First Quarter Review

The Robinson Tax-Advantaged Income Fund ("the Fund"), as measured by the institutional share, returned 1.37% for the first quarter of 2017, marginally behind its benchmark, the Bloomberg Barclays Short-Intermediate 1-10 Year Muni Bond Index), which returned 1.53% for the quarter. Over the trailing 12 months the Fund returned a negative 1.36%, versus the benchmark return of positive 0.27%. Since inception*, the Fund has generated an annualized return of 3.41% versus the benchmark's annualized return of 1.60%.[1]

Throughout the quarter, the Fund saw tax-exempt closed-end fund discounts widen out 0.8%. These movements are almost to be expected when interest rates rise. Tested market reactions don't surprise us – but investor behavior cannot always be predicted. There are certain elements of risk that we are accustomed to managing: interest rate risk, credit risk, security selection and changing tax environments. As mentioned above, even though we know that closed-end fund discounts have historically had a tendency to widen when interest rates are rising and narrow when interest rates are falling, we don't attempt to hedge the risk of closed-end fund discounts widening for two reasons:

1. We think it is reckless to hedge the expectation of irrational behaviors, no matter how repeatable those behaviors may be; and
2. The ultimate end game for closed-end fund discounts is that they go to zero:
    a. In a liquidation the investors will receive the net asset value of the fund's holdings; or
    b. In a conversion to an open-end structure the investors will receive net asset value; or
    c. In a merger the investors will receive net asset value.

In the most recent quarter and trailing 1-year periods we have sought to deftly negotiate all of the aforementioned manageable risks. Unfortunately, it was the irrational behavior of investors that worked against us. As discussed above, tax-exempt closed-end fund discounts widened 0.8% in Q1 2017 and they widened 3.6% for the trailing 1-year period.

Municipal Bond Market Repriced

Since the election last November, the municipal bond market has experienced a major repricing. Investors have been operating on the assumption that a GOP-controlled Washington would result in significant tax reforms. On the campaign trail, President Trump proposed reducing the highest marginal tax rate by 6.6%, from 39.6% to 33%, and eliminating the 3.8% Affordable Care Tax. All in, that would have amounted to a 10.4% reduction in the highest marginal tax rate paid (the 6.6% income tax reduction plus the elimination of the 3.8% healthcare tax). Even for this most optimistic tax reform scenario, we believe the underlying municipal bond market has overshot its mark. A year ago, the investment grade municipal bond market, as measured by the Barclays Municipal Bond Index, was trading at a yield of 1.93% and the investment grade corporate bond market, as measured by the Barclays U.S. Corporate Bond Index, was trading at a yield of 3.21%. As a result, a year ago, tax-exempt municipal bonds were trading at a yield equal to 60% of taxable bonds, or roughly 1 minus the highest marginal tax rate of 39.6%. Now, at the end of Q1 2017 the municipal bond index was trading at a yield of 2.46%, whereas the corporate bond index was trading at a yield of 3.33%--municipal bonds are now trading at a yield equal to 74% of taxable bonds. (Yields rise as prices fall).

In the best case scenario, in which Washington does reduce the marginal tax rate by 10.4%, we would argue that current municipal bond yields are 0.20-0.25% too high – said another way, municipal bonds should be yielding 67% of corporate bonds, instead of the aforementioned 74%. With the failure to replace and repeal the Affordable Care Act, we believe that reduces the maximum tax reform from a reduction of 10.4% to a reduction of 6.6%. In that case, municipal bond yields are 0.30-0.35% too high. If Washington fails to deliver any tax reform, then municipal bond yields seem 0.50-0.60% too high relative to taxable corporate bonds.

Outlook

Looking forward, we hope that the Fund will be able to take advantage of what we see as battered, undervalued market. In addition to what we see as fundamental value discrepancies, the tax-exempt closed-end fund market that is trading at a weighted average discount of 5.8%, which is more than 3% wider than its historic average. Regardless, the Fund seeks to generate tax-exempt income for its investors while seeking to reduce interest rate risk.

1: All performance numbers as of 3/31/2017

PERFORMANCE - Through 3/31/17

	Q1 2017	YTD	1 Year	Ann ITD*
ROBAX	1.20%	1.20%	-1.61%	3.16%
ROBAX w/ load	-2.55%	-2.55%	-7.30%	0.74%
ROBCX	1.01%	1.01%	-2.42%	2.39%
ROBNX	1.37%	1.37%	-1.36%	3.42%
Barclays Muni Inter-Short 1-10 Index	1.53%	1.53%	0.27%	1.60%

Performance data quoted represents past performance and is no guarantee of future results. *Total return figures include the reinvestment of dividends and capital gains. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month end performance, please call (800) 207-7108. Returns showing less than one year are cumulative. The gross operating expense ratio for the Class A, C, and Institutional Shares are 3.31%, 4.06% and 3.06%, respectively. The net operating expenses after fee waiver and/or expense reimbursements are 2.81%, 3.56% and 2.56% for the Class A, C, and Institutional Shares, respectively. The contractual agreement between the Fund and the Advisor for fee waiver and/or expense reimbursement is in effect until April 30, 2017. Without the contractual agreement, performance would have been lower. As of May 1st 2016, the Class A Share maximum front end sales charge is 3.75%. Class C Shares are subject to a contingent deferred sales charge of 1.00% when redeemed within 12 months of purchase. Performance presented without the load would be lower if this charge was reflected.* ***Because of ongoing market volatility, Fund performance may be subject to substantial short term changes.*** ** Since inception represents inception-to-date; Inception 9/30/2014.*

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus and summary prospectus, a copy of which may be obtained by calling (800)207-7108. Please read the prospectus and summary prospectus carefully before you invest.

RISK AND OTHER DISCLOSURES:

An investment in the Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks, which are more fully described in the prospectus:

- The Fund will invest in shares of closed-end funds (CEFs). Investments in CEFs are subject to various risks, including reliance on management's ability to manage the CEF portfolio, fluctuation in the market value of CEF shares, and the Fund bearing a pro rata share of the fees and expenses of each underlying CEF in which the Fund invests.
- The underlying CEFs in which the Fund invests will invest primarily in municipal bonds. Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal bonds to make payments of principal and/or interest. Changes related to taxation, legislation or the rights of municipal security holders can significantly affect municipal bonds.
- The underlying CEFs in which the Fund invests will invest primarily in fixed income securities. Interest rates have been and continue to be low relative to historical levels. A rise in interest rates could negatively impact the value of the Fund's shares. Generally, fixed income securities decrease in value if interest rates rise, and increase in value if interest rates fall, with longer-term securities being more sensitive than shorter-term securities. These risks are greater during periods of rising inflation.
- It is expected that the CEFs in which the Fund will invest will be leveraged as a result of borrowing or other investment techniques. As a result, the Fund will be exposed indirectly to leverage, and may expose the Fund to higher volatility in the market value of such CEF and the possibility that the Fund's long-term returns will be diminished. In addition, regulations implemented pursuant to the Dodd-Frank Act, particularly the Volcker Rule, may in the future hinder or restrict a CEF's ability to maintain leverage; which in turn may reduce the total return and tax exempt income generated by the underlying CEFs in which the Fund will invest and may cause a reduction in the value of the Fund's shares.
- There is no guarantee that the Fund's income will be exempt from regular federal income taxes. Events occurring after the date of issuance of a municipal bond or after a CEF's acquisition of a municipal bond may result in a determination that interest on that bond is subject to federal income tax. Federal or state changes in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to decline in value.
- The Sub-advisor, where deemed appropriate, will seek to hedge against interest rate risk by shorting U.S. Treasury futures contracts. To the extent the Fund holds such short positions, should market conditions cause U.S. Treasury prices to rise, the Fund's portfolio could experience a loss; and should U.S. Treasury prices rise at the same time municipal bond prices fall, these losses may be greater than if the hedging strategy not been in place.
- The Fund and the CEFs held by the Fund may use derivative instruments, futures contracts, options, swap agreements, and/or sell securities short. Each of these instruments and strategies involve risks different from direct investments in the underlying assets. Risks include: futures contracts may cause the value of the Fund's shares to be more volatile and expose the Fund to leverage and tracking risks; the Fund may not fully benefit from or may lose money on option or shorting strategies; swaps may be leveraged, are subject to counterparty risk and may be difficult to value or liquidate.
- The Fund's turnover rate may be high. A high turnover rate may lead to higher transaction costs, a greater number of taxable transactions, and negatively affect the Fund's performance.
- As a non-diversified fund, the Fund may focus its assets in the securities of fewer issuers, which exposes the Fund to greater market risk than if its assets were diversified among a greater number of issuers.
- Diversification does not assure a profit or protect against a loss.

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

The Bloomberg Barclays Short-Intermediate 1-10 Year Muni Bond Index) is an unmanaged index that measures the performance of municipal bonds with time to maturity of between 1 and 10 years. **Barclays Municipal Bond Index** is an unmanaged index that is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. **Barclays U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers. **One cannot invest directly in an index.**

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

Liberty Street Funds