

Palmer Square Strategic Credit Fund (PSQIX, PSQAX)



December 2018

Investment Objective

- Seeks capital appreciation with an emphasis on absolute (positive) returns over a market cycle

Investment Strategy

- An alternative to traditional fixed income or a core alternative credit allocation
- Seeks to be a diversified portfolio of less correlated credit investments
- A dynamic and flexible investment strategy that seeks to identify income and total return sources

Competitive Advantages

Diversified Exposure to Multi-Strategy Credit – Access to strategies such as:

- Corporate credit
- High yield
- Stressed credit (high yield)
- Structured credit (CLOs/CMBS)
- Leveraged loans (bank loans)
- Long/short credit
- Term loans
- Convertible arbitrage

Risk Management – Risk led by Angie Long, ex-13 year JPMorgan veteran and Deputy Head of Credit Trading for North America

Portfolio Characteristics (as of 12/31/2018)

Interest Rate Duration	0.23 yrs
Spread Duration	1.65 yrs
Yield to Expected Call	4.01%
Yield to Maturity	4.01%
Current Yield	3.68%
30-day SEC Yield (net of fees)	2.10%
30-day SEC Yield (gross of fees)	0.54%

Allocation (as of 12/31/2018)

IG Corp Debt	40%
HY Corp Debt	12%
Bank Debt	20%
CLO Debt	12%
ABS	11%
Government Bonds	2%
CMBS/RMBS	3%

Please note allocation above is a % of the invested portfolio and does not include cash and/or hedges.

Credit Quality Distribution (as of 12/31/2018)

AAA	16%
AA	2%
A	13%
BBB	37%
BB	19%
B	10%
CCC	2%
Equity/NR	1%

Please note credit quality distribution above is a % of the invested portfolio and does not include cash.

Firm Overview

- Manages approximately \$8.4 billion in assets in mutual funds, separate accounts and private investment funds
 - » ~29 employees
 - » ~15 investment professionals

Fund Details

Inception	May 17, 2011
Distributions	Semi-Annual Dividend; Annual Capital Gains

Class I Share

Ticker/Cusip	PSQIX/461418451
Minimum Investment	\$1 million
Management Fee	0.99%
Gross Expenses ¹	4.20%
Net Expenses ¹	3.08%
Maximum Sales Load	0.00%

Class A Share

Ticker/Cusip	PSQAX/461418469
Minimum Investment	\$2,500
Management Fee	0.99%
Gross Expenses ¹	4.45%
Net Expenses ¹	3.34%
Maximum Sales Load ¹	5.75%

Fund Performance Net of Fees (inception 5/17/2011)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.46%	0.12%	-0.12%	0.23%	0.23%	-0.05%	0.35%	0.23%	0.11%	0.34%	-0.23%	-0.58%	1.10%
2017	1.53%	0.23%	0.12%	0.12%	0.23%	-0.28%	-0.12%	0.00%	-0.12%	0.12%	0.23%	0.00%	2.06%
2016	-5.01%	-7.48%	2.12%	4.67%	1.36%	2.69%	3.69%	1.60%	1.09%	1.44%	0.59%	0.72%	7.02%
2015	-0.41%	1.14%	0.20%	0.92%	1.01%	-0.74%	-1.43%	-1.45%	-0.95%	-2.66%	-0.44%	-2.55%	-7.20%
2014	0.70%	0.50%	0.20%	0.10%	-0.10%	0.29%	0.00%	0.30%	-0.10%	-0.50%	0.00%	-0.29%	1.10%
2013	1.98%	0.00%	0.41%	0.20%	1.01%	-1.20%	1.12%	0.20%	0.70%	0.50%	0.59%	0.44%	6.09%
2012	0.63%	1.04%	0.41%	-0.21%	-1.55%	-0.10%	-0.63%	1.27%	0.52%	-0.41%	-0.21%	0.45%	1.19%
2011					0.20%	-0.30%	0.30%	-4.39%	-0.94%	0.74%	-0.52%	0.11%	-4.80%

Performance Analysis Net of Fees (as of 12/31/2018)

	Q4 2018	1 Year	3 Years	5 Years	Since Inception Annualized
PSQIX	-0.47%	1.10%	3.36%	0.71%	0.75%
BofA ML US 3-Month Treasury Index	0.56%	1.87%	1.02%	0.63%	0.44%

¹Palmer 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 1.64% and 1.39% of the average daily net assets of the Fund's Class A shares and Class I shares, respectively. This agreement is effective until August 31, 2019, and it may be terminated before that date only by Trust's Board of Trustees. The performance data quoted here represents past performance.¹ You may qualify for sales charge discounts if you invest at least \$50,000 in Class A shares of the Fund. **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.**

Investment Team

Our team has over a decade of experience working at top investment firms and directly investing in corporate credit and structured credit. Our backgrounds include deep experience in equity, credit, hedging, derivatives, and risk management.

Portfolio Managers	Exp. Yrs.	Experience	Education/Other
Christopher D. Long President	21 years	<ul style="list-style-type: none"> • Founder of Palmer Square Capital Management • Research Analyst: Sandell Asset Management (\$multi-billion multi-strategy firm) • Associate, Distressed Securities and Credit Derivatives: Morgan Stanley • Associate: TH Lee Putnam • Analyst: J.P. Morgan & Co. 	AB cum laude in Economics; Princeton University MBA; Harvard Business School Multiple Institutional Boards
Angie K. Long, CFA Chief Investment Officer	21 years	<ul style="list-style-type: none"> • Managing Director: J.P. Morgan & Co. • Deputy Head of Credit Trading for North America: J.P. Morgan & Co. • Head of High Yield and Credit Derivatives: J.P. Morgan & Co. • Built J.P. Morgan & Co.'s High Yield Credit Derivatives business and Credit Options business • Pioneered the HYDI (High Yield Debt Index), the predecessor to today's Markit CDX indices 	AB in Economics; Princeton University Princeton Women In Leadership Committee Board Member
Jon R. Brager, CFA Executive Director/ Portfolio Manager	9 years	<ul style="list-style-type: none"> • Senior Analyst: Hermes Investment Management • Portfolio Manager: BCM & Partners, LLP • Credit Analyst: BCM & Partners, LLP • Credit Analyst: LNG Capital LLP • Systems Engineer: Lockheed Martin Missiles & Fire Control 	BS in Mathematics and Management Science; Southern Methodist University MA in Economics; Southern Methodist University MBA; London Business School

Disclosures

Interest rate duration measures a portfolio's sensitivity to changes in interest rates. **Standard deviation** of return measures the average deviations of a return series from its mean and is often used as a measure of risk. **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. **30-Day SEC Yield** represents net investment income earned by the Fund over the 30-day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. **Weighted average price** calculated by adding up the dollars traded and dividing by the total shares traded. **Sharpe Ratio** is used to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - such as that of the 10-year U.S. Treasury bond - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. **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.

Income distributions may include capital gains and return of capital ("ROC"). The ROC portion reduces the shareholder's cost basis in the investment, and is taxable when the shares are sold. Based on current financial information, the distribution is estimated to consist of 100% ROC. The final tax status of the distribution may differ substantially from this preliminary information.

Past performance does not guarantee future results. Absolute return funds are not designed to outperform stocks and bonds in strong markets. Techniques used are intended to reduce risk and volatility, seeking to provide protection in a down market. Asset allocation decisions may not always be correct and may adversely affect Fund performance.

Portfolio allocation based on the percentage of capital allocated. Portfolio composition will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations by the Fund, its Advisor or Distributor. Strategy allocation information reflects a categorization of each underlying manager based on its predominant investment theme(s). Such allocation data is an estimate and provided for illustration purposes only, and may not include cash, certain positions and/or hedges and may not sum to 100%.

The Fund's investments in secured and unsecured participations in bank loans and assignments of such loans may create substantial risk. In making investments in such loans, which are made by banks or other financial intermediaries to borrowers, the Fund will depend primarily upon the creditworthiness of the borrower for payment of principal and interest. If the Fund does not receive scheduled interest or principal payments on such indebtedness, the Fund's share price could be adversely affected. In addition, certain bank loans in which the Fund may invest may be illiquid and, therefore, difficult to value and/or sell at a price that is beneficial to the Fund. Derivatives can be highly volatile and may have the potential for unlimited loss. The use of leverage may magnify losses. A security which was liquid when purchased may subsequently become illiquid. Credit default swaps and related instruments are derivatives used for hedging against a credit default and may involve greater risks than if the Fund invested in the referenced obligation directly. Short sales may be considered speculative and it may be difficult to purchase securities to meet delivery obligations. Distressed securities are typically unrated, lower-rated, in default or close to default and the prices may be extremely volatile, more likely to become worthless and the Fund may lose all of its investment. Event-driven strategies are speculative, which may result in a new less valuable security (or derivative) and are subject to the risk of complete loss of value. 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. Small, mid and large cap stocks are subject to substantial risks such as market, business, size volatility, management experience, product diversification, financial resource, competitive strength, liquidity, and potential to fall out of favor that may cause their prices to fluctuate over time, sometimes rapidly and unpredictably. Debt securities have interest rate, inflation and credit risks and are subject to prepayment and default risk. High yield and junk securities involve greater risk and tend to be more sensitive to economic conditions and credit risk.

BofA ML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. 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 views expressed are those of the author at the time created. They do not necessarily reflect the views of other persons in the Palmer Square organization. These views are subject to change at any time based on market and other conditions, and Palmer Square disclaims any responsibility to update such views. No forecasts can be guaranteed. These views may not be relied upon as investment advice or as an indication of trading intent on behalf of any Palmer Square portfolio.

The Palmer Square Strategic Credit Fund is distributed IMST Distributors, LLC.

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.