PALMER SQUARE CAPITAL MANAGEMENT®

Palmer Square Income Plus Fund (PSYPX)

October 2021

Table of Contents

Fund Refresher

As a refresher, the investment objective of the Palmer Square Income Plus Fund ("PSYPX" or the "Fund") is income and capital appreciation. To seek to achieve that investment objective, the investment team employs a flexible mandate to find the best relative value across all of 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 very comfortable with the underlying credit quality of the holdings and ability to avoid credit losses; over 80% of the portfolio is rated investment grade and over 50% is rated A or higher. Spread duration is 1.58 years.

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

- Income Capture – We have historically captured significant yield.
- Diversification – We have had minimal interest rate duration which drives lower correlation to interest rate sensitive fixed income such as those investments which comprise the Barclays Agg and Bloomberg Barclays 1-3 Year U.S. Corporate Index.
- Exposure to an Expanded Universe of Credit – Opportunity exists beyond traditional options such as government bonds, municipal bonds, agencies, etc.
- 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. The opportunity in B/BB-rated Collateralized Loan Obligations ("CLOs") in October 2019 and BB-rated HY bonds in June 2020 were great examples of our ability to be nimble and generate returns for the Fund.

Portfolio Snapshot

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

	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
Interest Rate Duration	0.72 yrs	0.61 yrs	0.52 yrs	0.49 yrs	0.49 yrs
Spread Duration	3.05 yrs	2.66 yrs	1.76 yrs	1.72 yrs	1.58 yrs
Yield to Expected Call*	2.46%	1.98%	1.90%	1.87%	1.86%
Yield to Maturity	2.41%	2.01%	2.15%	2.05%	2.11%
Current Yield	2.69%	2.47%	2.45%	2.35%	2.34%
30-day SEC Yield* (net of fees)	1.52%	1.26%	1.09%	1.01%	1.14%
30-day SEC Yield* (gross of fees)	1.56%	1.31%	1.15%	1.01%	1.14%

*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 Disclosure for definitions.*

Summary Themes:

- **Current Positioning: Low Duration, Up In Quality, Relative High Carry;**
- **Macro Headwinds Build as Valuations Remain Stretched;**
- **Corporate Fundamentals Continue to Improve.**

<u>Theme I. Current Positioning: Low Duration, Up In Quality, Relative High Carry</u>

We believe our strategies are positioned to benefit our investors:

- Attractive yields;
- Lower duration, higher quality bias;
- Diversification potential;
- Rotational ability to potentially take advantage of dislocations as they arise.

<u>Investment Considerations:</u>

» First is the **<u>pace</u>** of reopening and economic recovery. The shape of the recovery was steep initially with Q3 2020 GDP up 33.4% (effectively recovering 74% of the $2.2 trillion decline in 1H 2020) followed by 4.3% and 6.4% respectively for Q4 2020 and Q1 2021. While the U.S. and European economies seems to be in decent shape (due to successes in vaccinations and inching closer to some form of herd immunity), emerging markets on the other hand continue to deal with surges in the Delta Variant which have both a direct economic cost as well as an indirect impact on the global supply chain. In summary, to the extent it takes longer than expected to reduce COVID-19 prevalence, the current jubilant market mood may quickly shift negatively leading to both technical and fundamental deterioration. *In this event, the Fund would be able to deploy its cash equivalents exposure and, just like in March and April of 2020, add opportunistically at more attractive levels.*

» The second theme to focus on is interest rates. The debate on whether the current surge in inflation is transitory or structural remains inconclusive in our opinion. And while there are clearly some transitory factors at play, namely building materials, commodities and car prices, we also see a lot of structural inflationary forces at work. Companies are dealing with the current increases in labor and input costs by passing them along as much as possible to the end customer. These increases tend to be more sticky and less likely to be reversed. Furthermore, the evolution of China's economic model from exporter to consumer along with the growing theme of ESG are also structurally inflationary. To what extent does elevated inflation alter the Fed's reaction function is a whole other question. But the house view is still cautious on interest rates, especially after the retracement in the 2nd quarter. *The Fund would be a net benefactor from rising rates, particularly if front end rates increase as that would increase the coupons on the floating rate component of the strategy.*

» The last theme to watch out for is asset bubbles. While somewhat isolated so far, there appears to be bubble-like behavior in certain "theme or meme" stocks like AMC[1], tech stocks in general, SPACs (special purpose acquisition company), "new economy" stocks in the online gambling and cannabis sectors, and crypto currencies just to name a few. A primary driver of these bubbles is the elevated level of U.S. savings, which in turn is due to direct-to-consumer stimulus measures. Eventually,

[1]The Fund did not own this security as of 9/30/2021. *Please see Notes and Disclosure for definitions.

the economy won't need stimulus anymore and the pools of capital propping up these valuation levels will subside. The saying goes, nothing brings out sellers more than lower prices. As such, the risk is that some of these bubbles pop leading to declines in peripheral areas which in turn can lead to broad based risk reduction. *But any such event would likely be a buying opportunity if it resulted in spread widening* in the credit market.*

Theme II. Macro Headwinds Build as Equity/Credit Valuations Remain Stretched

» In our view, inflation is the biggest threat to both fixed income and equity valuations at current levels. Unfortunately, most of the inflationary headwinds that emerged in Q2 persisted or intensified in Q3 2021. The global supply chain continues to struggle to normalize in the post pandemic world. Anecdotes are omnipresent. Hundreds of ships wait to dock outside critical ports in Shanghai, Singapore, Shenzhen, Hong Kong, Los Angeles and others; the key East West freight index has increased by 557% since May 2020, and 108% just from May 2021. Shortages of truck drivers means that even when goods get to port they are taking longer to get to their final destination – a recent article in AltDriver indicated that a Texas trucking company is paying drivers up to $14,000 per week. The shortage of semiconductors, which go into just about everything these days, looks to persist well into 2022 and US auto sales plummeted to a 12.2m annualized rate in September due to record low dealer inventories caused by production stoppages. Electricity shortages emerged in China, India and Europe due to supply issues in natural gas and coal, leading to sporadic energy rationing. For example, the Rotterdam coal spot price reached $274/mt in early October blasting past the previous record high in 2008. In summary, the global economy hasn't seen this much disruption to supply chains since the Global Financial Crisis.

» The ramifications of this unprecedented disruption on corporates and consumers are two-fold. Companies can't sell as much products and services as they would like, and the cost to produce and deliver these goods and services has increased sharply. And these supply issues are simply additive to the steep inflation already seen in key raw materials such as oil, steel, paper, plastic, chemicals, food, electricity, etc. To-date, many companies have been able to pass on most of this cost inflation to their customers yet it appears the impact on consumer demand has been muted. The August retail sales data was surprisingly strong and ahead of estimates. But the longer this inflation persists, the more worrisome it becomes. Third quarter earnings season has just started, and the market has already seen several large downward guidance revisions from some bellwethers (BBBY, NKE, UPS, TGT, DE, etc.)[2] driven mostly by cost factors. These issues appear to be an "equity problem" in the sense that while future earnings expectations are being lowered, companies are still profitable, generating cash and reducing leverage (which is very positive from a credit perspective). Needless to say, this issue has been the primary focus of our research team in the 3rd quarter and is contributing factor to why we generally remain conservatively positioned across Palmer Square strategies.

» To balance out this discussion, there are still a lot of positives to mention. The demand side of the equation remains strong, driven by a continued reopening of economies across the globe. In fact, this pent-up demand is part of the reason for the supply chain disruptions. The US consumer balance sheet remains *mostly* strong, driven by fiscal measures, rebounding growth, jobs growth and historically high asset prices (houses,

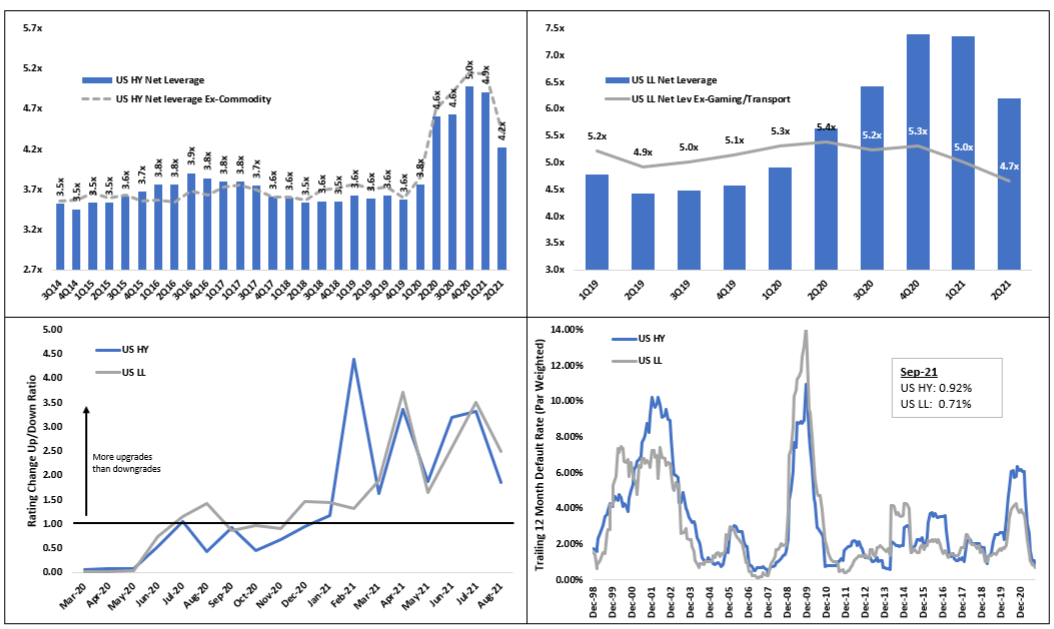
[2]The Fund did not own these securities as of 9/30/2021. *Please see Notes and Disclosure for definitions.

equities, retirement accounts, etc.). We say mostly because the end of the eviction moratorium may cause some issues near term. Corporate balance sheets are also improving by the quarter, despite the supply chain and raw material inflation. We'll talk more about this in the next section. And lastly, the financial market infrastructure and banking system remains well capitalized and stable.

» To summarize our macro view, we are always looking to balance fundamentals with valuation. We can be bullish when fundamentals are weak but valuations are attractive. Likewise, we can also be cautious when fundamentals are strong but valuations are stretched. At the moment, we view corporate fundamentals as strong and our positioning leans up-in-quality and low duration. We continue to see relative value in structured credit relative to corporate credit. The former is both 1) not at the spread tights, and 2) offers a spread pickup to corporates isolating for quality and duration.

Theme III. Corporate Fundamentals Continue to Improve

» By almost all measures, corporate credit fundamentals continue to improve and in many cases are back to pre-COVID-19 levels. Trailing 12-month leverage metrics ticked down significantly in Q2 for both HY bonds and loans. Rating actions continue to be net positive as the agencies steadily walk back a lot of the downgrades given in March/April 2020. In our view, corporates have simply fared much better than the agencies expected. August saw the 9th straight month of net upgrades. And lastly, default rates have plummeted. The current LTM default rate for HY bonds and bank loans stands at 0.92% and 0.71% respectively. This is driven by both an improvement in credit fundamentals and a very healthy capital market which has been receptive to CCC refinancings.



Source: JPMorgan. As of 9/30/2021. Leveraged Loan (LL).

*Please see Notes and Disclosure for definitions.

Summary on Attribution, Allocation and Positioning

Select Portfolio Attribution and Characteristic Dashboard

	Allocation	% Allocation	Q3 2021 Attribution	Average Price	Yield to Expected Call*
	ABS (94% AAA, 100% AA+ and above)	12.0%	0.01%	$100.50	0.22%
	Treasury Bills	4.9%	0.00%	$100.00	0.04%
	Commercial Paper	10.5%	0.00%	$99.99	0.13%
	CLO AAA	8.7%	0.02%	$100.08	1.34%
	CLO AA	0.8%	0.01%	$100.06	1.77%
	CLO A	0.5%	0.00%	$100.01	2.24%
IG	CLO BBB	12.8%	0.13%	$99.62	3.59%
	RMBS (93% AAA, 100% A and above)	2.6%	0.01%	$100.25	0.95%
	CMBS (86% A- and above, 97% IG)	5.0%	0.03%	$99.25	3.05%
	IG Corp Bonds - Fixed	19.1%	0.03%	$104.19	0.88%
	IG Corp Bonds - Floating	0.7%	0.00%	$101.91	0.37%
	IG Bank Loans	2.7%	0.02%	$99.93	2.59%
	Bank Loans - Non IG	6.9%	0.04%	$99.74	4.15%
HY	HY Corp Bonds	3.6%	0.03%	$103.75	3.53%
	CLO BB	6.7%	0.11%	$100.03	5.99%
	CLO B	0.4%	0.00%	n/a	n/a

*Source: Palmer Square as of 9/30/2021. 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. *Please see Notes and Disclosure for definitions.*

Historic Positioning Detail by Asset Type:

	9/30/2020 Allocation	12/31/2020 Allocation	3/31/2021 Allocation	6/30/2021 Allocation	9/30/2021 Allocation
IG Corp Debt	23%	23%	20%	22%	20%
CLO Debt	24%	23%	28%	29%	30%
ABS	20%	19%	13%	11%	12%
RMBS	2%	2%	2%	3%	3%
CMBS	4%	3%	5%	5%	5%
Bank Loans	9%	9%	8%	9%	10%
Commercial Paper	4%	5%	7%	9%	11%
HY Corp Debt	7%	7%	6%	5%	4%
Gov't Bonds	4%	7%	9%	6%	5%
Cash/Other	2%	2%	1%	0%	0%

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.

- **Investment Grade Corporate Bond Allocation** – Overall IG corporate bond exposure declined by 2% in the quarter to 20% as we continue to reduce and shorten our exposure to corporate bonds. Corporate spreads remain near the tights despite the volatility we have seen in interest rates YTD. While spread levels do not tempt us much, we do acknowledge the all-in yield for IG 5-30yr bonds has improved the relative value for yield-centric international buyers in Europe and Japan, who also are enjoying historically low hedging costs. *We are comfortable with our short-duration positioning with the IG bond allocation which preserves the optionality to extend duration if spreads were to widen out.*

*Please see Notes and Disclosure for definitions.

- **High Yield Bond Allocation** – As of quarter-end, 4% of the portfolio (which is down 1% vs Q2 2021). We continue to refresh the HY allocation by selling call constrained bonds and participating in selective new issues, particularly rate-sensitive BB-rated bonds with spreads above 300bps that have been pressured by rising rates. But overall, the HY market screens as rich on many levels (absolute spread levels, CCC compression, issuance quality, negative convexity, etc.). *The Fund continues to focus on BB-rated bonds which are still 30bps wider than pre COVID-19 levels and could potentially provide a higher yield in most cases.*
- **CLO Allocation/Opportunity to Capture Income and Total Return** – As of quarter-end, 30% of the portfolio. The CLO allocation increased modestly BBB-BB (+1%). As credit fundamentals continue to improve and the economy reopens, we think CLOs will continue to outperform given they still offer attractive spreads and little to no interest rate duration. We continue to see improvements in underlying loan portfolios (net upgrades, lower WARFs*, improving default rates etc) and think that will continue for the foreseeable future. *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.*
- **ABS/MBS Allocation has Provided Diversification and Income Capture** – As of quarter-end, 20% of the portfolio had exposure to ABS/MBS. During the quarter, our allocation to ABS/MBS remained consistent with selective buying to replace natural amortization in the ABS space. AAA RMBS spreads in primary tightened noticeably over the quarter and we reduced our exposure lightly.
  - **ABS** exposure (primarily prime auto ABS with a weighted average life of 6 months or less) ended the quarter higher than Q2, currently 12%. With positive macro environment and reopening prospects, most ABS spreads were flat to slightly tighter in Q3, including the battered COVID-19 sectors (unsecured consumer, aircraft, whole biz). The new issue market continued to see strong demand with most books oversubscribed.
  - **CMBS** exposure at quarter-end was at 5%, decreasing 0.1% from Q2. We crystallized a 15+ pt gain on a total return lodging opportunity that was acquired during the depths of the COVID-19 dislocation. Consistent with our underwriting, we saw one high-coupon, high-quality AAA-rated retail single-asset transaction extend its maturity. Additionally, we selectively added exposure to an existing, higher coupon, AAA-rated single-asset retail investment where we continued to see relative value and strong structural support.
  - **RMBS** exposure decreased 0.4% over last quarter as spreads reached year to date tight. Our exposure is still primarily AAA-rated debt which are backed by collateral from borrowers with FICOs greater than 700 and in some cases as high as 750.

ABS/MBS Positions	9/30/2021
Prime Autos	10.9%
Equipment	1.1%
ABS (100% AA+ and above)	**12.0%**
Conduit	1.4%
Single Asset/Single Borrower	3.6%
CMBS (86% A- and above)	**5.0%**
Agency	0.1%
Non-Agency	2.5%
RMBS (93% AAA and above)	**2.6%**

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

*Please see Notes and Disclosure for definitions.

- **Bank Loan Allocation** – As of quarter-end, 10% of the portfolio. The allocation to bank loans increased by 1% in the quarter, but similar to the HY allocation, we continue to refresh this allocation as prepayments and refinancings sped up in Q3 leading to paydowns. We continue to reinvest these proceeds into attractive new primary loans, mainly BB and B+ rated loans with coupons in the LIBOR +300 to 400 area with 50/100bps LIBOR* floors leading to all in yields in the 4-5% area. Of the 10% allocation to loans, 3% are rated investment grade at the facility level. Please note that 100% are first-lien, senior secured. *Overall, we currently view the bank loan market as attractive and continue to participate in new issuance while recycling out of legacy low- coupon paper that has appreciated to par.*

Given the recent market moves and the continued dislocation in credit, we believe the Fund is well-positioned to not only generate a strong yield, but also meaningful capital appreciation going forward. As mentioned in our last quarter's letter, we believe our Fund's positioning has the potential to deliver a higher Sharpe* ratio as we continue to navigate these markets. We feel we are 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.

Detailed Fund Performance History

Palmer Square is pleased to report the Fund returned 0.33% (net of fees) for the third quarter of 2021.

Fund Performance Net of Fees as of 9/30/2021 (inception 2/28/2014)

	Q3 2021	YTD 2021	2020	2019	2018	2017	2016	2015
PSYPX	0.33%	1.18%	3.65%	5.29%	1.17%	4.03%	5.24%	1.21%
Bloomberg Barclays U.S. Corporate 1-3 Year Index	0.16%	0.41%	3.79%	5.30%	1.56%	1.85%	2.36%	1.00%
Bloomberg Barclays U.S. Aggregate Bond Index	0.05%	-1.55%	7.51%	8.72%	0.01%	3.54%	2.66%	0.57%

Fund Performance Net of Fees as of 9/30/2021 (inception 2/28/2014)

	1 Year	3 Years	5 Years	Since Inception Annualized
PSYPX	3.14%	3.09%	3.44%	2.98%
Bloomberg Barclays U.S. Corporate 1-3 Year Index	1.09%	3.41%	2.53%	2.22%
Bloomberg Barclays U.S. Aggregate Bond Index	-0.90%	5.36%	2.94%	3.28%

Class I shares – Annual Expense Ratio: Gross 0.85%/Net 0.85%. 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 until October 31, 2022, 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.**

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 could not be more 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 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 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.

The **Bloomberg Barclays 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 Barclays 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 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 annual income divided by price paid. **Sharpe Ratio** is used to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - such as that of the 10-year U.S. Treasury bond - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. **WARF** The weighted average rating factor is a measure that is used by credit rating companies to indicate the credit quality of a portfolio. **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. A mutual fund's **30-Day SEC Yield** refers to a calculation that is based on the 30 days ending on the last day of the previous month. The yield figure reflects the dividends and interest earned during the period, after the deduction of the fund's expenses. **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 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.

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,

Notes and Disclosure cont'd

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 Income Plus 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.