

Schooner Hedged Alternative Income Fund (“Fund”)

*Statement Pursuant to Section 19(a)
of the Investment Company Act of 1940*

On January 25, 2016, the Institutional and Class A Shares of the Fund paid distributions of \$0.48873109 and \$0.48873109, respectively, per share to shareholders of record at the close of business on January 22, 2016. In accordance with generally accepted accounting principles (“GAAP”), the Fund estimates that 100.00% of that distribution is attributable to paid from capital surplus.

The timing and character of distributions for federal income tax purposes are determined in accordance with income tax regulations which may differ from GAAP. As such, all or a portion of this distribution may be reportable as taxable income on your 2016 federal income tax return. The final tax character of any distribution declared in 2016 will be determined in January 2017 and reported to you on IRS Form 1099-DIV.

An investor should read the prospectus carefully and consider SHAIF’s investment objectives, risks, charges & expenses before investing. To obtain a prospectus containing this and other information, please call 1.866.724.5997 or visit www.schoonermutualfunds.com.

Schooner Investment Group, LLC. is the Investment Adviser. Quasar Distributors, LLC. is the distributor for the Fund.