



Palmer Square SSI Alternative Income Fund

(Class I: PSCIX)

(Class A: PSCAX)

**SEMI-ANNUAL REPORT
SEPTEMBER 30, 2018**

Palmer Square SSI Alternative Income 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 Palmer Square SSI Alternative Income Fund. This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS – 82.8%	
	BASIC MATERIALS – 3.4%	
	B2Gold Corp.	
\$ 1,267,000	3.250%, 10/1/2018 ^{1,2,3}	\$ 1,272,702
	Cleveland-Cliffs, Inc.	
2,217,000	1.500%, 1/15/2025 ^{1,3}	3,643,271
	First Majestic Silver Corp.	
2,146,000	1.875%, 3/1/2023 ^{1,2,4}	1,954,362
	SSR Mining, Inc.	
2,901,000	2.875%, 2/1/2033 ^{1,2,5}	2,855,672
		9,726,007
	COMMUNICATIONS – 11.2%	
	51job, Inc.	
1,539,000	3.250%, 4/15/2019 ^{1,2,3}	2,794,516
	CalAmp Corp.	
937,000	2.000%, 8/1/2025 ^{1,4}	948,387
	Chegg, Inc.	
1,407,000	0.250%, 5/15/2023 ^{1,4}	1,698,249
	FireEye, Inc.	
1,561,000	0.875%, 6/1/2024 ^{1,4}	1,556,923
818,000	1.625%, 6/1/2035 ^{1,5}	752,369
	Harmonic, Inc.	
1,257,000	4.000%, 12/1/2020 ¹	1,439,014
	Infinera Corp.	
1,251,000	2.125%, 9/1/2024 ¹	1,269,026
	Liberty Interactive LLC	
5,240,000	3.500%, 1/15/2031 ^{1,3,5}	3,641,192
	MercadoLibre, Inc.	
1,560,000	2.000%, 8/15/2028 ^{1,4}	1,542,032
	Okta, Inc.	
633,000	0.250%, 2/15/2023 ^{1,4}	981,280
	Pandora Media, Inc.	
2,015,000	1.750%, 12/1/2023 ¹	2,333,579
	Perficient, Inc.	
938,000	2.375%, 9/15/2023 ^{1,4}	890,162
	Quotient Technology, Inc.	
959,000	1.750%, 12/1/2022 ^{1,4}	1,068,697
	Wayfair, Inc.	
3,199,000	0.375%, 9/1/2022 ^{1,3}	4,838,398
	Weibo Corp.	
1,921,000	1.250%, 11/15/2022 ^{1,2,4}	1,848,234
	Yandex N.V.	
2,102,000	1.125%, 12/15/2018 ^{1,2}	2,089,859

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS (Continued)	
	COMMUNICATIONS (Continued)	
	Zillow Group, Inc.	
\$ 1,875,000	2.000%, 12/1/2021 ^{1,3}	\$ 2,036,719
		31,728,636
	CONSUMER, CYCLICAL – 2.6%	
	EZCORP, Inc.	
1,104,000	2.125%, 6/15/2019 ¹	1,096,741
615,000	2.375%, 5/1/2025 ^{1,4}	567,282
	Meritor, Inc.	
623,000	3.250%, 10/15/2037 ^{1,5}	596,108
	Navistar International Corp.	
1,963,000	4.750%, 4/15/2019 ¹	1,993,906
	Tesla, Inc.	
1,215,000	1.250%, 3/1/2021 ^{1,3}	1,164,881
1,927,000	2.375%, 3/15/2022 ¹	1,970,550
		7,389,468
	CONSUMER, NON-CYCLICAL – 23.1%	
	Alder Biopharmaceuticals, Inc.	
2,061,000	2.500%, 2/1/2025 ^{1,3}	2,210,247
	AMAG Pharmaceuticals, Inc.	
2,857,000	3.250%, 6/1/2022 ¹	3,005,653
	Assertio Therapeutics, Inc.	
1,079,000	2.500%, 9/1/2021 ¹	855,377
	Clovis Oncology, Inc.	
1,507,000	1.250%, 5/1/2025 ¹	1,169,620
	Exact Sciences Corp.	
2,754,000	1.000%, 1/15/2025 ¹	3,409,796
	Flexion Therapeutics, Inc.	
618,000	3.375%, 5/1/2024 ¹	627,106
	FTI Consulting, Inc.	
2,184,000	2.000%, 8/15/2023 ^{1,4}	2,128,627
	Herbalife Nutrition Ltd.	
1,035,000	2.000%, 8/15/2019 ^{1,2}	1,348,820
1,251,000	2.625%, 3/15/2024 ^{1,2,4}	1,344,017
	Horizon Pharma Investment Ltd.	
1,542,000	2.500%, 3/15/2022 ^{1,2}	1,556,885
	Huron Consulting Group, Inc.	
2,949,000	1.250%, 10/1/2019 ¹	2,878,224
	Innoviva, Inc.	
3,265,000	2.125%, 1/15/2023 ¹	3,316,016
	Insmmed, Inc.	
3,026,000	1.750%, 1/15/2025 ¹	2,558,619
	Insulet Corp.	
1,966,000	1.250%, 9/15/2021 ^{1,3}	3,614,870

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS (Continued)	
	CONSUMER, NON-CYCLICAL (Continued)	
	Invacare Corp.	
\$ 1,090,000	4.500%, 6/1/2022 ¹	\$ 1,235,171
2,639,000	Ionis Pharmaceuticals, Inc. 1.000%, 11/15/2021 ^{1,3}	2,777,548
2,966,000	Ironwood Pharmaceuticals, Inc. 2.250%, 6/15/2022 ^{1,3}	3,865,069
1,407,000	Jazz Investments I Ltd. 1.500%, 8/15/2024 ^{1,2}	1,434,351
1,227,000	Ligand Pharmaceuticals, Inc. 0.750%, 5/15/2023 ^{1,4}	1,496,655
1,634,000	Medicines Co. 2.750%, 7/15/2023 ¹	1,490,061
1,451,000	Neurocrine Biosciences, Inc. 2.250%, 5/15/2024 ¹	2,476,973
2,721,000	Novavax, Inc. 3.750%, 2/1/2023 ¹	1,680,218
2,200,000	Pacira Pharmaceuticals, Inc. 2.375%, 4/1/2022 ¹	2,331,991
1,986,000	Radius Health, Inc. 3.000%, 9/1/2024 ¹	1,527,168
1,439,000	Sarepta Therapeutics, Inc. 1.500%, 11/15/2024 ^{1,4}	3,320,492
2,188,000	Square, Inc. 0.500%, 5/15/2023 ^{1,4}	3,104,807
1,265,000	Supernus Pharmaceuticals, Inc. 0.625%, 4/1/2023 ^{1,4}	1,420,867
1,316,000	Team, Inc. 5.000%, 8/1/2023 ¹	1,661,450
1,630,000	Theravance Biopharma, Inc. 3.250%, 11/1/2023 ^{1,2}	1,923,809
2,343,000	Wright Medical Group N.V. 2.250%, 11/15/2021 ^{1,2,3}	3,390,361
		65,160,868
	ENERGY – 8.2%	
5,192,000	Cheniere Energy, Inc. 4.250%, 3/15/2045 ^{1,3,5}	4,190,588
1,496,000	Chesapeake Energy Corp. 5.500%, 9/15/2026 ¹	1,481,410
2,572,000	Ensco Jersey Finance Ltd. 3.000%, 1/31/2024 ^{1,2}	2,567,247
1,330,000	Helix Energy Solutions Group, Inc. 4.125%, 9/15/2023 ^{1,3}	1,729,062

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS (Continued)	
	ENERGY (Continued)	
\$ 1,196,000	Newpark Resources, Inc. 4.000%, 12/1/2021 ^{1,4}	\$ 1,592,307
1,851,000	Renewable Energy Group, Inc. 4.000%, 6/15/2036 ^{1,3,5}	5,059,979
3,078,000	SEACOR Holdings, Inc. 3.250%, 5/15/2030 ^{1,5}	2,950,629
2,388,000	Tesla Energy Operations, Inc. 1.625%, 11/1/2019 ¹	2,095,355
1,631,000	Weatherford International Ltd. 5.875%, 7/1/2021 ^{1,2}	1,540,029
		23,206,606
	FINANCIAL – 16.1%	
2,656,000	American Residential Properties OP LP 3.250%, 11/15/2018 ^{1,3,4}	3,258,580
2,665,000	Apollo Commercial Real Estate Finance, Inc. 4.750%, 8/23/2022 ¹	2,650,457
625,000	Arbor Realty Trust, Inc. 5.250%, 7/1/2021 ^{1,4}	632,031
1,154,000	AXA S.A. 7.250%, 5/15/2021 ^{1,2,4}	1,239,775
1,445,000	BlackRock TCP Capital Corp. 5.250%, 12/15/2019 ^{1,3}	1,462,587
2,329,000	Blackstone Mortgage Trust, Inc. 4.375%, 5/5/2022 ¹	2,335,023
1,437,000	4.750%, 3/15/2023 ¹	1,435,655
1,292,000	Encore Capital Europe Finance Ltd. 4.500%, 9/1/2023 ^{1,2}	1,325,047
994,000	Encore Capital Group, Inc. 3.000%, 7/1/2020 ^{1,3}	1,000,957
1,449,000	2.875%, 3/15/2021 ¹	1,356,006
1,821,000	Forestar Group, Inc. 3.750%, 3/1/2020 ¹	1,821,127
2,213,000	Granite Point Mortgage Trust, Inc. 5.625%, 12/1/2022 ^{1,4}	2,294,505
3,120,000	Hannon Armstrong Sustainable Infrastructure Capital, Inc. 4.125%, 9/1/2022 ¹	3,045,507
1,233,000	Hope Bancorp, Inc. 2.000%, 5/15/2038 ^{1,4,5}	1,151,992
1,283,000	IH Merger Sub LLC 3.500%, 1/15/2022 ¹	1,416,536
640,000	iStar, Inc. 3.125%, 9/15/2022 ^{1,4}	623,767

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS (Continued)	
	FINANCIAL (Continued)	
\$ 1,872,000	KKR Real Estate Finance Trust, Inc. 6.125%, 5/15/2023 ^{1,4}	\$ 1,910,610
2,226,000	MGIC Investment Corp. 9.000%, 4/1/2063 ^{1,4}	2,994,778
1,055,000	New Mountain Finance Corp. 5.750%, 8/15/2023 ^{1,5}	1,063,155
3,458,000	PennyMac Corp. 5.375%, 5/1/2020 ^{1,3}	3,453,065
1,824,000	PRA Group, Inc. 3.000%, 8/1/2020 ¹	1,763,527
1,594,000	Prospect Capital Corp. 3.500%, 6/1/2023 ¹	1,635,842
2,779,000	Redwood Trust, Inc. 4.750%, 4/15/2020 ¹	2,806,698
1,816,000	4.750%, 8/15/2023 ¹	1,742,316
1,069,000	5.625%, 7/15/2024 ¹	1,057,642
		45,477,185
	INDUSTRIAL – 6.2%	
1,908,000	Aerojet Rocketdyne Holdings, Inc. 2.250%, 12/15/2023 ^{1,3}	2,728,049
2,343,000	Atlas Air Worldwide Holdings, Inc. 1.875%, 6/1/2024 ¹	2,833,931
1,879,000	Cemex S.A.B. de C.V. 3.720%, 3/15/2020 ^{1,2}	1,898,790
512,000	Golar LNG Ltd. 2.750%, 2/15/2022 ^{1,2}	536,700
1,562,000	II-VI, Inc. 0.250%, 9/1/2022 ¹	1,839,127
639,000	Kaman Corp. 3.250%, 5/1/2024 ¹	751,960
1,621,000	Knowles Corp. 3.250%, 11/1/2021 ¹	1,854,424
2,314,000	OSI Systems, Inc. 1.250%, 9/1/2022 ¹	2,217,289
1,007,000	Ship Finance International Ltd. 4.875%, 5/1/2023 ^{1,2,3}	1,006,507
2,038,000	SunPower Corp. 4.000%, 1/15/2023 ¹	1,715,354
		17,382,131
	TECHNOLOGY – 11.5%	
626,000	Apptio, Inc. 0.875%, 4/1/2023 ^{1,4}	705,577

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Principal Amount		Value
	BONDS (Continued)	
	TECHNOLOGY (Continued)	
\$ 1,232,000	Atlassian, Inc. 0.625%, 5/1/2023 ^{1,4}	\$ 1,615,227
637,000	Carbonite, Inc. 2.500%, 4/1/2022 ¹	958,685
625,000	Cree, Inc. 0.875%, 9/1/2023 ^{1,4}	574,977
2,522,000	Envestnet, Inc. 1.750%, 12/15/2019 ¹	2,775,027
613,000	1.750%, 6/1/2023 ^{1,4}	660,632
2,057,000	j2 Global, Inc. 3.250%, 6/15/2029 ^{1,5}	2,674,843
3,207,000	Microchip Technology, Inc. 1.625%, 2/15/2027 ^{1,3}	3,425,794
2,493,000	Momo, Inc. 1.250%, 7/1/2025 ^{1,2,4}	2,428,648
1,405,000	MongoDB, Inc. 0.750%, 6/15/2024 ^{1,4}	1,867,211
1,249,000	New Relic, Inc. 0.500%, 5/1/2023 ^{1,4}	1,334,325
1,379,000	Pure Storage, Inc. 0.125%, 4/15/2023 ^{1,4}	1,600,815
936,000	Rapid7, Inc. 1.250%, 8/1/2023 ^{1,4}	1,034,748
637,000	RealPage, Inc. 1.500%, 11/15/2022 ¹	1,043,893
2,184,000	Splunk, Inc. 1.125%, 9/15/2025 ^{1,4}	2,260,145
1,638,000	Synaptics, Inc. 0.500%, 6/15/2022 ¹	1,570,880
622,000	Unisys Corp. 5.500%, 3/1/2021 ¹	1,368,042
1,531,000	Veeco Instruments, Inc. 2.700%, 1/15/2023 ¹	1,304,144
2,733,000	Workday, Inc. 0.250%, 10/1/2022 ^{1,4}	3,168,017
		32,371,630
	UTILITIES – 0.5%	
1,380,000	NRG Energy, Inc. 2.750%, 6/1/2048 ^{1,4,5}	1,456,228
	TOTAL BONDS	
	(Cost \$212,779,622)	233,898,759

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Shares		Value
	EXCHANGE-TRADED FUNDS – 1.2%	
146,634	ProShares Short 20+ Year Treasury ³	\$ 3,431,236
	TOTAL EXCHANGE-TRADED FUNDS (Cost \$3,520,779)	3,431,236
	PREFERRED STOCKS – 13.0%	
	BASIC MATERIALS – 1.0%	
	A Schulman, Inc.	
2,729	6.000%, N/A ^{1,6}	2,824,515
	CONSUMER, NON-CYCLICAL – 0.3%	
	Bunge Ltd.	
7,248	4.875%, N/A ^{1,2,3,6}	780,464
	ENERGY – 0.4%	
	Chesapeake Energy Corp.	
1,781	5.750%, N/A ^{1,6}	1,141,621
	FINANCIAL – 6.1%	
	Bank of America Corp.	
1,088	7.250%, N/A ^{1,3,6}	1,407,040
	Cowen, Inc.	
2,330	5.625%, N/A ^{1,3,6}	2,069,413
	iStar, Inc.	
66,003	4.500%, N/A ^{1,3,5,6}	3,159,894
	New York Community Capital Trust V	
57,215	6.000%, 11/1/2051 ¹	2,814,978
	QTS Realty Trust, Inc.	
13,568	6.500%, N/A ^{1,6}	1,429,389
	Virtus Investment Partners, Inc.	
17,076	7.250%, 2/1/2020 ¹	1,700,855
	Wells Fargo & Co.	
1,637	7.500%, N/A ^{1,6}	2,106,401
	Welltower, Inc.	
41,206	6.500%, N/A ^{1,6}	2,488,430
		17,176,400
	INDUSTRIAL – 1.9%	
	Belden, Inc.	
55,518	6.750%, 7/15/2019 ^{1,3}	5,237,846
	TECHNOLOGY – 1.9%	
	Mandatory Exchangeable Trust	
18,749	5.750%, 6/1/2019 ^{1,3,4}	3,475,596
	NCR Corp.	
1,724	5.500%, N/A ^{1,6}	1,810,200
		5,285,796

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Shares		Value
	PREFERRED STOCKS (Continued)	
	UTILITIES – 1.4%	
	CenterPoint Energy, Inc.	
18,604	7.000%, 9/1/2021 ¹	\$ 936,153
	Vistra Energy Corp.	
32,048	7.000%, 7/1/2019 ¹	3,112,181
		4,048,334
	TOTAL PREFERRED STOCKS	
	(Cost \$34,015,178)	36,494,976
	SHORT-TERM INVESTMENTS – 5.1%	
14,532,785	Fidelity Investments Money Market Funds - Treasury Portfolio - Institutional Class, 1.842% ^{3,7}	14,532,785
	TOTAL SHORT-TERM INVESTMENTS	
	(Cost \$14,532,785)	14,532,785
	TOTAL INVESTMENTS – 102.1%	
	(Cost \$264,848,364)	288,357,756
	Liabilities in Excess of Other Assets – (2.1)%	(5,860,884)
	TOTAL NET ASSETS – 100.0%	\$ 282,496,872
	SECURITIES SOLD SHORT – (43.2)%	
	COMMON STOCKS – (43.2)%	
	BASIC MATERIALS – (1.2)%	
(218,415)	Cleveland-Cliffs, Inc.*	(2,765,134)
(107,133)	First Majestic Silver Corp.* ²	(608,515)
(13,053)	SSR Mining, Inc.* ²	(113,692)
		(3,487,341)
	COMMUNICATIONS – (6.1)%	
(34,608)	51job, Inc. - ADR* ²	(2,664,470)
(19,775)	CalAmp Corp.*	(473,809)
(37,045)	Chegg, Inc.*	(1,053,190)
(37,362)	FireEye, Inc.*	(635,154)
(142,172)	Harmonic, Inc.*	(781,946)
(58,094)	Infinera Corp.*	(424,086)
(2,707)	MercadoLibre, Inc.	(921,652)
(22,038)	Motorola Solutions, Inc.	(2,868,026)
(9,300)	Okta, Inc.*	(654,348)
(137,253)	Pandora Media, Inc.*	(1,305,276)
(14,468)	Perficient, Inc.*	(385,572)
(37,630)	Quotient Technology, Inc.*	(583,265)
(21,818)	Wayfair, Inc.*	(3,221,864)
(7,017)	Weibo Corp. - ADR* ²	(513,153)
(400)	Yandex N.V. - Class A* ²	(13,156)

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Shares		Value
	SECURITIES SOLD SHORT (Continued)	
	COMMON STOCKS (Continued)	
	COMMUNICATIONS (Continued)	
(17,561)	Zillow, Inc. - Class C*	\$ (777,074)
		(17,276,041)
	CONSUMER, CYCLICAL – (0.8)%	
(35,232)	Ezcorp, Inc. - Class A*	(376,982)
(8,130)	Meritor, Inc.*	(157,397)
(4,141)	Navistar International Corp.*	(159,428)
(5,640)	Tesla, Inc.*	(1,493,303)
		(2,187,110)
	CONSUMER, NON-CYCLICAL – (12.3)%	
(77,382)	Alder Biopharmaceuticals, Inc.*	(1,288,410)
(73,083)	AMAG Pharmaceuticals, Inc.*	(1,461,660)
(14,008)	Assertio Therapeutics, Inc.*	(82,367)
(4,700)	Bunge Ltd. ²	(322,937)
(10,088)	Clovis Oncology, Inc.*	(296,285)
(21,948)	Exact Sciences Corp.*	(1,732,136)
(15,251)	Flexion Therapeutics, Inc.*	(285,346)
(8,105)	FTI Consulting, Inc.*	(593,205)
(34,887)	Herbalife Nutrition Ltd.* ²	(1,903,086)
(24,213)	Horizon Pharma PLC* ²	(474,091)
(2,071)	Huron Consulting Group, Inc.*	(102,307)
(107,351)	Innoviva, Inc.*	(1,636,029)
(46,376)	Insmad, Inc.*	(937,723)
(31,221)	Insulet Corp.*	(3,307,865)
(51,717)	Invacare Corp.	(752,482)
(16,937)	Ionis Pharmaceuticals, Inc.*	(873,610)
(141,330)	Ironwood Pharmaceuticals, Inc.*	(2,608,952)
(4,047)	Jazz Pharmaceuticals PLC* ²	(680,422)
(3,643)	Ligand Pharmaceuticals, Inc.*	(999,967)
(17,619)	Medicines Co.*	(526,984)
(16,896)	Neurocrine Biosciences, Inc.*	(2,077,363)
(258,319)	Novavax, Inc.*	(485,640)
(19,735)	Pacira Pharmaceuticals, Inc.*	(969,975)
(18,271)	Radius Health, Inc.*	(325,224)
(15,878)	Sarepta Therapeutics, Inc.*	(2,564,456)
(19,063)	Square, Inc. - Class A*	(1,887,428)
(14,969)	Supernus Pharmaceuticals, Inc.*	(753,689)
(46,070)	Team, Inc.*	(1,036,575)
(35,015)	Theravance Biopharma, Inc.* ²	(1,143,940)
(92,125)	Wright Medical Group, Inc.* ²	(2,673,468)
		(34,783,622)

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Shares		Value
SECURITIES SOLD SHORT (Continued)		
COMMON STOCKS (Continued)		
ENERGY – (3.7)%		
(12,757)	Cheniere Energy, Inc.*	\$ (886,484)
(126,201)	Chesapeake Energy Corp.*	(566,642)
(89,488)	Ensco PLC - Class A ²	(755,279)
(104,369)	Helix Energy Solutions Group, Inc.*	(1,031,166)
(98,667)	Newpark Resources, Inc.*	(1,021,203)
(168,310)	Renewable Energy Group, Inc.*	(4,847,328)
(24,364)	SEACOR Holdings, Inc.*	(1,203,825)
(33,663)	Weatherford International PLC* ²	(91,227)
		(10,403,154)
FINANCIAL – (5.1)%		
(140,149)	American Homes 4 Rent - REIT	(3,067,862)
(41,740)	AXA Equitable Holdings, Inc.	(895,323)
(384)	BlackRock TCP Capital Corp.	(5,464)
(70,947)	Cowen, Inc. - Class A*	(1,156,436)
(40,837)	Encore Capital Group, Inc.*	(1,464,007)
(1,341)	Forestar Group, Inc.*	(28,429)
(14,352)	Hannon Armstrong Sustainable Infrastructure Capital, Inc. - REIT	(308,138)
(25,010)	Hope Bancorp, Inc.	(404,412)
(33,331)	Invitation Homes, Inc. - REIT	(763,613)
(148,337)	iStar, Inc. - REIT	(1,656,924)
(16,489)	MGIC Investment Corp.*	(219,469)
(3,413)	PennyMac Mortgage Investment Trust - REIT	(69,079)
(30,484)	PRA Group, Inc.*	(1,097,424)
(17,581)	QTS Realty Trust, Inc. - Class A - REIT	(750,181)
(10,863)	Virtus Investment Partners, Inc.	(1,235,666)
(19,804)	Welltower, Inc. - REIT	(1,273,793)
		(14,396,220)
INDUSTRIAL – (4.5)%		
(57,249)	Aerojet Rocketdyne Holdings, Inc.*	(1,945,894)
(30,686)	Atlas Air Worldwide Holdings, Inc.*	(1,956,232)
(61,845)	Belden, Inc.	(4,416,351)
(36,507)	Cemex S.A.B. de C.V. - ADR* ²	(257,009)
(7,811)	Golar LNG Ltd. ²	(217,146)
(20,427)	II-VI, Inc.*	(966,197)
(7,320)	Kaman Corp.	(488,830)
(58,060)	Knowles Corp.*	(964,957)
(12,059)	OSI Systems, Inc.*	(920,222)
(35,389)	Ship Finance International Ltd. ²	(491,907)

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Shares		Value
	SECURITIES SOLD SHORT (Continued)	
	COMMON STOCKS (Continued)	
	INDUSTRIAL (Continued)	
(13,352)	SunPower Corp.*	\$ (97,470)
		(12,722,215)
	TECHNOLOGY – (8.3)%	
(20,370)	Alibaba Group Holding Ltd. - ADR ^{*,2}	(3,356,161)
(11,598)	Apptio, Inc.*	(428,662)
(11,355)	Atlassian Corp. PLC - Class A ^{*,2}	(1,091,670)
(21,200)	Carbonite, Inc.*	(755,780)
(5,527)	Cree, Inc.*	(209,308)
(27,602)	Envestnet, Inc.*	(1,682,342)
(23,694)	j2 Global, Inc.	(1,963,048)
(33,855)	Microchip Technology, Inc.	(2,671,498)
(21,693)	Momo, Inc. - ADR ^{*,2}	(950,153)
(14,999)	MongoDB, Inc.*	(1,223,168)
(38,580)	NCR Corp.*	(1,096,058)
(6,917)	New Relic, Inc.*	(651,789)
(39,362)	Pure Storage, Inc.*	(1,021,444)
(15,748)	Rapid7, Inc.*	(581,416)
(13,516)	RealPage, Inc.*	(890,704)
(9,869)	Splunk, Inc.*	(1,193,261)
(10,544)	Synaptics, Inc.*	(481,017)
(60,529)	Unisys Corp.*	(1,234,792)
(11,086)	Veeco Instruments, Inc.*	(113,632)
(12,799)	Workday, Inc. - Class A*	(1,868,398)
		(23,464,301)
	UTILITIES – (1.2)%	
(14,223)	CenterPoint Energy, Inc.	(393,266)
(18,216)	NRG Energy, Inc.	(681,279)
(86,014)	Vistra Energy Corp.*	(2,140,028)
		(3,214,573)
	TOTAL COMMON STOCKS	
	(Proceeds \$99,371,544)	(121,934,577)
	RIGHTS – 0.0%	
(26,077)	A Schulman, Inc., Expiration Date: December 31, 2019 ^{*8}	(52,154)
	TOTAL RIGHTS	
	(Cost \$ 0)	(52,154)
	TOTAL SECURITIES SOLD SHORT	
	(Proceeds \$99,371,544)	\$ (121,986,731)

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Contracts		Value
	WRITTEN OPTIONS CONTRACTS – (0.2)%	
	CALL OPTIONS – (0.2)%	
	EQUITY – (0.2)%	
	Aerojet Rocketdyne Holdings, Inc.	
(110)	Exercise Price: \$40.00, Notional Amount: \$(440,000), Expiration Date: November 16, 2018	\$ (4,400)
	Chegg, Inc.	
(78)	Exercise Price: \$30.00, Notional Amount: \$(234,000), Expiration Date: January 18, 2019	(22,035)
	Cleveland-Cliffs, Inc.	
(407)	Exercise Price: \$13.00, Notional Amount: \$(529,100), Expiration Date: November 16, 2018	(30,932)
	EnSCO PLC	
(275)	Exercise Price: \$8.00, Notional Amount: \$(220,000), Expiration Date: December 21, 2018	(28,875)
	Exact Sciences Corp.	
(54)	Exercise Price: \$50.00, Notional Amount: \$(270,000), Expiration Date: October 19, 2018	(157,410)
	FireEye, Inc.	
(101)	Exercise Price: \$17.00, Notional Amount: \$(171,700), Expiration Date: December 21, 2018	(15,049)
	First Majestic Silver Corp.	
(336)	Exercise Price: \$6.00, Notional Amount: \$(201,600), Expiration Date: October 19, 2018	(5,040)
	II-VI, Inc.	
(50)	Exercise Price: \$45.00, Notional Amount: \$(225,000), Expiration Date: October 19, 2018	(15,500)
	Ionis Pharmaceuticals, Inc.	
(59)	Exercise Price: \$45.00, Notional Amount: \$(265,500), Expiration Date: October 19, 2018	(43,070)
	Medicines Co.	
(67)	Exercise Price: \$40.00, Notional Amount: \$(268,000), Expiration Date: October 19, 2018	(1,507)
	Microchip Technology, Inc.	
(49)	Exercise Price: \$82.50, Notional Amount: \$(404,250), Expiration Date: November 16, 2018	(11,148)
	Momo, Inc.	
(58)	Exercise Price: \$45.00, Notional Amount: \$(261,000), Expiration Date: November 16, 2018	(15,805)
	MongoDB, Inc.	
(31)	Exercise Price: \$85.00, Notional Amount: \$(263,500), Expiration Date: November 16, 2018	(13,020)
	Navistar International Corp.	
(73)	Exercise Price: \$43.00, Notional Amount: \$(313,900), Expiration Date: October 19, 2018	(1,460)

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

Number of Contracts		Value
	SECURITIES SOLD SHORT (Continued)	
	WRITTEN OPTIONS CONTRACTS (Continued)	
	CALL OPTIONS (Continued)	
	EQUITY (Continued)	
	New Relic, Inc.	
(17)	Exercise Price: \$100.00, Notional Amount: \$(170,000), Expiration Date: December 21, 2018	\$ (9,265)
	Okta, Inc.	
(20)	Exercise Price: \$60.00, Notional Amount: \$(120,000), Expiration Date: November 16, 2018	(23,300)
	Pandora Media, Inc.	
(207)	Exercise Price: \$8.00, Notional Amount: \$(165,600), Expiration Date: October 19, 2018	(32,085)
	Sarepta Therapeutics, Inc.	
(29)	Exercise Price: \$155.00, Notional Amount: \$(449,500), Expiration Date: November 16, 2018	(60,538)
	Square, Inc.	
(24)	Exercise Price: \$70.00, Notional Amount: \$(168,000), Expiration Date: October 19, 2018	(70,020)
	Tesla, Inc.	
(5)	Exercise Price: \$310.00, Notional Amount: \$(155,000), Expiration Date: October 19, 2018	(1,763)
	Wayfair, Inc.	
(46)	Exercise Price: \$120.00, Notional Amount: \$(552,000), Expiration Date: November 16, 2018	(147,890)
	Weatherford International PLC	
(316)	Exercise Price: \$2.50, Notional Amount: \$(79,000), Expiration Date: October 19, 2018	(8,532)
	Weibo Corp.	
(29)	Exercise Price: \$90.00, Notional Amount: \$(261,000), Expiration Date: October 19, 2018	(362)
	Zillow Group, Inc.	
(53)	Exercise Price: \$45.00, Notional Amount: \$(238,500), Expiration Date: November 16, 2018	(14,575)
	TOTAL CALL OPTIONS	
	(Proceeds \$510,377)	(733,581)
	TOTAL WRITTEN OPTIONS CONTRACTS	
	(Proceeds \$510,377)	\$ (733,581)

ADR – American Depository Receipt

REIT – Real Estate Investment Trust

* Non-income producing security.

¹ Convertible security.

² Foreign security denominated in U.S. Dollars.

Palmer Square SSI Alternative Income Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018 (Unaudited)

³ All or a portion of this security is segregated as collateral for securities sold short.

⁴ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers. The total value of these securities is \$63,751,564 which represents 22.6% of Net Assets.

⁵ Callable.

⁶ Perpetual security. Maturity date is not applicable.

⁷ The rate is the annualized seven-day yield at period end.

⁸ Level 3 securities fair valued under procedures established by the Board of Trustees, represent 0.02% of Net Assets. The absolute value of these securities is \$52,154.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
SUMMARY OF INVESTMENTS
As of September 30, 2018 (Unaudited)

Security Type/Sector	Percent of Total Net Assets
Bonds	
Consumer, Non-cyclical	23.1%
Financial	16.1%
Technology	11.5%
Communications	11.2%
Energy	8.2%
Industrial	6.2%
Basic Materials	3.4%
Consumer, Cyclical	2.6%
Utilities	0.5%
Total Bonds	82.8%
Preferred Stocks	
Financial	6.1%
Industrial	1.9%
Technology	1.9%
Utilities	1.4%
Basic Materials	1.0%
Energy	0.4%
Consumer, Non-cyclical	0.3%
Total Preferred Stocks	13.0%
Exchange-Traded Funds	1.2%
Short-Term Investments	5.1%
Total Investments	102.1%
Liabilities in Excess of Other Assets	(2.1)%
Total Net Assets	100.0%

Please refer to the Schedule of Investments for more information on securities sold short and written options contracts.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2018 (Unaudited)

Assets:	
Investments, at value (cost \$264,848,364)	\$ 288,357,756
Cash deposited with brokers for securities sold short	116,047,048
Receivables:	
Investment securities sold	614,730
Fund shares sold	93,340
Dividends and interest	1,800,655
Due from Broker	121,580
Prepaid expenses	16,978
Total assets	<u>407,052,087</u>
Liabilities:	
Securities sold short, at value (proceeds \$99,371,544)	121,986,731
Written options contracts, at value (proceeds \$510,377)	733,581
Payables:	
Investment securities purchased	1,108,497
Fund shares redeemed	241,253
Subadvisory fees	222,364
Advisory fees	86,514
Shareholder servicing fees (Note 6)	56,856
Dividends on securities sold short	31,528
Interest expense	26,873
Fund administration fees	24,002
Auditing fees	10,243
Transfer agent fees and expenses	6,072
Custody fees	4,140
Chief Compliance Officer fees	2,985
Trustees' Deferred Compensation (Note 3)	1,816
Trustees' fees and expenses	329
Distribution fees - Class A (Note 7)	197
Accrued other expenses	11,234
Total liabilities	<u>124,555,215</u>
Net Assets	<u>\$ 282,496,872</u>
Components of Net Assets:	
Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized)	\$ 289,305,620
Total distributable loss	<u>(6,808,748)</u>
Net Assets	<u>\$ 282,496,872</u>
Maximum Offering Price per Share:	
Class A Shares:	
Net assets applicable to shares outstanding	\$ 1,256,917
Shares outstanding	<u>125,418</u>
Redemption price	<u>10.02</u>
Maximum sales charge (5.75% of offering price)*	<u>0.61</u>
Maximum offering price to public	<u>\$ 10.63</u>
Class I Shares:	
Net assets applicable to shares outstanding	\$ 281,239,955
Shares outstanding	<u>28,051,902</u>
Redemption price	<u>\$ 10.03</u>

* On sales of \$50,000 or more, the sales charge will be reduced.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
STATEMENT OF OPERATIONS
For the Six Months Ended September 30, 2018 (Unaudited)

Investment Income:	
Dividends	\$ 1,006,509
Interest	4,215,920
Total investment income	<u>5,222,429</u>
Expenses:	
Subadvisory fees	1,355,763
Advisory fees	499,492
Dividends on securities sold short	262,922
Shareholder servicing fees (Note 6)	130,347
Fund administration fees	109,603
Interest expense	63,254
Fund accounting fees	36,011
Registration fees	26,206
Transfer agent fees and expenses	22,887
Legal fees	22,189
Shareholder reporting fees	11,782
Chief Compliance Officer fees	11,385
Custody fees	10,935
Auditing fees	10,776
Commitment fees (Note 12)	4,933
Miscellaneous	4,211
Distribution fees - Class A (Note 7)	3,648
Trustees' fees and expenses	3,556
Insurance fees	1,160
Total expenses	<u>2,591,060</u>
Advisory fees recovered	451
Net expenses	<u>2,591,511</u>
Net investment income	<u>2,630,918</u>
Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	11,477,670
Securities sold short	(8,965,108)
Written options contracts	390,030
Net realized gain	<u>2,902,592</u>
Net change in unrealized appreciation/depreciation on:	
Investments	7,639,278
Securities sold short	(10,666,601)
Written options contracts	(355,225)
Net change in unrealized appreciation/depreciation	<u>(3,382,548)</u>
Net realized and unrealized gain (loss)	<u>(479,956)</u>
Net Increase in Net Assets from Operations	<u>\$ 2,150,962</u>

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended September 30, 2018 (Unaudited)	For the Year Ended March 31, 2018
Increase in Net Assets from:		
Operations:		
Net investment income	\$ 2,630,918	\$ 5,519,141
Net realized gain on investments, purchased options contracts, securities sold short, and written options contracts	2,902,592	3,798,117
Net change in unrealized appreciation/depreciation on investments, purchased options contracts, securities sold short, and written options contracts	<u>(3,382,548)</u>	<u>195,923</u>
Net increase in net assets resulting from operations	<u>2,150,962</u>	<u>9,513,181</u>
Distributions to Shareholders:		
Distributions: ¹		
Class A	(25,565)	
Class I	<u>(2,358,848)</u>	
Total	<u>(2,384,413)</u>	
From net investment income:		
Class A		(58,932)
Class I		<u>(5,309,363)</u>
Total		<u>(5,368,295)</u>
Capital Transactions:		
Net proceeds from shares sold:		
Class A	269,425	853,863
Class I	27,226,056	48,362,683
Reinvestment of distributions:		
Class A	25,017	57,725
Class I	2,074,054	4,810,765
Cost of shares redeemed:		
Class A	(2,518,121)	(2,128,087)
Class I	<u>(26,975,039)</u>	<u>(74,062,724)</u>
Net increase (decrease) in net assets from capital transactions	<u>101,392</u>	<u>(22,105,775)</u>
Total decrease in net assets	<u>(132,059)</u>	<u>(17,960,889)</u>
Net Assets:		
Beginning of period	282,628,931	300,589,820
End of period ²	<u>\$ 282,496,872</u>	<u>\$ 282,628,931</u>
Capital Share Transactions:		
Shares sold:		
Class A	26,807	85,255
Class I	2,714,323	4,835,178
Reinvestment of distributions:		
Class A	2,502	5,790
Class I	207,613	482,824
Shares redeemed:		
Class A	(251,234)	(212,341)
Class I	<u>(2,685,969)</u>	<u>(7,392,795)</u>
Net increase (decrease) in capital share transactions	<u>14,042</u>	<u>(2,196,089)</u>

¹ The SEC eliminated the requirement to disclose components of distributions paid to shareholders in September 2018.

² For the year ended March 31, 2018, net assets included accumulated undistributed net investment income of \$1,223,852. The SEC eliminated the requirement to disclose undistributed net investment income in September 2018.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
FINANCIAL HIGHLIGHTS
Class A

Per share operating performance.
For a capital share outstanding throughout each period.

	For the	For the Year Ended March 31,				
	Six Months Ended September 30, 2018 (Unaudited)	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 10.04	\$ 9.90	\$ 9.32	\$ 9.93	\$ 10.29	\$ 10.37
Income from Investment Operations:						
Net investment income ¹	0.08	0.16	0.18	0.17	0.04	0.12
Net realized and unrealized gain (loss)	(0.03)	0.13	0.50	(0.51)	(0.18)	0.01
Total from investment operations	0.05	0.29	0.68	(0.34)	(0.14)	0.13
Less Distributions:						
From net investment income	(0.07)	(0.15)	(0.10)	(0.27)	(0.05)	(0.10)
From net realized gain	-	-	-	-	(0.17)	(0.11)
Total distributions	(0.07)	(0.15)	(0.10)	(0.27)	(0.22)	(0.21)
Net asset value, end of period	\$ 10.02	\$ 10.04	\$ 9.90	\$ 9.32	\$ 9.93	\$ 10.29
Total return²	0.53% ⁴	2.99%	7.33%	(3.51)%	(1.40)%	1.31%
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 1,257	\$ 3,486	\$ 4,639	\$ 6,669	\$ 14,720	\$ 32,298
Ratio of expenses to average net assets (including interest expense, dividends on securities sold short and shareholder servicing fees):						
Before fees waived/recovered ³	2.06% ⁵	2.01%	2.31%	2.35%	2.34%	2.33%
After fees waived/recovered ³	2.06% ⁵	2.01%	2.31%	2.34%	2.36%	2.35%
Ratio of net investment income to average net assets (including interest expense, dividends on securities sold short and shareholder servicing fees):						
Before fees waived/recovered	1.60% ⁵	1.60%	1.87%	1.79%	0.45%	1.22%
After fees waived/recovered	1.60% ⁵	1.60%	1.87%	1.80%	0.43%	1.20%
Portfolio turnover rate	62% ⁴	52%	54%	66%	104%	60%

¹ Based on average shares outstanding for the period.

² Total returns would have been lower/higher had expenses not been waived/recovered by the Advisor. Returns shown do not include payment of sales load of 5.75% of offering price which is reduced on sales of \$50,000 or more. These returns include Rule 12b-1 fees of up to 0.25% and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

³ If interest expense, dividends on securities sold short and shareholder servicing fees had been excluded, the expense ratios would have been lowered by 0.32% for the six months ended September 30, 2018, and 0.27%, 0.57%, 0.60%, 0.62%, and 0.61% for the periods ended March 31, respectively.

⁴ Not annualized.

⁵ Annualized.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
FINANCIAL HIGHLIGHTS
Class I

Per share operating performance.
For a capital share outstanding throughout each period.

	For the	For the Year Ended March 31,				
	Six Months Ended September 30, 2018 (Unaudited)	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 10.04	\$ 9.90	\$ 9.33	\$ 9.94	\$ 10.30	\$ 10.37
Income from Investment Operations:						
Net investment income ¹	0.09	0.19	0.21	0.20	0.07	0.15
Net realized and unrealized gain (loss)	(0.01)	0.13	0.49	(0.51)	(0.20)	0.02
Total from investment operations	0.08	0.32	0.70	(0.31)	(0.13)	0.17
Less Distributions:						
From net investment income	(0.09)	(0.18)	(0.13)	(0.30)	(0.06)	(0.13)
From net realized gain	-	-	-	-	(0.17)	(0.11)
Total distributions	(0.09)	(0.18)	(0.13)	(0.30)	(0.23)	(0.24)
Net asset value, end of period	\$ 10.03	\$ 10.04	\$ 9.90	\$ 9.33	\$ 9.94	\$ 10.30
Total return²	0.75% ⁴	3.28%	7.54%	(3.19)%	(1.25)%	1.65%
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 281,240	\$ 279,143	\$ 295,950	\$ 263,249	\$ 439,339	\$ 462,983
Ratio of expenses to average net assets (including interest expense, dividends on securities sold short and shareholder servicing fees):						
Before fees waived/recovered ³	1.81% ⁵	1.76%	2.06%	2.10%	2.09%	2.08%
After fees waived/recovered ³	1.81% ⁵	1.76%	2.06%	2.09%	2.11%	2.10%
Ratio of net investment income to average net assets (including interest expense, dividends on securities sold short and shareholder servicing fees):						
Before fees waived/recovered	1.85% ⁵	1.85%	2.12%	2.04%	0.70%	1.47%
After fees waived/recovered	1.85% ⁵	1.85%	2.12%	2.05%	0.68%	1.45%
Portfolio turnover rate	62% ⁴	52%	54%	66%	104%	60%

¹ Based on average shares outstanding for the period.

² Total returns would have been lower/higher had expenses not been waived/recovered by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

³ If interest expense, dividends on securities sold short and shareholder servicing fees had been excluded, the expense ratios would have been lowered by 0.32% for the six months ended September 30, 2018, and 0.27%, 0.57%, 0.60%, 0.62%, and 0.61% for the periods ended March 31, respectively.

⁴ Not annualized.

⁵ Annualized.

See accompanying Notes to Financial Statements.

Palmer Square SSI Alternative Income Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 (Unaudited)

Note 1 – Organization

Palmer Square SSI Alternative Income Fund (the “Fund”) was organized as a diversified series of Investment Managers 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 seek income and absolute return. The Fund commenced investment operations on May 25, 2012, with two classes of shares, Class A and Class I.

The Fund commenced operations on May 25, 2012, prior to which its only activity was the receipt of a \$2,500 investment from principals of the Fund’s advisor and a \$159,793,680 transfer of Class I shares of the Fund in exchange for the net assets of the SSI Hedged Convertible Income Fund, L.P., a California limited partnership (the “Partnership”). This exchange was nontaxable, whereby the Fund issued 15,979,368 shares for the net assets of the Partnership on May 29, 2012. Cash and the investment portfolio of the Partnership with a fair value of \$130,118,269 on long securities and \$69,056,585 on short sales (identified cost of investment transferred were \$122,651,515 on long securities and \$67,457,372 on short sales) were the primary assets received by the Fund. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from the Partnership was carried forward to align ongoing reporting of the Fund’s realized and unrealized gains and losses with amount distributable to shareholders for tax purposes.

The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, subject to the approval of the Trustees. Income, expenses (other than expenses attributable to a specific class) and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative shares outstanding. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights to that distribution plan.

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 the 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. Pricing services generally value debt securities assuming orderly transactions of an institutional round lot size, but such securities may be held or transactions may be conducted in such securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. 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

Palmer Square SSI Alternative Income Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018 (Unaudited)

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) Foreign Currency Translation

The Fund's records are maintained in U.S. dollars. The value of securities, currencies and other assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon foreign exchange rates prevailing at the end of the reporting period. The currencies are translated into U.S. dollars by using the exchange rates quoted as of 4:00 PM Eastern Standard Time. Purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions.

The Fund does not isolate that portion of its net realized and unrealized gains and losses on investments resulting from changes in foreign exchange rates from the impact arising from changes in market prices. Such fluctuations are included with net realized and unrealized gain or loss from investments and foreign currency.

Net realized foreign currency transaction gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the differences between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translation gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates.

(c) Forward Foreign Currency Exchange Contracts

The Fund may utilize forward foreign currency exchange contracts ("forward contracts") under which it is obligated to exchange currencies on specified future dates at specified rates, and are subject to the translations of foreign exchange rates fluctuations. All contracts are "marked-to-market" daily and any resulting unrealized gains or losses are recorded as unrealized appreciation or depreciation on foreign currency translations. The Fund records realized gains or losses at the time the forward contract is settled. Counterparties to these forward contracts are major U.S. financial institutions. The fund did not enter into any forward foreign currency exchange contracts for the six months ended September 30, 2018.

(d) Exchange Traded Funds ("ETFs")

ETFs typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. As a result, Fund shareholders indirectly bear their proportionate share of these acquired expenses. Therefore, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in securities.

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Each ETF in which the Fund invests is subject to specific risks, depending on the nature of the ETF. Each ETF is subject to the risks associated with direct ownership of the securities comprising the index on which the ETF is based. These risks could include liquidity risk, sector risk as well as risks associated with fixed-income securities.

(e) Short Sales

Short sales are transactions under which the Fund sells a security it does not own in anticipation of a decline in the value of that security. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the security borrowed by purchasing the security at market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Fund. When a security is sold short a decrease in the value of the security will be recognized as a gain and an increase in the value of the security will be recognized as a loss, which is potentially limitless. Until the security is replaced, the Fund is required to pay the lender amounts equal to dividend or interest that accrue during the period of the loan which is recorded as an expense. To borrow the security, the Fund also may be required to pay a premium or an interest fee, which are recorded as interest expense. Cash or securities are segregated for the broker to meet the necessary margin requirements. The Fund is subject to the risk that it may not always be able to close out a short position at a particular time or at an acceptable price.

In conjunction with the use of short sales the Fund may be required to maintain collateral in various forms. At September 30, 2018, securities pledged as collateral are denoted in the Fund's Schedule of Investments and segregated cash deposited with broker for securities sold short is reflected in the Fund's Statement of Assets and Liabilities.

(f) Options Contracts

The Fund may write or purchase options contracts primarily to enhance the Fund's returns or reduce volatility. In addition, the Fund may utilize options in an attempt to generate gains from options premiums or to reduce overall portfolio risk. When the Fund writes or purchases an option, an amount equal to the premium received or paid by the Fund is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or a loss on investment transactions. The Fund, as a writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

(g) Preferred Stocks

Preferred stocks are a class of stock having a preference over common stock as to the payment of dividends and the recovery of investment in the event a company is liquidated, although preferred stock is usually subordinate to the debt securities of the issuer. Preferred stock typically does not possess voting rights and its market value may change based on changes in interest rates. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as call/redemption provisions prior to maturity, a negative feature when interest rates decline.

(h) Stock Index Futures

The Fund may invest in stock index futures as a substitute for a comparable market position in the underlying securities. A stock index future obligates the seller to deliver (and the purchaser to accept), effectively, an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close

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of the last trading day of the contract and the price at which the agreement is made. No physical delivery of the underlying stocks in the index is made. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral for the account of the broker (the Fund's agent in acquiring the futures position). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by "marking to market" on a daily basis to reflect the market value of the contracts at the end of each day's trading. Variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. When the contracts are closed, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund's basis in the contract. Risks of entering into futures contracts include the possibility that a change in the value of the contract may not correlate with the changes in the value of the underlying instruments. The purchase of a futures contract involves the risk that the Fund could lose more than the original margin deposit required to initiate the futures transaction. Finally, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. There is minimal counterparty credit risk involved in entering into futures contracts since they are exchange-traded instruments and the exchange's clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default.

(i) 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. Income and expenses of the Fund are allocated on a pro rata basis to each class of shares. 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.

(j) 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, and tax positions expected to be taken in the Fund's current tax year, as defined by the IRS statute

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of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the open years ended March 31, 2015-2018, and as of and during the six months ended September 30, 2018, 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.

(k) Distributions to Shareholders

The Fund will make distributions of net investment income semi-annually 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.

Note 3 – Investment Advisory and Other Agreements

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the “Agreement”) with Palmer Square Capital Management LLC (the “Advisor”). Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Advisor at the annual rate of 0.35% of the Fund’s average daily net assets. The Trust, on behalf of the Fund, has also entered into a Sub-Advisory Agreement with SSI Investment Management, Inc. (the “Sub-Advisor”). Under the terms of the Sub-Advisory Agreement, the Fund pays a monthly investment advisory fee to the Sub-Advisor at the annual rate of 0.95% for the first \$300 million of the Fund’s average daily net assets and 0.85% of the Fund’s average daily net assets greater than \$300 million. Prior to December 18, 2017, the Fund paid a monthly investment advisory fee to the Sub-Advisor at the annual rate of 0.95% of the Fund’s average daily net assets. The Fund’s Advisor and Sub-Advisor have contractually agreed to waive their fees and/or pay for expenses of the Fund to ensure that total annual fund operating expenses (excluding any shareholder servicing plan fees, taxes, leverage interest, brokerage commissions, dividend or interest expenses on short sales, acquired fund fees and expenses as determined in accordance with Form N1-A, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.74% and 1.49% of the average daily net assets of the Fund’s Class A shares and Class I shares, respectively. The expense limitation agreement has been structured so that the Advisor will first be required to waive an amount up to its entire management fee (0.35%) before the Sub-Advisor will be required to waive its fee or absorb Fund operating expenses that exceed the amount of the Advisor’s fee. This agreement is effective until July 31, 2019 and is subject thereafter to annual re-approval of the agreement by the Advisor, Sub-Advisor, and the Trust’s Board of Trustees. This agreement may be terminated before that date only with the consent of the Trust’s Board of Trustees.

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For the six months ended September 30, 2018, the Advisor recovered a portion of its advisory fees totaling \$451 and the Sub-Advisor waived none of its sub-advisory fees. The Advisor and Sub-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 September 30, 2018, the amount of these potentially recoverable expenses was \$25,784. The Advisor may recapture all or a portion of this amount no later than March 31, of the years stated below.

2019	\$	23,016
2020		-
2021		2,768
2022		-
Total	\$	25,784

IMST Distributors, LLC serves as the Fund's distributor; 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. The Fund's allocated fees incurred for distribution, fund accounting, fund administration and transfer agency services for the six months ended September 30, 2018 are reported on the Statement of Operations.

The Fund has a fee arrangement with its custodian, UMB Bank, n.a., which provides for custody fees to be reduced by earning credits based on cash balances left on deposit with the custodian. For the six months ended September 30, 2018, there were no total fees reduced by earning credits. Such amount would be shown as a reduction of expenses, "Fees paid indirectly", on the Statement of Operations.

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 six months ended September 30, 2018, the Fund's allocated fees incurred for 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.

Dziura Compliance Consulting, LLC provides Chief Compliance Officer ("CCO") services to the Trust. The Fund's allocated fees incurred for CCO services for the six months ended September 30, 2018, are reported on the Statement of Operations.

Palmer Square SSI Alternative Income Fund
NOTES TO FINANCIAL STATEMENTS - Continued
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Note 4 – Federal Income Taxes

At September 30, 2018, the cost of securities on a tax basis and gross unrealized appreciation and (depreciation) on investments and securities sold short for federal income tax purposes were as follows:

Cost of investments	\$	<u>165,392,009</u>
Gross unrealized appreciation	\$	36,096,310
Gross unrealized depreciation		<u>(35,850,875)</u>
Net unrealized appreciation on investments	\$	<u>245,435</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.

As of March 31, 2018, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$	1,223,852
Undistributed long-term capital gains		<u>-</u>
Tax accumulated earnings		1,223,852
Accumulated capital and other losses		(10,946,549)
Net unrealized depreciation on securities sold short		(12,374,152)
Net unrealized appreciation on written options contracts		132,021
Net unrealized appreciation on investments		<u>15,389,531</u>
Total accumulated deficit	\$	<u>6,575,297</u>

At March 31, 2018, the Fund had \$10,946,549 of accumulated capital loss carryforward which consisted of \$891,897 short-term and \$10,054,652 long-term. To the extent that a fund may realize future net capital gains, those gains will be offset by any of its unused capital loss carryforward. Future capital loss carryover utilization in any given year may be subject to Internal Revenue Code limitations.

The Fund utilized \$3,990,453 of its capital loss carryforwards during the year ended March 31, 2018.

The tax character of distributions paid during the fiscal years ended March 31, 2018 and March 31, 2017 were as follows:

Distributions paid from:	2018	2017
Ordinary income	\$ 5,368,295	\$ 3,689,758
Net long-term capital gains	-	-
Total distributions paid	<u>\$ 5,368,295</u>	<u>\$ 3,689,758</u>

Note 5 – Investment Transactions

For the six months ended September 30, 2018, purchases and sales of investments, excluding short-term investments, were \$71,457,692 and \$77,977,111, respectively. Securities sold short and short securities covered were \$56,782,453 and \$61,362,366, respectively, for the same period.

Palmer Square SSI Alternative Income Fund
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Note 6 – Shareholder Servicing Plan

The Trust, on behalf of the Fund, has adopted a Shareholder Servicing Plan to pay a fee at an annual rate of up to 0.25% of average daily net assets of shares serviced by shareholder servicing agents who provide administrative and support services to their customers.

For the six months ended September 30, 2018, shareholder servicing fees incurred are disclosed on the Statement of Operations.

Note 7 – Distribution Plan

The Trust, on behalf of the Fund, has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act that allows the Fund to pay distribution fees for the sale and distribution of its Class A shares. The Plan provides for the payment of distribution fees at the annual rate of up to 0.25% of average daily net assets attributable to Class A shares.

For the six months ended September 30, 2018, distribution fees incurred with respect to Class A shares are disclosed on the Statement of Operations.

Note 8 – 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 9 – 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

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NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018 (Unaudited)

more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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 September 30, 2018, in valuing the Fund's assets carried at fair value:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Corporate Bonds*	\$ -	\$ 233,898,759	\$ -	\$ 233,898,759
Exchange-Traded Funds	3,431,236	-	-	3,431,236
Preferred Stocks				
Basic Materials	-	2,824,515	-	2,824,515
Consumer, Non-cyclical	780,464	-	-	780,464
Energy	1,141,621	-	-	1,141,621
Financial	15,106,987	2,069,413	-	17,176,400
Industrial	5,237,846	-	-	5,237,846
Technology	1,810,200	3,475,596	-	5,285,796
Utilities	4,048,334	-	-	4,048,334
Short-Term Investments	14,532,785	-	-	14,532,785
Total Investments	<u>\$ 46,089,473</u>	<u>\$ 242,268,283</u>	<u>\$ -</u>	<u>\$ 288,357,756</u>
Liabilities				
Securities Sold Short				
Common Stocks*	\$ 121,934,577	\$ -	\$ -	\$ 121,934,577
Rights	-	-	52,154	52,154
Written Options Contracts	559,211	174,370	-	733,581
Total Investments	<u>\$ 122,493,788</u>	<u>\$ 174,370</u>	<u>\$ 52,154</u>	<u>\$ 122,720,312</u>

* All corporate bonds held in the Fund are Level 2 securities and all common stocks held in the Fund are Level 1 securities. For a detailed break-out by major industry classification, please refer to the Schedule of Investments.

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Transfers between Levels 1, 2 or 3 are recognized at the end of the reporting period. Transfers between Level 1 and Level 2 relate to an increase in trading activity as of September 30, 2018. The following is a reconciliation of transfers between Levels for the Fund from March 31, 2018 to September 30, 2018, represented by recognizing the September 30, 2018 market value of securities:

Transfers into Level 1	\$ 1,810,200
Transfers out of Level 1	<u>(2,824,515)</u>
Net transfers in (out) of Level 1	<u>\$ (1,014,315)</u>
Transfers into Level 2	\$ 2,824,515
Transfers out of Level 2	<u>(1,810,200)</u>
Net transfers in (out) of Level 2	<u>\$ 1,014,315</u>

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining value:

	Securities Sold Short
Beginning balance March 31, 2018	\$ -
Transfers into Level 3 during the period	-
Transfers out of Level 3 during the period	-
Total realized gain/(loss)	-
Total unrealized appreciation/(depreciation)	(52,154)
Net purchases	-
Net sales	-
Balance as of September 30, 2018	<u>\$ (52,154)</u>

Note 10 – Derivative and Hedging Disclosure

Derivatives and Hedging requires enhanced disclosures about the Fund's derivative and hedging activities, including how such activities are accounted for and their effects on the Fund's financial position, performance and cash flows.

The effects of these derivative instruments on the Fund's financial position and financial performance as reflected in the Statement of Assets and Liabilities and Statement of Operations are presented in the tables below. The fair values of derivative instruments as of September 30, 2018 by risk category are as follows:

Derivatives not designated as hedging instruments	Asset Derivatives		Liability Derivatives	
	Statement of Asset and Liabilities Location	Value	Statement of Asset and Liabilities Location	Value
Equity contracts	Purchased options contracts, at value	\$ -	Written options contracts, at value	\$ 733,581
Total		<u>\$ -</u>		<u>\$ 733,581</u>

Palmer Square SSI Alternative Income Fund
NOTES TO FINANCIAL STATEMENTS - Continued
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The effects of derivative instruments on the Statement of Operations for the six months ended September 30, 2018 are as follows:

Derivatives not designated as hedging instruments				
	Equity Contracts	Foreign exchange contracts	Interest Rate Contracts	Total
Realized Gain (Loss) on Derivatives				
Written options contracts	\$ 390,030	\$ -	\$ -	\$ 390,030
	\$ 390,030	\$ -	\$ -	\$ 390,030
Net Change in Unrealized				
Appreciation/Depreciation on Derivatives				
Written options contracts	\$ (355,225)	\$ -	\$ -	\$ (355,225)
	\$ (355,225)	\$ -	\$ -	\$ (355,225)

The quarterly average volumes of derivative instruments as of September 30, 2018 are as follows:

Derivatives not designated as hedging instruments			
Equity contracts	Written options contracts	Notional Value	\$ (6,346,783)

Note 12 – Line of Credit

The Fund together with other funds managed by the Advisor (together “Palmer Square Funds”) has entered into a Senior Secured Revolving Credit Facility (“Facility”) of \$25,000,000 with UMB Bank, n.a. The Fund is permitted to borrow up to the lesser of the available credit line amount or an amount up to 20% of the adjusted net assets of the Fund. The purpose of the Facility is to finance temporarily the repurchase or redemption of shares of each fund. Borrowings under this agreement bear interest at the one-month London Interbank Offered Rate (LIBOR) plus 1.75%. As compensation for holding the lending commitment available, the Palmer Square Funds are charged a commitment fee on the average daily unused balance of the Facility at the rate of 0.20% per annum. Commitment fees for the six months ended September 30, 2018 are disclosed in the Statement of Operations. The Fund did not borrow under the line of credit agreement during the six months ended September 30, 2018.

Palmer Square SSI Alternative Income Fund
NOTES TO FINANCIAL STATEMENTS - Continued
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Note 13 – 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.

On or about December 30, 2018, Christopher D. Long, Founder, CEO and President of Palmer Square, and Angie K. Long, Chief Investment Officer of Palmer Square, will acquire through a wholly-owned entity the interest of Palmer Square currently held indirectly by the Bicknell Family Holding Company, LLC (the “Transaction”). After completion of the Transaction, Palmer Square will be entirely owned by Mr. and Mrs. Long (indirectly through the wholly-owned entity) and employees of Palmer Square. Other than the change in ownership, the Transaction will not result in any material changes to Palmer Square’s operations. Under the Investment Company Act of 1940, as amended (the “1940 Act”) the Transaction will automatically terminate the Fund’s current investment advisory agreement with Palmer Square (the “Initial Agreement”). In anticipation of the Transaction and these related events, the Board of Trustees of the Trust approved a new advisory agreement between the Trust, on behalf of the Fund, and Palmer Square on October 24, 2018 (the “New Agreement”) which allows Palmer Square to continue to serve as the investment advisor to the Fund under terms substantially similar to those of the Initial Agreement. The New Agreement will be effective for 150 days from the date of the closing of the Transaction, unless approved by the shareholders of the Fund, in which case the New Agreement will remain in effect for a two-year period. Under the New Agreement, Palmer Square will provide investment advisory services to the Fund, subject to the oversight of the Board, on terms that are substantially similar in all material respects to those of the Initial Agreement and for the same fees that are currently in effect. The Fund’s investment objectives and strategies will not change as a result of the completion of the Transaction or the approval of the New Agreement, and shareholders will own the same shares in the Fund.

The Trust will call a shareholder meeting at which shareholders of the Fund will be asked to consider and vote on the New Agreement. If the shareholders of the Fund approve the New Agreement, it will have an initial two-year term and will be subject to annual renewal thereafter. Further information regarding the Transaction will be provided in the proxy statement.

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

Palmer Square SSI Alternative Income Fund SUPPLEMENTAL INFORMATION (Unaudited)

Board Consideration of Investment Advisory and Sub-Advisory Agreements

At an in-person meeting held on June 20-21, 2018, 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 Palmer Square Capital Management, LLC (the “Investment Advisor”), and the sub-advisory agreement (the “Sub-Advisory Agreement”) between the Trust and SSI Investment Management Inc. (the “Sub-Advisor”), with respect to the Palmer Square SSI Alternative Income Fund series of the Trust (the “Fund”) for additional one-year terms from when they otherwise would expire. The Advisory Agreement and the Sub-Advisory Agreement are referred to below as the “Fund Advisory Agreements.” In approving renewal of each Fund 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 Fund Advisory Agreements from the Investment Advisor, the Sub-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 organization and financial condition of the Investment Advisor and the Sub-Advisor; information regarding the background, experience, and compensation structure of relevant personnel providing services to the Fund; information about the Investment Advisor’s and the Sub-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 and the Sub-Advisor’s overall relationship with the Fund; reports comparing the performance of the Fund with returns of the FTSE Treasury Bill 3-Month Index and a group of comparable funds (the “Peer Group”) selected by Broadridge Financial Solutions, Inc. (“Broadridge”) from Morningstar, Inc.’s Market Neutral fund universe (the “Fund Universe”) for the one-, three-, and five-year periods ended March 31, 2018; reports comparing the investment advisory fee and total expenses of the Fund with those of the Peer Group and Fund Universe; and the advisory and sub-advisory fees paid pursuant to the Advisory Agreement and Sub-Advisory Agreement, respectively. 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 Fund Advisory Agreements. 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 or Sub-Advisor were present during the Board’s consideration of the Fund Advisory Agreements, and the Independent Trustees were represented by their legal counsel with respect to the matters considered.

In renewing each Fund 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.

Palmer Square Capital Management, LLC

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 one- and three-year periods were above the FTSE Treasury Bill 3-Month Index returns and the Peer Group and Fund Universe median returns. The Fund’s annualized total return for the five-year period was above the FTSE Index return, but below the Fund Universe and Peer Group median returns by 0.39% and 0.56%, respectively. The Trustees noted the Investment Advisor’s assertion that the Fund underperformed during the five-year period compared to the Peer Group primarily as a result of differences in strategies employed by the Peer Group funds.

Palmer Square SSI Alternative Income Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

The Board noted its familiarity with the Investment Advisor and 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. In addition, the Board considered the respective roles of the Investment Advisor and the Sub-Advisor, noting that the Investment Advisor provides overall supervision of the general investment management and investment operations of the Fund and oversees the Sub-Advisor with respect to the Fund's operations, including monitoring the investment and trading activities of the Sub-Advisor, and monitoring the Fund's compliance with its investment policies; and that the Sub-Advisor's responsibilities include day-to-day portfolio management. The Board and the Independent Trustees concluded that based on the various factors they had 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 higher than the Fund Universe and Peer Group medians by 0.20% and 0.30%, respectively. The Trustees noted that the Sub-Advisor, which receives its sub-advisory fee directly from the Fund, had agreed to implement a fee breakpoint of 0.10% for assets over \$300 million effective December 18, 2017, and that the Fund's net assets as of March 31, 2018, were close to \$300 million. The Trustees observed that the Investment Advisor does not manage any other accounts with the same objectives and policies as the Fund, and therefore they did not have a good basis for comparing the Fund's advisory fee with those of other similar client accounts of the Investment Advisor. The Trustees noted that the Fund's advisory fee was within the range of advisory fees paid by other series of the Trust managed by the Investment Advisor.

The annual total expenses paid by the Fund (net of fee waivers) for the Fund's most recent fiscal year were higher than the Fund Universe and Peer Group medians by 0.08% and 0.12%, respectively. The Trustees observed that the Fund's annual total expenses were not in the top quartile of the funds in the Peer Group.

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 March 31, 2018, noting that the Investment Advisor had waived a portion of its advisory fee for the Fund. 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 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. The Trustees 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.

Palmer Square SSI Alternative Income Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

SSI Investment Management Inc.

Nature, Extent and Quality of Services

The Board considered the overall quality of services provided by the Sub-Advisor to the Fund. In doing so, the Board considered the Sub-Advisor's specific responsibilities in day-to-day portfolio management 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 Sub-Advisor, as well as its compliance structure. The Board's observations regarding the performance of the Fund are described above. The Board and the Independent Trustees concluded that based on the various factors they had reviewed, the nature, overall quality, and extent of the management services provided by the Sub-Advisor to the Fund were satisfactory.

Sub-Advisory Fee

The Board reviewed information regarding the sub-advisory fee charged by the Sub-Advisor with respect to the Fund, which they noted was lower than the Sub-Advisor's fees to manage two other accounts and a private fund using similar strategies as the Fund, two of which charge performance-based fees in addition to asset-based fees. The Board noted that the Fund pays the Sub-Advisor's sub-advisory fee directly.

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

Profitability and Benefits to the Sub-Advisor

The Board considered information prepared by the Sub-Advisor relating to its costs and profits with respect to the Fund for the year ended March 31, 2018. 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 Sub-Advisor from its relationship with the Fund was reasonable.

The Board also considered the benefits received by the Sub-Advisor as a result of its relationship with the Fund, other than the receipt of its sub-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 Sub-Advisor's compliance program, and the intangible benefits of the Sub-Advisor's association with the Fund generally and any favorable publicity arising in connection with the Fund's performance.

Conclusion

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

Palmer Square SSI Alternative Income Fund
EXPENSE EXAMPLE
For the Six Months Ended September 30, 2018 (Unaudited)

Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payment of Class A shares; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees (Class A only); and other Fund expenses. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Fund 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 April 1, 2018 to September 30, 2018.

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 for your share class, in 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 sales charges (load) or contingent deferred sales charges. 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	Ending Account Value	Expenses Paid During Period*
		4/1/18	9/30/18	4/1/18 – 9/30/18
Class A	Actual Performance*	\$ 1,000.00	\$ 1,005.30	\$ 10.38
	Hypothetical (5% annual return before expenses)	1,000.00	1,014.72	10.43
Class I	Actual Performance*	1,000.00	1,007.50	9.13
	Hypothetical (5% annual return before expenses)	1,000.00	1,015.98	9.16

* Expenses are equal to the Fund’s annualized expense ratio of 2.06% and 1.81% for Class A and Class I, respectively, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the six month period). The expense ratios reflect a recovery of previously waived fees. Assumes all dividends and distributions were reinvested.

Palmer Square SSI Alternative Income Fund

A series of Investment Managers Series Trust

Investment Advisor

Palmer Square Capital Management LLC
1900 Shawnee Mission Parkway, Suite 315
Mission Woods, Kansas 66205

Sub-Advisor

SSI Investment Management, Inc.
9440 Santa Monica Boulevard, 8th Floor
Beverly Hills, California 90210

Custodian

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

Fund Co-Administrator

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

Fund Co-Administrator, Transfer Agent and Fund Accountant

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

Distributor

IMST Distributors, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101
www.foreside.com

FUND INFORMATION

	<u>TICKER</u>	<u>CUSIP</u>
Palmer Square SSI Alternative Income Fund – Class I	PSCIX	461418 246
Palmer Square SSI Alternative Income Fund – Class A	PSCAX	461418 253

Privacy Principles of the Palmer Square SSI Alternative Income 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).

This report is sent to shareholders of the Palmer Square SSI Alternative Income 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 Policies and Procedures

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (866) 933-9033, or on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Proxy Voting Record

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling the Fund at (866) 933-9033, or by accessing the Fund's Form N-PX on the SEC's website at www.sec.gov.

Form N-Q Disclosure

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-Q. The Fund's Form N-Q is available on the SEC website at www.sec.gov or by calling the Fund at (866) 933-9033. The Fund's Form N-Q may also be viewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

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 (866) 933-9033.

Palmer Square SSI Alternative Income Fund
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