

TOWLE DEEP VALUE FUND

Ticker Symbol: (TDVFX)

**ANNUAL REPORT
SEPTEMBER 30, 2018**

Towle Deep Value Fund
A series of Investment Managers Series Trust

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

TOWLE & CO.

DEEP VALUE INVESTING

1-888-998-6953

September 30, 2018

To Our Shareholders:

Following a disappointing first six months of the fiscal year, performance turned positive over the last two quarters, recording a gain of 7.35% net of fees and bringing the Fund into positive territory for the twelve month period ending 9/30/2018. A handful of positions contributed meaningfully to the advance with three stocks posting triple digit returns during the year; Supervalu, Inc (SVU), Renewable Energy Group, Inc (REGI) and Unisys Corporation (UIS). However, the Fund's healthy exposure to companies in the Industrials and Consumer Discretionary sectors continued to weigh on performance as market participants maintained their preference for growth stocks over value issues.

Although short-term returns remain unsatisfactory, we believe the current economic environment and valuation profile of our deep value, cyclical holdings are attractive. Consequently, we will continue to execute our strategy with vigor while recognizing that today's supportive investment scene may deteriorate, resulting in a more defensive posture in the coming quarters.

Short and long term performance results are noted below.

For the six months ended September 30, 2018, the Fund produced a total return of 7.35% compared to a total return of 10.04% for the Russell 2000 Value and 11.41% for the S&P 500 Index.

For the 12 months ended September 30, 2018, the Fund produced a total return of 2.10% compared to a total return of 9.33% for the Russell 2000 Value and 17.91% for the S&P 500 Index.

From inception to September 30, 2018, the Fund has compounded capital at a 14.36% annualized rate of return compared to 12.79% for the Russell 2000 Value and 14.96% for the S&P 500 Index.

Today's bull market is the longest since 1932, almost 10 years in duration. Naturally, everyone in the financial community wants an answer to the following question: when will the current bull market end?

Without a doubt, underlying concerns challenge the market's upward trajectory. The Federal Reserve's target interest rate has increased dramatically, potentially slowing future economic activity. Inflation, although currently not troublesome, has reached its highest level since 2011, threatening asset prices. As evidenced by our closely watched Rule of 20 (Value Line P/E plus CPI), stock market valuations remain elevated. On the political front, the Federal Government spends our tax dollars without restraint, and U.S. trade tensions between China and other nations persist. These forces may well restrain or halt the advancing bull market.

Yet, economic momentum carries on – upbeat and positive. Recent surveys of the manufacturing and service sectors by the Institute for Supply Management are unquestionably strong. Small business optimism and labor market conditions are exceptionally robust. The

The performance data quoted here represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month end please call 1-888-998-6953.

Conference Board Leading Economic Index indicates that today's advance will likely continue. Bloomberg's Financial Conditions Index reflects a sturdy economy with a financial environment conducive to rising capital investment.

In light of these cross currents, three overriding concerns shape our message:

1. **Stock market valuations** are lofty.
2. **Inflationary cost pressures** will likely impede corporate profitability in the coming quarters.
3. **GDP growth trajectory** may slow in 2019.

Accordingly, the stock market is best described as uneasy and unsettled.

While the U.S. economy is facing numerous uncertainties and the investment community is broadly apprehensive, we believe the following macro-economic conditions provide a supportive backdrop for today's discriminating investor:

1. **Interest rates remain low.** High grade bond yields hover at 4.1% today versus 6.2% in mid-2007. Low interest rates fuel economic activity.
2. **Inflation is muted.** At 2.7%, inflation has yet to disrupt economic stability. Inflation reached 5.6% prior to the Great Recession. From 1970-2007 inflation averaged 4.7%.
3. **Commodity prices are manageable.** The Producer Price Index for All Commodities has increased a modest 1.9% annually over the past three years compared to an average annual increase of 3.6% since 1970.

This good news combined with outperformance by the FAANGs (Facebook, Apple, Amazon, Netflix, Google) has pushed market indexes to new heights, creating a pronounced and overextended bifurcation between growth and value stocks. How this divergence gets reconciled is unknown, but overtime it will likely close. It is our expectation that the Towle portfolio will benefit from this rebalancing process, stimulated by investment capital searching for higher rates of return and lower valuation multiples.

In the final analysis, the paramount issue for those of us invested in the Towle strategy is not whether the market will go up or down in the short term but whether the stock market is correctly valuing our holdings. Heading into the fourth quarter, we believe our holdings, in aggregate, are mispriced. For now, we believe the investment community at large fails to give credit to the earnings potential and attractive valuation of the Towle portfolio holdings.

Thank you for investing with us and for your continued confidence.

J. Ellwood Towle
Christopher D. Towle
Peter J. Lewis, CFA
James M. Shields, CFA
Wesley R. Tibbetts, CFA

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

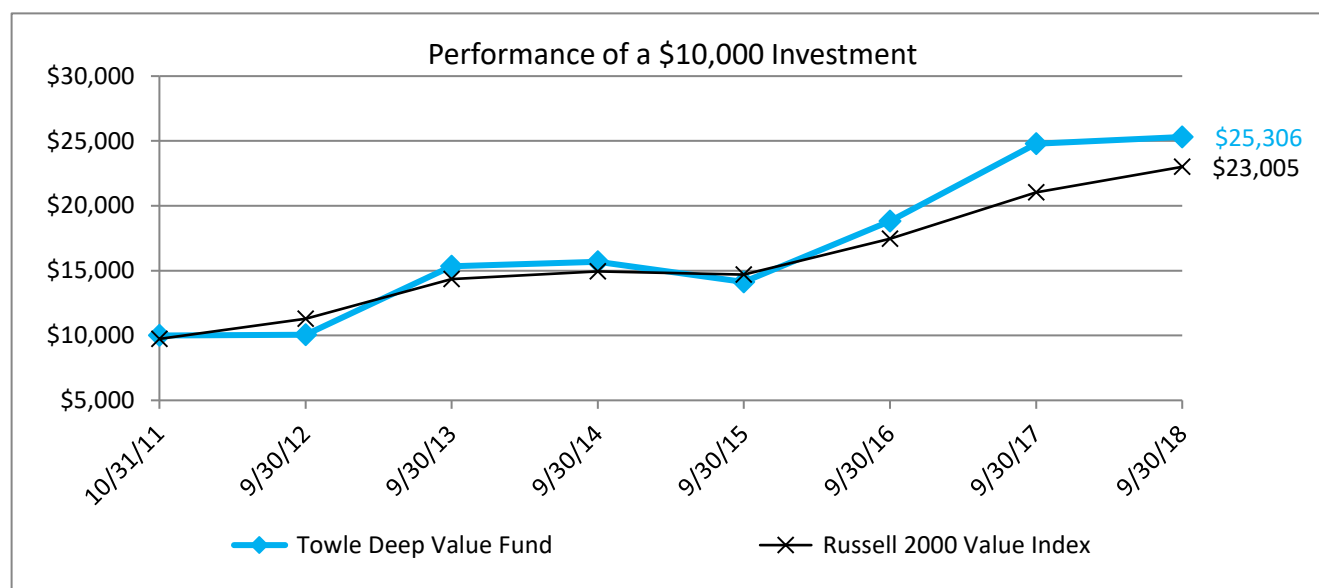
Stock fund prices fluctuate and investors may lose principal value. Micro-cap, small-cap and mid-cap stocks involve greater risks, and they can fluctuate in price more than larger company stocks. Foreign investments present additional risk due to currency exchange rate fluctuations, economic developments, political instability, and other factors. The Fund is non-diversified which

increases the risk that the value of the Fund could go down because of the poor performance of a single investment. A value oriented investing style may go in and out of favor which may cause the Fund to sometimes underperform other equity fund.

Instances of high double-digit returns are extraordinary and may not be repeated. The recent growth rate in the stock market has helped to produce short-term returns for some asset classes that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

The views in this shareholder letter were those of the Fund Managers as of the letter's publication date and may not reflect their views on the date this letter is first distributed or anytime thereafter. These views are intended to assist readers in understanding the Fund's investment methodology and do not constitute investment advice.

Towle Deep Value Fund
FUND PERFORMANCE at September 30, 2018 (Unaudited)



This graph compares a hypothetical \$10,000 investment in the Fund, made at its inception, with a similar investment in the Russell 2000 Value Index. The value of the Russell 2000 Value Index on October 28, 2011 is used as the beginning value on October 31, 2011. Results include reinvestment of all dividends and capital gains.

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

Average Annual Total Return as of September 30, 2018	1 Year	5 Years	Since Inception	Inception Date
Towle Deep Value Fund	2.10%	10.54%	14.36%	10/31/11
Russell 2000 Value Index	9.33%	9.91%	12.79%	10/31/11

The performance data quoted here represents past performance and past performance is not a guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. The most recent month end performance may be obtained by calling 1-888-99TOWLE (888-998-6953).

Gross expense ratio was 1.13% and net expense ratio after recoupment of waived fees and/or reimbursed expenses was 1.20%. These were the amounts stated in the current prospectus dated February 1, 2018. For the Fund's current one year expense ratios, please refer to the Financial Highlights section of this report. While the Fund's advisor has contractually agreed to waive its fees and/or pay operating expenses of the Fund to ensure that total annual fund operating expenses do not exceed 1.20% of the average daily net assets of the Fund, such a fee waiver of expense absorption was not necessary for the fiscal year ended September 30, 2018. At September 30, 2018, the Advisor recovered all potentially recoverable expenses. This agreement is in effect until January 31, 2019, and it may be terminated before that date only by the Trust's Board of Trustees. In the absence of such waivers, the Fund's returns would have been lower.

Returns reflect the reinvestment of distributions made by the Fund, if any. The graph and the performance table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Shares redeemed within 90 days of purchase will be charged 2.00% redemption fee.

Towle Deep Value Fund
SCHEDULE OF INVESTMENTS
As of September 30, 2018

Number of Shares		Value
COMMON STOCKS — 98.0%		
BASIC MATERIALS — 4.8%		
375,180	Ryerson Holding Corp.*	\$ 4,239,534
224,040	Shiloh Industries, Inc.*	2,464,440
		6,703,974
CONSUMER, CYCLICAL — 42.0%		
106,430	Adient PLC	4,183,763
275,400	Beazer Homes USA, Inc.*	2,891,700
208,080	Bed Bath & Beyond, Inc.	3,121,200
216,190	Big 5 Sporting Goods Corp.	1,102,569
407,640	Fiat Chrysler Automobiles N.V.* ¹	7,137,776
784,420	Francesca's Holdings Corp.*	2,910,198
192,110	Goodyear Tire & Rubber Co.	4,493,453
44,960	Group 1 Automotive, Inc.	2,917,904
108,030	M/I Homes, Inc.*	2,585,158
189,450	Meritor, Inc.*	3,667,752
1,395,630	Office Depot, Inc.	4,479,972
1,422,500	Pier 1 Imports, Inc.	2,133,750
178,010	Sonic Automotive, Inc. - Class A	3,444,494
700,870	Sportsman's Warehouse Holdings, Inc.*	4,100,090
103,240	Tenneco, Inc.	4,350,534
183,600	Tower International, Inc.	5,553,900
		59,074,213
CONSUMER, NON-CYCLICAL — 8.8%		
968,020	RR Donnelley & Sons Co.	5,227,308
220,850	SUPERVALU, Inc.*	7,115,787
		12,343,095
ENERGY — 15.4%		
130,910	C&J Energy Services, Inc.*	2,722,928
190,594	McDermott International, Inc.*	3,512,647
79,560	PBF Energy, Inc. - Class A	3,970,840
269,280	Renewable Energy Group, Inc.*	7,755,264
709,120	Southwestern Energy Co.*	3,623,603
		21,585,282
FINANCIAL — 5.0%		
204,080	Ally Financial, Inc.	5,397,916
34,590	CNA Financial Corp.	1,579,033
		6,976,949
INDUSTRIAL — 18.1%		
84,610	Atlas Air Worldwide Holdings, Inc.*	5,393,888
461,130	Celadon Group, Inc.*	1,291,164

Towle Deep Value Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2018

Number of Shares		Value
	COMMON STOCKS (Continued)	
	INDUSTRIAL (Continued)	
236,810	Flex Ltd.*	\$ 3,106,947
116,540	Trinseo S.A.	9,125,082
230,960	Triumph Group, Inc.	5,381,368
63,790	Tutor Perini Corp.*	1,199,252
		25,497,701
	TECHNOLOGY — 3.9%	
269,540	Unisys Corp.*	5,498,616
	TOTAL COMMON STOCKS	
	(Cost \$116,780,209)	137,679,830
Principal Amount		
	SHORT-TERM INVESTMENTS — 2.1%	
\$ 2,936,970	UMB Money Market Fiduciary, 0.25% ²	2,936,970
	TOTAL SHORT-TERM INVESTMENTS	
	(Cost \$2,936,970)	2,936,970
	TOTAL INVESTMENTS — 100.1%	
	(Cost \$119,717,179)	140,616,800
	Liabilities in Excess of Other Assets — (0.1)%	(160,791)
	TOTAL NET ASSETS — 100.0%	\$ 140,456,009

PLC — Public Limited Company

*Non-income producing security.

¹Foreign security denominated in U.S. Dollars.

²The rate is the annualized seven-day yield at period end.

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
SUMMARY OF INVESTMENTS
As of September 30, 2018

Security Type/Sector	Percent of Total Net Assets
Common Stocks	
Consumer, Cyclical	42.0%
Industrial	18.1%
Energy	15.4%
Consumer, Non-cyclical	8.8%
Financial	5.0%
Basic Materials	4.8%
Technology	3.9%
Total Common Stocks	98.0%
Short-Term Investments	2.1%
Total Investments	100.1%
Liabilities in Excess of Other Assets	(0.1)%
Total Net Assets	100.0%

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2018

Assets:

Investments, at value (cost \$119,717,179)	\$ 140,616,800
Receivables:	
Investment securities sold	11,568
Fund shares sold	9,797
Dividends and interest	43,665
Prepaid expenses	13,471
Total assets	<u>140,695,301</u>

Liabilities:

Payables:	
Investment securities purchased	27,678
Fund shares redeemed	34,566
Advisory fees	97,564
Shareholder servicing fees (Note 7)	16,375
Fund administration fees	18,788
Auditing fees	18,412
Transfer agent fees and expenses	7,160
Chief Compliance Officer fees	2,343
Custody fees	1,722
Trustees' deferred compensation (Note 3)	1,522
Trustees' fees and expenses	500
Accrued other expenses	12,662
Total liabilities	<u>239,292</u>

Net Assets	<u><u>\$ 140,456,009</u></u>
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Components of Net Assets:

Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized)	\$ 117,608,558
Total distributable earnings	22,847,451

Net Assets	<u><u>\$ 140,456,009</u></u>
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Number of shares issued and outstanding	<u>7,690,615</u>
Net asset value per share	<u><u>\$ 18.26</u></u>

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
STATEMENT OF OPERATIONS
For the Year Ended September 30, 2018

Investment Income:

Dividends (net of foreign tax withholding of \$14,345)	\$ 1,725,094
Interest	5,627
Total investment income	<u>1,730,721</u>

Expenses:

Advisory fees	999,339
Fund administration fees	126,430
Shareholder servicing fees (Note 7)	94,498
Registration fees	50,692
Transfer agent fees and expenses	48,905
Fund accounting fees	46,558
Legal fees	32,699
Custody fees	23,153
Auditing fees	18,250
Chief Compliance Officer fees	14,898
Shareholder reporting fees	12,801
Miscellaneous	12,352
Trustees' fees and expenses	8,399
Insurance fees	1,559
Total expenses	<u>1,490,533</u>
Advisory fees recovered	<u>26,346</u>
Net expenses	<u>1,516,879</u>
Net investment income	<u><u>213,842</u></u>

Realized and Unrealized Gain (Loss):

Net realized gain on investments	9,431,487 ¹
Net change in unrealized appreciation/depreciation on investments	<u>(7,786,143)</u>
Net realized and unrealized gain	<u><u>1,645,344</u></u>

Net Increase in Net Assets from Operations	<u><u>\$ 1,859,186</u></u>
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¹ Net of non-U.S. taxes \$243,961.

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment gain (loss)	\$ 213,842	\$ (136,759)
Net realized gain on investments	9,431,487	18,579,213
Net change in unrealized appreciation/depreciation on investments	(7,786,143)	10,687,238
Net increase in net assets resulting from operations	1,859,186	29,129,692
Distributions to Shareholders:		
Total distributions to shareholders ¹	(22,659,182)	–
Capital Transactions:		
Net proceeds from shares sold	43,528,114	73,600,589
Reinvestment of distributions	22,346,917	–
Cost of shares redeemed ²	(20,455,313)	(90,069,053)
Net increase (decrease) in net assets from capital transactions	45,419,718	(16,468,464)
Total increase in net assets	24,619,722	12,661,228
Net Assets:		
Beginning of period	115,836,287	103,175,059
End of period ³	\$ 140,456,009	\$ 115,836,287
Capital Share Transactions:		
Shares sold	2,318,172	3,715,262
Shares reinvested	1,216,490	–
Shares redeemed	(1,110,038)	(4,628,532)
Net increase (decrease) in capital share transactions	2,424,624	(913,270)

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

² Net of redemption fee proceeds of \$7,575 and \$126,824, respectively.

³ End of year net assets includes accumulated undistributed net investment gain (loss) of \$0 for the year ended September 30, 2017. The SEC eliminated the requirement to disclose undistributed net investment income in September 2018.

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
FINANCIAL HIGHLIGHTS

Per share operating performance.

For a capital share outstanding throughout each period.

	For the Year Ended September 30,				
	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 22.00	\$ 16.70	\$ 13.08	\$ 14.97	\$ 15.31
Income from Investment Operations:					
Net investment gain (loss) ¹	0.03	(0.02)	(0.04)	(0.02)	(0.07)
Net realized and unrealized gain (loss)	0.46	5.30	4.22	(1.38)	0.44
Total from investment operations	0.49	5.28	4.18	(1.40)	0.37
Less Distributions:					
From net investment income	(0.05)	-	-	-	-
From net realized gains	(4.18)	-	(0.56)	(0.49)	(0.71)
Total distributions	(4.23)	-	(0.56)	(0.49)	(0.71)
Redemption fee proceeds¹	- ²	0.02	- ²	- ²	- ²
Net asset value, end of period	<u>\$ 18.26</u>	<u>\$ 22.00</u>	<u>\$ 16.70</u>	<u>\$ 13.08</u>	<u>\$ 14.97</u>
Total return³	2.10%	31.74%	33.09%	(9.88)%	2.32%
Ratios and Supplemental Data:					
Net assets, end of period (in thousands)	\$ 140,456	\$ 115,836	\$ 103,175	\$ 56,229	\$ 59,372
Ratio of expenses to average net assets:					
Before fees waived/recovered	1.18%	1.13%	1.23%	1.26%	1.32%
After fees waived/recovered	1.20%	1.20%	1.20%	1.20%	1.20%
Ratio of net investment income (loss) to average net assets:					
Before fees waived/recovered	0.19%	(0.03)%	(0.29)%	(0.16)%	(0.53)%
After fees waived/recovered	0.17%	(0.10)%	(0.26)%	(0.10)%	(0.41)%
Portfolio turnover rate	41%	62%	40%	44%	23%

¹ Based on average shares outstanding for the period.

² Amount represents less than \$0.01 per share.

³ 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.

See accompanying Notes to Financial Statements.

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Note 1 – Organization

Towle Deep Value Fund (the “Fund”) was organized as a non-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 long-term capital appreciation. The Fund commenced investment operations on October 31, 2011.

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. The independent pricing service providers may use various valuation methodologies including matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. If a price is not readily available for a portfolio security, the security will be valued at fair value (the amount which the Fund might reasonably expect to receive for the security upon its current sale) as determined in good faith by the Fund’s advisor, subject to review and approval by the Valuation Committee, pursuant to procedures adopted by the Board of Trustees. The actions of the Valuation Committee are subsequently reviewed by the Board at its next regularly scheduled board meeting. The Valuation Committee meets as needed. The Valuation Committee is comprised of all the Trustees, but action may be taken by any one of the Trustees.

(b) Investment Transactions, Investment Income and Expenses

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

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018

where allocation of direct expenses to each Fund or an alternative allocation method can be more appropriately made.

(c) Federal Income Taxes

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

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

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Fund's current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the open years ended September 30, 2015-2018, 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.

(d) Distributions to Shareholders

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

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

Note 3 – Investment Advisory and Other Agreements

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the "Agreement") with Towle & Co. (the "Advisor"). Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Advisor at the annual rate of 0.79% of the Fund's average daily net assets. The Fund's advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding any taxes, leverage interest, brokerage commissions, acquired fund fees and expenses (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.20% of the average daily net assets of the Fund. This agreement is in effect until January 31, 2019, and it may be terminated before that date only by the Trust's Board of Trustees.

For the year ended September 30, 2018, the Advisor recovered \$26,346 of previously waived advisory fees. The Fund's advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018

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 Advisor recovered all potentially recoverable expenses.

UMB Fund Services, Inc. ("UMBFS") serves as the Fund's fund accountant, transfer agent and co-administrator; and Mutual Fund Administration, LLC ("MFAC") serves as the Fund's other co-administrator. UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund's custodian. The Fund's allocated fees incurred for fund accounting, fund administration, transfer agency and custody services for the year ended September 30, 2018 are reported on the Statement of Operations.

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

Certain trustees and officers of the Trust are employees of UMBFS or MFAC. The Fund does not compensate trustees and officers affiliated with the Fund's co-administrators. For the year ended September 30, 2018, the Fund's allocated fees incurred to Trustees who are not affiliated with the Fund's co-administrators are reported on the Statement of Operations.

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

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

Note 4 – Federal Income Taxes

At September 30, 2018, gross unrealized appreciation and depreciation of investments owned by the Fund, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$ 121,436,154</u>
Gross unrealized appreciation	\$ 34,493,353
Gross unrealized depreciation	<u>(15,312,707)</u>
Net unrealized appreciation on investments	<u>\$ 19,180,646</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.

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended September 30, 2018, permanent differences in book and tax accounting have been reclassified to paid-in capital and total distributable earnings as follows:

	Increase (Decrease)
Paid-in Capital	Total Distributable Earnings
\$ 102,788	\$ (102,788)

As of September 30, 2018, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$ 253,856
Undistributed long-term capital gains	3,412,949
Accumulated earnings	3,666,805
Accumulated capital and other losses	-
Unrealized appreciation on investments	19,180,646
Total accumulated earnings	\$ 22,847,451

The tax character of the distributions paid during the fiscal years ended September 30, 2018 and September 30, 2017 were as follows:

Distribution paid from:	2018	2017
Ordinary income	\$ 252,151	\$ -
Net long-term capital gains	22,407,031	-
Total distributions paid	\$ 22,659,182	\$ -

Note 5 – Redemption Fee

The Fund may impose a redemption fee of 2.00% of the total redemption amount on all shares redeemed within 90 days of purchase. For the year ended September 30, 2018 and the year ended September 30, 2017, the Fund received \$7,575 and \$126,824, respectively.

Note 6 – Investment Transactions

For the year ended September 30, 2018, purchases and sales of investments, excluding short-term investments, were \$73,969,582 and \$50,161,652, respectively.

Note 7 – 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 0.15% of average daily net assets of shares serviced by shareholder servicing agents who provide administrative and support services to their customers.

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

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018

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 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.

Towle Deep Value Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2018

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
Investments				
Common Stocks*	\$ 137,679,830	\$ -	\$ -	\$ 137,679,830
Short-Term Investments	2,936,970	-	-	2,936,970
Total Investments	\$ 140,616,800	\$ -	\$ -	\$ 140,616,800

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

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

Transfers between Levels 1, 2, or 3 are recognized at the end of the reporting period. There were no transfers between levels at period end.

Note 10 – Events Subsequent to the Fiscal Period End

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund's related events and transactions that occurred through the date of issuance of the Fund's financial statements. There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees of
Investment Managers Series Trust
and the Shareholders of the Towle Deep Value Fund**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of the Towle Deep Value Fund (the "Fund"), a series of Investment Managers Series Trust, including the schedule of investments, as of September 30, 2018, the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2018 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
November 28, 2018**

Towle Deep Value Fund

SUPPLEMENTAL INFORMATION (Unaudited)

Long-Term Capital Gain Designation

For the year ended September 30, 2018, the Fund designates \$22,407,031 as a 20.00% rate gain distribution for purposes of the dividends paid deduction.

Corporate Dividends Received Deduction

For the year ended September 30, 2018, 100.00% of the dividends to be paid from net investment income, including short-term capital gains (if any) from the Fund, is designated as dividends received deduction available to corporate shareholders.

Qualified Dividend Income

For the year ended September 30, 2018, 100.00% of dividends to be paid from net investment income, including short-term capital gains (if any) from the Fund, is designated as qualified dividend income.

Trustees and Officers Information

Additional information about the Trustees is included in the Fund's Statement of Additional Information which is available, without charge, upon request by calling 1-888-99TOWLE. The Trustees and officers of the Fund and their principal occupations during the past five years are as follows:

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office^c and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee^d	Other Directorships Held During the Past Five Years by Trustee
Independent Trustees:				
Charles H. Miller ^a (born 1947) Trustee	Since November 2007	Retired (2013 – present). Executive Vice President, Client Management and Development, Access Data, a Broadridge company, a provider of technology and services to asset management firms (1997-2012).	1	None.
Ashley Toomey Rabun ^a (born 1952) Trustee and Chairperson of the Board	Since November 2007	Retired (2016 – present). President and Founder, InvestorReach, Inc., a financial services consulting firm (1996 – 2015).	1	Select Sector SPDR Trust, a registered investment company (includes 11 portfolios).
William H. Young ^a (born 1950) Trustee	Since November 2007	Retired (2014 - present). Independent financial services consultant (1996 – 2014). Interim CEO, Unified Fund Services Inc. (now Huntington Fund Services), a mutual fund service provider (2003 – 2006). Senior Vice President, Oppenheimer Management Company (1983 – 1996). Chairman, NICSAs, an investment management trade association (1993 – 1996).	1	None.

Towle Deep Value Fund
SUPPLEMENTAL INFORMATION (Unaudited) - Continued

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office^c and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee^d	Other Directorships Held During the Past Five Years by Trustee
Independent Trustee:				
John P. Zader ^a (born 1961) Trustee	Since November 2007	Retired (June 2014 - present). CEO, UMB Fund Services, Inc., a mutual fund and hedge fund service provider, and the transfer agent, fund accountant, and co-administrator for the Fund (December 2006 - June 2014). President, Investment Managers Series Trust (December 2007 - June 2014).	1	Investment Managers Series Trust II, a registered investment company (includes 12 portfolios).
Interested Trustee:				
Eric M. Banhazl ^{b†} (born 1957) Trustee	Since January 2008	Chairman (2016 – present), and President (2006 – 2015), Mutual Fund Administration, LLC, the co-administrator for the Fund. Trustee and Vice President, Investment Managers Series Trust (December 2007 – March 2016).	1	Investment Managers Series Trust II, a registered investment company (includes 12 portfolios).
Officers of the Trust:				
Maureen Quill ^a (born 1963) President	Since June 2014	President (January 2018 – present), UMB Fund Services, Inc. Chief Operating Officer (June 2014 – January 2018), and Executive Vice President (January 2007 – June 2014), UMB Fund Services, Inc. Vice President, Investment Managers Series Trust (December 2013 - June 2014).	N/A	N/A
Rita Dam ^b (born 1966) Treasurer and Assistant Secretary	Since December 2007	Co-Chief Executive Officer (2016 – present), and Vice President (2006 – 2015), Mutual Fund Administration, LLC.	N/A	N/A
Joy Ausili ^b (born 1966) Vice President, Assistant Secretary and Assistant Treasurer	Since March 2016	Co-Chief Executive Officer (2016 – present), and Vice President (2006 – 2015), Mutual Fund Administration, LLC. Secretary and Assistant Treasurer, Investment Managers Series Trust (December 2007 – March 2016).	N/A	N/A

Towle Deep Value Fund
SUPPLEMENTAL INFORMATION (Unaudited) - Continued

Name, Address, Year of Birth and Position(s) held with Trust	Term of Office^c and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex Overseen by Trustee^d	Other Directorships Held During the Past Five Years by Trustee
Officers of the Trust:				
Diane Drake ^b (born 1967) Secretary	Since March 2016	Senior Counsel, Mutual Fund Administration, LLC (October 2015 – present). Managing Director and Senior Counsel, BNY Mellon Investment Servicing (US) Inc. (2010 – 2015).	N/A	N/A
Martin Dziura ^b (born 1959) Chief Compliance Officer	Since June 2014	Principal, Dziura Compliance Consulting, LLC (October 2014 – present). Managing Director, Cipperman Compliance Services (2010 – September 2014). Chief Compliance Officer, Hanlon Investment Management (2009 – 2010). Vice President – Compliance, Morgan Stanley Investment Management (2000 – 2009).	N/A	N/A

a Address for certain Trustees and certain officers: 235 West Galena Street, Milwaukee, Wisconsin 53212.

b Address for Mr. Banhazl, Ms. Ausili, Ms. Dam and Ms. Drake: 2220 E. Route 66, Suite 226, Glendora, California 91740.
Address for Mr. Dziura: 309 Woodridge Lane, Media, Pennsylvania 19063.

c Trustees and officers serve until their successors have been duly elected.

d The Trust is comprised of numerous series managed by unaffiliated investment advisors. The term “Fund Complex” applies only to the Fund managed by the same investment advisor. The Fund does not hold itself out as related to any other series within the Trust for purposes of investment and investor services, nor does it share the same investment advisor with any other series.

† Mr. Banhazl is an “interested person” of the Trust by virtue of his position with Mutual Fund Administration, LLC.

Towle Deep Value Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

Board Consideration of Investment Advisory Agreement

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 Towle & Co. (the “*Investment Advisor*”) with respect to the Towle Deep Value Fund series of the Trust (the “*Fund*”) for an additional one-year term from when it otherwise would expire. In approving renewal of the Advisory Agreement, the Board, including the Independent Trustees, determined that such renewal was in the best interests of the Fund and its shareholders.

Background

In advance of the meeting, the Board received information about the Fund and the Advisory Agreement from the Investment Advisor and from Mutual Fund Administration, LLC and UMB Fund Services, Inc., the Trust’s co-administrators, certain portions of which are discussed below. The materials, among other things, included information about the Investment Advisor’s organization and financial condition; information regarding the background, experience, and compensation structure of relevant personnel providing services to the Fund; information about the Investment Advisor’s compliance policies and procedures, disaster recovery and contingency planning, and policies with respect to portfolio execution and trading; information regarding the profitability of the Investment Advisor’s overall relationship with the Fund; reports comparing the performance of the Fund with returns of the Russell 2000 Value Index and a group of comparable funds (the “*Peer Group*”) selected by Broadridge Financial Solutions, Inc. (“*Broadridge*”) from Morningstar, Inc.’s Small Value fund universe (the “*Fund Universe*”) for the one-, three-, and five-year periods ended March 31, 2018; and reports comparing the investment advisory fee and total expenses of the Fund with those of the Peer Group and the Fund Universe. The Board also received a memorandum from legal counsel to the Trust discussing the legal standards under the 1940 Act and other applicable law for their consideration of the proposed renewal of the Advisory Agreement. In addition, the Board considered information reviewed by the Board during the year at other Board and Board committee meetings. No representatives of the Investment Advisor were present during the Board’s consideration of the Advisory Agreement, and the Independent Trustees were represented by their legal counsel with respect to the matters considered.

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

Nature, Extent and Quality of Services

With respect to the performance results of the Fund, the meeting materials indicated that the Fund’s annualized total returns for the three- and five-year periods were above the median returns of the Peer Group and Fund Universe, and the returns of the Russell 2000 Value Index. The Fund’s total return for the one-year period was below the Peer Group median return by 4.36%, the Russell Index return by 5.16%, and the Fund Universe median return by 6.57%. The Trustees considered the Investment Advisor’s explanation that the concentrated and focused nature of the Fund’s strategy can cause short-term performance results to deviate substantially from the results of the Peer Group and benchmark. The Trustees also considered Broadridge’s observation that the Fund maintained a superior risk profile, as measured by its standard deviation, compared to most funds in the Peer Group and Fund Universe.

The Board also considered the overall quality of services provided by the Investment Advisor to the Fund. In doing so, the Board considered the Investment Advisor’s specific responsibilities in day-to-day management and

Towle Deep Value Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

oversight of the Fund, as well as the qualifications, experience, and responsibilities of the personnel involved in the activities of the Fund. The Board also considered the overall quality of the organization and operations of the Investment Advisor, as well as its compliance structure. The Board and the Independent Trustees concluded that based on the various factors they had reviewed, the nature, overall quality, and extent of the management and oversight services provided by the Investment Advisor to the Fund were satisfactory.

Advisory Fee and Expense Ratio

With respect to the advisory fee paid by the Fund, the meeting materials indicated that the annual investment advisory fee (gross of fee waivers) was lower than the Peer Group and Fund Universe medians. The Trustees considered that the Fund's advisory fee is lower than the fee the Investment Advisor charges to manage separate accounts for institutional clients with similar objectives and policies as the Fund. The annual total expenses paid by the Fund (net of fee waivers) for the Fund's most recent fiscal year were the same as the Peer Group median, but above the Fund Universe median by 0.20%. The Trustees noted, however, that the average net assets of the Fund were lower than the average net assets of corresponding classes of funds in the Fund Universe, and that certain of those other funds also had significant assets in other classes.

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 recouped fees previously waived. Recognizing the difficulty in evaluating an investment advisor's profitability with respect to the funds it manages in the context of an advisor with multiple lines of business, and noting that other profitability methodologies might also be reasonable, the Board and the Independent Trustees concluded that the profit of the Investment Advisor from its relationship with the Fund was reasonable.

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

Conclusion

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

Towle Deep Value 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, and (2) ongoing costs, including management fees and other Fund expenses. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the 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 through 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 under the column titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as 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
Actual Performance	\$ 1,000.00	\$ 1,073.50	\$ 6.23
Hypothetical (5% annual return before expenses)	1,000.00	1,019.06	6.07

* Expenses are equal to the Fund's annualized expense ratio of 1.20% multiplied by the average account value over the period, multiplied by 183/365 (to reflect the six month period). The expense ratio reflect an expense recovery of previously waived and/or absorbed fees and/or expenses. Assumes all dividends and distributions were reinvested.

Towle Deep Value Fund

A series of Investment Managers Series Trust

Investment Advisor

Towle & Co.
1610 Des Peres Road, Suite 250
St. Louis, Missouri 63131

Independent Registered Public Accounting Firm

Tait, Weller & Baker LLP
Two Liberty Place
50 S. 16th St. Suite 2900
Philadelphia, Pennsylvania 19102

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

Towle Deep Value Fund

TICKER
TDVFX

CUSIP
461 418 360

Privacy Principles of the 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 Towle Deep Value Fund for their information. It is not a Prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

Proxy Voting 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 1-888-99TOWLE (888-998-6953) 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 1-888-99TOWLE (888-998-6953) 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 1-888-99TOWLE (888-998-6953). 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 1-800- 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 1-888-99TOWLE (888-998-6953).

Towle Deep Value Fund
P.O. Box 2175
Milwaukee, WI 53201
Toll Free: 1-888-99TOWLE (888-998-6953)