PALMER SQUARE CAPITAL MANAGEMENT

Palmer Square Opportunistic Income Fund (PSOIX)

January 2026

Fund Refresher

As a refresher, the Palmer Square Opportunistic Income Fund ("PSOIX" or the "Fund") seeks to not only capture a high level of current income, but also long-term capital appreciation by investing with a flexible mandate to find the best relative value opportunities across both corporate credit and structured credit.

Performance Summary

The Fund returned +1.29% (net of fees) for the fourth quarter of 2025.

We remain confident in our positioning in CLO (Collateralized Loan Obligation) Debt, bank loans and high yield bonds as well as believe the total return outlook still remains very attractive. The current yield on the Fund is now 8.05%.*

Fund Performance Net of Fees as of 12/31/2025 (inception 8/29/2014)

	Q4 '25	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
PSOIX	1.29%	6.32%	11.51%	18.94%	-4.48%	6.66%	5.92%	7.59%	-0.47%	11.04%	12.10%	-5.32%	-0.76%

	1 Year	3 Years	5 Years	10 Years	Since Inception Annualized[1]
PSOIX	6.32%	12.14%	7.52 %	7.33%	5.86%

[1]Inception date is August 29, 2014. Annual Expense Ratio: Gross 2.01%/Net 2.01% with expense waivers that are in effect until December 1, 2026. See expense waiver details in Notes and Disclosures. The performance returns shown above are calculated by comparing the net asset value (NAV) on the first day of the time period to the NAV on the last day of the time period and reflect reinvested dividends and capital gains. Returns less than 1 year are not annualized. **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.**

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	0.40 yrs	0.43 yrs	0.43 yrs	0.39 yrs	0.45 yrs
Spread Duration	2.17 yrs	2.15 yrs	2.24 yrs	2.30 yrs	2.41 yrs
Credit Spread	397	346	356	349	437
Weighted Average Price	$99.8	$99.3	$99.5	$99.8	$99.6
Yield to Expected Call	7.77%	7.06%	6.97%	6.73%	7.67%
Yield to Maturity	8.02%	7.15%	7.02%	6.97%	7.92%
Current Yield	8.29%	7.48%	7.52%	7.51%	8.05%
30-day SEC Yield (subsidized)*	7.11%	7.81%	6.25%	7.43%	6.08%
30-day SEC Yield (unsubsidized)*	7.11%	7.81%	6.25%	7.43%	6.08%

Past performance does not guarantee future results.

Allocation / Attribution Summary

Select Portfolio Attribution and Characteristic Dashboard

Allocation	12/31/2025 Allocation	Q4 2025 Gross Attribution	Average Price	Yield to Expected Call*
CLO Debt	73%	1.02%	$100.0	6.83%
Bank Loans	14%	0.27%	$98.1	7.42%
High Yield Bonds	6%	0.08%	$99.3	6.73%
Sub Notes	6%	0.16%	n/a	18.47%
ABS/MBS/CMBS	1%	0.05%	$92.3	12.39%

Asset-backed Securities (ABS), Mortgage-backed Securities (MBS), Commercial Mortgage-backed Securities (CMBS).

**Please see Notes and Disclosures 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	Q4 2025 Gross Attribution
CLO Debt	74%	71%	76%	77%	73%	1.02%
Bank Loans	17%	17%	15%	15%	14%	0.27%
High Yield Bonds	6%	9%	6%	5%	6%	0.08%
Sub Notes	2%	2%	1%	1%	6%	0.16%
ABS/MBS/CMBS	1%	1%	1%	1%	1%	0.05%

Please note the allocation above is on a gross exposure basis as a percent of NAV and does not include cash. Gross attribution does not include hedges, expenses and fees if applicable. 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. Attribution refers to the process of measuring returns generated by various sources.

- **Performance and Attribution: The Fund returned +1.29% (net of fees) for the fourth quarter of 2025.** The positive absolute performance was driven by a broad-based rally in credit spreads during Q4 and high coupons, particularly within our CLO exposure. Technicals for floating rate products continue to be favorable given the volatility of interest rates and 3m SOFR still at 4%. The Fund's exposure to CLO debt and sub notes provided the largest contribution at +1.18%, followed by bank loans at +0.27% and HY (High Yield) bonds at +0.08%. There were no meaningful detractors during the quarter.

  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	+1.23% (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. Bps = basis points or 0.01%

Macro Takeaways and Outlook

Summary Themes:

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

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

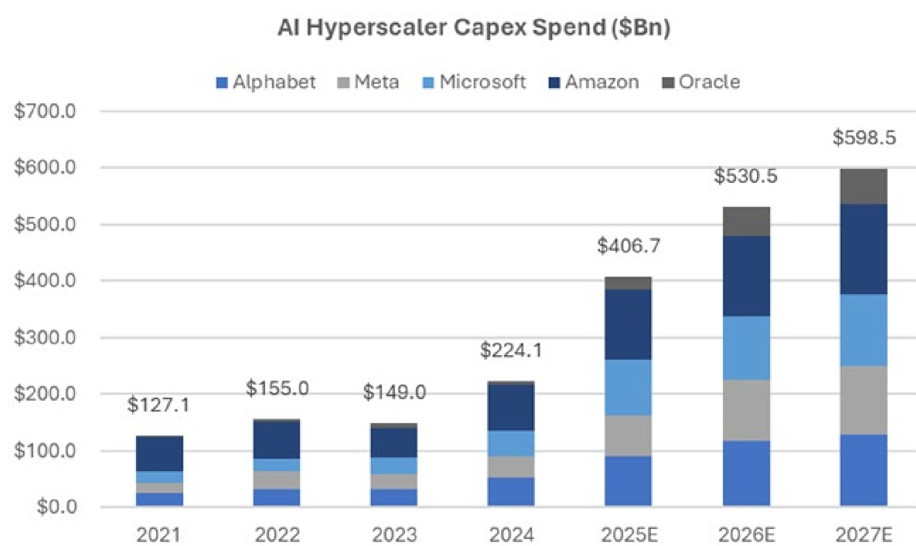
Theme I. Q4 Recap: US Economy Remains Resilient, Fed Continues Cutting Cycle:

- 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 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.

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

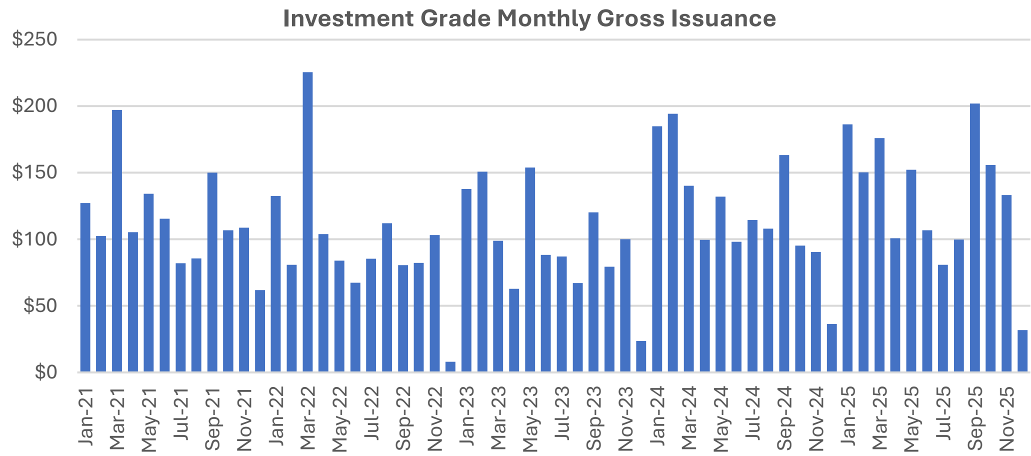
- **Exceptional US Growth to Continue:** We see upside risk to the current 2.1% estimate for US GDP growth in 2026, driven by fiscal, monetary and private sector tailwinds. The budget deficit for 2026 is expected to again be 5%+ of GDP, which continues the streak of record peacetime spending. Setting 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

- **<u>Policy Uncertainty the Biggest Risk for Markets:</u>** 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.

Relative Value and Current Upside Potential

- **We see value in CLO debt at current levels, as spreads are still wide compared to other areas of corporate credit.** If CLO debt levels return to their tight post crisis spreads, total return potential is still attractive. We currently favor newer vintage issue CLO deals with cleaner portfolios. Please see the table of indices below highlighting current price and spreads as well as potential upside from current levels. Yield to Expected (YTE) illustrates the yields if spreads were to stay the same and the bonds pull to par by maturity. The Average 1yr Upside represents an opportunity for the 1-year total return if spreads return to their 10-year average levels, and the Tight 1yr Upside represents the opportunity for the 1-year total return if spreads return to their 10-year tight levels.[1,2]

PALMER SQUARE CLO INDEX LEVELS AND 1YR UPSIDE TO AVERAGE/TIGHTS

Rating	Current Average Price	Discount Margin	Yield to Expected	Average 1yr Upside[1]	Tight 1yr Upside[2]
CLO AAA	$100.10	110	4.59%	5.20%	5.57%
CLO AA	$100.11	146	5.02%	5.62%	5.99%
CLO A	$100.12	173	5.29%	5.91%	6.29%
CLO BBB	$100.10	266	6.32%	6.38%	8.13%
CLO BB	$96.63	618	10.26%	12.05%	15.15%

Source: JPM / Intex / Palmer Square. As of 12/31/2025. Below investment grade ratings are subject to higher risks. Figures shown are not indicative of the performance of the Fund. [1]Refers to the potential increase in value of the investment in one year if spreads return to 10-year average levels. [2]Refers to the potential increase in value of the investment in one year if spreads return to 10-year tight levels. The potential increase in value is calculated by determining the return resulting from the positive or negative difference between the current price of the securities and the price of the securities at the respective spread levels noted in the above performance (i.e., spread levels at 10-year averages) plus the income from anticipated coupon payments over the next 12 months. For purposes of this analysis, anticipated coupon payments incorporate the forward LIBOR/SOFR curve. The presented performance does not reflect the impact of material economic and market factors on decision making, any changes to the Fund over time, and was prepared with the benefit of hindsight. Please see Notes and Disclosures for definitions.

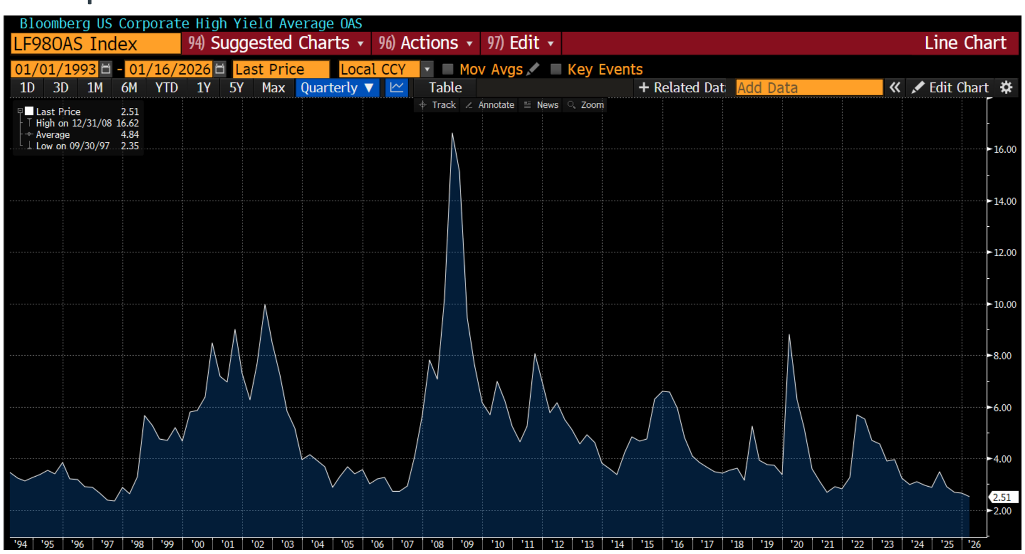
- **<u>CLO Allocation/Opportunity to Capture Income and Total Return:</u>** As of quarter-end, CLO Debt and Sub Notes accounted for 79% of the portfolio, up about 1% quarter-over-quarter. CLO BBBs are currently trading on average at a spread of 293bps and CLO BBs are at a spread of 580bps for higher quality portfolios. *We continue to add to CLO portfolios that are higher quality and more liquid as we believe they will continue to outperform portfolios with more risky collateral.*

- CLO BBs remain a significant allocation in the portfolio and at current valuations offer a lot of potential value on an absolute and relative basis. As compared to high yield ("HY") opportunities, CLO BBs on a historical basis still look very cheap. CLO BBs currently pick up 394bps of spread versus HY, which looking back to 2012 is a 75th percentile reading (meaning CLO BBs have been relatively cheaper only 25% of the time). The median spread differential over the same time period is 312bps, which means CLO BBs need to tighten* about 82bps just to get back to historical average levels vs HY. Also of note, HY and investment grade ("IG") spreads tightened more relative to CLOs in Q4 and are now sitting at multi decade tight levels.

CLO BB vs HY Spreads

Source: Bloomberg as of 12/31/2025. Current performance is not a guarantee of future performance of the Fund. LF980AS is the Bloomberg U.S. Corporate High Yield Option-Adjusted Index. PSBBDMSF is the Palmer Square CLO BB Discount Margin Index.

HY Corporate Index at levels not seen since 1997



Source: Bloomberg as of 1/16/2026. Current performance is not a guarantee of future performance of the Fund. LF980AS is the Bloomberg U.S. Corporate High Yield Option-Adjusted Index.

- **Bank Loan Allocation:** As of quarter-end, bank loan exposure was 14% of the portfolio, slightly reduced compared to Q3 2025. Dispersion within the asset class increased during the second half of the year, as names tied to AI concerns weakened while the top-quality names remained strong. Overall, spreads continued to contract, but overall yields remained attractive compared to corporate BB bonds. As the year concluded, we did see an acceleration of conversations with private equity sponsors and bank capital markets teams, so it feels like the Merger & Acquisition ("M&A") engine is gearing up, which would be a welcome change for the lending markets.
- We continue a bias towards issuers with high recurring revenues, strong free-cash-flow, and low loan-to-value ratios, thanks to generous enterprise value multiples, we have seen a bit of bifurcation in the markets, as certain sectors, such as chemicals, continue to lag. While we typically underweight cyclicals such as chemicals, there very well could be opportunities for total return over the next several quarters, and we are researching situations to be prepared.
- **High Yield Bond Allocation:** As of quarter-end, HY corporate bond exposure was 6% of the portfolio, up from 5% the prior quarter. Overall, HY corporate credit spreads remain low on a historical basis; however, we continue to focus on finding secondary opportunities that offer compelling total return potential. In addition, fourth-quarter gross primary issuance was the highest since 2021, providing a number of attractive new issue opportunities. *Given current spread valuations, the HY corporate bond allocation is likely to remain at or near current levels, with a continued focus on idiosyncratic opportunities.*

Outlook / Focus on CLO Relative Value

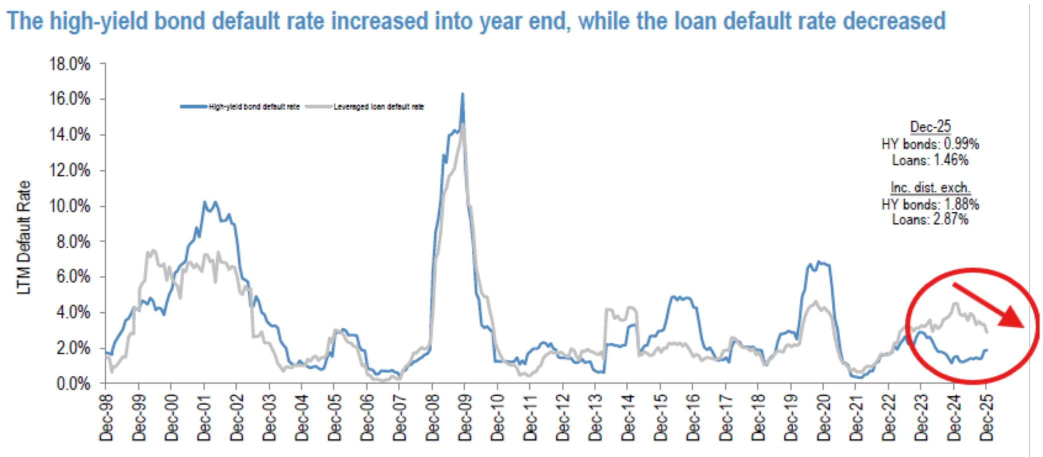
- **CLO Issuance Forecast and Outlook:** CLO issuance set a new record in 2025 with $211bn in new issuance (+4% year-over-year) as well as $326bn in refi/reset activity (+7% year-over-year). We believe this trend will continue in 2026 and forecast issuance levels to be in line with 2025. The size of the CLO market continues to grow in the U.S. and has surpassed $1 trillion and $1.4 trillion globally, which is now the largest credit sector within securitized products.

Fundamentals

- During Q4 2025, $25.4bn in loans were impacted by default / liability management exercise ("LME"), up from $12bn in Q3. Default activity across leveraged credit moderated in 2025 as a 43% year-over-year decline in distressed exchanges/LMEs more than offset a +32% increase in payment defaults. This brought the US loan default rate to 2.87% on a par-weighted basis. Loans trading below $80 price within CLOs trended upward to 4.49% versus 2.93% in Q3. CCC+ assets held in CLOs also increased slightly at around 4.75%. Ample loan demand continues to be present in the market as 2025 reached a new record of totally primary activity at $542bn in CLO issuance ($203bn in new issuance and $339bn in refi/reset activity). In addition, 2025 saw increased paydown for existing deals with $103bn of CLOs being called or amortizing.

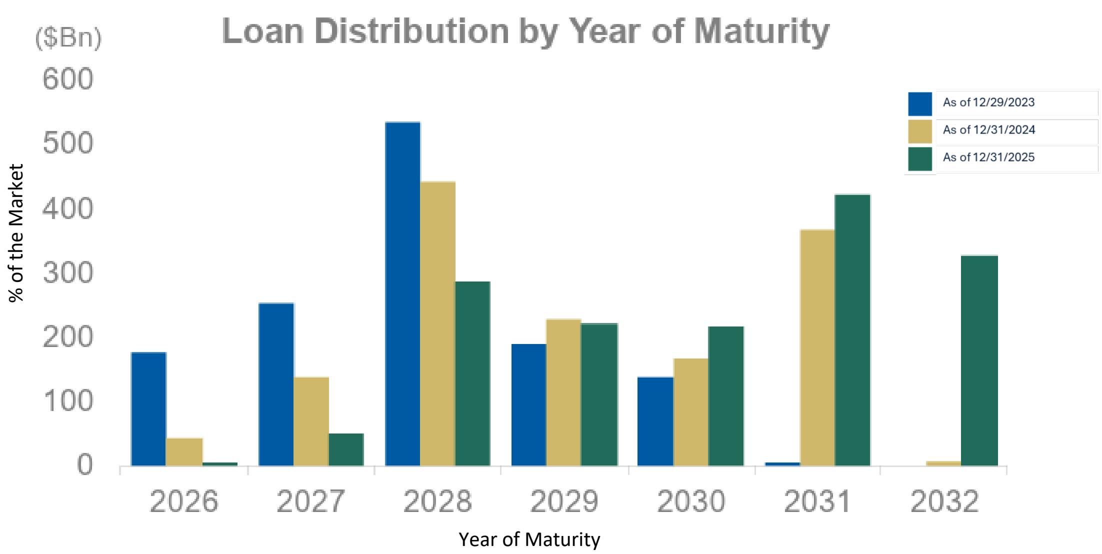
*Please see Notes and Disclosure for definitions.

Exhibit 1: Loan default rates below recent highs



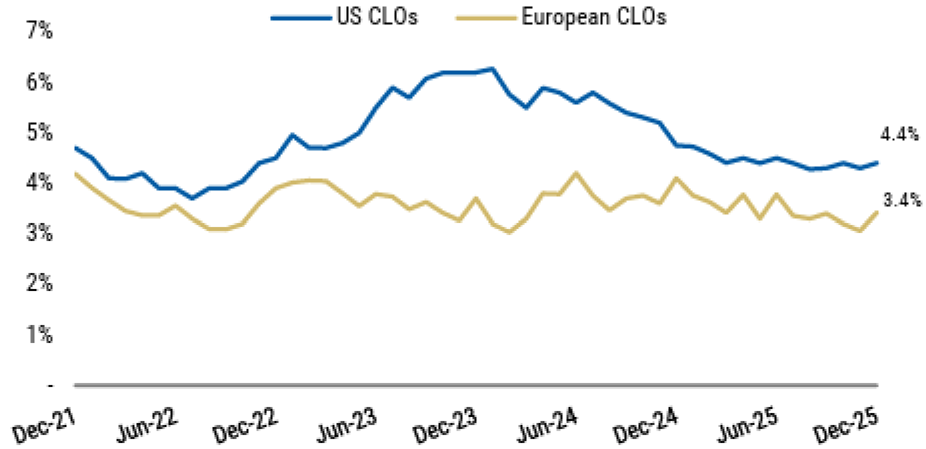
Source: J.P. Morgan; PitchBook Data, Inc; Bloomberg Finance L.P.; S&P/IHSMark; Data as of 12/31/2025

Exhibit 2: Loan maturities continue to get pushed out



Source: ICE, Pitchbook LCD, Morgan Stanley Research as of 12/31/2025

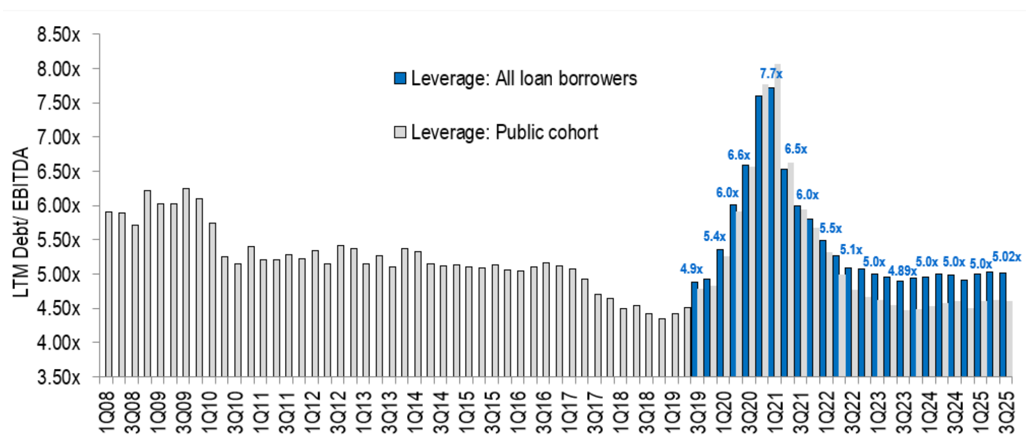
Exhibit 3: Median CCC assets in CLO portfolios



Source: Morgan Stanley Research, Intex. Data as of 12/31/2025

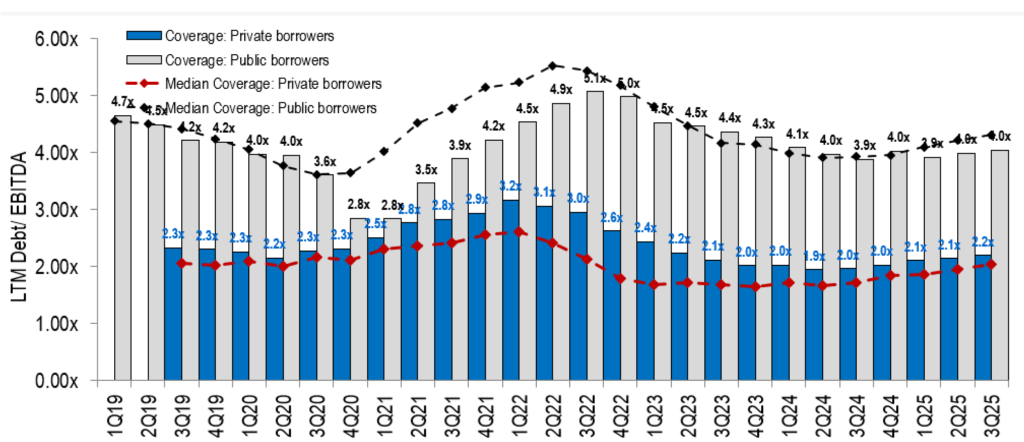
Exhibit 4: Loan gross leverage still near multi year low

Bank Loan Net Leverage (TM)



Source: J.P. Morgan, Capital IQ; Bixby Research and Analytics, Inc.

Exhibit 5: Interest coverage ratios in line with historical averages, larger companies outperform



Source: J.P. Morgan, Capital IQ; Bixby Research and Analytics, Inc.

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 Opportunistic Income 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 Palmer Square Opportunistic Income Fund is a closed-end interval fund. You should not expect to be able to sell your Shares other than through the Fund's repurchase policy, regardless of how the Fund performs.

The Fund's advisor has contractually agreed to waive or reduce its management fees and/ or reimburse expenses of the Fund to ensure that total annual Fund operating expenses (excluding taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.50% of the Fund's average daily net assets. This agreement is in effect until December 1, 2026, and it may be terminated before that date only by the Fund'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 of three years from the date of the waiver or payment.

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 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. Beta describes an investment's volatility in relation to that of the stock or bond market as a whole. For example, the S&P 500 is typically considered to be "the equity market" and it has a beta of 1.0. 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. Credit Spreads are often a good barometer of economic health - wide or widening (bearish sentiment) and narrowing/tight or tightening (bullish sentiment). The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option. Typically, an analyst uses Treasury yields for the risk-free rate. The original issue discount (OID) is the difference between the original face value amount and the discounted price paid for a bond. The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return. 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. 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.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index of publicly issued investment grade corporate, US Treasury and government agency securities with remaining maturities of one to three years. 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. S&P 500 Index is a market-capitalization- weighted index of 500 leading publicly traded companies in the U.S. U.S. Treasury index is an index based on recent auctions of U.S. Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates. Bloomberg U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. Bloomberg U.S. High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Bloomberg U.S. HY BB Corporates Index tracks the performance of USD-denominated below investment grade rated corporate debt publicly issued in the U.S. domestic market. Credit Suisse Leveraged Loan Index tracks the investable market of the U.S. dollar denominated leveraged loan market. 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). Palmer Square CLO Senior Debt Index (CLOSE) seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLOSE is comprised of original rated AAA and AA debt issued after January 1, 2009 subject to certain inclusion criteria. Palmer Square CLO Debt Index (CLODI) seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLODI is comprised of original rated A, BBB, and BB debt issued after January 1, 2009 subject to certain inclusion criteria. Palmer Square CLO BB TR Index (PCLOBBTR) seeks to reflect the investable universe for U.S. dollar denominated CLOs. The index is comprised of original rated BB debt issued after January 1, 2009 subject to certain inclusion criteria. LIBOR (London Interbank Offered Rate) is the benchmark interest rate at which major global banks lend to one another. As of January 1, 2022, many banks are no longer required to submit the data needed to calculate the LIBOR rate. A Reference Rate is an interest rate benchmark used to set other interest rates. Various types of transactions use different reference rate benchmarks, but the most common include the Fed Funds Rate, LIBOR, the prime rate, and the rate on benchmark U.S. Treasury securities. Unlike mutual funds, indices are not managed and do not incur fees or expenses. It is not possible to invest directly in an index.

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.

Notes and Disclosures (cont'd)

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 forcast 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.

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 their 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 performance presented here is past performance and not indicative of future returns. 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. Past performance does not guarantee future results.

Collateralized Loan Obligations Risk – The Fund may invest in CLOs. The Fund is subject to asset manager, legal and regulatory, limited recourse, liquidity, redemption, and reinvestment risks as a result of the structure of CLOs in which the Fund may invest. A CLO's performance is linked to the expertise of the CLO manager and its ability to manage the CLO portfolio. Changes in the regulation of CLOs may adversely affect the value of the CLO investments held by the Fund and the ability of the Fund to execute its investment strategy. CLO debt is payable solely from the proceeds of the CLO's underlying assets and, therefore, if the income from the underlying loans is insufficient to make payments on the CLO debt, no other assets will be available for payment. CLO debt securities may be subject to redemption and the timing of redemptions may adversely affect the returns on CLO debt.

The CLO manager may not find suitable assets in which to invest and the CLO manager's opportunities to invest may be limited. 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. The Fund is "non-diversified," meaning the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.

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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