate restructurings. The Fund considers a spin-off company or a company subject to a corporate restructuring to be any company that has experienced one of the following events within five years of the Fund's investment in the company: a spin-off distribution of stock of a subsidiary company by its parent company to parent company shareholders; an equity "carve-out" or "partial initial public offering" in which a parent company sells a percentage of the equity of a subsidiary in a public offering; or the parent company of any such company after the public disclosure of the corporate restructuring. The Fund may invest in a parent company of a spin-off company or a company subject to a corporate restructuring, or a publicly traded shareholder activist holding company which has caused such other companies to undergo the spin-off or corporate restructuring, after the public disclosure of the planned spin-off or corporate restructuring, during the spin-off or corporate restructuring process, or after the actual spin-off or corporate restructuring. If the Fund invests in a parent company of a spin-off company or a company subject to a corporate restructuring prior to a spin-off or restructuring, the Fund would, upon the completion of the spin-off or restructuring, receive the shares of the spin-off company. The Fund may retain shares of both the parent and the spin-off company, the shares of only one, or the shares of neither.

The Fund will invest in both U.S. and foreign equity stocks. The Fund's investments in foreign equity stocks may be in both developed and emerging markets. The Fund's equity investments may include common stock, preferred stock, securities convertible into common stock, warrants, rights and other equity securities having the characteristics of common stock (such as depositary receipts). The Fund may invest in any size company, including small- and medium-sized companies, and further may invest in companies which are financially distressed. In addition, under certain market conditions, the Fund may invest in a company at the time of its IPO.

The Fund may invest up to 20% of its assets in companies that, for a variety of reasons, the Sub-advisor believes may have the potential to be subject to a future spin-off or corporate restructuring, including instances in which a similar company may have recently announced a

spin-off; the company may be under investor pressure to consider strategic alternatives; or the current segments of the company may not have a synergistic fit, and as a result the company's stock trades at a discount to that of its closest peers. The Fund may invest in potential spin-off and corporate restructuring companies that the Sub-advisor believes may, based on its in-house research, have the most favorable risk/reward characteristics.

**The Sub-advisor's Process.** The Sub-advisor seeks to avoid short-term investing and significant portfolio turnover. The Sub-advisor utilizes its in-house research capabilities to seek to identify businesses at inflection points in their corporate life cycles with what the Sub-advisor believes are attractive risk/reward profiles. The Sub-advisor believes that returns are often the result of the market's inefficiency in initially valuing corporate restructurings due in part to lack of coverage by the investment community and initial indiscriminate selling pressure. For instance, companies that have been "spun-off" from their corporate parents by way of corporate restructurings may not be followed closely by financial sector analysts, which could lead to advantageous disparities between a company's valuation and growth prospects relative to its pricing in the marketplace. The Sub-advisor uses a process that focuses primarily on the analysis of individual companies rather than on the industry in which the company may operate. This "bottom-up" approach may result in multiple investments in the same sector or industry. However, the Sub-advisor pays careful attention to the limitation of sector and industry concentrations.

The Fund may invest in other securities of either a parent company spinning-off securities or of the spin-off company, such as preferred stock, warrants, tracking stocks, contingent value rights and other spin-off equity securities.

The Sub-advisor generally sells the Fund's investments if the Sub-advisor determines that the characteristics that resulted in the original purchase decision have changed materially, the investment is no longer earning a return commensurate with its risk, the Sub-advisor identifies other investments with more attractive valuations and return characteristics, or the Fund requires cash to meet redemption requests.

**Cash and Temporary Defensive Positions.** The Fund generally holds a portion of its assets in cash or high quality, short-term debt obligations and money market instruments for reserves to cover redemptions and unanticipated expenses. In addition, when the risk/reward profile for portfolio securities appears unfavorable, or when the Sub-advisor believes price valuations are not attractive, the Sub-advisor may, but is not required to, allow the Fund's cash position to increase rather than purchase securities that fail to meet its investment criteria. In addition, there may be times when the Sub-advisor may, but is not required to, respond to adverse market, economic, political or other considerations by causing the Fund's cash position to increase, and may invest up to 100% of the Fund's assets in high quality, short-term debt securities or other defensive investments for temporary defensive purposes. In addition, during temporary defensive periods, the Sub-advisor may utilize various strategic transactions to hedge the portfolio or individual securities in the portfolio to attempt to mitigate risks, including the purchase and sale of put and call options. Temporary defensive periods may extend for a considerable period of time. During temporary defensive periods, the Fund may not be able to achieve its investment objective and, instead, may focus on preserving its assets or mitigating risks. To the extent the Fund uses a money market fund for investment of cash, there will be some

duplication of expenses because the Fund would bear its pro rata portion of such money market fund's advisory fees and operational expenses.

### **Principal Risks of Investing**

Risk is inherent in all investing. A summary description of certain principal risks of investing in the Fund is set forth below. Before you decide whether to invest in the Fund, carefully consider these risk factors associated with investing in the Fund, which may cause investors to lose money. There can be no assurance that the Fund will achieve its investment objective.

**Management and Strategy Risk.** 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, issuer, 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 that of other investments.

**Market Risk.** An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. The Fund's share price may be affected by a sudden, sometimes rapid or unpredictable, decline in the market value of an investment, or by an overall decline in the stock market. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole.

**Equity Risk.** The value of equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests. The price of common stock of an issuer in the Fund's portfolio may decline if the issuer fails to make anticipated dividend payments because, among other reasons, the financial condition of the issuer declines. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure in terms of priority with respect to corporate income, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

**Event-Driven Risk.** The Sub-advisor's evaluation of the outcome of a proposed spin-off or corporate restructuring may prove incorrect and the Fund's return on an investment may be negative. Even if the Sub-advisor's judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause the Fund to lose money or fail to achieve a desired rate of return. These risks may be realized for a variety of reasons, such as the inability to finance a transaction, lack of regulatory approval from state, federal or international agencies or failure of shareholders to approve a transaction. In addition, the ability of a shareholder activist holding company to effectuate a spin-off or restructuring is subject to the same risks and the Sub-advisor's evaluation of such a company's capabilities may be incorrect.

**Small-Cap and Mid-Cap Companies Risk.** Investing in small-capitalization or mid-capitalization companies generally involves greater risks than investing in large-capitalized companies. Small- or mid-cap companies may have limited product lines, markets or financial

resources or may depend on the expertise of a few people, and may be subject to more abrupt or erratic market movements than securities of larger, more established companies or the markets in general. Many small capitalization companies may be in the early stages of development. Since equity securities of smaller companies may lack sufficient market liquidity and may not be regularly traded, it may be difficult or impossible to sell securities at an advantageous time or desirable price.

**Large-Cap Company Risk.** Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. In addition, large-capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may be more prone to global economic risks.

**Specific Strategy/Research Risk.** The Sub-advisor and an affiliate of the Advisor author and collaborate on research reports regarding spin-off related companies for institutional subscribers. Consistent with its compliance policies and procedures, the Sub-advisor may impose for a period of time an internal restriction in the trading in certain securities related to spin-off companies, corporate restructuring companies and/or their parent companies discussed in these research reports. As a result, the Fund may be prevented from trading in such securities at their optimal value or time as might otherwise have been permitted if such restrictions were not in effect. In addition, if subscribers to the research services buy or sell securities that are described in the reports, it could potentially have an adverse effect on the price of securities bought or sold by the Fund.

**Preferred Stock Risk.** Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. The market value of preferred stock is subject to issuer-specific and market risks applicable generally to equity securities and is sensitive to changes in the issuer's creditworthiness, the ability of the issuer to make payments on the preferred stock and changes in interest rates, typically declining in value if interest rates rise. In addition, a company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. Therefore the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

**Convertible Securities Risk.** Convertible securities are securities that are convertible into or exchangeable for common or preferred stock. The values of convertible securities may be affected by changes in interest rates, the creditworthiness of their issuer, and the ability of the issuer to repay principal and to make interest payments. A convertible security tends to perform more like a stock when the underlying stock price is high and more like a debt security when the underlying stock price is low. A convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security and generally has less potential for gain or loss than the underlying stock.

**Warrants and Rights Risk.** A warrant gives the holder a right to purchase, at any time during a specified period, a predetermined number of shares of common stock at a fixed price. Unlike a

convertible debt security or preferred stock a warrant does not pay fixed dividends. A warrant may lack a liquid secondary market for resale. The price of a warrant may fluctuate as a result of speculation or other factors. In addition, the price of the underlying security may not reach, or have reasonable prospects of reaching, a level at which the warrant can be exercised prudently (in which case the warrant may expire without being exercised, resulting in a loss of the Fund's entire investment in the warrant). The failure to exercise subscription rights to purchase common shares would result in the dilution of the Fund's interest in the issuing company.

**Liquidity Risk.** Due to a lack of demand in the marketplace or other factors, the Fund 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. Liquidity risk arises, for example, from small average trading volumes, trading restrictions, or temporary suspensions of trading. Liquidity risk may also refer to the risk that the Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. To meet redemption requests, the Fund may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.

**Valuation Risk.** Many factors may influence the price at which the Fund could sell any particular portfolio investment. The sales price may well differ—higher or lower—from the Fund's last valuation, and such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets and/or markets that experience extreme volatility. If market conditions make it difficult to value some investments, the Fund may value these investments using more subjective methods, such as fair value methodologies. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the Fund had not fair-valued the securities or had used a different valuation methodology. The value of foreign securities, certain fixed income securities, and currencies may be materially affected by events after the close of the market on which they are valued but before the Fund determines its net asset value.

**Distressed Securities Risk.** Financially distressed securities involve considerable risk that can result in substantial or even total loss of the Fund's investment. It is often difficult to obtain information as to the true condition of financially distressed securities. These securities are often subject to litigation among the participants in bankruptcy or reorganization proceedings. Such investments may also be adversely affected by federal and state laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and a bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. These and other factors contribute to above-average price volatility and abrupt and erratic movements of the market prices of these securities. In addition, the spread between the bid and asked prices of such securities may be greater than normally expected and it may take a number of years for the market prices of such securities to reflect their intrinsic values.

**Foreign Investment Risk.** Investments in foreign securities are affected by risk factors generally not thought to be present in the United States. The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, and changes in the regulatory environments of foreign countries. Special risks associated with investments in foreign markets include less liquidity, less developed

or less efficient trading markets, lack of comprehensive company information, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, and difficulty in enforcing contractual obligations. In addition, changes in exchange rates and interest rates, and imposition of foreign taxes, may adversely affect the value of the Fund's foreign investments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and foreign financial intermediaries may be subject to less supervision and regulation than U.S. financial firms. The Fund's investments in depository receipts (including ADRs and GDRs) are subject to these risks, even if denominated in U.S. Dollars, because changes in currency and exchange rates affect the values of the issuers of depository receipts. In addition, the underlying issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries. Emerging markets tend to be more volatile than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

**Emerging Markets Risk.** To the extent that the Fund invests in emerging markets, an investment in the Fund may have the following additional risks: information about the companies in these countries is not always readily available; stocks of companies traded in these countries may be less liquid and the prices of these stocks may be more volatile than the prices of the stocks in more established markets; greater political and economic uncertainties exist in emerging markets than in developed foreign markets; the securities markets and legal systems in emerging markets may not be well developed and may not provide the protections and advantages of the markets and systems available in more developed countries; and very high inflation rates may exist in emerging markets and could negatively impact a country's economy and securities markets. For these and other reasons, the prices of securities in emerging markets can fluctuate more significantly than the prices of securities of companies in developed countries. The less developed the country, the greater effect these risks may have on your investment in the Fund. As a result, an investment in the Fund may exhibit a higher degree of volatility than either the general domestic securities market or the securities markets of developed foreign countries.

**Currency Risk.** The values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. Dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the United States and foreign governments or central banks, the imposition of currency controls, and speculation.

**Initial Public Offerings Risk.** The Fund may purchase securities of companies in IPOs. Special risks associated with these securities may include limited numbers of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and the companies' limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some IPOs may make it more difficult for the Fund to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. Some companies whose shares are sold through IPOs are

involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies without revenues or operating income, or the near-term prospects of achieving them.

**Non-Diversification Risk.** The Fund is classified as “non-diversified,” which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers. However, the Fund will comply with certain diversification requirements imposed by the Internal Revenue Code.

For further information about the risks of investing in the Fund, please see the Fund’s SAI.

### **Portfolio Holdings Information**

A description of the Fund’s policies and procedures with respect to the disclosure of the Fund’s portfolio securities is available in the Fund’s SAI. Currently, disclosure of the Fund’s holdings is required to be made quarterly within 60 days of the end of each fiscal quarter, in the Fund’s Annual Report and Semi-Annual Report to Fund shareholders, and in its quarterly holdings report on Form N-Q.

## **MANAGEMENT OF THE FUND**

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### **The Advisor and Sub-advisor**

Liberty Street Advisors, Inc., a New York corporation which maintains its principal office at 100 Wall Street, 20<sup>th</sup> Floor, New York, NY 10005, acts as the investment advisor to the Fund pursuant to an investment advisory agreement (the “Advisory Agreement”). The Advisor is an investment advisor registered with the SEC. As the Fund’s investment advisor, Liberty Street provides investment advisory services to the Fund, including: (i) designing the Fund’s initial investment policies and developing evolutionary changes to such policies as appropriate for presentation to the Board; (ii) providing overall supervision for the general investment management operations of the Fund; (iii) monitoring and supervising the activities of the Sub-advisor, and (iv) providing related administrative services. As of June 30, 2016, the Advisor had approximately \$2.8 billion in assets under management.

Pursuant to the Advisory Agreement, the Fund pays the Advisor an annual advisory fee of 1.00% of the Fund’s average daily net assets for the services and facilities it provides, payable on a monthly basis. For the fiscal year ended April 30, 2016, the Advisor received advisory fees of 0.76% of the Fund’s average daily net assets, after waiving fees pursuant to its expense limitation agreement with the Fund. Pursuant to a sub-advisory agreement, the Advisor pays a portion of its advisory fee to the Sub-advisor. The Fund’s SAI provides additional information about the fees paid to the Advisor and the Sub-advisor.

Horizon Asset Management LLC, located at 470 Park Avenue South, 4th Floor South, New York, NY 10016, serves as the Fund’s sub-advisor pursuant to an investment sub-advisory agreement (the “Sub-Advisory Agreement”). Horizon is registered as an investment advisor with the SEC,

and is responsible for the day-to-day management of the Fund's portfolio, selection of the Fund's portfolio investments and supervision of its portfolio transactions subject to the general oversight of the Board and the Advisor. Horizon is owned by Horizon Kinetics LLC ("Horizon Kinetics"), an independently owned and operated firm formed in May 2011. As of June 30, 2016, Horizon had approximately \$3.4 billion in assets under management, and together with its affiliated investment advisers, approximately \$5.9 billion as of the same date.

A discussion regarding the basis of the Board's approval of the Advisory Agreement and Sub-Advisory Agreement is included in the Fund's semi-annual report for the period ended October 31, 2015.

### **Portfolio Managers**

Steven M. Bregman and Murray Stahl are jointly and primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Bregman serves as the President and a Managing Director and Senior Portfolio Manager of Horizon, and also is the President, a Managing Director and a member of the Board of Directors for Horizon Kinetics. Mr. Stahl serves as the Chief Investment Officer of Horizon and Horizon Kinetics. He is also the Chairman of the Board of Directors for Horizon Kinetics. Messrs. Bregman and Stahl have been portfolio managers of the Fund since its inception in May 2007.

The SAI provides additional information about each portfolio manager's method of compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Fund securities.

### **Prior Performance for Similar Accounts Managed by the Sub-advisor**

The following tables set forth performance data relating to the historical performance of all private accounts managed by the Sub-advisor for the periods indicated that have investment objectives, policies, strategies and risks substantially similar ("Private Accounts") to those of the Fund. The Sub-advisor manages the Fund in substantially the same manner as it has managed the accounts comprising the Horizon Spin-off Strategy composite. The data is provided to illustrate the past performance of the Sub-advisor in managing these Private Accounts as measured against the S&P 500 Index ("Index") and does not represent the performance of the Fund. These Private Accounts are not managed in the same manner as the Index, which is provided for illustrative purposes only. You should not consider this performance data as an indication of future performance of the Fund.

The Private Accounts that are included in the performance data set forth below are not subject to the same types of expenses to which the Fund is subject, or to the diversification requirements, specific tax restrictions, and investment limitations imposed on the Fund by the Investment Company Act of 1940, as amended (the "1940 Act") or Subchapter M of the Internal Revenue Code of 1986. Consequently, the performance results for these Private Accounts could have been adversely affected if the Private Accounts had been managed as investment companies under the federal securities laws.

The Horizon Spin-off Strategy composite performance may be calculated differently than the method used for calculating Fund performance pursuant to SEC guidelines. Investment results

are time-weighted performance calculations representing total return. Composite returns are calculated on a monthly basis and are then annualized for the particular period, as appropriate. The composite is valued at least monthly, taking into account cash flows. The composite is asset weighted by beginning-of-period asset values. All realized and unrealized capital gains and losses, as well as all dividends and interest from investments and cash balances, are included.

**Horizon Spin-off Strategy Composite  
Annualized Total Returns  
For the Periods Ended December 31, 2015**

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception <sup>(1)</sup>
<b>Horizon Spin-off Strategy Composite</b> Net Returns, after fees and expenses <sup>(2)</sup>	(-8.43%)	6.92%	10.00%	7.27%	11.01%	12.69%
<b>S&amp;P 500 Index</b>	1.38%	15.13%	12.57%	7.31%	5.00%	7.46%

The Horizon Spin-off Strategy Composite inception date is 1/1/1997.

The net returns for the composite are shown net of all fees and expenses and include the reinvestment of all income. The fees and expenses of the Private Accounts included in the composite are lower than the anticipated operating expenses of the Fund and accordingly, the performance results of the composite are higher than what the Fund's performance would have been.

### **Fund Expenses**

The Fund is responsible for its own operating expenses (all of which will be borne directly or indirectly by the Fund's shareholders), including among others, legal fees and expenses of counsel to the Fund and the Fund's independent trustees; insurance (including trustees' and officers' errors and omissions insurance); auditing and accounting expenses; taxes and governmental fees; listing fees; fees and expenses of the Fund's custodians, administrators, transfer agents, registrars and other service providers; expenses for portfolio pricing services by a pricing agent, if any; expenses in connection with the issuance and offering of shares; brokerage commissions and other costs of acquiring or disposing of any portfolio holding of the Fund; and any litigation expenses.

The Advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that the total annual fund operating expenses (excluding any front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, acquired fund fees and expenses as determined in accordance with Form N-1A, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.50%, 2.25% and 1.25% of the average daily net assets of the Class A Shares, Class C Shares and Institutional Class Shares, respectively. This agreement is in effect until August 31, 2017, and it may be terminated before that date only by the Trust's Board of Trustees.

Any reduction in advisory fees or payment of the Fund's expenses made by the Advisor in a fiscal year may be reimbursed by the Fund for a period ending three full fiscal years after the date of reduction or payment if the Advisor so requests. This reimbursement may be requested from the Fund if the aggregate amount of operating expenses for a fiscal year, as accrued each month, does not exceed the lesser of (a) the limitation on Fund expenses in effect at the time of the relevant reduction in advisory fees or payment of the Fund's expenses, or (b) the limitation on Fund expenses at the time of the request. However, the reimbursement amount may not exceed the total amount of fees waived/or Fund expenses paid by the Advisor and will not include any amounts previously reimbursed to the Advisor by the Fund. Any such reimbursement is contingent upon the Board's subsequent review of the reimbursed amounts and no reimbursement may cause the total operating expenses paid by the Fund in a fiscal year to exceed the applicable limitation on Fund expenses. The Fund must pay current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or Fund expenses.

## **DISTRIBUTION AND SHAREHOLDER SERVICE PLAN**

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### **Distribution and Service (Rule 12b-1) Fees (For Class A and Class C Shares)**

The Trust has adopted a plan on behalf of the Fund pursuant to Rule 12b-1 of the 1940 Act (the "12b-1 Plan"), which allows the Fund to pay distribution fees for the sale and distribution of its Class A Shares and Class C Shares and/or shareholder liaison service fees in connection with the provision of personal services to shareholders of Class A Shares and Class C Shares and the maintenance of their shareholder accounts.

Foreside Fund Services, LLC, the Fund's principal underwriter (the "Distributor"), acts as the Fund's distributor in connection with the offering of the Fund's shares. The Distributor may enter into arrangements with banks, broker-dealers and other financial institutions through which investors may purchase or redeem shares.

The Distributor is not affiliated with the Advisor, Sub-advisor, or their affiliates.

For Class A Shares, the maximum annual fee payable to the Distributor for such distribution and/or shareholder liaison services is 0.25% of the average daily net assets of such shares. For Class C shares, the maximum annual fees payable to the Distributor for distribution services and shareholder liaison services are 0.75% and 0.25%, respectively, of the average daily net assets such shares. Since these fees are paid out of the Fund's assets attributable to the Fund's Class A Shares and Class C Shares, respectively, these fees will increase the cost of your investment and, over time, may cost you more than paying other types of sales charges. The net income attributable to Class A Shares and Class C Shares will be reduced by the amount of distribution and shareholder liaison service fees and other expenses of the Fund associated with that respective class of shares. The Distributor may pay any or all amounts received under the Rule 12b-1 Plan to other persons for any distribution or administrative services provided by such persons to the Fund. Payments under the 12b-1 Plan are not tied exclusively to expenses actually incurred by the Distributor or others and the payments may exceed or be less than the amount of expenses actually incurred.

To promote the sale of the Fund's Class C Shares and to pay for certain shareholder liaison services, the Distributor may pay broker-dealers up to 1.00% of the amount invested by their clients in the Class C Shares of the Fund at the time the shares are purchased (which includes prepayment of the first year's 0.25% shareholder liaison service fee). These up-front payments to broker-dealers are financed solely by the Advisor. However, the Distributor receives and can pay as reimbursement to the Advisor all of the 12b-1 fees with respect to such shares. During the first 12 months, the Advisor may retain the full 1.00% 12b-1 fee to recoup the up-front payment advanced at the time of purchase. After the Distributor has reimbursed the Advisor for the amounts that the Advisor has financed, the broker-dealers will receive from the Distributor the ongoing 12b-1 fees associated with their clients' investments.

Institutional Class shares are not subject to any distribution fees under the Plan.

To assist investors in comparing classes of shares, the table under the Prospectus heading "Fees and Expenses of the Fund" provides a summary of expenses and an example of the sales charges and expenses of the Fund applicable to each class of shares offered in this Prospectus.

### **Shareholder Service Fee**

The Fund may pay a fee at an annual rate of up to 0.15% of its average daily net assets to shareholder servicing agents. Shareholder servicing agents provide non-distribution administrative and support services to their customers, which may include establishing and maintaining accounts and records relating to shareholders, processing dividend and distribution payments from the Fund on behalf of shareholders, forwarding communications from the Fund, providing sub-accounting with respect to Fund shares, and other similar services.

### **Additional Payments to Broker-Dealers and Other Financial Intermediaries**

The Advisor may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, some of which may be affiliates, for sub-administration, sub-transfer agency and other shareholder services associated with shareholders whose shares are held of record in omnibus accounts, other group accounts or accounts traded through registered securities clearing agents.

The Advisor, out of its own resources, and without additional cost to the Fund or its shareholders, may provide additional cash payments to broker-dealers or intermediaries that sell shares of the Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. The Advisor may provide cash payments for inclusion of the Fund on a sales list, including a preferred or select sales list, or in other sales programs, or may pay an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's shareholders. The Advisor may also pay cash compensation in the form of finder's fees that vary depending on the dollar amount of the shares sold. In addition, the Advisor's broker-dealer affiliate may provide non-cash compensation to these intermediaries or their representatives. Such cash and non-cash compensation may create a conflict of interest by influencing the broker-dealer or other intermediary and your financial advisor to recommend the Fund over another investment. Investors may wish to take these

payments into account when considering and evaluating recommendations to purchase shares of the Fund. Ask your financial advisor or visit your financial intermediary's website for more information.

Although a financial intermediary that sells Fund shares may also act as a broker or dealer in connection with the purchase or sale of portfolio securities by the Fund or other funds advised by the Advisor, neither the Advisor, the Sub-advisor nor any advisory affiliate considers a financial intermediary's sales of shares of the Fund or other funds advised by the Advisor when choosing brokers or dealers to effect portfolio transactions for the Fund or other funds advised by the Advisor.

## **PURCHASE OF SHARES**

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### **General**

This Prospectus offers three classes of shares of the Fund, designated as Class A Shares, Class C Shares and Institutional Class Shares.

- Class A Shares generally incur sales loads at the time of purchase and annual distribution/service fees.
- Class C Shares may incur sales loads at the time of redemption and are subject to higher ongoing distribution fees and service fees.
- Institutional Class Shares incur no sales loads or distribution/service fees.

By offering multiple classes of shares, the Fund permits each investor to choose the class of shares that is most beneficial given the type of investor, the amount to be invested and the length of time the investor expects to hold the shares. As described more fully below, each class of shares offers a distinct structure of sales loads, distribution fees and service fees and other features that are designed to address the needs of a variety of investors.

Each class of shares generally has the same rights, except for the differing sales loads, distribution fees, service fees, any related expenses associated with each class of shares, and the exclusive voting rights by each class with respect to any distribution plan or service plan for such class of shares.

To the extent allowed by applicable law, the Fund reserves the right to discontinue offering shares at any time or to cease operating entirely.

### **Share Prices**

The offering price of each class of the Fund's shares is the net asset value per share (the "NAV") (plus any sales charges, as applicable). The differences among the classes' NAVs reflect the daily expense accruals of the distribution fees applicable to Class A Shares and Class C Shares.

The Fund's NAV is calculated as of 4:00 p.m. Eastern time, the normal close of regular trading on the NYSE, on each day the NYSE is open for trading. If, for example, the NYSE closes at 1:00 p.m. New York time, the Fund's NAVs would still be determined as of 4:00 p.m. New York time. In

this example, portfolio securities traded on the NYSE would be valued at their closing prices unless the Trust's Valuation Committee determines that a "fair value" adjustment is appropriate due to subsequent events. The NAV for each class is determined by dividing the value of the Fund's portfolio securities, cash and other assets (including accrued interest) allocable to such class, less all liabilities (including accrued expenses) allocable to such class by the total number of outstanding shares of such class. The Fund's NAVs may be calculated earlier if trading on the NYSE is restricted or if permitted by the SEC. The NYSE is closed on weekends and most U.S. national holidays. However, foreign securities listed primarily on non-U.S. markets may trade on weekends or other days on which the Fund does not value its shares, which may significantly affect the Fund's NAVs on days when you are not able to buy or sell Fund shares.

The Fund values equity securities at the last reported sale price on the principal exchange or in the principal over-the-counter (OTC) market in which such securities are trading, as of the close of regular trading on the NYSE on the day the securities are being valued or, if there are no sales, at the mean of the most recent bid and asked prices. Equity securities that are traded on NASDAQ are valued at the NASDAQ Official Closing Price produced by NASDAQ each business day. Debt securities are valued at the mean between the last available bid and asked prices for such securities or, if such prices are not available, at fair value considering prices for securities of comparable maturity, quality, and type. The Fund values exchange-traded options at the last sales price, or, if no last sales price is available, at the last bid price.

The Fund's securities generally are valued at market price. The Fund values securities for which market quotations are not readily available, including restricted securities, by methods approved by the Board of Trustees and that the Board believes accurately reflect fair value. Securities will be valued at fair value when market quotations are not readily available or are deemed unreliable, such as when a security's value or a meaningful portion of the Fund's portfolio is believed to have been materially affected by a significant event. Such events may include a natural disaster, an economic event like a bankruptcy filing, a trading halt in a security, an unscheduled early market close or a substantial fluctuation in domestic and foreign markets that has occurred between the close of the exchange on which the security principally trades and the close of the NYSE. In such a case, the Fund's value for a security could be different from the last quoted market price. In addition, due to the subjective and variable nature of fair market value pricing, it is possible that the value determined for a particular asset may be materially different from the value realized upon such asset's sale.

Trading in securities on many foreign securities exchanges and over-the-counter markets is normally completed before the close of business on each U.S. business day. In addition, securities trading in a particular country or countries may not take place on all U.S. business days or may take place on days which are not U.S. business days. Changes in valuations on certain securities may occur at times or on days on which the Fund's NAVs are not calculated and on which the Fund does not affect sales and redemptions of its shares.

The Fund effects sales and redemptions of its shares as of the close of trading on the NYSE each day the NYSE is open for trading. The price at which a purchase or redemption is effected is based on the next calculation of NAV after the order is placed, as described above.

**NYSE Holiday Schedule.** The NYSE is open every weekday, Monday through Friday, except when the following holidays are celebrated: New Year's Day, Martin Luther King, Jr. Day (the third Monday in January), President's Day (the third Monday in February), Good Friday, Memorial Day (the last Monday in May), Independence Day, Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November) and Christmas Day. Exchange holiday schedules are subject to change without notice. The NYSE may close early on the day before each of these holidays and the day after Thanksgiving Day.

**Transactions through Third Parties.** Certain financial institutions may be appointed as agents for or authorized by the Fund to accept on its behalf purchase and redemption requests that are received in good order. Subject to Fund approval, certain of these companies may be authorized to designate other entities to accept purchase and redemption orders on behalf of the Fund. A purchase or redemption order placed with a financial institution or its authorized agent is treated as if such orders were placed directly with the Fund, and will be deemed to have been received by the Fund when the financial institution or its authorized agent receives such order. If you invest through a broker or other financial institution, the policies of and fees (other than sales charges) charged by that institution may be different than those of the Fund. These financial institutions may charge transaction fees and may set different minimum investments or limitations on buying or selling shares. These institutions may also provide you with certain shareholder services such as periodic account statements and trade confirmations summarizing your investment activity. Consult a representative of your financial institution for more information.

The Fund may enter into arrangements with financial institutions through which investors may purchase or redeem Fund shares. The Advisor may, at its own expense, compensate the financial institutions in connection with the sale or expected sale of Fund shares and it may sponsor various educational activities held by the financial institutions. Certain financial institutions may provide administrative services (such as sub-transfer agency, record-keeping or shareholder communications services) to investors purchasing shares of the Fund through such companies. The Advisor may pay fees to these financial institutions for their services. The Advisor may also compensate a financial institution for providing certain marketing support services, including finder's fees, third party marketing services, business planning assistance, advertising, educating personnel of the financial institution about the Fund and shareholder financial planning needs, providing placement on the financial institution's list of offered funds, counseling on the preparation of sales material and presentations and access to sales meetings, and arranging access to sales representatives and management representatives of the financial institution. In addition, the Advisor's broker-dealer affiliate may provide non-cash compensation to these financial institutions or their representatives. Such cash and non-cash compensation may create an incentive for the financial institutions to recommend that you purchase Fund shares. Although a financial institution that sells Fund shares may also act as a broker or dealer in connection with the purchase or sale of portfolio securities by the Fund or other funds advised by the Advisor, neither the Advisor, the Sub-advisor nor any advisory affiliate considers a financial institution's sales of shares of the Fund or other funds advised by the Advisor when choosing brokers or dealers to effect portfolio transactions for the Fund or other funds advised by the Advisor.

**Anti-Money Laundering Program.** Customer identification and verification are part of the Trust's overall obligation to deter money laundering under Federal law. The Trust has adopted

an Anti-Money Laundering Program designed to prevent the Fund from being used for money laundering or the financing of terrorist activities. In this regard, the Fund reserves the right, to the extent permitted by law, to: (i) refuse, cancel or rescind any purchase or exchange order; (ii) freeze any account and/or suspend account services; or (iii) involuntarily close your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, in the sole discretion of Trust management, they are deemed to be in the best interest of the Fund or in cases when the Fund is requested or compelled to do so by governmental or law enforcement authority. If an order is rescinded or your account is liquidated due to perceived threatening conduct or suspected fraudulent or illegal activity, you will not be able to recoup any sales charges assessed. If your account is closed at the request of governmental or law enforcement authority, you may not receive proceeds of the redemption if the Fund is required to withhold such proceeds.

### **How To Buy Shares**

**How to Make Payments.** Unless purchased through a third-party financial institution, all investments must be made by check, ACH, or wire. All checks must be payable in U.S. Dollars and drawn on U.S. financial institutions. The Fund does not accept purchases made by cash.

**Checks.** For all accounts, the check must be made payable on its face to “*Liberty Street Funds.*”

**Regular Mail:**  
**Liberty Street Funds**  
P.O. Box 2175  
Milwaukee, WI 53201-2175

**Overnight Delivery:**  
**Liberty Street Funds**  
235 West Galena Street  
Milwaukee, WI 53212

To prevent check fraud, the Fund will not accept Treasury checks, credit card checks, traveler's checks, starter checks, money orders, bank drafts, third party check or cashier's checks for the purchase of shares. The Fund is unable to accept post-dated checks, post-dated on-line bill pay checks, or any conditional order or payment.

*The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents.*

**ACH.** ACH refers to the “Automated Clearing House” system maintained by the Federal Reserve Bank, which allows banks to process checks, transfer funds and perform other tasks. Your financial institution may charge you a fee for this service.

**Wires.** Instruct your financial institution with whom you have an account to make a Federal Funds wire payment to us. Your financial institution may charge you a fee for this service. Please contact UMB Fund Services, Inc. (the “Transfer Agent”) at (800) 207-7108 for wire instructions.

The Fund reserves the right to refuse, change, discontinue, or temporarily suspend account services, including purchase or telephone redemption privileges (if redemption by telephone is not available, you may send your redemption order to the Fund via regular or overnight delivery), for any reason, particularly when requests could adversely affect the Fund or its operations.

The Transfer Agent will charge a fee against a shareholder's account, in addition to any loss sustained by the Fund, for any payment that is returned. It is the policy of the Fund not to accept applications under certain circumstances or in amounts considered disadvantageous to shareholders. The Fund reserves the right to reject any application.

Checks sent via overnight delivery are also subject to a \$25 charge (additional charge for Saturday delivery). There is also a \$15.00 annual maintenance fee charged on retirement accounts or upon full redemption.

A Medallion signature guarantee must be obtained in those instances that require that a signature is guaranteed.

**Minimum Investments.** The Fund accepts investments in the following minimum amounts:

	<b>Minimum Initial Investment</b>	<b>Minimum Additional Investment</b>
<b>Class A Shares and Class C Shares*</b>		
Direct Regular Accounts	\$2,500	\$100
Traditional and Roth IRA Accounts	\$2,500	\$100
Accounts with Automatic Investment Plans	\$2,500	\$100
Qualified Retirement Plans	\$2,500	\$100
<b>Institutional Class Shares</b>		
All Accounts	\$1,000,000	\$100,000

\* The maximum investment amount for the C Share is \$999,999.

No initial or subsequent investment minimum is required for accounts maintained by financial institutions for the benefit of their clients who purchase shares through investment programs such as employee benefit plans like 401(k) retirement plans. In addition, for financial institutions, including registered investment advisors, making investments for a group of clients, the initial or subsequent investment minimum can be met through an aggregated purchase order for more than one client. The minimum for the Institutional Class Shares is waived for purchases pursuant to asset allocation programs, wrap fee programs, and other investment programs offered by financial institutions, including registered investment advisors, in which investment decisions are made on a discretionary basis by investment professionals. No initial or subsequent investment minimum is required for Trustees or officers of the Trust, directors, officers and employees of the Advisor, the Sub-advisor or the Distributor or any of their affiliates, or the spouse, life-partner, parent, child, sibling or other close family member of any such person, any trust or individual retirement account or self-employed retirement plan for the benefit of any such person, or the estate of any such person. The Fund reserves the right to waive minimum investment amounts, if deemed appropriate by the Trust's officers.

## Account Requirements

Type of Account	Requirement
<p><b><i>Individual, Sole Proprietorship and Joint Accounts</i></b> Individual accounts and sole proprietorship accounts are owned by one person. Joint accounts have two or more owners (tenants).</p>	<ul style="list-style-type: none"> <li>• Instructions must be signed by all persons required to sign exactly as their names appear on the account.</li> <li>• Provide a power of attorney or similar document for each person that is authorized to open or transact business for the account if not a named account owner.</li> </ul>
<p><b><i>Gifts or Transfers to a Minor (UGMA, UTMA)</i></b> These custodial accounts provide a way to give money to a child and obtain tax benefits.</p>	<ul style="list-style-type: none"> <li>• Depending on state laws, you can set up a custodial account under the UGMA or the UTMA.</li> <li>• The custodian must sign instructions in a manner indicating custodial capacity.</li> </ul>
<p><b><i>Business Entities</i></b></p>	<ul style="list-style-type: none"> <li>• Provide certified articles of incorporation, a government-issued business license or certificate, partnership agreement or similar document evidencing the identity and existence of the business entity.</li> <li>• Submit a secretary's (or similar) certificate listing the person(s) authorized to open or transact business for the account.</li> </ul>
<p><b><i>Trusts (including corporate pension plans)</i></b></p>	<ul style="list-style-type: none"> <li>• The trust must be established before an account can be opened.</li> <li>• Provide the first and signature pages from the trust document identifying the trustees.</li> <li>• Provide a power of attorney or similar document for each person that is authorized to open or transact business in the account if not a trustee of the trust.</li> </ul>

**Account Application and Customer Identity Verification.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to, among other measures, obtain, verify, and record information that identifies each person who opens an account.

When you open an account, the Fund will ask for your name, address, date of birth, social security number, and other information or documents that will allow us to identify you. For certain types of accounts, additional information may be required. If you do not supply the required information, the Fund will attempt to contact you or, if applicable, your financial advisor. If the Fund cannot obtain the required information within a timeframe established in our sole discretion, your application will be rejected.

When your application is in proper form and includes all required information, your application will normally be accepted and your order will be processed at the NAV next calculated after receipt of your application in proper form. If your application is accepted, the Fund will then attempt to verify your identity using the information you have supplied and other information about you that is available from third parties, including information available in public and private databases such as consumer reports from credit reporting agencies.

The Fund will try to verify your identity within a timeframe established in its sole discretion. If the Fund cannot do so, the Fund reserves the right to close your account at the NAV next calculated after the Fund decides to close your account and to remit proceeds to you via check, but only if your original check clears the bank.

If your account is closed, you may be subject to a gain or loss on Fund shares and will be subject to any related taxes and will not be able to recoup any sales charges assessed. The Fund may reject your application under the Trust's Anti-Money Laundering Program. Under this program, your money may not be returned to you if your account is closed at the request of governmental or law enforcement authorities.

**Limitations on Frequent Purchases and Redemptions.** The Board has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by Fund shareholders. It is the Fund's policy to discourage short-term trading. Frequent trading in the Fund such as trades seeking short-term profits from market momentum and other timing strategies may interfere with the management of the Fund's portfolio and result in increased administrative and brokerage costs and a potential dilution in the value of Fund shares. As money is moved in and out, the Fund may incur expenses buying and selling portfolio securities and these expenses are borne by Fund shareholders. The Fund does not permit market timing and does not accommodate frequent purchases or redemptions. In addition, the Fund may take action, which may include using its best efforts to restrict a shareholder's trading privileges in the Fund, if that shareholder has engaged in four or more "round trips" in the Fund within a one-year period.

The Fund focuses on identifying frequent redemption transactions which may be harmful to the Fund or its shareholders. These transactions are analyzed for offsetting purchases within a pre-determined period of time. If frequent trading trends are detected, an appropriate course of action is taken. The Fund reserves the right to cancel, restrict, or reject without any prior notice, any purchase order, including transactions representing excessive trading, transactions that may be disruptive to the management of the Fund's portfolio, and purchase orders not accompanied by payment.

Because the Fund receives purchase and sale orders through financial intermediaries that use omnibus or retirement accounts, the Fund cannot always detect frequent purchases and redemptions. As a consequence, the Fund's ability to monitor and discourage abusive trading practices in such accounts may be limited.

The Fund's investment in foreign securities may make the Fund more susceptible to the risk of market timing activities because of price differentials that may be reflected in the NAVs of the Fund's shares. The Fund generally prices its foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Fund's calculation of its NAVs. These prices may be affected by events that occur after the close of a foreign market but before the Fund prices its shares. Although the Fund may price foreign securities using fair valuation in such instances and may undertake other measures to discourage frequent purchases and redemptions, investors may engage in frequent short-term trading to take advantage of any arbitrage

opportunities in the pricing of the Fund's shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing.

The Fund's investment in securities of smaller companies may make the Fund more susceptible to market timing as shareholders may try to capitalize on the market volatilities of such securities and the effect of the volatilities on the value of Fund shares.

**Policy on Prohibition of Foreign Shareholders.** The Fund requires that all shareholders must be a U.S. citizen residing in the United States or a U.S. Territory or a resident alien residing in the United States or a U.S. Territory, and they must also have a valid U.S. Taxpayer Identification Number to open an account with the Fund.

**Investment Procedures**

To contact the Fund, please call (800) 207-7108.

How to Open an Account	How to Add to Your Account
<p><i>Through a Financial Advisor</i> Contact your advisor using the method that is most convenient for you.</p>	<p><i>Through a Financial Advisor</i> • Contact your advisor using the method that is most convenient for you.</p>
<p><i>By Check</i></p> <ul style="list-style-type: none"> <li>• Call or write us for an account application, or visit <a href="http://www.libertystreetfunds.com">www.libertystreetfunds.com</a>.</li> <li>• Complete the application (and other required documents).</li> <li>• Mail us your application (and other required documents) and a check.</li> </ul> <p><b>Regular Mail:</b> <b>Liberty Street Funds</b> P.O. Box 2175 Milwaukee, WI 53201-2175</p> <p><b>Overnight Delivery:</b> <b>Liberty Street Funds</b> 235 West Galena Street Milwaukee, WI 53212</p> <p><i>The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents.</i></p>	<p><i>By Check</i></p> <ul style="list-style-type: none"> <li>• Fill out an investment slip from a confirmation or write us a letter.</li> <li>• Write your account number on your check.</li> <li>• Mail us the slip (or your letter) and the check.</li> </ul>
<p><i>By Wire</i></p> <ul style="list-style-type: none"> <li>• Call or write us for an account application or visit <a href="http://www.libertystreetfunds.com">www.libertystreetfunds.com</a>.</li> <li>• Complete the application (and other required documents).</li> <li>• Call us to fax the completed application (and other required documents) and we will assign you an account number.</li> </ul>	<p><i>By Wire</i></p> <ul style="list-style-type: none"> <li>• Call to notify us of your incoming wire.</li> <li>• Instruct your financial institution to wire your money to us.</li> </ul>

<ul style="list-style-type: none"> <li>• Mail us your original application (and other required documents).</li> <li>• Instruct your financial institution to wire your money to us.</li> </ul>	
	<p><b><i>By ACH Payment (For Systematic Investments)</i></b></p> <ul style="list-style-type: none"> <li>• Complete the systematic investment section of the application.</li> <li>• Attach a voided check to your application.</li> <li>• Mail us the completed application and voided check.</li> <li>• We will electronically debit the purchase amount from the financial institution account identified on your account application.</li> </ul>

**Automatic Investment Plan.** If you intend to use the Automatic Investment Plan (“AIP”), you may open your account with the initial minimum investment amount. Once an account has been opened, you may make additional investments in the Fund at regular intervals through the AIP. If elected on your account application, funds can be automatically transferred from your checking or savings account on the 5th, 10th, 15th, 20th or 25th of each month. In order to participate in the AIP, each additional subscription must be at least \$100 for Class A and Class C Shares, at least \$100,000 for Institutional Class shares, and your financial institution must be a member of the ACH network. The first AIP purchase will be made 15 days after the Transfer Agent receives your request in good order. The Transfer Agent will charge a \$25 fee for any ACH payment that is rejected by your bank. Your AIP will be terminated if two successive mailings we send to you are returned by the U.S. Postal Service as undeliverable. You may terminate your participation in the AIP at any time by notifying the Transfer Agent at 1-(800) 207-7108 at least five days prior to the date of the next AIP transfer. The Fund may modify or terminate the AIP at any time without notice.

**Canceled or Failed Payments.** The Fund accepts checks and ACH transfers at full value subject to collection. If the Fund does not receive your payment for shares or you pay with a check or ACH transfer that does not clear, your purchase will be canceled. You will be responsible for any losses or expenses incurred by the Fund or the Transfer Agent, and the Fund may redeem shares you own in the account (or another identically registered account that you maintain with the Transfer Agent) as reimbursement. A \$25 fee will be imposed for any returned checks/ACH transactions. The Fund and its agents have the right to reject or cancel any purchase due to nonpayment.

**Selling Shares**

You may redeem shares of the Fund at a price equal to the NAV next determined after the Transfer Agent and/or authorized agent receives your redemption request in good order. Generally, your redemption request cannot be processed on days the NYSE is closed. All requests received in good order by the Transfer Agent and/or authorized agent before the close of the regular trading session of the NYSE (generally, 4:00 p.m. Eastern Time) will usually be sent to the bank you indicate or mailed or wired, as applicable, on the following business day to the address, or pursuant to the wiring instructions, on record. Except as specified below, the Fund will process your redemption request and send your proceeds within seven calendar days after the Fund receives your redemption request.

If you purchase shares using a check and request a redemption before the check has cleared, the Fund may postpone payment of your redemption proceeds up to 15 calendar days while the Fund waits for the check to clear. Furthermore, there are certain times when you may be unable to sell Fund shares or receive proceeds. Specifically, the Fund may suspend the right to redeem shares or postpone the date of payment upon redemption for more than seven calendar days: (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists affecting the sale of the Fund's securities or making such sale or the fair determination of the value of the Fund's net assets not reasonably practicable; or (3) for such other periods as the SEC may permit for the protection of the Fund's shareholders.

<b>How to Sell Shares from Your Account</b>	
<i>Through a Financial Advisor</i>	
<ul style="list-style-type: none"> <li>• Contact your advisor by the method that is most convenient for you.</li> </ul>	
<i>By Mail</i>	
<ul style="list-style-type: none"> <li>• Prepare a written request including:</li> <li>• Your name(s) and signature(s) of all account owners</li> <li>• Your account number</li> <li>• The Fund name and class</li> <li>• The dollar amount or number of shares you want to sell</li> <li>• How and where to send the redemption proceeds</li> <li>• Obtain a Medallion signature guarantee (if required).</li> <li>• Obtain other documentation (if required).</li> <li>• Mail us your request and documentation.</li> </ul>	
<p><b>Regular Mail:</b>  <b>Liberty Street Funds</b>  P.O. Box 2175  Milwaukee, WI 53201-2175</p>	<p><b>Overnight Delivery:</b>  <b>Liberty Street Funds</b>  235 West Galena Street  Milwaukee, WI 53212</p>
<i>The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents.</i>	
<i>By Wire or ACH</i>	
<ul style="list-style-type: none"> <li>• Wire or ACH redemptions are only available if your redemption is for \$5,000 (except for systematic withdrawals) or more and you did not decline wire or ACH redemption privileges on your account application.</li> <li>• Call us with your request (unless you declined telephone redemption privileges on your account application) (See "By Telephone"). <i>or</i></li> <li>• Mail us your request (See "By Mail").</li> </ul>	
<i>By Telephone</i>	
<ul style="list-style-type: none"> <li>• Call us with your request (unless you declined telephone redemption privileges on your account application).</li> <li>• Provide the following information:</li> <li>• Your account number</li> <li>• Exact name(s) in which the account is registered</li> <li>• Additional form of identification</li> <li>• Redemption proceeds will be:</li> <li>• Mailed to you <i>or</i></li> <li>• Electronically credited to your account at the financial institution identified on your account application</li> </ul>	

***Systematically***

- Complete the systematic withdrawal section of the application.
- Attach a voided check to your application.
- Mail us your completed application signed by all account owners.
- Redemption proceeds will be:
  - Mailed to you *or*
  - Electronically credited to your account at the financial institution identified on your account application

**Wire or ACH Redemption Privileges.** You may redeem your shares by wire or ACH unless you declined wire or ACH redemption privileges on your account application. The minimum amount that may be redeemed by wire is \$5,000, except for systematic withdrawals.

**Telephone Redemption Privileges.** You may redeem your shares by telephone unless you declined telephone redemption privileges on your account application. You may be responsible for any unauthorized telephone order as long as the Transfer Agent takes reasonable measures to verify that the order is genuine. Telephone redemption orders may be difficult to complete during periods of significant economic or market activity. If you are not able to reach the Fund by telephone, you may send your redemption order to the Fund via regular or overnight delivery.

**Systematic Withdrawal Plan.** You may request that a predetermined dollar amount be sent to you on a monthly or quarterly basis. Your account must maintain a value of at least \$10,000 for you to be eligible to participate in the Systematic Withdrawal Plan (“SWP”). The minimum withdrawal amount is \$50. If you elect to receive redemptions through the SWP, the Fund will send a check to your address of record, or will send the payment via electronic funds transfer through the ACH network, directly to your bank account on record. You may request an application for the SWP by calling the Transfer Agent toll-free at 1-(800) 207-7108. The Fund may modify or terminate the SWP at any time. You may terminate your participation in the SWP by calling the Transfer Agent at least five business days before the next withdrawal.

**Medallion Signature Guarantee Requirements.** To protect you and the Fund against fraud, signatures on certain requests must have a “Medallion signature guarantee.” A Medallion signature guarantee verifies the authenticity of your signature. You can obtain a Medallion signature guarantee from most banking institutions or securities brokers, but not from a notary public. The Transfer Agent will need written instructions signed by all registered shareholders, with a Medallion signature guarantee for each shareholder, for any of the following (the following situations apply if you are requesting the transaction directly through the Fund):

- Written requests to redeem \$100,000 or more;
- Changes to a shareholder’s record name;
- Redemptions from an account for which the address or account registration has changed within the last 30 days;
- Sending redemption and distribution proceeds to any person, address or financial institution account not on record;

- Sending redemption and distribution proceeds to an account with a different registration (name or ownership) from your account; or
- Adding or changing ACH or wire instructions, telephone redemption options or any other election in connection with your account.

The Transfer Agent reserves the right to require a Medallion signature guarantee on all redemptions.

**Cost Basis Information.** Federal tax law requires that the Fund report a shareholder's cost basis, gain/loss, and holding period to the IRS on the shareholder's Consolidated Form 1099s when "covered" shares of the Fund are sold. Covered shares are any shares acquired (including pursuant to a dividend reinvestment plan) on or after January 1, 2012.

The Fund has chosen "first-in, first-out" (FIFO) as its standing (default) tax lot identification method for all shareholders, which means this is the method the Fund will use to determine which specific shares are deemed to be sold when there are multiple purchases on different dates at differing net asset values, and the entire position is not sold at one time. The Fund's standing tax lot identification method is the method it will use to report the sale of covered shares on your Consolidated Form 1099 if you do not select a specific tax lot identification method. Redemptions are taxable and you may realize a gain or a loss upon the sale of your shares. Certain shareholders may be subject to backup withholding.

Subject to certain limitations, you may choose a method other than the Fund's standing method at the time of your purchase or upon the sale of covered shares. **For all shareholders using a method other than the specific tax lot identification method, the Fund first redeems shares you acquired on or before December 30, 2011, and then applies your elected method to shares acquired after that date.** Please refer to the appropriate Treasury regulations or consult your tax advisor with regard to your personal circumstances.

### **Exchange Privileges**

You may exchange shares of the Fund for shares of other funds managed by the Advisor, which are offered in separate prospectuses. The amount of the exchange must be equal to or greater than the required minimum initial investment (see "Minimum Investment" table). **You may realize either a gain or loss on those shares and will be responsible for paying the appropriate taxes.** If you exchange shares through a broker, the broker may charge you a transaction fee. If you are not using a broker, you may exchange shares by sending a written request to the Fund or by telephone. Be sure that your written request includes the dollar amount or number of shares to be exchanged, the name(s) on the account, the account number(s), and signed by all shareholders on the account. In order to limit expenses, each fund reserves the right to limit the total number of exchanges you can make in any year. If a CDSC applies to your redemption of Fund shares, it will be waived for the transaction to exchange shares of the Fund for shares of another fund managed by the Advisor; however, the CDSC and the remaining time period for which the CDSC applies will carry to the other fund.

**Small Accounts.** If the value of your account falls below \$1,000 (excluding Qualified Retirement Accounts) with respect to Institutional Shares or \$500 (excluding Qualified Retirement Accounts or accounts with systematic investment plans) with respect to A Shares and C Shares, the Fund may ask you to increase your balance. If, after 60 days, the account value is still below \$1,000 (excluding Qualified Retirement Accounts or accounts with systematic investment plans) for Institutional Shares or \$500 (excluding Qualified Retirement Accounts) for A Shares and C Shares, the Fund may close your account and send you the proceeds. The Fund will not close your account if it falls below these amounts solely as a result of a reduction in your account's market value. There are no minimum balance requirements for Qualified Retirement Accounts.

**In-Kind Purchases and Redemptions.** The Fund reserves the right to accept payment for shares in the form of securities that are permissible investments for the Fund. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Fund's remaining shareholders), the Fund may pay all or part of a shareholder's redemption proceeds in liquid securities with a market value equal to the redemption price (known as redemption-in-kind). If the Fund redeems your shares in kind, you will bear any market risks associated with investment in these securities, and you will be responsible for the costs (including brokerage charges) of converting the securities to cash. In-kind purchases and redemptions are taxable events and may result in the recognition of gain or loss for federal income tax purposes. See the SAI for further information about the terms of these purchases and redemptions.

**Conversion of Shares.** A share conversion is a transaction in which shares of one class of the Fund are exchanged for shares of another class of the Fund. Share conversions can occur between each share class of the Fund. Generally, share conversions occur when a shareholder becomes eligible for another share class of the Fund or no longer meets the eligibility criteria of the share class owned by the shareholder (and another class exists for which the shareholder would be eligible). Please note that a share conversion is generally a non-taxable event, but you should consult with your personal tax advisor on your particular circumstances. Please note, all share conversion requests must be approved by the Advisor.

A request for a share conversion will not be processed until it is received in "good order" (as defined above) by the Fund or your financial intermediary. To receive the NAV of the new class calculated that day, conversion requests must be received in good order by the Fund or your financial intermediary before 4:00 p.m., Eastern Time or the financial intermediary's earlier applicable deadline. Please note that, because the NAV of each class of the Fund will generally vary from the NAVs of the other classes due to differences in expenses, you will receive a number of shares of the new class that is different from the number of shares that you held of the old class, but the total value of your holdings will remain the same.

The Fund's frequent trading policies will not be applicable to share conversions. If you hold your shares through a financial intermediary, please contact the financial intermediary for more information on share conversions. Please note that certain financial intermediaries may not permit all types of share conversions. The Fund reserves the right to terminate, suspend or modify the share conversion privilege for any shareholder or group of shareholders.

The Fund reserves the right to automatically convert shareholders from one class to another if they either no longer qualify as eligible for their existing class or if they become eligible for

another class. Such mandatory conversions may be as a result of a change in value of an account due to market movements, exchanges or redemptions. The Fund will notify affected shareholders in writing prior to any mandatory conversion.

**Additional Investments.** Additional subscriptions in the Fund generally may be made by investing at least the minimum amount shown in the table on page 21. Exceptions may be made at the Fund's discretion. You may purchase additional shares of the Fund by sending a check together with the investment stub from your most recent account statement to the Fund at the applicable address listed in the table below. Please ensure that you include your account number on the check. If you do not have the investment stub from your account statement, list your name, address and account number on a separate sheet of paper and include it with your check. You may also make additional investments in the Fund by wire transfer of funds or through an approved financial intermediary.

**Dividend Reinvestment.** You may reinvest dividends and capital gains distributions in shares of the Fund. Such shares are acquired at NAV (without a sales charge) on the applicable payable date of the dividend or capital gain distribution. Unless you instruct otherwise, dividends and distributions on Fund shares are automatically reinvested in shares of the same class of the Fund paying the dividend or distribution. This instruction may be made by writing to the Transfer Agent or by telephone by calling (800) 207-7108. You may, on the account application form or prior to any declaration, instruct that dividends and/or capital gain distributions be paid in cash or be reinvested in the Fund at the next determined NAV. If you elect to receive dividends and/or capital gain distributions in cash and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months or more, the Fund reserves the right to reinvest the distribution check in your account at the Fund's current NAV and to reinvest all subsequent distributions.

**Lost Accounts.** The Transfer Agent may consider your account "lost" if correspondence to your address of record is returned as undeliverable on two consecutive occasions, unless the Transfer Agent determines your new address. When an account is "lost", all distributions on the account will be reinvested in additional Fund shares. In addition, the amount of any outstanding checks (unpaid for six months or more) or checks that have been returned to the Transfer Agent may be reinvested at the then-current NAV and the checks will be canceled. However, checks will not be reinvested into accounts with a zero balance, but may be held in an account for a period of time until the Transfer Agent locates you.

Please note that the value of your account may be transferred to the appropriate state if no activity occurs in the account within the time period specified by the state law.

**Payment of Redemption Proceeds.** You may redeem shares of the Fund at a price equal to the NAV next determined after the Transfer Agent and/or authorized agent receives your redemption request in good order. Generally your redemption request cannot be processed on days the NYSE is closed. All requests received in good order by the Transfer Agent and/or authorized agent before the close of the regular trading session of the NYSE (generally 4:00 p.m. Eastern Time) will usually be sent to the bank you indicate or wired on the following business day using the wire instructions on record. Except as specified below, the Fund will process your

redemption request and send your proceeds within seven calendar days after the Fund receives your redemption request.

If you purchase shares using a check and request a redemption before the check has cleared, the Fund may postpone payment of your redemption proceeds up to 15 calendar days while the Fund waits for the check to clear. Furthermore, the Fund may suspend the right to redeem shares or postpone the date of payment upon redemption for more than seven calendar days: (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists affecting the sale of the Fund’s securities or making such sale or the fair determination of the value of the Fund’s net assets not reasonably practicable; or (3) for such other periods as the SEC may permit for the protection of the Fund’s shareholders.

**Other Redemption Information**

Shareholders who hold shares through an IRA or other retirement plan must indicate on their redemption request whether to withhold federal income tax. Redemption requests failing to indicate an election not to have taxes withheld generally will be subject to a 10% federal income tax withholding. In addition, if you are a resident of certain states, state income tax also applies to non-Roth IRA distributions when federal withholding applies. Please consult with your tax professional.

**Choosing a Share Class**

The Fund offers three classes of shares, each of which is designed for specific investors. Sales charges and fees may vary considerably between the Fund’s classes. You should carefully consider the differences in the fee and sales charge structures. Please review the Fee Table and Sales Charge Schedules before investing in the Fund. You may also want to consult with a financial advisor in order to help you determine which class is most appropriate for you. The following is a summary of the differences between Class A Shares, Class C Shares, and Institutional Class Shares of the Fund:

Class A Shares	Class C Shares	Institutional Class Shares
<ul style="list-style-type: none"> <li>• Designed for retail investors</li> </ul>	<ul style="list-style-type: none"> <li>• Designed for retail investors (available for purchase only through an approved broker-dealer or financial intermediary)</li> </ul>	<ul style="list-style-type: none"> <li>• Designed for institutions (financial institutions, corporations, trusts, estates and religious and charitable organizations) investing for proprietary programs and firm discretionary accounts, corporate benefit plans, clients of the Advisor, trustees or officers of the Trust, directors, officers, employees of the Advisor, the Distributor or any of their affiliates or the spouse, life-partner, parent, child, sibling or other close family member</li> </ul>

<ul style="list-style-type: none"> <li>• Initial sales charge of 5.75% or less</li> <li>• No initial sales charge applied to purchases of \$1 million or more</li> </ul>	<ul style="list-style-type: none"> <li>• No initial sales charge</li> </ul> <p>Maximum investment amount \$999,999.</p>	<ul style="list-style-type: none"> <li>• No initial or deferred sales charge</li> </ul>
<ul style="list-style-type: none"> <li>• Deferred sales charge of 1.00% on purchases of \$1 million or more on all Fund shares liquidated in whole or in part within 12 months of purchase</li> <li>• Rule 12b-1 distribution or shareholder liaison service fee equal to 0.25% of the class' average daily net assets</li> <li>• Shareholder service fee of up to 0.15% of the class' average daily net assets</li> </ul>	<ul style="list-style-type: none"> <li>• Deferred sales charge of 1.00% on purchases of Fund shares liquidated in whole or in part within 12 months of purchase</li> <li>• Rule 12b-1 distribution fee equal to 0.75/0.25% breakdown of the class' average daily net assets for distribution and shareholder liaison service fee, respectively</li> <li>• Higher expense ratio than A Shares due to higher Rule 12b-1 distribution/shareholder liaison service fee</li> <li>• Shareholder service fee of up to 0.15% of the class' average daily net assets</li> </ul>	<ul style="list-style-type: none"> <li>• No Rule 12b-1 distribution/service fee</li> <li>• Lower expense ratio than A Shares and C Shares because no Rule 12b-1 distribution fees or shareholder liaison service fees</li> <li>• Shareholder service fee of up to 0.15% of the class' average daily net assets</li> </ul>

Information on sales charges can be also found on the Fund's website [www.libertystreetfunds.com](http://www.libertystreetfunds.com), or please call (800) 207-7108, or consult with your financial advisor.

**Sales Charge Schedule – Class A Shares.** Class A shares of the Fund are sold at the offering price, which is NAV plus an initial maximum sales charge that varies with the amounts you invest as shown in the following chart. This means that part of your investment in the Fund will be used to pay the sales charge.

Amount of Purchase	Sales Charge (Load) as % of:		
	Public Offering Price	Net Asset Value <sup>(1)</sup>	Broker/Dealer Reallowance %
Less than \$50,000	5.75%	6.10%	5.75%
At least \$50,000 but less than \$100,000	4.70%	4.99%	4.70%
At least \$100,000 but less than \$250,000	3.50%	3.63%	3.50%
At least \$250,000 but less than \$500,000	2.50%	2.56%	2.50%
At least \$500,000 but less than \$1,000,000	2.00%	2.04%	2.00%
\$1,000,000 and greater <sup>(2)</sup>	None	0.00%	None

(1) Rounded to the nearest one-hundredth percent. Because of rounding of the calculation in determining sales charges, the charges may be more or less than those shown in the table.

(2) No initial sales charge applies on purchases of \$1 million or more. A CDSC of up to 1.00% of the offering price will be charged on purchases of \$1 million or more that are redeemed in whole or in part within twelve months of purchase.

The offering price for Class A Shares includes the relevant sales charge. The commission received by the Distributor is the sales charge less the reallowance paid to certain financial institutions purchasing shares. Normally, reallowances are paid as indicated in the previous tables. Commissions received by the Distributor are not retained for compensation, but instead are retained to pay future distribution expenses.

The Advisor may pay a sales commission of up to 1.00% of the offering price of Class A shares to brokers that initiate and are responsible for purchases of \$1 million or more according to the chart below. This does not apply to accounts for which an institution provides advisory or fiduciary services pursuant to an account management fee.

<b>Sales Commission as % of Public Offering Price:</b>		
<b>Aggregate Amount of Purchase<sup>(1)</sup></b>	<b>Sales Commission</b>	
\$1,000,000 but less than \$5,000,000	1.00%	
\$5,000,000 but less than \$10,000,000	0.75%	of the amount over \$5,000,000 plus \$50,000
\$10,000,000 but less than \$15,000,000	0.50%	of the amount over \$10,000,000 plus \$87,500
\$15,000,000 and greater	0.25%	of the amount over \$15,000,000 plus \$112,500

- (1) Sales commissions will be calculated at the rate indicated in the table above based on the aggregate, not incremental, purchase amount.

**Reduced Sales Charges – Class A Shares.** You may qualify for a reduced initial sales charge on purchases of Class A Shares under rights of accumulation (“ROA”) or a letter of intent (“LOI”). The Class A Shares of other mutual funds managed by the Advisor may be included when considering eligibility for reduced sales charges under ROA or a LOI. The transaction processing procedures maintained by certain financial institutions through which you can purchase Fund shares may restrict the universe of accounts considered for purposes of calculating a reduced sales charge under ROA or LOI. For example, the processing procedures of a financial institution may limit accounts to those that share the same tax identification number or mailing address and that are maintained only with that financial institution. The Fund permits financial institutions to calculate ROA and LOI based on the financial institution’s transaction processing procedures. Please contact your financial institution before investing to determine the process used to identify accounts for ROA and LOI purposes.

For rights of accumulation, you may take into account accumulated holdings in all Class A Shares of the Fund and any other fund managed by the Advisor that were purchased previously for accounts (a) (i) in your name, (ii) in the name of your spouse, (iii) in the name of you and your spouse, or (iv) in the name of your minor child under the age of 21, and (b) sharing the same mailing address (“Accounts”). Subject to your financial institution’s capabilities, your accumulated holdings will be calculated as the higher of (a) the current value of your existing holdings (as of the day prior to your additional Fund investment) or (b) the amount you invested (including reinvested dividends and capital gains, but excluding capital appreciation) less any withdrawals.

*To be entitled to a reduced sales charge based on shares already owned, you must ask for the reduction at the time of purchase.* You must also provide the Fund with your account number(s) and, if applicable, the account numbers for your spouse, children (provide the children's ages), or other household members and, if requested by your financial institution, the following additional information regarding these Accounts:

- Information or records regarding Class A Shares held in all accounts in your name at the Transfer Agent;
- Information or records regarding Class A Shares held in all accounts in your name at a financial intermediary; and
- Information or records regarding Class A Shares for accounts at the Transfer Agent or another financial intermediary.

The Fund may amend or terminate this right of accumulation at any time.

You may also enter into an LOI, which expresses your intent to invest \$50,000 or more in the Fund's Class A Shares in accounts within a future period of 13 months. The Class A Shares of other mutual funds managed by the Advisor may be eligible to be included for purposes of calculating a reduced sales charge under a LOI. Each purchase under an LOI will be made at the public offering price applicable at the time of the purchase to a single transaction of the dollar amount indicated in the LOI. If you do not purchase the minimum investment referenced in the LOI, you must pay the Fund an amount equal to the difference between the dollar value of the sales charges paid under the LOI and the dollar value of the sales charges due on the aggregate purchases of the Class A Shares as if such purchases were executed in a single transaction. If incurred, these charges may be deducted directly from your account. Accounts subject to the LOI must be specifically identified in the LOI.

**Elimination of Initial Sales Charges—Class A Shares.** Certain persons may also be eligible to purchase or redeem Class A Shares without a sales charge. No sales charge is assessed on the reinvestment of Class A Shares' distributions. No sales charge is assessed on purchases made for investment purposes by:

- Investors with no associated broker/dealer who purchase shares directly through the Transfer Agent;
- Investors purchasing shares through a financial institution that has an agreement with the Fund or the Distributor to waive sales charges or offer Class A shares through a no load network or platform;
- A qualified retirement plan under Section 401(a) of the Internal Revenue Code ("the Code") or a plan operating consistent with Section 403(b) of the Code;
- Any bank, trust company, savings institution, registered investment advisor, financial planner or financial institution on behalf of an account for which it provides advisory or fiduciary services pursuant to an account management fee;

- Trustees and officers of the Trust, directors, officers and full-time employees of the Advisor, the Sub-advisor, the Distributor, any of their affiliates or any organization which has a selling agreement with the Fund or the Distributor, with respect to the Fund; the spouse, life partner, parent, child, sibling or other close family members of any such person; any trust or individual retirement account or retirement plan for the benefit of any such person; or the estate of any such person;
- Shares purchased due to an exchange from another eligible fund managed by the Advisor; provided such purchase occurs within 90 days from redemption of the other eligible fund;
- Any shares purchased as a result of reinvesting dividends or distributions; or
- Any person purchasing \$1 million or more in Class A Shares.

The Fund requires appropriate documentation of an investor's eligibility to purchase or redeem Class A Shares without a sales charge. Any shares of the Fund so purchased may not be resold except to the Fund.

**Contingent Deferred Sales Charge Schedule – Class A Shares and Class C Shares.** A CDSC of 1.00% of the purchase or sales price, whichever is less, is assessed on redemptions of Class A Shares that were part of a purchase of \$1 million or more and that are liquidated in whole or in part within 12 months of purchase for the Fund. A CDSC of 1.00% of the purchase or sales price, whichever is less, is assessed on redemptions of Class C Shares that are liquidated in whole or in part within 12 months of purchase for the Fund. The maximum investment amount for C Shares is \$999,999. The transaction processing procedures maintained by certain financial institutions through which you can purchase Fund shares may impose lower maximum investment amounts for the Fund's Class C Shares.

To satisfy a redemption request, the Fund will first liquidate shares that are not subject to a CDSC such as shares acquired with reinvested dividends and capital gains. The Fund will then liquidate shares in the order that they were first purchased until the redemption request is satisfied. Investors who think they may be eligible for a waiver of the CDSC should inform their financial advisor. An investor or financial intermediary must notify the Fund's Transfer Agent prior to the redemption request to ensure receipt of the waiver.

**Waivers of CDSC.** A CDSC will not be assessed on the following redemptions of Class A Shares or Class C Shares:

- Redemptions following death or permanent disability (as defined by the Code) of an individual investor;
- Required minimum distributions from a tax-deferred retirement plan or an individual retirement account (IRA) as required under the Code;
- Redemption from accounts for which the broker-dealer of record has entered into a special agreement with the Fund permitting such waiver;

- Redemptions to return excess contributions made to a retirement plan;
- Redemptions by any bank, trust company, savings institution, registered investment advisor, financial planner or financial institution on behalf of an account for which it provides advisory or fiduciary services pursuant to an account management fee; or
- Redemptions by trustees and officers of the Trust, directors, officers and full-time employees of the Advisor, the Sub-advisor, the Distributor, any of their affiliates or any organization with which the Distributor has entered into a dealer agreement, the spouse, life partner, parent, child, sibling or other close family members of any such person; any trust or individual retirement account or self-employed retirement plan for the benefit of any such person; or the estate of any such person.
- Exchanges into another eligible fund managed by the Advisor; however, the waiver of the CDSC shall only apply to the exchange transaction. The CDSC will still apply to the subsequent purchase of the other fund.

### **Retirement Accounts**

You may invest in Fund shares through IRA accounts, including traditional and Roth IRAs. The Fund may also be appropriate for other retirement plans. Before investing in any IRA or other retirement plan, you should consult your tax advisor. Whenever making an investment in an IRA, be sure to indicate the year in which the contribution is made.

### **Availability of Information**

Information regarding sales charges of the Fund and the applicability and availability of discounts from sales charges is available free of charge on the Fund's website at [www.libertystreetfunds.com](http://www.libertystreetfunds.com). The Prospectus and SAI are also available on the website.

In order to reduce the amount of mail you receive and to help reduce expenses, we generally send a single copy of any shareholder report and Prospectus to each household. If you do not want the mailing of these documents to be combined with those of other members of your household, please contact your authorized dealer or the Transfer Agent.

### **Additional Information**

The Fund enters into contractual arrangements with various parties, including among others the Advisor and Sub-advisor, who provide services to the Fund. Shareholders are not parties to, or intended (or "third party") beneficiaries of, those contractual arrangements.

The Prospectus and the SAI provide information concerning the Fund that you should consider in determining whether to purchase shares of the Fund. The Fund may make changes to this information from time to time. Neither this prospectus nor the SAI is intended to give rise to any contract rights or other rights in any shareholder, other than any rights conferred explicitly by federal or state securities laws that may not be waived.

## OTHER INFORMATION

### Distributions

The Fund will make distributions of net investment income annually and net capital gains, if any, at least annually, typically in December. The Fund may make additional payments of dividends or distributions if it deems it desirable at any other time during the year.

All dividends and distributions will be reinvested in Fund shares unless you choose one of the following options: (1) to receive net investment income dividends in cash, while reinvesting capital gain distributions in additional Fund shares; or (2) to receive all dividends and distributions in cash. If you wish to change your distribution option, please write to the Transfer Agent before the payment date of the distribution.

If you elect to receive distributions in cash and the U.S. Postal Service cannot deliver your check, or if your distribution check has not been cashed for six months, the Fund reserves the right to reinvest the distribution check in your account at the Fund's then current NAV and to reinvest all subsequent distributions.

### FEDERAL INCOME TAX CONSEQUENCES

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The following discussion is very general and does not address investors subject to special rules, such as investors who hold Fund shares through an IRA, 401(k) plan or other tax-deferred account. The SAI contains further information about taxes. Because each shareholder's circumstances are different and special tax rules may apply, you should consult your tax advisor about your investment in the Fund.

You will generally have to pay federal income taxes, as well as any state or local taxes, on distributions received from the Fund, whether paid in cash or reinvested in additional shares. If you sell Fund shares, it is generally considered a taxable event. If you exchange shares of the Fund for shares of another fund, the exchange will be treated as a sale of the Fund's shares and any gain on the transaction may be subject to federal income tax.

Distributions of net investment income, other than "qualified dividend income," and distributions of net short-term capital gains, are taxable for federal income tax purposes at ordinary income tax rates. Distributions from the Fund's net capital gain (*i.e.*, the excess of net long-term capital gain over net short-term capital loss) are taxable for federal income tax purposes as long-term capital gain, regardless of how long you have held Fund shares.

Dividends paid by the Fund (but none of the Fund's capital gain distributions) may qualify in part for the dividends-received deduction available to corporate shareholders, provided certain holding period and other requirements are satisfied. Distributions of investment income that the Fund reports as "qualified dividend income" may be eligible to be taxed to non-corporate shareholders at the reduced rates applicable to long-term capital gain if derived from the Fund's qualified dividend income and if certain other requirements are satisfied. "Qualified dividend income" generally is income derived from dividends paid by U.S. corporations or certain foreign corporations that are either incorporated in a U.S. possession or eligible for tax benefits under

certain U.S. income tax treaties. In addition, dividends that the Fund receives in respect of stock of certain foreign corporations may be qualified dividend income if that stock is readily tradable on an established U.S. securities market.

You may want to avoid buying shares of the Fund just before it declares a distribution (on or before the record date), because such a distribution will be taxable to you even though it may effectively be a return of a portion of your investment.

Although distributions are generally taxable when received, dividends declared in October, November or December to shareholders of record as of a date in such month and paid during the following January are treated as if received on December 31 of the calendar year when the dividends were declared.

Information on the federal income tax status of dividends and distributions is provided annually.

Dividends and distributions from the Fund and net gain from redemptions of Fund shares will generally be taken into account in determining a shareholder's "net investment income" for purposes of the Medicare contribution tax applicable to certain individuals, estates and trusts.

If you do not provide the Fund with your correct taxpayer identification number and any required certifications, you will be subject to backup withholding on your redemption proceeds, dividends and other distributions. The backup withholding rate is currently 28%.

Dividends and certain other payments made by the Fund to a non-U.S. shareholder are subject to such withholding of federal income tax at the rate of 30% (or such lower rate as may be determined in accordance with any applicable treaty). Dividends that are reported by the Fund as "interest-related dividends" or "short-term capital gain dividends" are generally exempt from such withholding for taxable years of the Fund beginning before January 1, 2015. In general, the Fund may report interest-related dividends to the extent of its net income derived from U.S.-source interest and the Fund may report short-term capital gain dividends to the extent its net short-term capital gain for the taxable year exceeds its net long-term capital loss. Backup withholding will not be applied to payments that have been subject to the 30% withholding tax described in this paragraph.

Unless certain non-U.S. entities that hold shares comply with IRS requirements that will generally require them to report information regarding U.S. persons investing in, or holding accounts with, such entities, a 30% withholding tax may apply to distributions payable to such entities after June 30, 2014 (or, in certain cases, after later dates) and redemption proceeds and certain capital gain dividends payable to such entities after December 31, 2016. A non-U.S. shareholder may be exempt from the withholding described in this paragraph under an applicable intergovernmental agreement between the U.S. and a foreign government, provided that the shareholder and the applicable foreign government comply with the terms of the agreement.

Some of the Fund's investment income may be subject to foreign income taxes that are withheld at the country of origin. Tax treaties between certain countries and the United States may reduce or eliminate such taxes, but there can be no assurance that the Fund will qualify for treaty benefits.

## FINANCIAL HIGHLIGHTS

The following table is intended to help you understand the Fund's financial performance. Certain information reflects financial results for a single Fund class share. The total return figures represent the percentage that an investor in the Fund would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The financial information for the periods shown has been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the Fund's annual report, which is available upon request.

### Horizon Spin-off and Corporate Restructuring Fund Class A

*Per share operating performance.*

*For a capital share outstanding throughout each period.*

	For the Year Ended April 30,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 10.22	\$ 10.32	\$ 8.74	\$ 6.91	\$ 7.42
<b>Income from Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	- <sup>2</sup>	(0.03)	(0.03)	0.03	(0.01)
Net realized and unrealized gain (loss) on investments	(1.70)	(0.07)	1.60	1.87	(0.44)
Net increase from payment by affiliates (Note 3)	-	-	0.01	-	-
Total from investment operations	<u>(1.70)</u>	<u>(0.10)</u>	<u>1.58</u>	<u>1.90</u>	<u>(0.45)</u>
<b>Less Distributions:</b>					
From net investment income	-	-	-	(0.07)	(0.06)
<b>Redemption fee proceeds<sup>1</sup></b>	-	-	-	- <sup>2</sup>	- <sup>2</sup>
<b>Net asset value, end of period</b>	<u>\$ 8.52</u>	<u>\$ 10.22</u>	<u>\$ 10.32</u>	<u>\$ 8.74</u>	<u>\$ 6.91</u>
<b>Total return<sup>3</sup></b>	(16.63)%	(0.97)%	18.08% <sup>4</sup>	27.77%	(5.94)%
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (in thousands)	\$ 6,067	\$ 14,604	\$ 12,536	\$ 9,719	\$ 8,658
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	1.74%	1.77%	1.94%	2.11%	1.83%
After fees waived and expenses absorbed	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	(0.19)%	(0.57)%	(0.76)%	(0.20)%	(0.50)%
After fees waived and expenses absorbed	0.05%	(0.30)%	(0.32)%	0.41%	(0.17)%
Portfolio turnover rate	2%	40%	18%	4%	19%

1 Based on average shares outstanding for the period.

2 Amount represents less than \$0.01 per share.

3 Total returns would have been lower had expenses not been waived or absorbed by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns shown do not include payment of sales load of 5.75% of offering price which is reduced on sales of \$50,000 or more and no initial sales charge is applied to purchases of \$1 million or more. Returns shown do not include payment of a Contingent Deferred Sales Charge ("CDSC") of 1.00% on certain purchases of \$1 million or more that are redeemed in whole or in part within 12 months of purchase. If these sales charges were included total returns would be lower.

4 Total return would have been 17.96% had the Advisor not reimbursed the Fund for the loss on a portfolio investment.

## Horizon Spin-off and Corporate Restructuring Fund Class C

*Per share operating performance.*

*For a capital share outstanding throughout each period.*

	For the Year Ended April 30,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 9.97	\$ 10.14	\$ 8.64	\$ 6.83	\$ 7.33
<b>Income from Investment Operations:</b>					
Net investment loss <sup>1</sup>	(0.06)	(0.11)	(0.09)	(0.01)	(0.04)
Net realized and unrealized gain (loss) on investments	(1.66)	(0.06)	1.58	1.86	(0.44)
Net increase from payment by affiliates (Note 3)	-	-	0.01	-	-
Total from investment operations	<u>(1.72)</u>	<u>(0.17)</u>	<u>1.50</u>	<u>1.85</u>	<u>(0.48)</u>
<b>Less Distributions:</b>					
From net investment income	-	-	-	(0.04)	(0.02)
<b>Redemption fee proceeds<sup>1</sup></b>	-	-	-	-	- <sup>2</sup>
<b>Net asset value, end of period</b>	<u>\$ 8.25</u>	<u>\$ 9.97</u>	<u>\$ 10.14</u>	<u>\$ 8.64</u>	<u>\$ 6.83</u>
<b>Total return<sup>3</sup></b>	(17.25)%	(1.68)%	17.36% <sup>4</sup>	27.16%	(6.44)%
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (in thousands)	\$ 6,290	\$ 12,057	\$ 10,701	\$ 9,108	\$ 8,300
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	2.49%	2.52%	2.53%	2.61%	2.33%
After fees waived and expenses absorbed	2.25%	2.25%	2.09%	2.00%	2.00%
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	(0.94)%	(1.32)%	(1.35)%	(0.70)%	(1.00)%
After fees waived and expenses absorbed	(0.70)%	(1.05)%	(0.91)%	(0.09)%	(0.67)%
Portfolio turnover rate	2%	40%	18%	4%	19%

1 Based on average shares outstanding for the period.

2 Amount represents less than \$0.01 per share.

3 Total returns would have been lower had expenses not been waived or absorbed by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns shown do not include payment of a Contingent Deferred Sales Charge ("CDSC") of 1.00% on purchases that are redeemed in whole or in part within 12 months of purchase. If the sales charge was included total returns would be lower. Prior to January 1, 2014 the CDSC was 0.75%.

4 Total return would have been 17.25% had the Advisor not reimbursed the Fund for the loss on a portfolio investment.

## Horizon Spin-off and Corporate Restructuring Fund Institutional Class

*Per share operating performance.*

*For a capital share outstanding throughout each period.*

	For the Year Ended April 30,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 10.20	\$ 10.27	\$ 8.67	\$ 6.86	\$ 7.38
<b>Income from Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.03	(0.01)	(0.01)	0.05	0.01
Net realized and unrealized gain (loss) on investments	(1.70)	(0.06)	1.60	1.85	(0.45)
Net increase from payment by affiliates (Note 3)	-	-	0.01	-	-
Total from investment operations	<u>(1.67)</u>	<u>(0.07)</u>	<u>1.60</u>	<u>1.90</u>	<u>(0.44)</u>
<b>Less Distributions:</b>					
From net investment income	-	-	-	(0.09)	(0.08)
<b>Redemption fee proceeds<sup>1</sup></b>	-	-	-	-	-
<b>Net asset value, end of period</b>	<u>\$ 8.53</u>	<u>\$ 10.20</u>	<u>\$ 10.27</u>	<u>\$ 8.67</u>	<u>\$ 6.86</u>
<b>Total return<sup>3</sup></b>	(16.37)%	(0.68)%	18.45% <sup>4</sup>	28.03%	(5.74)%
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (in thousands)	\$ 24,185	\$ 52,312	\$ 52,635	\$ 39,375	\$ 46,863
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	1.49%	1.52%	1.69%	1.86%	1.58%
After fees waived and expenses absorbed	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	0.06%	(0.32)%	(0.51)%	0.05%	(0.25)%
After fees waived and expenses absorbed	0.30%	(0.05)%	(0.07)%	0.66%	0.08%
Portfolio turnover rate	2%	40%	18%	4%	19%

1 Based on average shares outstanding for the period.

2 Amount represents less than \$0.01 per share.

3 Total returns would have been lower had expenses not been waived or absorbed by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

4 Total return would have been 18.34% had the Advisor not reimbursed the Fund for the loss on a portfolio investment.

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Philadelphia, Pennsylvania 19103

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**Horizon Spin-off and Corporate Restructuring Fund**  
**A series of Investment Managers Series Trust**

**FOR MORE INFORMATION**

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**Statement of Additional Information**

The SAI provides additional details about the investments and techniques of the Fund and certain other additional information. A current SAI is on file with the SEC and is incorporated into this Prospectus by reference. This means that the SAI is legally considered a part of this Prospectus even though it is not physically within this Prospectus.

**Shareholder Reports**

Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to shareholders. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its most recent fiscal year.

The Fund's SAI and annual and semi-annual reports are available free of charge on the Fund's website at <http://www.libtystreetfunds.com>. You can obtain a free copy of the Fund's SAI or annual and semi-annual reports, request other information, or inquire about the Fund by contacting a broker that sells shares of the Fund or by calling the Fund (toll-free) at (800) 207-7108 or by writing to:

**Liberty Street Funds**  
P.O. Box 2175  
Milwaukee, Wisconsin 53201

Information about the Fund (including the SAI) can be reviewed and copied at the Public Reference Room of the SEC in Washington, DC. You can obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. Reports and other information about the Fund are also available:

- Free of charge, on the SEC's EDGAR Database on the SEC's Internet site at <http://www.sec.gov>;
- For a duplication fee, by writing to the SEC's Public Reference Section, Washington, DC 20549-1520; or
- For a duplication fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

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