PALMER SQUARE CAPITAL MANAGEMENT

Palmer Square Opportunistic Income Fund (PSOIX)

April 2024

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 corporate credit and structured credit.

Performance Summary

The Fund returned 4.09% (net of fees) for the first quarter of 2024. We remain confident in our positioning in CLO Debt, bank loans and high yield bonds and believe the total return outlook still remains very attractive. The current yield on the Fund is now 10.13%.*

Fund Performance Net of Fees as of 03/31/2024 (inception 10/7/2016)

	Q1 2024	YTD 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014*
PSOIX	4.09%	4.09%	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	Since Inception Annualized
PSOIX	19.91%	7.13%	6.84%	5.52%

Annual Expense Ratio: Gross 2.28%/Net 2.28% with expense waivers that are in effect until December 1, 2024. 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 866-933-9033.**

Portfolio Snapshot

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

	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Interest Rate Duration	0.43 yrs	0.43 yrs	0.40 yrs	0.38 yrs	0.40 yrs
Spread Duration	3.26 yrs	3.23 yrs	2.90 yrs	2.79 yrs	2.59 yrs
Credit Spread	892	835	707	665	544
Weighted Average Price	$90.2	$92.0	$95.4	$96.8	$98.5
Yield to Expected Call	12.59%	12.85%	11.44%	10.24%	9.65%
Yield to Maturity	11.56%	11.81%	10.80%	9.68%	9.34%
Current Yield	11.18%	11.40%	10.73%	10.70%	10.13%

Past performance does not guarantee future results. *Please see Notes and Disclosures for definitions.

Relative Value and Current Upside Potential

- We believe the Fund is well positioned for potential upside going forward as high breakeven spread levels appear to currently exist. As shown in the highlighted box below, this could help serve as a cushion in a spread widening environment. If spreads would move to their average levels seen over the past 10 years, the potential value of an investment over 1-year would be positive, while a return to the 10-year tights on spreads would be even better. Also given the very high coupon and spread levels currently, there is a very high hurdle to not capture a positive return over a 1 year holding period. The 1yr Forward Breakeven column below shows the spread levels each asset class would need to hit to not earn a positive return over the next year. At a Fund level, we would need to see over 386bps (basis points or 0.01%) of widening from current levels, which would put us at worse levels than we saw during COVID-19.

- **Most notably, we see a lot of value in CLO debt at current levels, as spreads are still wide of average levels since 2008.** If CLO debt levels return to their average post crisis spreads, total return potential may be attractive. We continue to favor shorter duration CLO deals with cleaner portfolios at a discount. 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 1-yr 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 an opportunity for the 1 year total return if spreads return to their 10 year tight levels.[1,2]

PALMER SQUARE OPPORTUNISTIC INCOME FUND							**1yr Forward Breakeven[3]**	**3/31/2020[4]**	**2/28/2016[5]**
Rating	**Allocation**	**Price**	**Spread**	**YTE***	**Average 1yr Upside[1]**	**Tight 1yr Upside[2]**	**Spread**	**Spread**	**Spread**
CLO AA	1.5%	97.34	227	6.00%	6.46%	7.37%	450	349	284
CLO BBB	34.5%	99.11	370	8.03%	8.54%	11.43%	640	755	661
CLO BB	32.5%	98.34	654	10.95%	11.83%	15.61%	1006	1384	1193
CLO B	4.1%	91.61	1108	15.58%	22.47%	31.47%	1417	1949	1653
CLO Equity	3.7%	40.17	1563	20.36%	25.38%	30.38%	2585	2000	1850
CMBS	0.3%	49.02	1006	14.51%	59.23%	62.26%	1526	1030	665
Corp HY	5.4%	94.07	371	8.04%	5.71%	8.62%	870	880	726
Corp IG	0.2%	92.22	13	2.61%	1.08%	4.39%	55	272	197
Bank Debt	17.9%	98.83	326	8.52%	9.46%	9.72%	866	844	639
Total	**100.0%**	**98.13**	**528**	**9.81%**	**10.95%**	**13.96%**	**914**	**1071**	**912**

Source: Bloomberg, Palmer Square, as of 3/31/2024. *YTE, also known as Yield to Expected Call, is a Yield to Call metric that assumes callable bonds are not called at their call date, but some later date prior to maturity. [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. [3]Refers to the level at which spreads would need to widen in order to cause a negative value in an individual investment over a one-year period. This is determined by reducing a security's price by its expected coupon payments over the next 12 months and then calculating the level of spread widening that would need to occur to move the security's actual price to the reduced price. For purposes of this analysis, anticipated coupon payments incorporate the forward LIBOR/SOFR curve. [4]Month end during Covid-19 dislocation. [5]Month end of energy market dislocation. Below investment grade ratings are subject to higher risks including that of repayment. Figures shown are not indicative of the performance of the Fund. The presented performance does not reflect the impact of material economic and market factors on decision-making, any changes to the strategy over time, and was prepared with the benefit of hindsight. Past performance is no guarantee of future returns.

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	$99.99	137	6.12%	6.74%	6.99%
CLO AA	$100.03	183	6.65%	7.10%	7.72%
CLO A	$99.68	238	6.90%	7.54%	8.54%
CLO BBB	$98.89	370	8.04%	9.05%	11.07%
CLO BB	$96.64	749	12.00%	13.25%	16.87%
CLO B	$75.16	1254	16.87%	28.60%	39.25%

Source: JPM / Intex / Palmer Square. As of 3/31/2024. 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.

Allocation / Attribution Summary

Select Portfolio Attribution and Characteristic Dashboard

Allocation	3/31/2024 Allocation	Q1 2024 Gross Attribution	Average Price	Yield to Expected Call*
CLO Debt	72%	3.56%	$96.0	10.24%
Bank Loans	18%	0.47%	$99.1	8.52%
High Yield Bonds	5%	0.18%	$95.5	8.03%
Sub Notes	4%	0.34%	n/a	20.36%
ABS/MBS	0%	0.04%	$67.0	14.49%

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

Historic Positioning Detail by Asset Type:

	3/31/2023 Allocation	6/30/2023 Allocation	9/30/2023 Allocation	12/31/2023 Allocation	3/31/2024 Allocation	Q1 2024 Gross Attribution
CLO Debt	71%	69%	71%	71%	71%	3.56%
Bank Loans	17%	19%	18%	19%	19%	0.47%
High Yield Bonds	6%	7%	6%	6%	6%	0.18%
Sub Notes	5%	5%	5%	5%	5%	0.34%
ABS/MBS	0%	1%	1%	1%	1%	0.04%

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 4.09% (net of fees) in Q1 2024.** The positive absolute performance was driven by a broad-based rally in credit spreads, particularly within our CLO exposure, which in turn was driven by stronger expected growth and earnings data. Also, as Fed cuts have slowly been priced out over the course of the year, technicals for floating rate products have been favorable. The Fund's exposure to CLO debt and sub notes provided the largest contribution at +3.90%, followed by bank loans at +0.47% and HY bonds at +0.18%. There were no meaningful detractors during the quarter.
- **Macro Takeaways:** There are a few key macro and credit market takeaways from Q1 2024. First, the market's overzealous haste to price in 2024 interest rate cuts was met with a stark reality check in the first quarter. On December 31, 2023, the market had priced in more than 6 cuts by the December 2024 Fed meeting, with the first cut expected in March and implying a 3.75% fed funds rate by year-end. However, by March 31, 2024, the market had significantly revised its expectations, pricing in less than 3 cuts for the year with the first cut not anticipated until June, implying a 4.65% fed funds rate by year-end. This repricing of the curve was driven by a combination of factors, including better-than-expected job growth from January to March, slower-than-anticipated progress on inflation, and resilient GDP (Gross Domestic Product) growth.
- Interestingly, the market's reaction to the move higher in rates has been mostly benign. Whereas higher rates were detrimental to risk assets (stocks and credit) for the majority of 2022 and 2023, the markets took the rising rates in stride during the first quarter of 2024. The S&P 500 Index advanced 10.55%, while credit spreads tightened across the majority of fixed income assets. This appears to show the full market embrace of the soft or no landing scenario and the ability to finally accept good economic news as good news.
- Overall, market expectations have moved much closer to our long-held view of a soft or no landing and higher-for-longer rates. Our preference for floating rate assets bore fruit once again, as the long duration trade has once again been delayed, with short duration and floating rate

instruments outperforming during the quarter. With credit spreads moving closer to fully pricing in good economic conditions and dispersion continuing to decline, asset and security selection will be a key factor in avoiding pitfalls and taking advantage of opportunities when they arise. Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q1 2024 Performance	2023 Performance
Bloomberg U.S. Treasury Index	-0.96% (Yield +0.35%)	+4.05% (-0.07%)
Bloomberg U.S. Aggregate Bond Index	-0.78% (spread -3bps)	+5.53% (-8bps)
Bloomberg U.S. Corporate Index	-0.40% (spread -9bps)	+8.52% (-30bps)
Bloomberg 1-3 Year U.S. Corporate Index	+0.79% (spread -10bps)	+5.48% (-4bps)
Bloomberg U.S. High Yield Index	+1.47% (spread -24bps)	+13.45% (-147bps)
iBoxx Liquid Leveraged Loan Index	+2.16% (DM -21bps)	+11.78% (-120bps)
Palmer Square CLO Senior Debt Index	+1.95% (DM -9bps)	+9.02% (-67bps)
Palmer Square CLO Debt Index	+4.27% (DM -41bps)	+17.42% (-133bps)
S&P 500 Index	+10.55%	+26.26%
STOXX 600 Index	7.85%	+16.63%

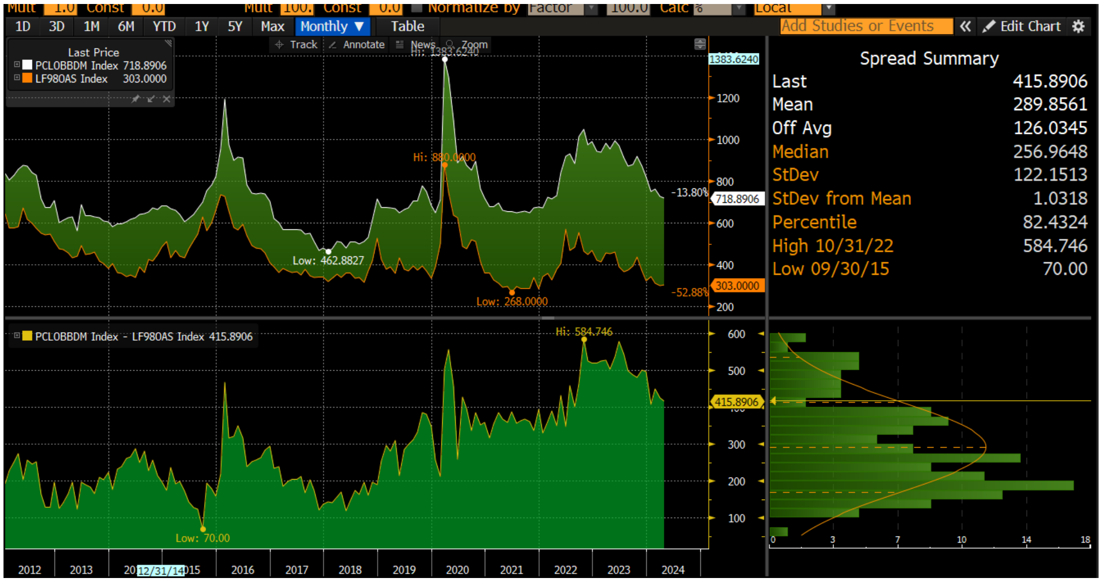
Source: Bloomberg as of 03/31/2024. *Please see Notes and Disclosures for definition

- **CLO Allocation/Opportunity to Capture Income and Total Return:** As of quarter-end, 78% (i.e. CLO Debt and Sub Notes) of the portfolio, up slightly from last quarter, was invested in CLO debt. CLO BBBs are currently trading on average at a spread of 370bps with prices in the high $90s and BBs are at a spread of 655bps with prices in the mid-high $90s for higher quality portfolios. When looking across corporate and structured credit, CLO BBB and BBs are one of the few asset classes that are still trading wide of their historical averages and continue to look compelling vs. corporates. Given wider spreads and high base rates, breakeven spread widening on CLO BBB and BB is still very high. As indicated on the table above, BBBs are approximately 270bps and BBs 350bps below their 1yr Forward Breakeven spreads, indicating spreads could widen a further 270 bps and 350bps, respectively, over the next 12 months before one lost money on $1 invested. That type of spread widening from here would put us back at levels last seen during the wides of 2022. We also believe another tailwind for CLO debt going forward is the increase in LIBOR/ SOFR* and our view that rates will stay higher than the market is currently implying (i.e. there will not be 4 rate cuts by the Fed this year with the first one starting in June). *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 415bps of spread versus HY, which looking back to 2012 is a 82nd percentile reading (meaning CLO BBs have been relatively cheaper only 18% of the time). The median spread differential over the same time period is 290bps, which means CLO BBs need to tighten* about 125bps just to get back to historical average levels vs HY.

*Please see Notes and Disclosures for definitions.

CLO BB vs HY Spreads



Source: Bloomberg as of 4/8/2024. Current performance is not a guarantee of future performance of the Fund. *Please see Notes and Disclosure for definitions.

- **<u>Bank Loan Allocation:</u>** As of quarter-end, bank loans exposure was 19% of the portfolio. We remain focused on selecting high-quality primary opportunities, with select discounted secondary investments. Primary opportunities remain challenging, as the calendar in Q1 2024 was an amplified version of Q4 2023 - almost entirely focused on re-pricings and refinancings. January 2024 was particularly frenzied, coming in at $171B of gross leveraged loan issuance, only 10.6% of which was net new supply (source: Pitchbook). On the positive side, the lack of net new issuance was positive for loan prices in the quarter, pushing 39% of the Morningstar LSTA US Leverage Loan Index above par by the end of the quarter (source: Pitchbook). *We continue to view the asset class as attractive given the low interest rate duration and will focus our efforts on seeking high quality/lower risk credits in the coming quarter, with attention to repricing risk.*

- **<u>High Yield Bond Allocation:</u>** As of quarter-end, HY corporate bond exposure was 5.5% of the portfolio, down from 5.8% at the end of 2023. Valuations remain challenging, with spreads near all-time lows, particularly in the higher quality segments of the market. The Bloomberg Ba/B US High Yield Bond Index ended the first quarter at 221bps, the lowest level since 2007. The overall opportunity set in HY has diminished; however, we continue to find idiosyncratic opportunities in the secondary market and are selectively participating in the new issue HY market. Although spread valuations are tight, limited net new supply, positive net fund flows, and resilient fundamentals, all remain supportive of current market levels. *We remain focused on identifying credit-specific opportunities we believe can outperform the current tight spread environment.*

Outlook / Focus on CLO Relative Value

- **CLO Issuance Forecast and Outlook:** CLO issuance is off to its busiest start of the year ever with $48.3B in new issue volumes, up about 46% from 2023. Reset/refi activity has also trended higher with $25B pricing so far in 2024. The size of the CLO market continues to grow in the U.S. and has surpassed $1 trillion and $1.3 trillion globally, which is now the largest credit sector within securitized products. We expect demand to continue for 3 main reasons: 1) Higher for longer rates continue and demand for floating rate instruments remains strong. 2) Demand from banks at the AAA level is returning and 3) an uptick in deal liquidations from out of reinvestment deals force investors to put capital to work in new issue transactions.

2024 Outlook: Too Early to Declare Victory on Inflation, Economy & Credit Fundamentals Resilient, Tight Spreads + Little Dispersion

- **Inflation Fight Not Over:** The last mile of the inflation fight is proving to be the most difficult; core CPI (Consumer Price Index) surprised to the upside in January, February, and March. While year-over-year core CPI continues to decline (down to 3.8% in March), the 3-month SAAR (Seasonally Adjusted Annual Rate) has accelerated and touched 4.2% in the March reading. Furthermore, while Chair Powell's comments at the March FOMC (Federal Open Market Committee) meeting signaled an intention to cut rates in 2024, the Fed will remain data dependent and those cuts could be delayed if inflation data does not cooperate. Meanwhile, the other half of the Fed’s dual mandate appears under control with the jobs market remaining robust (see March's +303k jobs print), providing cover for the Fed to remain patient.

- **Economy Remains Resilient:** The U.S. economy finished 2023 on a strong note, with real GDP growth of 3.4% during the fourth quarter following a robust 4.9% surge in the third quarter. The Atlanta Fed's GDPNow model currently estimates first quarter 2024 growth at 2.5%, ahead of the consensus forecast of 2.0%, suggesting the economic momentum has carried over into the new year. While the current consensus estimate for full-year 2024 GDP growth remains at 2.2%, marking a modest deceleration from 2023, this would still represent solid economic performance. We remain constructive on the economic outlook and believe there is potential for GDP growth to surprise to the upside in 2024, with the possibility of another year of above-trend growth similar to what was witnessed in 2023.

- **Corporate Fundamentals Stabilizing:** After a brief earning recession in late 2022 – early 2023, corporate earnings have regained their footing over the last couple of quarters, including S&P 500 year-over-year earnings growth of 8% in Q4 2023. Analysts are even more optimistic for full year 2024 with current estimates calling for 4.5% revenue and 9.5% earnings growth. This is filtering through to credit markets with Q1 2024 net ratings upgrades in the IG Corporate market positive (more upgrades than downgrades) for the ninth consecutive quarter and the highest dollar increase since Q2 2023.

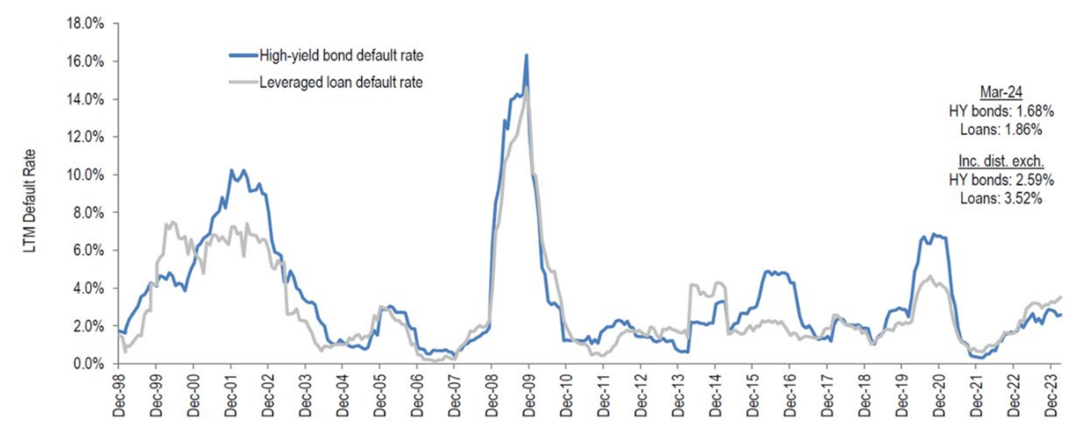
  We are also seeing this show up in leveraged credit markets, where defaults rates remain contained and an accommodative primary market has helped to alleviate some lingering concerns surrounding near term maturities. The HY default rate of 2.2% for the trailing 12-months ending March 2024 is well below the long-term average of 4.0% and a recent peak of 2.6% in October 2023.

- **Tighter Spreads + Less Dispersion = Discipline and Patience:** The trend of tighter spreads and less dispersion that emerged at the end of last year continued in the first quarter and in some cases accelerated. For example, IG corporate spreads are in the bottom decile on a long-term historical basis and spread dispersion is at its lowest level since 2007! It's important to remember that in a tight spread / low dispersion environment, we are rewarded more from *avoiding* the losers versus picking the winners. Our conservative positioning and prudent relative value framework leaves us well prepared to take advantage of opportunities when they inevitably arise.
- **Floating Rate *Still* an Attractive Relative Value Play:** Despite the first quarter repricing of the rate curve to more closely match our expectations, floating rate credit is still an attractive place to be due to a number of factors. These include: (i) Floating rate assets still provide a considerable current yield advantage with the 3M/10Y 100bps inverted, (ii) potential for rate cuts to materialize even slower than the current market expects, and (iii) longer-term fiscal concerns that could prevent any material tightening of the long end of the curve.

Fundamentals

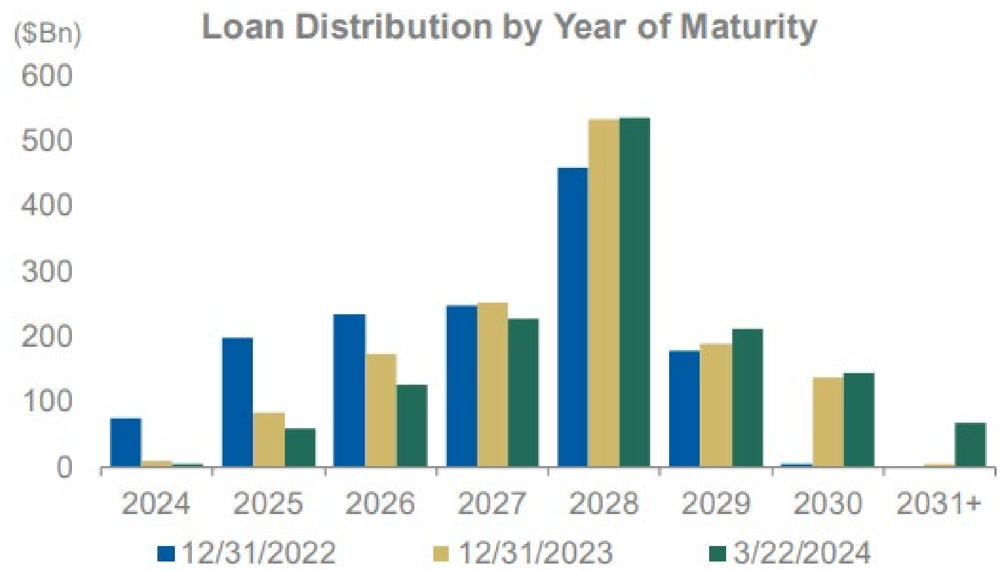
- Loan defaults are hovering around long-term averages at 1.9%, with current defaults in CLO portfolios lower at 0.73%. We expect defaults stay rangebound in the next year and remain in the 2-4% range which is the long-term average. The percentage of underlying CLO collateral trading at distressed levels (under $80) is currently around 4.1%, which is typically a good barometer of future defaults (Palmer Square deals are much lower in the 2-3% range). Also, loans with maturities before 2025 represent a small portion of the loan market at about 5%, meaning refinancing risk is low. The current CCC% in CLO portfolios is 5-7% (Palmer Square deals are lower in the 3-4% range) and still have ample cushion to withstand an uptick in downgrades.

Exhibit 1: Loan default rates off the lows, but still below long term average



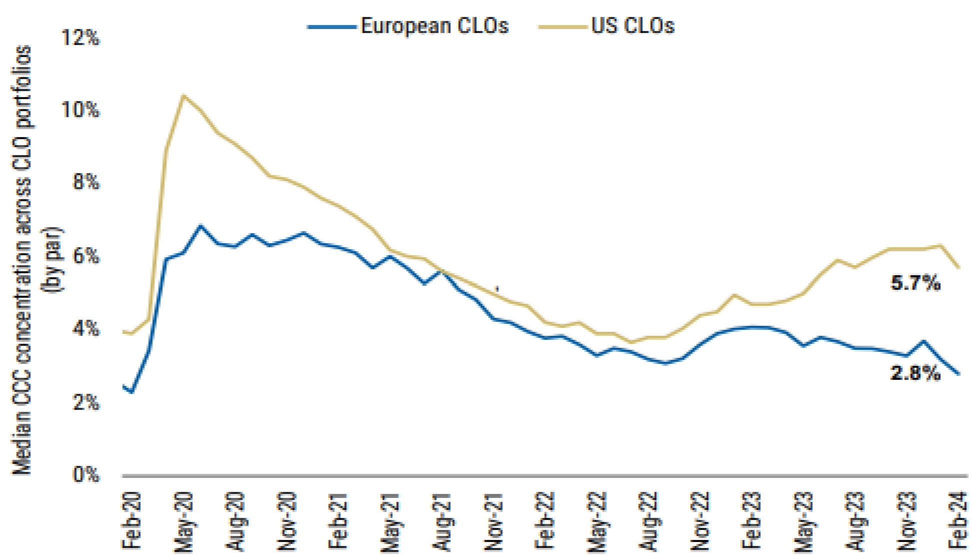
Source: J.P.Morgan Research 4/1/2024

Exhibit 2: Loan maturity walls ($BN)



Source: ICE, Pitchbook LCD, Morgan Stanley Research as of 3/31/2024.

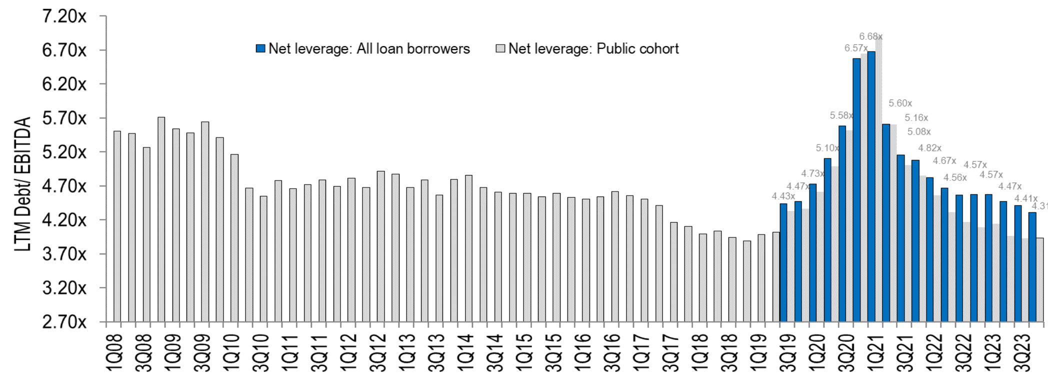
Exhibit 3: Median CCC assets in CLO portfolios



Source: J.P.Morgan Research 3/13/2024

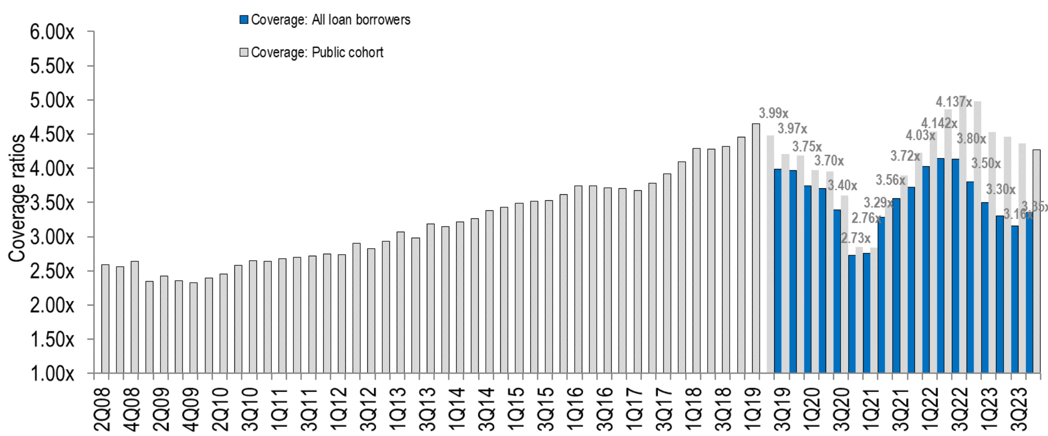
Exhibit 4: Loan gross leverage still near multi year low, trending lower

Bank Loan Net Leverage (TM)



Source: J.P.Morgan Research 4/10/2024

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



Source: J.P.Morgan Research 4/10/2024

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, 2024, 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** is annual income divided by price paid. **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.

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. **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 Barclays U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. **Bloomberg Barclays U.S. High Yield Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. **Bloomberg Barclays 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. In June 2023, LIBOR will be replaced by SOFR. 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)

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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Investors should consider the investment objectives, risks, charges and expenses 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 carefully before investing. An investment in the Fund is not designed to be a complete investment program and should be considered speculative. Investing in the Fund entails substantial risk and may result in a loss of some or all of the amount invested. An investment in the Fund is not appropriate for investors with a short-term investing horizon and/or cannot bear the loss of some or all of their investment.