



**QUARTERLY  
COMMENTARY  
Q3 2024**

**ROBINSON** | TAX ADVANTAGED INCOME FUND

**THIRD QUARTER COMMENTARY**

The Robinson Tax-Advantaged Income Fund (the "Fund"), as measured by the Fund's Institutional Class (ROBNX), returned 4.08% in the third quarter of 2024, well ahead of its benchmark, the Bloomberg Short-Intermediate 1-10 Year Municipal Bond Index, which returned 2.72% for the quarter. Following is the third quarter, year-to-date, and trailing 1-, 3-, 5-, and 10-year attribution analysis for the Fund relative to its benchmark index:

	<u>Q3 '24</u>	<u>YTD '24</u>	<u>1-Year</u>	<u>3-Years*</u>	<u>5-Years*</u>	<u>10-Years*</u>
NAV Return	3.39%	4.60%	17.64%	-1.59%	1.12%	3.53%
Less: Duration Hedge	-2.04%	-0.13%	-3.34%	4.11%	1.36%	-0.10%
Less: Expense Ratio	-0.34%	-1.01%	-1.35%	-1.33%	-1.31%	-1.32%
General Change in Discounts	3.00%	7.39%	8.05%	-1.50%	-0.22%	0.24%
Security Selection	<u>0.07%</u>	<u>1.37%</u>	<u>3.44%</u>	<u>2.65%</u>	<u>2.55%</u>	<u>1.23%</u>
ROBNX Return	<b>4.08%</b>	<b>12.22%</b>	<b>24.44%</b>	<b>2.34%</b>	<b>3.50%</b>	<b>3.58%</b>
Bloomberg 1-10 Yr Muni Index	<b>2.72%</b>	<b>2.03%</b>	<b>7.18%</b>	<b>0.58%</b>	<b>1.37%</b>	<b>1.83%</b>

\*Annualized

**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.

The Fund seeks to neutralize the impact changes in risk-free interest rates may have on the underlying holdings of the tax-exempt closed-end funds (CEFs) it holds. The Fund does this through carefully weighted short positions in various US Treasury bond futures contracts. The net result is to isolate, as much as practical, the inherent credit spreads of the underlying investment grade portfolio of municipal bonds. The Fund's hedging strategy also isolates tax-exempt CEF discounts. Credit spreads between municipal bonds and Treasuries were mostly unchanged for the quarter as both the yield on 10+ year Treasuries and the taxable equivalent yield on 10+ year municipal bonds declined 0.44% for the quarter. As one would expect in a declining rate environment, tax-exempt CEF discounts narrowed 3.00% during the quarter.

Security selection continues to be a strong positive contributor to the Fund's overall performance. Many of the larger tax-exempt CEF fund companies have been engaged in a distribution war since late last year. The increased distributions are essentially a return of capital; but, when CEFs are trading at such wide discounts (i.e. the CEF's price is lower than its actual net asset value), investors should want all the return of capital at net asset value they can get. We jumped on that theme early on and continue to overweight those tax-exempt CEFs paying the higher distributions and avoiding those that haven't changed their distribution policy. The fund companies that have increased their distributions have seen their CEFs' discounts narrow about 2.5% more this year than the fund companies that have not increased distributions.

Robinson Capital Management's Market Cap-Weighted National Tax-Exempt CEF Composite ended the quarter at -5.5%. The Fund's weighted average discount was -7%, and the historic average discount for those same CEFs was -5.6%. Despite the improvement this year, discounts remain at attractive levels. We believe tax-exempt CEF discounts will continue to improve; and, as with every previous bounce off an extreme discount level, we suspect many of them will move to premiums before this rally is done. Retail investors have been aggressively looking to lock in some of these attractive longer-term yields. According to the Investment Company Institute, tax-exempt mutual funds and ETFs have seen positive inflows every month this year; and, the rate of inflows is accelerating.

The Fed started its rate-cutting cycle with a 50 basis point bang in mid-September. Both the market and the Fed's own "dot plots" are anticipating another 200 basis points of cuts before this cycle is done. Every 50 basis point decline in short-term rates results in approximately a 10 basis point increase in a tax-exempt CEF's distributable income rate. If the Fed does in fact cut rates another 2%, that should increase tax-exempt CEF distribution rates by another 0.40% at a time when most other fixed income yields are declining. That is precisely the reason every other time (with the exception of the COVID interrupted rally in 2020) over the last 20 years that tax-exempt CEF discounts bounced off an extreme, they didn't stop until they moved to premiums. In 2004 discounts got as wide as -11%--three years later they were at premiums; in 2008 they got as wide as -25.5%--a year later they were at premiums; in 2013 they were at -9.4%--2 ½ years later they were at premiums; in 2018 they were at -11.9%--14 months later they were at -3.3% but then COVID hit; and, in 2020 they got as wide as -20.4%--1 ½ years later they were at a premium. The average starting point for tax-exempt CEF discounts in those previous five periods was a bottom of -15.7% and a subsequent average improvement of 16.1% over the next couple years. In this cycle, tax-exempt CEF discounts bottomed 11 months ago at -14.9%, and have since narrowed 9.5%--history suggests we may have another 6.5%-7% of discount narrowing to go over the next year.

Following are our top 5 reasons for **WHY NOW** for the Robinson Tax-Advantaged Income Fund in these uncertain times:

- 1. Income:** the Fund's income distribution rate is 2.2% higher than the intermediate tax-exempt bond market, as measured by the Bloomberg 1-10 Year Municipal Bond Index. That distribution rate should only increase with each fed rate cut.
- 2. Potential Recession Mitigation:** historically, municipal bonds have been a potential "safe haven", second only to US Treasuries, for investors worried about a slowing economy.
- 3. Potential Inflation Mitigation:** the Fund's hedging strategy may continue to potentially mitigate the negative impact should there be a reemergence of inflation.
- 4. Upside Potential:** the Fund's holdings of tax-exempt CEFs have a weighted average discount of -7% versus the historic average discount for those same CEFs of -5.6%. The endgame for discounts is they go to zero.
- 5. Momentum:** strong and accelerating inflows into municipal bond mutual funds and ETFs, coupled with modest supply increases, should lead to higher prices and narrower tax-exempt CEF discounts.

### PERFORMANCE AS OF 9/30/24

	Q3 2024	YTD	1 Year	3 Year	5 Year	10 Year	Ann ITD*
ROBNX	4.08%	12.22%	24.44%	2.34%	3.50%	3.58%	3.58%
ROBAX	4.02%	11.87%	24.13%	2.08%	3.22%	3.32%	3.32%
ROBAX w/ load	0.09%	7.67%	19.45%	0.78%	2.43%	2.71%	2.71%
ROBCX	3.81%	11.35%	23.30%	1.33%	2.47%	2.56%	2.56%
Bloomberg Short-Intermediate 1-10 Years Municipal Bond Index	2.72%	2.03%	7.18%	0.58%	1.37%	1.83%	1.83%

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	ROBNX	ROBAX	ROBCX
SEC Yield	4.96%	4.54%	3.97%
Unsubsidized Yield	4.89%	4.46%	3.89%
Tax-Equivalent Yield	8.31%	7.90%	6.68%
Unsubsidized Tax-Equivalent Yield	8.18%	7.76%	6.54%

Subsidized 30-Day SEC Yield is based on a 30-day period ending on the last day of the previous month and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. This subsidized yield is based on the net expenses of the Fund of which the yield would be lower without the waivers in effect. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days. Unsubsidized 30 Day SEC Yield as well as Unsubsidized Tax-Equivalent Yield are based on total expenses of the Fund. Tax-equivalent yield is for illustrative purposes only and assumes a 40.80% Federal marginal tax rate, and does not take into account any other taxes. Each individual's actual tax burden will vary.

*This communication must be preceded by or accompanied with a copy of the Fund's current prospectus.*

### **RISKS 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: **Market Risk:** the market price of a security may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular issuer, company, or asset class. **Fixed income/Interest rate risk:** 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. **Municipal Bond risk:** The underlying funds 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 and may cause them to decline in value. **Closed-end fund (CEF), exchange-traded fund (ETF) and open-end fund (Mutual Fund) Risk:** The Fund's investments in CEFs, ETFs and Mutual Funds ("underlying funds") are subject to various risks, including reliance on management's ability to manage the underlying fund's portfolio, risks associated with the fund's portfolio, risks associated with the underlying securities held by the underlying fund, fluctuation in the market value of the underlying fund's shares, and the Fund bearing a pro rata share of the fees and expenses of each underlying fund in which the Fund invests. **U.S. Treasury Futures Contracts Hedge Risk:** To the extent the Fund holds short positions in U.S. Treasury futures contracts, 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. **Recent Market Events:** Periods of market volatility may occur in response to market events and other economic, political, and global macro factors, such as governmental actions to mitigate the Covid-19 pandemic, and the recent rise of inflation, could adversely affect the value of the Fund's investments. **Management and Strategy:** the evaluation and selection of the Fund's investments depend on the judgment of the Fund's Sub-Advisor about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. **Leveraging Risk:** The underlying funds in which the Fund will invest may be leveraged as a result of borrowing or other investment techniques. As a result, the Fund may be exposed indirectly to leverage, and may expose the Fund to higher volatility and possible diminishment of long-term returns. In addition, future regulations may hinder or restrict an underlying fund's ability to maintain leverage; which in turn may reduce the total return and tax exempt income generated by the underlying funds and may cause a reduction in the value of the Fund's shares. **Tax Risk:** 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 an underlying fund's acquisition of a municipal bond may result in a determination that interest on that bond is subject to federal income tax. The Fund's opportunistic trading strategies may also result in a portion of the Fund's distributions to shareholders being characterized as capital gains. **Portfolio Turnover Risk:** 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. **High Yield ("Junk") Bond risk:** The ETFs and Mutual Funds in which the Fund invests may invest in high yield ("junk") bonds which involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. **Liquidity Risk:** There can be no guarantee that an active market in shares of CEFs and ETFs held by the Fund will exist. The Fund may not be able to sell some or all of the investments it holds due to a lack of demand in the marketplace or other factors such as market turmoil, or if the Fund is forced to sell an asset to meet redemption requests, it may only be able to sell those investments at a loss. **Derivatives Risk:** The Fund and the underlying funds may use futures contracts, options, swap agreements, and/or sell securities short. 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.

Diversification does not assure a profit or protect against a loss.

**Credit Spreads** are the difference between the quoted rates of return on two different investments, usually of different credit qualities but similar maturities. **Income Distribution Yield** is a measurement of cash flow paid by an exchange-traded fund, real estate investment trust, or another type of income-paying vehicle. **Safe Haven** is a type of investment that is expected to retain or increase in value during times of market turbulence. **Basis Points** is one hundredth of 1 percentage point. **Treasury Bills** is a short-term U.S. government debt obligation backed by the Treasury Department with a maturity of one year or less. **Treasury Bonds** a government bond issued by the US Treasury.

**The Bloomberg Short-Intermediate 1-10 Years Municipal Bond Index** is an unmanaged index that measures the performance of municipal bonds with time to maturity of between one and ten years.

**One cannot invest directly in an index.**

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The views expressed in this material reflect those of the Fund's Sub-Advisor as of the date this is written and may not reflect its views on the date this material is first published or anytime thereafter. These views are intended to assist shareholders in understanding the Fund's investment methodology and do not constitute investment advice. This material may contain discussions about investments that may or may not be held by the Fund. All current and future holdings are subject to risk and to change. To the extent this report contains forward looking statements, unforeseen circumstances may cause actual results to differ materially from the views expressed as of the date this was written.

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