

## Palmer Square Income Plus Fund (PSYPX)

January 2026

### Fund Refresher

As a refresher, the investment objective of the Palmer Square Income Plus Fund (“PSYPX” or the “Fund”) is income and capital appreciation. In seeking to achieve that investment objective, the Investment Team employs a flexible mandate to find the best relative value across corporate credit and structured credit. The Fund has also historically maintained low interest rate duration\* and high credit quality. Due to the Fund’s high-quality bias, we are comfortable with the underlying credit quality of the holdings and ability to avoid credit losses; approximately 87% of the portfolio is rated investment grade (“IG”) and 63% is rated A- or higher. Spread duration\* is 1.50 years.

### What is the Fund trying to achieve in today’s market to benefit clients?

- **Diversified Income Generation** – The Fund generates income through a diversified exposure to corporate and structured credit, including primarily corporate bonds, bank loans, collateralized loan obligations (“CLOs”), commercial mortgage-backed securities (“CMBS”), residential mortgage-backed securities (“RMBS”), asset-backed securities (“ABS”), commercial paper and U.S. Treasury securities.
- **Low Interest Rate Duration** – We have had minimal interest rate duration that drives lower correlation to interest rate sensitive fixed income such as those investments that comprise the Bloomberg U.S. Aggregate Bond Index and Bloomberg 1-3 Year U.S. Corporate Index\*.
- **Capital Preservation** – The Fund maintains a high-quality bias.
- **Total Return** – The Fund also seeks capital appreciation through opportunistic portfolio rotations driven by the Investment Team’s assessment of relative value. Please note that the Fund can invest up to 30% in high yield rated (“HY”) securities.

### Portfolio Snapshot

Please refer to the table below for a portfolio snapshot by quarter.

	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
Interest Rate Duration	0.89 yrs	0.95 yrs	0.89 yrs	0.82 yrs	0.85 yrs
Spread Duration	1.59 yrs	1.60 yrs	1.57 yrs	1.48 yrs	1.50 yrs
Yield to Expected Call*	5.43%	5.20%	4.94%	4.65%	4.47%
Yield to Maturity	5.52%	5.22%	4.95%	4.71%	4.56%
Current Yield	5.39%	5.16%	5.10%	4.91%	4.66%
30-day SEC Yield (subsidized)*	5.34%	4.98%	4.39%	4.43%	4.01%
30-day SEC Yield (unsubsidized)*	5.34%	4.98%	4.39%	4.43%	4.01%

*The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end please call 1-800-736-1145.*

\*Please see Notes and Disclosures for definitions.

- **Performance and Attribution:** The Fund returned **+1.06% (net of fees)** in Q4 2025. We are pleased with the Fund's performance during the quarter as attractive current income was complemented by price appreciation from lower front-end interest rates. The Fund modestly underperformed benchmarks such as the Bloomberg 1-3 Year U.S. Corporate Index (+1.22%) due to a lower duration profile; however, we believe the Fund's positioning in floating rates is optimal from a relative value approach perspective. CLO Debt continues to be our largest allocation at 30% and the largest source of attribution, contributing 0.35% during the quarter. Meanwhile, both Investment Grade and ABS also had strong quarters, adding 0.24% and 0.13% respectively. Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q4 2025 Performance	YTD 2025 Performance
Bloomberg U.S. Treasury Index	+0.90% (Yield -0.05%)	+6.32% (-0.57%)
Bloomberg U.S. Aggregate Bond Index	+1.10% (spread -1bps)	+7.30% (-7bps)
Bloomberg U.S. Corporate Index	+0.84% (spread +4bps)	+7.77% (-2bps)
Bloomberg 1-3 Year U.S. Corporate Index	+1.22% (spread 5bps)	+5.88% (-1bps)
Bloomberg U.S. High Yield Index	+1.31% (spread -2bps)	+8.62% (-19bps)
iBoxx Liquid Leveraged Loan Index	+1.31% (DM +4bps)	+5.38% (-20bps)
Palmer Square CLO Senior Debt Index	+1.30% (DM +5bps)	+5.74% (+1bps)
Palmer Square CLO Debt Index	+1.47% (DM +14bps)	+7.57% (+5bps)
S&P 500 Index	+2.65%	+16.39%
STOXX 600 Index	+6.51%	+16.66%

Source: Bloomberg as of 12/31/2025.

### Detailed Fund Performance History

The Fund delivered a return of 1.06% (net of fees) in Q4 2025. **The Fund has only had one negative year since its 2014 inception and has routinely outperformed benchmarks since inception.**

### Calendar Year Fund Performance (Net of Fees) as of 12/31/2025 (inception 2/28/2014)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PSYPX	5.12%	6.83%	8.78%	-0.76%	1.17%	3.65%	5.29%	1.17%	4.03%	5.24%	1.21%
Bloomberg U.S. Corp 1-3 Year Index*	5.88%	5.28%	5.48%	-3.32%	-0.13%	3.79%	5.30%	1.57%	1.85%	2.36%	1.01%
Bloomberg U.S. Aggregate Bond Index*	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.50%	8.73%	0.02%	3.54%	2.66%	0.57%

### Trailing Performance (Net of Fees) as of 12/31/2025 (inception 2/28/2014)

	Q4 '25	1 Year	3 Years	5 Years	10 Years	Since Inception
PSYPX	1.06%	5.12%	6.90%	4.17%	4.02%	3.57%
Bloomberg U.S. Corp 1-3 Year Index*	1.22%	5.88%	5.55%	2.57%	2.77%	2.48%
Bloomberg U.S. Aggregate Bond Index*	1.09%	7.30%	4.67%	-0.36%	2.01%	2.07%

*Class I shares – Annual Expense Ratio: Gross 0.70%/Net 0.70%. Palmer Square has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 0.75% of the average daily net assets of the Fund. This agreement is in effect for two years from commencement of operations of the Fund, and it may be terminated before that date only by the Trust's Board of Trustees. The Fund's advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period ending three full fiscal years after the date of the waiver or payment. Shares of the Fund are available for investment only by clients of financial intermediaries, institutional investors, and a limited number of other investors approved by the Advisor. The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end please call 1-800-736-1145.*

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## Summary Themes:

- I. **Q4 Recap: US Economy Remains Resilient, Fed Continues Cutting Cycle**
- II. **2026 Outlook: A Trifecta of Tailwinds to Support US Growth**

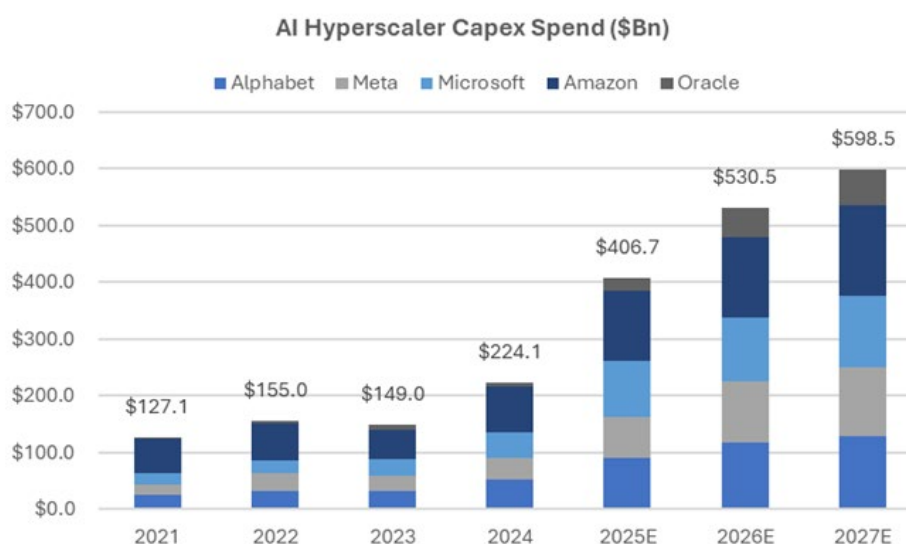
### Theme I. Q4 Recap: US Economy Remains Resilient, Fed Continues Cutting Cycle:

- The fourth quarter was punctuated by a record long 43-day government shutdown in October and November that left markets flying blind without official data for much of the quarter. Despite the headwinds from the shutdown, the impact on credit and equity markets was relatively muted with the S&P 500 Index hitting multiple new all-time highs and interest rate volatility receding to the lowest levels since 2021. Investor confidence was bolstered by several positive factors including strong corporate fundamentals (third consecutive quarter of double-digit S&P 500 earnings growth), resilient consumer spending, further acceleration of AI investment spending, and two additional Fed interest rate cuts during the quarter.
- **Labor Market Settles into Tenuous Low-Growth Stability:** The labor market showed signs of stabilization to end the year, printing consecutive 50k-job months in November and December following a weak September print that was clouded by noise from federal job cuts finally hitting the payroll numbers. Despite stabilization, the three-month moving average hit -22k in December, which is the lowest level (outside of COVID) since September 2010. At the same time, unemployment is low (4.4%), job cuts remain muted, and wage growth has been steady. Factors including lower immigration and AI adoption are undoubtedly factors influencing the market, but the true impact remains unclear.
- **Fed Continues on Path Towards Neutral:** The Federal Reserve delivered its second and third cuts of the year during the fourth quarter, bringing the federal funds rate to a range of 3.50%–3.75%. While the market harbored some fear about the Fed’s ability to navigate the data blackout, Chair Powell and the FOMC were able to successfully thread the needle by delivering the cuts that the market desired while also maintaining their independence and credibility in the fight against inflation. The outlook for 2026 is less clear, especially with a new Fed Chair set to replace Powell in May and a nomination likely come much sooner.
- **Positioning:** The Fund remained conservatively positioned throughout the quarter as the combination of limited volatility and historically low credit spreads provided little impetus to rotate the portfolio or add incremental risk. However, we did make some selective rotations to take advantage of changes in relative value or better position the portfolio. These changes include decrease in ABS Autos exposure to mitigate headline risks to sector, increase in IG corporate exposure, including modest increase in spread duration, as rate and spread curves steepened, and increase in CLO AAAs due to improving relative value versus other areas of credit. Overall, we remain focused on offering investors a compelling yield, while managing downside risk and minimizing interest rate volatility in light of a historically tight credit spread environment.

### Theme II. 2026 Outlook: A Trifecta of Tailwinds to Support US Growth

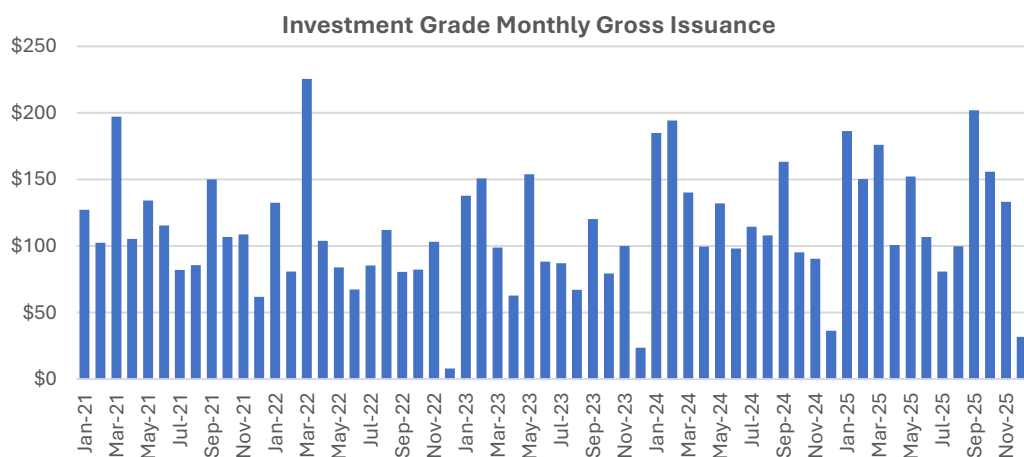
- **Exceptional US Growth to Continue:** We see upside risk to the current 2.1% estimate for US GDP growth in 2026, driven by fiscal, monetary and private sector tailwinds. The budget deficit for 2026 is expected to again be 5%+ of GDP, which continues the streak of record peacetime spending. Setting aside the sustainability of this (discussed below), this level of fiscal stimulus is objectively positive for near-term growth. Additionally, a number of the growth-boosting provisions in the One Big Beautiful Bill kick in in 2026. On the monetary side, the Fed remains neutral-to-dovish, despite the noise around independence, with the market expecting 1-2 cuts in 2H26 driven by a soft labor market. And lastly, we expect the AI capex boom to continue (at least over the near term), which is the largest private sector stimulus ever. Given these substantial growth tailwinds, we could easily see US growth reach 3%+ this year.

- **Q1 Outlook:** As we move into the first quarter of 2026, we face a similar push and pull that we have seen throughout 2025. On one hand, we have a resilient economic environment that has been able to power through the tariff- and policy-induced uncertainty, solid corporate fundamentals, and robust investor demand for credit as all-in yields remain attractive. Conversely, we're still dealing with challenging credit spread valuations and uncertainty from geopolitical events, trade wars, fiscal instability and unknown future Federal Reserve Chair. As a positive development, normalization has finally returned, as the term premiums return to expected levels.
- **The AI Capex Boom Continues but Are Valuations Near Max?:** AI boom continues to play a pivotal role in the US economy, driving hundreds of billions of dollars in investment and powering the US equity market to record highs. Recently, Nvidia announced a new chip that may spark the next boom phase, but all eyes remain on Oracle. If Oracle stumbles, investor sentiment may begin to sour. Yet, this boom appears to have more room to run with equity analysts expecting a 19% increase in Hyperscaler capex (GOOGL, META, MSFT, AMZN, ORCL) in 2026 followed by an additional 10% increase in 2027 (source: Bloomberg). These figures undoubtedly underestimate the true size of the AI spend given all the ancillary industries positively impacted by the trend – power generation / utilities, construction, capital goods, etc. AI spending's impact on US GDP has grown in parallel with potential concerns about an investment bubble, a tension that could portend future problems for the US economy if proven correct.



Source: Bloomberg

- **Improving M&A Activity and Robust Capital Market:** As confidence in the US economy and capital markets improves, we've seen a meaningful rebound in M&A activity in 2025 that accelerated to the highest levels since 2021. An improving M&A and LBO market should be favorable for the investment grade and high yield credit markets as it provides much needed issuance to credit investors. We foresee M&A activity will continue to accelerate early in 2026 and sponsor-to-sponsor M&A may increase this year. Capital market activity was robust across the credit spectrum in the fourth quarter with healthy issuance volumes in both the Investment Grade and High Yield bond markets. Yet, companies with significant business risk from the advancement of AI have struggled to complete deals.



Source: Bank of America

- Policy Uncertainty the Biggest Risk for Markets:** We're only a couple weeks into the year and we already have several market-moving executive orders: MBS purchases, a cap on credit card fees, renewed tariffs on Europe over Greenland, mortgage reform, Venezuelan oil, etc. A highly uncertain geopolitical environment tends to bottle up animal spirits, hurting sentiment and deflating appetite for M&A, investment, consumption, hiring, etc. Policy uncertainty can also manifest itself in bond market yields, as worries over fiscal sustainability in Japan, Europe and the U.S. are likely to resurface at some point this year.

## Summary on Attribution, Allocation and Positioning

### Select Portfolio Attribution and Characteristic Dashboard

	Allocation	% Allocation	Q4 2025 Attribution	Average Price	Yield to Expected Call*
IG	ABS (93% AAA)	10%	0.13%	100.6	4.02%
	Treasuries	18%	0.18%	99.8	3.56%
	CLO AAA	16%	0.16%	100.2	4.55%
	CLO AA	3%	0.04%	100.0	4.71%
	CLO A	1%	0.01%	100.3	4.89%
	CLO BBB	7%	0.10%	100.3	6.18%
	RMBS (98% AAA, 100% A+ and above)	3%	0.08%	90.6	5.00%
	CMBS	1%	0.07%	90.7	8.37%
	IG Corp Bonds – Fixed	24%	0.22%	99.7	4.03%
	IG Corp Bonds – Floating	2%	0.02%	100.0	3.89%
HY	IG Bank Loans	1%	0.01%	100.3	4.92%
	Bank Loans - Non IG	4%	0.08%	100.2	5.56%
	HY Corp Bonds	6%	0.12%	99.3	4.46%
	CLO BB	2%	0.04%	100.2	9.15%

Source: Palmer Square as of 12/31/2025. The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. To obtain performance information current to the most recent month-end please call 1-800-736-1145.

\*Please see Notes and Disclosure for definitions.

### Historic Positioning Detail by Asset Type:

	12/31/2024 Allocation	3/31/2025 Allocation	6/30/2025 Allocation	9/30/2025 Allocation	12/31/2025 Allocation
CLO Debt	31%	27%	27%	27%	30%
IG Corp Debt	16%	16%	20%	19%	26%
ABS	17%	17%	17%	19%	10%
Gov't Bonds	17%	16%	18%	17%	18%
RMBS	2%	2%	2%	2%	3%
Bank Loans	6%	6%	6%	5%	5%
CMBS	2%	2%	1%	1%	1%
HY Corp Bonds	5%	12%	6%	7%	6%
Cash/Other	4%	2%	3%	3%	1%

Please note allocation and attribution above is a % of NAV and does not include hedges. Gross attribution does not include hedges, expenses and fees if applicable. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. Asset-backed Securities (ABS), Mortgage-backed Securities (MBS), Commercial mortgage-backed securities (CMBS), Residential mortgage-backed securities (RMBS).

- CLO Allocation/Opportunity to Capture Income and Total Return** – As of quarter-end, 29.9% of the portfolio, a slight increase from last quarter, was invested in CLO debt. Our exposure in the capital stack continues to be weighted towards AAA, which still offers tremendous value in the 120-125bps spread range and current yields in the 4.75-5.25% range. AAA spreads are still about 10-15bps wide of their YTD tight. To that point, breakeven spread widening also looks very attractive at current levels. For example, over a one year holding period, AAA spreads on shorter duration profiles would need to reach more than 500bps in order to not make money, a level wider than during the depths of the COVID pandemic.<sup>1</sup> In addition, the investor appetite for CLO AAA debt remains strong, resulting in healthy liquidity. For example, a recent \$1.5 billion CLO AAA debt BWIC (“bids wanted in competition”) was completed in 2 hours and barely impacted the market, an event unlikely just a few years ago. The liquidity in CLO AAA debt allows us to quickly exit a position in order to take advantage of an interesting opportunity elsewhere.

<sup>1</sup>This example is provided for illustrative purposes only.

- CLO mezzanine exposure was unchanged with BBBs at 7.2% and BBs at 2.2%. Over the course of 2025, we noticed an increasing spread and price dispersion within CLO BB debt tranches. Investors who only consider the aggregate discount margin/spread for CLO BB debt may not realize the significant dispersion among the underlying constituents. As risk premiums have compressed, the downside risk is substantial. Palmer Square recently released a brief on CLO BB debt dispersion, which is available on our website. The CLO BB debt tranche continues to be a strong performer, even with higher-than-normal defaults within the underlying loans. We remain constructive on CLO mezz but used the recent strength in trading levels to reduce risk at a premium. *We continue to add to CLO portfolios that are higher quality as we believe they will continue to outperform portfolios with more risky collateral.*
- Investment Grade Corporate Bond Allocation** – IG corporate bond exposure was 26% at the end of the fourth quarter, up from 19% the prior quarter. The quarter-over-quarter increase in IG corporate exposure was driven by a partial rotation out of ABS and Treasuries due to improving relative value. The Fund also modestly increased spread duration in IG corporates as yield curves steepened and brief volatility provided the opportunity to selectively move out on the spread curve at attractive levels. IG corporate bonds continued to garner strong demand from investors in the quarter, given attractive all-in yields and solid fundamentals from investment grade issuers. As a result of this demand backdrop, option-adjusted-spread (“OAS”) on the Bloomberg U.S. Corporate Index remains at historically tight levels. On the positive side, spread valuations in the 1-3Y portion of the IG corporate market, which is where most of the Fund’s exposure is concentrated, look more attractive, albeit still tight. As we move into 2026, we expect AI-driven volumes and M&A to fuel strong primary issuance, acting as a modest technical headwind relative to last year. *We remain*



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*conservatively positioned in IG corporate bonds but may seek to increase exposure or add spread duration in the event that spreads widen to more attractive levels.*

- **High Yield Bond Allocation** – As of quarter-end, HY corporate bond exposure was 6% of the portfolio, down slightly from the 7% last quarter. Overall, credit spreads remain low on a historical basis, and we continue to focus on shorter duration, discounted bonds that we believe offer attractive risk-adjusted yields. Fourth quarter gross primary issuance was the highest since 2021, which resulted in a number of attractive new issue opportunities during the quarter. In addition to a busy primary market, brief bouts of spread widening in October and November provided tactical opportunities in the secondary market as well. *We are likely to keep HY allocations at or near current levels in the near term but will seek to add incremental exposure at more attractive spread levels.*
- **ABS/MBS Allocation has Provided Diversification and Income Capture** – As of quarter-end, 9.85% of the portfolio had exposure to ABS/MBS. With the continued bifurcation in the economy, we maintained our preference for prime creditors and avoided the subprime segment of the market. During the quarter, our allocation to ABS/MBS decreased by approximately 8.5%.
  - » **ABS** exposure (primarily prime auto and equipment) decreased significantly during the quarter to 9.85% of the Fund.
  - » **CMBS** exposure at quarter-end was 1.04%, basically unchanged from the previous quarter. Our preference in CMBS continues to be single asset/single borrowers and in sectors where we find the most relative value, notably retail and lodging. We still feel there are macro headwinds for commercial real estate in certain sectors, so we have not increased exposure.
  - » **RMBS** exposure increased modestly during the quarter, currently 2.57% of the Fund. Our existing exposure in Non-Agency is still primarily AAA rated debt which is backed by collateral from borrowers with FICO's (Fair Isaac Corporation\*) greater than 700 and in some cases as high as 760.

<b>ABS/MBS Positions</b>	<b>12/31/25</b>
Prime Autos	3.79%
Cards	1.68%
Equipment	3.55%
CLN	0.66%
<b>ABS (96% AAA)</b>	<b>9.85%</b>
Single Asset/Single Borrower	1.04%
<b>CMBS (58% A- and above)</b>	<b>1.04%</b>
Agency	0.05%
Non-Agency	2.52%
<b>RMBS (97% AAA)</b>	<b>2.57%</b>

Source: Palmer Square Capital Management.

\*Please see Notes and Disclosure for definitions.

- **Bank Loan Allocation** Bank loan exposure was 5% at the end of the quarter, in line with the prior quarter. The Fed's rate cutting cycle has eroded some of the high current yield enjoyed by bank loans over the last few years; however, BB bank loans continue to offer a yield advantage over BB HY corporates. On the technical front, moderating retail demand has been offset by robust CLO formation following record issuance in 2025. Although repricing activity has slowed, it continues to weigh on secondary loan spreads. Looking ahead to 2026, we are hopeful that a resurgent M&A calendar will provide necessary primary supply to relieve pressure on secondary spreads. *We maintain our constructive stance on higher quality U.S. bank loans and expect to keep allocations near current levels in the near term.*

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Although credit market valuations remain tight, we believe the Fund remains well-positioned to not only generate a strong yield but also has potential for capital appreciation going forward. In addition, we believe our Fund's conservative positioning and low interest rate duration have the potential to deliver a higher Sharpe\* ratio as we continue to navigate these markets. We are confident in our opportunistic approach to relative value and are excited about how the portfolio is positioned and its outlook.

### Summary

**The Fund's diverse portfolio across corporate and structured credit is positioned in predominately investment grade securities yet has offered a strong current yield\* and potential opportunity for capital appreciation.** We believe we are opportune in our approach to relative value and are excited about how this portfolio is positioned and its outlook.

Please do not hesitate to contact us at [investorrelations@palmerssquarecap.com](mailto:investorrelations@palmerssquarecap.com) or (816)994-3200 should you desire more information. We would also be happy to set up a call and/or meeting at your convenience.

\*Please see Notes and Disclosure for definitions.



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## Notes and Disclosures

This overview is for informational and comparative purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any interests in the Palmer Square Income Plus Fund, the ("Fund"), and/or any other securities, or to provide any other advisory services. Any offer to invest in the funds will be made pursuant to the Fund's prospectus, which will contain material information not contained herein and to which prospective investors are directed. Before investing, you should carefully read such materials in their entirety. This overview is not intended to replace such materials, and any information herein should not be relied upon for the purposes of investing in the funds or for any other purpose. This overview is a summary and does not purport to be complete.

The allocation and credit quality distribution figures shown are used for illustrative purposes only. Palmer Square does not guarantee to execute that allocation and credit quality distribution. Allocation and exposures information, as well as other referenced categorizations, reflect classifications determined by Palmer Square as well as certain Palmer Square assumptions based on estimated portfolio characteristic information. Allocation and credit quality distribution figures may not sum to 100%. Ratings listed herein are assigned by Standard & Poor's (S&P) and Moody's Investor Service (Moody's). Credit quality ratings are measured on a scale with S&P's credit quality ratings ranging from AAA (highest) to D (lowest) and Moody's credit quality ratings ranging from Aaa (highest) to C (lowest). We use the higher of the two ratings. Credit ratings listed are subject to change. Please contact Palmer Square for more information.

Market opportunities and/or yields shown are for illustration purposes only and are subject to change without notice. Palmer Square does not represent that these or any other strategy/opportunity will prove to be profitable or that the Fund's investment objective will be met.

This material represents an assessment of the market environment at a specific point in time, is subject to change without notice, and should not be relied upon by the reader as research or investment advice. With regard to sources of information, certain of the economic and market information contained herein has been obtained from published sources and/or prepared by third parties. While such sources are believed to be reliable, Palmer Square or employees or representatives do not assume any responsibility for the accuracy of such information. Palmer Square is under no obligation to verify its accuracy.

**Bloomberg U.S. Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of publicly issued investment grade corporate, U.S. Treasury and government agency securities with remaining maturities of one to three years. **Bloomberg U.S. Corporate Index** measures the investment grade, fixed-rate, taxable corporate bond market. **Bloomberg 1-3 Year U.S. Corporate Index** measures the performance of investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-U.S. agencies, sovereigns, supranationals and local authorities. **Bloomberg U.S. High Yield Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. **iBoxx Liquid Leveraged Loan Index** tracks the total return of the 100 most liquid loans from the USD LLI index universe, offering a powerful insight into the loan market. **Palmer Square CLO Senior Debt Index** is a rules-based observable pricing and total return index for collateralized loan obligation debt for sale in the United States, rated at the time of issuance as AAA or AA (or an equivalent rating). Such debt is often referred to as the senior tranches of a CLO. **Palmer Square CLO Debt Index** is a rules-based observable pricing and total return index for collateralized loan obligation debt for sale in the United States, rated at the time of issuance as A, BBB or BB (or equivalent rating). Such debt is often referred to as the mezzanine tranches of a CLO. **S&P 500 Index** is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. The **STOXX 600 Index** seeks to offer broader exposure to European companies. Thus, it's often cited as a close European alternative to Standard & Poor's 500 Index (S&P 500). **Bloomberg Ba US High Yield Index** measures the USD-denominated, Ba-rated, fixed-rate high-yield corporate bond market. It is not possible to invest directly in an index.

**Interest Rate Duration** measures a portfolio's sensitivity to changes in interest rates. **Spread Duration** measures the sensitivity of a bond price based on basis point changes of more than 100. **Yield to Expected Call** is a Yield to Call metric that assumes callable bonds are not called on their call date, but at some later date prior to maturity. Yield to Expected Call considers contractual terms in a bond's indenture or other similar governing document. A bond may be called before or after this date, which has the potential to increase or decrease the Yield to Expected Call calculation. All else equal, when a bond's price is below par, Yield to Expected Call is a more conservative yield metric than Yield to Call. If a bond is not callable, Yield to Expected Call calculates the bond's Yield to Maturity. **Yield To Maturity** is the rate of return anticipated on a bond if held until the end of its lifetime. **Current Yield** is a weighted calculation of the annual coupon rate divided by the price of each individual security within the portfolio and represents the return an investor would expect if the securities were held for a year and the price did not change. **Credit Spreads** are often a good barometer of economic health - **widening (bearish sentiment)** and **narrowing/tightening (bullish sentiment)**. A **tight market (tight-trading)** is a market characterized by narrow bid-ask spreads and abundant liquidity with frenetic trading activity. The **SEC 30-day yield** is computed under an SEC standardized formula and is based on the maximum offer price per share. Subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect. **Sharpe Ratio** is a measure of risk-adjusted return. **FICO** stands for the **Fair Isaac Corporation** and the FICO score is a number that is used to predict how likely a borrower will pay back a loan. **WAL or weighted average life** is the average length of time that each dollar of unpaid principal on a loan remains outstanding. **Basis points (BPS)** refers to a common unit of measure for interest rates and other percentages in finance. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point. The **option-adjusted spread (OAS)** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return. **EPS growth** refers to the increase in a company's earnings per share (EPS) over a period of time. **Return on Invested Capital ("ROIC")** is a financial metric used to evaluate a company's efficiency and profitability in generating returns from the capital it has invested in the business.

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## Notes and Disclosures cont'd

Past performance is not indicative of future results. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable. Please note that the performance of the funds may not be comparable to the performance of any index shown. Palmer Square has not verified, and is under no obligation to verify, the accuracy of these returns. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

**CAPEX** refers to capital expenditure or the money a company spends to buy, improve or maintain long-term assets.

**Magnificent 7** is a common term used to represent seven specific technology companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla). The **Atlanta Fed GDPNow** model forecast GDP (gross domestic product) growth by aggregating the 13 subcomponents that make up GDP with the chain-weighted methodology used by the U.S. Bureau of Economic Analysis.

**Core CPI** (consumer price index) is a measure of inflation that excludes the price of food and energy. **Yield Curve** is a graph that plots the yield (or interest rate) across different maturity dates. **YTW** (yield-to-worst) is a financial metric that calculates the lowest possible return on a bond. **Put Strike**, also known as the exercise price, is the predetermined price at which the holder of a put option can sell the underlying security or asset.

The risks of an investment in a collateralized debt obligation depend largely on the type of the collateral securities and the class of the debt obligation in which the Fund invests. Collateralized debt obligations are generally subject to credit, interest rate, valuation, prepayment and extension risks. These securities are also subject to risk of default on the underlying asset, particularly during periods of economic downturn. Defaults, downgrades, or perceived declines in creditworthiness of an issuer or guarantor of a debt security held by the Fund, or a counterparty to a financial contract with the Fund, can affect the value of the Fund's portfolio. Credit loss can vary depending on subordinated securities and non-subordinated securities. If interest rates fall, an issuer may exercise its right to prepay their securities. If this happens, the Fund will not benefit from the rise in market price, and will reinvest prepayment proceeds at a later time. The Fund may lose any premium it paid on the security. If interest rates rise, repayments of fixed income securities may occur more slowly than anticipated by the market which may result in driving the prices of these securities down. Foreign investments present additional risk due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks. High yield securities, commonly referred to as "junk bonds," are rated below investment grade by at least one of Moody's, S&P or Fitch (or if unrated, determined by the Fund's advisor to be of comparable credit quality high yield securities).

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