Penn Capital Defensive Short Duration High Income Fund (PSHNX)

Performance Summary (as of 12/31/2018)

Share Class / Index	QTD	1 Year	Since Inception (07/17/17)	2018
Institutional	-1.57	0.61	0.66	0.61
ICE BofA ML 1-3 Year BB US Cash Pay HY Index	-0.76	1.35	1.66	1.35
ICE BofA ML 1-3 Year BB-B US Cash Pay HY Index	-1.02	2.22	2.51	2.22
ICE BofA ML 1-3 Year BBB US Corporate Index	0.67	1.61	1.44	1.61

Performance is annualized for multi-year periods. Sources: US Bancorp Fund Services, LLC and Bank of America Merrill Lynch

Characteristics (as of 12/31/2018)

Number of Companies	104
Average Maturity (Yr.)	2.1
Duration to Worst (Yr.)	1.4
30-Day SEC Yield (% - with waivers)	5.0
30-Day SEC Yield (% - without waivers)	4.0

Asset Type (as a % of total investments)

Corporate Bonds	75.1
*Bank Loans	15.2
Short-Term Investments	5.7
Government Bonds	4.0

Top 10 Holdings (% of portfolio)

Penn Capital Defensive Floating Rate Income Fund	6.1
Tenet Healthcare	3.9
Ally Financial, Inc.	2.5
Dell EMC	2.3
Icahn Enterprises	2.3
Centene Corp.	2.1
HCA, Inc.	2.1
US Treasury Note	2.0
Navient Corp.	1.9
Select Medical Corp.	1.8

Overview

The Penn Capital Defensive Short Duration High Income Fund ("Fund") seeks to provide a high level of current income. The Fund seeks to achieve its investment objective by investing, under normal circumstances, primarily in short-term fixed income securities and senior floating rate loans that are rated below investment grade.

Investment Philosophy

- Focus on Single-B and above credit quality
- Capitalize on short duration paper likely to be re-financed/retired
- Includes corporate fixed-rate bonds and floating-rate bank loans
- Fill void created by total-return funds selling their lowest yielding securities

Portfolio management team

Peter R. Duffy, CFA
Senior Portfolio Manager
Senior Partner

Richard A. Hocker
Founder, Chief Investment Officer

Fund Facts (Institutional Share Class)

Ticker	PSHNX
Minimum investment	$100,000
Distribution frequency	Monthly
Inception date	7/17/2017

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 2.78% and net expense is 0.55% for the Institutional 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 do not exceed 0.54% of the average daily net assets for Institutional Class shares of the Fund. This agreement is in effect until October 30, 2019. 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. Sources: Penn Capital and US Bancorp Fund Services, LLC. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Sources: Standard & Poor's, Penn Capital. *Including mutual fund exposure.

Fund Maturity %

0-3 Years	72.9
3-5 Years	15.0
5-7 Years	0.3
7-10 Years	0.0
10+ Years	0.0

Credit Quality %

Double B or Higher	77.8
Single B	16.4
Triple C and Below	0.0

Top 10 Sector Allocation (% of portfolio)

Healthcare	17.0
Financial Services	14.0
Energy - Services/Other	6.4
Technology	6.4
Telecommunications	4.7
Media & Broadcasting	4.1
Automotive & Auto Parts	3.5
Transportation/Rail/Air	3.4
Metals/Mining/Steel	3.1
Gaming	2.9

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.

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. Allocations and holdings are subject to change at any time.

Sources: Penn Capital and US Bancorp Fund Services, LLC. 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: 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 ICE BofA ML 1-3 Yr. BB US Cash Pay High Yield Index is a subset of the ICE Bank of America Merrill Lynch US Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 3 years and rated BB1 through BB3, inclusive. An investor cannot directly invest in an index. The ICE BofA ML US HY Cash Pay BB-B Rated 1-3 Year Index is a subset of the ICE Bank of America Merrill Lynch US Cash Pay High Yield Index, which tracks the performance of non-investment-grade corporate bonds with a remaining term to final maturity less than three years and rated BB-B. An investor cannot directly invest in an index. The ICE BofA Merrill Lynch 1-3 Year BBB US Corporate Index is subset of the ICE BofA Merrill Lynch US Corporate Master Index tracking the performance of US dollar denominated investment grade rated corporate debt publicly issued in the US domestic market. This subset includes all securities with a remaining term to maturity of less than 3 years. An investor cannot directly invest in an index.

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.

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