

Penn Capital Defensive Floating Rate Income Fund

Effective October 31, 2017 the Penn Capital Senior Floating Rate Income Fund was renamed the Penn Capital Defensive Floating Rate Income Fund. The fund's investment objective and strategy did not change.

Overview

The Penn Capital Defensive Floating Rate Income Fund ("Fund") seeks to provide current income. The Fund seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its net assets in floating rate senior secured loans, floating rate senior corporate debt and other floating rate senior instruments.

Performance summary (% as of 3/31/2018)

Share Class	1 Month	QTD	1 Year	Since Inception (12/01/15)	2016	2017
Institutional	0.26	0.97	4.01	4.60	6.88	3.75
Credit Suisse Institutional Leveraged Loan Index	0.35	1.44	4.75	5.57	7.65	4.29
S&P/LSTA US BB Ratings Loan Index	0.36	1.17	3.97	4.92	10.16	3.44

*Performance is annualized for multi-year periods. Sources: US Bancorp Fund Services, LLC and Credit Suisse

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may 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 that shown. All returns assume reinvestment of all dividend and capital gain distributions. To obtain performance current to the most recent month-end please call 844-302-PENN (7366) or visit www.penncapitalfunds.com.

A redemption fee of 2.00% will be imposed on redemptions or exchanges of shares owned for 90 days or less. The total annual operating expenses of the Fund are 1.83% and net expenses are 0.66% for the Institutional share class.

The Fund's advisor 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 acquired fund fees and expenses, taxes, interest, brokerage fees, certain insurance costs, and extraordinary and other non-routine expenses) do not exceed 0.64% for Institutional Class shares. This agreement is in effect until October 30, 2018.

The Fund's advisor is permitted to seek reimbursement from the Fund of fees waived for a period of three years from the date of the waiver or payment to the extent it does not exceed expense limits.

Portfolio management team

David H. Jackson, CFA
Senior Portfolio Manager
Senior Partner

Richard A. Hocker
Founder, Chief Investment Officer

Specialists in capital structure investing

At Penn Capital, we believe that understanding a company's entire capital structure is the best way to identify investment opportunities with the most value. In fact, we've found that managing credit portfolios makes us better equity managers; and vice versa. We select stocks or high yield debt securities that we believe have the greatest potential to provide the risk-adjusted returns our clients expect.

Our fully integrated credit and equity research process focuses on primarily non-investment grade companies in the micro- to mid-capitalization range, where we can take advantage of inefficient security pricing. We serve institutional and individual investors with strategies that reflect institutional-quality rigor and insight and stay true to our philosophy.

We are an independent, employee-owned boutique investment management firm based in Philadelphia. We forge our own ideas, we respect hard work, and we are committed to our clients, our staff and our community.

Characteristics (as of 3/31/2018)

Number of Companies	156
Number of Securities*	165
Average Maturity (Yr.)	5.5
30-Day SEC Yield (% - with waivers)	4.3
30-Day SEC Yield (% - without waivers)	3.1

Asset Type (as a % of total investments)

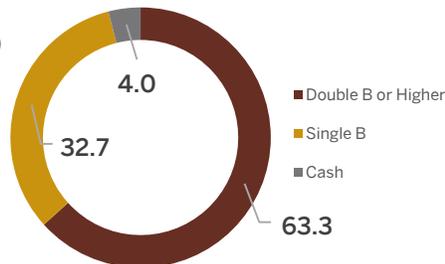
Bank Loans	79.8
Corporate Bonds	12.3
Short-Term Investments	7.9

Ticker (Institutional)

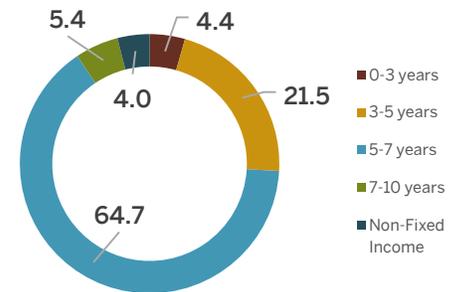
PFRNX

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Credit quality % (Rating source: Standard & Poor's)



Fund maturity %



Quality ratings are subject to change. Standard and Poor's assigns a rating of AAA as the highest to D as the lowest credit quality rating.

Sector Allocation (% of portfolio)

Telecommunications	11.6	Gaming	2.4
Healthcare	9.0	Transportation/Rail/Air	2.0
Media & Broadcasting	9.0	Chemicals	1.8
Utilities	7.0	Consumer Discretionary	1.7
Technology	6.4	Building & Building Materials	1.6
Financial Services	5.8	Food/Bev/Tobacco	1.6
Services	4.8	Consumer Products	1.6
Capital Goods/Industrial	4.3	Food & Drug Retail	1.5
Information Technology	4.2	Energy - Services/Other	1.2
Non-Food & Drug Retail	3.4	Telecommunication Service	1.2
Leisure & Entertainment	2.9	Metals/Mining/Steel	1.0
Industrials	2.8	Hotels	0.8
Materials	2.5	Packaging	0.6
Automotive & Auto Parts	2.5	Cash	4.0

Top 10 Holdings (% of portfolio)

Fortress Investment Group	0.8
G-III Apparel Group, Ltd.	0.8
Utility One Source	0.8
Winnebago Industries, Inc.	0.8
Big River Steel	0.8
Cincinnati Bell, Inc.	0.8
Meredith Corp	0.8
Navistar, Inc.	0.8
Rexnord	0.8
Telenet	0.8

Allocations and holdings are subject to change at any time.

Fund Facts (Institutional Share Class)

Ticker	PFRNX
Minimum investment	\$100,000
Distribution frequency	Monthly
Inception date	12/1/2015

Sources: Credit Suisse, Standard & Poor's, Penn Capital, Inc. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself.

BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER RELEVANT INFORMATION CAN BE FOUND IN THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION, COPIES OF WHICH MAY BE OBTAINED BY CALLING (844) 302-PENN (7366) OR BY VISITING WWW.PENNCAPITALFUNDS.COM. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

Description of Indices and Terms

Modified Duration: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. Modified duration follows the concept that interest rates and bond prices move in opposite directions. This formula is used to determine the effect that a 100-basis-point (1%) change in interest rates will have on the price of a bond.

Average Maturity: For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer. For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

The Credit Suisse Institutional Leveraged Loan Index is a sub-index of the Credit Suisse Leveraged Loan Index. The Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of the \$US-denominated leveraged loan market. The Credit Suisse Institutional Leveraged Loan Index is designed to more closely reflect the investment criteria of institutional investors by sampling a lower volatility component of the market. An investor cannot directly invest in an index.

The S&P/LSTA US BB Ratings Loan Index is a sub-index of the S&P/LSTA U.S. Leveraged Loan 100 Index and tracks loans in the B to BB rated category. Issuers are capped at 2% of market value.

Fund Risks

The Fund is subject to the following risks, among others: ETF risk, which is the risk that the fund is subject to the same risks as the underlying securities in which the ETF invests as well as entails higher expenses than if invested into the underlying ETF directly; foreign securities and ADRs, which involve certain risks such as currency volatility, political and social instability and reduced market liquidity. Investments in REITs may be more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. As interest rates rise the value of bond prices will decline. Credit risk refers to the loss in the value of a security based on a default in the payment of principle and/or interest of the security. High-yield bonds have a higher risk of default or other adverse credit events. Bank loans may have similar risks to below investment grade fixed income securities. In the event of the insolvency of an agent bank, a loan could be subject to settlement risk as well as the risk of interruptions in the day to day administration of the loan. There is the possibility that the Fund may lose money or be prevented from realizing capital gains if it cannot sell a security at a particular time and price. Liquidity risk can be more pronounced in periods of market turmoil.

Foreside Fund Services, LLC, Distributor.