

Palmer Square Income Plus Fund (PSYPX)

April 2024

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Fund Refresher

As a refresher, the investment objective of the Palmer Square Income Plus Fund (“PSYPX” or the “Fund”) is income and capital appreciation. In seeking to achieve that investment objective, the Investment Team employs a flexible mandate to find the best relative value across corporate credit and structured credit. The Fund has also historically maintained low interest rate duration* and high credit quality. Due to the Fund’s high-quality bias, we are very comfortable with the underlying credit quality of the holdings and ability to avoid credit losses; over 81% of the portfolio is rated investment grade (“IG”) and over 54% is rated A or higher. Spread duration* is 1.73 years.

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

- **Diversified Income Generation** – The Fund generates income through a diversified exposure to corporate and structured credit, including primarily corporate bonds, bank loans, collateralized loan obligations (“CLOs”), commercial mortgage backed securities (“CMBS”), residential mortgage backed securities (“RMBS”), asset backed securities (“ABS”), commercial paper and U.S. Treasury securities.
- **Low Interest Rate Duration** – We have had minimal interest rate duration that drives lower correlation to interest rate sensitive fixed income such as those investments which comprise the Bloomberg U.S. Aggregate Bond Index and Bloomberg 1-3 Year U.S. Corporate Index*.
- **Capital Preservation** – The Fund maintains a high-quality bias.
- **Total Return** – The Fund also seeks capital appreciation through opportunistic portfolio rotations driven by the Investment Team’s assessment of relative value. Please note that the Fund can invest up to 30% in high yield rated (“HY”) securities.

Portfolio Snapshot

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

	3/31/2023	6/30/2023	9/30/2023	12/31/2023	03/31/2024
Interest Rate Duration	0.79 yrs	0.89 yrs	0.91 yrs	0.90 yrs	0.98 yrs
Spread Duration	2.38 yrs	2.36 yrs	2.22 yrs	1.93 yrs	1.73 yrs
Yield to Expected Call*	6.42%	7.07%	6.90%	6.03%	6.18%
Yield to Maturity	6.17%	6.80%	6.74%	5.90%	6.09%
Current Yield	5.36%	5.72%	5.73%	5.66%	5.83%
30-day SEC Yield (subsidized)*	5.67%	5.97%	6.05%	5.86%	6.03%
30-day SEC Yield (unsubsidized)*	5.67%	5.97%	6.05%	5.86%	6.03%

The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end please call 866-933-9033.

*Please see Notes and Disclosures for definitions.

- Performance and Attribution: The Fund delivered a positive return of 1.71% (net of fees) in Q1 2024.** This compares to Q1 2024 returns of -0.78% and +0.79% for the Bloomberg U.S. Aggregate Bond Index and the Bloomberg 1-3 Year U.S. Corporate Index, respectively. The positive absolute performance in Q1 2024 was driven by the continued broad-based compression in credit spreads as well as current income from the Fund’s floating rate exposure to high base rates. On a relative basis, the Fund had a great quarter given its high current income and low interest rate duration during a period of rising rates (2-Year Treasury rates increased 37bps during the quarter). For the quarter, all asset types within the Fund provided a positive return attribution while the Fund’s exposure to CLO debt provided the largest positive contribution at +1.18%, followed by Investment Grade Corporates at +0.19% and Bank Loans at +0.15%. 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 Disclosure for definitions.

Detailed Fund Performance History

The Fund delivered a return of 1.71% (net of fees) in Q1 2024.

Fund Performance Net of Fees as of 03/31/2024 (inception 2/28/2014)

	Q1 2024	YTD 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PSYPX	1.71%	1.71%	8.78%	-0.76%	1.17%	3.65%	5.29%	1.17%	4.03%	5.24%	1.21%
Bloomberg 1-3 Yr U.S. Corp Index*	0.79%	0.79%	5.48%	-3.32%	-0.13%	3.79%	5.30%	1.56%	1.85%	2.36%	1.00%
Bloomberg U.S. Aggregate Bond Index*	-0.78%	-0.78%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.66%	0.57%

Fund Performance Net of Fees as of 03/31/2024 (inception 2/28/2014)

	1 Year	3 Years	5 Years	10 Years	ITD Annualized
PSYPX	8.90%	3.42%	3.48%	3.19%	3.19%
Bloomberg 1-3 Year U.S. Corp Index*	5.01%	0.88%	1.96%	1.91%	1.89%
Bloomberg U.S. Aggregate Bond Index*	1.70%	-2.46%	0.36%	1.54%	1.51%

Class I shares – Annual Expense Ratio: Gross 0.88%/Net 0.88%. Palmer Square has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 0.88% of the average daily net assets of the Fund. This agreement is in effect until October 31, 2024, and it may be terminated before that date only by the Trust's Board of Trustees. The Fund's advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period ending three full fiscal years after the date of the waiver or payment. Shares of the Fund are available for investment only by clients of financial intermediaries, institutional investors, and a limited number of other investors approved by the Advisor. The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end please call 866-933-9033.

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Relative Value and Current Upside Potential

- We believe the Fund is well positioned for potential upside going forward. We also believe high breakeven spread levels exist which serve as a cushion in a spread widening environment. **As shown in the highlighted box below, if spreads were to go back just to average levels over the past 10 years, the 1-year total return is estimated to be about +7.40%. If we go back to 10-year tights on spreads, that return goes to +8.46%.** 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 311bps 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 is very attractive. We continue to favor higher quality CLOs, which we think will continue to deliver high total returns over the near term.

PALMER SQUARE INCOME PLUS 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 AAA	11.2%	\$100.15	116	5.83%	5.97%	6.57%	568	243	186
CLO AA	2.0%	\$98.48	205	6.33%	6.85%	7.77%	467	349	284
CLO A	0.8%	\$100.29	238	6.97%	5.94%	7.88%	505	501	394
CLO BBB	12.0%	\$98.99	375	7.96%	8.77%	11.45%	638	755	661
CLO BB	8.2%	\$99.14	653	10.81%	11.70%	15.88%	1008	1384	1193
CLO B	0.3%	\$90.33	1150	15.86%	23.08%	32.92%	1415	1949	1653
ABS	11.1%	\$99.69	42	5.56%	5.56%	5.56%	553	313	52
CMBS	3.7%	\$85.78	433	9.07%	25.99%	27.01%	961	225	75
RMBS	2.3%	\$83.77	139	5.78%	9.22%	12.63%	295	375	150
Corp HY	4.0%	\$95.57	152	5.86%	3.73%	5.86%	407	880	726
Corp IG	20.6%	\$97.05	67	5.47%	4.99%	5.32%	410	272	197
Bank Debt	8.3%	\$100.18	132	6.64%	7.22%	7.22%	502	844	639
Govt	15.5%	\$97.09	0	5.84%	5.84%	5.84%	0	0	0
Total	100.0%	\$97.47	175	6.62%	7.40%	8.46%	486	461	346

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. ¹Refers to the potential increase in value of the investment in one year if spreads return to 10-year average levels. ²Refers 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 hypothetical 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. ³Refers 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. ⁴Month end during Covid dislocation. ⁵Month end of energy market dislocation. Below investment grade ratings are subject to higher risks. Figures shown are not indicative of the performance of the Fund. The presented hypothetical 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.

*Please see Notes and Disclosure for definitions.

Summary Themes:

- I. **Positioning**
- II. **Q1 2024 Macro Takeaways**
- III. **Too Early to Declare Victory on Inflation, Economy & Credit Fundamentals Resilient, Tight Spreads + Low Dispersion**

Theme I. Positioning

- **Positioning:** The Fund made a few notable rotations in Q1 2024. We reduced our position in IG Corporates as spreads tightened further into the bottom decile on a long-term historical basis. The proceeds were rotated into two key areas: (i) ABS due to more favorable relative value compared to IG Corporates, and (ii) 3-5 year U.S. Treasuries following the partial retracement of the Q4 2023 rate rally in Q1 2024. We slightly increased our allocation to floating rate instruments early in the quarter, specifically IG Corporate FRNs (Float Rate Notes) and Bank Loans, given our off-consensus view of higher rates persisting for longer. Within the CLO allocation, we modestly increased our exposure while maintaining our core positioning in CLO AAA and BBB tranches, which continue to offer superior relative value. As we navigate the current market environment, we remain focused on maintaining relatively conservative positioning with the flexibility to take advantage of market opportunities should they arise.

Theme II. Q1 2024 Macro Takeaways

- **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.

Theme III. 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 Continues to be an Attractive Relative Value Play:** Despite the first quarter repricing of the rate curve to more closely match our expectations, floating rate credit continues to be 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.

Summary on Attribution, Allocation and Positioning

Select Portfolio Attribution and Characteristic Dashboard

	Allocation	% Allocation	Q1 2024 Attribution	Average Price	Yield to Expected Call*
IG	ABS (100% AAA)	11%	0.13%	99.7	5.6%
	Treasury Bonds	15%	0.09%	98.7	4.7%
	CLO AAA	11%	0.20%	100.1	5.8%
	CLO AA	2%	0.05%	98.6	6.3%
	CLO A	1%	0.01%	100.3	7.0%
	CLO BBB	11%	0.46%	99.0	8.0%
	RMBS (97% AAA, 100% A and above)	2%	0.03%	84.1	5.8%
	CMBS (91% A- and above, 99% IG)	4%	0.11%	93.3	9.1%
	IG Corp Bonds - Fixed	17%	0.14%	96.6	5.4%
	IG Corp Bonds - Floating	3%	0.05%	100.2	5.8%
IG Bank Loans	3%	0.04%	100.4	6.3%	
HY	Bank Loans - Non IG	5%	0.04%	100.1	6.8%
	HY Corp Bonds	4%	0.05%	95.7	5.9%
	CLO BB/B	8%	0.45%	98.9	10.9%

Source: Palmer Square as of 03/31/2024. The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. To obtain performance information current to the most recent month-end please call 866-933-9033.

Historic Positioning Detail by Asset Type:

	3/31/2023 Allocation	6/30/2023 Allocation	9/30/2023 Allocation	12/31/2023 Allocation	03/31/2024 Allocation
CLO Debt	34%	35%	34%	32%	33%
IG Corp Debt	19%	17%	16%	23%	20%
ABS	8%	12%	13%	9%	11%
Gov't Bonds	15%	9%	9%	13%	15%
RMBS	5%	9%	12%	4%	2%
Bank Loans	4%	5%	4%	7%	8%
CMBS	5%	5%	5%	4%	4%
HY Corp Bonds	7%	5%	4%	4%	4%
Cash/Other	3%	3%	3%	4%	3%

Please note allocation and attribution above is a % of NAV and does not include hedges. Gross attribution does not include hedges, expenses and fees if applicable. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. Asset-backed Securities (ABS), Mortgage-backed Securities (MBS), Commercial mortgage-backed securities (CMBS), Residential mortgage-backed securities (RMBS).

- **Investment Grade Corporate Bond Allocation** – IG corporate bond exposure declined from 23% at the end of 2023 to 20% by the end of first quarter. We reduced the allocation steadily throughout the quarter as credit spreads reached multi-year lows, as measured by the Bloomberg U.S. Corporate Investment Grade Bond Index. Given the current flatness of spread curves, we believe the 1–3 year part of the curve offers the most attractive relative value opportunity within IG corporate bonds. *We maintain a conservative positioning within our IG corporate allocation, leaving us well-positioned to add risk at more attractive levels in the future should spreads widen back out.*
- **High Yield Bond Allocation** – As of quarter-end, HY corporate bond exposure was 3.8% of the portfolio, down slightly from 4.3% last quarter. The allocation remained mostly unchanged throughout the quarter as HY BB spreads (Bloomberg Ba US High Yield Index OAS) remained tight, declining from 201bps at the end of 2023 to 184bps at end of Q1. The spread tightening was driven by resilient corporate fundamentals, limited new issue supply, and positive year-to-date fund flows. We continued to maintain a defensive posture within our HY allocation, focusing on shorter duration bonds trading at a discount and selectively participating in the new issue market. *Given challenging valuations, we expect to keep our HY allocation relatively low until the risk/reward profile becomes more attractive.*
- **CLO Allocation/Opportunity to Capture Income and Total Return** – As of quarter-end, 33% of the portfolio, a slight increase of 0.9% from last quarter, was invested in CLO debt. Our exposure in the capital stack continues to be weighted towards AAA, which still offer tremendous value in the 130-160bps spread range and yields in the 6.0-6.5% range. AAA spreads are still wide of historical averages and yields have never been higher. Breakeven spread widening also looks very attractive at current levels. For example, over a one year holding period, AAA spreads on shorter duration profiles would need to reach over 500bps in order to not make money, a level wider than during the depths of the COVID pandemic.¹ CLO mezzanine exposure also stayed relatively stable with BBBs at 11.4% and BBs at 7.8%. BBB and BB CLO debt were some of the best performing asset classes in 2023 with returns of +16.91% and +24.00%, respectively, and continued their outperformance in Q1 with returns of +4.07% and +7.40%, respectively. In addition, forward looking yields still look very attractive with the average price/yield on our BBBs at \$99.0/8.0% and BBs at \$99.2/10.8%. *We continue to add to CLO portfolios that are higher quality and 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, 17% of the portfolio had exposure to ABS/MBS. During the quarter, our allocation to ABS and MBS shifted slightly as we rotated 2% from RMBS into ABS.
 - » **ABS** exposure (primarily prime auto ABS with a weighted average life (WAL)* of 6 months or less) ended 2% higher relative to Q3, currently 11% of the Fund.
 - » **CMBS** exposure at quarter-end was 4%, consistent with Q4 2023. Our preference in CMBS continues to be single asset/single borrowers and in sectors where we find most relative value, notably retail and lodging. We still feel there are macro headwinds for commercial real estate in certain sectors, so we have not increased exposure.
 - » **RMBS** exposure ended the quarter 2% lower compared to Q4 2023. The change was primary due to reducing NQM AAAs as spreads rallied over the quarter. Our remaining exposure in non-agency is still primarily AAA- rated debt which are backed by collateral from borrowers with FICOs (Fair Isaac Corporation*) greater than 700 and in some cases as high as 750.

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

ABS/MBS Positions	03/31/24
Prime Autos	9%
Cards	1%
Equipment	1%
ABS (100% AAA)	11%
Conduit	1%
Single Asset/Single Borrower	3%
CMBS (91% A- and above)	4%
Agency	0%
Non-Agency	2%
RMBS (97% AAA)	2%

Source: Palmer Square.

- Bank Loan Allocation** – As of quarter-end, bank loan exposure was 8% of the portfolio, a modest increase from 7% at the end of 2023. The increase largely occurred at the beginning of the quarter, continuing the trend from late 2023, driven largely by more attractive spread relative value versus HY corporate bonds. Additionally, our long-held view that the Fed is likely to cut rates slower than the market anticipates further supports the attractiveness of bank loans. Market technicals remain favorable, with limited net new supply, robust CLO issuance, and steady fund inflows providing a supportive backdrop. *We maintain our constructive stance on higher quality U.S. bank loans and expect to keep allocations near current levels in the near term.*

Although credit market valuations have tightened over the couple of quarters, we believe the Fund remains well-positioned to not only generate a strong yield, but also capital appreciation going forward. In addition, we believe our Fund’s positioning has the potential to deliver a higher Sharpe* ratio as we continue to navigate these markets. We are confident in our opportunistic approach to relative value and are excited about how the portfolio is positioned and its outlook.

Summary

The Fund’s diverse portfolio across corporate and structured credit is positioned in predominately investment grade securities, yet has offered a strong current yield* and potential opportunity for capital appreciation. We believe we are opportune in our approach to relative value and 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 Disclosures

This overview is for informational and comparative purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any interests in the Palmer Square Income Plus Fund, the (“Fund”), and/or any other securities, or to provide any other advisory services. Any offer to invest in the funds will be made pursuant to the Fund’s prospectus, which will contain material information not contained herein and to which prospective investors are directed. Before investing, you should carefully read such materials in their entirety. This overview is not intended to replace such materials, and any information herein should not be relied upon for the purposes of investing in the funds or for any other purpose. This overview is a summary and does not purport to be complete.

The allocation and credit quality distribution figures shown are used for illustrative purposes only. Palmer Square does not guarantee to execute that allocation and credit quality distribution. Allocation and exposures information, as well as other referenced categorizations, reflect classifications determined by Palmer Square as well as certain Palmer Square assumptions based on estimated portfolio characteristic information. Allocation and credit quality distribution figures may not sum to 100%. Ratings listed herein are assigned by Standard & Poor’s (S&P) and Moody’s Investor Service (Moody’s). Credit quality ratings are measured on a scale with S&P’s credit quality ratings ranging from AAA (highest) to D (lowest) and Moody’s credit quality ratings ranging from Aaa (highest) to C (lowest). We use the higher of the two ratings. Credit ratings listed are subject to change. Please contact Palmer Square for more information.

Market opportunities and/or yields shown are for illustration purposes only and are subject to change without notice. Palmer Square does not represent that these or any other strategy/opportunity will prove to be profitable or that the Fund’s investment objective will be met.

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Bloomberg U.S. Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of publicly issued investment grade corporate, U.S. Treasury and government agency securities with remaining maturities of one to three years. **Bloomberg U.S. Corporate Index** measures the investment grade, fixed-rate, taxable corporate bond market. **Bloomberg 1-3 Year U.S. Corporate Index** measures the performance of investment grade, U.S. dollar- denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-U.S. agencies, sovereigns, supranationals and local authorities. **Bloomberg U.S. High Yield Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. **iBoxx Liquid Leveraged Loan Index** tracks the total return of the 100 most liquid loans from the USD LLI index universe, offering a powerful insight into the loan market. **Palmer Square CLO Senior Debt Index** is a rules-based observable pricing and total return index for collateralized loan obligation debt for sale in the United States, rated at the time of issuance as AAA or AA (or an equivalent rating). Such debt is often referred to as the senior tranches of a CLO. **Palmer Square CLO Debt Index** is a rules-based observable pricing and total return index for collateralized loan obligation debt for sale in the United States, rated at the time of issuance as A, BBB or BB (or equivalent rating). Such debt is often referred to as the mezzanine tranches of a CLO. **S&P 500 Index** is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. The **STOXX 600 Index** seeks to offer broader exposure to European companies. Thus, it’s often cited as a close European alternative to Standard & Poor’s 500 Index (S&P 500). **Bloomberg Ba U.S. High Yield Index** measures the USD-denominated, Ba-rated, fixed-rate high-yield corporate bond market. The **option-adjusted spread (OAS)** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return.

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. **Credit Spreads** are often a good barometer of economic health - **widening (bearish sentiment)** and **narrowing/tightening (bullish sentiment)**. A **tight market (tight-trading)** is a market characterized by narrow bid-ask spreads and abundant liquidity with frenetic trading activity. The **SEC 30-day yield** is computed under an SEC standardized formula and is based on the maximum offer price per share. Subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect. **Sharpe Ratio** is a measure of risk-adjusted return. **FICO** stands for the **Fair Isaac Corporation** and the FICO score is a number that is used to predict how likely a borrower will pay back a loan. **WAL or weighted average life** is the average length of time that each dollar of unpaid principal on a loan remains outstanding. **Basis points (BPS)** refers to a common unit of measure for interest rates and other percentages in finance. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point. Past performance is not indicative of future results. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable. Please note that the performance of the funds may not be comparable to the performance of any index shown. Palmer Square has not verified, and is under no obligation to verify, the accuracy of these returns. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

Notes and Disclosures cont'd

The risks of an investment in a collateralized debt obligation depend largely on the type of the collateral securities and the class of the debt obligation in which the Fund invests. Collateralized debt obligations are generally subject to credit, interest rate, valuation, prepayment and extension risks. These securities are also subject to risk of default on the underlying asset, particularly during periods of economic downturn. Defaults, downgrades, or perceived declines in creditworthiness of an issuer or guarantor of a debt security held by the Fund, or a counterparty to a financial contract with the Fund, can affect the value of the Fund's portfolio. Credit loss can vary depending on subordinated securities and non-subordinated securities. If interest rates fall, an issuer may exercise its right to prepay their securities. If this happens, the Fund will not benefit from the rise in market price, and will reinvest prepayment proceeds at a later time. The Fund may lose any premium it paid on the security. If interest rates rise, repayments of fixed income securities may occur more slowly than anticipated by the market which may result in driving the prices of these securities down. Foreign investments present additional risk due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks. High yield securities, commonly referred to as "junk bonds," are rated below investment grade by at least one of Moody's, S&P or Fitch (or if unrated, determined by the Fund's advisor to be of comparable credit quality high yield securities).

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