SilverPepper

MERGER ARBITRAGE FUND

SUB-ADVISED BY OUR HEDGE FUND EXPERT,
CHICAGO CAPITAL MANAGEMENT, LLC

/ PART 1

SAME STOCKS, DIFFERENT TECHNIQUE.

STOP SPECULATING ABOUT WHAT THAT STOCK IS WORTH!

WE KNOW, BECAUSE THEY TOLD US!

WHAT IS MERGER ARBITRAGE INVESTING?

Merger Arbitrage is an “event driven” investment strategy.

In our daily lives, an “event” is a wedding, the birth of a child, or a death in the family. From the moment the event is announced until its completion, that event dominates our life. That event is all consuming. Our lives become event driven.

> *“Goodness gracious, but until the Wedding March plays at Jane’s wedding, I won’t be able to focus on anything else.”*
>
> *“When the baby is born in March we can come visit, but not now.”*

Companies, like humans, have their own all-consuming events. These events are mergers, acquisitions or divestitures.

They are life-changing events for the company, its employees and shareholders. Importantly, the event becomes the dominant influence on a company’s stock price. Investing in that company becomes event driven.

Because of the intense focus placed on the event, the risk and return dynamics of merger arbitrage investing are markedly different from traditional stock-based investment strategies.

By investing in companies wrapped up in these life-changing events, the **SilverPepper Merger Arbitrage Fund** may capture the unique risk and return dynamics associated with the event.

HOW WE ARE DIFFERENT FROM TRADITIONAL STOCK INVESTMENT STRATEGIES

The risks and returns of traditional stock investing are tied to:

Company-specific factors: profitability, growth prospects, current price.

Common global factors: interest rates, global trade, political changes.

In contrast, merger arbitrage's risk and returns are almost entirely dependent on the "event,"–specifically the successful or unsuccessful completion of the merger or acquisition.

Merger arbitrage investing has well defined return and time parameters.

- *Company A has contractually agreed to acquire Company B for $100 in cash in three months. (Look how price and timing are known factors.)*

Traditional stock investing involves more guess work. No explicit return objective or defined period of time over which a return will be earned.

- *I believe Company A will be worth more sometime in the future. (Look how price and time are unknown factors.)*

Merger Arbitrage is a **fundamentally different** investment strategy.

Returns are largely uncorrelated with, or independent of the returns of the stock market.

If the market goes up or down, it doesn't really impact a company that is in the midst of being acquired. The **big event overshadows** daily market gyrations.

AN EXAMPLE OF THE STRATEGY AT WORK: IT'S ALL ABOUT THE SPREAD

The goal of the merger arbitrage is to profit by earning the "*spread*," or difference in price between:

- The current trading price of the target company following the announcement of the merger, and
- The contractual price to be paid for the target company in the future when the transaction closes.

This spread, or potential profit, is usually relatively narrow, offering a modest nominal total return. However, since a merger transaction generally is completed in three to nine months, this modest return can translate into higher annualized returns.

Spread:

reward offered

for

risk taken

THE SIMPLEST EXAMPLE: AN ACQUISITION PAID FOR WITH CASH (A CASH-BASED MERGER EXAMPLE)

Big Company announces a "big event." They plan to buy Small Company for $10 per share. They will pay $10 to Small Company shareholders—in cash—when the merger is finalized in 180 days.

Pre-Announcement:

- Small Company's stock trades at $5 per share.

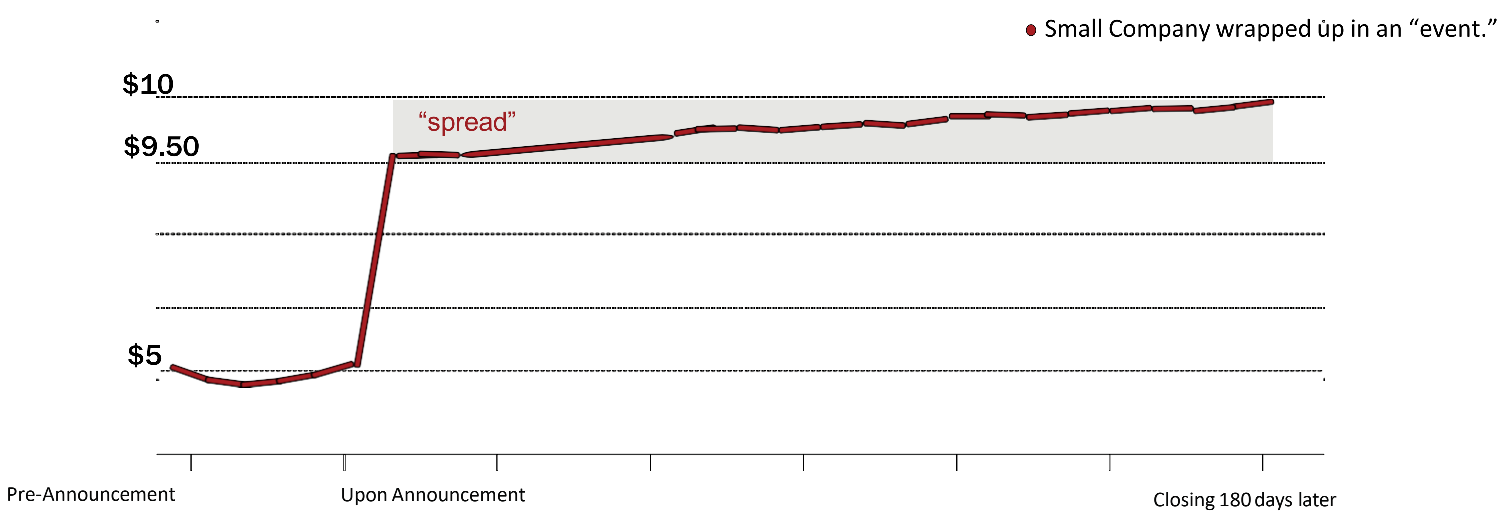
Upon Announcement:

- Small Company's stock zooms from $5 to, let's say, $9.50.

After Announcement: To capture the spread between the current price and the future contractual price:

- Buy Small Company shares at $9.50, and plan to
- Exchange shares of Small Company for $10 cash in 180 days.

At the Close: A spread of 50 cents is earned. This equals a 5% return over 180 days, or when annualized, 10%.



ANOTHER EXAMPLE: AN ACQUISITION PAID FOR WITH STOCK--HEDGE OUT THE RISK THAT THE STOCK OF THE ACQUIRER FALLS IN PRICE

In this example, Big Company still plans to buy Small Company for $10 per share, but will pay Small Company shareholders—not with cash—but with one share of Big Company, which is currently trading at $10.

Pre-Announcement:

- Small Company's stock trades at $5 per share.

Upon Announcement:

- Small Company's stock zooms from $5 to $9.50.

After Announcement: To capture the spread:

- Buy Small Company shares at $9.50 and
- Sell short Big Company shares, which are currently trading at $10.

By selling Big Company short, a hedge is created that protects against a decline in the price of Big Company's shares. If Big Company's shares fall in value, the short position will gain in value, offsetting the decline in the value of the payment, which is being made in Big Company's shares, as opposed to cash. A rise in Big Company's shares would result in a loss on the short position, but would also increase the value of Small Company's payment at closing by a similar and offsetting amount.

At Close: A spread of 50 cents is earned, which equals a 5% return over 180 days, or an annualized return of 10%.

When stock, rather than cash, is used to pay for an acquisition, a **"short"** position is taken in the acquiring firm's stock.

A short is a hedge against the acquirer's shares falling in value.

Hedge Your Bet: Hedging is an investment technique to protect assets and reduce risk.

THE RISKS OF MERGER ARBITRAGE: IF THINGS DON'T WORK OUT AS PLANNED

The size of the spread (the potential reward) is a function of three different risks.

OPP RISK + TIME RISK + DEAL RISK = SPREAD

Opportunity-Cost Risk:

- When investing in a merger transaction that's expected to close, for example, in three months, merger investors will require an expected reward that is at least equal to the risk-free rate for that three-month period (three-month Treasury Bill). Otherwise, why take the risk of investing in the merger?

Time Risk:

- If a merger is renegotiated or delayed beyond its initial expected closing period, merger investors require additional compensation for the risk of delay.

Deal Risk:

- The more complicated the deal (anti-trust risk, financing risk, etc.) the larger the spread needs to be to compensate for the risk the deal never closes.

If deal doesn't close, price of target stock could fall sharply, . . .

back to its pre-announcement price, or lower.

Caveat Emptor.

THE KEY ELEMENTS OF MERGER ARBITRAGE

Regardless of the form of payment (cash or stock), the goal of merger arbitrage is constant:

- Invest in companies impacted by an event, like a merger or acquisition.
- Take advantage of the event to isolate the investment from the broad risks of the market.
- Capture both the low correlation and the unique risk and return dynamics of investing in a company impacted by a specific merger event, rather than accepting the general market risk that comes with traditional stock-based investment strategies.

Intuitively, it should be clear that merger arbitrage, by its very nature, generally has lower risk, and doesn't move in lock-step with the market.

Historical Correlation*
Since Inception, Oct. 31, 2013 – Jun. 30, 2022

	S&P 500 Index	Barclays US Aggregate Bond Index
SilverPepper Merger Arbitrage Fund	0.41	0.14

Less market risk (beta),

Less total risk or (standard deviation), and

Low correlation (meaning its returns don't necessarily move in tandem) with broad market indexes, such as the S&P 500.

These are all good things.

*Correlation is a statistical measure of how the performance of two securities moved in relation to each other. Please see page 26 for a technical definition of correlation.

/PART 2

WHEN THE BRIDE IS LEFT AT THE ALTAR, IT MAKES FOR A BAD EVENT.

OUR HEDGE-FUND EXPERT, CHICAGO CAPITAL, WANTS TO AVOID GETTING INTO A BAD SITUATION FROM THE START.

OUR HEDGE FUND EXPERTS

Chicago Capital Management, LLC

Chicago Capital Management is the sub-advisor to the Fund. They are a traditional hedge-fund manager, specializing in merger arbitrage investing since 1998. **They are merger arbitrage experts.**

Disciplined, research-intensive investment process focusing on the underlying reasons behind a transaction. Their process requires ongoing fundamental and price-signal confirmations that the initial rationale for investing in each merger transaction remains firmly in place.

Steve Gerbel: Chicago Capital Management, LLC founder and portfolio manager. Merger arbitrage specialist. 25-plus year veteran, including 20 years successfully guiding Chicago Capital, where he has served as the General Partner for his flagship hedge fund, Chicago Capital Management LP.

Chicago Capital Management:

battle-tested

hedge-fund

expert

KEY TAKEAWAYS AND ADVANTAGES OF OUR INVESTMENT PROCESS

Key Takeaways: The following four attributes are key to understanding the advantages of our process and how we strive to create value for our investors. And, by limiting the Fund's asset size, we aim to make these advantages enduring advantages.

1. Picky Deal Selection: *The merger we avoid is more important than the merger we invest in*. Financing risk, anti-trust and divestiture problems can create roadblocks to the successful completion of a merger. We don't own every merger. Instead, we only want to invest in mergers that have a high probability of closing, and closing on time. With 25-35 merger deals in the portfolio, we can get deal diversification without sacrificing deal quality.

2. Small-Cap Appetite: We prefer mergers involving smaller-capitalization companies. Small-cap companies have simpler businesses, posing fewer regulatory or anti-trust risks. Yet, because they are small, many merger investors avoid them. As a result, small-cap mergers may, at times, have both lower deal risk and wider spreads.

3. Opportunistic use of leverage: We use leverage. Leverage magnifies both gains and losses. So, we use leverage opportunistically, based on the specific characteristics of each merger and overall portfolio positioning.

4. Small Asset Base: We believe smaller is better. With fewer assets, we can be picky in deal selection, take meaningful positions in smaller-cap companies, and use leverage. To maintain these advantages, we are committed to closing the Fund at approximately $500M in AUM order to turn our investment advantages into **enduring advantages**.

There is no guarantee that this investment strategy, or any investment strategy, will generate a positive return. All investing involves risk, including the loss of all principal.

RESEARCH PROCESS: SHOULD WE INVEST IN THIS MERGER?

Step 1: What is the probability the merger will be completed?

Chicago Capital only invests in announced mergers—no "**rumortrage**." We pursue multiple research sources to gain market intelligence, substantiate our views or change our direction. We speak with:

- Both management teams including CEOs, CFOs, and legal counsels.
- Wall Street analysts, SEC documents and extensive network of other arbitrageurs.
- Off the beaten path contacts such as the CAO and CIO, department heads, minor employees, trade groups and competitors.

Step 2: What is the profit opportunity or reward?

- Is the reward, or "spread," sufficient compensation for the risk of each specific merger?
- How attractive is this transaction relative to others in the merger-arbitrage universe?

Step 3: How much access to management is available?

Our access to various corporate personnel throughout the merger is a large factor in determining how closely we will be able to follow the process and thus how large our position size might become. As a result, focus on mergers in North America.

Step 4: What are the risks?

- What are the hurdles to closing the merger? What regulatory approvals are required?
- What are the fundamental risks to the buyer and seller based on the macro environment?

LEFT AT THE ALTAR: THE SAD TALE OF MANNY, MOE, & JACK

BROKEN HEARTS, BROKEN DEALS

Potential red flags in the deal terms

- Non-strategic buyer (Private-equity firm).
- Low termination fee for buyer if they choose to walk away.
- Sub-optimal contract terms.

Important Dates

- 1/30/12 - Gores Group, a private equity company, announces its intention to buy Pep Boys for $791 million, or $15 per share.
- 5/1/12: Pep Boys discloses in earnings call that Gores Group was considering pulling their buyout offer over deteriorating business conditions at Pep Boys.

The SilverPepper Merger Arbitrage Fund held no position in this merger.

INVESTMENT SELECTION: STEPS TO AVOID THE DEBACLE

We like to invest in mergers that we are confident will close. To increase our odds that a deal will close we consider:

- Strategic motivation for acquisition, such as complementary product lines, removal of a competitor, industry consolidation.
- High-quality companies with respected management teams.
- Reasonableness of price paid/comparable transaction multiples.
- Assured sources of financing, if required.
- Prefer shorter-dated transactions. Mergers longer than six months, we may let "season" before we consider taking a position.
- Cut positions quickly. Prefer to exit a position if market action (changes in spread) does not support our research.
- Prefer smaller-capitalization deals, which tend to have fewer anti-competitive concerns.
- Picky: We scour the entire landscape for the right deals. Unlike merger funds laden with billions to invest, we have the luxury of being picky.

> the mergers
> we avoid
> are more important
> than the mergers
> we
> invest in.

A REAL-LIFE EXAMPLE: THE MERGER OF GOODRICH AND UNITED TECHNOLOGIES INC.

Positive Attributes of the Deal Terms

- Definitive Agreement with large acquiring company with a strategic need for the target to improve a core line of business.
- Capital structure bolstered by the acquirer to help reassure Wall Street (on this deal, selling stock and suspending dividend in order to maintain credit rating).
- Detailed plan to address regulatory/anti-trust concerns (ex. divestitures).

Important Dates

- 9/22/11: United Technologies agrees to buy Goodrich Corp. for $16.4 billion in cash, or $127.50 per share.
- 7/26/12: United Technologies successfully completes its purchase of Goodrich Corp.

The SilverPepper Merger Arbitrage Fund held no position in this merger.

ONGOING MONITORING: STAY VIGILANT AND CONSTANTLY RE-EVALUATE

We continually re-evaluate each deal. Daily research centers on:

Ongoing research of investment opportunities

- We source multiple corporate personnel, avoiding reliance on a single contact for intelligence.
- Industry comparables are monitored for earnings or other events that might affect our mergers.
- Downside risks are re-assessed regularly from a macro, industry, and company specific perspective.

Milestones and management credibility

- Adjust position sizes around ongoing research, merger milestones, SEC filings.
- Monitor management commitment and follow through on timing of filings.

Two big questions:

1. **Should I be invested in this merger?**
2. **Is my position the right size?**

PORTFOLIO CONSTRUCTION AND RISK MANAGEMENT

Position sizes

- Initial position sizes are generally around 2% of principal risk.
- Maximum position sizes are generally around 2% - 3% of principal risk.
- Largest 5 positions typically total 50% of gross long positions.

Holding period

- Prefer shorter closing periods; the majority of deals close within 4-18 weeks of the initial investment.

Diversification

- Target approximately 20 to 35 arbitrage investments depending on the quality and size of the deal universe.
- Portfolio positioning typically represents a healthy cross section of industry groups.
- Monitor the number of cash only deals versus the number of cash and stock transactions.

Market Capitalization

- Flexible, with preference for smaller capitalization companies, where spreads may be larger and event risk smaller.

Portfolio analysis

- Rebalance our portfolio on a real-time basis.
- Ongoing research as well as deal milestones achieved will trigger adding, selling, or swapping into other transactions based on the remaining risk/reward.
- The use of leverage is a bottom up decision based on the number of quality deals announced in the investment universe.
- Announced mergers only, primarily in North America.

COMPETITIVE ADVANTAGES

Research Edge:

- Merger arbitrage: It's all we do. Experts.
- Portfolio manager's 25 years of merger arbitrage investing experience across various market cycles.
- Outstanding quality of our due diligence, and industry contacts, plus off-the-beaten-track analysis to confirm management's story.

Size and Scale:

- Preference for small-cap transactions, where spreads may be larger and regulatory risks may be smaller.
- Picky: Target 25 to 35 deals. Smaller asset size provides advantages in deal selectivity.

Alignment of interest:

- Eat our own cooking. Portfolio mangers have invested a substantial amount of their personal net worth within the merger-arbitrage strategies they manage.

Substantially Similar Hedge Fund Expertise

- 20+ year track record of demonstrated success investing in merger transactions.

Since the risks of each transaction, not the general movement of the stock market, drive the returns of the SilverPepper Merger Arbitrage Fund, **deal selection is critical.**

SILVERPEPPER MERGER ARBITRAGE FUND: WHY YOU SHOULD CARE!

Hedge fund experts at mutual-fund prices.

Merger arbitrage is a fundamentally different strategy from traditional stock investing.

Because the companies we invest in are involved in all-consuming “events,” merger arbitrage has low beta or market risk. It has “event” risk instead.

The event so dominates the stock price, merger arbitrage investing has low correlation to the stock market.

Buying a stock with a specified, contractual price that is to be paid within a specified period of time creates a markedly different risk and return profile.

Historically lower returns than traditional stock investing, but typically far lower total risk.

Risk (standard deviation) closer to intermediate-term bonds, making merger arbitrage a possible fixed-income substitute for investors not counting on regular income payments.

Low correlation is critical for diversification and for building an attractive risk reward profile for your portfolio.

Event risk does exist. It’s real. Hence, expert managers with a healthy respect for risk are critical.

DATA FOR YOUR BRAIN: RETURNS, RISK & CORRELATIONS

Returns as of 6.30.2022

	YTD	1-Yr	3-Yr	5-Yr	Since Inception
Institutional class - SPAIX	0.63%	3.82%	1.08%	1.20%	2.70%
Advisor class - SPABX	0.46%	3.52%	0.85%	0.94%	2.45%
S&P 500 Index	-19.96%	-10.62%	10.60%	11.31%	11.39%

Correlation to Broad Market Indexes

	Since Inception
Barclays US Aggregate Bond Index	0.14
S&P 500 Index	0.41

Standard Deviation

	Since Inception
SilverPepper Merger Arbitrage I	3.58%
S&P 500 Index	14.35%

The returns represent past performance. Past performance does not guarantee future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than cost. For current to most recent month-end performance, call 855-554-5540.

Total gross/net annual operating expenses are 3.28%/2.55% for Institutional and 3.43%/2.80% for the Advisor shares. The 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 any 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), and expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.99% and 2.24% of the average daily net assets of the Institutional and Advisor class shares, respectively. The agreement is in effect until October 31, 2031.

Inception was October 31, 2013

DATA FOR YOUR BRAIN: MONTHLY & ANNUAL RETURNS

Monthly Returns, Institutional Class

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-0.45%	0.27%	0.63%	-0.27%	0.54%	-0.09%							0.63%
2021	0.10%	-0.38%	0.38%	0.86%	.94%	0.09%	1.21%	0.46%	0.64%	-0.18%	0.55%	0.45%	5.23%
2020	-0.18%	-0.36%	-7.76%	3.13%	-1.80%	0.00%	-0.10%	0.39%	0.58%	0.48%	0.10%	0.10%	-5.66%
2019	1.28%	0.00%	0.90%	-0.36%	0.09%	-0.09%	1.08%	0.71%	-0.18%	0.97%	-0.35%	1.11%	5.26%
2018	-0.18%	0.45%	-0.36%	0.00%	0.45%	0.18%	0.72%	0.44%	-1.15%	0.09%	0.63%	-0.81%	0.44%
2017	-0.18%	0.00%	0.36%	0.36%	0.18%	0.54%	-0.54%	0.36%	0.09%	0.00%	0.00%	0.57%	1.76%
2016	1.13%	0.37%	0.00%	0.37%	0.37%	0.18%	0.64%	-0.27%	0.46%	-0.18%	-0.09%	1.25%	4.30%
2015	0.60%	0.99%	0.10%	0.29%	0.78%	0.10%	0.48%	0.77%	0.19%	2.47%	0.19%	1.25%	8.49%
2014	-0.10%	0.10%	0.10%	-1.48%	1.40%	0.69%	0.79%	0.68%	-0.77%	-0.10%	1.37%	-0.23%	2.44%
2013											0.10%	1.00%	1.10%

The returns represent past performance. Past performance does not guarantee future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than cost. For current to most recent month-end performance, call 855-554-5540.

Total gross/net annual operating expenses are 3.28/2.55% for Institutional and 3.43%/2.80%for the Advisor shares. The 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 any 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),and expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.99% and 2.24% of the average daily net assets of the Institutional and Advisor class shares, respectively. The agreement is in effect until October31, 2031.

FREQUENTLY ASKED QUESTIONS: PERFORMANCE

Q. We understand the SilverPepper Merger Arbitrage Fund's sub advisor, Chicago Capital Management, LLC, has a long track record managing merger arbitrage investments. Can we view that track record in order to analyze and better understand the historical return, volatility, and correlation attributes of a merger arbitrage strategy managed by Chicago Capital?

A. The Fund launched on October 31, 2013, but the Fund's sub advisor does have a long track-record managing a substantially-similar hedge fund, Chicago Capital Management LP, which specializes in merger-arbitrage investing.

The SEC allows for the inclusion of related performance information in the Fund's prospectus if the related performance is substantially similar to the SilverPepper Fund's investment strategy. Therefore, related performance of the sub advisor is included in the prospectus. There is no guarantee that the Fund will experience similar performance and this information should not be used to evaluate the Fund. When reviewing the related performance, please review the footnotes and disclosures. They will help you better understand the information that is provided. The related performance of the sub advisor can be found on page 30 of the SilverPepper prospectus. Or view the information now, as well as additional volatility (total risk) and correlation information, by clicking on the red box below.

Click here for related performance information

HEDGE FUND EXPERT: PORTFOLIO MANAGER BIOGRAPHY

Steven Gerbel is the Founder and Managing Member of Chicago Capital Management, LLC, a registered investment advisor specializing in merger arbitrage strategies since 1998.

Steve founded Chicago Capital and is responsible for overseeing all strategic functions of the firm. Steve has over 20 years of experience managing hedge funds focused on merger arbitrage and convertible arbitrage markets. Prior to managing his flagship hedge fund, Chicago Capital Management LP, Steve was a general partner at First Capital Management, LP, a Chicago-based hedge fund focused on merger and convertible arbitrage, value investing, and distressed markets. Prior to this, Steve traded commodities on the Mid-American Commodities Exchange at the Chicago Board of Trade and acted as a "local" engaged in trading U.S. Treasury bond futures for his own account.

Steve participated in starting two de novo banks in the Chicago area and four hedge funds in addition to Chicago Capital Management, LP. He holds a bachelor of science in economics degree from DePaul University.

SUMMARY TERMS & CONDITIONS

Structure	Open-end mutual fund registered with the SEC and operated in accordance with Investment Company Act of 1940.
Share Classes	Institutional Shares : $5,000 minimum. Advisor shares: $5,000 minimum.
Withdrawals	Daily liquidity at NAV. No Early Withdrawal or Redemption Fees.
Fees	See Prospectus and Annual Report for most current gross and net expense ratios for each Share class as well as the Expense Limitations established by SilverPepper LLC and approved by the Trust's Board of Trustees.
Legal Counsel	Morgan Lewis. No affiliation. Independent service provider.
Board of Directors	Investment Managers Series Trust Fund Board. All independent directors, with independent chairman.
Custodian	UMB Fund Services, Inc. No affiliation. Independent service provider.
Fund Administrator	Mutual Fund Administrative Corporation. No affiliation. Independent service provider.

HELPFUL DEFINITIONS

The S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average of 500 widely held common stocks.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds. Index Performance is not intended to predict or project the performance of the Fund. Performance data quoted represents past performance, which is no guarantee of future results. Investing in an index is not possible.

HFRI Merger Arbitrage Index: Merger Arbitrage strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies which are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations which are pre-, post-date or investment situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross border and international transactions which incorporate multiple geographic regulatory institutions, with typically involve minimal exposure to corporate credits. Merger arbitrage strategies typically have over 75% of positions in announced transactions over a given market cycle.

Short Sales Risk: In connection with a short sale of a security or other instrument, the Fund is subject to the risk that instead of declining, the price of the security or other instrument sold short will rise. If the price of the security or other instrument sold short increases between the date of the short sale and the date on which the Fund replaces the security or other instrument borrowed to make the short sale, the Merger Arbitrage Fund will experience a loss, which is theoretically unlimited since there is a theoretically unlimited potential for the market price of a security or other instrument sold short to increase. Shorting options or futures may have an imperfect correlation to the assets held by the Fund and may not adequately protect against losses or may result in greater losses for the Fund's portfolio.

Beta is the measure of a fund's sensitivity to market movements, typically as compared to the S&P 500 Index. By definition, the beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the Index in up markets and 10% worse in down markets.

DEFINITIONS

Standard Deviation indicates the volatility of a fund's total returns. In general, the higher the standard deviation, the greater the volatility of return. If a fund had a mean (average return) of 10%, and a standard deviation of 2%, you would expect the fund's returns to fall within 12% and 8%, 68% of the time. And 95% of the time, you would expect its return to fall within 6% and 14%.

Correlation is a statistical measure of how the performance of two securities or portfolios moved in relation to each other. Correlation is measured as a correlation coefficient, which ranges between -1.0 and +1.0. Perfect positive correlation (a correlation co-efficient of +1.0) implies that as the performance of one security or portfolio moves either up or down, the performance of the other security or portfolio will move at the same time, by the same amount, and in the same direction. Perfect negative correlation means that if the performance of one security or portfolio moves in either direction, the performance of the other security or portfolio will move in the opposite direction, at the same time, by the same amount. If the correlation is 0, the movements of the securities or portfolios are said to have no correlation; they are completely independent of one another.

Merger and Other Arbitrage Transactions Risk: The Fund invests or takes short positions in securities of companies that are the subject of an acquisition. When Chicago Capital determines that it is probable that an acquisition will be consummated, the Merger Arbitrage Fund may purchase securities at prices often only slightly below the anticipated value to be paid or exchanged for such securities in the merger, exchange offer or cash tender offer (and substantially above the price at which such securities traded immediately prior to the announcement of the merger, exchange offer or cash tender offer). Likewise, when Chicago Capital believes it is likely that a transaction will not be consummated, the Fund may take short positions in such securities in order to capture the difference attributable to the perceived market overvaluation of the acquisition target. In the case of an investment in a potential acquisition target, if the proposed merger, exchange offer or cash tender offer appears likely not to be consummated, in fact is not consummated, or is delayed, the market price of the security to be tendered or exchanged will usually decline sharply, resulting in a loss to the Fund.

For a detailed discussion of these and other risks, please refer to the fund's Prospectus, which should be read carefully before you invest.

IMPORTANT DISCLOSURES

All investing involves risk including the possible loss of principal. The fund uses investment techniques with risks that are different from the risks typically associated with equity investments. Such techniques and strategies include merger arbitrage transaction risk, leveraging risk, short sale risk, liquidity risk, derivatives risk, options risk, non-diversification risk, and foreign investment and currency risks. These may increase volatility and may increase costs and lower performance. Please refer to the prospectus for a complete discussion of the fund's risks.

Please consider the investment objectives, risks, charges and expenses of the fund carefully. The prospectus and the summary prospectus contain this and other information about the Fund. To obtain a prospectus or summary prospectus, contact your financial advisor or download and/or request one at www.SilverPepperFunds.com or call SilverPepper at 1-847-637-0195. Please read the prospectus and/or summary prospectus carefully before investing.

Investment products offered are not FDIC insured, may lose value and have no bank guarantee.

SilverPepper Funds are distributed by IMST Distributors LLC.


SilverPepper
HEDGE FUNDS FOR THE REST OF US