



**Bernzott U.S. Small Cap Value Fund**  
**(Ticker Symbol: BSCVX)**

**ANNUAL REPORT**  
**May 31, 2020**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund, if you hold your shares directly with the Fund, or from your financial intermediary, such as a broker-dealer or bank, if you hold your shares through a financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold your shares directly with the Fund, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting the Fund at (877) 998-9880 or, if you hold your shares through a financial intermediary, contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. If you hold your shares directly with the Fund, you can inform the Fund that you wish to continue receiving paper copies of your shareholder reports at (877) 998-9880 or, if you hold your shares through a financial intermediary, contacting your financial intermediary. Your election to receive reports in paper will apply to all of the Investment Managers Series Trust's Funds you hold directly or through your financial intermediary, as applicable.

# Bernzott U.S. Small Cap Value Fund

*A series of Investment Managers Series Trust*

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*This report and the financial statements contained herein are provided for the general information of the shareholders of the Bernzott U.S. Small Cap Value Fund. This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.*



Dear Fellow Shareholder:

We are pleased to report on the Bernzott U.S. Small Cap Value Fund (BSCVX) for the year ended May 31, 2020. Since the Fund's inception on September 11, 2012, we have aimed to deliver a reasonable return on without taking unreasonable risk. Our goal is to invest in high-quality companies trading at a discount to our assessment of fair value. For the year ended May 31, 2020, the Fund returned  $-4.42\%$ , while the benchmark Russell 2000 Value returned  $-14.69\%$ . Please see the complete returns later in this report.

We don't like to see a negative number, even if it is superior to the benchmark by such a large margin. With the emergence of a pandemic in early 2020, stock prices suffered across the board. Still, the Fund outperformed the benchmark because we focus on buying high quality companies at a significant discount to our estimated fair value. We emphasize rigorous research, a disciplined process, a strong valuation orientation, a concentrated portfolio (25-35 holdings) and a well-defined sell discipline. This quality orientation is how the Fund avoided the double-digit percentage loss experienced by the benchmark during this period. Avoiding significant losses during tough times may potentially allow the fund to outperform over the long run.

The Fund remains significantly underweight in sectors making up more than half of the benchmark including financials, real estate, energy, and utilities. Attributes that we consider very important to high-quality companies – low capital expenditure requirements, light or no government regulation, reasonable leverage – has been absent in many companies in those sectors. We are sector agnostic, which is to say our sector weightings result from bottom-up analysis of individual companies, not top-down decisions based on other factors. The Fund's exposure to different sectors results wholly from the current crop we view as high-quality companies developed by the application of our investment process.

Despite our agnosticism regarding benchmark composition and sector allocation, we recognize that the market has often favored some sectors over others. During the past year, the Fund benefited from being overweight in the information technology sector. We take no credit for that since we aren't allocating tactically to certain sectors, but we will take credit for the companies the Fund owns that have performed well.

The Fund's month-to-month, quarter-to-quarter and year-to-year results are not our focus. In any market environment, if you worry about the short-term, the ups and downs are unnerving. If you are a long-term investor, volatility may be an opportunity, not a worry. Our long-term view is one of our most important attributes. Portfolio turnover has remained low relative to our peers. Low turnover allows the winners to run, kept trading costs down, and deferred realization of capital gains.

Early 2019 was a very volatile period. Volatility is not always a bad thing for long-term investors. We have a “Watch List” of companies that the Fund does not presently own, many times because the stock price is simply higher than we are willing to pay. When the overall market is slumping, some of these companies may finally go “on sale” giving us the opportunity to buy them. There are fewer such opportunities when the overall market is rising. Of course, over a significant period we want prices to rise. But downturns are a chance to buy, not a time to sell, setting the fund up for attractive risk-adjusted returns.

Two years ago, we reported a huge overall twelve-month return. This year, like last, the return was negative. But up or down, the similarities in these annual letters should help you as an investor. Philosophy and process remain consistent and there has been no change to the four portfolio managers. Whether or not we significantly outperform our benchmark, as we did this year, and while historical results are not an indication of future performance, this does not change how we invest.

There are plenty of good index funds, but we believe talented active managers can add value in the small cap space because fundamentals and stock picking matter. We also believe that over significant periods of time, a portfolio of high-quality companies purchased at the right price is the right way to invest. That is how we will continue managing the Fund.

There are many options for your investment dollars, and we appreciate your ownership of BSCVX. We will continue to work hard to keep your trust and confidence.

### **Bernzott Capital Advisors**

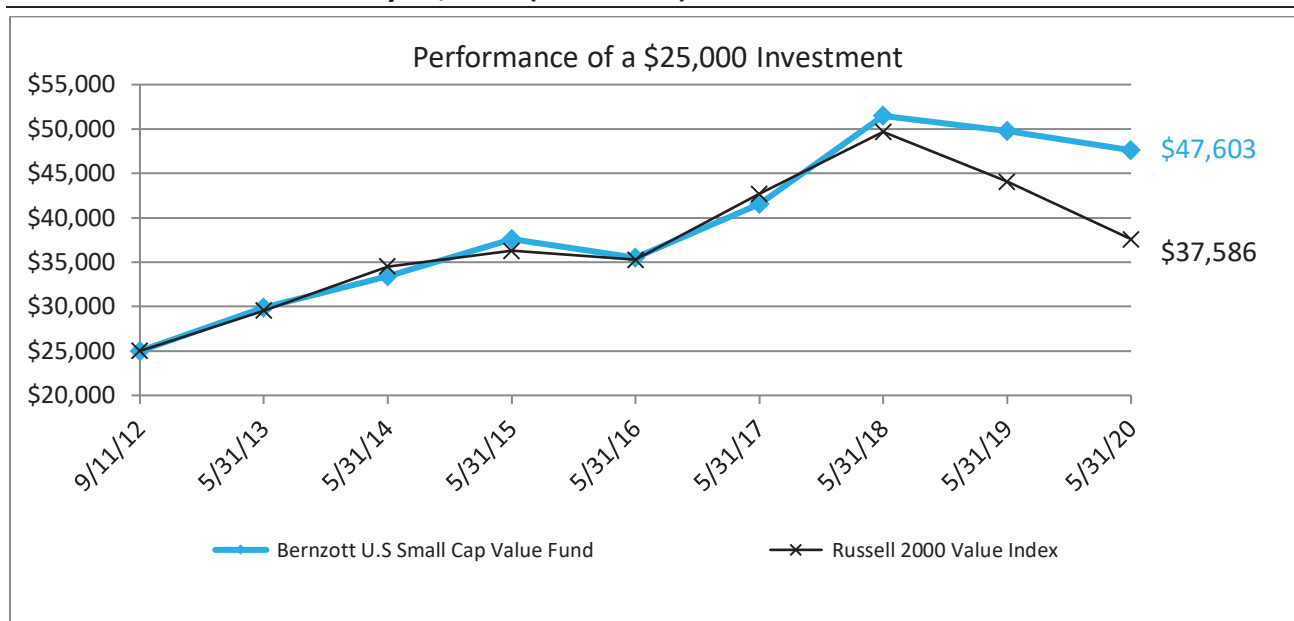
*The views in this letter were as of May 31, 2020 and may not necessarily reflect the same views on the date this letter is first published or any time thereafter. These views are intended to assist shareholders in understanding the Fund's investment methodology and do not constitute investment advice.*

### **Important Information:**

**Market Turbulence Resulting from COVID-19.** The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

Smaller capitalization securities may be less stable and more susceptible to adverse developments and may be more volatile and less liquid than larger capitalization securities. Value stocks can continue to be undervalued by the market for long periods of time and may not appreciate to the extent expected. There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal. **Past performance does not guarantee future results.**

**Bernzott U.S. Small Cap Value Fund**  
**FUND PERFORMANCE at May 31, 2020 (Unaudited)**



This graph compares a hypothetical \$25,000 investment in the Fund, made at its inception, with a similar investment in the Russell 2000 Value Index. Results include the reinvestment of all dividends and capital gains.

The Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. equity universe. This index does not reflect expenses, fees or sales charge, which would lower performance. This index is unmanaged and it is not possible to invest in an index.

Average Annual Total Return as of May 31, 2020	1 Year	3 Years	5 Years	Since Inception	Inception Date
Bernzott U.S. Small Cap Value Fund	-4.42%	4.66%	4.84%	8.70%	09/11/12
Russell 2000 Value Index	-14.69%	-4.16%	0.71%	5.43%	09/11/12

*The performance data quoted here represents past performance and past performance is not a guarantee of future results. Investment return and principal value 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 information quoted and may be obtained by calling (877) 998-9880.*

Gross and net expense ratios for the Fund were 1.16% and 0.95%, respectively, which were stated in the current prospectus dated October 1, 2019. For the Fund's current one year expense ratios, please refer to the Financial Highlights section of this report. 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 any 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 0.95% of the average daily net assets of the Fund. This agreement is in effect until September 30, 2020, and it may be terminated before that date only by the Trust's Board of Trustees. In the absence of such waivers, the Fund's returns would be lower.

Returns reflect the reinvestment of distributions made by the Fund, if any. The graph and the performance table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Shares redeemed within 30 days of purchase will be charged a redemption fee of 2.00%.

**Bernzott U.S. Small Cap Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**As of May 31, 2020**

Number of Shares		Value
	<b>COMMON STOCKS — 95.4%</b>	
	<b>COMMUNICATIONS — 2.8%</b>	
376,020	Quotient Technology, Inc. *	<b>\$ 2,617,099</b>
	<b>CONSUMER DISCRETIONARY — 15.2%</b>	
236,680	BrightView Holdings, Inc. *	3,240,149
166,875	Callaway Golf Co.	2,556,525
159,990	Gentex Corp.	4,230,136
124,425	ServiceMaster Global Holdings, Inc. *	4,093,582
		<b>14,120,392</b>
	<b>FINANCIALS — 6.6%</b>	
95,855	Artisan Partners Asset Management, Inc. - Class A	2,776,919
12,700	LendingTree, Inc. *	3,302,254
		<b>6,079,173</b>
	<b>HEALTH CARE — 6.9%</b>	
55,165	Catalent, Inc. *	4,287,976
22,570	Medpace Holdings, Inc. *	2,094,947
		<b>6,382,923</b>
	<b>INDUSTRIALS — 18.6%</b>	
122,550	Douglas Dynamics, Inc.	4,477,977
146,365	Hillenbrand, Inc.	3,767,435
108,785	Mobile Mini, Inc.	3,485,472
132,845	SP Plus Corp. *	2,706,053
51,010	Stericycle, Inc. *	2,796,878
		<b>17,233,815</b>
	<b>MATERIALS — 4.3%</b>	
83,680	Compass Minerals International, Inc.	<b>4,031,702</b>
	<b>TECHNOLOGY — 41.0%</b>	
94,160	Bottomline Technologies de, Inc. *	4,764,496
138,125	Cerence, Inc. *	4,131,319
76,725	Cornerstone OnDemand, Inc. *	2,965,421
18,850	EPAM Systems, Inc. *	4,347,564
66,335	ExlService Holdings, Inc. *	4,057,712
201,875	Inovalon Holdings, Inc. - Class A *	3,799,288
225,450	Knowles Corp. *	3,390,768
116,770	Shutterstock, Inc.	4,427,918
40,800	SPS Commerce, Inc. *	2,780,928

**Bernzott U.S. Small Cap Value Fund**  
**SCHEDULE OF INVESTMENTS - Continued**  
**As of May 31, 2020**

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Number of Shares		Value
	<b>COMMON STOCKS (Continued)</b>	
	<b>TECHNOLOGY (Continued)</b>	
72,815	Verint Systems, Inc. *	\$ 3,376,432
		<u>38,041,846</u>
	<b>TOTAL COMMON STOCKS</b>	
	(Cost \$73,856,718)	<u>88,506,950</u>
Principal Amount		
	<b>SHORT-TERM INVESTMENTS — 4.6%</b>	
\$ 4,288,997	UMB Money Market Fiduciary, 0.01% <sup>1</sup>	4,288,997
	<b>TOTAL SHORT-TERM INVESTMENTS</b>	
	(Cost \$4,288,997)	<u>4,288,997</u>
	<b>TOTAL INVESTMENTS — 100.0%</b>	
	(Cost \$78,145,715)	<b>92,795,947</b>
	Liabilities in Excess of Other Assets — (0.0)%	<u>(21,114)</u>
	<b>TOTAL NET ASSETS — 100.0%</b>	<u><b>\$ 92,774,833</b></u>

\* Non-income producing security.

<sup>1</sup> The rate is the annualized seven-day yield at period end.

See accompanying Notes to Financial Statements.

**Bernzott U.S. Small Cap Value Fund**  
**SUMMARY OF INVESTMENTS**  
**As of May 31, 2020**

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Security Type/Sector	Percent of Total Net Assets
Common Stocks	
Technology	41.0%
Industrials	18.6%
Consumer Discretionary	15.2%
Health Care	6.9%
Financials	6.6%
Materials	4.3%
Communications	2.8%
<b>Total Common Stocks</b>	<b>95.4%</b>
Short-Term Investments	4.6%
<b>Total Investments</b>	<b>100.0%</b>
Liabilities in Excess of Other Assets	(0.0)%
<b>Total Net Assets</b>	<b>100.0%</b>

*See accompanying Notes to Financial Statements.*



**Bernzott U.S. Small Cap Value Fund**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**As of May 31, 2020**

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**Assets:**

Investments, at value (cost \$78,145,715)	\$	92,795,947
Receivables:		
Fund shares sold		1,656
Dividends and interest		61,948
Prepaid expenses		17,295
Total Assets		<u>92,876,846</u>

**Liabilities:**

Payables:		
Advisory fees		46,400
Fund administration and accounting fees		17,934
Transfer agent fees and expenses		5,028
Auditing fees		18,703
Trustees' deferred compensation (Note 3)		3,713
Shareholder reporting fees		2,781
Chief Compliance Officer fees		2,591
Legal fees		571
Trustees' fees and expenses		271
Accrued other expenses		4,021
Total Liabilities		<u>102,013</u>

**Net Assets** \$ 92,774,833

**Components of Net Assets:**

Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized)	\$	89,743,641
Total distributable earnings		<u>3,031,192</u>

**Net Assets** \$ 92,774,833

Shares of beneficial interest issued and outstanding	<u>8,079,275</u>
Offering and redemption price per share	<u>\$ 11.48</u>

See accompanying Notes to Financial Statements.

**Bernzott U.S. Small Cap Value Fund**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended May 31, 2020**

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**Investment income:**

Dividends	\$ 782,040
Interest	7,376
Total investment income	<u>789,416</u>

**Expenses:**

Advisory fees	655,978
Fund administration and accounting fees	111,660
Transfer agent fees and expenses	25,246
Custody fees	19,387
Registration fees	26,813
Auditing fees	18,697
Chief Compliance Officer fees	13,749
Trustees' fees and expenses	8,925
Miscellaneous	6,545
Shareholder reporting fees	6,502
Legal fees	4,261
Insurance fees	1,719
Total expenses	<u>899,482</u>
Advisory fees waived	<u>(120,491)</u>
Net expenses	<u>778,991</u>
<b>Net investment income</b>	<u>10,425</u>

**Realized and Unrealized Gain:**

Net realized loss on:	
Investments	<u>(7,577,092)</u>
Net change in unrealized appreciation/depreciation on:	
Investments	<u>8,094,651</u>
Net realized and unrealized gain	<u>517,559</u>

<b>Net Increase in Net Assets from Operations</b>	<b>\$ <u>527,984</u></b>
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See accompanying Notes to Financial Statements.

**Bernzott U.S. Small Cap Value Fund**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>For the Year Ended May 31, 2020</b>	<b>For the Year Ended May 31, 2019</b>
<b>Increase (Decrease) in Net Assets from:</b>		
<b>Operations:</b>		
Net investment income	\$ 10,425	\$ 214,488
Net realized gain (loss) on investments	(7,577,092)	8,951,960
Net change in unrealized appreciation/depreciation on investments	8,094,651	(12,085,811)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>527,984</b>	<b>(2,919,363)</b>
<b>Distributions to Shareholders:</b>		
<b>Total distributions to shareholders:</b>	<b>(7,160,818)</b>	<b>(11,752,190)</b>
<b>Capital Transactions:</b>		
Net proceeds from shares sold	32,251,957	17,438,605
Reinvestment of distributions	7,095,130	11,324,507
Cost of shares redeemed <sup>1</sup>	(14,872,963)	(15,148,441)
<b>Net increase in net assets from capital transactions</b>	<b>24,474,124</b>	<b>13,614,671</b>
<b>Total increase (decrease) in net assets</b>	<b>17,841,290</b>	<b>(1,056,882)</b>
<b>Net Assets:</b>		
Beginning of period	74,933,543	75,990,425
End of period	<u>\$ 92,774,833</u>	<u>\$ 74,933,543</u>
<b>Capital Share Transactions:</b>		
Shares sold	3,089,549	1,230,170
Shares reinvested	528,698	869,778
Shares redeemed	(1,276,831)	(1,054,730)
<b>Net increase in capital share transactions</b>	<b>2,341,416</b>	<b>1,045,218</b>

<sup>1</sup> Net of redemption fee proceeds of \$6,789 and \$1,495, respectively.

See accompanying Notes to Financial Statements.

**Bernzott U.S. Small Cap Value Fund**  
**FINANCIAL HIGHLIGHTS**

	For the Year Ended May 31,				
	2020	2019	2018	2017	2016
<b>Net asset value, beginning of period</b>	\$ 13.06	\$ 16.19	\$ 13.69	\$ 11.85	\$ 13.03
<b>Income from Investment Operations:</b>					
Net investment income <sup>1</sup>	- <sup>2</sup>	0.04	0.01	0.04	0.07
Net realized and unrealized gain (loss)	(0.41)	(0.58)	3.23	1.97	(0.81)
Total from investment operations	(0.41)	(0.54)	3.24	2.01	(0.74)
<b>Less Distributions:</b>					
From net investment income	-	(0.06)	(0.02)	(0.06)	(0.01)
From net realized gain	(1.17)	(2.53)	(0.72)	(0.11)	(0.43)
Total distributions	(1.17)	(2.59)	(0.74)	(0.17)	(0.44)
<b>Redemption fee proceeds<sup>1</sup></b>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>
<b>Net asset value, end of period</b>	\$ 11.48	\$ 13.06	\$ 16.19	\$ 13.69	\$ 11.85
<b>Total return<sup>3</sup></b>	(4.42)%	(3.25)%	23.95%	17.07%	(5.63)%
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (in thousands)	\$ 92,775	\$ 74,934	\$ 75,990	\$ 81,873	\$ 33,959
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	1.10%	1.16%	1.17%	1.22%	1.52%
After fees waived and expenses absorbed	0.95%	0.95%	0.95%	0.95%	0.95%
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	(0.14)%	0.08%	(0.12)%	0.03%	0.02%
After fees waived and expenses absorbed	0.01%	0.29%	0.10%	0.30%	0.59%
Portfolio turnover rate	44%	44%	27%	38%	27%

<sup>1</sup> Based on average shares outstanding during the period.

<sup>2</sup> Amount represents less than \$0.01 per shares.

<sup>3</sup> Total returns would have been lower had certain 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 redemption of Fund shares.

See accompanying Notes to Financial Statements.

**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2020**

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**Note 1 – Organization**

Bernzott U.S. Small Cap Value Fund (the “Fund”) is organized as a diversified series of Investment Manager Series Trust, a Delaware statutory trust (the “Trust”) which is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary investment objective is to provide capital appreciation. The Fund will invest primarily in a diversified portfolio of equity securities. The Fund commenced investment operations on September 11, 2012.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services—Investment Companies”.

**Note 2 – Accounting Policies**

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

**(a) Valuation of Investments**

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 traded, as of the close of regular trading on the NYSE on the day the securities are being valued or, if the last-quoted sales price is not readily available, the securities will be valued at the last bid or the mean between the last available bid and ask price. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price (“NOCP”). Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company. Debt securities are valued by utilizing a price supplied by independent pricing service providers. The independent pricing service providers may use various valuation methodologies including matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. If a price is not readily available for a portfolio security, the security will be valued at fair value (the amount which the Fund might reasonably expect to receive for the security upon its current sale) as determined in good faith by the Fund’s advisor, subject to review and approval by the Valuation Committee, pursuant to procedures adopted by the Board of Trustees. The actions of the Valuation Committee are subsequently reviewed by the Board at its next regularly scheduled board meeting. The Valuation Committee meets as needed. The Valuation Committee is comprised of all the Trustees, but action may be taken by any one of the Trustees.

**(b) Investment Transactions, Investment Income and Expenses**

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country’s tax rules and rates and are disclosed in the Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction’s legal obligation to pay reclaims as well as payment history and market convention. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Expenses incurred by the Trust with respect to more than one Fund are allocated in proportion to the net assets of each Fund except where allocation of direct expenses to each Fund or an alternative allocation method can be more appropriately made.

**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**May 31, 2020**

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**(c) Federal Income Taxes**

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

*Accounting for Uncertainty in Income Taxes* (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, any tax positions expected to be taken in the Fund’s current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the year ended May 31, 2020 and as of and during the open years ended May 31, 2017-2020, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

**(d) Distributions to Shareholders**

The Fund will make distributions of net investment income and capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense and gain (loss) items for financial statement and tax purposes.

**(e) Illiquid Securities**

Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Liquidity Risk Management Program (“LRMP”) that requires, among other things, that the Fund limits its illiquid investments that are assets to no more than 15% of net assets. An illiquid investment is any security which may not reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Advisor, at any time, determines that the value of illiquid securities held by a Fund exceeds 15% of its net asset value, the Advisor will take such steps as it considers appropriate to reduce them as soon as reasonably practicable in accordance with the Fund’s written LRMP.

**Note 3 – Investment Advisory and Other Agreements**

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the “Agreement”) with Bernzott Capital Advisors (the “Advisor”). Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Advisor at the annual rate of 0.80% of the Fund’s average daily net assets. The Advisor has contractually agreed to waive its fee and, if necessary, to absorb other operating expenses to ensure that total annual operating expenses (excluding any taxes, leverage interest, brokerage commissions, acquired fund fees and expenses (as

**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**May 31, 2020**

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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 0.95% of the average daily net assets of the Fund. This agreement is in effect until September 30, 2020, and it may be terminated before that date only by the Trust's Board of Trustees.

For the year ended May 31, 2020, the Advisor waived a portion of its advisory fees totaling \$120,491. The Advisor may recover from the Fund fees and/or expenses previously waived and/or absorbed if the Fund's expense ratio, including the recovered expenses, falls below the expense limit at which they were waived. The Fund's advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period ending three full fiscal years after the date of the waiver or payment. This reimbursement may be requested from the Fund if the reimbursement will not cause the Fund's annual expense ratio to exceed the lesser of (a) the expense limitation amount in effect at the time such fees were waived or payments made, or (b) the expense limitation amount in effect at the time of the reimbursement. At May 31, 2020, the amount of these potentially recoverable expenses was \$464,627. The Advisor may recapture all or a portion of this amount no later than May 31, of the years stated below:

2021	\$	185,684
2022		158,452
2023		120,491
Total	\$	464,627

UMB Fund Services, Inc. ("UMBFS") serves as the Fund's fund accountant, transfer agent and co-administrator; and Mutual Fund Administration, LLC ("MFAC") serves as the Fund's other co-administrator. UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund's custodian. The Fund's allocated fees incurred for fund accounting, fund administration, transfer agency and custody services for the year ended May 31, 2020 are reported on the Statement of Operations.

IMST Distributors, LLC serves as the Fund's distributor (the "Distributor"). The Distributor does not receive compensation from the Fund for its distribution services; the Advisor pays the Distributor a fee for its distribution-related services.

Certain trustees and officers of the Trust are employees of UMBFS or MFAC. The Fund does not compensate trustees and officers affiliated with the Fund's co-administrators. For the year ended May 31, 2020, the Fund's allocated fees incurred to Trustees who are not affiliated with the Fund's co-administrators are reported on the Statement of Operations.

The Fund's Board of Trustees has adopted a Deferred Compensation Plan (the "Plan") for the Independent Trustees that enables Trustees to elect to receive payment in cash or the option to select various fund(s) in the Trust in which their deferred accounts shall be deemed to be invested. If a trustee elects to defer payment, the Plan provides for the creation of a deferred payment account. The Fund's liability for these amounts is adjusted for market value changes in the invested fund(s) and remains a liability to the Fund until distributed in accordance with the Plan. The Trustees Deferred compensation liability under the Plan constitutes a general unsecured obligation of the Fund and is disclosed in the Statement of Assets and Liabilities. Contributions made under the plan and the change in unrealized appreciation/depreciation and income are included in the Trustees' fees and expenses in the Statement of Operations.

**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**May 31, 2020**

Dziura Compliance Consulting, LLC provides Chief Compliance Officer (“CCO”) services to the Trust. The Fund’s allocated fees incurred for CCO services for the year ended May 31, 2020 are reported on the Statement of Operations.

**Note 4 – Federal Income Taxes**

At May 31, 2020, gross unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$82,267,209</u>
Gross unrealized appreciation	\$17,206,295
Gross unrealized depreciation	<u>(6,677,557)</u>
Net unrealized appreciation on investments	<u>\$10,528,738</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended May 31, 2020, permanent differences in book and tax accounting have been reclassified to paid-in capital and accumulated earnings as follows:

Increase (Decrease)	
Paid-in Capital	Accumulated Earnings
\$ (7,953)	\$ 7,953

As of May 31, 2020, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income	\$ -
Undistributed long-term capital gains	-
Distributable earnings	<u>-</u>
Accumulated capital and other losses	(7,493,833)
Unrealized appreciation on investments	10,528,738
Deferred compensation	(3,713)
Total accumulated earnings	<u>\$ 3,031,192</u>

The tax character of the distribution paid during the fiscal years ended May 31, 2020, and May 31, 2019 were as follows:

Distributions paid from:	2020	2019
Ordinary income	\$ 1,419	\$ 1,452,265
Net long-term capital gains	7,159,399	10,299,925
Total distributions paid	<u>\$ 7,160,818</u>	<u>\$ 11,752,190</u>



**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**May 31, 2020**

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As of May 31, 2020, the Fund had \$7,493,833 of post-October capital losses which are deferred until June 1, 2020 for tax purposes. Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first day of the Fund's next taxable year.

**Note 5 – Redemption Fee**

The Fund may impose a redemption fee of 2.00% of the total redemption amount on all shares redeemed within 30 days of purchase. For the year ended May 31, 2020 and the year ended May 31, 2019, the Fund received \$6,789 and \$1,495, respectively, in redemption fees.

**Note 6 – Investment Transactions**

For the year ended May 31, 2020, purchases and sales of investments, excluding short-term investments, were \$51,087,446 and \$34,646,090, respectively.

**Note 7 – Indemnifications**

In the normal course of business, the Fund enters into contracts that contain a variety of representations, which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

**Note 8 – Fair Value Measurements and Disclosure**

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

*Under Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad Levels as described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

**Bernzott U.S. Small Cap Value Fund**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**May 31, 2020**

The inputs used to measure fair value may fall into different Levels of the fair value hierarchy. In such cases, for disclosure purposes, the Level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest Level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of May 31, 2020, in valuing the Fund's assets carried at fair value:

	Level 1	Level 2*	Level 3*	Total
<b>Investments</b>				
Common Stocks <sup>1</sup>	\$ 88,506,950	\$ -	\$ -	\$ 88,506,950
Short-Term Investments	4,288,997	-	-	4,288,997
Total Investments	<u>\$ 92,795,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,795,947</u>

<sup>1</sup>All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

\*The Fund did not hold any Level 2 or Level 3 securities at period end.

**Note 9 – Events Subsequent to the Fiscal Period End**

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund's related events and transactions that occurred through the date of issuance of the Fund's financial statements.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. This coronavirus has resulted in closing international borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general public concern and uncertainty. The impact of this outbreak has negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund, including political, social and economic risks. Any such impact could adversely affect the Fund's performance, the performance of the securities in which the Fund invests and may lead to losses on your investment in the Fund. The ultimate impact of COVID-19 on the financial performance of the Fund's investments is not reasonably estimable at this time.

There were no other events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

### **To the Board of Trustees of Investment Managers Series Trust and Shareholders of Bernzott U.S. Small Cap Value Fund**

#### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of the Bernzott U.S. Small Cap Value Fund (the "Fund"), a series of Investment Managers Series Trust, including the schedule of investments, as of May 31, 2020, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of May 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Investment Managers Series Trust since 2007.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of May 31, 2020 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
July 23, 2020**

**Bernzott U.S. Small Cap Value Fund**  
**SUPPLEMENTAL INFORMATION (Unaudited)**

**Qualified Dividend Income**

For the period ended May 31, 2020, 100% of dividends to be paid from net investment income, including short-term capital gains from the Fund (if any), is designated as qualified dividend income.

**Corporate Dividends Received Deduction**

For the period ended May 31, 2020, 100% of the dividends to be paid from net investment income, including short-term capital gains from the Fund (if any), is designated as dividends received deduction available to corporate shareholders.

**Long-Term Capital Gain Designation**

For the period ended May 31, 2020, the Fund designates \$7,159,399 as a 20% rate gain distribution for purposes of the dividends paid deduction.

**Trustees and Officers Information**

Additional information about the Trustees is included in the Fund’s Statement of Additional Information which is available, without charge, upon request by calling (877) 998-9880. The Trustees and officers of the Fund and their principal occupations during the past five years are as follows:

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office <sup>c</sup> and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee <sup>d</sup>	Other Directorships Held During the Past Five Years by Trustee <sup>e</sup>
<b>Independent Trustees:</b>				
Charles H. Miller <sup>a</sup> (born 1947) Trustee	Since November 2007	Retired (2013 – present). Executive Vice President, Client Management and Development, Access Data, a Broadridge company, a provider of technology and services to asset management firms (1997-2012).	1	361 Social Infrastructure Fund, a closed-end investment company.
Ashley Toomey Rabun <sup>a</sup> (born 1952) Trustee and Chairperson of the Board	Since November 2007	Retired (2016 – present). President and Founder, InvestorReach, Inc., a financial services consulting firm (1996 – 2015).	1	361 Social Infrastructure Fund, a closed-end investment company, and Select Sector SPDR Trust, a registered investment company (includes 11 portfolios).

**Bernzott U.S. Small Cap Value Fund**  
**SUPPLEMENTAL INFORMATION (Unaudited) - Continued**

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office <sup>c</sup> and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee <sup>d</sup>	Other Directorships Held During the Past Five Years by Trustee <sup>e</sup>
<b>Independent Trustees:</b>				
William H. Young <sup>a</sup> (born 1950) Trustee	Since November 2007	Retired (2014 - present). Independent financial services consultant (1996 – 2014). Interim CEO, Unified Fund Services Inc. (now Huntington Fund Services), a mutual fund service provider (2003 – 2006). Senior Vice President, Oppenheimer Management Company (1983 – 1996). Chairman, NICSA, an investment management trade association (1993 – 1996).	1	361 Social Infrastructure Fund, a closed-end investment company.
John P. Zader <sup>a</sup> (born 1961) Trustee	Since November 2007	Retired (June 2014 - present). CEO, UMB Fund Services, Inc., a mutual fund and hedge fund service provider, and the transfer agent, fund accountant, and co-administrator for the Fund (December 2006 - June 2014). President, Investment Managers Series Trust (December 2007 - June 2014).	1	Investment Managers Series Trust II, a registered investment company (includes 13 portfolios); 361 Social Infrastructure Fund, a closed-end investment company.

**Bernzott U.S. Small Cap Value Fund**  
**SUPPLEMENTAL INFORMATION (Unaudited) - Continued**

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office <sup>c</sup> and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee <sup>d</sup>	Other Directorships Held During the Past Five Years by Trustee <sup>e</sup>
<b>Interested Trustees:</b>				
Eric M. Banhazi <sup>b†</sup> (born 1957) Trustee	Since January 2008	Chairman, Foothill Capital Management, LLC, a registered investment advisor (2018 – present); Chairman (2016 – present), and President (2006 – 2015), Mutual Fund Administration, LLC, the co-administrator for the Fund; Trustee and Vice President, Investment Managers Series Trust (December 2007 – March 2016).	1	Investment Managers Series Trust II, a registered investment company (includes 13 portfolios), and 361 Social Infrastructure Fund, a closed-end investment company.
Maureen Quill <sup>a*</sup> (born 1963) Trustee and President	Since June 2019	President, Investment Managers Series Trust (June 2014 – present); President, UMB Distribution Services (March 2013 – present); EVP/Executive Director Registered Funds (January 2018 – present), Chief Operating Officer (June 2014 – January 2018), and Executive Vice President (January 2007 – June 2014), UMB Fund Services, Inc.; Vice President, Investment Managers Series Trust (December 2013 – June 2014).	1	361 Social Infrastructure Fund, a closed-end investment company.
<b>Officer of the Trust:</b>				
Rita Dam <sup>b</sup> (born 1966) Treasurer and Assistant Secretary	Since December 2007	Co-President, Foothill Capital Management, LLC, a registered investment advisor (2018 – present); Co-Chief Executive Officer (2016 – present), and Vice President (2006 – 2015), Mutual Fund Administration, LLC.	N/A	N/A

**Bernzott U.S. Small Cap Value Fund**  
**SUPPLEMENTAL INFORMATION (Unaudited) - Continued**

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office <sup>c</sup> and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee <sup>d</sup>	Other Directorships Held During the Past Five Years by Trustee <sup>e</sup>
<b>Officers of the Trust:</b>				
Joy Ausili <sup>b</sup> (born 1966) Vice President, Assistant Secretary and Assistant Treasurer	Since March 2016	Co-President, Foothill Capital Management, LLC, a registered investment advisor (2018 – present); Co-Chief Executive Officer (2016 – present), and Vice President (2006 – 2015), Mutual Fund Administration, LLC; Secretary and Assistant Treasurer, Investment Managers Series Trust (December 2007 – March 2016).	N/A	N/A
Diane Drake <sup>b</sup> (born 1967) Secretary	Since March 2016	Senior Counsel, Mutual Fund Administration, LLC (October 2015 – present); Chief Compliance Officer, Foothill Capital Management, LLC, a registered investment advisor (2018 – 2019); Managing Director and Senior Counsel, BNY Mellon Investment Servicing (US) Inc. (2010 – 2015).	N/A	N/A
Martin Dziura <sup>b</sup> (born 1959) Chief Compliance Officer	Since June 2014	Principal, Dziura Compliance Consulting, LLC (October 2014 – present); Managing Director, Cipperman Compliance Services (2010 – September 2014); Chief Compliance Officer, Hanlon Investment Management (2009 – 2010); Vice President – Compliance, Morgan Stanley Investment Management (2000 – 2009).	N/A	N/A

- a Address for certain Trustees and certain officers: 235 West Galena Street, Milwaukee, Wisconsin 53212.
- b Address for Mr. Banhazl, Ms. Ausili, Ms. Dam and Ms. Drake: 2220 E. Route 66, Suite 226, Glendora, California 91740. Address for Mr. Dziura: 309 Woodridge Lane, Media, Pennsylvania 19063.
- c Trustees and officers serve until their successors have been duly elected.
- d The Trust is comprised of 53 series managed by unaffiliated investment advisors. Each Trustee serves as Trustee of each series of the Trust. The term “Fund Complex” applies only to the Fund managed by the same investment advisor. The Fund does not hold itself out as related to any other series within the Trust, for purposes of investment and investor services, nor does it share the same investment advisor with any other series.
- e “Other Directorships Held” includes only directorship of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934, as amended (that is, “public companies”) or other investment companies registered under the 1940 Act.
- † Mr. Banhazl is an “interested person” of the Trust by virtue of his position with Mutual Fund Administration, LLC.
- \* Ms. Quill is an “interested person” of the Trust by virtue of her position with UMB Fund Services, Inc.

## **Bernzott U.S. Small Cap Value Fund**

### **SUPPLEMENTAL INFORMATION (Unaudited) - Continued**

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#### ***Board Consideration of Investment Advisory Agreement***

At an in-person meeting held on December 11-12, 2019, the Board of Trustees (the “*Board*”) of Investment Managers Series Trust (the “*Trust*”), including the trustees who are not “interested persons” of the Trust (the “*Independent Trustees*”) as defined in the Investment Company Act of 1940, as amended (the “*1940 Act*”), reviewed and unanimously approved the renewal of the investment advisory agreement (the “*Advisory Agreement*”) between the Trust and Bernzott Capital Advisors (the “*Investment Advisor*”) with respect to the Bernzott U.S. Small Cap Value Fund series of the Trust (the “*Fund*”) for an additional one-year term from when it otherwise would expire. In approving renewal of the Advisory Agreement, the Board, including the Independent Trustees, determined that such renewal was in the best interests of the Fund and its shareholders.

#### ***Background***

In advance of the meeting, the Board received information about the Fund and the Advisory Agreement from the Investment Advisor and from Mutual Fund Administration, LLC and UMB Fund Services, Inc., the Trust’s co-administrators, certain portions of which are discussed below. The materials, among other things, included information about the Investment Advisor’s organization and financial condition; information regarding the background, experience, and compensation structure of relevant personnel providing services to the Fund; information about the Investment Advisor’s compliance policies and procedures, disaster recovery and contingency planning, and policies with respect to portfolio execution and trading; information regarding the profitability of the Investment Advisor’s overall relationship with the Fund; reports comparing the performance of the Fund with returns of the Russell 2000 Value Index, Russell 2500 Value Index, and a group of comparable funds (the “*Peer Group*”) selected by Broadridge Financial Solutions, Inc. (“*Broadridge*”) from Morningstar, Inc.’s Small Blend fund universe (the “*Fund Universe*”) for the one-, three-, and five-year periods ended September 30, 2019; and reports comparing the investment advisory fee and total expenses of the Fund with those of the Peer Group and Fund Universe. The Board also received a memorandum from legal counsel to the Trust discussing the legal standards under the 1940 Act and other applicable law for their consideration of the proposed renewal of the Advisory Agreement. In addition, the Board considered information reviewed by the Board during the year at other Board and Board committee meetings. No representatives of the Investment Advisor were present during the Board’s consideration of the Advisory Agreement, and the Independent Trustees were represented by their legal counsel with respect to the matters considered.

In renewing the Advisory Agreement, the Board and the Independent Trustees considered a variety of factors, including those discussed below. In their deliberations, the Board and the Independent Trustees did not identify any particular factor that was controlling, and each Trustee may have attributed different weights to the various factors.

#### ***Nature, Extent and Quality of Services***

With respect to the performance results of the Fund, the meeting materials indicated that the Fund’s annualized total returns for the three- and five-year periods were above the Peer Group and Fund Universe median returns, the Russell 2000 Value Index returns and the Russell 2500 Value Index returns. The Fund’s total return for the one-year period was below the Russell 2000 Value Index return, the Fund Universe and Peer Group median returns, and the Russell 2500 Value Index return by 1.29%, 2.23%, 3.80%, and 5.18%, respectively. The Trustees considered the Investment Advisor’s explanation that the Fund’s underperformance relative to the Peer Group and Fund Universe over the one-year period was due primarily to specific holdings that were negatively impacted by temporary issues. The Trustees also considered the Investment Advisor’s assertion that the Fund’s investment strategy is a longer-term strategy and that the Investment Advisor does not make tactical changes to the Fund’s portfolio to reflect the current environment.

The Board also considered the overall quality of services provided by the Investment Advisor to the Fund. In doing so, the Board considered the Investment Advisor’s specific responsibilities in day-to-day management and oversight of the Fund, as well as the qualifications, experience, and responsibilities of the personnel involved in the activities of the Fund. The Board also considered the overall quality of the organization and operations of the Investment Advisor, as well as its compliance structure. The Board and the Independent Trustees concluded that based on the various factors they had



## **Bernzott U.S. Small Cap Value Fund**

### **SUPPLEMENTAL INFORMATION (Unaudited) - Continued**

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reviewed, the nature, overall quality, and extent of the management and oversight services provided by the Investment Advisor to the Fund were satisfactory.

#### ***Advisory Fee and Expense Ratio***

With respect to the advisory fee paid by the Fund, the meeting materials indicated that the annual investment advisory fee (gross of fee waivers) was lower than the Peer Group median and the same as the Fund Universe median. The Trustees considered that the Fund's advisory fee is lower than the advisory fees that the Investment Advisor charges institutional clients and private clients to manage separate accounts with similar objectives and policies as the Fund. The annual total expenses paid by the Fund (net of fee waivers) for the Fund's most recent fiscal year were lower than the Peer Group and Fund Universe medians.

The Board and the Independent Trustees concluded that based on the factors they had reviewed, the compensation payable to the Investment Advisor under the Advisory Agreement was fair and reasonable in light of the nature and quality of the services the Investment Advisor provides to the Fund.

#### ***Profitability and Economies of Scale***

The Board next considered information prepared by the Investment Advisor relating to its costs and profits with respect to the Fund for the year ended September 30, 2019, noting that the Investment Advisor had waived a portion of its advisory fee. Recognizing the difficulty in evaluating an investment advisor's profitability with respect to the funds it manages in the context of an advisor with multiple lines of business, and noting that other profitability methodologies might also be reasonable, the Board and the Independent Trustees concluded that the profit of the Investment Advisor from its relationship with the Fund was reasonable.

The Board also considered the benefits received by the Investment Advisor as a result of the Investment Advisor's relationship with the Fund, other than the receipt of its investment advisory fee, including any research received from broker-dealers providing execution services to the Fund, the beneficial effects from the review by the Trust's Chief Compliance Officer of the Investment Advisor's compliance program, and the intangible benefits of the Investment Advisor's association with the Fund generally and any favorable publicity arising in connection with the Fund's performance. In addition, the Trustees noted that the Investment Advisor benefitted from access to separate account manager platforms as a result of having the additional distribution channel of the Fund. The Trustees also noted that although there were no advisory fee breakpoints, the asset level of the Fund was not currently likely to lead to significant economies of scale, and that any such economies would be considered in the future as the assets of the Fund grow.

#### ***Conclusion***

Based on these and other factors, the Board and the Independent Trustees concluded that renewal of the Advisory Agreement was in the best interests of the Fund and its shareholders and, accordingly, approved the renewal of the Advisory Agreement.

**Bernzott U.S Small Cap Value Fund**  
**EXPENSE EXAMPLE**  
**For the Six Months Ended May 31, 2020 (Unaudited)**

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**Expense Example**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, and (2) ongoing costs, including management fees; and other Fund expenses. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from December 1, 2019 to May 31, 2020.

**Actual Expenses**

The information in the row titled “Actual Performance” of the table below provides actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the appropriate row, under the column titled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information in the row titled “Hypothetical (5% annual return before expenses)” of the table below provides hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as redemption fees. Therefore, the information in the row titled “Hypothetical (5% annual return before expenses)” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 12/1/19	Ending Account Value 5/31/20	Expense Paid During Period 12/1/19 – 5/31/20*
Actual Performance	\$1,000.00	\$ 849.70	\$4.39
Hypothetical (5% annual return before expenses)	1,000.00	1,020.25	4.80

\* Expenses are equal to the Fund's annualized expense ratio of 0.95%, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the six month period). The expense ratios reflect an expense waiver. Assumes all dividends and distributions were reinvested.

**Bernzott U.S. Small Cap Value Fund**  
*A series of Investment Managers Series Trust*

***Investment Advisor***

Bernzott Capital Advisors  
888 West Ventura Blvd., Suite B  
Camarillo, California 93010

***Independent Registered Public Accounting Firm***

Tait, Weller & Baker LLP  
Two Liberty Place  
50 South 16<sup>th</sup> Street, Suite 2900  
Philadelphia, Pennsylvania 19102

***Custodian***

UMB Bank, n.a.  
928 Grand Boulevard, 5<sup>th</sup> Floor  
Kansas City, Missouri 64106

***Fund Co-Administrator***

Mutual Fund Administration, LLC  
2220 East Route 66, Suite 226  
Glendora, California 91740

***Fund Co-Administrator, Transfer Agent and Fund Accountant***

UMB Fund Services, Inc.  
235 West Galena Street  
Milwaukee, Wisconsin 53212

***Distributor***

IMST Distributors, LLC  
Three Canal Plaza, Suite 100  
Portland, Maine 04101  
[www.foreside.com](http://www.foreside.com)

## FUND INFORMATION

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Bernzott U.S. Small Cap Value Fund

**TICKER**

BSCVX

**CUSIP**

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### **Privacy Principles of the Bernzott U.S. Small Cap Value Fund for Shareholders**

The Fund is committed to maintaining the privacy of its shareholders and to safeguarding its non-public personal information. The following information is provided to help you understand what personal information the Fund collects, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Fund does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Fund. The Fund does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

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This report is sent to shareholders of the Bernzott U.S. Small Cap Value Fund for their information. It is not a Prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

### **Proxy Voting**

A description of the Fund's proxy voting policies and procedures related to portfolio securities are available without charge, upon request, by calling the Fund at (877) 998-9880 or on the U.S. Securities and Exchange Commission's ("SEC") website at [www.sec.gov](http://www.sec.gov).

### **Fund Portfolio Holdings**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the Fund's Form N-PORT on the SEC's website at [www.sec.gov](http://www.sec.gov).

Prior to its use of Form N-PORT, the Fund filed its complete schedule of portfolio holdings with the SEC on Form N-Q, which is available online at [www.sec.gov](http://www.sec.gov).

### **Householding**

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (877) 998-9880.

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