

Part 2A of Form ADV: *Firm Brochure*

ACR Alpine Capital Research, LLC

8000 Maryland Ave

Suite 700

Saint Louis, MO 63105

Telephone: 314-932-7600

Email: info@acr-invest.com

Web Address: www.acr-invest.com

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This brochure provides information about the qualifications and business practices of ACR Alpine Capital Research, LLC. If you have any questions about the contents of this brochure, please contact us at 314-932-7600 or info@acr-invest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about ACR Alpine Capital Research, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110933.

Item 2 Material Changes

This Firm Brochure, dated August 9, 2017, has been updated to note that during July 2017 the MQR LP has retained the services of Pershing LLC to facilitate custody and trading of its assets. Also, UMB Fund Services Inc. has been retained by ACR to provide administrative services for the MQR LP.

This Firm Brochure was updated on April 25, 2017 to provide you with a summary of ACR Alpine Capital Research, LLC's ("ACR" or the "Firm") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform you of the revision(s) based on the nature of the information as follows.

- Annual Update: We are required to update certain information at least annually, within 90 days of our Firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
- Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). Material changes requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; and significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us and how we do business.

This Brochure was materially updated effective as of January 24, 2017, and a subsequent minor update was made effective as of April 25, 2017. With the exception of the addition of Mitul Nakum as Chief Operating Officer, the following material changes were incorporated into the Brochure dated January 24, 2017, and remain part of this brochure dated April 24, 2017:

Effective December 2016 the business previously operating as Alpine Investment Management, LLC (or "AIM") was divided into two new entities: ACR Alpine Capital Research, LLC (or "ACR"), a fundamental valuation-based asset management firm, providing portfolio management services to intermediaries and other institutional investors; and Alpine Private Capital, LLC (or "APC"), which provides investment services to high net worth individuals and local not-for-profit organizations. ACR began conducting business in 1999 under the name Alpine Investment Management, LLC. The division of AIM into ACR and APC was made to recognize that ACR's asset management services are distinct from APC's financial advisory services, and that APC's management, personnel and operations should be spun out of AIM so that ACR and APC may focus exclusively on their core competencies. As of January 6, 2017, Alpine Private Capital, LLC has become independently registered as an investment adviser with the United States Securities and Exchange Commission ("SEC"); under this new arrangement, APC has retained ACR to provide investment advisory services pursuant to an intercompany and

investment sub-advisory agreement. The division of AIM into APC and ACR has not and will not result in a change of actual control or management of AIM or its affiliates, since both ACR and APC remain under the same common control; consequently, the transition of AIM's business model will in no way affect the management of client accounts.

Personnel Additions:

- In June of 2016, Stephen Mace was hired as Executive Vice President of AIM, and now serves as President of ACR.
- In August of 2016, Ryan Linkul was hired by ACR as an Analyst.
- In October of 2016, AIM named Matthew Hardin as Chief Compliance Officer ("CCO") and he also currently serves as CCO for both ACR and APC.
- In December of 2016, Ari Veittiaho was hired by ACR as an Analyst, and Kevin Sexton was hired by ACR as Controller.
- In March of 2017, Mitul Nakum was hired by ACR as Chief Operating Officer.

Item 3

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Item 4 Advisory Business

ACR Alpine Capital Research, LLC (“ACR”) is an SEC-registered investment adviser with its principal place of business located in Missouri. ACR is a fundamental valuation-based asset management firm which provides portfolio management services to institutional investors and intermediaries. ACR began conducting business in 1999 under the name Alpine Investment Management, LLC. ACR is wholly owned by Alpine Investment Management LLC (“AIM”). Nicholas V. Tompras is AIM’s principal shareholder (i.e., an individual controlling 25% or more of the company) and Non-Executive Chairman of ACR.

INSTITUTIONAL ACCOUNT MANAGEMENT

ACR offers investment advisory services in the form of discretionary portfolio management to institutional investors (“Institutional Account Management”), either directly, through sub-advisory arrangements or through commingled funds managed by ACR; frequently, institutional investors are advised by an investment consultant. Each institutional investor has the opportunity to select, typically in consultation with its investment consultant, one or more of ACR’s investment strategies: either Equity Quality Return (“EQR”), a long-only, multi-capitalization equity strategy, and/or one of the commingled funds managed by ACR (either one or more mutual funds or a limited partnership, as described below).

INDIVIDUAL ACCOUNT MANAGEMENT

Separately Managed Accounts (“SMA Advisory” and “SMA Sub-Advisory”)

ACR provides investment advisory services in the form of discretionary portfolio management to certain clients, either directly to SMA Advisory clients or through sub-advisory arrangements on behalf of SMA Sub-Advisory clients. Each qualified SMA Advisory or SMA Sub-Advisory client has the opportunity to select, typically in consultation with his/her/its investment consultant or financial adviser, one or more of ACR’s investment strategies. For separately managed accounts, ACR offers two investment strategies: EQR (offered to certain SMA Advisory and SMA Sub-Advisory clients, subject to a “soft closing” of the strategy effective June 30, 2016 – the “Soft Close”) and Fixed Income High Grade (FHG), a high-quality fixed income strategy. SMA Advisory and SMA Sub-Advisory accounts are managed in accordance with each SMA Advisory and SMA Sub-Advisory client’s investment objectives and financial situation. In that respect, SMA Advisory and SMA Sub-Advisory clients may impose reasonable restrictions on the management of their accounts. ACR executes trades on the client’s behalf as dictated by the terms of the relationship – either blocked together with other freely traded accounts or through a custodian/brokerage account as directed by the client (clients may designate a broker-dealer for trades). Clients will pay trading commissions to the executing broker-dealer, which may or may not be the custodian, used for each trade. Custody, tax reporting, client reporting and other services are typically provided by the client’s custodian and/or broker-dealer. Management fees paid by clients may either be billed by ACR to clients, or clients may have fees deducted directly through their respective custodian. Some, but not all, clients may receive quarterly reporting from ACR as part of their account management service.

Separately Managed Accounts (“SMA Wrap Programs”)

ACR provides investment sub-advisory services in the form of discretionary portfolio management to separately managed account programs sponsored by various broker-dealers or registered investment advisers (each, the "Sponsor") in both “dual contract” and “single contract wrap fee” programs (“SMA Wrap Programs”). Under ACR’s SMA Wrap Program services, clients are provided access to ACR’s EQR Strategy (again, subject to the Soft Close) and ACR will generally execute trades on the client’s behalf through the Sponsor. Custody, tax reporting, client reporting, trading commissions, performance monitoring and other services are typically provided by each Sponsor. ACR contracts directly with each Sponsor’s client in “dual contract” programs. ACR contracts only with the Sponsor in “single contract wrap fee” programs, under which an all-inclusive (or "wrap") fee is paid by the client to the Sponsor and the Sponsor in turn pays ACR a portion of the fee collected from the wrap fee client. In both the “dual contract” and “single contract wrap fee” sub-advisory programs in which ACR participates, the Sponsor typically:

- Assists the client in defining the client's investment objectives based on information provided by the client and provides the client with the opportunity to impose reasonable restrictions on management of the account;
- Determines whether the fee arrangement is suitable for the client;
- Aids in the selection of an investment adviser to manage the account (or a portion of its assets);
- Periodically contacts the client to ascertain whether there have been any changes in the client's financial circumstances or objectives that warrant a change in the arrangement or the manner in which the client's assets are managed, whether the client wishes to impose reasonable restrictions (or additional reasonable restrictions) on the management of the account or reasonably modify existing restrictions;
- Ensures that personnel who are knowledgeable about the account are reasonably available to the client for consultation.

Currently, ACR participates in “dual contract” sub-advisory programs with various brokerage firms including, but not limited to, Morgan Stanley, UBS and Wells Fargo Advisors; and in a “single contract wrap fee” program sponsored by Stifel, Nicolaus & Company, Inc.

Clients generally receive all disclosure documents (including Form ADV Part 2A), as well as any required prospectuses, from their respective program Sponsor.

CONSULTING

Unified Managed Accounts (UMAs):

ACR, acting as a sub-adviser, provides recommendations (a “model portfolio” for the strategy chosen) to a number of unified managed account (“UMA”) program sponsors (the “UMA Program Sponsors”, sometimes called the overlay managers), subject to the Soft Close described above. For these accounts, ACR does not have discretion and does not report the performance of UMA relationships in its various investment composites. Trades recommended

by ACR may or may not be executed by each Program Sponsor, and ACR's recommendations may or may not be implemented by each UMA Program Sponsor in all of that Sponsor's client portfolios; ACR is not responsible for either trade execution or reconciliation of these accounts.

MUTUAL FUND AND LIMITED PARTNERSHIP MANAGEMENT

ACR also serves as the investment adviser to the ACR Multi-Strategy Quality Return (MQR) Fund (the "MQR Fund") and to the ACR International Quality Return (IQR) Fund (the "IQR Fund"), each a series of the Investment Management Series Trust II (the "IMST Trust") and registered under the Investment Company Act of 1940 (the "1940 Act") (both collectively referred to herein as the "Mutual Funds"); as well as to the MQR, L.P. (the "MQR LP"), a private fund structured as a limited partnership (all three funds are collectively referred to herein as the "Mutual and LP Funds"). ACR continuously manages the assets of the Mutual and LP Funds based on the investment goals and objectives as outlined in the Mutual Funds' prospectuses and the MQR LP's private placement memorandum, respectively. The investment strategies of the MQR Fund and the MQR LP are alike, subject to restrictions imposed by the 1940 Act. *Any reference to the Mutual and LP Funds within this Form ADV Part 2A shall not constitute an offer to sell or the solicitation of an offer to buy interests in either of the Mutual Funds or in the MQR LP.*

The MQR Fund and the MQR LP are managed by an investment team (the "MQR Investment Team") comprised of Nicholas Tompras, Willem Schilpzand and Timothy Piechowski – these individuals jointly share portfolio management responsibilities for both vehicles. Willem Schilpzand serves as Lead Portfolio Manager for the IQR Fund, whereas Timothy Piechowski serves as Associate Portfolio Manager and Nicholas Tompras provides oversight to the IQR Fund as ACR's Chief Investment Officer (this arrangement is described herein as the "IQR Investment Team"). The MQR Investment Team and/or the IQR Investment Team (together, the "Investment Teams") meet on a regular basis to discuss investments and to assess and modify (as necessary) the asset management strategy for the Mutual and LP Funds. Generally, their responsibilities include:

- The initial evaluation of whether an investment is suitable for the vehicles;
- The continuous monitoring of the investments held by the vehicles; and
- Any material changes to investments.

The Investment Teams are supervised by ACR's Investment Committee (consisting of a broader membership of ACR employees); the Investment Committee is provided with information regarding the performance of the Mutual and LP Funds, investments made within the vehicles and other relevant topics.

The individual needs of the investors in these vehicles are not the basis of investment decisions made by ACR; investment advice is provided directly to the Mutual and LP Funds and not to the individual investors holding shares of the funds.

AMOUNT OF MANAGED ASSETS

As of 12/31/2016, ACR was actively managing \$2,110,604,798 of clients' assets on a discretionary basis. Additionally, through unified managed accounts (UMAs) the Firm provides advice on \$1,173,899,450 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INSTITUTIONAL AND SMA ADVISORY SERVICES FEES

ACR's fee schedule for both Institutional Account Management and SMA Advisory services is charged based on a percentage of assets under management. The fee is calculated by multiplying the dollar value of the account at the end of each calendar quarter by the percentage in the schedule below and dividing by four. The quarterly billable fee is debited or invoiced on or shortly after the last business day of the calendar quarter; partial periods are pro-rated.

| | First \$25 Million | Next \$25 Million | Remainder |
|------------------------------|-------------------------------|------------------------------|------------------|
| Equity Investment Management | 1.00% | 0.925% | 0.85% |

A minimum of \$10,000,000 of assets under management is required for this service, although this account size may be negotiable under certain circumstances. ACR may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. The minimum fee for this service is \$100,000 and, if the minimum fee is invoked and ACR has agreed to an account size below the minimum, a client's effective fee will actually be greater than 1.00%.

Discounts, not generally available to ACR's advisory clients, may be offered to family members and friends of associated persons of ACR.

SMA Advisory accounts are currently subject to the Soft Close described above.

SMA SUB-ADVISORY SERVICES FEES

ACR's annual fees for SMA Sub-Advisory services are generally 0.75% and are charged as a percentage of the assets under management. The fee is calculated by multiplying the dollar value of the account at the end of each calendar quarter by the percentage in the schedule below and dividing by four. The quarterly billable fee is debited or invoiced on or shortly after the last business day of the calendar quarter; partial periods are pro-rated.

The minimum account size for this service is generally determined by the entity which ACR is sub-advising, although it may be negotiable under certain circumstances. ACR may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Discounts, not generally available to ACR's advisory clients, may be offered to family members and friends of associated persons of ACR.

SMA Sub-Advisory accounts are currently subject to the Soft Close described above.

SMA WRAP PROGRAM SERVICES FEES

ACR's annual fees for Portfolio Management Services to an SMA Wrap Program are generally 0.75% and are charged as a percentage of the assets under management.

ACR's fees are typically billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client's written authorization.

A minimum of \$100,000 of assets under management is generally required to open an SMA Wrap Program account, although this account size may be negotiable under certain circumstances. ACR may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

SMA Wrap Program accounts are currently subject to the Soft Close described above.

Limited Negotiability of Advisory Fees: Although ACR has established the aforementioned fee schedule(s), it retains the discretion to negotiate alternative fees on a client-by-client basis. Factors considered in connection with fee negotiations include the complexity of the client's situation; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements, among others. The specific annual fee schedule is identified in the agreement between the adviser and each client.

Discounts, not generally available to ACR's advisory clients, may be offered to family members and friends of associated persons of ACR.

CONSULTING – UNIFIED MANAGEMENT ACCOUNTS (UMAs) - MANAGEMENT FEES

ACR's annual fees for Consulting Services are based upon a percentage of the assets to which it consults, in the amount of 0.75%.

Clients are typically invoiced in arrears at the end of each calendar quarter based upon the value of assets to which it consults (market value or fair market value in the absence of market value,

plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

The minimum account size for this service is determined by the UMA Program Sponsor and its partners, although it may be negotiable under certain circumstances. ACR may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

UMA Program Sponsor accounts are currently subject to the Soft Close described above.

Discounts, not generally available to ACR's advisory clients, may be offered to family members and friends of associated persons of ACR.

PARTNERSHIP FEES

Alpine Partners Management, LLC ("APM") is wholly-owned by ACR and serves as the General Partner of the MQR LP. APM has also charged ACR with primary responsibility for investment management and administrative matters pertaining to the MQR LP, such as accounting, tax and periodic reporting.

The MQR LP's previous annual investment management fee of 1.00% was eliminated prior to the date of this brochure, and the MQR LP's incentive allocation is now 20% over a 6.00% hurdle rate subject to a "high water mark". A detailed description of the MQR LP's fees and expenses is included in its organizational and offering documents. The incentive fee is reallocated from limited partners' assets to the general partner's account when earned.

MUTUAL FUND PORTFOLIO MANAGEMENT FEES

ACR charges an asset-based fee for this service. The fee arrangement, as well as termination and refund policies, are described in the Mutual Funds' prospectuses and SAIs. Pursuant to an Advisory Agreement, the Mutual Funds each pay ACR an annual advisory fee of 1.00% of the Mutual Funds' respective average daily net assets for the services it provides; this fee is payable on a monthly basis, in arrears.

Apart from their agreed compensation received directly from ACR, supervised personnel of ACR do not receive additional compensation for the sale of securities or other investment products. Because the Firm is compensated in arrears, refunds and other rebates will generally not apply. All services are rendered according to the terms and conditions of a written agreement between ACR and its clients, the Mutual Funds.

As the Mutual Funds' adviser, ACR has contractually agreed to waive its fees and/or absorb expenses of the Mutual Funds to ensure that total annual fund operating expenses (excluding, as applicable, taxes, leverage interest, brokerage commissions, dividend expenses on short sales, acquired fund fees and other expenses) do not exceed 1.40% and 1.25% of the average daily net assets of the Mutual Funds' Investor Class and Institutional Class shares, respectively.

This agreement is in effect until November 30, 2017, as of which date the IMST Trust's Board of Trustees will review the contract and consider renewal. The contract may be terminated before that date only by the IMST Trust's Board of Trustees. The Mutual Funds' adviser is permitted to seek reimbursement from the Mutual Funds, subject to limitations, for fees it waived and expenses of the Mutual Funds it paid for a period of three years from the date of any such waiver or payment.

The Mutual Funds have adopted a plan pursuant to Rule 12b-1 of the 1940 Act (the "Plan"), which allows the Mutual Funds to pay distribution fees for the sale and distribution of its Investor Class 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 attributable to Investor Class shares. Since these fees are paid out of the Mutual Funds' assets attributable to Investor Class shares, these fees will increase the cost of client investment and, over time, may cost clients more than paying other types of sales charges. The net income attributable to Investor Class shares will be reduced by the amount of distribution fees and other expenses of the Mutual Funds associated with that class of shares. If ACR, or its affiliated persons, receive(s) 12b-1 fees, advisory fees will be offset by the amount of the 12b-1 fee received.

Discounts, not generally available to ACR's advisory clients, may be offered to family members and friends of associated persons of the Firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may generally be canceled at any time, by either party, for any reason upon receipt of thirty (30) days' written notice. **Certain fees may be paid in advance of services provided.** Upon termination of any account, any prepaid, unearned fees will be promptly refunded. **In calculating a client's reimbursement of fees, ACR will prorate the reimbursement according to the number of days remaining in the billing period.**

Mutual Fund Fees: All fees paid to ACR for investment advisory services are separate and distinct from the fees and expenses charged by unaffiliated mutual funds, exchange traded funds ("ETFs") and/or other similar vehicles to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses and/or a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

SMA Advisory and SMA Wrap Program Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by ACR. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services, and clients' portfolio transactions may be executed without commission charges. In evaluating such an arrangement, each client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the

amount of portfolio activity in the client's account and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Additional Fees and Expenses: In addition to ACR's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to ACR's minimum account requirements and advisory fees that were in effect at the time the client entered into the advisory relationship. Therefore, ACR's minimum account requirements will differ among clients.

ERISA Accounts: ACR is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income Security Act of 1974 ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, ACR is subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions and to avoid the appearance of a prohibited transaction, APC may only charge fees for investment advice regarding products for which ACR and/or its related persons do not receive any commissions or 12b-1 fees. To the extent that ACR receives an investment management fee from an affiliated mutual fund, this fee will be used to offset the existing equity management fee, if any, at the individual account level.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Compensation from Other Business Activities: Certain individuals of ACR are also registered representatives with IMST Distributors, LLC ("IMST Distributors", CRD #110933), a FINRA member broker-dealer. These individuals do not have the ability to receive separate compensation for the products they recommend to clients. No ACR client is obligated to purchase any products or services from these individuals.

Limited Prepayment of Fees: Under no circumstances does ACR require or solicit payment of fees in excess of \$1,200 more than six months in advance of the services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

As disclosed in Item 5 of this Brochure, ACR (through its wholly-owned affiliate APM) receives a performance-based fee from the MQR LP. This performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. The MQR LP's incentive allocation is currently 20% over a 6.00% hurdle rate subject to a "high water mark". Clients should be aware that a performance-based fee arrangement may create an incentive for ACR to recommend investments which may be riskier or more speculative than those which

would be recommended under a different fee arrangement. In addition, ACR recognizes that the management of assets for clients with differing terms related to performance-based fees could create potential conflicts of interest, including the risk that an adviser may favor one account over another. ACR addresses these potential conflicts through regular monitoring for consistency with client objectives, strategies and target capacity, as well as with its brokerage and trading policies.

Item 7 Types of Clients

ACR provides advisory services to the following types of clients:

- Investment Advisers
- Charitable organizations
- Pension and profit sharing plans (other than plan participants)
- Other pooled investment vehicles (e.g., hedge funds, mutual funds)
- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or other businesses not listed above

ACR has established general initial minimum account requirements, based on the nature of the service(s) being provided. For Institutional and SMA Advisory clients, ACR's minimum account requirement is generally \$10,000,000. For SMA Wrap Program clients, ACR's minimum account requirement is generally \$100,000. SMA Advisory and SMA Wrap Program accounts are currently subject to the Soft Close described above.

In certain circumstances, as referenced in Item 5 above, account minimums may be negotiable.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

ACR uses the following methods of analysis in formulating its investment advice and/or managing client assets:

Fundamental Analysis. In all of its vehicles and strategies, ACR attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the company itself) to determine if the company and its related securities are underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Risks for all forms of analysis. ACR's securities analysis methods rely on the assumption that the companies whose securities the Firm purchases and sells, the rating agencies that review these securities and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the Firm is alert to indications that data may be incorrect, there is always a risk that ACR's analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

ACR uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

Equity Quality Return (EQR Strategy)

EQR employs bottom-up fundamental analysis to identify undervalued stocks. The basic elements of the EQR investment process are as follows: (a) assess past corporate performance, (b) identify the economic factors responsible for this performance, (c) assess the durability of these factors, and (d) estimate future corporate performance and business value.

EQR incorporates financial and business factors into the analysis of each company considered for investment. The objective of financial analysis is to determine credit quality and accurately measure historical corporate performance. Financial analysis consists of evaluating past and current financial statements. Financial statements are adjusted to reflect a clearer picture of a company's economics, including the evaluation of earnings quality and financial condition. The objective of business analysis is to determine why the company performed as it did and to establish the relative stability of its performance factors and the likelihood of worse, similar or better future performance. Business analysis includes a thorough understanding of the company's products, markets, competitive position, and management's character and competence.

EQR invests in equity securities with the idea of holding them in the client's account for a year or longer. Typically ACR employs this strategy when:

- The Firm believes the securities to be currently undervalued, and/or
- ACR wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, the Firm may not take advantage of short-term gains that could be profitable to a client. Moreover, if ACR's predictions are incorrect, a security may decline sharply in value before the Firm makes the decision to sell.

EQR invests only in publicly-traded marketable common stocks registered with authorized national regulatory bodies and listed on major national stock exchanges such as the New York Stock Exchange, NASDAQ and comparable exchanges in other countries.

EQR invests primarily in common stocks with corporate headquarters in the United States and Canada. Common stocks with corporate headquarters outside the United States and Canada may comprise up to 20% of the market value of the portfolio. EQR invests primarily in common stocks denominated in US dollars. Common stocks denominated in other currencies may comprise up to 20% of the market value of the portfolio.

EQR invests in companies of any size including large, mid and small capitalization stocks. Larger companies are more likely to be purchased because of the relative stability and competitive advantage which size sometimes confers. Nevertheless, quality and valuation remain primary selection determinants.

EQR's investment objective is to remain fully invested the majority of the time; however, significant amounts of cash are often held (generally in a vehicle offered through the client's custodian) if ACR is unable to find ideas at an attractive valuation level. EQR's strategy is to own a select group of businesses with the orientation of a private investor; therefore, when a new account is established, businesses are selected one at a time. The EQR strategy also involves holding cash when there are no attractive opportunities and prices exceed values in the selection universe. In some instances, ACR may elect to invest a portion of the cash in high grade fixed income securities due in less than one year or in shares of ETFs, mutual funds or other similar vehicles that so invest, as deemed appropriate by ACR.

Fixed Income High Grade (FHG Strategy)

ACR purchases fixed income instruments it deems to be of high quality. FHG objectives are (a) to protect capital from loss of principal and interest by investing only in very high grade fixed income securities, (b) to provide cash flow and liquidity via interest income, regular maturities and price stability and (c) to obtain the highest after-tax yield possible without sacrificing credit quality standards. The maximum duration for this strategy is 10 years.

The number of bonds in a portfolio is contingent on the size of each client's portfolio. No single issuing corporate enterprise, government municipality or asset-backed security will generally comprise more than 5% of the client's total portfolio. US Government guaranteed securities have no maximum investment constraints.

MQR Fund and MQR LP Strategy

The MQR Fund and MQR LP invest in a range of securities including public securities and private securities. Under normal circumstances, the MQR Fund and MQR LP pursue their investment objectives by investing their assets in equity securities, debt securities, derivative securities, cash and cash equivalents. The MQR Fund and MQR LP are not limited by security type, issuer size or geographic location, and may invest in securities of issuers in emerging markets as well as

developed markets. ACR seeks to identify companies and securities which are undervalued by the securities markets. The MQR Fund and MQR LP estimate the intrinsic value of companies and invest in securities across the capital structure, including related derivative securities, which the MQR Fund and MQR LP believe provide an optimal combination of return and risk. In selecting securities for the MQR Fund and MQR LP, ACR engages in an extensive search process across global markets for companies with desirable investment characteristics. ACR also conducts research on the financial and business characteristics of potential and current investments.

Equity securities in which the MQR Fund and MQR LP may invest include common stocks, convertible securities, rights and warrants. The MQR Fund and MQR LP may invest in debt securities of any maturity and credit quality and the MQR Fund and MQR LP may purchase high yield securities, commonly referred to as “junk bonds”, that are rated below investment grade by at least one of the following: Moody’s Investors Service, Inc. (“Moody’s”); Standard & Poor’s, a division of McGraw Hill Companies Inc. (“S&P”); or Fitch Ratings Ltd. (“Fitch”) (or if unrated, are determined by the Adviser to be of comparable credit quality). The MQR Fund and MQR LP may invest in bank loans and loan participations. The Adviser may also invest in derivative securities which include, but are not limited to, futures, options, swaps (including total return swaps) and forward contracts. The Adviser may utilize derivatives to profit from expected price appreciation or depreciation of an underlying security, to generate a desired return stream, to generate incremental income or to create a desired excess return spread over a market average yield or estimated fair return.

The MQR Fund and MQR LP may also invest in other types of financing instruments such as convertible bonds and preferred stocks, American Depositary Receipts (“ADRs”), European Depositary Receipts (“EDRs”) and real estate investment trusts (“REITs”). In addition, the Adviser may use a short selling strategy for a portion of the MQR Fund and MQR LP. The MQR Fund and MQR LP will engage in two general types of short positions: directional and arbitrage. Directional short selling refers to selling short securities or groups of securities based on the Adviser’s assessment that the prices of the securities are significantly higher than their intrinsic values. Arbitrage short selling refers to selling short securities the Adviser considers to be overpriced in combination with related long positions in securities the Adviser considers to be underpriced, seeking to profit when the prices of the two securities converge. The Adviser may also invest in arbitrage or event-related securities, using fundamental analysis of the intrinsic values of companies to seek to profit from securities it deems to be relatively mispriced due to the market under- or over-estimating the successful completion of corporate events, including mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations.

Option writing. As noted above, ACR may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives ACR the right to buy an asset at a certain price within a specific period of time. The Firm will buy a call if it has determined that the stock will increase substantially before the option expires.
- A put gives ACR as the holder the right to sell an asset at a certain price within a specific period of time. The Firm will buy a put if it has determined that the price of the stock will fall before the option expires.

ACR may use options to speculate on the possibility of a sharp price swing. The Firm may also use options to "hedge" a purchase of the underlying security; in other words, ACR will use an option purchase to limit the potential upside and downside of a security it has purchased in the MQR strategy.

The Firm may use "covered calls", in which it sells an option on a security owned in the portfolio. In this strategy, the respective fund receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the fund at an agreed-upon price.

ACR may use a "spreading strategy", in which it purchases two or more option contracts (for example, a call option that the respective fund might buy and a call option that the fund sells) for the same underlying security. This effectively puts the fund on both sides of the market, but with the ability to vary price, time and other factors.

IQR Fund Strategy

To pursue the IQR Fund's objectives, under normal market conditions, ACR invests the Fund's assets primarily in equity securities of companies located outside of the U.S. The Fund will invest primarily in equity securities including common stock, preferred stock, ADRs, EDRs and Global Depositary Receipts ("GDRs"). The Fund may invest in shares of other registered investment companies and ETFs that invest substantially all of their assets in equity securities of companies located outside the US. ACR considers a company to be located outside of the U.S. if: (i) it is organized under the laws of a foreign country or maintains its principal offices or headquarters in a foreign country; (ii) its securities are principally traded in a foreign country; or (iii) it derives at least 50% of its revenues or profits from goods produced or sold, investments made or services performed in a foreign country, or has at least 50% of its assets in a foreign country. The Fund will allocate its assets among various regions and countries and will normally invest its assets in issuers representing at least three different countries. The Advisor does not expect, under normal circumstances, to invest more than 35% of the Fund's net assets in securities of companies located in emerging markets; however, the Fund's investments in emerging markets may exceed this amount from time to time depending on market opportunities. The Fund's investments may be denominated in foreign currencies.

ACR adheres to a bottom-up due diligence and a fundamental valuation process in which each prospective investment is analyzed from an operating quality perspective, a financial quality perspective and a valuation perspective. ACR considers a company with high operating quality to have an understandable business model, a solid competitive position, long-term staying

power, sufficient returns on capital, a management team that allocates capital appropriately and competitive dynamics that can be reasonably forecasted and will not be significantly impacted by technological developments or foreign competition. ACR considers a company with high financial quality to have understandable financial statements, appropriate accounting judgment, a conservative balance sheet, an appropriate capital structure for the cyclical and profit profile of the business, a sustainable debt maturity schedule and understandable cash flow dynamics. ACR's fundamental valuation process considers the long-term cash flows a company generates and the manners in which the company may distribute those cash flows. In seeking to generate "quality returns", the Fund will attempt to limit its investments to those with reasonable and sustainable returns for full market cycles – i.e., returns from companies that ACR believes are well-positioned to be in business over the long term, have a high likelihood of generating sufficient returns on capital and are capitalized conservatively so that the company should remain solvent during, and be able to overcome, any near- to medium-term recessions or market headwinds.

With respect to the Fund's objective, ACR defines certain terms as follows:

- "Permanent impairment" means a loss of value on the purchase price of an investment that ACR believes will not be recovered together with a reasonable return on the purchase price.
- "Cost of capital" refers to the opportunity cost of making a specific investment. It is the rate of return that an investor believes, at the time of an investment, could have been earned by putting the same money into a different investment with equal risk. The Fund's cost of capital at any time is the weighted average of the cost of capital of the securities that comprise the Fund's portfolio, as estimated by ACR.
- "Fund's benchmark" means the MSCI All Country World Index Ex-US (the "ACWI Ex-US"). ACR has selected the ACWI Ex-US as the Fund's benchmark because it is a broad proxy for the world equity market excluding US-based companies.
- "Full market cycle" means a period of time that includes both an up and down equity market. This period of time is commonly measured from a prior equity market peak to the next equity market peak or from the prior equity market trough to the next equity market trough. Full market cycles are usually measured in years.

When fully invested, the Fund's portfolio will generally consist of approximately 20 holdings and will not be limited by security type, issuer size or geographic location. The Fund may hold a significant portion of its assets in cash during periods when ACR believes there are not sufficient investment opportunities that meet the Fund's investment criteria. ACR does not expect, under normal circumstances, to hold a cash balance in excess of 20% of the Fund's net assets; however, the cash allocation may be larger during times of high security prices with relatively few investment opportunities and may also be significantly lower, or zero, during periods of ample investment opportunities that adhere to ACR's investment criteria. New investments are expected to be initiated in range of 3-5% of net assets. ACR will consider specific risk factors of the individual companies that comprise the Fund's portfolio (e.g., currency exposure, interest rate sensitivity, end market exposure, customer concentration and

commodity prices), in addition to the Fund's industry exposure, in an effort to prevent the Fund's portfolio from being overly exposed to a specific factor or industry that could impair the portfolio's return.

Investments are sold for four general reasons: (1) an unanticipated change at the company, (2) an error in the analysis of the company, (3) an ability to invest in a superior investment opportunity that requires the sale of a current portfolio holding that has a relatively inferior prospective return or (4) a share price approaching/reaching/exceeding the estimate of intrinsic value.

The Fund is "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act") which means that it may invest more of its assets in fewer issuers than "diversified" mutual funds.

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. You should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. ACR does not provide any representation or guarantee that your goals will be achieved. Depending on the different types of investments, there may be varying degrees of risk.

All of ACR's investment strategies are subject to the following risks:

- **Market risk.** The market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally.
- **Equity risk.** The value of the equity securities held may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held participate or factors relating to specific companies in which ACR invests.
- **Value-oriented investment strategies risk.** Value stocks are those that are believed to be undervalued in comparison to their peers due to adverse business developments or other factors. Value investing is subject to the risk that the market will not recognize a security's inherent value for a long time or at all, or that a stock judged to be undervalued may actually be appropriately priced or overvalued. In addition, during some periods (which may be extensive) value stocks generally may be out of favor in the markets. Therefore strategies managed by ACR are most suitable for long-term investors who are willing to hold their shares for extended periods of time through market fluctuations and the accompanying changes in share prices.

- Large-cap company risk. Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.
- Small-cap and mid-cap company risk. The securities of small-capitalization and mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general.
- ETF risk. Investing in an ETF will provide ACR's strategies with exposure to the securities comprising the index on which the ETF is based and will expose these strategies to risks similar to those of investing directly in those securities. Shares of ETFs typically trade on securities exchanges and may at times trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. The respective investment account will be responsible for the payment of brokerage commissions in connection with the purchase and sale of share of ETFs.
- Foreign investment risk. The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments and changes in the regulatory environments of foreign countries.
- Emerging market risk. Many of the risks with respect to foreign investments are more pronounced for investments in issuers in developing or emerging market countries. Emerging market countries tend to have less government exchange controls, more volatile interest and currency exchange rates, less market regulation and less developed economic, political and legal systems than those of more developed countries.

The MQR Fund and MQR LP are also subject to the following additional risks:

- Derivatives risk. Derivatives include instruments and contracts that are based on and valued in relation to one or more underlying securities, financial benchmarks, indices or other reference obligations or measures of value. Using derivatives can have a leveraging effect and increase fund volatility. Derivatives can be highly illiquid and difficult to unwind or value, and changes in the value of a derivative held by the MQR Fund and MQR LP may not correlate with the value of the underlying instrument or the MQR Fund and MQR LP's other investments.
- Fixed income securities risk. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changes in an issuer's credit rating or market perceptions about the creditworthiness of an issuer.
- High yield bond risk. High yield bonds are debt securities rated below investment grade (often called "junk bonds"). Junk bonds are speculative, involve greater risks of default, downgrade or price declines and are more volatile and tend to be less liquid than investment-grade securities.

- Bank loans and loan participations risk. Bank loans and loan participations are subject to credit risk, including the risk of nonpayment of principal or interest. Also, substantial increases in interest rates may cause an increase in loan defaults.
- Convertible securities risk. Convertible securities are subject to market and interest rate risk and credit risk. When the market price of the equity security underlying a convertible security decreases the convertible security tends to trade on the basis of its yield and other fixed income characteristics, and is more susceptible to credit and interest rate risks.
- Preferred stock risk. Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stock, dividends and a fixed share of the proceeds resulting from a liquidation of the company. The market value of preferred stock is subject to company-specific and market risks applicable generally to equity securities and is also sensitive to changes in the company's creditworthiness, the ability of the company to make payments on the preferred stock, and changes in interest rates, typically declining in value if interest rates rise.
- Warrants and rights risk. Warrants may lack a liquid secondary market for resale. The prices of warrants may fluctuate as a result of speculation or other factors.
- Real estate investment trust (REIT) risk. The MQR Fund and MQR LP's investment in REITs will subject the MQR Fund and MQR LP to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.
- Short sales risk. In connection with a short sale of a security or other instrument, the MQR Fund and MQR LP are subject to the risk that instead of declining, the price of the security or other instrument sold short will rise. If the price of the security or other instrument sold short increases between the date of the short sale and the date on which the MQR Fund and MQR LP replaces the security or other instrument borrowed to make the short sale, the MQR Fund and MQR LP will experience a loss, which is theoretically unlimited since there is a theoretically unlimited potential for the market price of a security or other instrument sold short to increase.
- Arbitrage and event-driven risk. Employing arbitrage strategies involves the risk that anticipated opportunities do not turn out as planned, resulting in potentially reduced returns or losses to the MQR Fund and MQR LP.
- Liquidity risk. The MQR Fund and MQR LP may not be able to sell some or all of the investments that it holds due to a lack of demand in the marketplace or other factors such as market turmoil, or if the LP/Mutual Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs it may only be able to sell those investments at a loss. Illiquid assets may also be difficult to value.
- Management and strategy risk. The value of your investment depends on the judgment of the MQR Fund and MQR LP's adviser about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. Investment strategies employed by the MQR Fund and MQR LP's adviser in

selecting investments for the LP/Mutual Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.

- Non-diversification risk. The MQR Fund and MQR LP are classified as “non-diversified,” which means the MQR Fund and MQR LP may invest a larger percentage of their respective assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the MQR Fund and MQR LP to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.
- Risk of increase in expenses. An investor’s actual costs of investing in the Fund may be higher than the expenses shown under “Annual fund operating expenses” in the “Fees and Expenses of the Fund” table (or elsewhere) in the Fund’s Prospectus for a variety of reasons. For example, expense ratios may be higher than those shown if a fee limitation is changed or terminated or if average net assets decrease. Net assets are more likely to decrease and Fund expense ratios are more likely to increase when markets are volatile. In addition, ACR has agreed to waive all or a portion of its fees and to subsidize the Fund’s other operating expenses for a specified period to maintain the Fund’s expense ratio at a level ACR believes will be competitive, but no assurance exists that the Fund’s assets will reach a level that will be adequate to maintain its expense ratio at such a level without such a waiver and subsidy or that ACR will be willing to continue to manage the Fund beyond such period if ACR cannot do so profitably.

In addition to some or all of the risks outlined above, the IQR Fund is also subject to the following additional risks:

- Currency risk. The values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. Dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation.
- Valuation risk. The sales price the Fund could receive for any particular portfolio investment may differ from the Fund’s valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued by the Fund using a fair value methodology. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the Fund had not fair-valued the security or had used a different valuation methodology.
- No operating history. The Fund is newly organized and has no operating history. As a result, prospective investors have no track record or history on which to base their investment decisions.

Item 9 Disciplinary Information

ACR is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of ACR's advisory business or the integrity of its management.

Neither ACR nor its employees have any reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Although ACR is not a registered broker-dealer, two of its employees are registered representatives of a broker-dealer, IMST Distributors. Those employees are Darryl Grayson, Managing Director, and Chris Scibelli, Managing Director. These individuals will promote the sale of the affiliated Mutual Funds to broker-dealers, other companies and individuals. No client is ever obligated to purchase these funds. IMST Distributors, a FINRA Member and broker-dealer, is the distributor of the Mutual Funds. These individuals may receive compensation for recommending or advising on investment products and services offered by the Firm. The Firm mitigates this inherent conflict of interest by disclosing this relationship to you, ACR's client.

Matthew S. Hardin is a securities attorney and is licensed to practice law in Pennsylvania, Missouri and Illinois. Mr. Hardin owns Hardin Law Group LLC, a law firm based in Pennsylvania. In addition, Mr. Hardin owns Hardin Compliance Consulting LLC, a firm specializing in providing regulatory compliance consulting services to registered investment advisers, broker-dealers, investment companies and private funds. Mr. Hardin serves as Chief Compliance Officer of Alpine Investment Management, LLC and of its affiliates ACR and APC. He is also registered with BPU Investment Management, Inc. The firm does not utilize BPU Investment Management, Inc. on behalf of its clients.

AIM divided its business into two distinct groups in 2010 and established two new legal entities for these groups in 2016: ACR, the registrant, and APC, an independent investment advisory firm registered with the SEC beginning in January 2017, which provides investment services to high net worth individuals and local not-for-profit organizations. The division of AIM into ACR and APC was made to recognize that ACR's asset management services are distinct from APC's financial advisory services, and that the management, personnel and operations of each firm should exist independently so that each organization may focus exclusively on its core competencies. APC has retained ACR to provide investment advisory services pursuant to an intercompany and investment sub-advisory agreement. The division of AIM into APC and ACR has not and will not result in a change of actual control or management of either APC or ACR since both entities remain under the same common control; consequently, the transition of AIM's business model will in no way affect the management of client accounts. To mitigate against any potential conflicts of interest that may be presented with respect to the two firms, all employees of both entities are subject to the Firm's Code of Ethics, which is described in more detail below.

ACR provides investment advisory services to APC pursuant to an intercompany and investment sub-advisory agreement for an annual fee of 0.75% charged as a percentage of the APC assets sub-advised.

ACR has also entered into a co-advisory arrangement with its affiliate, APC. In connection with assets invested by APC clients in the Mutual and LP Funds, APC receives compensation in the form of a co-advisory payment from ACR - ACR pays a portion of the fees it receives from the Mutual and LP Funds to APC for providing certain ongoing advisory services to its clients who invest in those products. All fees shall be paid solely from ACR's advisory fee and shall not result in any additional charge to the investor.

APC waives the management fee it would otherwise charge for accounts invested in the Mutual and LP Funds. Instead, APC charges a 0.25% Advisory Services Fee for ongoing consultation and advice relating to assets invested in the Mutual and LP Funds - as well as for matters including decisions impacting those investments, such as how those assets impact overall asset allocation, general financial plans and related guidance.

Other pooled investment vehicle(s):

Effective January 1, 2017, ACR is the sole member and manager of Alpine Partners Management, LLC ("APM") which is the general partner of the MQR LP. ACR also serves as adviser to the MQR LP; in this capacity, ACR receives advisory fees from the fund and, as the sole member of APM, is in a position to derive compensation from the net profits of the MQR LP. Prior to 2017, Nicholas Tompras was the sole member and manager of APM and, in this capacity, he did not receive any direct compensation for making recommendations or providing advice to the MQR LP but was in a position to derive compensation from the net profits of the MQR LP.

As the manager of APM, ACR has primary responsibility for investment management and administrative matters pertaining to the MQR LP, such as accounting, tax and periodic reporting. ACR and its members, officers and employees will devote to the MQR LP as much time as deemed necessary and appropriate to manage its business.

ACR and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the MQR LP and/or may involve substantial time and resources of ACR and its affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of ACR's management personnel and employees will not be devoted exclusively to the business of the MQR LP, but could be allocated between the business of the MQR LP and other of ACR's business activities and those of its affiliates.

Investments in private funds managed by ACR may be recommended to advisory clients for whom a partnership investment may be more suitable than a separate advisory account managed by ACR. Clients who invest in ACR-managed private funds are not currently charged any additional advisory fees, but indirectly pay ACR its advisory fees as investors in those funds.

The MQR LP has a minority investment in a privately-held corporation, Benjamin F. Edwards, Inc., whose primary business, through its wholly-owned subsidiary, Benjamin F. Edwards & Co. (BFEC), is as a broker-dealer providing financial services primarily to individuals. ACR participates in one or more managed account programs with BFEC in which ACR provides investment advisory services to mutual clients of ACR and BFEC. ACR is aware of a potential conflict of interest due to the MQR LP's investment in Benjamin Edwards, Inc. and ACR's business relationship with BFEC. ACR takes very seriously its fiduciary responsibility to treat all advisory clients and MQR LP limited partners fairly, irrespective of ACR's interest in any other business relationship, and it has policies and procedures in place, as described in this document, to assure integrity with its fiduciary responsibilities to all clients and limited partners.

Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Related persons of ACR may spend as much as 50% of their time managing pooled investment vehicles.

A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. Part 1 of ACR's Form ADV and may be accessed by following the directions provided on the Cover Page of this Firm Brochure.

In addition, ACR serves as the investment adviser to these pooled investment vehicles. Advisory clients of ACR and APC are solicited to invest in these funds; however, because investment in these types of entities are subject to qualification and may involve certain additional degrees of risk, they will only be recommended when appropriate. Clients are under no obligation to invest in any of the above- described entities or to implement any advisory recommendations.

Clients should be aware that the receipt of additional compensation by ACR and its management persons or employees creates a conflict of interest that may impair the objectivity of ACR and these individuals when making investment recommendations. ACR endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser; ACR takes the following steps to address this conflict:

- ACR discloses to clients the existence of all material conflicts of interest, including the potential for ACR and its employees to earn compensation from advisory clients, directly and indirectly, in addition to ACR's advisory fees;
- ACR discloses to clients that they are not obligated to purchase recommended investment products from its employees or affiliated companies;
- ACR collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance. For wrap accounts and separately managed accounts offered through other advisers, this practice is completed by the clients' direct adviser;

- ACR's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances. For wrap accounts and separately managed accounts offered through other advisers, this practice is completed in conjunction with the clients' direct adviser;
- ACR requires that its employees seek prior approval of any outside employment activity so that it may ensure that any conflicts of interests in such activities are properly addressed;
- ACR periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- ACR educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ACR has adopted a Code of Ethics which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable Federal securities laws.

ACR and its personnel owe a duty of loyalty, fairness and good faith to the Firm's clients, and they have an obligation to adhere not only to the specific provisions of the Code of Ethics ("Code") but to the general principles that guide the Code.

ACR's Code includes provisions for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's Access Persons.

These reports also include employee reports on political contributions and the presence of any outside business activities. In addition to the required pre-clearance of trades of marketable securities, ACR's Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering ("IPO"). ACR's Code further provides for oversight, enforcement and recordkeeping provisions.

ACR's Code also includes a Statement on Insider Trading as required by Federal Securities Law. All Access Persons are prohibited from using material non-public information in either a personal or professional capacity.

A copy of ACR's Code is available to its advisory clients and prospective clients. You may request a copy by email sent to info@acr-invest.com, or by calling ACR at 314-932-7600.

ACR's Code is designed to assure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

ACR and/or individuals associated with the Firm may buy or sell for their personal accounts securities identical to or different from those recommended to its clients. In addition, any

related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

ACR may aggregate its employee trades with client transactions where possible and when compliant with its duty to seek best execution for its clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, ACR will allocate all purchases pro-rata or pursuant to the Firm's trade rotation procedures, with each account paying the average price. ACR's employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to ACR's clients, the Firm has established the following policies and procedures for implementing its Code, to ensure that the Firm complies with its regulatory obligations and provides its clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of the Firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of the Firm may buy or sell securities for his or her personal portfolio(s) where their decision is a result of information received through his or her employment unless the information is also available to the investing public.
- It is the expressed policy of the Firm that no person employed by it may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- The Firm requires prior approval for any IPO or private placement investments by Access Persons of the Firm.
- ACR maintains a list of all reportable securities holdings for the Firm and anyone associated with this advisory practice that has access to advisory recommendations (each, an "Access Person"). These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer or his/her designee.
- All of ACR's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ACR requires delivery and acknowledgment of the Code by each supervised person of the Firm.
- ACR has established policies requiring the reporting of Code violations to our senior management.

- Any individual who violates any of the above restrictions may be subject to termination.

Principal and Cross Transactions: It is ACR's policy that the Firm will not effect any principal or agency cross securities transactions for client accounts.

As disclosed in the preceding section of this Brochure (Item 10), certain related persons of the Firm are separately registered as securities representatives of a broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

FREELY TRADED ACCOUNTS

For discretionary clients, ACR requires them to grant it the authority to select the broker-dealer and negotiate the commission costs for these transactions.

Clients must include any limitations on this discretionary authority in a written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided in writing.

ACR seeks to obtain the best execution in placing orders for securities investments for discretionary clients. Best execution includes, but is not limited to, an evaluation of the best available price and most favorable execution. Furthermore, the execution of a particular transaction at the price and commission which provides the most favorable total cost or proceeds reasonably obtainable under the circumstances. ACR places orders for the execution of transactions for client accounts in accordance with its best execution policies, except as otherwise directed by clients. Selection of a broker-dealer by ACR in any instance is consequently based upon a variety of factors, which may include:

- Commission rates;
- Execution capability;
- Responsiveness;
- Creditworthiness and financial stability;
- Clearance and settlement capability; and
- The broker-dealer's provision of research and other brokerage services to ACR.

Transactions may not always be executed at the lowest available price or commission, no assurance may be given that best execution can or will be achieved for each client transaction and perceptions of what constitutes best execution in any given instance may vary. ACR does not consider, when selecting or recommending brokers, whether the broker refers clients to ACR.

DIRECTED BROKERAGE ACCOUNTS

ACR permits clients to direct transactions to a certain broker (a practice referred to as “Directed Brokerage”). If a client requires ACR to direct transactions to a certain broker, ACR may be unable to achieve best execution due to the lack of the ability to shop around for price and more favorable execution. When not aggregated, trades for an account will be executed after aggregated orders for other clients, which could result in different prices with different trading costs. Among other things, client-directed brokerage may result in (a) ACR being unable to seek best price and execution by placing transactions with other brokers and (b) the client foregoing benefits from savings on execution costs that might otherwise be obtained from aggregation of brokerage orders for clients. As a result, client directed accounts may have performance that is different from that of comparable, non-directed client accounts.

Generally, ACR will execute all securities transactions for wrap fee accounts through the broker-dealer sponsoring the wrap fee program because the commission charge is included as part of the fee paid by the client. Accordingly, trades effected through the broker-dealer sponsoring the program avoid additional transaction costs to the client. Similar to directed brokerage transactions discussed above, trades for wrap fee accounts are executed after aggregated orders for other freely traded clients. ACR has adopted procedures reasonably designed to ensure that clients are treated fairly and equitably in the execution of orders for wrap fee accounts.

ACR may “step-out” trades from existing custodians and consolidate those trades with one broker-dealer in order to attempt to achieve the best execution of trading clients’ securities in client accounts. A “step-out” means that shares are traded away from the clients’ custodian and aggregated in an order with a broker-dealer. This action will typically occur in instances where ACR has determined that trading a specific security may be adversely impacted by allowing the trade to be spread across a large number of different custodians. ACR’s clients consent to this action which is effected through block trading as described below.

TRADE ROTATION

To assure that clients, including model portfolio clients, are treated fairly and equitably, ACR utilizes a rotation process when placing trades for clients. ACR has adopted policies and procedures reasonably designed to minimize the impact of such simultaneous trading.

When placing orders to buy or sell a security for all accounts pursuing a specific strategy, ACR typically groups all impacted clients into one of two categories:

- Accounts that grant ACR discretion in selecting how to execute trades (“Freely Traded Accounts”); and

- Accounts that have directed ACR to use specified broker-dealers, including wrap accounts where trades are normally placed through the sponsoring broker (“Directed Accounts”)

In the absence of unique circumstances, trades for all Freely Traded accounts are aggregated and executed simultaneously on a best execution basis, prior to the execution of trades for any Directed Accounts. Trades for each of the broker-dealers with Directed Accounts are executed on a rotational basis.

In the absence of unique circumstances, sponsors of UMAs will typically be sent model portfolio information following the completion of the corresponding account trades for both the Freely Traded Accounts and Directed Accounts. At ACR’s sole discretion, model portfolio information may be communicated to UMA sponsors in a reasonable and orderly rotation with Directed Accounts under certain circumstances, including if volume permits and the UMA sponsor is available to accept model information at the time of its position in the trade rotation.

INVESTMENT ALLOCATION AND AGGREGATION

ACR may, when appropriate, aggregate purchases or sales of securities and allocate such trades among two or more clients. By so doing, ACR reasonably believes that over time it may be able to decrease brokerage and transaction costs to its clients through volume discounts, reduce brokerage commissions through negotiations not available to purchasers or sellers of smaller volumes of securities and/or obtain better pricing than is possible for smaller trades. In general, an aggregated purchase or sale order that is only partially filled will be allocated on either a random or pro rata basis among the clients participating in the order. Generally, clients participating in aggregated trades will receive the same average execution price on any given aggregated order on a given business day and transaction costs will be shared pro rata based on each client’s participation in the transaction.

Block trading may allow ACR to execute equity trades in a more timely, more equitable manner, at an average share price. ACR will typically aggregate trades among clients whose accounts are required to be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. ACR's block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with ACR, the Firm's order allocation policy or due to an account type.
- The trading desk, in concert with the respective Investment Team, must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

- The respective Investment Team must reasonably believe that the order aggregation will benefit, and will enable ACR to seek best execution for, each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution.
- Prior to entry of an aggregated order, an electronic order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day, known as a partial fill, must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other recorded statement of allocation. Adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts, as well as for other reasons.
- Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- If the order will be allocated in a manner other than that as described above, a written explanation of the exception will be provided to the Chief Compliance Officer.
- ACR's client account records will separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- Funds and securities for aggregated orders are clearly identified on ACR's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

Item 13 Review of Accounts

INDIVIDUAL ACCOUNT MANAGEMENT

Institutional and SMA Advisory Accounts

Reviews: While the underlying securities within separately managed accounts are continually monitored, these accounts are reviewed periodically. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. Portfolios are reviewed more often, if deemed necessary (due to deposits, withdrawals, model changes, etc.). More frequent reviews may be triggered by

material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by members of ACR's client relations and operations teams.

Reports: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, ACR may provide quarterly reports summarizing account performance, balances and holdings to some clients, but not all clients. These reports will also remind the client to notify the Firm if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

SMA Wrap Programs

Reviews: While the underlying securities within SMA Wrap Program accounts are continually monitored, these accounts are reviewed periodically. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client or program sponsor. Portfolios are reviewed more often, if deemed necessary (due to deposits, withdrawals, model changes, etc.). Reports are not provided to Program Sponsors, unless specifically contracted by the Program Sponsor.

Reports: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, on a limited basis, ACR may provide quarterly reports summarizing account performance, balances and holdings to some, but not all clients.

CONSULTING – Unified Managed Accounts (UMAs)

The models provided to UMA program sponsors are reviewed on at least a monthly basis by the Investment Committee members. For these accounts, ACR provides consulting services only and, consequently, does not report the performance of UMA relationships in its various investment composites. No reports are provided to the clients in this particular program.

MQR FUND, IQR FUND and MQR LP MANAGEMENT

Generally, the MQR and IQR Investment Teams (which are a subset of the Investment Committee) are responsible for (i) the initial evaluation of whether an investment is suitable for each Fund, (ii) the continuous monitoring of the investments held by each Fund and (iii) any material changes to investments. The Investment Committee meets on a regular basis (via phone or in person) to discuss investment and any reporting and to assess and modify (as necessary) the asset management strategy for each Fund's investments.

Item 14 Client Referrals and Other Compensation

It is ACR's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to the Firm.

It is ACR's policy not to accept or allow its related persons to accept any material form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services its provides to its clients.

As disclosed above in Item 10, two employees are registered representatives of a broker-dealer, IMST Distributors. Those employees will promote the sale of the affiliated Mutual Funds to broker-dealers, other companies and individuals. IMST Distributors, a FINRA Member and broker-dealer, is the distributor of the Mutual Fund. These individuals may receive compensation for recommending or advising on investment products and services offered by the Firm. IMST Distributors does not provide incentives in the form of cash compensation, sales awards or other prizes to ACR's registered representatives.

Item 15 Custody

ACR previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that the Firm may directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian generally does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact ACR directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, ACR also generally sends account statements directly to its clients on an annual or more frequent basis. The Firm urges its clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

The MQR LP has retained the services of Pershing LLC to facilitate custody and trading of its assets. ACR retains the services of an outside, independent administrator, UMB Fund Services, Inc., to provide administrative services for the MQR LP. Finally, ACR has retained the services of PricewaterhouseCoopers LLP to conduct an annual audit of the financial statements of the MQR LP.

Item 16 Investment Discretion

Clients hire ACR to provide discretionary asset management services in which the Firm places trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

ACR's discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give the Firm discretionary authority when they sign a discretionary agreement with the Firm, and may limit this authority by giving ACR written instructions. Clients may also change/amend such limitations by providing ACR with written instructions.

Item 17 Voting Client Securities

ACR votes proxies for all client accounts, including the Mutual Fund and the LP; however, clients always have the right to vote proxies themselves. Clients may exercise this right by instructing ACR in writing to not vote proxies in their account.

ACR will vote proxies in the best interests of its clients and in accordance with its established policies and procedures. The Firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by ACR that was material to making a decision how to vote proxies and a copy of each written client request for information on how the adviser voted proxies. If the Firm has a conflict of interest in voting a particular action, it will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of ACR's complete proxy voting policies and procedures by contacting the Firm's Chief Compliance Officer by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of ACR's complete proxy policies and procedures or how the Firm voted proxies for his/her account(s), ACR will promptly provide such information to the client.

ACR will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct ACR to transmit copies of class action notices to the client or a third party. Upon such direction, the Firm will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, ACR will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct ACR to vote a proxy in a particular manner, clients should contact the Firm's Chief Compliance Officer by telephone, email, or in

writing. You may also instruct ACR on how to cast your vote in a particular proxy contest by contacting the Firm at 314-932-7600.

Item 18 Financial Information

As an advisory Firm that maintains discretionary authority for client accounts, ACR is also required to disclose any financial condition that is reasonable likely to impair its ability to meet its contractual obligations. ACR has no such financial circumstances to report.

Under no circumstances does ACR require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, the Firm is not required to include a financial statement.

ACR has not been the subject of a bankruptcy petition at any time during the past ten years.