



**Broad and thoughtful diversification**

**Seeks to participate in up markets and limit losses in down markets**

**Active portfolio and risk management**

## KEY INVESTMENT STRATEGIES

MERGER ARBITRAGE	SPECIAL SITUATIONS	<p><b>The inclusion of the Fund in an investment portfolio may provide an added layer of diversification while potentially reducing volatility.</b></p>
RESTRUCTURING	CREDIT-CATALYST OPPORTUNITIES	

### Description of event-driven styles

- **Merger Arbitrage** - classic arbitrage trade in which the stocks of two merging companies are simultaneously bought (target) and sold (acquirer);
- **Special Situations** - invests in corporate events such as management changes or exploits opportunities between different capital layers of a company;
- **Restructuring** – similar to the special situations strategy; allows a diversification of trading opportunities;
- **Credit-Catalyst Opportunities** - can be followed as a single strategy but benefits from integration in large event funds.

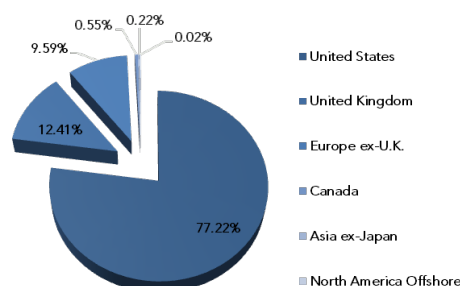
## MONTHLY PORTFOLIO COMPOSITION

Top Ten Equity Holdings	62.33%	Fund Summary	Strategy Allocations
1. Altaba Inc.		<b>Fund AUM (USD):</b> \$117.6 mm	
2. Time Warner Inc.		<b>Strategy AUM:</b> \$369.1mm	
3. NXP Semiconductors NV		<b>Average position size:</b> 1.90%	
4. DowDuPont Inc.		<b>Number of long positions:</b> 87	
5. Worldpay Group PLC		<b>Percent invested:</b> 165%	
6. Sky PLC		<b>Short exposure:</b> 53.59%	
7. C.R. Bard, Inc.		<b>Net exposure*:</b> 111.41%	
8. Hewlett Packard Enterprise Company			
9. CBS Corporation			
10. American International Group, Inc.			

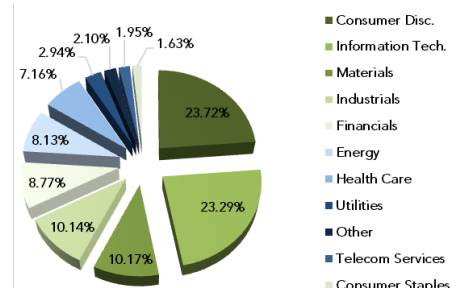
Fund holdings and asset allocation are subject to change at any time and are not recommendations to buy or sell a security.

\*The Fund's net exposure (i.e., long positions less short positions) may not be an accurate indicator of the Fund's directional exposure. The Fund's short positions are often established as part of the Fund's exposure to a particular merger or other event-driven opportunity, rather than to effect a negative investment view of the Fund's investment adviser. Accordingly, the Fund may have a greater number of short positions if a greater percentage of the Fund's merger-arbitrage positions are comprised of stock-for-stock transactions (as opposed to, for example, cash transactions).

### Geographic Exposure (gross)



### Sector Exposure (gross)





## MORNINGSTAR RATING™ OVERALL



Out of 253 Multialternative funds.  
As of 9/30/17

The Overall Morningstar Rating for WCEIX is derived from a weighted average of the Fund's 3-, 5-, and 10-year Morningstar Metrics based upon risk-adjusted returns.

## INVESTMENT STRATEGY

The Fund seeks to provide attractive risk-adjusted returns with low volatility in virtually all market environments. The Fund primarily employs investment strategies designed to capture price movements generated by specific events, including, but not limited to, mergers, acquisitions, asset sales or other divestitures, restructurings, refinancing, recapitalizations, reorganizations, or other special situations (referred to as "event-driven opportunities"). It is non-diversified.

## FUND SNAPSHOT

Inception Date*	1/2/2014
Ticker	WCEIX
Minimum Investment	\$ 1,000,000
Primary Prospectus Benchmark	BofAML US Treasury Bill 3 Mon TR USD
Morningstar Category	US Fund Multialternative
Turnover Ratio	217%
Management Fee*	1.25%

\*Expense ratios are as of the April 27, 2017 Prospectus. The total annual operating expense ratios of the Fund's Institutional Class shares and Investor Class shares were 2.54% and 2.79% respectively. Total annual operating expenses of the Fund's Institutional Class shares and Investor Class shares were 2.53% and 2.78% respectively and were applicable to investors. The Adviser has contractually agreed to waive its investment advisory fee and to reimburse the Fund for other ordinary operating expenses to the extent necessary to limit ordinary operating expenses (not including brokerage commissions, short dividends, interest expense, taxes, acquired fund fees and expenses or extraordinary expenses) to an amount not to exceed 1.74% and 1.99% for Institutional Class shares and Investor Class shares respectively. The expense limitation is expected to apply until April 30, 2018, except that it may be terminated by the Board of Trustees at any time. Acquired Fund Fees and Expenses and Interest and Dividend Expense on securities Sold Short were 0.17% and 0.62% respectively.

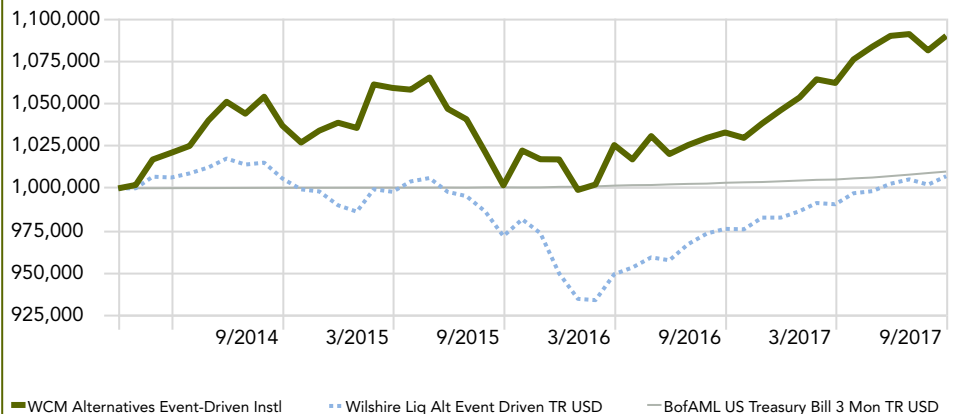
## RISK CHARACTERISTICS

Time Period: 2/1/2014 to 9/30/2017

	WCEIX	S&P 500
Std Dev	3.77	9.63
Beta	0.32	1.00
Sharpe Ratio	0.54	1.24
Sortino Ratio	0.86	2.34
R2	65.50	100.00

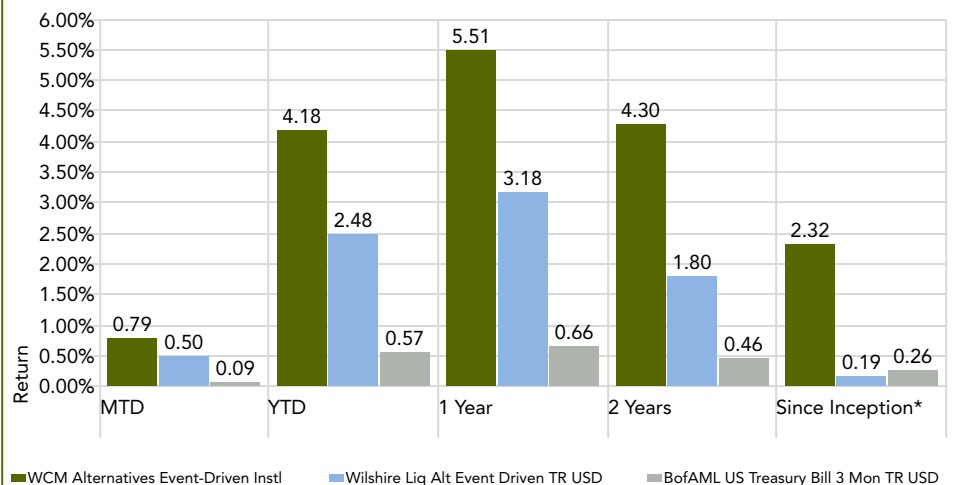
## INVESTMENT GROWTH

Time Period: 1/3/2014 to 9/30/2017



## TRAILING RETURNS (as of Month-End)

As of Date: 9/30/2017



## TRAILING RETURNS (as of Quarter-End)

As of Date: 9/30/2017

	3Q	YTD	1 Year	2 Years	Since Inception*
WCM Alternatives Event-Driven Instl	0.00%	4.18%	5.51%	4.30%	2.32%
Wilshire Liq Alt Event Driven TR USD	0.44%	2.48%	3.18%	1.80%	0.19%
BofAML US Treasury Bill 3 Mon TR USD	0.26%	0.57%	0.66%	0.46%	0.26%

Performance data quoted represents past performance; past performance does not guarantee future results. Returns greater than one year are annualized. The performance results portrayed herein reflect the reinvestment of all interest, dividends and distributions. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling (800) 343-8959 or by visiting [www.westchestercapitalfunds.com](http://www.westchestercapitalfunds.com).



# Westchester Capital FUNDS

WCM Alternatives: Event-Driven Fund  
A Westchester Capital Fund  
WCEIX | CUSIP 95737C103

September 30, 2017

**Roy D. Behren**  
Portfolio Manager & Managing Member



- With Westchester Capital Management since 1994; Portfolio Manager since 2007
- Prior roles at the firm included Analyst, Trader, and Chief Compliance Officer
- Formerly with the SEC NY Regional Office - Enforcement Attorney
- Member Redback Networks' Board of Directors, Audit Committee, from 2004-2006
- B.S. Economics, The Wharton School
- J.D. University of Miami Law School
- LL.M. Corporate law, New York University School of Law

**Michael T. Shannon, CFA**  
Portfolio Manager & Managing Member



- With Westchester Capital Management since 1996; Portfolio Manager since 2007
- Began with firm as the Head of Research
- Formerly with DE Shaw & Co., SVP, Mergers & Special Situations; JP Morgan, Corp. Finance, M&A, Equity Research
- Member of NY Society of Security Analyst and CFA Institute
- B.S. Finance, Boston College

## AN EXPERIENCED MANAGEMENT TEAM

- The Firm's principals have been working together for over 20 years and have significant experience evaluating conservative, minimally correlated event-driven opportunities.
- The team has developed sophisticated analytical tools to analyze, monitor and evaluate investment opportunities especially for the event-driven universe.
- WCM has evaluated more than 10,000 potential transactions, and invested in over 4,500 corporate reorganizations, over 98% of which were completed.

Diversification does not assure a profit nor does it protect against a loss in a declining market.

Before investing in WCM Alternatives: Event-Driven Fund, carefully consider its investment objectives, risks, charges and expenses. For a prospectus or summary prospectus containing this and other information, please call (800) 343-8959 or view it online at [www.westchestercapitalfunds.com](http://www.westchestercapitalfunds.com). Please read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Merger-arbitrage and event-driven investing involves the risk that the adviser's evaluation of the outcome of a proposed event, whether it be a merger, reorganization, regulatory issue or other event, will prove incorrect and that the Fund's return on the investment will be negative. Investments in foreign companies may entail political, cultural, regulatory, legal, and tax risks different from those associated with comparable transactions in the United States. The frequency of the Fund's transactions will vary from year to year, though merger arbitrage portfolios typically have higher turnover rates than portfolios of typical long-only funds. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs. The higher costs associated with increased portfolio turnover may offset gains in the Fund's performance. The Fund may enter into short sale transactions for, among other reasons, purposes of protecting against a decline in the market value of the acquiring company's shares prior to the acquisition completion. If the price of a security sold short increases between the time of the short sale and the time the Fund covers its short position, the Fund will incur a loss. The amount of a potential loss on an uncovered short sale transaction is theoretically unlimited. Debt securities may fluctuate in value due to, among other things, changes in interest rates, general economic conditions, industry fundamentals, market sentiment and the financial condition of the issuer, including the issuer's credit rating or financial performance. Derivatives may create leverage which will amplify the effect of the performance of those instruments on the Fund and may produce significant losses. The Fund's hedging strategy will be subject to the Fund's investment adviser's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged.

Absolute return funds may not achieve their goals and are not intended to outperform stocks and bonds during strong market rallies and may underperform during periods of strong positive market performance.

Definitions: The **S&P 500 Index** is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. It is shown with dividends reinvested. You cannot invest directly in the index; The **BofA Merrill Lynch US 3-Month Treasury Bill Index** is comprised of a single issue purchased at the beginning of the month and held for a full month. Indices are unavailable for direct investment. The **Wilshire Liquid Alternative Event Driven Index** measures the performance of the event driven strategy component of the Wilshire Liquid Alternative Index. Event driven strategies predominantly invest in companies involved in corporate transactions such as mergers, restructuring, distressed, buy-backs, or other capital structure changes. The **US Fund MultiAlternative** is the Morningstar category representing funds that have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **Standard Deviation** is the degree by which returns vary relative to the average return. The higher the standard deviation, the greater the variability of the investment; **Sharpe Ratio** measures reward vs. risk. 3-month T-Bill used for risk-free rate. A higher number is more favorable; **Beta** is a measure of the fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market and a portfolio with a beta less than 1 is less volatile than the market; **R-Squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. A fund with a low R-squared (70 or less) doesn't act much like the index.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of September 30, 2017, WCM Alternatives: Event-Driven Fund – Institutional share class was rated against the following numbers of U.S.-domiciled Multialternative funds over the following time periods: 253 funds in the last three years. With respect to these Multialternative funds, WCM Alternatives: Event-Driven Fund – Institutional share class received a Morningstar rating of 3 stars for the three year period. © 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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