

Penn Capital Multi-Credit High Income Fund (PHYNX)

Performance Summary (% as of 12/31/2018)

Share Class / Index	QTD	1 Year	3 Year	Since Inception (12/01/15)
Institutional	-4.41	-1.04	6.81	5.60
ICE BofA ML HY Constrained Index	-4.64	-2.25	7.27	6.16
50% ICE BofA ML High Yield Constrained Index - 50% S&P/LSTA BB Loan Index	-4.07	-1.33	5.33	4.66

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	131
Average Maturity (Yr.)	5.6%
30-Day SEC Yield (% - with waivers)	7.1%
30-Day SEC Yield (% - without waivers)	5.0%

Asset Type (as a % of total investments)

Corporate Bonds	57.1%
Bank Loans*	38.6%
Short-Term Investments	4.0%
Convertible Bond	0.3%

Performance Statistics (3 Year)

	Fund	Index**
Alpha	1.06	-
Beta	1.09	-
Standard Deviation	3.91	3.38
Sharpe Ratio	1.46	1.25
Sortino Ratio	2.55	2.24
R-Squared	89.11	-
Up Capture Ratio	124.27	-
Down Capture Ratio	116.69	-

OVERALL MORNINGSTAR RATING™



Institutional Class shares, as of 12/31/2018 among 604 High Yield Bond funds. Morningstar ratings may vary among share classes and are based on 3-, 5- and 10-year (when applicable) risk-adjusted total returns, which are not indicative of future results.

Overview

The Penn Capital Multi-Credit High Income Fund ("Fund") seeks to provide total return through interest income and capital appreciation. The Fund seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its net assets in high yield debt instruments. High yield debt instruments include high yield fixed income securities and senior floating rate bank loans that are generally rated at the time of purchase below investment grade.

Investment Philosophy

Seeks to identify catalysts for credit improvement through a full credit cycle by engaging in tactical allocations to:

- Double-B rated debt and below
- Senior floating rate loans
- Distressed debt
- Convertible bonds
- Crossover investment grade bonds

Portfolio management team

David H. Jackson, CFA
Senior Portfolio Manager
Senior Partner

Martin A. Smith
Senior Portfolio Manager
Senior Partner

Richard A. Hocker
Founder, Chief Investment Officer

Fund Facts (Institutional Share Class)

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

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 2.88% and net expenses are 0.73% 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 (excluding any acquired fund fees and expenses, taxes, interest, brokerage fees, certain insurance costs, and extraordinary and other non-routine expenses) do not exceed 0.72% 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. *Including mutual fund exposure. Sources: Standard & Poor's, Penn Capital, Morningstar Direct. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. **50% ICE BofA ML High Yield Constrained Index / 50% S&P/LSTA BB Loan Index.

Calendar Year Performance % (Institutional Share Class)

2018	2017	2016
-1.04	6.88	15.23

Fund Maturity %

0-3 Years	10.2
3-5 Years	24.1
5-7 Years	28.7
7-10 Years	7.2
10+ Years	3.5

Credit Quality %

Double B or Higher	51.7
Single B	42.2
Triple C and Below	4.1

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.

Top 10 Sector Allocation (% of portfolio)

Telecommunications	9.5
Healthcare	7.7
Financial Services	7.5
Media & Broadcasting	6.7
Energy - E&P	5.7
Energy - Services/Other	5.6
Metals/Mining/Steel	3.3
Gaming	2.2
Technology	2.1
Consumer Products	2.1

Top 10 Holdings (% of portfolio)

Penn Capital Defensive Floating Rate Income Fund	24.3
Altice France	1.8
Bausch Health Companies	1.4
Dish DBS Corp.	1.3
US Treasury Note	1.0
US Treasury Note	1.0
Meredith Corp.	1.0
Icahn Enterprises	0.8
Bombardier, Inc.	0.8
Kinetic Concepts	0.8

Sources: Standard & Poor's, Penn Capital. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Allocations and holdings are subject to change at any time. Quality ratings are subject to change. Standard & Poor's assigns a rating of AAA as the highest to D as the lowest credit quality rating. Rating source: Standard & Poor's.

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 ICE BofA Merrill Lynch US High Yield Constrained Index contains all securities in The ICE BofA Merrill Lynch US High Yield Index but caps issuer exposure at 2%. An investor cannot directly invest in an index. The S&P/LSTA BB Loan Index is a market value-weighted index designed to measure the performance of the US leveraged loan market and is comprised of loans whose rating is BB+, BB, BB-.

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. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. 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.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within the scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics. In the U.S.-domiciled High Yield Bond category, Penn Capital Multi-Credit High Income Fund (Institutional Class) was rated 4 stars out of 604 funds overall. Past performance is no guarantee of future results. ©2018 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Standard deviation is a measure of the dispersion of a set of data from its mean. Alpha gauges the performance of an investment against a market index or benchmark which is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha. Downside capture ratio can indicate how correlated a strategy is to a market when the benchmark had a negative return. Upside capture ratio can indicate how correlated a strategy is to a market when the benchmark had a positive return. Sortino ratio is the excess return over the risk-free rate divided by the downside semi-variance. R-squared measures the relationship between a portfolio and its benchmark.

Foreside Fund Services, LLC, Distributor.