Palmer Square Opportunistic Income Fund (PSOIX)

January 2025

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 +2.17% (net of fees) for the fourth quarter of 2024 and +11.51% YTD. We remain confident in our positioning in CLO (Collateralized Loan Obligation) 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 8.29%.*

Fund Performance Net of Fees as of 12/31/2024 (inception 8/29/2014)

	Q4 2024	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
PSOIX	2.17%	11.51%	18.93%	-4.48%	6.66%	5.92%	7.59%	-0.47%	11.05%	12.10%	-5.32%	-0.76%

	1 Year	3 Years	5 Years	10 Years	Since Inception Annualized[1]
PSOIX	11.51%	8.21%	7.43%	6.09%	5.81%

[1]Inception date is August 29, 2014. Annual Expense Ratio: Gross 2.35%/Net 2.35% with expense waivers that are in effect until December 1, 2025. 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.

	12/31/2023	03/31/2024	06/30/2024	09/30/2024	12/31/2024
Interest Rate Duration	0.38 yrs	0.40 yrs	0.36 yrs	0.40 yrs	0.40 yrs
Spread Duration	2.79 yrs	2.59 yrs	2.38 yrs	2.35 yrs	2.17 yrs
Credit Spread	665	544	471	443	397
Weighted Average Price	$96.8	$98.5	$99.4	$99.5	$99.8
Yield to Expected Call	10.24%	9.65%	9.10%	7.91%	7.77%
Yield to Maturity	9.68%	9.34%	8.94%	7.84%	8.02%
Current Yield	10.70%	10.13%	9.79%	9.37%	8.29%

Past performance does not guarantee future results.

Allocation / Attribution Summary

Select Portfolio Attribution and Characteristic Dashboard

Allocation	12/31/2024 Allocation	Q4 2024 Gross Attribution	Average Price	Yield to Expected Call*
CLO Debt	74%	1.87%	$100.3	7.70%
Bank Loans	17%	0.20%	$99.2	8.02%
High Yield Bonds	6%	0.09%	$95.8	7.71%
Sub Notes	2%	-0.40%	n/a	21.06%
ABS/MBS/CMBS	1%	0.03%	$77.9	13.32%

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

*Please see Notes and Disclosures for definitions.

Historic Positioning Detail by Asset Type:

	12/31/2023 Allocation	03/31/2024 Allocation	06/30/2024 Allocation	09/30/2024 Allocation	12/31/2024 Allocation	Q4 2024 Gross Attribution
CLO Debt	71%	72%	74%	72%	74%	1.87%
Bank Loans	19%	18%	17%	18%	17%	0.20%
High Yield Bonds	6%	5%	5%	6%	6%	0.09%
Sub Notes	5%	4%	3%	3%	2%	-0.40%
ABS/MBS/CMBS	1%	1%	1%	1%	1%	0.03%

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 +2.17% (net of fees) for the fourth quarter of 2024 and +11.51% YTD.** The positive absolute performance was driven by a broad-based rally in credit spreads and high coupons, particularly within our CLO exposure, which in turn was driven by stronger than expected growth and earnings data. Also, as Fed interest rate 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 +1.61%, followed by bank loans at +0.31% and HY (High Yield) bonds at +0.09%. There were no meaningful detractors during the quarter. Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q4 2024 Performance	YTD 2024 Performance
Bloomberg U.S. Treasury Index	-3.14% (Yield +0.69%)	+0.58% (+0.37%)
Bloomberg U.S. Aggregate Bond Index	-3.06% (spread -2bps)	+1.25% (-8bps)
Bloomberg U.S. Corporate Index	-3.04% (spread -9bps)	+2.13% (-19bps)
Bloomberg 1-3 Year U.S. Corporate Index	+0.19% (spread -4bps)	+5.28% (-15bps)
Bloomberg U.S. High Yield Index	+0.17% (spread -4bps)	+8.19% (-36bps)
iBoxx Liquid Leveraged Loan Index	+2.36% (DM -20bps)	+8.50% (-61bps)
Palmer Square CLO Senior Debt Index	+1.65% (DM -10bps)	+7.41% (-33bps)
Palmer Square CLO Debt Index	+2.52% (DM -33bps)	+13.22% (-135bps)
S&P 500 Index	+2.39%	+25.00%
STOXX 600 Index	-2.53%	+9.62%

Source: Bloomberg as of 12/31/2024. Bps = basis points or 0.01%

Macro Takeaways and Outlook

- **The Fed Declares Victory (Too Early) and Rate Volatility:** Changing interest rate expectations were one of the key themes of 2024, causing short- and long-term rates to oscillate within a broad range over the course of the year. This was especially true in the fourth quarter as rates marched higher with the U.S. 2 Year Treasury and U.S. 10 Year Treasury finishing 60bps and 79bps higher q/q, respectively. This interest rate volatility was compounded by the uncertain path of the Fed's current cutting cycle, which began with 2 cuts in September and ended the year with a total of four cuts in 2024. From here, the Fed's path grows less certain as they attempt to balance several competing forces including a strong domestic economy, stubborn inflation, and policy uncertainty from the incoming administration. The market expectations for the Fed Funds Rate in 2025 (expecting 1 cut) are nearing our house view, but we expect rate volatility to be persistent theme in 2025.

- **The AI Capex Boom:** The exceptionalism of the U.S., both in terms of stock market returns and economic growth, was one of the key themes of 2024 and was aided in large part by the growing and broadening Artificial Intelligence (AI) cycle. What started as largely a stock market phenomenon within the Magnificent 7, has grown into a significant capital expenditure boom that is having broad ramifications across the economy. **The Magnificent 7 alone has increased AI spending from $174bn in 2023 to an expected $310bn in 2025**. The magnitude of this spending is having a pronounced stimulatory impact on the real economy, which doesn't even include all the secondary spending impacts across the economy (Utilities, Semiconductors, Capital Equipment, Infrastructure) and potential productivity gains.
- **Spreads Tighter but Credit Risk Lower:** Despite some modest bumps along the way, credit spreads moved lower in lockstep throughout most of 2024 with some asset classes plumbing multi-year lows along the way. Spreads are undoubtedly tight, but they are bolstered by a number of key factors including: (i) supportive macroeconomic conditions, (ii) improving issuer credit fundamentals, (iii) accommodating capital markets, and (iv) strong demand technicals, especially in floating rate assets.
- **US Economic Exceptionalism:** The U.S. economy was the envy of the world in 2024, producing the highest real GDP (gross domestic product) growth rate in the developed world, maintaining healthy levels of job growth, and making steady progress on inflation. U.S. growth is expected to remain strong in 2025 (street consensus = 2.1% real GDP growth), but the path of monetary and fiscal policy will play a big role in whether the economy is able to reaccelerate, or if growth starts to slow down. Recent indicators remain constructive – December non-farm payroll number was a robust 256k, Atlanta Fed GDPNow has moved up to 3.0% for Q4 GDP, December Core CPI came in lower than expected – but uncertainty with regards to the upcoming administration's policy agenda, amongst other factors, *could* lead to more volatility than in 2024.
- **Rate Volatility Here to Stay:** The beginning of the year has shown us that rate volatility is here to stay as the market faces are number of key issues – inflation has yet to be fully vanquished, the path of rate cuts remains very uncertain, and myriad policy questions are still left outstanding (more deficit spending? tariffs? tax cuts?). We expect the U.S. 10-Year Treasury Bond to trade in the broad range of 4.50-5.00% in 2025 as we believe short term rates will end up near 4.00% (1 cut) and the upward sloping shape of the curve will reestablish. Within this range, we expect rate volatility to remain elevated and the potential for the market to temporarily overshoot to the up or downside. Rates outside of this range likely bode ill for the market as it likely indicates an unexpected slowdown in the economy or a reacceleration in the rate of inflation. The market is in consensus on the asymmetrical nature of rate cuts (Fed Funds = flat or down); any discussion of rate hikes by the Fed would be highly disruptive to the market.
- **Floating Rate Continues to be an Attractive Relative Value Play:** We continue to view floating rate credit as the most attractive place to invest in credit due to a number of factors including: (i) current income advantage over similarly rated fixed rate credit, (ii) expectations for continued rate volatility, (iii) strong demand technicals, and (iv) our higher-for-longer rate view. While recent Fed rate cuts and a steeper yield curve have eroded some of the coupon advantage, floating rate assets continue to offer a higher current yield given the spread premium offered by CLOs and Loans. This is a crucial point of differentiation as current income tends to be the primary driver of excess return in a tight spread environment. Lastly, exposure to floating rate allows investors to avoid much of the interest rate-induced volatility that we expect in 2025.

Relative Value and Current Upside Potential

- **We see value in CLO debt at current levels, as spreads are still wide compared to other areas of corporate credit.** If CLO debt levels return to their tight post crisis spreads, total return potential is still attractive. We currently favor new issue CLO deals with cleaner portfolios. Please see the table of indices below highlighting current price and spreads as well as potential upside from current levels. Yield to Expected (YTE) illustrates the yields if spreads were to stay the same and the bonds pull to par by maturity. The Average 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 CLO INDEX LEVELS AND 1YR UPSIDE TO AVERAGE/TIGHTS

Rating	Current Average Price	Discount Margin	Yield to Expected	Average 1yr Upside[1]	Tight 1yr Upside[2]
CLO AAA	$100.20	112	5.34%	5.91%	6.28%
CLO AA	$100.15	159	5.83%	6.42%	6.80%
CLO A	$100.23	181	6.09%	7.09%	7.10%
CLO BBB	$100.36	274	7.03%	7.09%	9.58%
CLO BB	$99.00	621	10.69%	10.69%	14.23%
CLO B	$75.28	1194	16.32%	22.41%	35.70%

Source: JPM / Intex / Palmer Square. As of 12/31/2024. 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.

- **<u>CLO Allocation/Opportunity to Capture Income and Total Return:</u>** As of quarter-end, CLO Debt and Sub Notes accounted for 77% of the portfolio, mostly unchanged from last quarter. CLO BBBs are currently trading on average at a spread of 287bps and CLO BBs are at a spread of 560bps 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 tights 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. *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 322bps of spread versus HY, which looking back to 2012 is a 55th percentile reading (meaning CLO BBs have been relatively cheaper only 45% of the time). The median spread differential over the same time period is 291bps, which means CLO BBs need to tighten* about 31bps just to get back to historical average levels vs HY. Meanwhile you would need to go back to 1998 in order to get to tighter spreads on the HY index.

CLO BB vs HY Spreads

Source: Bloomberg as of 12/31/2024. Current performance is not a guarantee of future performance of the Fund. LF980AS is the Bloomberg U.S. Corporate High Yield Option-Adjusted Index. PSBBDMSF is the Palmer Square CLO BB Discount Margin Index. *Please see Notes and Disclosure for definitions.

- **<u>Bank Loan Allocation:</u>** As of quarter-end, bank loan exposure was 16.5% of the portfolio, roughly unchanged from last quarter. We remain focused on selecting high-quality primary opportunities, with select discounted secondary investments. The primary market remains very busy, but is heavily skewed towards refinancing and repricing transactions, which has limited the number of attractive new money opportunities. In addition to modest net primary volumes, CLO issuance and retail inflows remain robust, creating a supportive price environment and driving incremental spread compression. *We continue to view the asset class as attractive given the combination of high current income and low interest rate duration and will continue to focus our efforts on seeking high quality/lower risk credits.*

- **<u>High Yield Bond Allocation:</u>** As of quarter-end, HY corporate bond exposure was 6.2% of the portfolio, unchanged from the end of the third quarter. Spread valuations remain challenging, but yields continue to look attractive on a historical basis and we believe there are still interesting opportunities at the single name level. In addition, market technicals remained supportive in the fourth quarter with solid fund flows and limited net new issuance. Spreads and spread volatility would likely need to increase closer to long term averages for us to become more constructive on HY corporates. *We remain focused on identifying credit-specific opportunities we believe can outperform the current tight spread environment.*

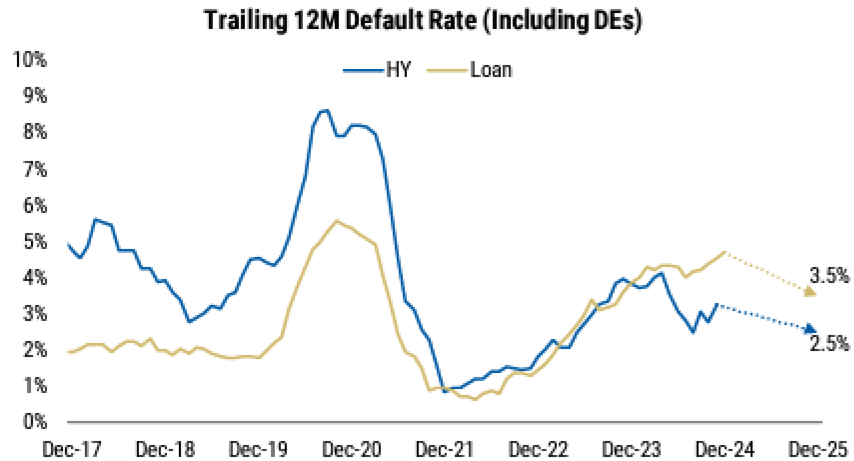
Outlook / Focus on CLO Relative Value

- **<u>CLO Issuance Forecast and Outlook:</u>** CLO issuance set a new record in 2024 at $201bn, up about 73% from 2023 levels. Reset/refi activity has also exploded higher with $306bn priced in 2024. The size of the CLO market continues to grow in the U.S. and has surpassed $1 trillion and $1.4 trillion globally, which is now the largest credit sector within securitized products. 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 domestically and abroad 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. We estimate that even though gross issuance has been record setting, net issuance for AAAs is actually flat to negative in 2024 when factoring in liquidations and amortizations. We expect this technical to continue in 2025

Fundamentals

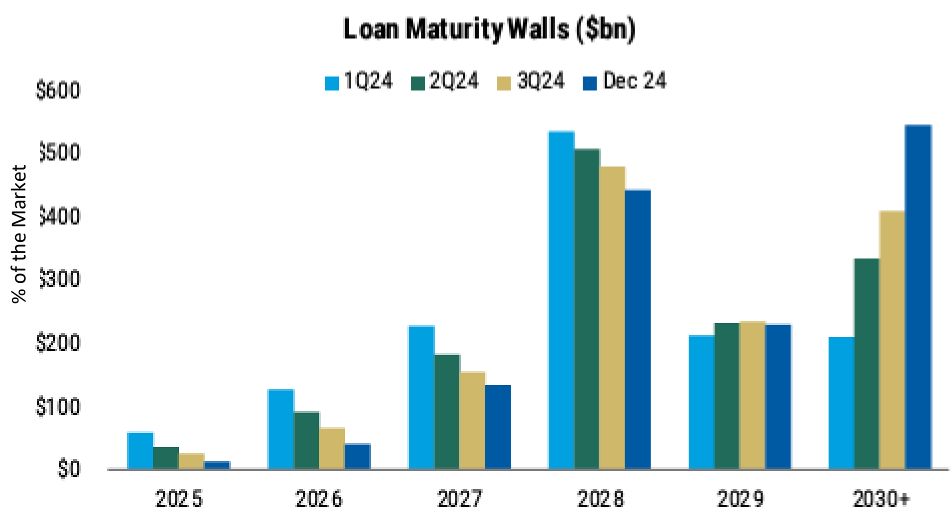
- Loan defaults including restructurings are above long-term averages at 4.49%, however current defaults in CLO portfolios are lower at 0.40%, down from last quarters reading of 0.50%. We expect defaults to fall in the next year and remain in the 2-3% range, closer to long-term averages. The percentage of underlying CLO collateral trading at distressed levels (under $80) is currently around 3.55%, which is typically a good barometer of future defaults (Palmer Square deals are much lower in the 1-3% range). Also, loans with maturities before 2026 represent a small portion of the loan market at about 3%, meaning refinancing risk is low. The current CCC% in CLO portfolios is 5% (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 expected to decline from current levels



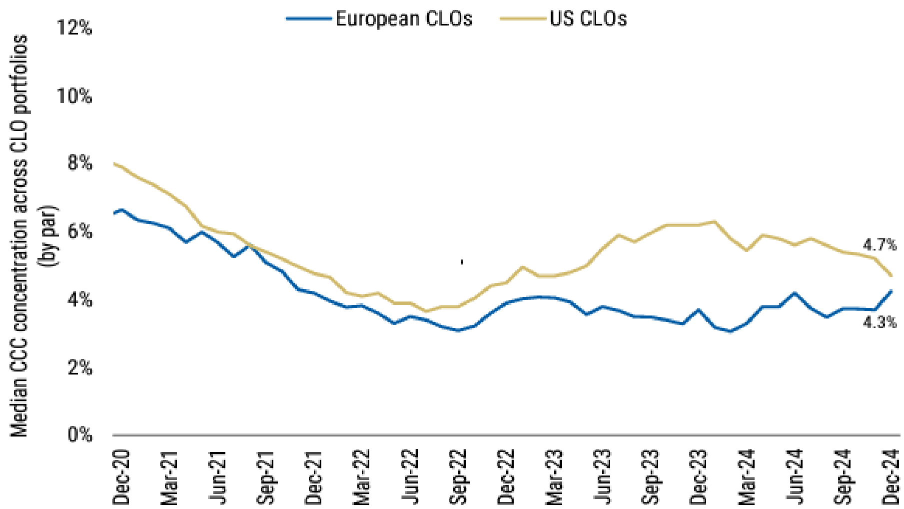
Source: Moody's, PitchBook | LCD, Morgan Stanley Research forecasts; Data as of 12/31/2024

Exhibit 2: Loan maturities by YE 2026 came down by $215bn (79%) in 2024



Source: ICE, Pitchbook LCD, Morgan Stanley Research as of 12/31/2024

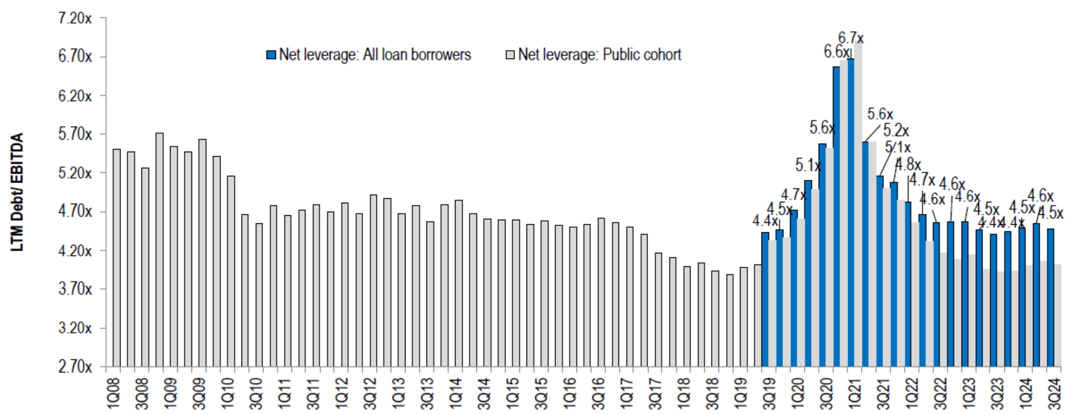
Exhibit 3: Median CCC assets in CLO portfolios



Source: Morgan Stanley Research, Intex. Data as of 12/31/2024

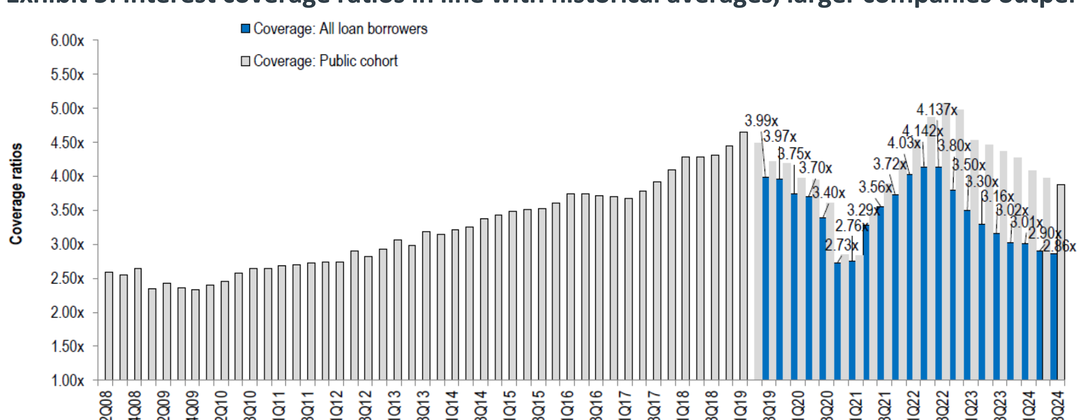
Exhibit 4: Loan gross leverage still near multi year low, trending lower

Bank Loan Net Leverage (TM)



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

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



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

Notes and Disclosures

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

This overview is not intended to replace such materials, and any information herein should not be relied upon for the purposes of investing in the Funds or for any other purpose. This overview is a summary and does not purport to be complete.

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

The Fund's advisor has contractually agreed to waive or reduce its management fees and/ or reimburse expenses of the Fund to ensure that total annual Fund operating expenses (excluding taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.50% of the Fund's average daily net assets. This agreement is in effect until December 1, 2025, and it may be terminated before that date only by the Fund's Board of Trustees. The Fund's advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period of three years from the date of the waiver or payment.

Interest Rate Duration measures a portfolio's sensitivity to changes in interest rates. **Spread Duration** measures the sensitivity of a bond price based on basis point changes of more than 100. **Yield To Call** is the yield of a bond or note if you were to buy and hold the security until the call date. **Yield To Maturity** is the rate of return anticipated on a bond if held until the end of its lifetime. **Current Yield Yield** is a weighted calculation of the annual coupon rate divided by the price of each individual security within the portfolio and represents the return an investor would expect if the securities were held for a year and the price did not change. **Beta** describes an investment's volatility in relation to that of the stock or bond market as a whole. For example, the S&P 500 is typically considered to be "the equity market" and it has a beta of 1.0. Yield to Expected Call is a Yield to Call metric that assumes callable bonds are not called on their call date, but at some later date prior to maturity. **Yield to Expected Call** considers contractual terms in a bond's indenture or other similar governing document. A bond may be called before or after this date, which has the potential to increase or decrease the Yield to Expected Call calculation. All else equal, when a bond's price is below par, Yield to Expected Call is a more conservative yield metric than Yield to Call. If a bond is not callable, Yield to Expected Call calculates the bond's Yield to Maturity. **Credit Spreads** are often a good barometer of economic health - **wide or widening (bearish sentiment)** and **narrowing/tight or tightening (bullish sentiment)**. The **option-adjusted spread (OAS)** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option. Typically, an analyst uses Treasury yields for the risk-free rate. The **original issue discount (OID)** is the difference between the original face value amount and the discounted price paid for a bond. The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return. **Basis points (BPS)** refers to a common unit of measure for interest rates and other percentages in finance. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of publicly issued investment grade corporate, US Treasury and government agency securities with remaining maturities of one to three years. The **Bloomberg 1-3 Year US Corporate Index** measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities. **S&P 500 Index** is a market-capitalization- weighted index of 500 leading publicly traded companies in the U.S. **U.S. Treasury index** is an index based on recent auctions of U.S. Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates. **Bloomberg U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. **Bloomberg U.S. High Yield Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. **Bloomberg U.S. HY BB Corporates Index** tracks the performance of USD-denominated below investment grade rated corporate debt publicly issued in the U.S. domestic market. **Credit Suisse Leveraged Loan Index** tracks the investable market of the U.S. dollar denominated leveraged loan market. The **STOXX 600 Index** seeks to offer broader exposure to European companies. Thus, it's often cited as a close European alternative to Standard & Poor's 500 Index (S&P 500). **Palmer Square CLO Senior Debt Index (CLOSE)** seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLOSE is comprised of original rated AAA and AA debt issued after January 1, 2009 subject to certain inclusion criteria. **Palmer Square CLO Debt Index (CLODI)** seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLODI is comprised of original rated A, BBB, and BB debt issued after January 1, 2009 subject to certain inclusion criteria. **Palmer Square CLO BB TR Index (PCLOBBTR)** seeks to reflect the investable universe for U.S. dollar denominated CLOs. The index is comprised of original rated BB debt issued after January 1, 2009 subject to certain inclusion criteria. **LIBOR** (London Interbank Offered Rate) is the benchmark interest rate at which major global banks lend to one another. As of January 1, 2022, many banks are no longer required to submit the data needed to calculate the LIBOR rate. A **Reference Rate** is an interest rate benchmark used to set other interest rates. Various types of transactions use different reference rate benchmarks, but the most common include the Fed Funds Rate, LIBOR, the prime rate, and the rate on benchmark U.S. Treasury securities. Unlike mutual funds, indices are not managed and do not incur fees or expenses. It is not possible to invest directly in an index.

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

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

Notes and Disclosures (cont'd)

CAPEX refers to capital expenditure or the money a company spends to buy, improve or maintain long-term assets. **Magnificent 7** is a common term used to represent seven specific technology companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla). The **Atlanta Fed GDPNow** model forcast GDP (gross domestic product) growth by aggregating the 13 subcomponents that make up GDP with the chain-weighted methodology used by the U.S. Bureau of Economic Analysis. **Core CPI** (consumer price index) is a measure of inflation that excludes the price of food and energy. **Yield Curve** is a graph that plots the yield (or interest rate) across different maturity dates. **YTW** (yield-to-worst) is a financial metric that calculates the lowest possible return on a bond.

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.