



TheFlexibleFund

One Fund, Unlimited Opportunities

Thesis Flexible Fund (TFLEX)

PROSPECTUS
June 30, 2011

The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

Thesis Flexible Fund
A series of the Investment Managers Series Trust (the "Trust")

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This Prospectus sets forth basic information about the Fund that you should know before investing. It should be read and retained for future reference.

The date of this Prospectus is June 30, 2011.

SUMMARY SECTION

Investment Objective

Thesis Flexible Fund (the “Fund”) seeks long-term growth of capital while reducing exposure to general equity market risk.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

Maximum sales charge (load) imposed on purchases	None
Maximum deferred sales charge (load)	None
Redemption fee if redeemed within 60 days of purchase (as a percentage of amount redeemed)	2.00%
Wire fee	\$20
Overnight check delivery fee for weekday/Saturday	\$15/\$20
Retirement account fees (annual maintenance and full redemption requests)	\$15

Annual Fund Operating Expenses

(expenses that you pay each year

as a percentage of the value of your investment)

Management fees	2.25%
Distribution (Rule 12b-1) Fee	0.25%
Other expenses (including dividend expenses on short sales, interest expenses and expenses related to special situation investing of 0.60%)	4.40%
Acquired fund fees and expenses	<u>0.02%</u>
Total annual fund operating expenses ¹	6.92%
Fee waiver and/or expense reimbursements ²	<u>(3.30)%</u>
Total annual fund operating expenses after fee waiver and/or expense reimbursements ^{1,2}	<u>3.62%</u>

¹ The total annual fund operating expenses and net operating expenses do not correlate to the ratio of expenses to average net assets appearing in the financial highlights table, which reflect only the operating expenses of the Fund and does not include acquired fund fees and expenses.

² The Fund’s advisor has contractually agreed to waive its fees and/or absorb expenses of the Fund to ensure that total annual fund operating expenses (excluding interest, taxes, dividend expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-1A), brokerage commissions, expenses incurred in connection with any merger or reorganization, or extraordinary expenses such as litigation expenses or expenses related to activist or special situation investing) do not exceed 3.00% of average daily net assets of the Fund. This agreement is in effect until June 30, 2012, and it may be terminated before that date only by the Trust’s Board of Trustees. The Fund’s advisor is permitted to seek reimbursement from the Fund, subject to limitations, for fees it waived and Fund expenses it paid for three years from the date of any such waiver or payment.

Example

This example is intended to help you compare the costs of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
\$364	\$1,741	\$3,065	\$6,158

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 564% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to pursue its investment objective principally by taking long and short positions in domestic and foreign common equity securities (including emerging market securities), American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs"), domestic and foreign fixed income securities (including securities of foreign sovereigns and supranational organizations and emerging market securities), precious metals, and commodities and commodity-related contracts. The Fund buys securities that the portfolio manager believes will go up in price and sells short securities the portfolio manager believes will go down in price. The Fund may invest in securities of companies of any size including small and mid capitalization companies. In addition, the Fund may invest in "special situations" companies that are experiencing management changes, are currently out of favor with the investment community, or are facing other serious challenges.

While the Fund generally purchases securities for investment purposes, it may make strategic investments in companies for the purpose of effecting governance, operational or other fundamental changes. The Fund may seek to influence or control management of a company in which it invests, or invest in other companies that do so, when the Fund's advisor believes such actions will increase the value of the Fund's portfolio holdings. Shareholder activism can take any of several forms, including proxy battles, publicity campaigns, and negotiations with management.

The Fund identifies investment opportunities by researching opportunities and taking into account applicable market conditions and other macroeconomic factors. The investment process involves an analysis of an issuer's "fundamentals" -- such as revenues, earnings, cash flows, dividends, and balance sheet information -- coupled with an analysis of market action, including both price behavior and trading volume. The allocation between long and short positions is a result of the investment process. The Fund intends that, under normal market conditions, it will hold a higher percentage of its assets in long positions than short positions (i.e., the Fund will be "net long"). To manage its net exposure between long and short positions, the Fund may take long and short positions in instruments that provide exposure to the equity markets, including exchange-traded funds, options, futures, commodities, other index-based instruments and other instruments.

The Fund intends to invest in the following domestic and foreign fixed income securities: notes, bills and debentures that are investment grade (rated in one of the four highest ratings categories by Moody's Investor Service, Inc. ("Moody's") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's")); bank debt obligations, high-yield debt securities (commonly referred to as "junk bonds"), convertible securities, loan participations, securities eligible for trading pursuant to Rule 144A under the Securities Act of 1933 ("Rule 144A Securities") and structured notes that are below investment grade (rated Ba or lower by Moody's or BB or lower by Standard & Poor's) or that are in default; and securities issued by supranational organizations and sovereign debt

securities which are rated by Moody's or Standard & Poor's as either investment grade or below investment grade. In selecting debt securities to achieve the Fund's investment objectives, the Advisor will consider the likelihood of default and the potential for capital appreciation.

When deemed appropriate by the portfolio manager, the Fund may temporarily be positioned as market-neutral or "net short", as measured by gross long positions minus gross short positions, for short-term investment or defensive purposes. In addition, for short-term investment or defensive purposes the Fund may hold up to 100% of its assets in cash and equivalents, including government obligations in the currency of any developed country (including the U.S. dollar), short-term highly-rated commercial paper, and certificates of deposit issued by a government-insured banking institution. To the extent that the Fund employs a temporary defensive measure, the Fund may not achieve its investment objective.

For more information on the principal investment strategies, please see More About the Fund's Investment Strategies and Risks later in this prospectus or Investment Strategies and Policies in the Statement of Additional Information ("SAI").

Principal Risks

Before you decide whether to invest in the Fund, carefully consider these risk factors and special considerations associated with investing in the Fund:

- **Market Risk of Equity Securities:** By investing in stocks, the Fund may expose you to a sudden decline in the share price of a particular portfolio holding or to an overall decline in the stock market. In addition, the Fund's equity investments may underperform the equity markets as a whole.
- **Short Sales Risk:** In connection with establishing a short position in a security, the Fund is subject to the risk that it may not always be able to borrow a security, or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the Fund replaces the security, the Fund will experience a loss.
- **Small or Mid-Cap Company Risk:** Small and mid-sized companies generally have a limited track record and their shares tend to trade infrequently or in limited volumes. Additionally, investment in common stocks, particularly small and mid-sized company stocks, can be volatile and cause the value of the Fund's shares to go up and down, sometimes dramatically.
- **Strategic Investing Risk:** In seeking to effect governance, strategic or operational changes in a company, the Fund may acquire large positions in the company's securities. There is a risk that the Fund's efforts may not be successful or, even if successful, the Fund's investment may lose value. In addition, the Fund may incur substantial transaction costs when making strategic investments, including costs associated with litigation, and those transactions may adversely affect or exceed the price of the securities.
- **Management Risk:** The Fund's ability to achieve its investment objective depends on the Advisor's ability to select securities and other assets for investment by the Fund.
- **Foreign Security Risk:** The prices of foreign securities may be more volatile than those of U.S. securities because of unfavorable economic conditions, political developments, and changes in the regulatory environment of foreign countries. Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries. Emerging market countries may have government exchange controls, more volatile interest and currency exchange rates, less market regulation, and less developed securities markets and legal systems. Investments in securities denominated in foreign currencies are subject to currency risk, which means that the value of those securities can change significantly when foreign currencies strengthen or weaken relative to the U.S. Dollar.

- **Market Concentration:** Many foreign stock markets are more concentrated than U.S. stock markets, because a smaller number of companies make up a larger percentage of the market. Therefore, the performance of a single company or group of companies could have a much greater impact on a foreign stock market as a whole than a single company or group of companies would on a U.S. stock market.
- **Commodities Risk:** The Fund's exposure to the commodities markets may subject the Fund to greater volatility than its investments in securities. The value of commodities and commodity-linked instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, and risks affecting a particular industry or commodity.
- **Precious Metals Risk:** Investments in precious metals and securities related to precious metals are generally very volatile, and their prices may be affected by government policy; economic, financial, social and political factors; and inflation. In addition, the Fund may incur higher custody and transaction costs for precious metals than for investments in securities.
- **Credit Risk:** The issuer or guarantor of a fixed income security held by the Fund may be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities and securities issued in connection with corporate restructurings.
- **Interest Rate Risk:** Changes in interest rates will affect the value of a Fund's investments in fixed income securities and preferred stock.
- **High Yield Securities Risk:** High yield securities involve greater risks of default, downgrade, or price declines and are more volatile than investment grade securities. Issuers of high yield bonds may be more susceptible than other issuers to economic downturns and are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.
- **Derivative Investment Risk:** The Fund's use of derivative instruments may involve other risks than those associated with investing directly in the underlying securities. Derivatives involve risks of improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security. The use of derivatives may be speculative and may increase the Fund's losses or reduce opportunities for gain.

For more information on the risks of investing in this Fund, please see [More About the Fund's Investment Strategies and Risks](#) later in this prospectus or [Investment Strategies and Policies](#) in the SAI.

Performance

The Fund does not have a full calendar year performance record to compare against other mutual funds or the S&P 500 Index, which will be the Fund's benchmark index. Performance information will be available after the Fund has been in operation for one calendar year.

Investment Advisor

Thesis Fund Management, LLC.

Portfolio Manager

Stephen Roseman, CFA is the portfolio manager of the Fund and has served as a portfolio manager of the Fund since its inception in March 2010.

Purchase and Sale of Fund Shares

The following shows the Fund's investment minimums for various types of accounts:

<u>Minimum Investments</u>	<u>To Open Your Account</u>	<u>To Add to Your Account</u>
Direct Regular Accounts	\$2,500	\$250
Direct Retirement Accounts	\$1,000	\$100
Automatic Investment Plan	\$1,000	\$100
Gift Account For Minors	\$1,000	\$100

Shares of the Fund are redeemable on any day the New York Stock Exchange is open for business through your broker-dealer or other financial intermediary, by mail, or by telephone. If you are purchasing or redeeming Fund shares through an intermediary such as broker-dealer or bank, contact your intermediary directly.

Tax Information

The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as 401(k) plan or an individual retirement account. Such tax-deferred arrangements may be taxed later upon withdrawal of monies from those arrangements.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

MORE ABOUT THE FUND'S INVESTMENT STRATEGIES AND RISKS

Investment Objective

The Fund seeks long-term growth of capital while reducing exposure to general equity market risk.

There can be no assurance that the Fund will achieve its investment objective.

The Fund's investment objective may be changed without a vote of shareholders upon 60 days prior written notice.

Principal Investment Strategies

The Fund seeks to pursue its investment objective principally by taking long and short positions in a range of securities and asset classes. The Fund intends to invest in domestic and foreign common equity securities (including emerging market securities), ADRs, GDRs, domestic and foreign fixed income securities (including securities of foreign sovereigns and supranational organizations and emerging market securities), precious metals, and commodities and commodity-related contracts.

The Fund buys securities that the portfolio manager believes will go up in price and sells short securities the portfolio manager believes will go down in price. The Fund identifies investment opportunities by researching opportunities and taking into account applicable market conditions and other macroeconomic factors. The investment process involves an analysis of an asset's "fundamentals" – such as revenues, earnings, cash flows, dividends, and balance sheet information – coupled with an analysis of market action, including price behavior and trading volume. The Fund's selection approach generally seeks securities that display one or both of the following characteristics: (1) favorable

valuation, meaning a price that is attractive relative to revenues, earnings, cash-flows and dividends expected in the future; and (2) a discrepancy between an issuer's operating "fundamentals" and the investment community's perception of the issuer's operating fundamentals. However, the Fund may buy or sell positions that do not exhibit these characteristics in circumstances where the Advisor believes that such an approach will better enable the Fund to achieve its investment objective.

The Fund identifies investment opportunities by researching opportunities and taking into account applicable market conditions and other macroeconomic factors. The investment process involves an analysis of an issuer's "fundamentals" -- such as revenues, earnings, cash flows, dividends, and balance sheet information -- coupled with an analysis of market action, including both price behavior and trading volume. The allocation between long and short positions is a result of the investment process. The Fund intends that, under normal market conditions, it will hold a higher percentage of its assets in long positions than short positions (i.e., the Fund will be "net long"). To manage its net exposure between long and short securities positions, the Fund may take long and short positions in instruments that provide exposure to the equity markets, including exchange-traded funds, options, futures, commodities, other index-based instruments and other instruments or assets. In addition, the Fund may use derivatives as a hedge (to offset risks associated with an investment, currency exposure, or market conditions) and to earn income and enhance returns.

The Fund typically seeks to invest in companies that are attractively valued relative to their fundamentals (revenues, earnings, cash flows, dividends, and balance sheet information) as well as industry expectations. The Fund's portfolio manager seeks short positions in structurally disadvantaged companies, which may include companies operating in challenged industries with high valuations. The portfolio manager targets short positions in companies which it believes have unsustainable cash generation, poor capital structure, returns below their cost of capital, and share prices that reflect unrealistic expectations of the companies' future opportunities. The portfolio manager may deploy unique strategies when short selling securities to minimize risk.

The Fund may invest in "special situations" companies that are experiencing management changes, are currently out of favor with the investment community, or are facing other serious challenges. The Fund may take short or long positions in these companies, and in some instances it may take both short and long positions in different asset classes of the same company.

While the Fund generally purchases securities for investment purposes, the Advisor may also be a proponent, in situations in which it believes it is appropriate, of shareholder activism in the furtherance of corporate governance or other measures, and the Fund may seek to take positions in companies for the purpose of effecting changes in board composition, management, capital structure, or dividend policies, or in order to attempt to cause a company to pursue strategic transactions (such as mergers or spin-offs) or to make other changes in its business operations. The Fund may seek to influence or control management of a company in which it invests, or invest in other companies that do so, when the Advisor believes such actions will increase the value of the Fund's portfolio holdings.

Under normal circumstances, the Fund may invest in the following fixed income securities: notes, bills and debentures that are investment grade (rated in one of the four highest ratings categories by Moody's or Standard & Poor's); bank debt obligations, high-yield debt securities (commonly referred to as "junk bonds"), convertible securities, loan participations, Rule 144A Securities and structured notes that are below investment grade (rated Ba or lower by Moody's or BB or lower by Standard & Poor's) or that are in default; and securities issued by supranational organizations and sovereign debt securities which are rated by Moody's or Standard & Poor's as either investment grade or below investment grade. In selecting debt securities, the Advisor will consider the likelihood of default and the potential for capital appreciation.

Although the Fund may purchase precious metals in any form (bullion and coins or contract form), the Fund intends to purchase only those forms of precious metals that are readily marketable and that can be stored in accordance with custody regulations applicable to mutual funds.

The Fund intends to invest in the following domestic and foreign fixed income securities: notes, bills and debentures that are investment grade (rated in one of the four highest ratings categories by Moody's Investor Service, Inc. ("Moody's") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's")); bank debt obligations, high-yield debt securities (commonly referred to as "junk bonds"), convertible securities, loan participations, securities eligible for trading pursuant to Rule 144A under the Securities Act of 1933 ("Rule 144A Securities") and structured notes that are below investment grade (rated Ba or lower by Moody's or BB or lower by Standard & Poor's) or that are in default; and securities issued by supranational organizations and sovereign debt securities which are rated by Moody's or Standard & Poor's as either investment grade or below investment grade. In selecting debt securities to achieve the Fund's investment objectives, the Advisor will consider the likelihood of default and the potential for capital appreciation.

When deemed appropriate by the Advisor for short-term investment or defensive purposes, the Fund may temporarily be positioned as market-neutral or "net short", as measured by gross long positions minus gross short positions. In addition, for short-term investment or defensive purposes the Fund may hold up to 100% of its assets in cash and equivalents, including government obligations in the currency of any developed country (including the U.S. dollar), short-term highly-rated commercial paper, and certificates of deposit issued by a government-insured banking institution. To the extent that the Fund employs a temporary defensive measure, the Fund may not achieve its investment objective.

Principal Risks

Before you decide whether to invest in the Fund, carefully consider these risk factors and special considerations associated with investing in the Fund, which may cause investors to lose money.

- **Market Risk of Equity Securities:**

By investing in stocks, the Fund is exposed to a sudden decline in a holding's share price or an overall decline in the stock market. In addition, the value of your investment will fluctuate on a day-to-day and a cyclical basis with movements in the stock market, as well as in response to the activities of individual companies. In addition, individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The rights of a company's common stockholders to dividends and upon liquidation of the company generally are subordinated (i.e., rank lower) to those of preferred stockholders, bondholders and other creditors of the issuer. The Fund is also subject to the risk that its equity market investments may underperform the market as a whole.

- **Short Sales Risk:**

A short position is one where the Fund has sold at the current market price a security that it does not own in anticipation of a decline in the market value of the security. To complete a short sale, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the borrowed security by purchasing the security at the 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. Until the borrowed security is replaced, the Fund is required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan. To borrow the security, the Fund also may be required to pay a premium to the lender, which would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker to the extent necessary to meet margin requirements, until the short position is closed.

The Fund may not always be able to borrow a security or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the Fund replaces the security, the Fund will experience a loss. The Fund's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the Fund paid for the security at the time it was borrowed.

- **Small or Mid-Cap Company Risk:**

Investments in securities of small and mid-sized companies may involve greater risks than investing in large capitalization companies, because small and mid-sized companies generally have a limited track record and their shares tend to trade infrequently or in limited volumes. Additionally, investment in common stocks, particularly small and mid-sized company stocks, can be volatile and cause the value of the Fund's shares to go up and down, sometimes dramatically.

- **Strategic Investing Risk:**

An activist shareholder uses an equity stake in a corporation to put public pressure on its management in order to achieve certain objectives such as increase of shareholder value through changes in corporate policy or financing structure, or reduction of expenses. Shareholder activism can take any of several forms, including proxy battles, publicity campaigns, and negotiations with management, and may result in a hostile relationship between the Fund and a targeted company. In seeking to effect governance, strategic or operational changes in a company, the Fund may acquire large positions in the company's securities. There is a risk that the Fund's efforts may not result in the desired changes in the targeted company. It also is possible that the changes sought by the Fund, if adopted, may cause the Fund's investment to lose value. In addition, the Fund may incur substantial transaction costs when making strategic investments, including costs associated with litigation, and those transactions may adversely affect or exceed the price of the securities. Transaction costs related to activist investing are excluded from the Advisor's contractual agreement to limit the Fund's net annual fund operating expenses to 3.00% of average daily net assets. Acquiring a large position in a company for the purpose of exercising a controlling influence may bring unfavorable media attention to the Fund.

- **Management Risk:**

The skill of the Advisor will play a significant role in the Fund's ability to achieve its investment objective. The Fund's ability to achieve its investment objective depends on the Advisor's ability to select securities and other assets for investment by the Fund. Because the Advisor will seek to invest the Fund's portfolio in a variety of asset classes and in a number of different domestic and foreign markets, this risk will be more pronounced for the Fund than it is for funds that pursue their objectives by investing in particular markets or asset classes.

- **Foreign Security Risk:**

Foreign security risk is the risk that the prices of foreign securities may be more volatile than those of U.S. securities because of economic conditions abroad, political developments, and changes in the regulatory environment of the countries in which the Fund invests. In addition, changes in exchange rates and interest rates in foreign countries may adversely affect the value of the Fund's investments. There may also be less publicly available information about a non-U.S. company than a U.S. company.

- **Emerging Market Risk:**

Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries. The economies of many of emerging market countries depend heavily upon international trade and are accordingly affected by protective trade barriers and economic conditions of their trading partners. The enactment by these trading partners of protectionist trade legislation could have a significant adverse effect upon the securities markets of such countries. Many of these countries may also have government exchange controls, currencies with no recognizable market value relative to the established currencies of western market economies, little or no experience in trading in securities, no financial reporting standards, a lack of a banking and securities infrastructure to handle such trading, and a legal tradition which does not recognize rights in private property.

In addition, emerging market debt may be affected by a country's credit rating, political environment, and the yield spread of emerging market debt over U.S. Treasuries. Trade flows and foreign debt repayment schedules may affect a country's exchange rate and the yield curve. Political instability may lead to higher interest rates, affecting country risk and credit rating.

- **Foreign Sovereign Risk:**
 Foreign governments rely on taxes and other revenue sources to pay interest and principal on their debt obligations. The payment of principal and interest on these obligations may be adversely affected by a variety of factors, including economic results within the foreign country, changes in interest and exchange rates, changes in debt ratings, changing political sentiments, legislation, policy changes, erosion of the tax base or revenue sources, natural disasters, or other economic or credit problems. It is possible that a foreign sovereign may default on its debt obligations. Securities issued by supranational organizations may be subject to many of the same risks.
- **Foreign Currency Risk:**
 The Fund's investments in securities denominated in foreign currencies are subject to currency risk, which means that the value of those securities can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. The Fund may invest in foreign currencies to hedge against the risks of variation in currency exchange rates relative to the U.S. dollar. Such strategies, however, involve certain transaction costs and investment risks, including dependence upon the ability of the Advisor to predict movements in exchange rates. Some countries in which the Fund may invest may have fixed or managed currencies that are not freely convertible at market rates into the U.S. dollar. Certain currencies may not be internationally traded. Many countries in which the Fund may invest have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuation in inflation rates may have negative effects on certain economies and securities markets. Moreover, the economies of some countries may differ favorably or unfavorably from the U.S. economy in such respects as the rate of growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.
- **Market Concentration:**
 Many foreign stock markets are more concentrated than U.S. stock markets, because a smaller number of companies make up a larger percentage of the market. Therefore, the performance of a single company or group of companies could have a much greater impact on a foreign stock market as a whole than a single company or group of companies would on a U.S. stock market. As a result, the Fund's portfolio holdings of foreign securities may be subject to a risk of loss from adverse changes in the prices of other foreign securities that trade in the same market.
- **Portfolio Turnover Risk:**
 Portfolio turnover risk is the risk that the Fund's turnover rate may exceed 100%. A high turnover rate (100% or more) may lead to higher transaction costs and may result in a greater number of taxable transactions, and it may negatively affect the Fund's performance.
- **Issuer-Specific Risk:**
 Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect the value of an issuer's securities and the ability of issuers to repay principal and to make interest payments on securities owned by the Fund. The value of securities of smaller, less-well-known issuers can be more volatile than that of larger issuers.
- **Commodities Risk:**
 The Fund may invest in commodities or commodities-related investments. The Fund's exposure to the commodities markets may subject the Fund to greater volatility than its investments in securities. The value of commodities and commodity-linked instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, and risks affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

- **Precious Metals Risk:**
 Prices of precious metals and of precious metal-related securities are often very volatile. The production and sale of precious metals by governments or central banks or other larger holders can be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious metals. Other factors that may affect the prices of precious metals and securities related to them include changes in inflation, the outlook for inflation and changes in industrial and commercial demand for precious metals. The Fund may incur higher custody and transaction costs for precious metals than for securities. Holding precious metals in any form results in no income being derived from such holding and involves the risk of delay in obtaining or disposing of such assets in the case of bankruptcy or insolvency of the Fund's custodian. Holding precious metals in book account involves credit risk of the party holding the precious metal.
- **Rule 144A Securities Risk:**
 Rule 144A Securities are restricted securities that can be resold to qualified institutional buyers but not to the general public. If no active trading market develops or if such a market ceases to exist for Rule 144A Securities held by the Fund, those holdings may become difficult to value and will count toward the Fund's 15% limitation on holdings of illiquid securities.
- **Credit Risk:**
 This is the risk that the issuer or guarantor of a fixed income security will be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities. High yield securities are considered predominantly speculative with respect to the ability of the issuer to make timely payments of interest or principal. In addition, Funds that invest in fixed income securities issued in connection with corporate restructurings by highly leveraged issuers.
- **Interest Rate Risk:**
 Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities. Like fixed income securities, preferred stock generally decreases in value if interest rates rise and increases in value if interest rates fall. The Fund also will face interest rate risk if it invests in fixed income securities paying no current interest (such as zero coupon securities and principal-only securities), interest-only securities and fixed income securities paying non-cash interest in the form of other securities.
- **High Yield Securities Risk:**
 High yield securities, also known as "junk bonds", are below investment grade quality and may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. To be considered below investment grade quality, one of the major rating agencies must have rated the security below one of its top four rating categories (i.e., BBB/Baa or higher) at the time the Fund acquires the security or, if the security is unrated, the manager must have determined it to be of comparable quality. Analysis of the creditworthiness of issuers of lower-rated securities may be more complex than for issuers of higher-rated debt securities. As a result, the Fund's investments in high yield securities are subject to a greater degree of manager risk, with respect to credit analysis, than are the Fund's investments in higher-rated securities. The issuers of these securities may be in default at the time of the Fund's investment, or have a currently identifiable vulnerability to default on their interest or principal payments, or may otherwise be subject to present elements of danger with respect to payments of principal or interest. Securities that are in default are rated Caa or lower by Moody's or D by Standard & Poor's.

 Lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-rated securities. Yields on high yield securities will fluctuate. If an issuer of high yield securities defaults, the Fund may incur additional expenses to seek recovery.

The secondary markets in which lower-rated securities are traded may be less liquid than the markets for higher-rated securities. A lack of liquidity in the secondary trading markets could adversely affect the price at which the Fund could sell a particular high yield security when necessary to meet liquidity needs or in response to a specific economic event, such as a deterioration in the creditworthiness of the issuer, and could adversely affect and cause large fluctuations in the net asset value of the Fund's shares. Adverse publicity and investor perceptions may decrease the values and liquidity of high yield securities generally.

- **Derivative Investment Risk:**

A derivative security is a financial contract whose value is based on (or "derived from") a traditional security (such as a bond) or a market index. The Fund's use of derivative instruments may involve other risks than those associated with investing directly in the underlying securities. Derivatives involve the risks of improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security. Derivatives are also subject to other risks, such as market risk, which is the risk that the value of an investment will fluctuate with movements in the market for the underlying security; interest rate risk, which is the risk that the value of bonds and other debt securities will fall when interest rates rise; credit risk, which is the risk that the issuers of bonds and other debt securities may not be able to make interest or principal payments; counterparty risk, which is the risk that the other party to an agreement will default; and liquidity risk, which is the risk that lack of trading volume may make it difficult to sell securities at quoted market prices. The use of a derivative is speculative if the Fund is primarily seeking to enhance returns, rather than offset the risk of other positions. When the Fund invests in derivatives for speculative purposes, the Fund will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative. In addition, the Fund's direct or indirect use of derivatives may increase the taxes payable by shareholders.

For further information about the risks of investing in the Fund, please see SAI.

Portfolio Holdings Information

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's SAI dated June 30, 2011. Currently, disclosure of the Fund's holdings is required to be made within 60 days of the end of each fiscal quarter, in the Fund's Annual Report and Semi-Annual Report to Fund shareholders, or in the quarterly holdings report on Form N-Q, as applicable.

MANAGEMENT OF THE FUND

Investment Advisor

The Advisor, Thesis Fund Management, LLC, is the Fund's investment advisor and provides investment advisory services to the Fund pursuant to an investment advisory agreement between the Advisor and the Trust (the "Advisory Agreement"). The Advisor was founded in 2009 and its principal address is 441 Lexington Avenue, Suite 602, New York, NY 10017. The Advisor is registered with the SEC.

The Advisor provides the Fund with advice on buying and selling securities and other assets. The Advisor also furnishes the Fund with office space and certain administrative services. For its services, the Advisor is entitled to receive an annual management fee of 2.25%, calculated daily and payable monthly, calculated as a percentage of the Fund's average daily net assets. The Advisor waived its entire management fee for the fiscal year ended February 28, 2011.

A discussion regarding the basis for the Board's approval of the Advisory Agreement is available in the Fund's Semi-Annual Report dated August 31, 2010.

Portfolio Manager

Stephen Roseman is responsible for the day-to-day management of the Fund.

Stephen Roseman, CFA. CEO, Principal and Portfolio Manager of the Advisor, has served as a portfolio manager of the Fund since its inception in 2010. From 2005 through 2008, Mr. Roseman was the Founder and CEO of Thesis Capital Management, LLC and Thesis Capital Advisors, LLC. From 2003 through 2005, Mr. Roseman managed the consumer, retail and business service portfolio at Kern Capital Management.

The SAI provides additional information about the portfolio manager's method of compensation, other accounts managed by the portfolio manager and the portfolio manager's ownership of securities in the Fund.

Fund Expenses

The Fund is responsible for its own operating expenses. The Advisor has contractually agreed, however, to waive its fees and/or absorb expenses of the Fund to ensure that the net annual fund operating expenses (excluding acquired fund fees and expenses, interest, taxes, dividends on short positions, brokerage commissions and extraordinary expenses such as litigation expenses or expenses related to activist or special situation investing, which for the fiscal year ended February 28, 2011, equated to 0.62% of the Fund's average daily net assets) do not exceed 3.00% of average daily net assets of the Fund. This agreement is effective until June 30, 2012, and may be terminated by the Trust's Board of Trustees.

Any reduction in advisory fees or payment of Fund expenses made by the Advisor in a fiscal year may be reimbursed by the Fund in any of the three subsequent fiscal years if the Advisor so requests. This reimbursement may be paid by the Fund if the aggregate amount of operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the applicable limitation on Fund expenses. Any such reimbursement is contingent upon the Board's subsequent review and ratification of the reimbursed amounts and may not cause the total fee paid by the Fund in a fiscal year to exceed the applicable limitation on Fund expenses. The Fund must pay current ordinary operating expenses before the Advisor is entitled to request any reimbursement of fees and/or Fund expenses.

RULE 12B-1 PLAN

Rule 12b-1 Plan

The Trust has adopted a plan pursuant to Rule 12b-1 of the Investment Company Act of 1940, as amended, that allows the Fund to pay distribution fees for the sale and distribution of its shares. The plan provides for the payment of a distribution fee at the annual rate of up to 0.25% of average daily net assets. Since these fees are paid out of the Fund's assets, these fees will increase the cost of your investment and, over time, may cost you more than paying other types of sales charges.

YOUR ACCOUNT WITH THE FUND

Share Price

The offering price of the Fund's shares is based upon the net asset value per share ("NAV") (plus any sales charges, as applicable). The NAV is determined by dividing (a) the difference between the value of the Fund's securities, cash and other assets and the amount of the Fund's expenses and liabilities by (b) the number of shares outstanding (assets – liabilities / # of shares = NAV). The NAV takes into account all of the expenses and fees of the Fund, including management fees and administration fees, which are accrued daily. The Fund's NAV is typically calculated as of the close of regular trading (generally, 4:00 p.m. Eastern Time) on each day that the New York Stock Exchange ("NYSE") is open for unrestricted business. The Fund's NAV may be calculated earlier if trading on the NYSE is restricted or if permitted by the SEC. The NYSE is closed on weekends and most U.S. national holidays. However, foreign securities listed primarily on non-U.S. markets may trade on weekends or other days on which the Fund does not value its shares, which may significantly affect the Fund's NAV on days when you are not able to buy or sell Fund shares.

In certain circumstances, the Fund employs fair value pricing to ensure greater accuracy in determining daily NAVs and to prevent dilution by frequent traders or market timers who seek to exploit temporary market anomalies. The Board has adopted procedures in the event that the Fund must utilize fair value pricing, including when reliable market quotations are not readily available, when the Fund’s pricing service does not provide a valuation (or provides a valuation that, in the judgment of the Advisor, does not represent the security’s fair value), or when, in the judgment of the Advisor, events have rendered the market value unreliable (see the discussion of fair value pricing of foreign securities in the paragraph below). Valuing securities at fair value involves reliance on the judgment of the Board (or a committee thereof), and may result in a different price being used in the calculation of the Fund’s NAV from quoted or published prices for the same securities. Fair value determinations are made in good faith in accordance with procedures adopted by the Board. There can be no assurance that the Fund will obtain the fair value assigned to a security if it sells the security.

Fair value pricing may be applied to foreign securities held by the Fund upon the occurrence of an event after the close of trading on non-U.S. markets but before the close of trading on the NYSE when the Fund’s NAV is determined. If the event may result in a material adjustment to the price of the Fund’s foreign securities once non-U.S. markets open on the following business day (such as, for example, a significant surge or decline in the U.S. market), the Fund may value such foreign securities at fair value, taking into account the effect of such event, in order to calculate the Fund’s NAV. Other types of portfolio securities that the Fund may fair value include, but are not limited to: (1) investments that are illiquid or traded infrequently, including “restricted” securities and private placements for which there is no public market; (2) investments for which, in the judgment of the Advisor, the market price is stale; (3) securities of an issuer that has entered into a restructuring; (d) securities for which trading has been halted or suspended; and (4) fixed income securities for which there is not a current market value quotation.

Buying Fund Shares

To purchase shares of the Fund, you must invest at least the minimum amount indicated in the following table.

<u>Minimum Investments</u>	<u>To Open Your Account</u>	<u>To Add to Your Account</u>
Direct Regular Accounts	\$2,500	\$250
Direct Retirement Accounts	\$1,000	\$100
Automatic Investment Plan	\$1,000	\$100
Gift Account For Minors	\$1,000	\$100

Shares of the Fund may be purchased by check, by wire transfer of funds via a bank or through an approved financial intermediary (*i.e.*, a supermarket, investment advisor, financial planner or consultant, broker, dealer or other investment professional and their agents) authorized by the Fund to receive purchase orders. A financial intermediary may charge additional fees and may require higher minimum investments or impose other limitations on buying and selling Fund shares. You may make an initial investment in an amount greater than the minimum amounts shown in the preceding table and the Fund may, from time to time, reduce or waive the minimum initial investment amounts. The minimum initial investment amount is automatically waived for Fund shares purchased by Trustees of the Trust and current or retired directors and employees of the Advisor and its affiliates.

In-Kind Purchases and Redemptions

The Fund reserves the right to accept payment for shares in the form of securities that are permissible investments for the Fund. The Fund also reserves the right to pay redemptions by an “in-kind” distribution of securities (instead of cash) from the Fund. In-kind purchases and redemptions are taxable events and may result in the recognition of gain or loss for federal income tax purposes. See the SAI for further information about the terms of these purchases and redemptions.

Additional Investments

Additional subscriptions in the Fund generally may be made by investing at least the minimum amount shown in the table above. Exceptions may be made at the Trust's discretion. You may purchase additional shares of the Fund by sending a check together with the investment stub from your most recent account statement to the Fund at the applicable address listed in the table below. Please ensure that you include your account number on the check. If you do not have the investment stub from your account statement, list your name, address and account number on a separate sheet of paper and include it with your check. You may also make additional investments in the Fund by wire transfer of funds or through an approved financial intermediary. The minimum additional investment amount is automatically waived for shares purchased by Trustees of the Trust and current or retired directors and employees of the Advisor and its affiliates. Please follow the procedures described in this Prospectus.

Customer Identification Information

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open an account, you will be asked for your name, date of birth (for a natural person), your residential address or principal place of business, and mailing address (if different) as well as your Social Security Number or Taxpayer Identification Number. Additional information is required for corporations, partnerships and other entities. Applications without such information will not be considered in good order. The Fund reserves the right to deny applications if the application is not in good order.

This Prospectus should not be considered a solicitation to purchase or as an offer to sell shares of the Fund in any jurisdiction where it would be unlawful to do so under the laws of that jurisdiction.

Automatic Investment Plan

If you intend to use the Automatic Investment Plan ("AIP"), you may open your account with the initial minimum investment amount. Once an account has been opened, you may make additional investments in the Fund at regular intervals through the AIP. If elected on your account application, funds can be automatically transferred from your checking or savings account on the 5th, 10th, 15th, 20th or 25th of each month. In order to participate in the AIP, each additional subscription must be at least \$100, and your financial institution must be a member of the Automated Clearing House ("ACH") network. The first AIP purchase will be made 15 days after the Fund's transfer agent (the "Transfer Agent") receives your request in good order. The Transfer Agent will charge a \$25 fee for any ACH payment that is rejected by your bank. Your AIP will be terminated if two successive mailings we send to you are returned by the U.S. Postal Service as undeliverable. You may terminate your participation in the AIP at any time by notifying the Transfer Agent at 1-877-7THESIS (843747) at least five days prior to the date of the next AIP transfer. The Fund may modify or terminate the AIP at any time without notice.

Timing and Nature of Requests

The purchase price you will pay for the Fund's shares will be at the next NAV (plus sales charge, if applicable) calculated after the Transfer Agent or your approved financial intermediary receives your request in good order. "Good order" means that your purchase request includes: (1) the name of the Fund, (2) the dollar amount of shares to be purchased, (3) your purchase application or investment stub, and (4) a check payable to **Thesis Funds**. All requests to purchase Fund shares received in good order before 4:00 p.m. (Eastern Time) on a business day will be processed on that same day. Requests received in good order after 4:00 p.m. (Eastern Time) or on a day when the Fund does not value its shares will be processed on the next business day and will receive the next subsequent NAV (plus sales charge, if applicable). If you purchase shares through a financial intermediary, it may have an earlier deadline for purchase and sale requests.

Methods of Buying

Through a broker-dealer or other financial intermediary

The Fund is offered through certain approved financial intermediaries (and their agents). The Fund is also offered directly. An order placed with a financial intermediary or its authorized agent is treated as if such order were placed directly with the Fund, and will be executed at the next NAV (plus sales charge, if applicable) calculated by the Fund. Your financial intermediary will hold your shares in a pooled account in its (or its agent's) name. The Fund may pay your financial intermediary (or its agent) to maintain your individual ownership information, maintain required records, and provide other shareholder services. The financial intermediary which offers shares may require payment of additional fees from its individual clients. If you invest through your financial intermediary, the policies and fees may be different than those described in this Prospectus. For example, the financial intermediary may charge transaction fees or set different minimum investments. Your financial intermediary is responsible for processing your order correctly and promptly, keeping you advised of the status of your account, confirming your transactions and ensuring that you receive copies of the Fund's Prospectus. Please contact your financial intermediary to see if it is an approved financial intermediary of the Fund or for additional information.

By mail

To buy shares directly from the Fund by mail, complete an account application and send it together with your check for the amount you wish to invest to the Fund at the address indicated below. The Fund will not accept payment in cash, including cashier's checks. Also, to prevent check fraud, the Fund will not accept third-party checks, Treasury checks, credit card checks, traveler's checks, money orders or starter checks for the purchase of shares.

To make additional investments once you have opened your account, write your account number on the check and send it to the Fund together with the most recent confirmation statement received from the Transfer Agent. If your check is returned for insufficient funds, your purchase will be canceled and a \$25 fee will be assessed against your account by the Transfer Agent.

**Regular Mail
Thesis Funds**
P.O. Box 2175
Milwaukee, Wisconsin 53201

**Overnight Delivery
Thesis Funds**
803 West Michigan Street
Milwaukee, Wisconsin 53233-2301

The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents.

By telephone

To make additional investments by telephone, you must authorize telephone purchases on your account application. If you have given authorization for telephone transactions and your account has been open for at least 15 days, call the Transfer Agent toll-free at 1-877-7THEISIS (843747) and you will be allowed to transfer money in amounts of at least \$250 for regular account (\$100 for retirement, AIP or gift accounts) from your bank account to the Fund account upon request. Only bank accounts held at U.S. institutions that are ACH members may be used for telephone transactions. If your order is placed before 4:00 p.m. (Eastern Time) shares will be purchased in your account at the NAV (plus sales charge, if applicable) calculated on that same day. For security reasons, requests by telephone will be recorded.

By wire

To open an account by wire transfer, a completed account application must be received by the Fund before your wire can be accepted. You may mail or send by overnight delivery your account application to the Transfer Agent. Upon receipt of your completed account application, an account will be established for you. The account number assigned to you will be required as part of the wiring instruction that should be provided to your bank to send the wire. Your bank must include the name of the Fund, the account number, and your name so that funds can be correctly applied. Your bank should transmit funds by wire to:

UMB Bank, n.a.

ABA Number 101000695

For credit to Thesis Funds

A/C # 9871879399

For further credit to:

“Thesis Flexible Fund”

Your account number

Name(s) of investor(s)

Social security or tax ID numbers

Before sending your wire, please contact the Transfer Agent at 1-877-77THESIS (843747) to notify it of your intention to wire funds. This will ensure prompt and accurate credit upon receipt of your wire. Your bank may charge a fee for its wiring service.

Wired funds must be received prior to 4:00 p.m. (Eastern Time) to be eligible for same-day pricing. **The Fund and UMB Bank, n.a. are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.**

Selling (Redeeming) Fund Shares

Through a broker-dealer or other financial intermediary

If you purchased your shares through an approved financial intermediary, your redemption order must be placed through the same financial intermediary. The financial intermediary must receive and transmit your redemption order to the Transfer Agent prior to 4:00 p.m. (Eastern Time) on a business day for the redemption to be processed at the current day’s NAV. Orders received after 4:00 p.m. (Eastern Time) or on a day when the Fund does not value its shares will be transacted at the next business day’s NAV. Please keep in mind that your approved financial intermediary may charge additional fees for its services.

By mail

You may redeem shares purchased directly from the Fund by mail. Send your written redemption request to Thesis Flexible Fund at the address indicated below. Your request must be in good order and contain the Fund name, the name(s) on the account, your account number and the dollar amount or the number of shares to be redeemed. The redemption request must be signed by all shareholders listed on the account. Additional documents are required for certain types of shareholders, such as corporations, partnerships, executors, trustees, administrators, or guardians (i.e., corporate resolutions dated within 60 days, or trust documents indicating proper authorization).

Regular Mail

Thesis Funds

P.O. Box 2175

Milwaukee, Wisconsin 53201

Overnight Delivery

Thesis Funds

803 West Michigan Street

Milwaukee, Wisconsin 53233-2301

A Medallion signature guarantee must be included if any of the following situations apply:

- You wish to redeem more than \$50,000 worth of shares;
- When redemption proceeds are sent to any person, address or bank account not on record;
- If a change of address was received by the Transfer Agent within the last 15 days;
- If ownership is changed on your account; or
- When establishing or modifying certain services on your account.

By telephone

To redeem shares by telephone, call the Fund at 1-877-7THESIS (843747) and specify the amount of money you wish to redeem. You may have a check sent to the address of record, or, if previously established on your account, you may have proceeds sent by wire or electronic funds transfer through the ACH network directly to your bank account. Wire transfers are subject to a \$20 fee paid by the shareholder and your bank may charge a fee to receive wired funds. Overnight check delivery is subject to a \$15 fee (\$20 if you request for Saturday check delivery). You do not incur any charge when proceeds are sent via the ACH network; however, credit may not be available for two to three business days.

If you are authorized to perform telephone transactions (either through your account application form or by subsequent arrangement in writing with the Fund), you may redeem shares up to \$50,000 by instructing the Fund by phone at 1-877-7THESIS (873747). Unless noted on the initial account application, a Medallion signature guarantee is required of all shareholders in order to qualify for or to change telephone redemption privileges.

Note: The Fund and all of its service providers will not be liable for any loss or expense in acting upon instructions that are reasonably believed to be genuine. To confirm that all telephone instructions are genuine, the caller must verify the following:

- The Fund account number;
- The name in which his or her account is registered;
- The social security or tax identification number under which the account is registered; and
- The address of the account holder, as stated in the account application form.

Medallion Signature Guarantee

In addition to the situations described above, the Fund reserves the right to require a Medallion signature guarantee in other instances based on the circumstances relative to the particular situation.

Shareholders redeeming their shares by mail should submit written instructions with a Medallion signature guarantee (if you wish to redeem more than \$50,000 worth of shares) from an eligible institution acceptable to the Transfer Agent, such as a domestic bank or trust company, broker, dealer, clearing agency or savings association, or from any participant in a Medallion program recognized by the Securities Transfer Association. The three recognized Medallion programs are Securities Transfer Agents Medallion Program, Stock Exchanges Medallion Program and New York Stock Exchange, Inc. Medallion Signature Program. Signature guarantees that are not part of these programs will not be accepted. Participants in Medallion programs are subject to dollar limitations which must be considered when requesting their guarantee. The Transfer Agent may reject any signature guarantee if it believes the transaction would otherwise be improper. *A notary public cannot provide a signature guarantee.*

Systematic Withdrawal Plan

You may request that a predetermined dollar amount be sent to you on a monthly or quarterly basis. Your account must maintain a value of at least \$2,500 for you to be eligible to participate in the Systematic Withdrawal Plan (“SWP”). The minimum withdrawal amount is \$100. If you elect to receive redemptions through the SWP, the Fund will send a check to your address of record, or will send the payment via electronic funds transfer through the ACH network, directly to your bank account. You may request an application for the SWP by calling the Transfer Agent toll-free at 1-877-7THESIS (843747). The Fund may modify or terminate the SWP at any time. You may terminate your participation in the SWP by calling the Transfer Agent at least five business days before the next withdrawal.

Payment of Redemption Proceeds

You may redeem shares of the Fund at a price equal to the NAV next determined after the Transfer Agent and/or authorized agent receives your redemption request in good order. Your redemption request cannot be processed on days the NYSE is closed. All requests received in good order by the Transfer Agent and/or authorized agent before the close of the regular trading session of the NYSE (generally, 4:00 p.m. Eastern Time) will usually be sent to the bank you indicate or mailed on the following day to the address of record. In all cases, proceeds will be processed within seven calendar days and sent to you after your redemption request has been received.

If you purchase shares using a check and soon after request a redemption, the Fund will not honor a redemption request until your purchase check has cleared (which could take up to 12 days). Furthermore, there are certain times when you may be unable to sell Fund shares or receive proceeds. Specifically, the Fund may suspend the right to redeem shares or postpone the date of payment upon redemption for more than three business days: (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists affecting the sale of the Fund’s securities or making such sale or the fair determination of the value of the Fund’s net assets not reasonably practicable; or (3) for such other periods as the SEC may permit for the protection of the Fund’s shareholders.

Other Redemption Information

Shareholders who have an IRA or other retirement plan must indicate on their redemption request whether to withhold federal income tax. Redemption requests failing to indicate an election not to have taxes withheld generally will be subject to a 10% federal income tax withholding.

The Fund typically pays sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Fund’s remaining shareholders), the Fund may pay all or part of a shareholder’s redemption proceeds in liquid securities with a market value equal to the redemption price (known as redemption-in-kind). If the Fund redeems your shares in kind, you will bear any market risks associated with investment in these securities, and you will be responsible for the costs (including brokerage charges) of converting the securities to cash.

The Fund may redeem all of the shares held in your account if your balance falls below the Fund’s minimum initial investment amount due to your redemption activity. In these circumstances, the Fund will notify you in writing and request that you increase your balance above the minimum initial investment amount within 30 days of the date of the notice. If, within 30 days of the Fund’s written request, you have not increased your account balance, your shares will be automatically redeemed at the current NAV. The Fund will not require that your shares be redeemed if the value of your account drops below the investment minimum due to fluctuations of the Fund’s NAV.

Cost Basis Information

As of January 1, 2012, federal law requires that mutual fund companies report their shareholders’ cost basis, gain/loss, and holding period to the IRS on the funds’ shareholders’ Consolidated Form 1099s when “covered” shares of the mutual funds are sold. Covered shares are any mutual fund and/or dividend reinvestment plan shares acquired on or after January 1, 2012.

The Fund has chosen “first-in, first-out” (FIFO) as its standing (default) tax lot identification method for all shareholders, which means this is the method the Fund will use to determine which specific shares are deemed to be sold when there are multiple purchases on different dates at differing net asset values, and the entire position is not sold at one time. The Fund’s standing tax lot identification method is the method it will use to report the sale of covered shares on your Consolidated Form 1099 if you do not select a specific tax lot identification method. You may choose a method other than the Fund’s standing method at the time of your purchase or upon the sale of covered shares. Please refer to the appropriate Internal Revenue Service regulations or consult your tax advisor with regard to your personal circumstances.

Tools to Combat Frequent Transactions

The Fund discourages excessive, short-term trading and other abusive trading practices that may disrupt portfolio management strategies and harm the Fund’s performance. The Fund takes steps to reduce the frequency and effect of these activities in the Fund. These steps may include monitoring trading activity and using fair value pricing. Although these efforts (which are described in more detail below) are designed to discourage abusive trading practices, these tools cannot eliminate the possibility that such activity may occur. Further, while the Fund makes efforts to identify and restrict frequent trading, the Fund receives purchase and sale orders through financial intermediaries and cannot always know or detect frequent trading that may be facilitated by the use of intermediaries or the use of group or omnibus accounts by those intermediaries. The Fund seeks to exercise its judgment in implementing these tools to the best of its ability in a manner that the Fund believes is consistent with shareholder interests.

Redemption Fee

You will be charged a redemption fee of 2.00% of the value of the Fund’s shares being redeemed if you redeem your shares within 60 days of purchase. The “first in, first out” (“FIFO”) method is used to determine the holding period; this means that if you bought shares on different days, the shares purchased first will be redeemed first for the purpose of determining whether the redemption fee applies. The redemption fee is deducted from the sale proceeds and is retained by the Fund for the benefit of its remaining shareholders. The fee will not apply to redemptions (i) due to shareholder’s death or disability, (ii) by certain omnibus accounts with systematic or contractual limitations, (iii) of shares acquired through reinvestments of dividends or capital gains distributions, (iv) through certain employer-sponsored retirement plans or employee benefit plans or, with respect to any plan, to comply with minimum distribution requirements, (v) effected pursuant to an automatic non-discretionary rebalancing program, (vi) pursuant to the SWP, (vii) pursuant to asset allocation programs, wrap fee programs, and other investment programs offered by financial institutions where investment decisions are made on a discretionary basis by investment professionals or (viii) by the Fund with respect to accounts falling below the minimum initial investment amount. The Fund reserves the right to waive this fee in other circumstances if the Advisor determines that doing so is in the best interests of the Fund.

Monitoring Trading Practices

The Fund may monitor trades in an effort to detect short-term trading activities. If, as a result of this monitoring, the Fund believes that a shareholder has engaged in excessive short-term trading, it may, in its discretion, ask the shareholder to stop such activities or refuse to process purchases in the shareholder’s accounts. In making such judgments, the Fund seeks to act in a manner that it believes is consistent with the best interest of shareholders. Due to the complexity and subjectivity involved in identifying abusive trading activity, there can be no assurance that the Fund’s efforts will identify all trades or trading practices that may be considered abusive.

General Transaction Policies

Some of the following policies are mentioned above. In general, the Fund reserves the right to:

- vary or waive any minimum investment requirement;
- refuse, change, discontinue, or temporarily suspend account services, including purchase or telephone redemption privileges, for any reason;
- reject any purchase request for any reason (generally, the Fund does this if the purchase is disruptive to the efficient management of the Fund due to the timing of the investment or an investor's history of excessive trading);
- delay paying redemption proceeds for up to seven calendar days after receiving a request, if an earlier payment could adversely affect the Fund; and
- reject any purchase or redemption request that does not contain all required documentation.

If you elect telephone privileges on the account application or in a subsequent letter to the Fund, you may be responsible for any fraudulent telephone orders as long as the Fund and/or its service providers have taken reasonable precautions to verify your identity. In addition, once you place a telephone transaction request, it cannot be canceled or modified.

During periods of significant economic or market change, telephone transactions may be difficult to complete. If you are unable to contact the Fund by telephone, you may also mail your request to the Fund at the address listed under "Methods of Buying."

Please note that the value of your account may be transferred to the appropriate state if no activity occurs in the account within the time period specified by the state law.

Your broker or other financial intermediary may establish policies that differ from those of the Fund. For example, the organization may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this Prospectus. Contact your broker or other financial intermediary for details.

SERVICE FEES – OTHER PAYMENTS TO THIRD PARTIES

The Fund may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions for sub-administration, sub-transfer agency and other shareholder services associated with shareholders whose shares are held of record in omnibus accounts, other group accounts or accounts traded through registered securities clearing agents.

The Advisor, out of its own resources, and without additional cost to the Fund or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries that sell shares of the Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. The Advisor may pay cash compensation for inclusion of the Fund on a sales list, including a preferred or select sales list, in other sales programs or may pay an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's shareholders. The Advisor may also pay cash compensation in the form of finder's fees that vary depending on the Fund and the dollar amount of the shares sold.

DIVIDENDS AND DISTRIBUTIONS

The Fund will make distributions of net investment income and net capital gains, if any, at least annually, typically in December. The Fund may make an additional payment of dividends or distributions if it deems it desirable at any other time during the year.

Some of the Fund's investment income may be subject to foreign income taxes that are withheld at the country of origin. Tax conventions between certain countries and the United States may reduce or eliminate such taxes.

If you buy shares of the Fund just before it makes a distribution (on or before the record date), you will receive some of the purchase price back in the form of a taxable distribution.

All dividends and distributions will be reinvested in Fund shares unless you choose one of the following options: (1) receive net investment income dividends in cash, while reinvesting capital gain distributions in additional Fund shares; or (2) receive all dividends and distributions in cash. If you wish to change your distribution option, please write to the Transfer Agent before the payment date of the distribution.

If you elect to receive distributions in cash and the U.S. Postal Service cannot deliver your check, or if your distribution check has not been cashed for six months, the Fund reserves the right to reinvest the distribution check in your account at the Fund's then current NAV and to reinvest all subsequent distributions.

FEDERAL INCOME TAX CONSEQUENCES

The following discussion is very general. Because each shareholder's circumstances are different and special tax rules may apply, you should consult your tax advisor about your investment in the Fund.

You will generally have to pay federal income taxes, as well as any state or local taxes, on distributions received from the Fund, whether paid in cash or reinvested in additional shares. If you sell Fund shares, it is generally considered a taxable event.

Distributions of net investment income, other than "qualified dividend income," and distributions of short-term capital gains, are taxable for federal income tax purposes at ordinary income tax rates. Distributions of net capital gain (*i.e.*, the excess of net long-term capital gain over net short-term capital loss) are taxable for federal income tax purposes as long-term capital gain, regardless of how long you have held Fund shares. For taxable years beginning on or before December 31, 2012, distributions reported as qualified dividend income are taxed to individuals and other non-corporate investors at rates applicable to long-term capital gains, provided certain holding period and other requirements are satisfied. Dividends paid by the Fund may qualify in part for the dividend deduction available to corporate shareholders, provided certain holding period and other requirements are satisfied.

You may want to avoid buying shares of the Fund just before it declares a distribution (on or before the record date), because such a distribution will be taxable to you even though it may effectively be a return of a portion of your investment.

Dividends declared in October, November or December to shareholders of record as of a date in such month and paid during the following January are treated as if received on December 31 of the calendar year when the dividends were declared. Information on the federal income tax status of dividends and distributions is provided annually.

If you are neither a citizen nor a resident of the United States, certain dividends you receive from the Fund may be subject to federal withholding tax. To the extent that the Fund's distributions are subject to such withholding, the Fund will withhold federal income tax at the rate of 30% (or such lower rate as may be determined in accordance with any applicable treaty). Dividends that are reported by the Fund as "interest-related dividends" or "short-term capital gain dividends" are generally exempt from such withholding for taxable years of the Fund beginning before January 1, 2012.

If you do not provide the Fund with your correct taxpayer identification number and any required certifications, you will be subject to backup withholding on your redemption proceeds, dividends and other distributions. Backup withholding will not, however, be applied to payments that have been subject to the 30% withholding tax on shareholders who are neither citizens nor residents of the United States. The backup withholding rate is currently 28% and is scheduled to increase to 31% in 2013.

FINANCIAL HIGHLIGHTS

The following table is intended to help you understand the Fund's financial performance. Certain information reflects financial results for a single Fund share. The total return figures represent the percentage that an investor in the Fund would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The financial information for the period shown has been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the Fund's annual report, which is available upon request (see back cover).

Per share operating performance.

For a capital share outstanding throughout the Period.

	For the period March 1, 2010* to February 28, 2011
Net asset value, beginning of period	<u>\$ 10.00</u>
Income from Investment Operations	
Net investment loss	(0.27) [^]
Net realized and unrealized gain on investments	<u>0.73</u>
Total from investment operations	<u>0.46</u>
Net asset value, end of period	<u>\$ 10.46</u>
Total return	4.60% [†]
Ratios and Supplemental Data	
Net assets, end of period (in thousands)	\$4,069
Ratio of expenses to average net assets ^(a)	
Before fees waived and expenses absorbed	6.90% [‡]
After fees waived and expenses absorbed	3.60% [‡]
Ratio of net investment loss to average net assets ^(b)	
Before fees waived and expenses absorbed	(6.25%) [‡]
After fees waived and expenses absorbed	(2.95%) [‡]
Portfolio turnover rate	564% [†]

* The Fund commenced operations on March 1, 2010.

[^] Calculated based on monthly average shares outstanding.

[†] Not annualized.

[‡] Annualized.

^(a) Includes dividend and interest expense on securities sold short and expense from special situation investing. If these expenses were excluded, the ratio of expenses to average net assets before and after fees waived and expenses absorbed would have been 6.30% and 3.00%, respectively.

^(b) Includes dividend and interest expense on securities sold short and expense from special situation investing. If these expenses were excluded, the ratio of net investment loss to average net assets before and after fees waived and expenses absorbed would have been (5.65%) and (2.35%), respectively.

PRIVACY NOTICE

Thesis Flexible Fund collects non-public information about you from the following sources:

- Information we receive about you on the application form or other forms;
- Information you give us orally; and/or
- Information about your transactions with us or others.

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated and unaffiliated third parties with whom we have contracts for servicing the Fund. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and require third parties to treat your personal information with the same high degree of confidentiality.

In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.

THIS IS NOT A PART OF THE PROSPECTUS

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Independent Registered Public Accounting Firm

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Philadelphia, Pennsylvania 19103

Custodian

UMB Bank, n.a.
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Kansas City, Missouri 64106

Fund Co-Administrator

Mutual Fund Administration Corporation
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Glendora, California 91740

Fund Co-Administrator, Transfer Agent and Fund Accountant

UMB Fund Services, Inc.
803 W. Michigan Street
Milwaukee, Wisconsin 53233

Distributor

Grand Distribution Services, LLC
803 W. Michigan Street
Milwaukee, Wisconsin 53233

Thesis Flexible Fund
A series of the Investment Managers Series Trust

FOR MORE INFORMATION

You can find more information about the Fund in the following documents:

Statement of Additional Information (SAI)

The SAI provides additional details about the investments and techniques of the Fund and certain other additional information. A current SAI is on file with the SEC and is incorporated into this Prospectus by reference. This means that the SAI is legally considered a part of this Prospectus even though it is not physically within this Prospectus.

Additional information about the Fund's investments will be available in the Fund's annual and semi-annual reports to shareholders. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

The Fund's SAI and annual and semi-annual reports will be available on the Fund's website at www.thesisfundmanagement.com. You can obtain a free copy of the SAI or the Fund's annual and semi-annual reports (once available), request other information, or inquire about the Fund by contacting a broker that sells the Fund or by calling the Fund (toll-free) at 1-877-7THESIS (843747) or by writing to:

Thesis Flexible Fund
c/o UMB Fund Services, Inc.
803 West Michigan Street
Milwaukee, WI 53233-2301

You may review and copy information including the Shareholder Reports and SAI at the Public Reference Room of the SEC in Washington, DC. You can obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Reports and other information about the Fund are also available:

- Free of charge from the SEC's EDGAR database on the SEC's Internet website at <http://www.sec.gov>;
- For a fee, by writing to the Public Reference Room of the SEC, Washington, DC 20549-1520; or
- For a fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

(The Trust's SEC Investment Company Act file number is 811- 21719)
