SILVERPEPPER COMMODITY STRATEGIES GLOBAL MACRO FUND

2Q 2019

OUR HEDGE FUND EXPERTS SPEAK THEIR MINDS:

THERE IS A SEASON, TURN, TURN, TURN!

TO EVERY THING, TURN, TURN, TURN…

What was the top performing asset class from 1970 to 2004? Commodities. It was a Commodities Super-Cycle.

But just like the seasons turn, turn, turn, so certain asset classes experience their Winter. And having been born and raised in Minnesota, I can tell you, there are times when you think, *this Winter will never end…* you think you will never cycle back to Spring, let alone the warmth of Summer, or the bounteous harvests of the Fall.

It has been Winter for Commodities as an asset class since 2013. But over the past two to three-years, we have seen a bottoming in commodity prices.

And, at the same time, we are also in the midst of a major turn in the market. In the first half of the year, as snowpack started to melt, the SilverPepper Commodity Strategies Global Macro Fund posted a gain of 3.6%.* Signs of Spring?

Although our return trailed the Bloomberg Commodity Index Total Return (BCOM) by 146 basis points for the six-month trailing period, over the longer trailing 12-month period, we have outperformed the BCOM by more than 370 bps. And, importantly, since inception, based on total return, the Fund remains the #1 Performing Fund in its Morningstar Category, Commodities Broad Basket (1 out of 71). It is also important to note that we have also delivered these better returns all the while keeping the Fund's risk to less than half of the Index.

A time to lose — and a time to get.

Commodity prices have not fully recovered from the Winter of 2013 and 2014. Since that time, however, SIX different factors have begun to set the stage for a turn in the commodities market.

****The returns represent past performance. Past performance does not guarantee future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call 855-554-5540 for current to most recent month-end performance.***

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Six Factors in the Turn:

First, many commodities are trading below their costs of production — an unsustainable situation that the market forces of supply and demand will undoubtedly correct over time.

Second, U.S. economic growth is strong. We have started to see the growth benefits of the Trump Tax Cuts that took effect in 2018, along with the reduction in regulatory red-tape that the Trump Administration has achieved.

Third, there are pockets of strength in global growth, such as India — the world's second most populous nation, with 1.2 billion people — that could bode well for rising commodity demand.

Fourth, China's economy is slowing, but their commitment to their massive infrastructure program, "One Belt, One Road" appears rock solid.

Fifth, there are growing expectations that the Federal Reserve will make a U-turn in its interest-rate policy, moving from raising rates to cutting rates. This has caused the U.S. dollar to weaken. And, with most commodities priced in U.S. dollars, a weaker dollar is associated with rising commodity prices, as foreign buyers use their more powerful currency to buy more commodities. **And, last but not least…**

Sixth, commodities look very attractive relative to either stocks or bonds. The last time we saw commodity prices this cheap relative to stock prices was back in the 1970s, which preceded the huge, decades-long, bull-market Super-Cycle in commodity prices I mentioned before. And with low or even negative interest rates across the globe, the risk-return profile for sovereign and corporate debt is problematic. So, given the choice of investing today in either stocks, or bonds, or commodities, I really like the catalysts and outlook for commodities and believe we could see another Super-Cycle, where commodities outperform for an extended period. **Simply: "Buy low, sell high" never goes out of style.**

A Time to Plant, a Time to Reap

I didn't learn to invest in commodities sitting behind my trading screen. I learned about commodities, about supply and demand, and trading futures by growing up on a farm. I learned from the ground up. So, for most of June, I left my trading desk and I walked the fields at GRAD (Galtere Research and Development Center), our 600-acre proprietary research and development center in southeastern Minnesota. It's in the rolling fields at GRAD that we plant corn, soybeans and switchgrass. We meet with hog farmers, talk with crop insurance underwriters, and sit down with ethanol producers. It's the essential "tire-kicking" we do there that provides us with the key insights that feed into our supply and demand views, across much of the agriculture- and energy-commodity complex.

When You Plant in the Mud, the Crop is a Dud

At GRAD, problems with the corn crop are highly visible. To see it, I only had to look at my boots, covered in mud. It was one of the wettest springs in 25 years as the continuing impact of El Nino caused buckets of rain to fall across the Midwest. Flooding began in early spring across the corn belt, when rain began bouncing off the frozen soil and snowpack. The heavy and persistent rains from April to early July soaked the soil and caused the Mighty Mississippi to crest its banks, all the way from Minnesota to Louisiana. The rains also caused other catastrophes, such as the busting of the Spencer Dam along the Niobrara River in Nebraska.

Rain is good, but too much is a problem. First, you can't plant in mud. The seeds won't germinate. So, the amount of acreage planted in 2019 will be down, either because of the mud or because what's known as "prevented plant," which is acreage that farmers decide not to plant, and instead seek guaranteed insurance reimbursements.

Last year, there were about 100 million acres planted in the U.S., and 90 million harvested. In contrast, the most recent WASDE Report (World Agriculture Supply & Demand Estimates) projects about an 8% reduction in acres planted and harvested. Beyond reduced acreage, quality is also a concern. At this time last year, the Report rated 71% of the corn crop as "good to excellent." This year, that number is only 56%.

Bad Harvest? Or Big Opportunity?

In addition, the rain delayed planting. Although most off the crop was planted by the end of June, it was planted late in the normal growing cycle. Corn needs 80 to 100 days of maturation before it's ready for harvest. With the planting delayed, corn won't be ready to harvest until late in the year. And as you go longer into the season you get a big threat — frost. Frost damages the crop and cuts yields.

In the second quarter of the year, corn was the most profitable agricultural-commodity position in the Fund. At the end of June, the Fund held about a 7% position in corn futures, a slight overweight versus the Bloomberg Commodity Index. In the first half of the year, "New Crop" corn prices (December-delivery futures contracts) increased from about $3.63 to about $4.50 per bushel. Despite the run up, we continue to hold our position and like the risk-reward going forward. Why?

I think WASDE is overly optimistic on both acreage and yield. WASDE's estimates can be off because the USDA doesn't perform spot checks on the fields until their August crop report. But, I'm in the fields now. If we get a lack of Heating Degree Days (HDD), or if the late start to planting increases the crops exposure to frost, yields could be markedly lower. So, this is how I see the risk v. reward of corn going forward:

Let's say we get a 15% reduction in acreage due to "Prevent Plant," or yields fall below WASDE's estimate of 166 bushels per acre, then we project new-crop corn-futures prices rallying to $5.50 to $6.00 per bushel.

But, let's say we get some hot weather, and maybe yields climb to 172 bushel per acre. If that's the case, maybe we have 20 to 40 cents of downside. Given the risk/reward of 20 to 40 cents of downside, and $1.00 to $1.50 of upside, we like corn's prospects from now until harvest. Right now, we see corn trading in a range of $4.00 to $5.00 until we get to pollination and the revised acreage report comes out in August. We have purchased put options in effort to protect our profits until then. Thereafter, we will be watching the weather, revisiting the fields and re-sizing our position as the crop moves along in its development and our research uncovers new insights.

A Time to Dance, A Time to Mourn

Oil! The biggest money-maker for the Fund in the first half of 2019 was oil, both West Texas Intermediate (WTI) Crude, and Brent Crude Oil. But, much of the price appreciation may be attributed to a rebound from the precipitous drop in oil prices that took place at the end of 2018. During that period, WTI fell from about $75 per barrel in the third quarter of 2018, to about $45 at year's end.

Much of the ups and downs in oil prices since the beginning of the year can be attributed to political tensions, and the potential impact those tensions may have on the health of the global economy.

Trade issues, specifically the U.S. and China trade tariffs, have depressed oil prices. China, the most populous nation on earth, is the largest importer of oil, importing 20% of the total dollar value of crude oil during 2018. Although Presidents Trump and Xi are continuing trade talks, it's not clear a quick resolution is in sight. The tariffs are weighing on the Chinese economy, but it wouldn't surprise me to see Xi use delay tactics in negotiating a resolution. With U.S. elections about 19 months away, Xi may think he can get a better deal if Trump fails to be re-elected. Face-saving is important in China, and Xi has no interest in capitulating to the U.S. and Trump. Nevertheless, we believe any trade deal would be bullish for oil, and for almost all commodities.

A Time of War, A Time of Peace

Although tariff challenges have weighed on oil prices, actions with Iran have tended to lift prices. Iran, long a geopolitical challenge in the Middle East, has come under increasing pressure from the U.S. The U.S. has hit the Iranian economy hard with its sanctions and oil embargo, taking supply out of the market. The cut in supply from the embargo, along with the belligerent actions of Iran, like mining the Straits of Hormuz, and seizing oil tankers, will likely continue to cause price spikes.

Currently, based on factors such as supply and demand, we think crude bottomed out in mid-May, around $50 per barrel. And although we don't expect oil to break out to new highs, we are looking for WTI Crude to trade within a range of $55 to $62 per barrel. Given the political uncertainty, we want to protect against the downside, however.

Our plan, therefore, is to maintain about a 15% total position in both WTI and Brent (the BCOM total allocation to both WTI and Brent is about 17%). We would use both options and dollar stops (a standing order to buy or sell a security at a specified price in the future) to get "overweight oil" at prices below $55, and we would lighten up at prices above $62. Moreover, with Brent trading at about an $8 premium to WTI, we will overweight the cheaper WTI, as it should spur buying of U.S. produced oil for export.

A Time to Keep, And A Time to Cast Away

We've been rethinking our Natural Gas position. Natural gas has played a big role in the Fund's portfolio for the last 18 to 24 months. After taking large profits on our position at the end of 2018, we significantly restructured our position coming into 2019.

First, for much of 2018, we held about 45% of the Fund's assets in natural gas calendar strips, meaning we owned natural gas for every calendar month of the year, going all the way out into 2021. We structured the position this way to reflect our view that the demand for natural gas was going to increase in future years faster than supply, as more energy producers, such as power plants, converted from coal to cheaper and cleaner natural gas.

After taking profits in late 2018, we reduced our position from 45% of the portfolio's assets to about 25% at the beginning of this year. Moreover, we structured the position such that the Fund held zero "front month" natural-gas contracts, which is what most funds/indexes hold. These front-month contracts tend to be the more volatile futures contracts because they are subject to changes in near-term weather events. As such, they don't fit as neatly with our investment thesis about long-term supply and demand.

As of the end of June, we had reduced our position in natural gas to about 14% of assets, but it wasn't enough. Natural gas prices fell in the first half of the year for two reasons:

One, we had relatively cool weather at the beginning of summer. **And two,** the amount of natural gas in storage increased, due to increased injections into storage tanks. As a consequence, the price of the benchmark front-month natural gas futures contract fell about 24%. Unfortunately, our 2019 natural gas calendar strips couldn't avoid the fallout.

But despite our overweight position (14% vs. the BCOM 6.3%), the structure of our position kept our loss in line with the BCOM Index. Nonetheless, natural gas was the worst performing position for the Fund in the first half of the year.

Despite the decline in prices, natural gas remains a strategic position in the Fund. Natural gas storage, even with the increase in injections in the first half of 2019, still remains well below the 5-year average levels of storage. Moreover, with current futures prices of about $2.40 per Billion Cubic Feet, natural gas is trading below its cost of production. When commodities are trading below their costs of production, we see opportunity ahead.

Additionally, with future demand still looking robust (it has been hampered, however, by the slow development of pipelines to get the gas efficiently to consumers), we continue to like our position and how it is structured. Like most of our commodities positions, we want to focus our assets on where we see good risk and return tradeoffs. Right now, we see about 20 cents of downside price risk, with upside of $1 or more as we enter the back-half of the 2019.

SILVERPEPPER COMMODITY STRATEGIES GLOBAL MACRO FUND INSTITUTIONAL MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2013											0.10	0.00	0.10
2014	-0.30	0.00	0.50	0.00	0.10	0.70	- 0.69	0.00	- 1.59	- 0.61	- 1.43	- 3.41	- 6.59
2015	-0.43	-1.72	-1.42	1.11	-0.11	0.33	-2.52	-0.67	-1.13	-0.23	-0.57	0.00	-7.17
2016	-0.46	-0.23	1.51	0.69	-1.48	3.00	-0.22	-1.57	1.17	0.45	0.78	1.11	5.30
2017	0.33	-1.31	-1.66	-1.69	-2.06	-0.70	1.99	0.81	0.80	1.25	-0.67	0.86	- 2.12
2018	2.35	-3.29	-1.13	1.72	2.25	-3.74	-1.83	-1.28	0.35	-1.65	2.03	-4.11	- 8.30
2019	5.41	0.98	-0.85	-1.59	-1.61	1.39							3.60

One-Year Return as of 06/30/2019	- 3.04
Five-Year Annualized Return as of 06/30/2019	-3.41
Total Annualized Return Since Inception, (11/1/2013)	-2.83

The returns represent past performance. Past performance does not guarantee future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call 855-554-5540 for current to the most recent month-end performance.

Total, gross and net annual fund operating expenses are 2.05%/1.99% for Institutional, and 2.03%/2.03% for the Advisor class shares. The Advisor has contractually agreed to waive its fees and/or pay for expenses to ensure that total fund operating expenses (excluding, as applicable taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-1A), incurred in connection with any merger or reorganization, or any extraordinary expenses such as litigation expenses) do not exceed 1.99% for the Institutional class and 2.24% for the Advisor class.

This agreement is in effect until October 31, 2028. Inception dates for both share classes is October 31, 2013. Performance and risk measures greater than one year are annualized.

A Time to Weep, And A Time to Laugh

If you can believe it, in May, 2019, Duluth, Minnesota got over 10 inches of snow in a single storm. Snow in May! So just because there's been a turn towards spring in the commodity markets, doesn't mean a turn like this is never without bumps and snags. Indeed, we saw commodity markets take off in the first quarter of 2019, only to get hung up in the second quarter of the year, as trade and growth worries resurfaced, with much of those worries stemming from the ongoing trade dispute which has hit some commodities, like soybeans, particularly hard.

With tariff talks and geopolitical threats burdening markets, we have our eyes wide open. For more than 30 years, I have been investing in the commodities markets, sifting through supply and demand data, to find the most favorable risk and reward tradeoffs, for the 20-plus individual commodities we follow.

With most commodities trading below their costs of production, we see some interesting opportunities ahead for commodity investors. Therefore, as we begin to make the turn in the commodities market, we will continue to do our research — walking the corn, coffee, and oil fields — all in an effort to uncover favorable risk and reward tradeoffs.

And we'll keep reminding ourselves, that to every thing, turn, turn, turn, there is a season, turn, turn, turn.

Respectfully yours,

Renee Haugerud

Portfolio Manager

SilverPepper Commodity Strategies Global Macro Fund

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses. Please see the prospectus for a complete discussion of the risks of investing in this Fund. To obtain a prospectus, please call 855-554-5540 or visit silverpepperfunds.com. The prospectus is boring but should be read carefully before investing.

Performance Rankings: Morningstar rankings are assigned based on total return. The ranking Includes all funds within the Morningstar category "Commodity Broad Basket." SilverPepper Commodity Strategies Global Macro Fund Share class (SPCIX) was ranked 1 out of 82 funds for the five-year period ending 06/30/2019 and 1 out of 105 funds for the trailing 1-year period ending 06/30/2019. Source: Morningstar Direct. Past performance is not indicative of future performance.

Since Inception time period is 10/31/2013 to 06/30/2019. Includes all funds within Morningstar category, "Commodities Broad Basket," as of 10/31/2013. The SilverPepper Commodity Strategies Global Macro Fund Institutional Share class (SPCIX) was 1 out of 71 funds for the since inception period.

All investing involves risk including the possible loss of principal. There can be no assurance that the Fund will achieve its investment objective. The Fund's specific risks include futures/commodities risk, derivatives risk, Subsidiary risk, high-fee risk, tax risk, foreign investment risk and non-diversification risk. Futures contracts may fluctuate significantly and unpredictably over short time periods and commodities are subject to disruptions and distortions, causing loss of principal. All these risks may increase costs, volatility and lower performance. See the prospectus for a complete discussion of investing in this Fund.

As of June 30, 2019, notional exposure of futures and/or options in Natural Gas were 13.46%; WTI Crude Oil, 9.96%; Brent Crude Oil, 5.35%; Corn, 7.06% of the SilverPepper Commodity Strategies Global Macro Fund's total net assets. Portfolio holdings are subject to change without notice and are not intended as recommendations. Since Inception time period is 10/31/2013 to 12/31/2018. Past performance is not indicative of future performance.

IMST Distributors, LLC