

Regal Investment Advisors LLC saw stable revenue and asset growth in 2016. Revenue grew 1% year over year while assets under management increased 4.3% as of 3/31/17. Our focus continues to be on investing in technology, infrastructure and platform development in order to allow the company to further scale its operations and gain greater efficiency and effectiveness. We continue to increase the quality and depth of our team while embracing a culture of best practice innovation. This has allowed Regal to deliver what we believe to be the best possible client experience and to become a stronger and more well-known force within the industry.

Over the previous 12-months we have seen the financial markets once again pick up steam on the hope of better prospects for economic growth given the new Presidential Administration's agenda. Against this backdrop, the Regal Total Return Fund provided participation in the rally, although it did lag our broader benchmark, the Morningstar Moderate Target Risk Index. This is to be expected given our focus on risk mitigation and volatility reduction.

Within our equity allocation, our overweight to the Consumer Discretionary Sector, as well as stock selection in this sector was a drag on portfolio performance. Negative attribution was also seen from our overweight to the Healthcare Sector. Lastly, our 15%-20% cash position that we held most the year was a drag on performance given the strong run the market experienced. This cash position was a result of what we believe to be stretched valuations and our inability to find enough attractive opportunities in which to place our capital. On a positive note, stock selection in both the Technology and Industrials Sectors yielded positive results for the fund.

Our fixed income allocation was a significant contributor to the fund over the fiscal year as our allocations to Credit over Government Bonds, as well as our exposure to High-Yield, Floating Rates, and Emerging Markets, all paid dividends. Our only weak spot was our allocation to Mortgage-Back Bonds, as this area of the market lagged broader fixed income indices.

Finally, on the Commodity front, results were largely mixed. Our exposure to the US Dollar and Gold Markets were strong contributors for the balance of the year, while our oil exposure detracted. This position has reversed in recent weeks, but only time will tell if recent trends will continue. We continue to have exposure to all three markets, although our weighting to Gold given the current geopolitical uncertainties outweighs the exposure to either the US Dollar or the Oil Market.

Sometimes our discipline and focus on downside mitigation flies in the face of a surging market. We are comfortable underperforming in those times to position the portfolio with an attempt to combat volatility. We seek to navigate through the storm of the financial markets and this means avoiding some of the more exciting opportunities so that we can hopefully also avoid some of the more calamitous ones.

*The views in this letter were as of March 31<sup>st</sup> and may not necessarily reflect the same views on the date this letter is first published or any time thereafter. These views are intended to help shareholders in understanding the fund's investment methodology and do not constitute investment advice.*

**Risks:**

***Past performance does not guarantee future results.*** There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investment involves risk, including potential loss of principal.

Securities involve risks related to adverse political and economic developments unique to a country or region, currency fluctuations or controls. The Fund invests in exchange traded funds (ETFs) which are securities of other investment companies. An ETF seeks to track the performance of an index by holding all, or a sampling, of the securities of that index, and many not be able to exactly replicate the performance it seeks to track. Shareholders of the Fund bear their proportionate share of the other investment company fees and expenses as well as their share of the Fund fees and expenses. **Small-cap and Mid-cap** company stocks are considered riskier than large-cap stocks due to greater potential volatility and less liquidity.

***An Investor should consider the Fund's investment objectives, risks, charges, and expenses carefully before investing. This and other important information about the investment company can be found in the Funds prospectus. To obtain a prospectus, please contact your financial advisor or please call 844.66.REGAL (73425). Please read the prospectus carefully before investing.***

IMST Distributors, LLC, Distributor of the Regal Total Return Fund.