

Palmer Square Ultra-Short Duration Investment Grade Fund (PSDSX)

October 2022

As a refresher, the investment objective of the Palmer Square Ultra-Short Duration Investment Grade Fund (the “Fund”) is to seek income. A secondary objective of the Fund is to seek capital appreciation. The Fund is invested primarily in a broad universe of credit such as fixed and floating rate investment grade corporate bond and notes, collateralized loan obligation (“CLOs”) debt, traditional asset-backed securities (“ABS”) debt, and commercial paper. We believe our portfolio presents an ultra-short duration income alternative for investors targeting potential yield, capital preservation, and low volatility.

Since inception (10/7/2016), the Fund has had a flat or positive daily performance 92.7% of the time.

Performance Overview

The Fund returned 0.01% (net of fees) for the third quarter of 2022. The Fund’s current yield is 3.12% and yield to expected call* is 5.14%. Interest rate duration* is 0.60 years and spread duration* is 1.31 years.

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.

	Allocation	9/30/2022 Price	Yield to Expected Call*
IG Fixed (average duration of 1.3 yrs)	19%	\$97.3	4.7%
IG Corp FRN	5%	\$99.3	4.3%
CLO AAA	20%	\$98.8	6.3%
ABS	14%	\$98.6	4.4%
Gov’t Bonds	16%	\$99.7	2.8%
CLO AA	9%	\$98.5	6.8%
CLO A	4%	\$96.9	7.6%
RMBS	4%	\$84.4	5.8%
Bank Loans	3%	\$97.1	6.3%
CLO BBB	3%	\$95.4	9.7%
CMBS	2%	\$99.1	6.3%

Source: Palmer Square as of 9/30/2022. *Please see Notes and Disclosure for definitions.

Portfolio Snapshot

Please refer to the table below for a portfolio snapshot.

	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Interest Rate Duration*	0.44 yrs	0.47 yrs	0.41 yrs	0.46 yrs	0.60 yrs
Spread Duration*	0.82 yrs	0.85 yrs	1.28 yrs	1.39 yrs	1.31 yrs
Yield to Expected Call*	0.88%	0.93%	2.51%	3.87%	5.14%
Yield to Maturity	1.14%	1.13%	2.52%	3.88%	5.12%
Current Yield	1.63%	1.51%	1.51%	2.02%	3.12%
30-day SEC Yield (net of fees)	0.43%	0.45%	0.62%	1.49%	2.81%
30-day SEC Yield (gross of fees)	0.30%	0.24%	0.35%	1.06%	2.45%
Weighted Average Price	\$100.8	\$100.6	\$99.5	\$98.2	\$97.8

Source: Palmer Square. Past performance does not guarantee future results. *Please see Notes and Disclosure for definitions.

Summary on Attribution, Positioning and Outlook

Allocation and Gross Attribution

	9/30/2021 Allocation	12/31/2021 Allocation	3/31/2022 Allocation	6/30/2022 Allocation	9/30/2022 Allocation	Q3 2022 Gross Attribution
CLO Debt	36%	27%	34%	38%	35%	0.29%
IG Corp Fixed	23%	29%	21%	19%	19%	-0.10%
ABS	14%	10%	18%	19%	14%	0.05%
Gov't Bonds	5%	12%	11%	7%	16%	0.06%
IG Corp FRN	1%	2%	5%	6%	5%	0.02%
RMBS	1%	3%	4%	5%	4%	-0.25%
Bank Loans	4%	3%	3%	2%	3%	0.03%
CMBS	2%	2%	2%	3%	2%	-0.05%
Commercial Paper	12%	10%	1%	0%	0%	0.00%
Cash	2%	3%	0%	3%	2%	0.00%

Please note allocation above is a % of NAV. Gross attribution does not include expenses and fees if applicable. Please see Notes and Disclosure.

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.

2022 Fund Outlook:

- Solid Diversification - We believe we have solid diversification across both corporate and structured credit. The four main tools we have utilized to do this include investment grade corporate bonds, commercial paper, traditional asset-backed securities, and CLO debt.
- Lower Spread Duration Yet Solid Yield -
 - » Shorter maturity debt/low spread duration (the percentage price change of a bond's price given a 1% change in the yield spread) of 1.31 years should keep susceptibility to spread widening* risk and volatility low (note: we already had low interest rate duration (the percentage price change of a bond's price given a 1% change in interest rates)).
 - » Approximately 39% of the portfolio is typically self-liquidating within one year.
 - » Focus on the top end of the credit quality spectrum.
 - » Maintained a strong current yield of 3.12% and yield to expected call of 5.14%.
- Investment Grade ("IG") Corporate Bond Allocation - The IG corporate bond exposure remained flat during the quarter as maturing bonds were reinvested into new 2-3Y bonds in the 4.5-5.5% yield context. 2Y Treasury yields ended the quarter at 4.28%, a 135bps increase during the period. Of the 24% allocation to IG corporate bonds, 5% is in floating rate notes (FRNs) and the remaining 19% is in fixed-rate bonds with an average rate duration of 1.3 years. *In general, after screening as expensive/tight* for all of 2021 and most of 2022, we now view corporate IG as generally attractive following a significant increase in credit spreads and benchmark interest rates during the first half of 2022.*
- CLO Allocation/Opportunity to Capture Yield and Total Return - We believe the Fund's CLO allocation continues to be well-positioned to offer significant yield (especially on

*Please see Notes and Disclosure for definitions.

a risk adjusted basis) vs. corporates and other areas of IG rated fixed income products. AAA-rated debt has been offering approximately 4.5% to 5.0% in current yield and over 6% yield to maturity, which is the highest it's been in the past 10 years. Breakevens on short duration CLO AAAs are the widest we have ever seen. Given rising LIBOR/SOFR* rates the implied 1Y coupon on short AAAs is about 4.75%. In order to just breakeven over a 1Y holding period spreads would need to widen to 500bps or more. For reference, AAAs widened out to 300-325bps during the depths of the COVID-19 crisis, and that opportunity only lasted a few days.

- » CLO AAA spreads still look attractive vs IG corporate spreads and are still wide on a historical spread basis. Over the past 10 years CLO AAA spreads are on average 4.6bps wider than IG corporate bonds. Today CLO AAAs are 47bps wider; this basis has only been wider for a brief period in 2014 where CLO AAAs were 48bps wider.
- Traditional Asset-Backed Securities/Mortgage-Backed Securities (MBS) Allocation - As of quarter-end, 20% of the portfolio was allocated to ABS/MBS positions. Our primary focus in ABS/MBS securities within the strategy is to maintain low spread durations which should generate positive performance for the portfolio. Demand remained strong in the 3rd quarter for short duration securities (<2yr WAL)* as interest rates continued to climb along with the Fed's actions and hawkish rhetoric. In residential mortgage-backed securities (RMBS), the increase in mortgage rates caused spread widening and base case prepay scenarios to slow meaningfully. To combat extension risk, RMBS issuers continued primary deals with "coupon step up" structures for top of the stack tranches at the 48-month mark to incentivize a call scenario. The move in short term rates has created an attractive "all in yield" for ABS/MBS. As spreads are off their local tights, this remains an attractive opportunity to add exposure.

ABS/MBS Positions	9/30/2022
Prime Autos	12%
Equipment	2%
ABS (100% AAA)	14%
Single Asset/Single Borrower	2%
CMBS (100% AAA)	2%
Non-Agency	4%
RMBS (100% AAA)	4%

Asset-backed Securities (ABS), Mortgage-backed Securities (MBS), Commercial mortgage-backed securities (CMBS), Residential mortgage-backed securities (RMBS)

In summary, we believe the Fund is well-positioned and has potential to not only generate yield, but also provide investors with a low volatility alternative, which can help diversify a fixed income allocation. We believe we are always opportune in our approach to relative value and could not be more excited about how this portfolio is positioned and its outlook.

*Please see Notes and Disclosure for definitions.

Performance Summary

The Fund's underperformance compared to the benchmark in Q3 2022 was primarily driven by the significant increase in short term interest rates which had less impact on the benchmark which consists of <1Y treasury bills. This amount of rate widening was partially offset current yield on the Fund, which continues to increase and stands at 3.12% at quarter end.

Fund Performance Net of Fees as of 9/30/2022 (inception 10/7/2016)

	Q3 2022	YTD 2022	2021	2020	2019	2018	2017	YTD 2016
PSDSX	0.01%	-1.19%	0.05%	1.59%	3.00%	1.84%	1.50%	0.26%
ICE BofA ML U.S. Treasury Bill Index	0.47%	0.61%	0.05%	0.67%	2.28%	1.88%	0.85%	0.09%

Fund Performance Net of Fees as of 9/30/2022 (inception 10/7/2016)

	1 Year	3 Years	5 Years	Since Inception Annualized
PSDSX	-1.31%	0.30%	1.11%	1.17%
ICE BofA ML U.S. Treasury Bill Index	0.62%	0.60%	1.15%	1.07%

Annual Expense Ratio: Gross 0.68%/Net 0.52%. *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 acquired fund fees and expenses, interest, taxes, dividends and interest expenses on short positions, brokerage commissions and extraordinary expenses such as litigation expenses) do not exceed 0.50% of the average daily net assets of the Fund. This agreement is effective until October 31, 2022, and it may be terminated before that date only by 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. A portion of the fees charged is waived. Performance prior to waiving fees was lower than the actual returns. To obtain performance information current to the most recent month-end please call 866-933-9033.*

Summary

The Fund's diverse portfolio across corporate and structured credit has low spread duration, which may lessen the Fund's susceptibility to spread widening risk, (we already had low interest rate duration (the percentage price change of a bond's price given a 1% change in interest rates)), is positioned almost entirely in investment grade securities, yet has offered a strong current yield and potential opportunity for capital appreciation. In essence, we believe the Fund is well-positioned and has potential to not only generate yield and some total return, but also exhibit lower price volatility should another dislocation hit the market. 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.

Notes and Disclosure

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 Ultra-Short Duration Investment Grade 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. 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.

The BofA ML US Treasury Bill Index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income. **The Bloomberg 1-3 Year US Corporate Index** measures the performance of investment grade, US 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-US agencies, sovereigns, supranationals and local authorities. Unlike mutual funds, indices are not managed and do not incur fees or expenses. 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 Call** is the yield of a bond or note if you were to buy and hold the security until the call date. **Yield To Maturity** is the rate of return anticipated on a bond if held until the end of its lifetime. **Current Yield** is annual income divided by price paid. **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** 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. The **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. **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. **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 London Interbank Offered Rate (LIBOR)** is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans. **The Secured Overnight Financing Rate (SOFR)** is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR). **The weighted average life (WAL)** is the average length of time that each dollar of unpaid principal on a loan, a mortgage, or an amortizing bond remains outstanding.

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.

Notes and Disclosure cont'd

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).

The Palmer Square Ultra-Short Duration Investment Grade Fund is distributed by IMST Distributors, LLC.

Palmer Square Capital Management LLC ("Palmer Square") is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. Palmer Square and its representatives are in compliance with the current registration and notice filing requirements imposed upon registered investment advisers by those states in which Palmer Square maintains clients. Palmer Square may only transact business in those states in which it is notice filed, or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by Palmer Square with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about Palmer Square, including fees and services, send for our disclosure statement as set forth on Form ADV using the contact information herein or refer to the Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov). Please read the disclosure statement carefully before you invest or send money.

This material must be preceded or accompanied by a prospectus. Please read the prospectus carefully before investing. For a prospectus, or summary prospectus, that contains this and other information about the Funds, call 866-933-9033 or visit our website at www.palmersquarefunds.com. Please read the prospectus, or summary prospectus carefully before investing.