

Penn Capital Short Duration High Income Fund

(formerly, Penn Capital Defensive Short Duration High Income Fund)

Investment Strategy

The Fund

A quality, high conviction, and capacity constrained approach to investing in short duration bonds, the Fund focuses on BB+ (S&P) or lower rated, non-distressed, short maturity credit.

The Fund seeks to pursue a conservative (defensive) investment strategy within the high yield debt market by generally avoiding the lowest rated (i.e., riskiest) debt instruments in the high yield market.

The Approach

The Fund seeks to identify relative value opportunities with fundamental, bottom-up research while seeking to avoid common short duration bond market pitfalls. Our research has observed a market trend of high holdings count, high fee, capacity unconstrained funds with outsized exposure to CCC-rated, long maturity, and/or distressed credit which we believe detracts from an optimal risk-return profile.

The Features

By utilizing a capacity constrained approach to target quality opportunities with high conviction, the Fund has historically provided competitive returns with less volatility than the aggregate bond market.

Fund Facts

Ticker	PSHNX
Fund Size \$	42,485,203
Inception Date	7/17/2017
SEC Yield w/o Waiver %	2.14
SEC Yield with Waiver %	2.42
# of Bond Holdings	136
Expense Ratio % (net)	0.54
Expense Ratio % (gross)	1.01
Average Maturity	2.64
Average Mod Duration	1.90
Distribution Frequency	Monthly

Portfolio Manager

Peter R. Duffy, CFA

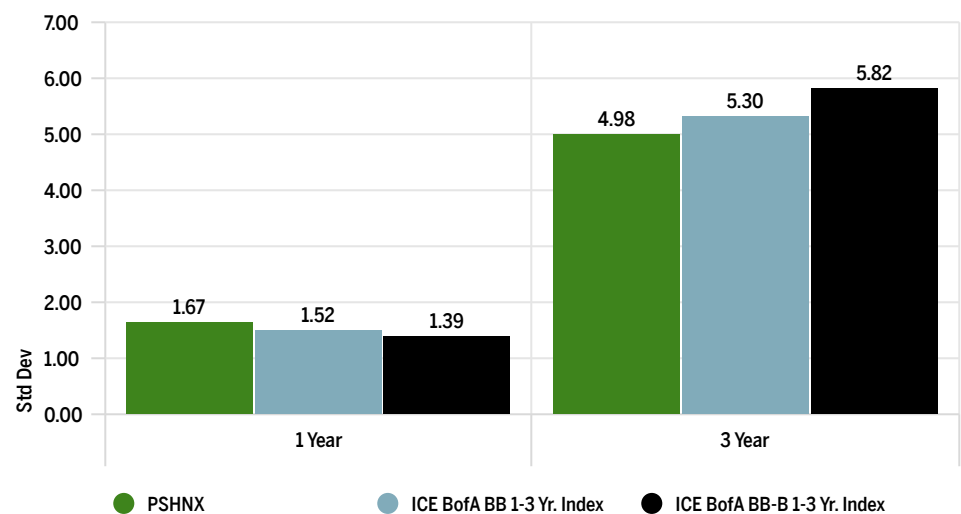
CIO - Credit, Sr. Portfolio Mgr & Sr. Partner

Trailing and Calendar Year Returns (%)

	QTD	YTD	1 Yr	3 Yrs	Inception (7/17/2017)	2021	2020	2019	2018
PSHNX	0.34	3.14	3.14	3.77	2.74	3.14	0.88	7.40	0.61
ICE BofA BB 1-3 Yr. Index	0.51	3.24	3.24	5.77	4.39	3.24	5.44	8.69	1.34
ICE BofA BB-B 1-3 Yr. Index	0.66	4.27	4.27	5.17	4.27	4.27	2.52	8.83	2.21

Performance is annualized for multi-year periods. Past performance 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. The total annual operating expenses of the Fund are 1.01% and net expenses are 0.54% 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 0.54% for Institutional Class shares. This agreement is in effect until April 1, 2023. 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. Performance would have been lower without fee waivers in effect.

Standard Deviation (%)



Asset Type (%)

Corp Bond	84.09
Bank Loan	4.39
Convertible	1.23
Government	—
Asset-Backed	—
Derivative	—
Cash & Equiv	10.29

Credit Quality (%)

A & Above	—
BBB	3.66
BB	70.77
B	25.57
CCC & Below	—
Not Rated	—

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Capital Structure Specialists

Penn Capital has specialized in the leveraged finance market – the credit and equity of non-investment grade US companies – for over 30 years.

We pair fundamental, bottom-up research with quantitative risk management in an effort to target relative value opportunities with high conviction.

Penn Capital distinctly integrates credit and equity research with a Complete Capital Structure Analysis®. Our experienced research analysts are corporate asset class generalists and industry specialists. We believe this holistic approach offers an advantage in the identification of mispriced securities, capital structure catalysts, and risk mitigation.

Top 10 Positions (%)

Penn Capital Floating Rate Income Inst	5.25
Ford Motor Company 9%	4.60
MGM Resorts International 7.75%	2.74
Occidental Petroleum Corporation 6.95%	2.37
T-Mobile US, Inc. 7.13%	1.77
Crown Cork & Seal Company, Inc. 7.38%	1.76
Qwest Corporation 7.25%	1.65
OneMain Financial Corporation 6.13%	1.64
Navient Corporation 6.13%	1.63
Owens & Minor Inc 4.38%	1.47

Portfolio Construction

Maximum # of Issuers	150
Maximum Issuer Weighting	5%
Maximum Industry Weighting	15%*
Maximum Cash	10%
Maximum Average Maturity	3 Years
Minimum Issuer Credit Quality	Split-B

Monthly Return Correlation Matrix (Since Inception %)

	1	2	3	4
1 PSHNX	1.00			
2 ICE BofA BB 1-3 Yr. Index	0.92	1.00		
3 ICE BofA Corporate Index	0.39	0.40	1.00	
4 BbgBarc Agg Bond Index	0.03	0.06	0.88	1.00

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: The ICE BofA 1-3 Yr. BB US Cash Pay High Yield Index is a subset of the ICE Bank of America 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. The ICE BofA BB-B Rated 1-3 Year Bond Index is comprised of bonds within the ICE BofA High Yield Index whose ratings are at or between B1 through BB3, with maturities between 1 and 3 years. The ICE BofA Corporate Index is comprised of investment grade corporate bonds rated BBB1 or above. The BbgBarc Aggregate Bond Index is a market value-weighted index designed to measure the performance of the aggregate investment grade US bond market. Average Maturity: 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. Modified Duration: Measures bond price sensitivity to a change in interest rates, specifically the effect that a 1 percent interest rate change will have on the price of the bond. Standard Deviation: Measure of the dispersion of a set of data from its mean. 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. *Or 3x the ICE BofA BB 1-3 Year Index, not to exceed 25%. Allocations and holdings are subject to change at any time. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Information is subject to change and is not a guarantee of future results. Top 10 positions are based on the most recent holdings data available.

Foreside Fund Services, LLC, Distributor.

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Navy Yard Corporate Center, 1200 Intrepid Avenue, Suite 400, Philadelphia, PA 19112 www.penncapital.com