Palmer Square Income Plus Fund (PSYPX)

October 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 86% of the portfolio is rated investment grade ("IG") and 57% is rated A- or higher. Spread duration* is 1.91 years. **The Fund has returned an annualized 3.54% since its inception in February 2014, outpacing both the Bloomberg U.S. Corporate 1-3 Year Index (2.41%) and the Bloomberg U.S. Aggregate Bond Index (1.71%).**

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

- Diversified Income Generation – The Fund seeks to generate income through 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 U.S. Corporate 1-3 Year Index*.
- Capital Preservation – The Fund seeks to maintain 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.

	9/30/2025	12/31/2025	3/31/2026	6/30/2026	9/30/2026
Interest Rate Duration*	0.82 yrs	0.85 yrs	0.87 yrs	0.78 yrs	1.04 yrs
Spread Duration*	1.48 yrs	1.50 yrs	1.86 yrs	1.73 yrs	1.91 yrs
Yield to Expected Call*	4.65%	4.47%	5.09%	5.14%	5.95%
Yield to Maturity	4.71%	4.56%	5.05%	5.13%	5.99%
Current Yield	4.91%	4.66%	4.77%	4.75%	5.04%
30-day SEC Yield (subsidized)*	4.43%	4.01%	4.01%	4.32%	4.21%
30-day SEC Yield (unsubsidized)*	4.43%	4.01%	4.01%	4.31%	4.21%

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 Summary

The Fund delivered a return of 0.42% (net of fees) in Q3 2026. The Fund has only had one negative year since its 2014 inception and has routinely outperformed benchmarks since inception.

Calendar Year Performance (Net of Fees) (inception 2/28/2014)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
PSYPX	5.12%	6.83%	8.78%	-0.76%	1.17%	3.65%	5.29%	1.17%	4.03%	5.24%	1.21%	0.95%
Bloomberg U.S. Corp 1-3 Year*	5.88%	5.28%	5.48%	-3.32%	-0.13%	3.79%	5.30%	1.57%	1.85%	2.36%	1.01%	0.65%
Bloomberg U.S. Aggregate Bond*	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.50%	8.73%	0.02%	3.54%	2.66%	0.57%	3.86%

[1]*Partial time period.*

Trailing Performance (Net of Fees), as of 9/30/2026 (inception 2/28/2014)

	Q3 '26	1 Year	3 Years	5 Years	10 Years	Since Inception
PSYPX	0.42%	3.36%	5.71%	4.39%	3.92%	3.54%
Bloomberg U.S. Corp 1-3 Year Index*	-0.18%	2.20%	5.09%	2.69%	2.61%	2.41%
Bloomberg U.S. Aggregate Bond Index*	-3.50%	-1.84%	4.06%	-0.64%	1.14%	1.71%

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. ***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.***

Performance and Attribution: The Fund returned 0.42% (net of fees) in third quarter of 2026 and the Yield-to-Maturity ("YTM") now sits at 5.99%. We are pleased with performance during the quarter; the Fund's low interest rate duration and high-quality positioning helped to mitigate the headwinds from rising rates and wider spreads amid a challenging period for credit. The Fund outperformed the Bloomberg U.S. Corporate 1-3 Year Index benchmark (-0.18%) by 60bps, underscoring the value of the strategy amidst rising rate volatility. CLO Debt continues to be our largest allocation at 34% as spreads remain attractive on a relative basis and we continue to maintain our preference for floating rate assets. CLO BBBs were the largest source of attribution at 0.23%, followed by CLO AAAs (0.15%) and Bank Loans (0.10%). RMBS (-0.14%), IG Fixed Corporates (-0.09%) and HY Corporates (-0.04%) were the primary detractors to performance in the quarter.

Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q3 2026 Performance	YTD 2026 Performance
Bloomberg U.S. Treasury Index	-3.04% (Yield +76bps)	-2.77% (+124bps)
Bloomberg U.S. Aggregate Bond Index	-3.51% (Spread +5bps)	-2.91% (+4bps)
Bloomberg U.S. Corporate Index	-3.94% (Spread +6bps)	-3.11% (+2bps)
Bloomberg 1-3 Year U.S. Corporate Index	-0.18% (Spread +8bps)	+0.98% (-1bps)
Bloomberg U.S. High Yield Index	-1.82% (Spread +48bps)	+0.10% (+45bps)
iBoxx Liquid Leveraged Loan Index	+1.96% (DM -18bps)	+2.09% (+27bps)
Palmer Square CLO Senior Debt Index	+1.23% (DM +2bps)	+3.76% (-2bps)
Palmer Square CLO Debt Index	+1.99% (DM -8bps)	+4.38% (+13bps)
S&P 500 Index	+2.30%	+11.77%
STOXX 600 Index	-0.64%	+7.21%

Source: Bloomberg as of 9/30/2026. Bps = basis points or 0.01%

*Please see Notes and Disclosure for definitions.

Quarter Recap and Current Themes:

I. Quarter Recap: Floating > Fixed, Rising and Volatile Rates, AI Debt Issuance, Sticky Inflation

II. Current Themes: Why Credit Now, AI Earnings Bubble?, Fed Uncertainty / Higher for Longer, Case for Floating Rates

I. Quarter Recap: Floating > Fixed, Rising Rates, AI Debt Issuance, Sticky Inflation

Floating Rate Continues to Outperform: Floating rate assets, notably CLOs and bank loans, continued to demonstrate their value to investors during the quarter, providing stable income and attractive returns amid elevated rates and volatility. The Palmer Square CLO Senior Debt Index returned 1.23% during the third quarter and 3.76% year-to-date, while S&P UBS Leveraged Loan Index returned 2.03% during the quarter and 3.42% year-to-date, both of which handily outperformed notable fixed rate benchmarks. With the U.S. likely remaining in a higher-for-longer environment for the foreseeable future, floating rate assets represent an attractive alternative to longer duration credit.

Rising and Volatile Rates: Rates continued to move higher across the curve during the quarter, with the 2-year and 10-year yields rising approximately 71bps and 82bps, respectively, and the 10-year reaching its highest level since 2002. The sharp increase in rates was driven by several factors including persistent inflation, a hawkish pivot from the Federal Reserve, longer term fiscal concerns, and, on the positive side, stronger nominal GDP (gross domestic product) growth. We believe we've entered a higher-for-longer environment and elevated rate volatility is likely to remain a defining feature of credit markets.

AI Debt Issuance Surge: AI-related debt issuance continues its rapid pace soaring to $466bn through the third quarter of 2026. The unprecedented scale of the build out has required issuers to tap any and all available financing markets – Corporate Bond, ABS, U.S. dollar ("USD"), Non-USD, etc. The magnitude of the issuance has started to raise concerns amongst some market participants, leading to a rising cost of capital for the sector. Situation likely to remain topical as capex build out shows no sign of slowing down heading into 2027.

AI-Related Debt Issuance (USD $bn)	YTD-26	YTD-25	FY25A
Total IG	306	65	156
Total HY	53	7	15
Secd Lev. Loans	10	2	2
Total US Corporate Credit	**369**	**73**	**173**
Total US Securitized Credit	**20**	**19**	**27**
Non-USD Corp. Credit	75	8	15
Non-USD Securitized Credit	2	1	1
Total Non-USD	**77**	**8**	**16**
Total Global Credit Markets	**$466**	**$101**	**$216**

Source: Morgan Stanley

Sticky Inflation, No End in Sight: Inflationary pressure stemming from the U.S.-Iran conflict shows no signs of abating with elevated refined products prices, notably diesel and jet fuel, the primary pain point for the global economy. Although higher prices were initially isolated to the energy component of inflation, elevated refined product prices have started seeping into other areas of the economy and risk leading to more persistent inflation. This inflationary pressure provided the impetus for the Federal Reserve to initiate a new hiking cycle with a 25bp hike at the September FOMC meeting. Given the ultimate source of inflation, there are concerns that rates hikes may have a limited impact on curbing prices.

Conservative Positioning Leads to Ample Rotational Flexibility: The Portfolio was able to capitalize on the market volatility, gradually adding new positions at attractive valuations while maintaining ample dry powder for further rotations. In addition, we continue to maintain a preference for high-quality, liquid assets, which should allow us to quickly reposition the Fund when opportunities arise.

II. Current Themes: Why Credit Now, AI Earnings Bubble?, Fed Uncertainty / Higher for Longer, Case for Floating Rates

Why Credit Now: The recent rise in interest rates and credit spreads has created a compelling entry point for credit, offering investors attractive yields and supported by multi-year highs in spread breakeven levels (Level to which spreads would have to widen in order to result in a negative return over a one-year period). In addition, the fundamental backdrop remains sound with robust earnings growth expected to continue and leveraged credit defaults trending down to the lowest levels since Q4 2022, per J.P. Morgan.

AI Earnings / Capex Bubble?: With no sign of slowing, the torrid pace of AI capex and associated earnings growth is increasingly raising questions about the boom's sustainability. Some market participants point to prior periods of exponential investment growth, such as the dot-com-era fiber buildout, as historical analogues. Several upcoming events could shape the AI trade and the infrastructure built out behind it: the potential Q4 Anthropic IPO, hyperscalers' Q3 earnings-call commentary on AI spending, and the U.S. election, amongst others.

Fed Uncertainty / Higher For Longer: The Federal Reserve's September rate hike, together with its hawkish commentary, signal a clear shift in policy. However, key economic data continue to send mixed signals. Adding to the uncertainty, Fed Chair Warsh has indicated a preference for providing less forward guidance on the path of policy. Questions are also emerging over whether higher rates can deliver the intended reduction in inflation, as its two largest drivers, the AI/data center buildout and energy prices, appear largely insensitive to the cost of capital. Fed funds futures currently price in one more 25bps hike this year, followed by two additional hikes in 2027.

Downside to Rising Rates: Higher rates can be a double-edged sword for credit investors; they translate to higher yields on assets, but they also raise financing costs for borrowers and tend to slow corporate activity, including mergers & acquisitions ("M&A"). The impact is also uneven across sectors: some companies can pass through or absorb higher interest costs, while rate-sensitive areas such as construction and housing tend to feel the pressure most. Dislocations of this kind can create opportunities, as near-term headwinds weigh on valuations without materially altering the long-term outlook. Importantly, the scale of tightening this time is expected to be far more modest than the move in the Fed Funds rate from near 0% to above 5% in 2022/23, which should limit the strain on borrowers.

Floating Rate as a Core Allocation: With all this uncertainty and rates drifting higher, we continue to support floating rate credit and low duration strategies as a core allocation to fixed income portfolios. As demonstrated by the volatility experienced earlier in the year, the path of interest rates remains uncertain and floating rate exposure can help neutralize volatility while providing stable income. In addition, we believe CLO Debt continues to offer a compelling spread advantage versus comparable fixed rate assets such as corporate credit.

Summary on Attribution, Allocation and Positioning

Select Portfolio Attribution and Characteristic Dashboard

	Allocation	% Allocation	Q3 2026 Attribution	Average Price	Yield to Expected Call*
IG	ABS (94% AAA)	8%	0.05%	99.8	4.83%
IG	Treasuries	10%	0.04%	98.7	4.57%
IG	CLO AAA	14%	0.15%	100.1	5.77%
IG	CLO AA	4%	0.05%	99.8	5.69%
IG	CLO A	1%	0.01%	100.3	5.73%
IG	CLO BBB	12%	0.23%	100.2	7.52%
IG	RMBS (99%+ AAA)	8%	-0.14%	94.0	6.66%
IG	CMBS	1%	0.01%	95.5	8.20%
IG	IG Corp Bonds – Fixed	25%	-0.09%	97.5	5.37%
IG	IG Corp Bonds – Floating	1%	0.01%	100.2	4.34%
IG	IG Bank Loans	0%	0.00%	99.7	6.55%
HY	Bank Loans - Non IG	6%	0.10%	100.2	6.91%
HY	HY Corp Bonds	4%	-0.04%	95.9	6.55%
HY	CLO BB	3%	0.07%	98.2	11.76%

Source: Palmer Square as of 9/30/2026. 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:

	9/30/2025 Allocation	12/31/2025 Allocation	3/31/2026 Allocation	6/30/2026 Allocation	9/30/2026 Allocation
CLO Debt	27%	30%	32%	32%	34%
IG Corp Debt	19%	26%	24%	22%	26%
ABS	19%	10%	7%	6%	8%
Gov't Bonds	17%	18%	14%	18%	10%
RMBS	2%	3%	6%	8%	8%
Bank Loans	5%	5%	7%	6%	6%
CMBS	1%	1%	1%	1%	1%
HY Corp Bonds	7%	6%	6%	5%	4%
Cash/Other	3%	1%	3%	3%	3%

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 Debt Allocation** – As of quarter-end, 33.7% of the portfolio, a slight increase from last quarter, was invested in CLO debt. CLO debt continues to be a top contributor to the Fund's overall return. Our exposure in the capital stack is weighted towards AAA, which still offers tremendous value in the 120-125bps spread range and current yields in the 5.00-5.50% range. AAA spreads are still about 10-15bps wide of their recent tights. 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.[1] In addition, the investor appetite for CLO AAA debt remains strong, resulting in healthy liquidity. The liquidity in CLO AAA debt allows us to quickly exit a position in order to take advantage of an interesting opportunity elsewhere.

  [1]This example is provided for illustrative purposes only.

- CLO mezzanine exposure increased slightly with BBBs at 12.2% and BBs at 2.9%. CLO BBB exposure was a top contributor during the quarter. In CLO BBBs, exposure increased throughout the first part of the quarter then reduced throughout September as spreads retreated back to post crisis tights. Over the course of 2025, we noticed an increasing spread and price dispersion within CLO BB debt tranches, which has continued into 2026. 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 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 have remained up in quality in CLO BBs as the average price of our holdings is $98.20, vs 93.18 for the Palmer Square CLO BB Index. 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 ended the quarter at 26.1%, up from 22.3% in the prior quarter. The increase reflected a rotation into the asset class as the front end of the curve steepened meaningfully, with the spread between 2Y and 3M treasuries widening from 35bps to 77bps quarter-over-quarter. The move in rates, combined with moderate spread widening, pushed the yield-to-worst on the Bloomberg U.S. Corporate 1-3 Yr Index up from 4.61% to 5.40% quarter-over-quarter, creating compelling all-in yields supported by strong corporate fundamentals. Exposure was largely unchanged until September, when we increased it as rates and yields moved higher, focusing our additions on the 2-3Y part of the curve. Net issuance remained higher year-over-year in Q3 but slowed from first-half levels, which reduced some of the supply-driven technical pressure that weighed on the market earlier in the year. *The Fund remains focused on the 1-3Y part of the market with a higher quality bias, and we are likely to maintain exposure at or near current levels in the near term.*

- **High Yield Bond Allocation** – HY corporate bond exposure ended the quarter at 4.0% of the portfolio, down slightly from 4.6% in the prior quarter. We gradually reduced exposure through the early part of the quarter as spreads remained near YTD tights. At the end of September, we began to tactically add exposure as rising rate volatility pushed spreads wider and created more attractive all-in yields. The portfolio continues to emphasize more liquid, higher quality bonds with a bias toward defensive, non-AI related sectors. *We are currently maintaining exposure at or near quarter-end levels but will look to add if spreads were to widen to a more attractive entry point.*

- **ABS/MBS Allocation has Provided Diversification and Income Capture** – As of quarter-end, 17.2% of the portfolio had exposure to ABS/MBS, an increase from 14.6% during the prior quarter. Similar to corporates, the Fund is focused on the 2-3 year portion of the curve. With the continued bifurcation in the economy, we maintained our preference for prime creditors and avoided the subprime segment of the market.
  - » **ABS** exposure (primarily prime auto, bankcard, and equipment) moderately increased during the quarter to 8.4% of the Fund.
  - » **RMBS** exposure increased during the quarter, currently 8.1% of the Fund. Our exposure in Non-Agency is still primarily AAA rated debt and consists of both capped floating rate and fixed rate coupons. The underlying mortgagors are mostly prime borrowers, meaning their FICO scores are typically 720+.

ABS/MBS Positions	9/30/2026
Prime Autos	4.03%
Equipment	1.95%
Bank Cards	1.86%
Credit-linked Notes	0.54%
ABS (94% AAA)	**8.37%**
Single Asset/Single Borrower	0.75%
CMBS (48% A- and above)	**0.75%**
Non-QM	2.21%
Prime	5.78%
Legacy	0.07%
RMBS (99%+ AAA)	**8.06%**

Source: Palmer Square Capital Management.

- **Bank Loan Allocation** – Bank loan exposure was 6.3% at the end of the quarter, up slightly from 6.0% the prior quarter. High-quality BB bank loans were a strong performer during the quarter, providing high current income while avoiding most of the volatility that impacted the lower-rated portion of the loan market. The end of summer was relatively slow in the new issue market, but the uptick in activity post-Labor Day provided an attractive opportunity to add new positions in the primary market. Overall, credit trends continue to improve and the LTM (last twelve months) default rate on bank loans hit 2.08% in Q3, which was the lowest level since January 2023, per J.P. Morgan. *We maintain our constructive stance on higher quality U.S. bank loans and expect to keep allocations near current levels in the near term.*

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.

*Please see Notes and Disclosure for definitions.

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@palmersquarecap.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.

Notes and Disclosures

Forward-looking statements: Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

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.

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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.

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).

Notes and Disclosures cont'd

Benchmarks: Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. Comparisons to indexes have limitations because indexes have volatility and other material characteristics that may differ from a particular hedge fund. For example, a hedge fund may typically hold substantially fewer securities than are contained in an index. **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. **Bloomberg US Investment Grade Technology Index** is a rules-based market value-weighted benchmark that measures the performance of fixed-rate, taxable, USD-denominated corporate bonds issued by companies classified within the technology sector.

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. **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. **CAPEX** stands for capital expenditure and refers to money a company spends to buy, fix, or improve long-term assets. A **Treasury curve** is a graph showing the relationship between the interest rates and maturity dates of U.S. government debt securities.

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