



## **Schooner Fund**

Class A Shares (Symbol: SCNAX)

Institutional Class Shares\* (Symbol: SCNIX)

*\* Formerly, Class I Shares*

## **Schooner Hedged Alternative Income Fund**

Class A Shares (Symbol: SHAAX)

Institutional Class Shares (Symbol: SHAIX)

## **Prospectus**

**September 28, 2016**

**The Securities and Exchange Commission (“SEC”) has not approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

# Schooner Funds

Each a series of Trust for Professional Managers (the “Trust”)

## TABLE OF CONTENTS

<b>SUMMARY SECTION.....</b>	<b>1</b>
SCHOONER FUND .....	1
SCHOONER HEDGED ALTERNATIVE INCOME FUND .....	6
<b>PURCHASE AND SALE OF FUND SHARES, TAXES AND FINANCIAL INTERMEDIARY COMPENSATION.....</b>	<b>12</b>
<b>INVESTMENT STRATEGIES, RELATED RISKS AND DISCLOSURE OF PORTFOLIO HOLDINGS.....</b>	<b>13</b>
SCHOONER FUND .....	13
SCHOONER HEDGED ALTERNATIVE INCOME FUND .....	15
OTHER INVESTMENT POLICIES OF THE FUNDS .....	16
PRINCIPAL RISKS.....	17
PORTFOLIO HOLDINGS INFORMATION .....	22
<b>MANAGEMENT OF THE FUNDS.....</b>	<b>22</b>
THE ADVISOR.....	22
PORTFOLIO MANAGERS.....	23
<b>SHAREHOLDER INFORMATION .....</b>	<b>24</b>
CHOOSING A SHARE CLASS .....	24
SALES CHARGE REDUCTIONS AND WAIVERS .....	26
SHARE PRICE.....	28
HOW TO PURCHASE SHARES .....	29
HOW TO REDEEM SHARES .....	32
EXCHANGING SHARES .....	34
TOOLS TO COMBAT FREQUENT TRANSACTIONS .....	35
OTHER FUND POLICIES.....	36
<b>DISTRIBUTION OF FUND SHARES.....</b>	<b>37</b>
THE DISTRIBUTOR .....	37
RULE 12B-1 PLAN AND SHAREHOLDER SERVICING FEE .....	37
PAYMENTS TO FINANCIAL INTERMEDIARIES .....	37
<b>DISTRIBUTIONS AND TAXES .....</b>	<b>38</b>
DISTRIBUTIONS .....	38
FEDERAL INCOME TAX CONSEQUENCES .....	39
<b>FINANCIAL HIGHLIGHTS .....</b>	<b>40</b>

## SUMMARY SECTION

### Schooner Fund

**Investment Objective.** The primary investment objective of the Schooner Fund (the “Schooner Fund” or the “Fund”) is long-term capital appreciation with the generation of moderate current income.

**Fees and Expenses of the Fund.** This table describes the fees and expenses that you may pay if you buy and hold shares of the Schooner Fund. You may qualify for sales charge discounts on Class A shares if you or your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and under “Shareholder Information – Class A Shares” on page 25 of the Prospectus, and under “Additional Purchase and Redemption Information – Sales Charge on Class A Shares” on page 42 of the Fund’s Statement of Additional Information.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	<b>Class A</b>	<b>Institutional Class</b>
Maximum Sales Charge (Load) Imposed on Purchases ( <i>as a percentage of offering price</i> )	4.75%	None
Maximum Deferred Sales Charge (Load) ( <i>as a percentage of shares redeemed within 12 months of purchase</i> )	None <sup>(1)</sup>	None

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )		
Management Fees	1.25%	1.25%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses		
Interest Expense	None	0.01%
Remainder of Other Expenses	0.38%	0.37%
Total Other Expenses	<u>0.38%</u>	<u>0.38%</u>
Total Annual Fund Operating Expenses	<u>1.88%</u>	<u>1.63%</u>

<sup>(1)</sup> A contingent deferred sales charge (“CDSC”) of up to 1.00% may be imposed on certain redemptions made within one year of the date of purchase on shares that were purchased without an initial sales charge.

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

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
<b>Class A</b>	\$657	\$1,038	\$1,443	\$2,571
<b>Institutional Class</b>	\$166	\$514	\$887	\$1,933

**Portfolio Turnover.** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may generate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These transaction costs, and potentially higher taxes, which are not reflected in Total Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 18.48% of the average value of its portfolio.

**Principal Investment Strategies.** The Schooner Fund seeks to achieve its investment objective by investing in equity securities of U.S. companies with large market capitalizations (“large-cap companies”). The equity securities in which the Fund will invest include common and preferred stocks, convertible securities, and equity-linked securities such as warrants, rights, and equity options. The Fund considers large-cap companies, at the time of purchase, to be those companies with market capitalization within the range of market capitalizations of the Russell 1000<sup>®</sup> Index. As of May 27, 2016, the market capitalizations of companies in the Russell 1000<sup>®</sup> Index ranged from \$2.0 billion to \$549.7 billion.

The Fund attempts to keep a consistent balance between risk and reward over the course of different market cycles and volatility regimes through various combinations of stocks, convertible securities, writing (selling) single issuer equity call options, and buying index put options to achieve what the Advisor believes to be an appropriate blend for the current market. As the market environment changes, the Fund’s portfolio securities may change in an attempt to achieve a relatively consistent risk level over time. The Advisor may engage in active trading of the Fund’s portfolio investments to achieve the Fund’s investment objective.

To the extent deemed necessary or appropriate by Schooner Investment Group, LLC (the “Advisor”) for the efficient management of the Fund’s investment portfolio, the Fund may also invest a portion of its assets in derivative instruments as a substitute for taking positions in equity securities, to make speculative investments if the Advisor believes they offer an attractive stand-alone investment opportunity, or to reduce exposure to other risks. The Fund may write call options with strike prices and expiration dates designed to reduce the volatility of the Fund’s investment portfolio and to earn premium income. The Fund may also purchase index call and put options to achieve what the Advisor believes to be an appropriate blend for the current market.

The Fund may invest up to 25% of its net assets in various types of fixed income securities, including convertible debt securities and bonds, including zero coupon bonds and bonds that are rated below investment grade, commonly known as “junk bonds.” The Fund’s investments in fixed income securities will generally include bonds with an average term to maturity ranging from 2 to 10 years.

The Fund’s investment strategy suggests the sale of a security if: the aggregate weight of the security is in excess of 5% of the Fund’s assets; the security is deemed to be overvalued by the Advisor, using the investment process described above; the security has deteriorating fundamentals; or a more attractive investment opportunity exists.

**Principal Risks.** Before investing in the Schooner Fund, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested, and the amount of risk you are willing to take. Remember that in addition to possibly not achieving your investment goals, **you could lose money by investing in the Fund.** The principal risks of investing in the Fund are:

- *Management Risk.* Strategies employed by the Advisor in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.
- *General Market Risk.* The value of the Fund’s shares will fluctuate based on the performance of the Fund’s investments and other factors affecting the securities markets generally.
- *Equity Market Risk.* Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Preferred stocks are subject to the risk that the dividend on the stock may be changed or omitted by the issuer, and that participation in the growth of an issuer may be limited.
- *Large-Cap Company Risk.* Larger, more established companies may be unable to respond quickly to new competitive challenges, such as changes in consumer tastes or innovative smaller competitors. Also, large-cap companies are sometimes unable to attain the high

growth rates of successful smaller companies, especially during extended periods of economic expansion.

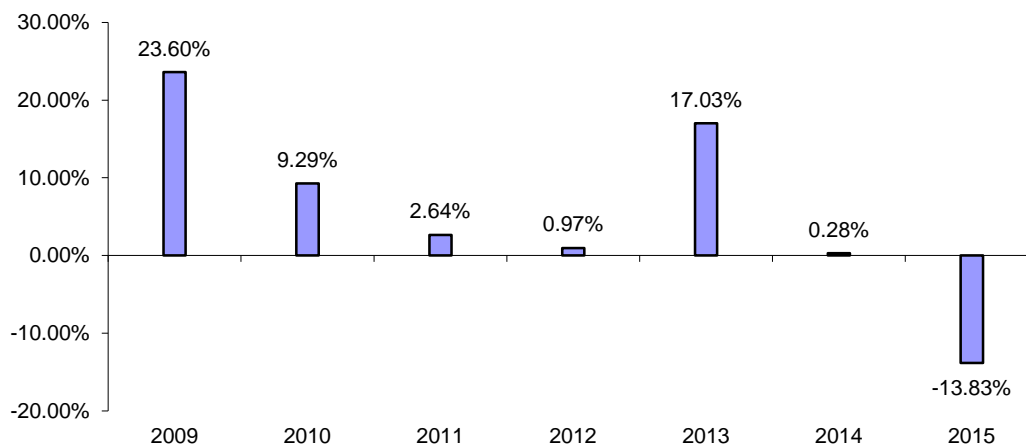
- *Convertible Securities Risk.* The market value of a convertible security performs like that of a regular debt security, that is, if market interest rates rise, the value of the convertible security falls.
- *Options and Futures Risk.* Options and futures may be more volatile than investments directly in the underlying securities, involve additional costs and may involve a small initial investment relative to the risk assumed. In addition, the value of an option or future may not correlate perfectly to the underlying securities index or overall securities markets.
- *Derivatives Risk.* The Fund's investment in derivative instruments ("Derivatives"), including options, may be more volatile than investments directly in the underlying securities, involve additional costs and may involve a small initial investment relative to the risk assumed. The Fund's investments in Derivatives could create exposure greater than the value of securities in the Fund's portfolio. As a result, investment performance of the Fund may depend on the performance of securities the Fund does not own. In addition, the value of a Derivative may not correlate perfectly to the underlying financial asset, index or other investment or overall securities markets.
- *Implied Volatility Risk.* When the Fund sells a listed put option, it gains the amount of the premium it receives, but also incurs a corresponding liability representing the value of the option it has sold (until the option is exercised and finishes "in the money," meaning it is worth money and can be sold, the option expires worthless, or the expiration of the option is "rolled," or extended forward). The value of the options in which a Fund invests is partly based on the volatility used by market participants to price such options (*i.e.*, implied volatility).
- *Tax Risk.* Option premium income received by the Fund will be recognized upon the exercise, lapse, sale or other disposition of the option and generally will be treated for federal income tax purposes as either short-term or long-term capital gain or loss. The Fund's transactions in options are subject to special tax rules, which may result in adverse tax consequences for the Fund, and which may result in adverse tax consequences for the Fund's shareholders. An investor in the Fund should consult his or her tax adviser to determine the suitability of the Fund as an investment and the tax treatment of Fund distributions.
- *Debt Securities Risk.* Interest rates may go up resulting in a decrease in the value of the debt securities held by the Fund. Investments in debt securities include credit risk, which is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that a bond issuer may "call," or repay, its high yielding bonds before their maturity dates. Debt securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Rising interest rates could cause prepayments of the obligation to decrease, extending the life of debt securities with lower payment rates. This is known as extension risk. Limited trading opportunities for certain debt securities may make it more difficult to sell or buy a security at a favorable price or time.
- *Below-Investment Grade Debt Securities ("junk bonds") Risk.* Although junk bonds generally pay higher rates of interest than higher-rated securities, they are subject to a greater risk of loss of income and principal. Junk bonds are subject to greater credit risk than higher-grade securities and have a higher risk of default. Companies issuing high-yield junk bonds are more likely to experience financial difficulties that may lead to a weakened capacity to make principal and interest payments than issuers of higher grade securities. Issuers of junk bonds are often highly leveraged and are more vulnerable to changes in the economy, such as a recession or rising interest rates, which may affect their ability to meet their interest or principal payment obligations.
- *Exchange-Traded Funds Risk.* The value of put options on ETFs sold by the Fund is based on the value of the ETFs underlying the options. The price of an ETF can fluctuate within a wide range, and the value of an option on an ETF may decrease if the prices of the securities owned by the ETF go down. An index ETF may not replicate the performance of a benchmark index

it seeks to track. In addition, an ETF is subject to the risk that the market price of the ETF's shares may trade at a discount to its NAV or an active trading market for its shares may not develop or be maintained. Trading of an ETF's shares may be halted, during which time an option may be exercised, exposing the Fund to the risks of directly investing in an ETF's shares. Additionally, ETFs have management and other fees, which the Fund would have to pay if the option was exercised, increasing their cost.

- *High Portfolio Turnover Rate Risk.* A high portfolio turnover rate (100% or more) has the potential to result in increased brokerage transaction costs, which may lower the Fund's returns. Furthermore, a high portfolio turnover rate may result in the realization by the Fund, and distribution to shareholders, of a greater amount of capital gains, including short-term capital gains, than if the Fund had a low portfolio turnover rate. Distributions to shareholders of short-term capital gains are taxed as ordinary income under federal income tax laws (for non-corporate shareholders, currently taxed at a maximum rate of 39.6%). This may mean that you could have a higher tax liability and a lower net after-tax return from the Fund.
- *Cybersecurity Risk.* With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. Cyber incidents affecting the Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

**Performance.** The performance information below demonstrates the risks of investing in the Schooner Fund by showing changes in the Fund's performance from year to year and by showing how a Fund's average annual total returns for one year, five year and since inception compare with those of a broad measure of market performance. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at [www.schoonermutualfunds.com](http://www.schoonermutualfunds.com) or by calling toll-free at 1-866-724-5997.

**Class A Shares**  
**Calendar Year Returns as of December 31,<sup>(1)(2)</sup>**



<sup>(1)</sup> The returns shown in the bar chart are for Class A shares of the Fund. Institutional Class shares commenced operations on June 22, 2012. Institutional Class shares would have substantially similar annual returns because the shares are invested in the same portfolio of securities and the annual returns would differ only to the extent that the Classes do not have the same expenses, including sales charges (load) applicable to Class A shares. Institutional Class shares do not have a sales charge (load) or 12b-1 fee.

<sup>(2)</sup> Sales loads are not reflected in the bar chart and the best and worst quarterly returns. If sales loads were reflected, the returns shown would have been lower.

The Fund's Class A shares' calendar year-to-date return as of June 30, 2016 was -6.03%. During the period shown in the bar chart, the best performance for a quarter was 13.67% (for the quarter ended June 30, 2009). The worst performance was -8.10% (for the quarter ended December 31, 2015).

**Average Annual Total Returns**

(For the periods ended December 31, 2015)

	<b>One Year</b>	<b>Five Year</b>	<b>Since Inception</b>
<b>Class A Shares</b> (includes sales charge)			
Return Before Taxes	-17.91%	-0.04%	2.58%
Return After Taxes on Distributions	-18.30%	-0.51%	2.06%
Return After Taxes on Distributions and Sale of Fund Shares	-9.81%	-0.05%	1.99%
<b>Institutional Class Shares</b>			
Return Before Taxes	-13.65%	1.22%	3.54%
<b>S&amp;P 500 Index</b> <sup>®</sup> (reflects no deduction for fees, expenses or taxes)	1.38%	12.57%	8.90%

Class A shares of the Fund commenced operations on August 29, 2008. Institutional Class shares of the Fund commenced operations on June 22, 2012. Performance shown for Institutional Class shares prior to its inception (Five Year and Since Inception) reflects the performance of Class A shares.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect the effect of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts (“IRAs”). After-tax returns are shown only for Class A shares and after-tax returns for Institutional Class shares will vary.

In certain cases, the figure representing “Return After Taxes on Distributions and Sale of Fund Shares” may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor.

**Investment Advisor.** Schooner Investment Group, LLC is the Fund’s investment advisor.

**Portfolio Managers.** Gregory R. Levinson, Chief Executive Officer and Chief Investment Officer of the Advisor, has served as the Schooner Fund’s portfolio manager since its inception in August 2008. Anthony B. Fusco, Managing Director - Trading of the Advisor, has served as the Fund’s portfolio manager since September 2011.

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to “Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation” on page 12 of the Prospectus.

## Schooner Hedged Alternative Income Fund

**Investment Objective.** The investment objective of the Schooner Hedged Alternative Income Fund (the “Hedged Alternative Income Fund” or the “Fund”) is long-term capital appreciation through the generation of income using strategies that have minimal correlation with traditional fixed income markets.

**Fees and Expenses of the Fund.** This table describes the fees and expenses that you may pay if you buy and hold shares of the Hedged Alternative Income Fund. You may qualify for sales charge discounts on Class A shares if you or your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and under “Shareholder Information – Class A Shares” on page 25 of the Prospectus, and under “Additional Purchase and Redemption Information – Sales Charge on Class A Shares” on page 42 of the Fund’s Statement of Additional Information.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	<b>Class A</b>	<b>Institutional Class</b>
Maximum Sales Charge (Load) Imposed on Purchases ( <i>as a percentage of offering price</i> )	3.50%	None
Maximum Deferred Sales Charge (Load) ( <i>as a percentage of shares redeemed within 12 months of purchase</i> )	None <sup>(1)</sup>	None
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )		
Management Fees	1.25%	1.25%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses		
Broker Expense and Interest Expense	0.01%	0.01%
Remainder of Other Expenses	0.37%	0.31%
Total Other Expenses	<u>0.38%</u>	<u>0.32%</u>
Total Annual Fund Operating Expenses	1.88%	1.57%
Fee Waiver/Expense Reimbursement <sup>(2)</sup>	<u>-0.24%</u>	<u>-0.18%</u>
Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement	<u>1.64%</u>	<u>1.39%</u>

<sup>(1)</sup> A contingent deferred sales charge (“CDSC”) of up to 1.00% may be imposed on certain redemptions made within one year of the date of purchase on shares that were purchased without an initial sales charge.

<sup>(2)</sup> Pursuant to an operating expense limitation agreement between Schooner Investment Group, LLC (the “Advisor”) and the Fund, the Advisor has agreed to waive its management fees and/or reimburse Fund expenses to ensure that Total Annual Fund Operating Expenses (exclusive of interest, acquired fund fees and expenses, leverage (*i.e.* any expenses incurred in connection with borrowings made by the Fund) and tax expenses, dividends and interest expenses on short positions, brokerage commissions, and extraordinary expenses) do not exceed 1.64% and 1.39% of the Fund’s average annual net assets for Class A shares and Institutional Class shares, respectively, through at least September 28, 2017. The operating expense limitation agreement can be terminated only by, or with the consent of, the Trust’s Board of Trustees (the “Board of Trustees”). The Advisor is permitted to be reimbursed for management fee reductions and/or expense payments made in the prior three fiscal years, subject to the limitation on the Fund’s expenses in effect at the time of the waiver.

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



	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
<b>Class A</b>	\$526	\$912	\$1,323	\$2,467
<b>Institutional Class</b>	\$153	\$490	\$849	\$1,862

**Portfolio Turnover.** The Hedged Alternative Income Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may generate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These transaction costs and potentially higher taxes, which are not reflected in the annual fund operating expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund did not hold any long term investments; therefore, a portfolio turnover rate is not applicable as to the average value of the Fund’s portfolio.

**Principal Investment Strategies.** Under normal market conditions, the Hedged Alternative Income Fund seeks to achieve its investment objective by selling (writing) listed put options on domestic equity securities without regard to market capitalization, including common stocks, preferred stocks and exchange traded funds (“ETFs”) that invest in equity securities or that seek to track U.S. equity indices. The Advisor seeks to achieve “hedged alternative income” by employing investment strategies that have minimal correlation with traditional fixed income markets, while seeking to mitigate equity market risk and provide regular distributions to investors. Additionally, the Fund may hedge or supplement its portfolio with long positions in index or index related ETF put options. The Fund will segregate cash or other liquid assets in an amount equal to the Fund’s obligations under each option sold by the Fund so that each option sold will be “covered.”

The Fund’s primary strategy involves the writing of a portfolio of exchange-listed put options on publicly traded, exchange-listed equities. The Advisor uses a quantitative model to screen the universe of publicly traded stocks. From the selection set, the Advisor chooses which put options to sell based on various criteria, including implied volatility, market cap, liquidity, sensitivity to the underlying equity, and sector concentration. Each listed put option included is an “American-style” option (*i.e.*, an option which can be exercised at the strike price at any time prior to its expiration). When the Fund writes a put option, it expects to profit if the underlying security prices remain the same or rise. The Fund receives a premium and gives the purchaser the right to sell the underlying security at any time during the put period at a fixed exercise price regardless of market price changes during the put period. If the put is exercised, the Fund must purchase the underlying security at the exercise price.

The Fund seeks to generate distributable cash flow by passing through the net option premium received from its sales of put options. For each put option written, several alternatives exist for its disposition. The put position can be held until its expiration date, at which time it will either expire worthless, in which case the Fund will retain all of the income generated by the sale of the put, or the put option may be exercised against the Fund by the long holder of the put, in which case the Fund will be obligated to buy a requisite number of shares of the underlying stock at the strike price. In cases where the Fund receives shares of equity as the result of an exercise, the Fund will sell such shares in the open market on the next possible trading day. The other option for disposition of the written put is for the Fund to sell short shares of the underlying stock to close the short put position. The Fund may do this because the risk/reward profile of the option has become less appealing in the Advisor’s determination, and may or may not replace the closed option position with a newly written put option.

Each put option sold by the Fund will be covered through investments in cash equivalents at least equal to the Fund’s maximum liability under the option (*i.e.*, the strike price).

The Fund may buy protective puts or put spreads on indices or index-related ETFs if it believes that the risk/reward profile created by doing so is attractive. This means that if the Fund considers such protective puts or put spreads to be attractively priced in terms of implied volatility (one of the

primary drivers of option pricing) on either an absolute basis or relative to puts on individual equities, the Fund may choose to protect the portfolio of written put options by buying a quantity of such puts or put spreads. These puts or put spreads typically increase in value as the indices underlying them decrease, thereby providing protection, if the puts or put spreads perform as intended, to the portfolio based on a degree of correlation between the equities underlying the portfolio's holdings and the aforementioned indices. The Advisor may engage in active trading of the Fund's portfolio investments to achieve the Fund's investment objective. This may include changing strikes, expirations, and underlying equities on which puts are written, when necessary.

The Fund is "non-diversified," meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities.

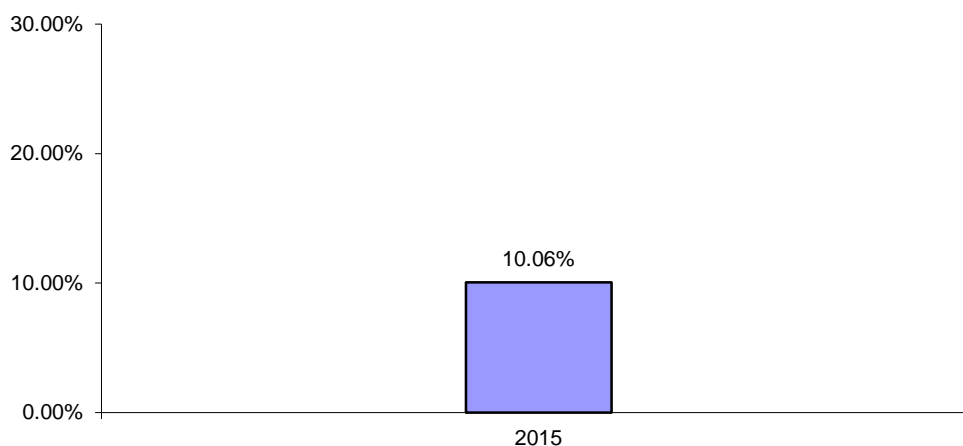
**Principal Risks.** Before investing in the Hedged Alternative Income Fund, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested, and the amount of risk you are willing to take. Remember that in addition to possibly not achieving your investment goals, **you could lose money by investing in the Fund.** The principal risks of investing in the Fund are:

- *Management Risk.* Strategies employed by the Advisor in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.
- *General Market Risk.* The value of the Fund's shares will fluctuate based on the performance of the Fund's investments and other factors affecting the securities markets generally.
- *Options Risk.* Options may be more volatile than investments directly in the underlying securities, involve additional costs and may involve a small initial investment relative to the risk assumed. In addition, the value of an index based option may not correlate perfectly to the underlying securities index on which the option is based, or to overall securities markets. The Fund's investments in options could include the loss of the entire premium and the value of the underlying asset.
- *Derivatives Risk.* The Fund's investment in derivative instruments ("Derivatives"), including options, may be more volatile than investments directly in the underlying securities, involve additional costs and may involve a small initial investment relative to the risk assumed. The Fund's investments in Derivatives could create exposure greater than the value of securities in the Fund's portfolio. As a result, investment performance of the Fund may depend on the performance of securities the Fund does not own. In addition, the value of a Derivative may not correlate perfectly to the underlying financial asset, index or other investment or overall securities markets.
- *Leverage Risk.* Derivatives investments may create economic leverage and can result in losses to the Fund that exceed the original amount invested.
- *Implied Volatility Risk.* When the Fund sells a listed put option, it gains the amount of the premium it receives, but also incurs a corresponding liability representing the value of the option it has sold (until the option is exercised and finishes "in the money," meaning it is worth money and can be sold, the option expires worthless, or the expiration of the option is "rolled," or extended forward). The value of the options in which the Fund invests is partly based on the volatility used by market participants to price such options (*i.e.*, implied volatility). Accordingly, increases in the implied volatility of such options will cause the value of such options to increase (even if the prices of the options' underlying stocks do not change), which will result in a corresponding increase in the liabilities of the Fund under such options and thus decrease the Fund's NAV. The Fund is therefore exposed to implied volatility risk before the options expire or are exercised. This is the risk that the value of the implied volatility of the options sold by the Fund will increase due to general market and economic conditions, perceptions regarding the industries in which the issuers of such stock participate, or factors relating to specific companies.

- *Tax Risk.* Option premium income received by the Fund will be recognized upon the exercise, lapse, sale or other disposition of the option and generally will be treated for federal income tax purposes as either short-term or long-term capital gain or loss. The Fund's transactions in options are subject to special tax rules, which may result in adverse tax consequences for the Fund, and which may result in adverse tax consequences for the Fund's shareholders. An investor in the Fund should consult his or her tax adviser to determine the suitability of the Fund as an investment and the tax treatment of Fund distributions. Transactions involving the disposition of the Fund's underlying securities will give rise to either short-term or long-term capital gains or losses.
- *Equity Risk.* The Fund is subject to equity risk to the extent the Fund sells options on equity securities or ETFs that invest in equity securities. Equity investments are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of equity issuers change.
- *Small-Cap, Mid-Cap and Micro-Cap Company Risk.* Small-, mid- and micro-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies and, therefore, their securities tend to be more volatile than the securities of larger, more established companies, making them less liquid than other securities.
- *Large-Cap Company Risk.* Larger, more established companies may be unable to respond quickly to new competitive challenges, such as changes in consumer tastes or innovative smaller competitors. Also, large-cap companies are sometimes unable to attain the high growth rates of successful smaller companies, especially during extended periods of economic expansion.
- *Exchange-Traded Funds Risk.* The value of put options on ETFs sold by the Fund is based on the value of the ETFs underlying the options. The price of an ETF can fluctuate within a wide range, and the value of an option on an ETF may decrease if the prices of the securities owned by the ETF go down. An index ETF may not replicate the performance of a benchmark index it seeks to track. In addition, an ETF is subject to the risk that the market price of the ETF's shares may trade at a discount to its NAV or an active trading market for its shares may not develop or be maintained. Trading of an ETF's shares may be halted, during which time an option may be exercised, exposing the Fund to the risks of directly investing in an ETF's shares. Additionally, ETFs have management and other fees, which the Fund would have to pay if the option was exercised, increasing their cost.
- *Non-Diversified Fund Risk.* A decline in the value of an investment in a single issuer could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.
- *Cybersecurity Risk.* With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. Cyber incidents affecting the Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

**Performance.** The performance information below demonstrates the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how a Fund's average annual total returns for one year and since inception compare with those of a broad measure of market performance. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at [www.schoonermutualfunds.com](http://www.schoonermutualfunds.com) or by calling toll-free at 1-866-724-5997.

**Institutional Class Shares**  
**Calendar Year Returns as of December 31,<sup>(1)(2)</sup>**



- (1) The returns shown in the bar chart are for Institutional Class shares of the Fund. Institutional Class shares commenced operations on November 28, 2014. Class A shares would have substantially similar annual returns because the shares are invested in the same portfolio of securities and the annual returns would differ only to the extent that the Classes do not have the same expenses, including sales charges (load) applicable to Class A shares. Institutional Class shares do not have a sales charge (load) or 12b-1 fee.
- (2) Sales loads are not reflected in the bar chart and the best and worst quarterly returns. If sales loads were reflected, the returns shown would have been lower.

The Fund's Institutional Class shares' calendar year-to-date return as of June 30, 2016 was -3.54%. During the period shown in the bar chart, the best performance for a quarter was 9.64% (for the quarter ended March 31, 2015). The worst performance was -2.06% (for the quarter ended September 30, 2015).

**Average Annual Total Returns**

(For the periods ended December 31, 2015)

	<b>One Year</b>	<b>Since Inception</b>
<b>Institutional Class Shares</b>		
Return Before Taxes	10.06%	14.20%
Return After Taxes on Distributions	7.69%	11.49%
Return After Taxes on Distributions and Sale of Fund Shares	5.67%	9.59%
<b>Class A Shares</b> (includes sales charge)		
Return Before Taxes	5.98%	10.30%
<b>Barclays Aggregate Bond Index</b>	0.55%	0.59%
(reflects no deduction for fees, expenses or taxes)		

Institutional Class shares of the Fund commenced operations on November 28, 2014. Class A shares of the Fund commenced operations on September 28, 2015. Performance shown for Class A shares prior to its inception (One Year and Since Inception) reflects the performance of Institutional Class shares, adjusted for Class A expenses. Performance for Class A shares of the Fund reflects any applicable sales charge.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect the effect of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts ("IRAs"). After-tax returns are shown only for Institutional Class shares and after-tax returns for Class A shares will vary.

**Investment Advisor.** Schooner Investment Group, LLC is the Fund's investment advisor.

**Portfolio Managers.** Gregory R. Levinson, Chief Executive Officer and Chief Investment Officer of the Advisor, Anthony B. Fusco, Managing Director - Trading of the Advisor, and Morgan Avitabile, Investment Research Associate of the Advisor, have served as the Hedged Alternative Income Fund's portfolio managers since it commenced operations in November 2014.

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 12 of the Prospectus.

## Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation

---

**Purchase and Sale of Fund Shares.** You may purchase or redeem shares by mail (Schooner Funds, c/o U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, 3rd Floor, Milwaukee, WI 53201-0701), or by telephone at 1-866-724-5997, on any day the New York Stock Exchange (“NYSE”) is open for trading. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly for information relative to the purchase or sale of Fund shares. The minimum initial and subsequent investment amounts are as follows:

### Minimum Investment Amounts

---

Share Purchase Amounts	Class A	Institutional Class
<b><i>Schooner Fund</i></b>		
Minimum Initial Investment	\$5,000	\$1,000,000
Minimum Additional Investment	\$500	No Minimum
Automatic Investment Plan – Monthly Minimum	\$250	N/A
<b><i>Hedged Alternative Income Fund</i></b>		
Minimum Initial Investment	\$5,000	\$5,000
Minimum Additional Investment	\$500	\$500
Automatic Investment Plan – Monthly Minimum	\$250	\$250

---

**Tax Information.** A Fund’s distributions will be taxed as ordinary income or long-term capital gains, unless you are a tax-exempt investor or are investing through a tax-deferred arrangement, such as a 401(k) plan or an IRA. You may be taxed later upon withdrawal of monies from such tax-deferred arrangements.

**Payments to Broker-Dealers and Other Financial Intermediaries.** If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Funds and their related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Funds over another investment. Ask your advisor or visit your financial intermediary’s website for more information.

## INVESTMENT STRATEGIES, RELATED RISKS AND DISCLOSURE OF PORTFOLIO HOLDINGS

---

### Schooner Fund

**Investment Objective.** The primary investment objective of the Schooner Fund is long-term capital appreciation with the generation of moderate current income.

**Principal Investment Strategies.** The Schooner Fund seeks to achieve its investment objective by investing its assets in a diversified portfolio of U.S.-based equity and equity-linked securities, including: common and preferred stocks, convertible securities, exchange traded funds (“ETFs”), warrants, rights and equity options of U.S. companies with large market capitalizations (“large-cap companies”). The Fund considers large-cap companies to be those companies, at the time of purchase, with market capitalization within the range of market capitalizations of the Russell 1000<sup>®</sup> Index. As of May 27, 2016, the market capitalizations of companies in the Russell 1000<sup>®</sup> Index ranged from \$2.0 billion to \$549.7 billion. The Fund’s investment strategy utilizes multiple approaches, including:

- 1) managing an equity portfolio of U.S. large-cap companies;
- 2) selling single issuer call options against long equity positions;
- 3) purchasing and/or selling combinations of index related puts and put spreads and calls and call spreads;
- 4) purchasing U.S. convertible securities.

The Schooner Fund attempts to keep a consistent balance between risk and reward over the course of different market cycles and volatility regimes through various combinations of stocks, convertible securities, single issuer equity call options, and index or index related options to achieve what the Advisor believes to be an appropriate blend for the current market.

The stock and single name option component of the overall investment strategy is often referred to as a “buy-write” strategy (also called a “covered call” strategy), in which the Advisor writes (sells) a call option contract while at the same time owning an equivalent number of shares of the underlying stock. The stock is held by the Fund’s custodian in a segregated account as collateral for the call option and thus fully collateralizes, or “covers,” the obligation conveyed by writing a call option contract. The Advisor considers the writing of covered call options to be an investment, as well as a strategy, since call options are written together with the purchase of the underlying security for a total “investment package.”

The Fund may also use put options. The Fund may invest in these instruments to lower the overall volatility of the Fund’s investment portfolio, to “hedge” or limit the exposure of the Fund’s position, and to make speculative investments if the Advisor believes they offer an attractive stand-alone investment opportunity.

In order to enhance long-term performance and reduce portfolio volatility, the Schooner Fund may invest in debt securities, particularly convertible debt securities, which could offer both current income, as well as the possibility of long term capital appreciation. In addition, the Fund may invest in preferred stock, various types of options or futures contracts, as well as bonds, including zero coupon and high yield bonds (“junk bonds”).

As the market environment changes, the Schooner Fund’s portfolio securities may change in an attempt to achieve a relatively consistent risk level over time. At some points in a market cycle, one type of security may make up a substantial portion of the Fund’s portfolio, while at other times certain

securities may have minimal or no representation, depending on market conditions. The average term to maturity of the convertible securities purchased by the Fund will typically range from two to ten years. The Fund normally invests in the common stocks of approximately 25-100 large-cap companies which the Advisor believes have a sustainable competitive advantage with regard to the strategy being employed by the Fund. The Advisor may engage in active trading of the Fund's portfolio investments to achieve the Fund's investment objective.

The Schooner Fund's investment strategy suggests the sale of a security if: (i) the aggregate weight of the security is in excess of 5% of the Fund's assets; (ii) the security is deemed to be overvalued by the Advisor, using the investment process described above; (iii) the security has deteriorating fundamentals; or (iv) a more attractive investment opportunity exists.

*Equity Investments.* The Schooner Fund will invest in exchange-traded and over-the-counter common and preferred stocks, warrants and rights. An investment in a company's equity securities represents a proportionate ownership interest in that company. Compared with other asset classes, equity investments have a greater potential for gain and are subject to greater fluctuations in market value.

*Call Options.* The Schooner Fund will write call options with strike prices and expiration dates designed to reduce the volatility of the Fund's investment portfolio and to earn premium income. A call option gives the holder (buyer) the right to purchase a security at a specified price (the exercise price) at any time until a certain date (the expiration date). A written call option is "covered" if the Fund owns the underlying security subject to the call option at all times during the option period.

*Index Options.* The value of an index fluctuates with changes in the market values of the securities included in the index. Options on indices give the holder the right to receive an amount of cash upon exercise of the option. The value of this cash amount will depend upon the amount by which the closing level of the index upon which the option is based is greater than (in the case of a call) or less than (in the case of put) the exercise price of the option. Each of the exchanges has established limitations governing the maximum number of call or put options on the same index that may be bought or written by a single investor, whether acting alone or in concert with others (regardless of whether such options are written on the same or different exchanges or are held or written on one or more accounts or through one or more brokers). Option positions of all investment companies advised by the Advisor are combined for purposes of these limitations. Pursuant to these limitations, an exchange may order the liquidation of positions and may impose other sanctions or restrictions. These position limits may restrict the number of listed options that the Fund may buy or sell.

*Put Options.* If there is a decrease in the market value of the underlying security on a put option, the option could be exercised and the underlying security would then be sold to the Fund at a higher price than its then-current market value. The Schooner Fund may purchase put options to attempt to provide protection against adverse price effects from anticipated changes in prevailing prices of securities. The Fund may also purchase put options as a speculative investment. The purchase of a put option generally protects the value of portfolio holdings in a falling market. If a put option purchased by the Fund were permitted to expire without being sold or exercised, its premium would represent a realized loss to the Fund.

*Convertible Securities.* Convertible securities include debt obligations and preferred stock of the company issuing the security, which may be exchanged at a predetermined price (the conversion price) into the company's common stock. Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality. Certain convertible debt securities include a "put option," which entitles the Fund to sell the security to the company before maturity at a stated price, which may represent a premium over the stated principal amount of the debt security. Conversely, many convertible securities are issued with a "call" feature that allows the security's issuer to choose when to redeem the security. If a convertible security held by the Schooner Fund is called for redemption, the Fund will be required to redeem the security, convert it into the underlying



common stock, or sell it to a third party at a time that may be unfavorable to the Fund. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the company and other factors also may have an effect on the convertible's investment value.

*Debt Securities (Including High Yield Fixed-Income Securities).* The Schooner Fund may invest in convertible and non-convertible fixed-income securities, including up to 25% of net assets in high yield fixed-income securities, also known as junk bonds. Junk bonds are securities rated BB or lower by Standard & Poor's Ratings Service ("S&P"), or Ba or lower by Moody's Investors Service, Inc. ("Moody's") or securities that are not rated but are considered by the Advisor to be of similar quality. The Fund may not acquire debt securities that are rated lower than C by S&P or Moody's. If a debt security were downgraded to below a C rating subsequent to the Fund's investment in the security, the Advisor would review the investment to consider the downgrading, as well as other factors, and determine what action to take in the best interest of shareholders.

### **Schooner Hedged Alternative Income Fund**

**Investment Objective.** The investment objective of the Hedged Alternative Income Fund is long-term capital appreciation through the generation of income using strategies that have minimal correlation with traditional fixed income markets.

**Principal Investment Strategies.** Under normal market conditions, the Hedged Alternative Income Fund seeks to achieve its investment objective by selling (writing) listed put options on domestic equity securities without regard to market capitalization, including common stocks, preferred stocks and ETFs that invest in equity securities or that seek to track U.S. equity indices. The Advisor seeks to achieve "hedged alternative income" by employing investment strategies that have minimal correlation with traditional fixed income markets, while seeking to mitigate equity market risk and provide regular distributions to investors.

The Hedged Alternative Income Fund's primary strategy involves the writing of a portfolio of exchange-listed put options on publicly traded, exchange-listed equities. The Advisor uses a quantitative model to screen the universe of publicly traded stocks. From the selection set, the Advisor chooses which put options to sell based on various criteria, including implied volatility, market cap, liquidity, sensitivity to the underlying equity, and sector concentration. Each listed put option included is an "American-style" option (*i.e.*, an option which can be exercised at the strike price at any time prior to its expiration.)

The Hedged Alternative Income Fund seeks to generate distributable cash flow by passing through the net option premium received from its sales of put options. For each put option written, several alternatives exist for its disposition. The put position can be held until its expiration date, at which time it will either expire worthless, in which case the Fund will retain all of the income generated by the sale of the put, or the put option may be exercised against the Fund by the long holder of the put, in which case the Fund will be obligated to buy a requisite number of shares of the underlying stock at the strike price. In cases where the Fund receives shares of equity as the result of an exercise, the Fund will sell such shares in the open market on the next possible trading day. The other option for disposition of the written put is for the Fund to sell short shares of the underlying stock to close the short put position. The Fund may do this because the risk/reward profile of the option has become less appealing in the Advisor's determination, and may or may not replace the closed option position with a newly written put option.

Each put option sold by the Hedged Alternative Income Fund will be covered through investments in cash equivalents at least equal to the Fund's maximum liability under the option (*i.e.*, the strike price).

The Hedged Alternative Income Fund may buy protective puts or put spreads on indices or index-related ETFs if it believes that the risk/reward profile created by doing so is attractive. This means that if the Fund considers such protective puts or put spreads to be attractively priced in terms of implied volatility (one of the primary drivers of option pricing) on either an absolute basis or relative to puts on individual equities, the Fund may choose to protect the portfolio of written put options by buying a quantity of such puts or put spreads. These puts or put spreads typically increase in value as the indices underlying them decrease, thereby providing protection, if the puts or put spreads perform as intended, to the portfolio based on a degree of correlation between the equities underlying the portfolio's holdings and the aforementioned indices. The Advisor may engage in active trading of the Fund's portfolio investments to achieve the Fund's investment objective. This may include changing strikes, expirations, and underlying equities on which puts are written, when necessary.

*Put Options.* When the Hedged Alternative Income Fund writes a put option it expects to profit if prices remain the same or rise. The Fund receives a premium and gives the purchaser the right to sell the underlying security at any time during the put period at a fixed exercise price regardless of market price changes during the put period. If the put is exercised, the Fund must purchase the underlying security at the exercise price. If there is a decrease in the market value of the security underlying a put option, the option could be exercised and the underlying security would then be sold to the Fund at a higher price than its then-current market value. The purchase of a put option generally protects the value of portfolio holdings in a falling market. If a put option purchased by the Fund were permitted to expire without being sold or exercised, its premium would represent a realized loss to the Fund.

*Index Options.* The Hedged Alternative Income Fund may hedge or supplement its portfolio with long positions in index or index related ETF put options. The value of an index fluctuates with changes in the market values of the securities included in the index. Options on indices give the holder the right to receive an amount of cash upon exercise of the option. The value of this cash amount will depend upon the amount by which the closing level of the index upon which the option is based is greater than (in the case of a call) or less than (in the case of put) the exercise price of the option. Each of the exchanges has established limitations governing the maximum number of call or put options on the same index that may be bought or written by a single investor, whether acting alone or in concert with others (regardless of whether such options are written on the same or different exchanges or are held or written in one or more accounts or through one or more brokers). Option positions of all investment companies advised by the Advisor are combined for purposes of these limitations. Pursuant to these limitations, an exchange may order the liquidation of positions and may impose other sanctions or restrictions. These position limits may restrict the number of listed options that the Fund may buy or sell.

The Hedged Alternative Income Fund will segregate cash or other liquid assets (cash instruments, money market funds, treasury bills, etc.) in an amount equal to the Fund's obligations under each option sold by the Fund so that each option sold will be "covered."

## **Other Investment Policies of the Funds**

*Non-Principal Strategy – Investments in Short Sales (Schooner Fund only).* As a non-principal investment strategy, the Schooner Fund may engage in short sales of U.S.-based equity and equity-linked securities representing up to 15% of its net assets. The Fund will sell short securities the Advisor believes offer an attractive stand-alone investment opportunity, or to "hedge" other principal investment strategies. For example the Advisor may sell short the underlying equity of a convertible bond ("convertible arbitrage"), or sell short the equity securities of an acquiring company when long the stock of the company being acquired ("merger arbitrage"). Historically, these strategies have relatively low correlation with the performance of stock markets, and thus are a good performance diversifier and a beneficial vehicle in limiting the overall volatility of the Fund's entire portfolio. Additionally, the Schooner Fund will generally only engage in short sales of securities that the Advisor believes to be liquid.

Selling securities short involves selling securities the seller (*e.g.*, the Schooner Fund) does not own (but has borrowed) in anticipation of a decline in the market price of such securities. To deliver the securities to the buyer, the seller must arrange through a broker to borrow the securities and, in so doing, the seller becomes obligated to replace the securities borrowed at their market price at the time of the replacement. In a short sale, the proceeds the seller receives from the sale may be retained by the broker until the seller replaces the borrowed securities. The seller may have to pay a premium to borrow the securities and must pay any dividends or interest payable on the securities until they are replaced.

*Temporary Strategies; Cash or Similar Investments.* For temporary defensive purposes, the Advisor may invest up to 100% of a Fund's total assets in high-quality, short-term debt securities and money market instruments. These short-term debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. Taking a temporary defensive position may result in a Fund not achieving its investment objective. Furthermore, to the extent that a Fund invests in money market mutual funds for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market funds' management fees and operational expenses.

*Change in Investment Objective and Strategies.* Each Fund's investment objective, strategies and policies described above may be changed without the approval of the Fund's shareholders upon 60 days' written notice to shareholders, but only if approved by the Board of Trustees.

## **Principal Risks**

A Fund cannot assure investors that it will achieve its investment objective. An investment in the Funds should be considered a long-term investment. The Funds are not intended to meet investors' short-term financial needs or to provide a complete or balanced investment program. Before investing in the Funds, you should carefully consider your own investment goals, the amount of time you are willing to invest your money in the Funds and the amount of risk you are willing to take. Remember, in addition to possibly not achieving your investment goals, **you could lose all or a portion of your investment in a Fund.** The principal risks of investing in the Funds are:

*Management Risk.* The ability of a Fund to meet its investment objective is directly related to the Advisor's investment strategies for the Fund. The value of your investment in a Fund may vary with the effectiveness of the Advisor's research, analysis and asset allocation among portfolio securities. If the Advisor's investment strategies do not produce the expected results, your investment could be diminished or even lost.

*General Market Risk.* The market value of a security may move up or down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole. U.S. and international markets have experienced significant volatility in recent years. The securities markets have experienced substantially lower valuations, reduced liquidity, price volatility, credit downgrades, increased likelihood of default and valuation difficulties, all of which may increase the risks of investing in securities held by a Fund.

*Derivatives Risk.* The Funds may invest in, or enter into, Derivatives or Derivatives transactions. Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. Derivatives entered into by a Fund can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular Derivative and the portfolio of a Fund. Derivatives permit the Advisor to increase or decrease the level of risk of an investment portfolio, or change the character of the risk to which an investment portfolio is exposed in much the same way as the manager can increase or decrease the level of risk, or change the character of the risk, of an investment portfolio by making investments in specific securities. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in Derivatives could have a large potential effect on

performance of a Fund. The Advisor's use of Derivatives may include total return swaps, options and futures designed to replicate the performance of a Fund or to adjust market or risk exposure.

If a Fund invests in Derivatives at inopportune times or incorrectly judges market conditions, the investments may reduce the return of the Fund or result in a loss. A Fund could also experience losses if Derivatives are poorly correlated with its other investments, or if a Fund is unable to liquidate the position because of an illiquid secondary market. The market for many Derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for Derivatives.

*Equity Risk.* The value of put options on equity securities sold by a Fund is based on the value of stocks underlying the options. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises. If you held common stock of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors of such issuers. Preferred stock has a blend of the characteristics of a bond and common stock. It can offer the higher yield of a bond and has priority over common stock in equity ownership, but does not have the seniority of a bond and, unlike common stock, its participation in the issuer's growth may be limited. Preferred stock has preference over common stock in the receipt of dividends and in any residual assets after payment to creditors should the issuer be dissolved. Although the dividend on preferred stock may be set at a fixed annual rate, in some circumstances it can be changed or omitted by the issuer.

*Leverage Risk (applies to the Hedged Alternative Income Fund only).* It is expected that the Fund will employ leverage to varying degrees. Leverage includes the practice of borrowing money to purchase securities or borrowing securities to sell them short. Investments in Derivatives also involve the use of leverage because the amount of exposure to the underlying asset is often greater than the amount of capital required to purchase the Derivative. Leverage can increase the investment returns of the Fund. However, if an asset decreases in value, the Fund will suffer a greater loss than it would have without the use of leverage. The Fund will maintain long positions in assets available for collateral, consisting of cash, cash equivalents and other liquid assets, to comply with applicable legal requirements. However, if the value of such collateral declines, margin calls by lending brokers could result in the liquidation of collateral assets at disadvantageous prices.

*Micro-Cap and Small-Cap Company Risk (applies to the Hedged Alternative Income Fund only).* Generally, micro-cap, small-cap and less seasoned companies have more potential for rapid growth. They also often involve greater risk than large- or mid-cap companies, and these risks are passed on to the Fund. These smaller-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large- or mid-cap companies and, therefore, their securities tend to be more volatile than the securities of larger, more established companies, making them less liquid than other securities. Micro- and small-cap companies may have shorter histories or operations, less access to financing and less diversified product lines, making them more susceptible to market pressures and more likely to have volatile stock prices. Micro- and small-cap company stocks tend to be bought and sold less often and in smaller amounts than larger company stocks. Because of this tendency, if the Advisor wants to sell a large quantity of a smaller-cap company's stock, it may have to sell at a lower price than it might prefer, or it may have to sell in smaller than desired quantities over a period of time. Given these risks, an investment in the Fund may be more suitable for long-term investors who are willing to bear the risk of these fluctuations. Micro-Cap companies have market capitalizations between approximately \$50 million and \$300 million. Small-cap companies generally have market capitalizations between \$300 million and \$2 billion.

*Mid-Cap Company Risk.* Generally, mid-cap companies may have more potential for growth than companies with larger market capitalizations. Investing in mid-cap companies, however, may involve greater risk than investing in large-cap companies, and these risks are passed on to the Fund. Mid-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies. Therefore, their securities may be more volatile than the securities of larger, more established companies, making them less liquid than other securities. Mid-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this limit, if the Advisor wants to sell a large quantity of a mid-cap company's stock, it may have to sell at a lower price than it might prefer, or it may have to sell in smaller than desired quantities over a period of time. Mid-Cap companies generally have market capitalizations between \$2 billion and \$10 billion.

*Large-Cap Company Risk.* Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Also, large-cap companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

*Convertible Securities Risk (applies to the Schooner Fund only).* A convertible security is a fixed-income security (a debt instrument or a preferred stock) that may be converted at a stated price within a specified period of time into a certain quantity of the common stock of the same or a different issuer. Convertible securities are senior to common stock in an issuer's capital structure, but are subordinated to any senior debt securities. While providing a fixed-income stream (generally higher in yield than the income derivable from common stock but lower than that afforded by a similar non-convertible security), a convertible security also gives an investor the opportunity, through its conversion feature, to participate in the capital appreciation of the issuing company depending upon a market price advance in the convertible security's underlying common stock.

*Options and Futures Risk.* A Fund's investment strategy includes options and futures contracts. A Fund also may invest in so-called "synthetic options" or other derivative instruments written by broker-dealers or other financial intermediaries. Options transactions may be effected on securities exchanges or in the over-the-counter market. When options are purchased over the counter, each Fund bears the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract. Such options may also be illiquid, and in such cases, a Fund may have difficulty closing out its position. Under the supervision of the Board of Trustees, the Funds will determine whether investments in options and futures contracts are illiquid. Each Fund is restricted to investing no more than 15% of its total assets in securities that are illiquid: that is, not readily marketable.

*Implied Volatility Risk.* When a Fund sells a listed put option, it gains the amount of the premium it receives, but also incurs a corresponding liability representing the value of the option it has sold (until the option is exercised and finishes "in the money," meaning it is worth money and can be sold, the option expires worthless, or the expiration of the option is "rolled," or extended forward). The value of the options in which a Fund invests is partly based on the volatility used by market participants to price such options (*i.e.*, implied volatility). Accordingly, increases in the implied volatility of such options will cause the value of such options to increase (even if the prices of the options' underlying stocks do not change), which will result in a corresponding increase in the liabilities of a Fund under such options and thus decrease a Fund's NAV. A Fund is therefore exposed to implied volatility risk before the options expire or are exercised. This is the risk that the value of the implied volatility of the options sold by a Fund will increase due to general market and economic conditions, perceptions regarding the industries in which the issuers of such stock participate, or factors relating to specific companies.

*Tax Risk.* Option premium income received by a Fund will be recognized upon the exercise, lapse, sale or other disposition of the option and will be taxed as either short-term or long-term capital gain or loss. The options employed by a Fund reduce risk to the Fund by diminishing its risk of loss in offsetting positions in substantially similar or related property, thereby potentially giving rise to “straddles” under federal income tax rules. The straddle rules may require a Fund to defer certain losses on positions within a straddle, and to terminate or suspend the Fund’s holding period for certain securities in which the Fund does not yet have a long-term holding period or has not yet satisfied the holding period required for the receipt of “qualified dividend” income from the investment. As a result, a Fund cannot assure any level of regular quarterly distributions of investment company taxable income and cannot assure you as to any level of distributions of net capital gain.

The Funds expect to generate premiums from the writing of options. The Funds will recognize a short-term capital gain in an amount equal to the premium received upon the expiration of an option that it has written. If a Fund enters into a closing transaction, the difference between the amount paid to close out its option position and the premium received for writing the option will be short-term capital gain or loss. Transactions involving the disposition of the Funds’ underlying securities (whether pursuant to the exercise of a call option, put option or otherwise) will give rise to either short-term or long-term capital gains or losses. Due to the federal income tax treatment of securities on which call options have been written, it is expected that most of the gains from the sale of the underlying securities held by a Fund will be short-term capital gains. Because the Funds do not have control over the exercise of the options they write, such exercises or other required sales of the underlying stocks may force a Fund to realize capital gains or losses at inopportune times.

The Funds’ transactions in options are subject to special and complex federal income tax provisions (including, in addition to the straddle tax rules described above, tax rules regarding constructive sales, wash sales and short sales) that may, among other items, (i) treat dividends that would otherwise constitute “qualified dividend” income as non-qualified dividend income, (ii) treat dividends that would otherwise be eligible for the corporate dividends-received deduction as ineligible for such treatment, (iii) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (iv) accelerate income recognition to a Fund, (v) convert long-term capital gain taxable at lower rates into short-term capital gain or ordinary income taxable at higher rates, and (vi) convert an ordinary loss or deduction into a capital loss (the deductibility of which is more limited).

*Debt Securities Risk (applies to the Schooner Fund only).* Debt securities are subject to interest rate risk, call risk, prepayment and extension risk, credit risk and liquidity risk, which are more fully described below.

- *Below-Investment Grade Debt Securities Risk.* Below investment grade debt securities or “junk bonds” are debt securities rated below investment grade by a nationally recognized statistical rating organization. Although junk bonds generally pay higher rates of interest than higher-rated securities, they are subject to a greater risk of loss of income and principal. Junk bonds are subject to greater credit risk than higher-grade securities and have a higher risk of default. Companies issuing high-yield junk bonds are more likely to experience financial difficulties that may lead to a weakened capacity to make principal and interest payments than issuers of higher grade securities. Issuers of junk bonds are often highly leveraged and are more vulnerable to changes in the economy, such as a recession or rising interest rates, which may affect their ability to meet their interest or principal payment obligations.
- *Interest Rate Risk.* Debt securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Debt securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities.

- *Call Risk.* During periods of declining interest rates, a bond issuer may “call”--or repay--its high yielding bonds before their maturity dates. The Fund would then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income.
- *Prepayment and Extension Risk.* Many types of debt securities are subject to prepayment risk. Prepayment occurs when the issuer of a debt security can repay principal prior to the security’s maturity. Debt securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility. On the other hand, rising interest rates could cause prepayments of the obligations to decrease, extending the life of mortgage- and asset-backed securities with lower payment rates. This is known as extension risk and may increase the Fund’s sensitivity to rising rates and its potential for price declines.
- *Credit Risk.* Debt securities are generally subject to the risk that the issuer may be unable to make principal and interest payments when they are due. There is also the risk that the securities could lose value because of a loss of confidence in the ability of the borrower to pay back debt. Lower rated debt securities involve greater credit risk, including the possibility of default or bankruptcy.
- *Liquidity Risk.* Trading opportunities are more limited for fixed-income securities that have not received any credit ratings, have received ratings below investment grade or are not widely held. These features make the security more difficult to sell or buy at a favorable price or time. Consequently, the Fund may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the Fund’s performance. Infrequent trading of securities may also lead to an increase in their price volatility. Liquidity risk also refers to the possibility that the Fund may not be able to sell a security or to close out an investment contract when it wants. If this happens, the Fund may be required to hold the security or to keep the position open, and the Fund could incur losses.

*High Portfolio Turnover Rate Risk (applies to the Schooner Fund only).* High portfolio turnover rates could generate capital gains, including short-term capital gains taxable to shareholders at ordinary income rates (for non-corporate shareholders, currently taxed at a maximum federal income tax rate of 39.6%) and could increase brokerage commission costs. To the extent that the Fund experiences an increase in brokerage commissions due to a higher turnover rate, the performance of the Fund could be negatively impacted by the increased expenses incurred by the Fund. These potentially higher taxes and increased brokerage commission costs may reduce a shareholder’s after-tax return on an investment in the Fund.

*Exchange-Traded Funds Risk.* The value of put options on ETFs sold by a Fund is based on the value of the ETFs underlying the options. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (*i.e.*, one that is not exchange traded) that has the same investment objective, strategies and policies. The price of an ETF can fluctuate within a wide range, and the value of an option on an ETF may decrease if the prices of the securities owned by the ETF go down. An index ETF may not replicate the performance of a benchmark index it seeks to track. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds: (1) the market price of the ETF’s shares may trade at a discount to their NAV; (2) an active trading market for an ETF’s shares may not develop or be maintained; or (3) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally. During a trading halt, an option may be exercised, and a Fund may take direct ownership of ETF shares. However, a Fund may not be able to

dispose of the ETF shares until trading resumes. Additionally, ETFs have management and other fees, which a Fund would have to pay if the option was exercised, increasing their cost.

*Non-Diversified Fund Risk (applies to the Hedged Alternative Income Fund only).* The Fund is “non-diversified” and therefore is not required to meet certain diversification requirements under federal securities laws. The Fund may invest a greater percentage of its assets in the securities of a single issuer. However, a decline in the value of an investment in a single issuer could cause the Fund’s overall value to decline to a greater degree than if the Fund held a more diversified portfolio.

*Cybersecurity Risk.* With the increased use of technologies such as the Internet to conduct business, the Funds are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Funds or their service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with a Fund’s ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Funds invest, counterparties with which the Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Funds’ service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Funds cannot control the cyber security plans and systems put in place by their service providers or any other third parties whose operations may affect the Funds or their shareholders. As a result, the Funds and their shareholders could be negatively impacted.

### **Portfolio Holdings Information**

A description of the Funds’ policies and procedures with respect to the disclosure of the Funds’ portfolio holdings is available in the Funds’ Statement of Additional Information (“SAI”). Disclosure of the Funds’ holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the annual and semi-annual reports to Fund shareholders and in the Funds’ quarterly holdings reports on Form N-Q. The annual and semi-annual reports to Fund shareholders are available free of charge by contacting Schooner Funds, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or by calling 1-866-724-5997, or on the Funds’ website at [www.schoonermutualfunds.com](http://www.schoonermutualfunds.com). The Form N-Q is available on the SEC’s website at [www.sec.gov](http://www.sec.gov).

## **Management of the Funds**

---

### **The Advisor**

The Funds have entered into an investment advisory agreement (the “Advisory Agreement”) with the Advisor, Schooner Investment Group, LLC, a Pennsylvania limited liability company and a registered investment advisor. Schooner was founded in 2008 and in addition to managing the Funds, provides portfolio management services to the Funds. The Advisor, subject to the general oversight of the Board of Trustees, has overall responsibility for directing the investments of the Funds in accordance with their investment objectives, policies and limitations. The Advisor is located at 676 East



Swedesford Road, Suite 130, Wayne, Pennsylvania 19087. As of August 31, 2016, the Advisor managed approximately \$224 million in assets.

Under the Advisory Agreement, each Fund compensates the Advisor for its investment advisory services. For the fiscal year ended May 31, 2016, the Advisor received management fees of 1.25% of the Schooner Fund's average daily net assets. For the fiscal year ended May 31, 2016, the Advisor received management fees of 1.13% of the Hedged Alternative Income Fund's average daily net assets, net of fee waivers. Subject to the general supervision of the Board of Trustees, the Advisor is responsible for managing the Funds in accordance with their investment objectives and policies, and for making decisions with respect to, and also orders for, all purchases and sales of portfolio securities. The Advisor also maintains related records for the Funds.

*Fund Expenses.* Each Fund is responsible for its own operating expenses. Pursuant to an operating expense limitation agreement between the Advisor and each of the Funds, the Advisor has agreed to waive its fees and/or reimburse expenses to ensure that Total Annual Fund Operating Expenses (exclusive generally of interest, acquired fund fees and expenses, leverage (*i.e.* any expenses incurred in connection with borrowings made by the Fund), and tax expenses, dividends and interest expenses on short positions, brokerage commissions, and extraordinary expenses) do not exceed 1.99% and 1.74% of the Fund's average daily net assets for Class A shares and Institutional Class shares, respectively, of the Schooner Fund, and 1.64% and 1.39% of the average daily net assets for the Class A shares and Institutional Class shares, respectively, of the Hedged Alternative Income Fund. Any waiver in advisory fees or payment of expenses made by the Advisor may be reimbursed by the Funds in subsequent years if the Advisor so requests. This reimbursement may be requested if the aggregate amount actually paid by the Funds toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the applicable limitation on Fund expenses at the time of waiver. The Advisor is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. Any such reimbursement will be reviewed by the Board of Trustees. Each Fund must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses. This agreement is in effect through at least September 28, 2025 for the Schooner Fund and through September 28, 2017 for the Hedged Alternative Income Fund, and may be terminated only by, or with the consent of, the Board of Trustees.

A discussion regarding the basis of the Board of Trustees' approval of the Advisory Agreement between the Advisor and the Trust, on behalf of the Schooner Fund, is included in the Schooner Fund's semi-annual report to shareholders for the six-month period ended November 30, 2015. A discussion regarding the basis of the Board of Trustees' approval of the Advisory Agreement between the Advisor and the Trust, on behalf of the Hedged Alternative Income Fund, is included in the Hedged Alternative Income Fund's annual report to shareholders dated May 31, 2016.

The Funds, each as a series of the Trust, do not hold themselves out as related to any other series of the Trust for purposes of investment and investor services, nor do they share the same investment adviser with any other series of the Trust that has commenced operations.

## **Portfolio Managers**

### *Gregory R. Levinson*

Gregory R. Levinson, Chief Executive Officer and Chief Investment Officer ("CIO") of the Advisor, has served as the Schooner Fund's portfolio manager since its inception in 2008, and as the Hedged Alternative Income Fund's co-portfolio manager since its inception in 2014. Prior to founding the Advisor in 2008, Mr. Levinson held senior level positions at hedge funds and global banks. Mr. Levinson is a 1995 graduate of The Wharton School of The University of Pennsylvania, with a Bachelor of Science in Economics/Finance.

*Anthony B. Fusco*

Anthony B. Fusco, Managing Director of Trading for the Advisor, has served as a portfolio manager of the Schooner Fund since September 2011, and as the Hedged Alternative Income Fund's co-portfolio manager since its inception in 2014. Prior to joining the Advisor in 2008, Mr. Fusco held senior level positions at hedge funds and global banks. Mr. Fusco is a 1996 graduate of The Wharton School of The University of Pennsylvania, with a Bachelor of Science in Economics/Finance.

*Morgan Avitabile, CFA*

Morgan Avitabile, Investment Research Associate for the Advisor, has served as the Hedged Alternative Income Fund's co-portfolio manager since its inception in 2014. Prior to joining the Advisor in 2014, Mr. Avitabile was a portfolio manager for Visor Alternative Investments LLC from 2010 to 2014, where he specialized in developing and managing fixed income alternative strategies through the application of quantitative modeling. Previously, he was Vice President and Senior Trader at BNP/Cooper Neff. Mr. Avitabile is a CFA Charterholder and a member of CFA Institute. Mr. Avitabile holds a Bachelor of Science in Engineering from the School of Engineering and Applied Science at the University of Pennsylvania.

CFA<sup>®</sup> is a registered trademark owned by the CFA Institute.

The SAI provides additional information about the portfolio managers' compensation, other accounts managed and ownership of securities in the Funds.

## Shareholder Information

### Choosing a Share Class

Each Fund offers Class A and Institutional Class shares in this Prospectus. The different classes represent investments in the same portfolio of securities, but the classes are subject to different expenses and may have different share prices as outlined below. You should always discuss the suitability of your investment with your broker-dealer or financial adviser.

	<b>Class A</b>	<b>Institutional Class</b>
Availability	Generally available only through financial intermediaries.	Generally available to institutions such as: retirement plans such as 401(a), 401(k) or 457 plans; certain IRAs; registered investment advisers investing on behalf of clients; trustees of the Trust, former Fund trustees, employees of the Fund and Advisor and other individuals who are affiliated with the Fund; and wrap fee programs of certain broker-dealers.
Initial Sales Charge	Yes. Payable at time of purchase. Lower sales charges are available for larger investments.	No. Entire purchase price is invested in shares of the Fund.
Deferred Sales Charge	Yes, on purchases over \$1,000,000. Payable if you redeem within 12 months of purchase.	No.
Distribution and Service (12b-1) Fees	0.25% Annual Distribution and Service (12b-1) Fee.	No.
Redemption Fees	No.	No.

**Class A Shares.** You pay a sales charge when you invest in Class A shares of the Funds, unless you are qualifying for a reduction or waiver. There are several ways to reduce this charge. See the section “Sales Charge Reductions and Waivers” below.

You do not pay a sales charge on purchases of Class A shares in amounts of \$1,000,000 or more, however, you may be subject to a CDSC of 1.00% for redemptions in amounts of \$1,000,000 to \$2,999,999, and 0.50% for redemptions of \$3,000,000 or more, if you redeem these shares within 12 months of purchase. For purposes of calculating the CDSC, the start of the 12-month holding period is the date on which the purchase was made. The CDSC is applied to the NAV of the shares on the date of original purchase or on the date of redemption, whichever is less.

Without a reduction or waiver, the price that you pay when you buy Class A shares (the “offering price”) is their net asset value (“NAV”) plus a sales charge (sometimes called a “front-end sales charge” or “load”), which varies depending upon the size of your purchase. The sales charge for Class A shares of the Funds is calculated as follows:<sup>(1)</sup>

### **Schooner Fund**

When you invest this amount	Sales charge as a percentage of offering price <sup>(1)</sup>	Sales charge as a percentage of net amount invested	Dealer reallowance as a percentage of public offering price
Less than \$50,000 <sup>(2)</sup>	4.75%	4.99%	4.75%
\$50,001-\$100,000	4.25%	4.44%	4.25%
\$100,001-\$250,000	3.50%	3.63%	3.50%
\$250,001-\$500,000	2.50%	2.56%	2.50%
\$500,001-\$999,999.99	2.00%	2.04%	2.00%
\$1,000,000 or more <sup>(3)(4)</sup>	None	0.00%	None

<sup>(1)</sup> Class A shares are offered and sold at the next offering price, which is the sum of the NAV per share and the sales charge indicated above. Since the offering price is calculated to two decimal places using standard rounding criteria, the number of shares purchased and the dollar amount of the sales charge as a percentage of the offering price and of your net investment may be higher or lower depending on whether there was downward or upward rounding.

<sup>(2)</sup> The minimum initial investment for Class A shares of the Fund is \$5,000.

<sup>(3)</sup> There is no front-end sales charge for purchases of Class A shares of \$1,000,000 or more. However, a CDSC of up to 1.00% may be applied to redemptions of Class A shares within one year of purchase.

<sup>(4)</sup> A finder’s fee of 1.00% on investments of \$1,000,000 to \$2,999,999 and 0.50% on investments of \$3,000,000 or more may be paid directly or indirectly by the Advisor to the dealer.

### **Hedged Alternative Income Fund**

When you invest this amount	Sales charge as a percentage of offering price <sup>(1)</sup>	Sales charge as a percentage of net amount invested	Dealer reallowance as a percentage of public offering price
Less than \$50,000 <sup>(2)</sup>	3.50%	3.63%	3.00%
\$50,001-\$100,000	3.00%	3.09%	2.50%
\$100,001-\$250,000	2.50%	2.56%	2.00%
\$250,001-\$500,000	2.00%	2.04%	1.75%
\$500,001-\$999,999.99	1.50%	1.52%	1.25%
\$1,000,000 or more <sup>(3)(4)</sup>	None	0.00%	None

<sup>(1)</sup> Class A shares are offered and sold at the next offering price, which is the sum of the NAV per share and the sales charge indicated above. Since the offering price is calculated to two decimal places using standard rounding criteria, the number of shares purchased and the dollar amount of the sales charge as a percentage of the offering price and of your net investment may be higher or lower depending on whether there was downward or upward rounding.

<sup>(2)</sup> The minimum initial investment for Class A shares of the Fund is \$5,000.

<sup>(3)</sup> There is no front-end sales charge for purchases of Class A shares of \$1,000,000 or more. However, a CDSC of up to 1.00% may be applied to redemptions of Class A shares within one year of purchase.

<sup>(4)</sup> A finder’s fee of 1.00% on investments of \$1,000,000 to \$2,999,999 and 0.50% on investments of \$3,000,000 or more may be paid directly or indirectly by the Advisor to the dealer.

Additional information concerning sales load breakpoints is available in the SAI.

***Institutional Class Shares.*** Sales of the Funds' Institutional Class shares are not subject to a front-end sales charge or a Rule 12b-1 distribution fee. Institutional Class shares are offered primarily to corporations or other institutions such as trusts, endowments, foundations, broker-dealers purchasing for the accounts of others and certain other investors at the Advisor's discretion. If you purchase Institutional Class shares through an institutional organization, you may be charged a transaction-based fee or other fee for the services of such organization.

### **Sales Charge Reductions and Waivers**

If you are eligible for sales charge reductions or waivers as described herein, you must notify your financial intermediary, the Funds or the Transfer Agent prior to submitting a purchase order. (See "Other Fund Policies," below).

**Rights of Accumulation.** You may combine your current purchase of Class A shares with other existing Class A shares currently owned for the purpose of qualifying for the lower initial sales charge rates that apply to larger purchases. The applicable sales charge for the new purchase is based on the total of your current purchase and the current NAV of all other shares you own at the financial intermediary at which you are making the current purchase. You may not aggregate shares held at different financial intermediaries. If the current purchase is made directly through the Funds' Transfer Agent, only those shares held directly at the Transfer Agent may apply toward the right of accumulation. You may aggregate shares that you own, and that are currently owned by family members including spouses, minor children, grandchildren or parents at the same address (your "immediate family"). In addition, a fiduciary can count all shares purchased for a trust, estate or other fiduciary account. Shares held in the name of a nominee or custodian under pension, profit sharing or employee benefit plans may not be combined with other shares to qualify for the right of accumulation. You must notify the Transfer Agent or your financial intermediary at the time of purchase in order for the right of accumulation to apply. The Funds are not liable for any difference in purchase price if you fail to notify the Transfer Agent of your intent to exercise your right of accumulation, and the Funds reserve the right to modify or terminate this right at any time.

**Reinstatement Privilege.** If you redeem Class A shares and, within 60 days, purchase and register new Class A shares, you will not pay a sales charge on the new purchase amount. The amount eligible for this privilege may not exceed the amount of your redemption proceeds. To exercise this privilege, contact your financial intermediary or the Transfer Agent.

**Letter of Intent.** By signing a Letter of Intent ("LOI") you can reduce your sales charge on Class A shares. Your individual purchases will be made at the applicable sales charge based on the amount you intend to invest over a 13-month period. The LOI will apply to all purchases of Class A shares. Any shares purchased within 90 days of the date you sign the LOI may be used as credit toward completion, but the reduced sales charge will only apply to new purchases made on or after that date. Purchases resulting from the reinvestment of distributions do not apply toward fulfillment of the LOI. Shares equal to 4.75% of the amount of the LOI will be held in escrow during the 13-month period. If at the end of that time the total amount of purchases made is less than the amount intended, you will be required to pay the difference between the reduced sales charge and the sales charge applicable to the individual purchases had the LOI not been in effect. This amount will be obtained from redemption of the escrow shares. Any remaining escrow shares will be released to you.

**Investments of \$1,000,000 or More.** There is no initial sales charge on a lump sum Class A share purchase of \$1,000,000 or more, nor on any purchase into a Class A account with an accumulated value of \$1,000,000 or more. However, if you have taken advantage of this waiver and redeem your shares within 12 months of purchase, there is a CDSC imposed on such shares based on the lesser of original cost or current market value. The amount of the CDSC is 1.00% for redemptions of \$1,000,000 to \$2,999,999, and 0.50% for redemptions of \$3,000,000 or more. However, the CDSC

will not apply if you are otherwise entitled to a waiver of the initial sales charge as listed in “Initial Sales Charge Waivers” below. Also, the CDSC will not apply if you are entitled to a waiver as listed in “Contingent Deferred Sales Charges Waivers,” below.

**Initial Sales Charge Waivers.** Sales charges for Class A shares may be waived under certain circumstances for some investors or for certain payments. You may not have to pay a sales charge on purchases of Class A shares if you are any of the following persons:

- (a) any investor buying shares through a wrap account or other investment program whereby the investor pays the investment professional directly for services;
- (b) any trust created under a pension, profit sharing or other employee benefit plan (including qualified and non-qualified deferred compensation plans), where such plan has at least \$1,000,000 in assets or 100 employees, or where the administrator for such plan acts as the administrator for qualified employee benefit plans with assets of at least \$1,000,000;
- (c) any company exchanging shares with a Fund pursuant to a merger, acquisition or exchange offer involving the Fund;
- (d) any investor (including other investment companies) that has entered into an investment advisory agreement or other agreement with the Advisor or its affiliates;
- (e) any insurance company separate account;
- (f) any current or retired trustee of the Trust or of any other registered investment company where the Advisor acts as the sole investment Advisor, or any associated trust, person, profit sharing or other benefit plan of such current or retired trustee;
- (g) any employee of the Advisor, the Funds’ distributor and its affiliates, or other entities with a selling group agreement with the Advisor and its employees, subject to the internal policies and procedures of such entity;
- (h) any member of the immediate family of a person qualifying under (f) or (g), including a spouse, child, stepchild, parent, sibling, grandparent and grandchild and UTMA accounts naming qualifying persons, in each case including in-law and adoptive relationships;
- (i) any retirement (not including IRA accounts) and deferred compensation plans and the trusts used to fund such plans (including, but not limited to, those defined in Sections 401(k), 403(b) and 457 of the Internal Revenue Code of 1986, as amended, and “rabbi trusts”), for which an affiliate of the Advisor acts as trustee or administrator;
- (j) any 401(k), 403(b) and 457 plans, and profit sharing and pension plans that invest \$1,000,000 or more or have more than 100 participants;
- (k) any qualified registered investment advisors who buy through a broker-dealer or service agent who has entered into an agreement with the Funds’ distributor that allows for load-waived Class A purchases; or
- (l) any financial intermediaries who have entered into an agreement with the Funds’ distributor to offer shares to self-directed investment brokerage accounts that may or may not charge a transaction fee to its customers.

Certain financial intermediaries may not have the ability to offer or support certain, or all, of these waivers.

To receive a reduction in your Class A sales charge or waiver, you must let your financial institution or shareholder services representative know at the time you purchase shares that you qualify for such a reduction. You may be asked by your financial advisor or shareholder services representative to provide account statements or other information regarding your related accounts or related accounts of your immediate family in order to verify your eligibility for a reduced sales charge. Your investment professional or financial institution must notify the Funds if your share purchase is eligible for the sales charge reduction or waiver. Initial sales charges will not be applied to shares purchased by reinvesting dividends and distributions.

**Contingent Deferred Sales Charge Waivers.** For Class A shares, a CDSC is imposed on shares purchased at the \$1,000,000 breakpoint (as described in “Sales Charge on Class A Shares,” above) that are redeemed within 12 months of purchase. In the case of a partial redemption, the first shares redeemed are any reinvested shares. After that, shares are always redeemed on a “first in first out” basis. If the first shares redeemed have been held for longer than 12 months from the date of purchase, then no sales charge is imposed on the redemption. The sales charge is imposed on a lot by lot basis on the market value or initial purchase price, whichever is lower. This deferred sales charge may be waived under certain circumstances such as:

- death of the shareholder;
- divorce, where there exists a court decree that requires redemption of the shares;
- return of IRA excess contributions;
- shares redeemed by a Fund due to low balance or other reasons;
- required minimum distributions at age 70½ (waivers apply only to amounts necessary to meet the required minimum amount based on assets held within the Funds); and
- other circumstances under the Advisor’s discretion.

If you would like information about sales charge waivers, call your financial representative or contact the Funds at 1-866-724-5997. Information about the Funds’ sales charges is available in the SAI and free of charge on the Funds’ website at [www.schoonermutualfunds.com](http://www.schoonermutualfunds.com).

## **Share Price**

The price of a Fund’s shares is its NAV per share. The NAV per share is calculated by dividing the value of a Fund’s total assets, less its liabilities, by the number of its shares outstanding. In calculating the NAV, portfolio securities are valued using current market values or official closing prices, if available. The NAV is calculated at the close of regular trading on the NYSE (generally 4:00 p.m., Eastern time). The NAV will not be calculated on days on which the NYSE is closed for trading. If the NYSE closes early, a Fund will calculate the NAV at the closing time on that day. If an emergency exists as permitted by the SEC, the NAV may be calculated at a different time.

Each security held by a Fund that is listed on a securities exchange is valued at the last sale price on the exchange on the date as of which assets are valued. All equity securities that are not traded on a listed exchange are priced on the basis of valuations provided by an approved pricing service or at the mean value between the bid and ask quotes where readily available.

If the security is listed on more than one exchange, the Funds will use the price of the exchange that the Funds generally consider to be the principal exchange on which the security is traded. Portfolio securities listed on the NASDAQ Stock Market LLC (“NASDAQ”) will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or on NASDAQ on such day, the security is valued at the mean between the most recent bid and asked prices on such day or the security shall be valued at the latest sales price on the “composite market” for the day such security is being valued. The composite market is defined as a consolidation of the trade information provided by national securities and foreign exchanges and over-the-counter markets as published by a pricing service.

Debt securities, including short-term debt instruments having a maturity of 60 days or less, are valued at the mean in accordance with prices supplied by an approved pricing service. Pricing services may use various valuation methodologies such as the mean between the bid and the asked prices, matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. If a price is not available from a pricing service, the most recent quotation obtained from one or more broker-dealers known to follow the issue will be obtained. Quotations will be valued at the mean between the bid and the offer. Any discount or premium is accreted or amortized on a straight-line basis until maturity.

Money market funds, demand notes and repurchase agreements are valued at cost. If cost does not represent current market value the securities will be priced at fair value.

Redeemable securities issued by open-end, registered investment companies are valued at the NAVs of such companies for purchase and/or redemption orders placed on that day. All exchange-traded funds are valued at the last reported sale price on the exchange on which the security is principally traded.

### **How to Purchase Shares**

All purchase requests received in good order by the Funds’ transfer agent, U.S. Bancorp Fund Services, LLC (the “Transfer Agent”), or by an authorized financial intermediary (an “Authorized Intermediary,” as defined below) before the close of the NYSE (generally 4:00 p.m., Eastern time) will be processed at that day’s NAV per share plus any applicable sales charge. Purchase requests received by the Transfer Agent or an Authorized Intermediary after the close of the NYSE (generally 4:00 p.m., Eastern time) will be processed at the next business day’s NAV per share plus any applicable sales charge. An Authorized Intermediary is a financial intermediary (or its authorized designee) that has made arrangements with a Fund to receive purchase and redemption orders on its behalf. For additional information about purchasing shares through financial intermediaries, please see “Purchasing Shares Through a Financial Intermediary,” below.

All account applications (each an “Account Application”) to purchase Fund shares are subject to acceptance by the Funds and are not binding until so accepted. It is the policy of the Funds not to accept applications under certain circumstances or in amounts considered disadvantageous to other shareholders. The Funds reserve the right to reject any application. Your order will not be accepted until a completed Account Application is received by the Funds or the Transfer Agent.

The Funds reserve the right to reject any purchase order if, in their discretion, it is in the Funds’ best interest to do so. For example, a purchase order may be refused if it appears so large that it would disrupt the management of a Fund. Purchases may also be rejected from persons believed to be “market timers,” as described under the section entitled “Tools to Combat Frequent Transactions,” below. In addition, a service fee, which is currently \$25, as well as any loss sustained by a Fund, will be deducted from a shareholder’s account for any purchases that do not clear. The Funds and the Transfer Agent will not be responsible for any losses, liability, cost or expense resulting from rejecting any purchase order.

Shares of the Funds have not been registered for sale outside of the United States. The Funds generally do not sell shares to investors residing outside the United States, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses.

### **Minimum Investment Amounts**

<b>Share Purchase Amounts</b>	<b>Class A</b>	<b>Institutional Class</b>
<b><i>Schooner Fund</i></b>		
Minimum Initial Investment	\$5,000	\$1,000,000
Minimum Additional Investment	\$500	No Minimum
Automatic Investment Plan – Monthly Minimum	\$250	N/A
<b><i>Hedged Alternative Income Fund</i></b>		
Minimum Initial Investment	\$5,000	\$5,000
Minimum Additional Investment	\$500	\$500
Automatic Investment Plan – Monthly Minimum	\$250	\$250

The Funds reserve the right to waive the minimum initial investment or minimum subsequent investment amounts at their discretion. Shareholders will be given at least 30 days' written notice of any increase in the minimum dollar amount of initial or subsequent investments.

### **Purchase Requests Must be Received in Good Order**

Your share price will be the next calculated NAV per share, plus any applicable sales charge, after the Transfer Agent or your Authorized Intermediary receives your purchase request in good order. For purchases made through the Transfer Agent, "good order" means that your purchase request includes:

- the name of the Fund you are investing in;
- the dollar amount of shares to be purchased;
- your Account Application or investment stub; and
- a check payable to "Schooner Funds."

For information about your financial intermediary's requirements for purchases in good order, please contact your financial intermediary.

*Purchase by Mail.* To purchase a Fund's shares by mail, simply complete and sign the Account Application and mail it, along with a check made payable to "Schooner Funds" to:

#### **Regular Mail**

Schooner Funds  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, WI 53201-0701

#### **Overnight or Express Mail**

Schooner Funds  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, 3rd Floor  
Milwaukee, WI 53202

The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposit in the mail or with such services, or receipt at the Transfer Agent's post office box, of purchase orders or redemption requests does not constitute receipt by the Transfer Agent. Receipt of purchase orders or redemption requests is based on when the order is received at the Transfer Agent's offices. All purchases by check must be in U.S. dollars drawn on a domestic financial institution. The Funds will not accept payment in cash or money orders. To prevent check fraud, the Funds will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. The Funds are unable to accept postdated checks or any conditional order or payment.

*Purchase by Wire.* If you are making your first investment in a Fund, before you wire funds, the Transfer Agent must have a completed Account Application. You can mail or use an overnight service to deliver your Account Application to the Transfer Agent at the above address. Upon receipt of your completed Account Application, the Transfer Agent will establish an account for you. Once your account has been established, you may instruct your bank to send the wire. Prior to sending the wire, please call the Transfer Agent at 1-866-724-5997 to advise them of the wire, and to ensure proper credit upon receipt. Your bank must include the name of the Fund, your name and your account number so that monies can be correctly applied. Your bank should transmit immediately available funds by wire to:

Wire to: U.S. Bank N.A.  
ABA Number: 075000022  
Credit: U.S. Bancorp Fund Services, LLC  
Account: 112-952-137  
Further Credit: Schooner Funds (Name of the Fund you are investing in)  
(Shareholder Name/Account Registration)  
(Shareholder Account Number)



Wired funds must be received by the close of the NYSE (generally 4:00 p.m., Eastern time) to be eligible for same day pricing. The Funds and U.S. Bank N.A., the Funds' custodian, are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.

*Investing by Telephone.* If you have accepted telephone privileges on the "Telephone Options" section of the Account Application and if your account has been open for 15 calendar days, you may purchase additional shares by calling the Funds toll free at 1-866-724-5997. This option allows investors to move money from their bank account to their Fund account upon request. Only bank accounts held at domestic institutions that are Automated Clearing House ("ACH") members may be used for telephone transactions. If your order is received by the Transfer Agent or an authorized intermediary prior to the close of the NYSE (generally 4:00 p.m., Eastern time), shares will be purchased in your account at the applicable price determined on the day your order is placed. During periods of high market activity, shareholders may encounter higher than usual call waiting times. Please allow sufficient time to place your telephone transaction. There is a minimum investment of \$500 on telephone purchases. You may not make your initial purchase of a Fund's shares by telephone.

*Automatic Investment Plan.* For your convenience, the Funds offer an Automatic Investment Plan (the "AIP"). Under the AIP, after your initial investment, you may authorize a Fund to withdraw automatically from your bank account an amount that you wish to invest, which must be at least \$250 on a monthly basis. In order to participate in the AIP, your bank must be a member of the ACH network. If you wish to enroll in the AIP, complete the appropriate section in the Account Application. The Funds may terminate or modify this privilege at any time. You may terminate your participation in the AIP at any time by notifying the Transfer Agent five days prior to the effective date of the request. A \$25 fee will be charged if your bank does not honor the AIP draft for any reason.

*Purchasing Shares Through a Financial Intermediary.* Investors may be charged a fee if they effect transactions through a financial intermediary. If you are purchasing shares through a financial intermediary, you must follow the procedures established by your financial intermediary. Your financial intermediary is responsible for sending your purchase order and wiring payment to the Transfer Agent. Your financial intermediary holds the shares in your name and receives all confirmations of purchases and sales. Financial intermediaries placing orders for themselves or on behalf of their customers should call the Funds toll free at 1-866-724-5997, or follow the instructions listed in the sections above entitled "Investing by Telephone," "Purchase by Mail" and "Purchase by Wire."

If you place an order for a Fund's shares through a financial intermediary that is not an Authorized Intermediary in accordance with such financial intermediary's procedures, and such financial intermediary then transmits your order to the Transfer Agent in accordance with the Transfer Agent's instructions, your purchase will be processed at the next calculated NAV, plus any applicable sales charge, after the Transfer Agent receives your order. The financial intermediary must promise to send to the Transfer Agent immediately available funds in the amount of the purchase price in accordance with the Transfer Agent's procedures. If payment is not received within the time specified, the Transfer Agent may rescind the transaction and the financial intermediary will be held liable for any resulting fees or losses.

In the case of Authorized Intermediaries that have made satisfactory payment or redemption arrangements with a Fund, orders will be processed at the next calculated NAV, plus any applicable sales charge, after receipt by the Authorized Intermediary (or its authorized designee), consistent with applicable laws and regulations. An order is deemed to be received when a Fund or an Authorized Intermediary accepts the order. Authorized Intermediaries may be authorized to designate other intermediaries to receive purchase and redemption requests on behalf of a Fund.

Financial intermediaries, including Authorized Intermediaries, may set cut-off times for the receipt of orders that are earlier than the cut-off times established by the Funds. For more information about your financial intermediary's rules and procedures, and whether your financial intermediary is an Authorized Intermediary, you should contact your financial intermediary directly.

*Anti-Money Laundering Program.* The Trust has established an Anti-Money Laundering Compliance Program as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"). In order to ensure compliance with this law, the Account Application asks for, among other items, the following information for all "customers" seeking to open an "account" (as those terms are defined in rules adopted pursuant to the USA PATRIOT Act):

- full name;
- date of birth (individuals only);
- Social Security or tax identification number; and
- permanent street address (P.O. Box only is not acceptable).

Accounts opened by entities, such as corporations, limited liability companies, partnerships or trusts will require additional documentation.

If any information listed above is missing, your Account Application will be returned and your account will not be opened. In compliance with the USA PATRIOT Act, the Transfer Agent will verify the information on your application. The Funds reserve the right to request additional clarifying information and may close your account if such clarifying information is not received by a Fund within a reasonable time of the request or if the Fund cannot form a reasonable belief as to the true identity of a customer. If you require additional assistance when completing your Account Application, please contact the Transfer Agent at 1-866-724-5997.

### **How to Redeem Shares**

Orders to sell or "redeem" shares may be placed either directly with the Funds or through a financial Intermediary. If you originally purchased your shares through a financial intermediary, including an Authorized Intermediary, your redemption order must be placed with the same financial intermediary in accordance with the procedures established by that financial intermediary. Your financial intermediary is responsible for sending your order to the Transfer Agent and for crediting your account with the proceeds. You may redeem Fund shares on any business day that a Fund calculates its NAV. To redeem shares directly with the Funds, you must contact the Funds either by mail or by telephone to place a redemption request. Your redemption request must be received in good order (as discussed under "Payment of Redemption Proceeds," below) prior to the close of the regular trading session of the NYSE (generally 4:00 p.m., Eastern time) by the Transfer Agent or by your Authorized Intermediary. Redemption requests received by the Transfer Agent or an Authorized Intermediary after the close of the NYSE will be treated as though received on the next business day.

Shareholders who hold their shares through an IRA or other retirement account must indicate on their written redemption request whether or not to withhold federal income tax. Redemption requests failing to indicate an election not to have tax withheld will generally be subject to 10% withholding. Shares held in IRA accounts may be redeemed by telephone at 1-866-724-5997. Investors will be asked whether or not to withhold taxes from any redemption.

*Payment of Redemption Proceeds.* You may redeem your Fund shares at the NAV per share next determined after the Transfer Agent or your Authorized Intermediary receives your redemption request in good order. Your redemption request cannot be processed on days the NYSE is closed. Redemption proceeds with respect to all requests received in good order by the Transfer Agent or your Authorized Intermediary before the close of the regular trading session of the NYSE (generally 4:00 p.m., Eastern time) will usually be sent on the next business day to the address of record.

A redemption request made through the Transfer Agent will be deemed in "good order" if it includes:

- the shareholder's name;
- the name of the Fund you are redeeming shares from;
- the account number;
- the share or dollar amount to be redeemed; and
- signatures by all shareholders on the account and a signature guarantee(s), if applicable.

For information about your financial intermediary's requirements for redemption requests in good order, please contact your financial intermediary.

You may have the proceeds sent by check to the address of record, wired to your pre-established bank account or sent by electronic funds transfer through the ACH network using the bank instructions previously established on your account. Redemption proceeds will typically be sent on the business day following your redemption. Wires are subject to a \$15 service fee. There is no charge to have proceeds sent via ACH; however, funds are typically credited to your bank within two to three days after redemption. In all cases, proceeds will be processed within seven calendar days after a Fund receives your redemption request.

Before selling recently purchased shares, please note that if the Transfer Agent has not yet collected payment for the shares you are selling, it may delay sending the proceeds until the payment is collected, which may take up to twelve calendar days from the purchase date. Furthermore, there are certain times when you may be unable to sell Fund shares or receive proceeds. Specifically, a Fund may suspend the right to redeem shares or postpone the date of payment upon redemption for more than seven calendar days: (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists as a result of which disposal by a Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for a Fund fairly to determine the value of its net assets; or (3) for such other periods as the SEC may permit for the protection of shareholders. Your ability to redeem shares by telephone may be delayed or restricted after you change your address. You may change your address at any time by telephone at 1-866-724-5997 or by written request, addressed to the Transfer Agent. Confirmations of an address changes will be sent to both your old and new address. The Funds will not be responsible for interest lost on redemption amounts due to lost or misdirected mail.

*Signature Guarantees.* The Transfer Agent may require a signature guarantee for certain redemption requests. A signature guarantee ensures that your signature is genuine and protects you from unauthorized account redemptions. Signature guarantees can be obtained from banks and securities dealers, *but not from a notary public.* A signature guarantee, from either a Medallion program member or a non-Medallion program member, of each owner is required in the following situations:

- if ownership is being changed on your account;
- when redemption proceeds are payable or sent to any person, address or bank account not on record;
- if a change of address was received by the Transfer Agent within the last 15 calendar days; and
- for all redemptions in excess of \$100,000 or more from any shareholder account.

Non-financial transactions including establishing or modifying certain services on an account may require a signature guarantee, signature verification from a Signature Validation Program member, or other acceptable form of authentication from a financial institution source.

In addition to the situations described above, the Funds and the Transfer Agent reserve the right to require a signature guarantee or other acceptable signature verification in other instances based on the circumstances relative to the particular situation.

*Redemption by Mail.* You can execute most redemptions by furnishing an unconditional written request to the Funds to redeem your shares at the current NAV per share. Redemption requests in writing should be sent to the Transfer Agent at:

**Regular Mail**

Schooner Funds  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, WI 53201-0701

**Overnight or Express Mail**

Schooner Funds  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, 3rd Floor  
Milwaukee, WI 53202

The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposit in the mail or with such services, or receipt at the U.S. Bancorp Fund Services, LLC post office box, of purchase orders or redemption requests does not constitute receipt by the Transfer Agent. Receipt of purchase orders or redemption requests is based on when the order is received at the Transfer Agent's offices.

*Telephone Redemption.* If you are authorized to perform telephone transactions (either through your Account Application or by subsequent arrangement in writing with the Funds) you may redeem shares up to \$100,000 by instructing the Funds by telephone at 1-866-724-5997. The minimum redemption amount by telephone is \$100. Telephone redemptions cannot be made if you notify the Transfer Agent of a change of address within 15 calendar days before the redemption request.

*Wire Redemption.* Wire transfers may be arranged to redeem shares. The Transfer Agent charges a \$15 service fee, per wire redemption, against your account on dollar specific trades, and from proceeds on complete redemptions and share specific trades. The minimum wire redemption amount is \$100.

*Systematic Withdrawal Plan.* The Funds offer a Systematic Withdrawal Plan (the "SWP") whereby shareholders or their representatives may request that a check drawn in a specific dollar amount be sent to them each month, calendar quarter or annually. Investors may choose to have a check sent to the address of record, or proceeds of a SWP may be sent to a pre-designated bank account via electronic funds through the ACH network. In order to utilize the electronic funds transfer method of payment, your bank must be an ACH member. To start the SWP, your account must have Fund shares with a value of at least \$10,000, and the minimum amount that may be withdrawn is \$250. The SWP may be terminated or modified by the Funds at any time. Any request to change or terminate your SWP should be communicated in writing or by telephone to the Transfer Agent no later than five days before the next scheduled withdrawal. A withdrawal under the SWP involves a redemption of Fund shares, and may result in a taxable capital gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the distributions credited to your account, the account ultimately may be depleted. To establish the SWP, complete the SWP section of the Account Application. Please call 1-866-724-5997 for additional information regarding the SWP.

*The Funds' Right to Redeem an Account.* The Funds reserve the right to redeem the shares of any shareholder whose account balance is less than \$1,000, other than as a result of a decline in the NAV or for market reasons. The Funds will provide a shareholder with written notice 30 days prior to redeeming the shareholder's account. A redemption by the Funds may result in a taxable capital gain or loss for federal income tax purposes.

**Exchanging Shares**

You may exchange all or a portion of your investment from one Fund to another Schooner Fund within the same class. Any new account established through an exchange will be subject to the minimum investment requirements described above under "How to Purchase Shares," unless the account qualifies for a waiver of the initial investment requirement. Exchanges will be executed on the basis of the relative NAV of the shares exchanged. An exchange is considered to be a redemption of shares for federal income tax purposes on which you may realize a taxable capital gain or loss.

Call the Funds at 1-866-724-5997 to learn more about exchanges.

## **Tools to Combat Frequent Transactions**

The Funds are intended for long-term investors. Short-term “market-timers” who engage in frequent purchases and redemptions may disrupt a Fund’s investment program and create additional transaction costs that are borne by all of the Fund’s shareholders. The Board of Trustees has adopted policies and procedures that are designed to discourage excessive, short-term trading and other abusive trading practices that may disrupt portfolio management strategies and harm performance. The Funds take steps to reduce the frequency and effect of these activities in the Funds. These steps may include, among other items, monitoring trading activity and using fair value pricing, as determined by the Board of Trustees, when the Advisor determines current market prices are not readily available. Although these efforts are designed to discourage abusive trading practices, these tools cannot eliminate the possibility that such activity will occur. The Funds seek to exercise their judgment in implementing these tools to the best of its abilities in a manner that they believe is consistent with shareholder interests. Except as noted herein, the Funds apply all restrictions uniformly in all applicable cases.

*Monitoring Trading Practices.* The Funds monitor selected trades in an effort to detect excessive short-term trading activities. If, as a result of this monitoring, a Fund believes that a shareholder has engaged in excessive short-term trading, it may, in its discretion, ask the shareholder to stop such activities or refuse to process purchases in the shareholder’s accounts. In making such judgments, the Funds seek to act in a manner that it believes is consistent with the best interests of their shareholders. The Funds use a variety of techniques to monitor for and to detect abusive trading practices. These techniques may change from time to time as determined by a Fund in its sole discretion. To minimize harm to a Fund and its shareholders, each Fund reserves the right to reject any purchase order (but not a redemption request), in whole or in part, for any reason and without prior notice. The Funds may decide to restrict purchase and sale activity in their shares based on various factors, including whether frequent purchase and sale activity will disrupt portfolio management strategies and adversely affect a Fund’s performance.

*Fair Value Pricing.* The Funds employ fair value pricing selectively to ensure greater accuracy in their daily NAVs and to prevent dilution by frequent traders or market timers who seek to take advantage of temporary market anomalies. The Board of Trustees has developed procedures which utilize fair value pricing when reliable market quotations are not readily available or the Funds’ pricing service does not provide a valuation (or provides a valuation that, in the judgment of the Advisor, does not represent the security’s fair value), or when, in the judgment of the Advisor, events have rendered the market value unreliable. Valuing securities at fair value involves reliance on judgment. Fair value determinations are made in good faith in accordance with procedures adopted by the Board of Trustees. There can be no assurance that the Funds will obtain the fair value assigned to a security if they were to sell the security at approximately the time at which a Fund determines its NAV per share. More detailed information regarding fair value pricing can be found in this Prospectus under the heading entitled “Share Price.”

Due to the complexity and subjectivity involved in identifying abusive trading activity and the volume of shareholder transactions the Funds handle, there can be no assurance that a Fund’s efforts will identify all trades or trading practices that may be considered abusive. In particular, since the Funds receive purchase and sale orders through Authorized Intermediaries that use group or omnibus accounts, the Funds cannot always detect frequent trading. However, the Funds will work with Authorized Intermediaries as necessary to discourage shareholders from engaging in abusive trading practices and to impose restrictions on excessive trades. In this regard, the Funds have entered into information sharing agreements with Authorized Intermediaries pursuant to which these intermediaries are required to provide to the Funds, at the Funds’ request, certain information relating to its customers investing in the Funds through non-disclosed or omnibus accounts. The Funds will use this information to attempt to identify abusive trading practices. Authorized Intermediaries are contractually required to follow any instructions from the Funds to restrict or prohibit future purchases from shareholders that are found to have engaged in abusive trading in violation of the Funds’

policies. However, the Funds cannot guarantee the accuracy of the information provided to them from Authorized Intermediaries and cannot ensure that it will always be able to detect abusive trading practices that occur through non-disclosed and omnibus accounts. As a result, the Funds' ability to monitor and discourage abusive trading practices in non-disclosed and omnibus accounts may be limited.

## **Other Fund Policies**

*Telephone Transactions.* If you elect telephone privileges on the Account Application or in a letter to the Funds, you may be responsible for any fraudulent telephone orders as long as the Funds have taken reasonable precautions to verify your identity. In addition, once you place a telephone transaction request, it cannot be canceled or modified.

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

Telephone trades must be received by or prior to market close. During periods of high market activity, shareholders may encounter higher than usual call waiting times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to the close of the NYSE (generally 4:00 p.m., Eastern time). The Funds are not responsible for delays due to communications or transmission outages.

Neither the Funds nor any of their service providers will be liable for any loss or expense in acting upon instructions that are reasonably believed to be genuine. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person. To confirm that all telephone instructions are genuine, the Funds will use reasonable procedures, such as requesting:

- that you correctly state your Fund account number;
- the name in which your account is registered; or
- the Social Security or tax identification number under which the account is registered.

*Redemption in Kind.* The Funds generally pay redemption proceeds in cash. However, the Trust has filed a notice of election under Rule 18f-1 under the Investment Company Act of 1940, as amended (the "1940 Act") with the SEC, under which the Trust has reserved the right to redeem in kind under certain circumstances, meaning that redemption proceeds are paid in liquid securities with a market value equal to the redemption price. These securities redeemed in kind remain subject to general market risks until sold. For federal income tax purposes, redemptions in kind are taxed in the same manner as redemptions paid in cash. In addition, sales of such in-kind securities may generate taxable gains.

*Policies of Other Financial Intermediaries.* An Authorized Intermediary may establish policies that differ from those of the Funds. For example, the institution may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this Prospectus. Contact your financial intermediary for details.

*Closure of a Fund.* The Advisor retains the right to close a Fund (or partially close a Fund) to new purchases if it is determined to be in the best interest of shareholders. Based on market and Fund conditions, the Advisor may decide to close a Fund to new investors, all investors or certain classes of investors (such as fund supermarkets) at any time. If a Fund is closed to new purchases it will continue to honor redemption requests, unless the right to redeem shares has been temporarily suspended as permitted by federal law.

*Householding.* In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Funds reasonably believe are from the same family or household. If you would like to discontinue householding for your accounts, please call toll-free at 1-866-724-5997 to request individual copies of these documents. Once the Funds receive notice to stop householding, the Funds will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

*Inactive Accounts.* Your mutual fund account may be transferred to your state of residence if no activity occurs within your account during the “inactivity period” specified in your state’s abandoned property laws. If the Funds are unable to locate you, then they will determine whether your account can legally be considered abandoned. The Funds are legally obligated to escheat (or transfer) abandoned property to the appropriate state’s unclaimed property administrator in accordance with statutory requirements. Your last known address of record determines which state has jurisdiction.

## **Distribution of Fund Shares**

---

### **The Distributor**

Quasar Distributors, LLC (the “Distributor”) is located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, and serves as distributor and principal underwriter to the Funds. The Distributor is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. Shares of the Funds are offered on a continuous basis.

### **Rule 12b-1 Plan and Shareholder Servicing Fee**

The Funds have adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the “1940 Act”). Under the Plan, the Funds are authorized to pay the Distributor, or other such entities as approved by the Board of Trustees, Rule 12b-1 distribution fees for the costs and services it provides and expenses it bears in the sale and distribution of the Funds’ Class A shares (the “Rule 12b-1 Fee”). The maximum amount of the Rule 12b-1 Fee authorized is 0.25% of a Fund’s average daily net assets attributable to that Fund’s Class A shares, annually. The Distributor may pay any or all amounts received under the Plan to other persons, including the Advisor, for any distribution or service activity. Because these fees are paid out of each Fund’s assets on an on-going basis, over time these fees will increase the cost of your investment in Fund shares and may cost you more than paying other types of sales charges. The Institutional Class shares of each Fund are not subject to a Rule 12b-1 distribution fee or shareholder servicing fee.

### **Payments to Financial Intermediaries**

Each Fund may pay fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, including affiliates of the Advisor, for recordkeeping, sub-administration, sub-accounting, sub-transfer agency and other shareholder services (collectively, “sub-TA services”) associated with shareholders whose shares are held of record in omnibus and networked accounts, retirement plans, other group accounts or accounts traded through registered securities clearing agents in lieu of the transfer agent providing such services.

The Advisor, out of its own resources and legitimate profits and without additional cost to a Fund or its shareholders, may provide additional cash payments to certain intermediaries. These payments, sometimes referred to as revenue sharing, are in addition to Rule 12b-1 fees and sub-TA fees paid by the Funds, if any. Revenue sharing payments may be made to intermediaries for sub-TA services or distribution-related services, such as marketing support; access to third party platforms; access to sales meetings, sales representatives and management representatives of the intermediary; inclusion of the Funds on a sales list, including a preferred or select sales list, and in other sales programs. The Adviser may also pay cash compensation in the form of finder’s fees that vary depending on the dollar amount of the shares sold. From time to time, and in accordance with applicable rules and regulations, the Adviser may also provide non-cash compensation to representatives of various intermediaries who sell Fund shares or provide services to Fund shareholders.

## Distributions and Taxes

---

### Distributions

#### *Schooner Fund*

The Schooner Fund will make distributions of net investment income and net capital gain, if any, at least annually, typically during the month of December. The Schooner Fund may make additional distributions if it deems it desirable at another time during any year.

All distributions will be reinvested in additional Fund shares unless you choose one of the following options: (1) receive distributions of net capital gain in cash, while reinvesting net investment income distributions in additional Fund shares; (2) receive all distributions in cash; or (3) reinvest net capital gain distributions in additional Fund shares, while receiving distributions of net investment income in cash.

If you wish to change your distribution option, write to or call the Transfer Agent at 1-866-724-5997 in advance of the payment date of the distribution. However, any such change will be effective only as to distributions for which the record date is five or more days after the Transfer Agent has received the request.

If you elect to receive distributions in cash and the U.S. Postal Service is unable to deliver your check, or if a check remains uncashed for six months, the Fund reserves the right to reinvest the distribution check in your account at the Fund's then current NAV per share and to reinvest all subsequent distributions.

#### *Hedged Alternative Income Fund*

The Hedged Alternative Income Fund will make distributions of income dividends, if any, and any net short-term capital gains to shareholders on a monthly basis. Any other net investment income or capital gains will be distributed to shareholders at least annually.

The Fund typically earns income from stocks and interest from debt securities. These amounts, net of expenses, are passed along to Fund shareholders as "income dividend distributions." The Fund realizes capital gains from writing options and capital gains or losses whenever it sells securities. Any net long-term capital gains are distributed to shareholders as "capital gain distributions."

The Fund intends to distribute monthly, out of net investment income and/or net short-term capital gains, an amount of cash equal to 0.70% of the Fund's net assets. The Fund will periodically review the stability of the payout and adjust as necessary. While the Fund only intends to make such distributions out of net investment income and/or short-term capital gains, it is possible that in certain circumstances, a portion of a distribution may result in a return of capital (which is a return of the shareholder's investment in the Fund). Section 19(a) of the 1940 Act and Rule 19a-1 thereunder require the Fund to provide a written statement accompanying any such distribution that adequately discloses its source or sources to the extent the source includes something other than net investment income. Thus, if the source of the dividend or other distribution were the original capital contribution of the shareholder, and the payment amounted to a return of capital, the Fund would be required to provide written disclosure to that effect. Nevertheless, persons who periodically receive the payment of a dividend or other distribution may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) of and Rule 19-1 under the 1940 Act carefully, and should not assume that the source of any distribution from the Fund is net profit.



All distributions will be reinvested in additional Fund shares unless you choose one of the following options: (1) receive distributions of net capital gain in cash, while reinvesting net investment income distributions in additional Fund shares; (2) receive all distributions in cash; or (3) reinvest net capital gain distributions in additional Fund shares, while receiving distributions of net investment income in cash.

If you wish to change your distribution option, write to or call the Transfer Agent in advance of the payment date of the distribution. Any such change will be effective only as to distributions for which the record date is five or more days after the Transfer Agent receives the written request.

If you elect to receive distributions in cash and the U.S. Postal Service is unable to deliver your check, or if a check remains uncashed for six months, the Fund reserves the right to reinvest the distribution check in your account at the Fund's then current NAV per share and to reinvest all subsequent distributions.

### **Federal Income Tax Consequences**

Distributions of a Fund's investment company taxable income (which includes, but is not limited to, interest, dividends, net short-term capital gain, and net gain from foreign currency transactions), if any, are generally taxable to such Fund's shareholders as ordinary income (for non-corporate shareholders, currently taxable at a maximum federal income tax rate of 39.6%). For non-corporate shareholders, to the extent that a Fund's distributions of investment company taxable income are attributable to and reported as "qualified dividend" income, such income may be subject to tax at the reduced federal income tax rates applicable to net long-term capital gain, if certain holding period requirements have been satisfied by the shareholder. For corporate shareholders, a portion of a Fund's distributions of investment company taxable income may qualify for the intercorporate dividends-received deduction to the extent such Fund receives dividends directly or indirectly from U.S. corporations, reports the amount distributed as eligible for deduction and the corporate shareholder meets certain holding period requirements with respect to its shares. To the extent that a Fund's distributions of investment company taxable income are attributable to net short-term capital gain, such distributions will be treated as ordinary income and cannot be offset by a shareholder's capital losses from other investments.

Distributions of a Fund's net capital gain (net long-term capital gain less net short-term capital loss) are generally taxable as long-term capital gain (for non-corporate shareholders, currently taxable at a maximum federal income tax rate of 20%) regardless of the length of time that a shareholder has owned Fund shares. Distributions of net capital gain are not eligible for qualified dividend income treatment or the dividends-received deduction referred to in the previous paragraph.

You will be taxed in the same manner whether you receive your distributions (whether of investment company taxable income or net capital gain) in cash or reinvest them in additional Fund shares. Distributions are generally taxable when received. However, distributions declared in October, November or December to shareholders of record and paid the following January are taxable as if received on December 31.

If a Fund's distributions exceed its then-current and accumulated earnings and profits, all or a portion of the distributions made in the same taxable year may be recharacterized as a return of capital to shareholders. A return of capital distribution will generally not be taxable, but will reduce each shareholder's cost basis in Fund shares and result in a higher reported capital gain or lower reported capital loss when those shares (on which the distribution was received) are ultimately sold, exchanged or redeemed. Any return of capital in excess of your basis, however, is taxable as a capital gain.

In addition to the federal income tax, certain individuals, trusts and estates may be subject to a net investment income ("NII") tax of 3.8%. The NII tax is imposed on the lesser of: (i) a taxpayer's investment income, net of deductions properly allocable to such income; or (ii) the amount by which

the taxpayer's modified adjusted gross income exceeds certain thresholds (\$250,000 for married individuals filing jointly, \$200,000 for unmarried individuals and \$125,000 for married individuals filing separately). Each Fund's distributions are includable in a shareholder's investment income for purposes of this NII tax. In addition, any capital gain realized by a shareholder upon a sale, exchange or redemption of Fund shares is includable in such shareholder's investment income for purposes of this NII tax.

Shareholders who sell, exchange or redeem shares generally will have a capital gain or loss from the sale, exchange or redemption. The amount of the gain or loss and the applicable rate of federal income tax will depend generally upon the amount paid for the shares, the amount received from the sale, exchange or redemption (including in-kind redemptions) and how long the shares were held by a shareholder. Gain or loss realized upon a sale, exchange or redemption of Fund shares will generally be treated as long-term capital gain or loss if the shares have been held for more than one year and, if held for one year or less, as short-term capital gain or loss. Any loss arising from the sale, exchange or redemption of shares held for six months or less, however, is treated as a long-term capital loss to the extent of any distributions of net capital gain received or deemed to be received with respect to such shares. In determining the holding period of such shares for this purpose, any period during which your risk of loss is offset by means of options, short sales or similar transactions is not counted. If you purchase Fund shares (through reinvestment of distributions or otherwise) within 30 days before or after selling or redeeming other Fund shares at a loss, all or part of your loss will not be deductible and will instead increase the basis of the new shares.

The Funds are required to report to certain shareholders and the IRS the cost basis of Fund shares acquired on or after January 1, 2012 when those shareholders subsequently sell, exchange or redeem those shares. The Funds will determine the cost basis of such shares using the first in/first out method unless you elect in writing (and not over the telephone) any alternate IRS-approved cost basis method. Please see the SAI for more information regarding cost basis reporting.

The federal income tax status of all distributions made by each Fund for the preceding year will be annually reported to shareholders. Distributions made by a Fund may also be subject to state and local taxes. Additional tax information may be found in the SAI.

This section is not intended to be a full discussion of federal income tax laws and the effect of such laws on you. There may be other federal, state, foreign or local tax considerations applicable to a particular investor. You are urged to consult your own tax advisor.

## **Financial Highlights**

---

The financial highlights table below shows the Schooner Fund's financial performance information for Class A shares for the fiscal years ended May 31, 2012, 2013, 2014, 2015 and 2016, and for Institutional Class shares from June 22, 2012 (its commencement of operations) to May 31, 2013 and for the fiscal years ended May 31, 2014, 2015 and 2016, and the Hedged Alternative Income Fund's financial performance information for Institutional Class shares for the period from November 28, 2014 (its commencement of operations) to May 31, 2015 and for the fiscal year ended May 31, 2016, and for Class A shares for the period from September 28, 2015 (its commencement of operations) to May 31, 2016. Certain information reflects financial results for a single share of the Fund. The total return in the table represents the rate that you would have earned or lost on an investment in a Fund (assuming you reinvested all distributions). This information has been audited by Cohen & Company, Ltd., the independent registered public accounting firm of the Funds, whose report, along with the Funds' financial statements, are included in the Funds' 2016 Annual Report to Shareholders, which is available free of charge upon request.

**Schooner Fund - Class A Shares**

Per Share Data for a Share Outstanding Throughout the Year

	<b>Year Ended May 31,</b>				
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Net Asset Value, Beginning of Year</b>	<u>\$24.64</u>	<u>\$25.87</u>	<u>\$24.35</u>	<u>\$23.62</u>	<u>\$23.11</u>
<b>Income from investment operations:</b>					
Net investment income (loss) <sup>(1)</sup>	(0.03)	0.10	0.15	0.13	0.09
Net realized and unrealized gain (loss) on investments	<u>(3.77)</u>	<u>(1.20)</u>	<u>1.43</u>	<u>1.90</u>	<u>0.69</u>
<b>Total from investment operations</b>	<u>(3.80)</u>	<u>(1.10)</u>	<u>1.58</u>	<u>2.03</u>	<u>0.78</u>
<b>Less distributions paid:</b>					
From net investment income	(0.44)	(0.13)	(0.06)	(0.01)	(0.09)
From net realized gain on investments	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1.29)</u>	<u>(0.18)</u>
<b>Total distributions paid</b>	<u>(0.44)</u>	<u>(0.13)</u>	<u>(0.06)</u>	<u>(1.30)</u>	<u>(0.27)</u>
<b>Net Asset Value, End of Year</b>	<u>\$20.40</u>	<u>\$24.64</u>	<u>\$25.87</u>	<u>\$24.35</u>	<u>\$23.62</u>
<b>Total Return</b> <sup>(2)</sup>	<u>(15.54)%</u>	<u>(4.27)%</u>	<u>6.35%</u>	<u>9.31%</u>	<u>3.39%</u>
<b>Supplemental Data and Ratios:</b>					
Net assets at end of period (000's)	\$23,625	\$90,935	\$206,748	\$123,824	\$125,752
Ratio of expenses to average net assets					
Before waivers and reimbursement of expenses <sup>(3)</sup>	1.88%	1.72%	1.74%	1.84%	1.97%
After waivers and reimbursement of expenses <sup>(3)</sup>	1.88%	1.72%	1.79%	1.96%	2.00%
Ratio of net investment income (loss) to average net assets					
Before waivers and reimbursements of expenses	(0.10)%	0.38%	0.65%	0.67%	0.40%
After waivers and reimbursements of expenses	(0.10)%	0.38%	0.60%	0.55%	0.37%
Portfolio turnover rate	18.48%	99.50%	114.36%	112.43%	92.02%

<sup>(1)</sup> Per share net investment income (loss) was calculated using average shares outstanding.

<sup>(2)</sup> Total return in the table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends. Excludes the effect of applicable sales charges.

<sup>(3)</sup> The ratio of expenses to average net assets includes broker interest and interest expense. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding broker interest and interest expense were 1.88% and 1.88%, 1.71% and 1.71%, 1.74% and 1.80%, 1.84% and 1.96%, 1.96% and 1.99%, for the years ended May 31, 2016, May 31, 2015, May 31, 2014, May 31, 2013, and May 31, 2012, respectively.

**Schooner Fund - Institutional Class Shares**

Per Share Data for a Share Outstanding Throughout the Year/Period

	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Period Ended</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013<sup>(1)</sup></b>
<b>Net Asset Value, Beginning of Year/Period</b>	<u>\$24.75</u>	<u>\$25.96</u>	<u>\$24.41</u>	<u>\$23.71</u>
<b>Income from investment operations:</b>				
Net investment income <sup>(2)</sup>	0.04	0.16	0.23	0.20
Net realized and unrealized gain (loss) on investments	<u>(3.79)</u>	<u>(1.21)</u>	<u>1.43</u>	<u>1.82</u>
Total from investment operations	<u>(3.75)</u>	<u>(1.05)</u>	<u>1.66</u>	<u>2.02</u>
<b>Less distributions paid:</b>				
From net investment income	(0.55)	(0.16)	(0.11)	(0.03)
From net realized gain on investments	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1.29)</u>
Total distributions paid	<u>(0.55)</u>	<u>(0.16)</u>	<u>(0.11)</u>	<u>(1.32)</u>
<b>Net Asset Value, End of Year/Period</b>	<u>\$20.45</u>	<u>\$24.75</u>	<u>\$25.96</u>	<u>\$24.41</u>
<b>Total Return<sup>(3)</sup></b>	<u>(15.33)%</u>	<u>(4.05)%</u>	<u>6.67%</u>	<u>9.30%<sup>(4)</sup></u>
<b>Supplemental Data and Ratios:</b>				
Net assets at end of year/period (000's)	\$30,795	\$153,267	\$223,699	\$92,823
Ratio of expenses to average net assets				
Before waivers and reimbursement of expenses <sup>(6)</sup>	1.63%	1.47%	1.49%	1.59% <sup>(5)</sup>
After waivers and reimbursement of expenses <sup>(6)</sup>	1.63%	1.47%	1.49%	1.59% <sup>(5)</sup>
Ratio of net investment income to average net assets				
Before waivers and reimbursements of expenses	0.15%	0.62%	0.90%	0.91% <sup>(5)</sup>
After waivers and reimbursements of expenses	0.15%	0.62%	0.90%	0.91% <sup>(5)</sup>
Portfolio turnover rate	18.48%	99.50%	114.36%	112.43% <sup>(4)</sup>

(1) The Institutional Class shares commenced operations on June 22, 2012.

(2) Per share net investment income was calculated using average shares outstanding.

(3) Total return in the table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(4) Not annualized.

(5) Annualized.

(6) The ratio of expenses to average net assets includes broker interest and interest expense. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding broker interest and interest expense were 1.62% and 1.62%, 1.47% and 1.47%, 1.49% and 1.49%, 1.59% and 1.59%, for the periods ended May 31, 2016, May 31, 2015, May 31, 2014, and May 31, 2013, respectively.

**Schooner Hedged Alternative Income Fund - Class A Shares**

Per Share Data for a Share Outstanding Throughout the Period

	<b>Period Ended May 31, 2016<sup>(1)</sup></b>
<b>Net Asset Value, Beginning of Period</b>	<u>\$52.27</u>
<b>Income from investment operations:</b>	
Net investment loss <sup>(2)</sup>	(0.54)
Net realized and unrealized loss on investments	<u>(1.35)</u>
Total from investment operations	<u>(1.89)</u>
<b>Less distributions paid:</b>	
From return of capital	(3.37)
Total distributions paid	<u>(3.37)</u>
<b>Net Asset Value, End of Period</b>	<u>\$47.01</u>
<b>Total Return<sup>(3)</sup></b>	<u>(3.70)%<sup>(4)</sup></u>
<b>Supplemental Data and Ratios:</b>	
Net assets at end of period (000's)	\$8,435
Ratio of expenses to average net assets	
Before waivers and reimbursement of expenses <sup>(5)(6)</sup>	1.88%
After waivers and reimbursement of expenses <sup>(5)(6)</sup>	1.67% <sup>(7)</sup>
Ratio of net investment loss to average net assets	
Before waivers and reimbursements of expenses <sup>(5)</sup>	(1.88)%
After waivers and reimbursements of expenses <sup>(5)</sup>	(1.67)%
Portfolio turnover rate <sup>(8)</sup>	N/A

(1) The Class A shares commenced operations on September 28, 2015.

(2) Per share net investment income was calculated using average shares outstanding.

(3) Total return in the table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(4) Not annualized.

(5) Annualized.

(6) The ratio of expenses to average net assets includes broker interest expense. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding broker interest expense were 1.87% and 1.66%, for the period ended May 31, 2016.

(7) Effective January 28, 2016, the expense cap was lowered to 1.64% from 1.74%.

(8) The Fund does not hold any long term investments, therefore, a turnover rate is not applicable.

**Schooner Hedged Alternative Income Fund - Institutional Class Shares**

Per Share Data for a Share Outstanding Throughout the Year/Period

	<b>Year Ended May 31, 2016</b>	<b>Period Ended May 31, 2015<sup>(1)</sup></b>
<b>Net Asset Value, Beginning of Year/Period</b>	<u>\$55.64</u>	<u>\$50.00</u>
<b>Income from investment operations:</b>		
Net investment loss <sup>(2)</sup>	(0.72)	(0.41)
Net realized and unrealized gain (loss) on investments	<u>(2.31)</u>	<u>9.34</u>
Total from investment operations	<u>(3.03)</u>	<u>8.93</u>
<b>Less distributions paid:</b>		
From net investment income	—	(2.76)
From net realized gain on investments	—	(0.53)
From return of capital	<u>(5.54)</u>	<u>—</u>
Total distributions paid	<u>(5.54)</u>	<u>(3.29)</u>
<b>Net Asset Value, End of Year/Period</b>	<u>\$47.07</u>	<u>\$55.64</u>
<b>Total Return<sup>(3)</sup></b>	<u>(5.70)%</u>	<u>18.20%<sup>(4)</sup></u>
<b>Supplemental Data and Ratios:</b>		
Net assets at end of year/period (000's)	\$211,152	\$53,057
Ratio of expenses to average net assets		
Before waivers and reimbursement of expenses	1.57% <sup>(6)</sup>	3.66% <sup>(5)</sup>
After waivers and reimbursement of expenses	1.45% <sup>(6)(7)</sup>	1.49% <sup>(5)</sup>
Ratio of net investment loss to average net assets		
Before waivers and reimbursements of expenses	(1.57)% <sup>(6)</sup>	(3.66)% <sup>(5)</sup>
After waivers and reimbursements of expenses	(1.45)% <sup>(6)</sup>	(1.49)% <sup>(5)</sup>
Portfolio turnover rate <sup>(8)</sup>	N/A	N/A

(1) The Institutional Class shares commenced operations on November 28, 2014.

(2) Per share net investment income was calculated using average shares outstanding.

(3) Total return in the table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(4) Not annualized.

(5) Annualized.

(6) The ratio of expenses to average net assets includes broker interest expense. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding broker interest expense were 1.56% and 1.44%, for the year ended May 31, 2016.

(7) Effective January 28, 2016, the expense cap was lowered to 1.39% from 1.49%.

(8) The Fund does not hold any long term investments, therefore, a turnover rate is not applicable.

## PRIVACY NOTICE

---

The Funds collect non-public personal information about you from the following sources:

- information we receive about you on applications or other forms;
- information you give us orally; and/or
- information about your transactions with us or others.

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

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

***Investment Advisor***

Schooner Investment Group, LLC  
676 East Swedesford Road, Suite 130  
Wayne, Pennsylvania 19087

***Independent Registered Public Accounting Firm***

Cohen & Company, Ltd.  
1350 Euclid Avenue, Suite 800  
Cleveland, Ohio 44115

***Legal Counsel***

Godfrey & Kahn, S.C.  
833 East Michigan Street, Suite 1800  
Milwaukee, Wisconsin 53202

***Custodian***

U.S. Bank National Association  
Custody Operations  
1555 North River Center Drive, Suite 302  
Milwaukee, Wisconsin 53212

***Transfer Agent, Fund Accountant and Fund Administrator***

U.S. Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

***Distributor***

Quasar Distributors, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202



## **Schooner Funds**

Each a series of Trust for Professional Managers

### **FOR MORE INFORMATION**

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

#### **Statement of Additional Information**

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

#### **Annual and Semi-Annual Reports**

The Funds' annual and semi-annual reports provide the most recent financial reports and portfolio listings. The annual report contains a discussion of the market conditions and investment strategies that affected the Funds' performance during the Funds' last fiscal year.

You can obtain a free copy of these documents, request other information or make general inquiries about the Funds by calling the Funds (toll-free) at 1-866-724-5997, by visiting the Funds' website at [www.schoonermutualfunds.com](http://www.schoonermutualfunds.com) or by writing to:

#### **Schooner Funds**

c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, WI 53201-0701

You can review and copy information, including the Funds' shareholder reports and SAI, at the SEC's Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Reports and other information about the Funds are also available:

- free of charge from the SEC's EDGAR database on the SEC's Internet website at <http://www.sec.gov>;
- for a fee, by writing to the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549-1520; or
- for a fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

---

(The Trust's SEC Investment Company Act file number is 811-10401)