

Palmer Square Income Plus Fund (PSYPX)

July 2025

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 85% of the portfolio is rated investment grade (“IG”) and 63% is rated A or higher. Spread duration* is 1.56 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.

	06/30/2024	09/30/2024	12/31/2024	03/31/2025	06/30/2025
Interest Rate Duration	0.90 yrs	0.81 yrs	0.89 yrs	0.95 yrs	0.89 yrs
Spread Duration	1.64 yrs	1.72 yrs	1.59 yrs	1.60 yrs	1.57 yrs
Yield to Expected Call*	6.34%	5.14%	5.43%	5.20%	4.94%
Yield to Maturity	6.26%	5.10%	5.52%	5.22%	4.95%
Current Yield	6.17%	5.51%	5.39%	5.16%	5.10%
30-day SEC Yield (subsidized)*	6.19%	5.84%	5.34%	4.98%	4.39%
30-day SEC Yield (unsubsidized)*	6.19%	5.84%	5.34%	4.98%	4.39%

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 866-933-9033.

*Please see Notes and Disclosures for definitions.

- **Performance and Attribution: The Fund returned +1.48% (net of fees) in Q2 2025.** We are pleased with the Fund's performance during the quarter as attractive current income was complimented by modestly tighter spreads and lower front-end interest rates. The Fund performed in line with benchmarks such as the 1-3 Year US Corporate Index (1.49%), while also providing investors with less rate volatility in an evolving interest rate environment. CLO Debt continues to be our largest allocation at 27% and the primary driver of performance, contributing 0.51% of attribution. Meanwhile, both Investment Grade and High Yield Corporates also had strong months, attributing 0.32% and 0.23% respectively. Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q2 2025 Performance	YTD 2025 Performance
Bloomberg U.S. Treasury Index	+0.85% (Yield -0.08%)	+3.79% (-0.43%)
Bloomberg U.S. Aggregate Bond Index	+1.21% (spread -2bps)	+4.02% (-1bps)
Bloomberg U.S. Corporate Index	+1.82% (spread -9bps)	+4.17% (+4bps)
Bloomberg 1-3 Year U.S. Corporate Index	+1.49% (spread -4bps)	+3.13% (+1bps)
Bloomberg U.S. High Yield Index	+3.53% (spread -54bps)	+4.57% (+4bps)
iBoxx Liquid Leveraged Loan Index	+2.35% (DM -46bps)	+2.25% (-16bps)
Palmer Square CLO Senior Debt Index	+1.53% (DM -9bps)	+2.83% (+5bps)
Palmer Square CLO Debt Index	+2.27% (DM -23bps)	+3.83% (+5bps)
S&P 500 Index	+10.94%	+5.50%
STOXX 600 Index	+3.29%	+6.65%

Source: Bloomberg as of 06/30/2025.

*Please see Notes and Disclosure for definitions.

Detailed Fund Performance History

The Fund delivered a return of 1.48% (net of fees) in Q2 2025.

Fund Performance Net of Fees as of 06/30/2025 (inception 2/28/2014)

	Q2 2025	YTD 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PSYPX	1.48%	2.70%	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*	1.49%	3.13%	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*	1.21%	4.02%	1.25%	5.53%	-13.01%	-1.54%	7.50%	8.73%	0.02%	3.54%	2.66%	0.57%

Fund Performance Net of Fees as of 06/30/2025 (inception 2/28/2014)

	1 Year	3 Years	5 Years	10 Years	ITD Annualized
PSYPX	6.17%	6.86%	4.47%	3.47%	3.52%
Bloomberg U.S. Corp 1-3 Year Index*	6.60%	4.68%	2.29%	2.51%	2.35%
Bloomberg U.S. Aggregate Bond Index*	6.08%	2.55%	-0.73%	1.76%	1.88%

Class I shares – Annual Expense Ratio: Gross 0.74%/Net 0.74%. 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 0.88% of the average daily net assets of the Fund. This agreement is in effect until October 31, 2025, 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 866-933-9033.

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Summary Themes:

- I. **Q2 Recap: Liberation Day, The New Credit Market and Positioning**
- II. **2025 Mid-Year Outlook: Tariff Uncertainty vs Unprecedented Stimulus Spending, Floating Rate as a Core Allocation**

Theme I. Q2 Recap: Liberation Day, The New Credit Market and the AI Capex Boom

- **Liberation Day:** The 2nd quarter started off with a bang with President Trump unveiling his tariff policy, which sent markets (mostly equities) into a sharp correction. Everyone knew tariffs were going to be a part of the Trump 2.0 Presidency, but what caught the market off guard was how broad (literally every country on earth), how severe (Vietnam at 80%, for example), and how incoherent the tariff rates were (driven by current account surpluses, implying any trade deficit is inherently bad). Almost immediately, blue-chip economists raised recession probabilities which sent equities 10-20% lower over the subsequent week. Perhaps the most alarming part of this episode was the selloff in the US Dollar (USD) and long-end Treasuries, defying the flight to safety trade and suggesting foreign investors were cutting USD assets generally. But the bond vigilantes proved once more they are political kryptonite, leading Trump to pause tariffs after he saw Treasuries “get the yips.” From that moment on, the market has increasingly faded tariff headlines. All that said, we believe tariffs will be a constant source of angst for the market.
- **The New Credit Market:** Despite the short-lived equity bear market, the credit markets mostly shrugged off the tariff volatility. We also believe this is yet another example of the newfound resiliency of The New Credit Market (trademark pending), which has seen assets under management steadily move OUT of daily liquid vehicles and INTO closed-end and drawdown funds. This structural change means there are simply less forced sellers in the market today compared to pre-pandemic times. Private credit funds, CLOs, BDCs, closed-end funds, and interval funds all dominate the landscape today and all share the key trait of not being a forced seller. Combine this with a high-rate environment and a substantial amount of freshly raised capital, and it’s no wonder dips have been shorter lived and less deep.
- **Positioning:** The Fund entered the quarter very conservatively positioned, which both limited the performance impact but also allowed us to take advantage of wider spreads in several areas. First, we opted to simply buy high yield ETFs (in lieu of cash bonds) post Liberation Day as it was a quicker and easier way to add exposure *and* we were able to capture a 1%+ discount to NAV. We also participated in several CLO primary transactions where the AAA was placed before Liberation Day but not the mezzanine tranches, and therefore the managers and arrangers were keen to price deals quickly (even if significantly wider) to take advantage of discounted loan prices. However, by the end of the quarter credit spreads had, with few exceptions, completely retracted the widening seen post Liberation Day. As such, we took profit on most of these trades and ended the quarter in a similarly defense position.

Theme II. 2025 Mid-Year Outlook: Tariff Uncertainty vs Unprecedented Stimulus Spending, Floating Rate Credit as a Core Allocation

- **Tariff Uncertainty Here to Stay:** We believe there remains considerable uncertainty on the scope and severity of tariffs and trade policy generally. And while there has been some token deals reached already, combined with delays and “broad strokes” agreements, we think tariff uncertainty will be a theme throughout the second Trump term.
- **Lower But Still Positive Growth:** Tariffs will likely have some negative impact on growth in the near term; the consensus estimate for 2025 GDP growth declined from 2.2% to 1.5% since April. But the fears of a tariff-driven recession in April now seem exaggerated.
- **The AI Capex Boom is a \$2.9 trillion private sector stimulus:** This is a theme we have been amplifying for several quarters now, but it just keeps getting bigger and more impactful. Regardless of your view on the impact of AI or the valuation of AI-related companies, there is a space-race occurring to be the first mover. Companies like Meta and Google view AI as an existential threat/opportunity and are throwing hundreds of billions of dollars into the AI arena. This money is being spent and will likely continue to be spent for years, even if the ROIC ends up being disappointing. A recent report from Morgan Stanley projects AI spending to reach \$2.9 trillion from 2025-2028. This surge of capital will have a significant trickle-down demand effect, including chips, datacenters, fiber, electricity, rare earths, electronics, construction, etc.
- **Fiscal Policy and Rate Volatility:** On top of the largest private sector stimulus in history we also have the One Big Beautiful Bill, which codifies in 5-6% deficit spending for at least the next 3 years. This level of spending is unprecedented in peace time, but also depressingly the new status quo in Washington. This presents a very weak set up for long-end treasuries, which are dealing with both a demand problem (tariff uncertainty, de-dollarization) and a supply problem (record deficit spending). This foretells more volatility in long-end treasury yields, regardless of what the Fed does to the short-end.
- **Floating Rate as a Core Allocation:** Given this backdrop of rate volatility, we think floating rate income should demand a core allocation in everyone’s portfolio. The tailwinds that once propelled the traditional core duration allocation are now secular headwinds. Not only does floating-rate neutralize rate volatility, but it also offers a significant spread pick-up versus traditional corporate credit.
- **Tighter Spreads + Less Dispersion = Discipline and Patience:** The credit market has largely retracted any/all spread widening since Liberation Day. We believe this warrants near-term caution, and means investors need to be more patient and selective in the credit exposure.

Summary on Attribution, Allocation and Positioning

Select Portfolio Attribution and Characteristic Dashboard

	Allocation	% Allocation	Q2 2025 Attribution	Average Price	Yield to Expected Call*
IG	ABS (100% AAA)	17%	0.19%	100.4	4.45%
	Treasury Bonds	18%	0.18%	99.5	4.10%
	CLO AAA	13%	0.17%	100.2	4.82%
	CLO AA	2%	0.06%	99.9	5.26%
	CLO A	1%	0.03%	100.3	5.26%
	CLO BBB	8%	0.16%	100.0	6.63%
	RMBS (97% AAA, 100% A and above)	2%	0.04%	86.9	5.27%
	CMBS	1%	0.07%	92.4	7.70%
	IG Corp Bonds - Fixed	18%	0.29%	99.3	4.39%
	IG Corp Bonds - Floating	2%	0.03%	100.2	4.82%
HY	IG Bank Loans	1%	0.02%	100.3	5.27%
	Bank Loans - Non IG	5%	0.09%	100.2	5.82%
	HY Corp Bonds	6%	0.23%	99.0	5.18%
	CLO BB	3%	0.09%	100.5	9.93%

Source: Palmer Square as of 06/30/2025. 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 866-933-9033.

Historic Positioning Detail by Asset Type:

	06/30/2024 Allocation	09/30/2024 Allocation	12/31/2024 Allocation	03/31/2025 Allocation	06/30/2025 Allocation
CLO Debt	35%	33%	31%	27%	27%
IG Corp Debt	12%	19%	16%	16%	20%
ABS	16%	15%	17%	17%	17%
Gov't Bonds	18%	16%	17%	16%	18%
RMBS	2%	2%	2%	2%	2%
Bank Loans	9%	5%	6%	6%	6%
CMBS	3%	2%	2%	2%	1%
HY Corp Bonds	4%	6%	5%	12%	6%
Cash/Other	1%	3%	4%	2%	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 Allocation/Opportunity to Capture Income and Total Return** – As of quarter-end, 27% of the portfolio, roughly flat 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 120-130bps spread range and current yields over 5.5%. AAA spreads are still about 20bps wide of their YTD tights and are lagging corporate credit spreads, which are essentially back to their 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
- CLO mezzanine exposure was down slightly with BBBs at 7.6% and BBs at 3.2%, overall down about 0.4% over the quarter. We took advantage of very tight spreads to start the year to reduce exposure in longer duration bonds with more price sensitivity if spreads were to widen. Similar to AAA spreads, mezz has retracted a lot of the April widening but still lagging other areas of corporate credit. We see levels now at a much more constructive entry point and have slowly begun to add at these wider spreads. *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 20% at quarter end, up modestly from 16% the prior quarter. After a brief period of volatility in early April, spreads tightened throughout the quarter and the option-adjusted-spread (“OAS”) (53bps) on the Bloomberg U.S. Corporate 1-3 Year Index ended the quarter near multi-year tights. Corporate fundamentals remain strong with healthy balance sheets and good earnings growth (Q1 year-over-year S&P 500 EPS growth = 16%), which combined with strong technicals to support spread tightening. IG Corporate exposure is concentrated in 2-3Y bonds, consistent with our low duration strategy and reflective of less attractive relative value farther out on the spread curve. *We remain 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 from 12% last quarter. Reduction in exposure reflects partial unwind of short duration BB bonds that were added in Q1 as we rotated into other areas of credit at more attractive spread levels. We remain focused on short duration, discounted HY bonds, while selectively looking for new opportunities in the primary market. Spreads ended the quarter at or near Q1 levels, supported by stable HY corporate fundamentals and robust fund inflows in May and June – the highest two-month inflow total since November 2023 (per JPMorgan). *We are likely to keep HY allocations at or near current levels in the near term but will likely seek to add incremental spread duration at more attractive spread levels.*
- **ABS/MBS Allocation has Provided Diversification and Income Capture** – As of quarter-end, 19.62% of the portfolio had exposure to ABS/MBS. During the quarter, our allocation to ABS was relatively unchanged.
 - » **ABS** exposure (primarily prime auto ABS with a weighted average life (WAL)* of 12 months or less) ended unchanged relative to Q1, currently 16.72% of the Fund.
 - » **CMBS** exposure at quarter-end was 1.26%, consistent with Q1 2025. 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 remained unchanged compared to Q1 2025. Our existing exposure in non-agency is still primarily AAA rated debt which is backed by collateral from borrowers with FICOs (Fair Isaac Corporation*) greater than 700 and in some cases as high as 760.

*Please see Notes and Disclosure for definitions. ¹This example is provided for illustrative purposes only.

ABS/MBS Positions	06/30/25
Prime Autos	11.20%
Cards	3.80%
Equipment	1.71%
ABS (100% AAA)	16.72%
Conduit	0.29%
Single Asset/Single Borrower	0.97%
CMBS (76% A- and above)	1.26%
Agency	0.05%
Non-Agency	1.59%
RMBS (97% AAA)	1.65%

Source: Palmer Square Capital Management.

- Bank Loan Allocation** Bank loan exposure was unchanged on a quarter-over-quarter basis at 6%. After a period of volatility at the beginning of April, loan prices quickly rebounded over the remainder of the quarter with higher-quality BB loans the quickest part of the market to recover. The technical backdrop for loans strengthened throughout the quarter, highlighted by continued fund inflows, robust CLO creation, and limited new money issuance. Loan allocation remains largely focused on defensive sectors with less sensitivity to tariff related risks and economic cyclicity. *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.

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

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.

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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