Palmer Square Ultra-Short Duration Investment Grade Fund (PSDSX)

January 2025

Fund Refresher

As a refresher, the investment objective of the Palmer Square Ultra-Short Duration Investment Grade Fund (the "Fund") is to seek income. A secondary objective of the Fund is to seek capital appreciation. The Fund is invested primarily in a broad universe of credit such as fixed and floating rate investment grade corporate bonds and notes, collateralized loan obligations ("CLOs"), traditional asset-backed securities ("ABS"), and commercial paper. We believe our portfolio presents an ultra-short duration income alternative for investors targeting potential yield, capital preservation, and low volatility.

Since inception (10/7/2016), the Fund has had a flat or positive daily performance 94% of the time.

Performance Summary

The Fund returned 1.26% (net of fees) for the fourth quarter of 2024. The Fund's current yield is 5.13% and yield to expected call* is 4.99%. Interest rate duration* is 0.40 years and spread duration* is 0.76 years.

Fund Performance Net of Fees as of 12/31/2024 (inception 10/7/2016)

	Q4 2024	2024	2023	2022	2021	2020	2019	2018	2017	YTD 2016
PSDSX	**1.26%**	**5.85%**	**5.81%**	**-0.28%**	**0.05%**	**1.59%**	**3.00%**	**1.83%**	**1.51%**	**0.26%**
ICE BofA ML U.S. Treasury Bill Index*	1.17%	5.27%	5.08%	1.33%	0.05%	0.74%	2.35%	1.88%	0.81%	0.33%

Fund Performance Net of Fees as of 12/31/2024 (inception 10/7/2016)

	1 Year	3 Years	5 Years	Since Inception Annualized
PSDSX	**5.85%**	**3.75%**	**2.57%**	**2.36%**
ICE BofA ML U.S. Treasury Bill Index*	5.27%	3.88%	2.47%	2.12%

Annual Expense Ratio: Gross 0.59%/Net 0.50%. *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 acquired fund fees and expenses, interest, taxes, dividends and interest expenses on short positions, brokerage commissions and extraordinary expenses such as litigation expenses) do not exceed 0.50% of the average daily net assets of the Fund. This agreement is effective until October 31, 2025, and it may be terminated before that date only by 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.* **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. A portion of the fees charged is waived. Performance prior to waiving fees was lower than the actual returns. 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.

	12/31/23	03/31/24	06/30/24	09/30/24	12/31/24
Interest Rate Duration*	0.36 yrs	0.40 yrs	0.30 yrs	0.40 yrs	0.40 yrs
Spread Duration*	0.89 yrs	0.80 yrs	0.58 yrs	0.74 yrs	0.76 yrs
Yield to Expected Call*	5.39%	5.68%	5.75%	5.01%	4.99%
Yield to Maturity	5.32%	5.58%	5.63%	4.84%	5.07%
Current Yield	4.94%	5.33%	5.59%	5.64%	5.13%
30-day SEC Yield (subsidized)*	5.50%	5.77%	5.53%	5.49%	4.92%
30-day SEC Yield (unsubsidized)*	5.38%	5.70%	5.46%	5.30%	4.57%
Weighted Average Price	$99.2	$99.4	$99.5	$99.7	$99.5

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

	Allocation	12/31/2024 Price	%Yield to Expected Call*
IG Corp Fixed (average duration of 1.0 yrs)	13%	$98.2	4.7%
IG Corp FRN	2%	$100.5	4.8%
Bank Loans	3%	$100.3	5.9%
CLO AAA	38%	$100.2	5.0%
CLO AA	9%	$100.3	5.7%
CLO A	2%	$100.4	6.1%
CLO BBB	0%	--	--
MBS	1%	$83.8	7.5%
ABS	14%	$100.0	4.6%
T-Bills	16%	$99.1	4.2%

Source: Palmer Square as of 12/31/2024. *Please see Notes and Disclosure for definitions.

Summary on Attribution, Positioning and Outlook

Allocation and Gross Attribution

	12/31/2023 Allocation	03/31/2024 Allocation	06/30/2024 Allocation	09/30/2024 Allocation	12/31/2024 Allocation	Q4 2024 Gross Attribution
IG Corp Fixed	16%	11%	7%	12%	13%	0.08%
IG Corp FRN	5%	3%	3%	4%	2%	0.04%
Bank Loans	3%	2%	2%	3%	3%	0.05%
CLO Debt	41%	49%	43%	53%	49%	0.79%
MBS	1%	1%	1%	1%	1%	0.01%
ABS	20%	23%	16%	16%	14%	0.18%
T-Bills	11%	8%	12%	9%	16%	0.10%
Cash	3%	3%	16%	3%	2%	0.00%

Please note allocation above is a % of NAV. Gross attribution does not include expenses and fees if applicable. Please see Notes and Disclosures.

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.

Fund Outlook

- Solid Diversification - We believe the Fund has solid diversification across both corporate and structured credit. The five main tools we have utilized to do this include investment grade corporate bonds, commercial paper, treasuries, traditional asset-backed securities, and CLO debt.
- Lower Spread Duration Yet Solid Yield
  - » Shorter maturity debt/low spread duration (the percentage price change of a bond's price given a 1% change in the yield spread) of 0.76 years should keep susceptibility to spread widening* risk and volatility low (note: the Fund already maintains a low interest rate duration (the percentage price change of a bond's price given a 1% change in interest rates)).
  - » Approximately 75% of the portfolio is typically self-liquidating within one year and 89% in two years.
  - » Focus on the top end of the credit quality spectrum.
  - » Maintained a strong current yield of 5.13% and yield to expected call of 4.99%.
- Investment Grade ("IG") Corporate Bond Allocation - IG corporate bond exposure was unchanged q/q at 14.8% at the end of the fourth quarter. The attractiveness of IG corporate yields did improve meaningfully during the quarter due to rising treasury rates; however, spread valuations remain less compelling. In addition, we remain constructive on corporate credit fundamentals and favorable market technicals should continue to be supportive of spread levels. *Short corporate bonds continue to offer a number of attractive attributes including straightforward bullet maturity, premium liquidity, and modest convexity if front-end rates were to move lower. However, spread valuations remain challenging, which should limit any further increases in allocation.*

- CLO Allocation/Opportunity to Capture Yield and Total Return - We believe the Fund's CLO allocation continues to be well-positioned may offer significant yield (especially on a risk adjusted basis) vs. corporates and other areas of IG rated fixed income securities. Short duration CLO AAA current yields are 5.75-6.00%, which is still very high and compelling compared to history and benefitting from elevated rates. The Yield to Maturity on the Fund declined modestly in the quarter, mostly driven by spread tightening throughout the quarter. Breakevens on short duration AAAs are near the widest we have ever seen. Given rising SOFR rates, the implied 1yr coupon on short AAAs is about 6.0%. In order to just break even over a 1yr holding period, spreads would need to widen to 500bps or more. For reference, AAAs widened out to 300-325bps during the depths of the COVID-19 crisis, and that opportunity only lasted a few days.[1]
    - CLO AAA yields still look attractive vs. IG corporates and are still wide on a historical spread basis. Over the past 12 years, CLO AAA yields on average 20bps less than IG corporate bonds. Today, CLO AAA yields are 15bps more; which on a 10yr look-back is in the 77th percentile (i.e. CLO AAA yields have only been cheaper 23% of the time).
- Traditional Asset-Backed Securities/Mortgage-Backed Securities (MBS) Allocation - As of quarter-end, 15.6% of the portfolio was allocated to ABS/MBS positions. Our primary focus within the Fund is to maintain low spread duration, which should potentially generate positive performance for the portfolio.

ABS/MBS Positions	**12/31/2024**
Prime Autos	11.10%
Cards	2.60%
Equipment	0.54%
ABS (100% AAA)	**14.24%**
Single Asset/Single Borrower	1.37%
CMBS (100% IG)	**1.37%**

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

In summary, we believe the Fund is well-positioned and has potential to not only generate yield, but also provide investors with a low volatility alternative, which can help diversify a fixed income allocation. 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.

Summary

The Fund's diverse portfolio across corporate and structured credit has low spread duration, which may lessen the Fund's susceptibility to spread widening risk, (the Fund already maintains a low interest rate duration (the percentage price change of a bond's price given a 1% change in interest rates)), is positioned almost entirely in investment grade securities, yet has offered a strong current yield and potential opportunity for capital appreciation.

In essence, we believe the Fund is well-positioned and has potential to not only generate yield and some total return, but also exhibit lower price volatility should another dislocation hit the market. 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 Disclosures for definitions. [1]This example is provided for illustrative purposes only.

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 Ultra-Short Duration Investment Grade 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. Ratings listed herein are assigned by Standard & Poor’s (S&P) and Moody’s Investor Service (Moody’s). Credit quality ratings are measured on a scale with S&P’s credit quality ratings ranging from AAA (highest) to D (lowest) and Moody’s credit quality ratings ranging from Aaa (highest) to C (lowest). We use the higher of the two ratings. Credit ratings listed are subject to change. Please contact Palmer Square for more information.

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

This material represents an assessment of the market environment at a specific point in time, is subject to change without notice, and should not be relied upon by the reader as research or investment advice. With regard to sources of information, certain of the economic and market information contained herein has been obtained from published sources and/or prepared by third parties. While such sources are believed to be reliable, Palmer Square or employees or representatives do not assume any responsibility for the accuracy of such information. Palmer Square is under no obligation to verify its accuracy.

The **ICE BofA ML US Treasury Bill Index** is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

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 Maturity** is the rate of return anticipated on a bond if held until the end of its lifetime. **Current 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. **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. 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. **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. **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 Secured Overnight Financing Rate (SOFR)** is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR).

Past performance is not indicative of future results. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable. Please note that the performance of the funds may not be comparable to the performance of any index shown. Palmer Square has not verified, and is under no obligation to verify, the accuracy of these returns. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

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

The Palmer Square Ultra-Short Duration Investment Grade Fund is distributed by IMST Distributors, LLC.

Palmer Square Capital Management LLC (“Palmer Square”) is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. Palmer Square and its representatives are in compliance with the current registration and notice filing requirements imposed upon registered investment advisers by those states in which Palmer Square maintains clients. Palmer Square may only transact business in those states in which it is notice filed, or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by Palmer Square with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about Palmer Square, including fees and services, send for our disclosure statement as set forth on Form ADV using the contact information herein or refer to the Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov). Please read the disclosure statement carefully before you invest or send money.

This material must be preceded or accompanied by a prospectus. Please read the prospectus carefully before investing. For a prospectus, or summary prospectus, that contains this and other information about the Funds, call 866-933-9033 or visit our website at www.palmersquarefunds.com. Please read the prospectus, or summary prospectus carefully before investing.