

Penn Capital Special Situations Small Cap Equity Fund

Investment Strategy

The Fund

A Complete Capital Structure Analysis® approach to investing in small cap stocks, the Fund combines credit research and equity analysis to select companies with improving credit quality and cash flow characteristics that exhibit attractive valuations, in our view.

The Approach

The Fund seeks to identify credit catalysts to equity performance, such as leveraged small stocks with the potential to benefit from deleveraging. Traditional equity investors study a company's stock price and earnings but ignore its bond fundamentals and capital structure. We believe credit analysis offers a distinct advantage in identifying mispriced stocks moving towards their optimal cap structure.

The Features

By targeting leveraged companies with strong free cash flow characteristics and high upside capture, the Fund has historically provided a complementary and differentiated return profile to peer strategies, who traditionally target low leverage companies with low upside capture.

Fund Facts

Ticker	PSCNX
Fund Size \$	17,257,978
Inception Date	12/17/2015
Share Class	Inst
Expense Ratio % (net)	1.09
Expense Ratio % (gross)	1.71
Turnover Ratio % (annual)	11
Distribution Frequency	Annually

Portfolio Manager

Eric J. Green, CFA
CIO - Equity, Sr. Portfolio Manager, Sr. Partner

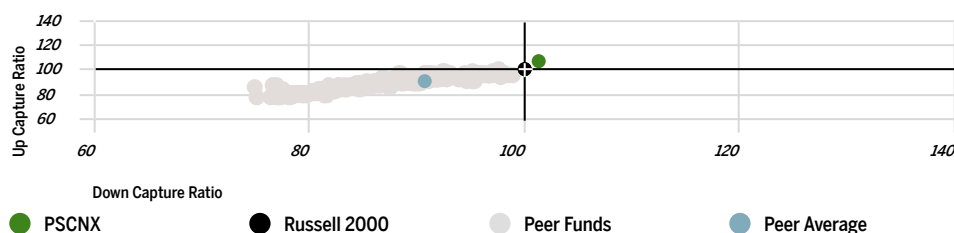
Trailing and Calendar Year Returns (%)

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception (12/17/2015)	2021	2020	2019	2018	2017
PSCNX	0.62	0.62	11.65	22.76	15.68	16.42	33.33	27.62	28.98	-16.17	15.85
Russell 2000	-7.53	-7.53	-5.79	11.74	9.74	11.54	14.82	19.96	25.52	-11.01	14.65

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 1.71% and net expenses are 1.09% 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 1.09% 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.

Upside-Downside Capture (Last 3 Years %)

Peer Group (5-95%): Funds - U.S. - Small Growth



Sector Allocation (%)

	PSCNX	R2000
Comm Services	8.02	3.58
Cons Cyclical	18.86	10.48
Cons Defensive	2.72	4.01
Energy	10.59	5.67
Financials	11.82	15.52
Healthcare	14.38	16.51
Industrials	14.27	15.00
Materials	5.14	3.83
Real Estate	4.71	8.71
Technology	9.48	13.74
Utilities	—	2.93

Portfolio Metrics

	PSCNX	R2000
Number of Holdings	75	2,018
Wtd Avg Market Cap \$(m)	3,598	3,379
Wtd Avg Enterprise Value \$(m)	5,300	4,535
Debt to Capital %	51.71	29.56
Return on Equity %	4.40	6.16
Return on Invested Capital %	3.57	6.02
Price to Earnings Ratio	16.30	15.10
Price to EBITDA Ratio	6.12	7.90
Price to Book Ratio	2.59	2.17

Source: Morningstar Direct. Morningstar US Small Growth portfolios focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These portfolios tend to favor companies in up-and-coming industries or young firms in their early growth stages. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Sector Allocation is based on the most recent common holdings data available.

Penn Capital Special Situations Small Cap Equity Fund

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.

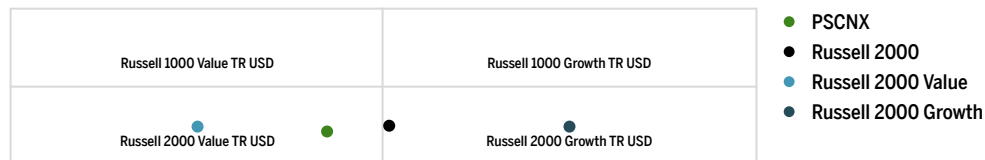
Top 10 Positions (%)

Weatherford International PLC Ordinary Shares - New	2.29
Golden Entertainment Inc	2.24
American Axle & Mfg Holdings Inc	2.12
The E W Scripps Co Class A	2.01
H&E Equipment Services Inc	1.99
Gray Television Inc	1.91
Spirit AeroSystems Holdings Inc Class A	1.89
Sabre Corp	1.78
Ameris Bancorp	1.76
RI RCM Inc	1.75

Portfolio Construction

Maximum # of Securities	90
Maximum Security Weighting	5%
Maximum Sector Weighting	35%
Maximum Cash	5%
Maximum Purchase Market Cap	Index*
Minimum Purchase Market Cap	Index*

Returns Based Style Box (Last 3 Years)



The Returns Based Style Box represents the returns of an investment to the returns of various style benchmarks to assess the investment's style by classifying securities according to market capitalization (the vertical axis) and growth and value factors (the horizontal axis).

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 Terms and Index: Debt/Capital Ratio: Firm's leverage, calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). Enterprise Value: Firm's total value, calculated as total market capitalization plus total debt minus cash. Return on Equity: Percentage a company earns on its equity, calculated by dividing net income by shareholders' equity. Return on Invested Income: Firm efficiency at allocating capital to profitable investments, calculated as net income minus dividend, divided by invested capital (debt plus equity). Price/Earnings Ratio: Indicator of stock valuation, calculated by dividing shareholders' equity by net income. Price/Book Ratio: Indicator of stock valuation, calculated by dividing shareholders' equity by book value. Price/Free Cash Flow Ratio: Indicator of stock valuation, calculated by dividing shareholders' equity by free cash flow. The **Russell 2000 Index** is comprised of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The **Russell 2000 Growth Index** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 2000 Value Index** is comprised of the 2,000 smallest companies in the value sector of the Russell 3000 Index. Upside capture ratio measures a portfolio's performance in up markets relative to its benchmark, calculated by dividing the portfolio's upside return by the benchmark's upside return. Downside capture ratio measures a portfolio's performance in down markets relative to its benchmark, calculated by dividing the portfolio's downside return by the benchmark's downside return. Investors cannot invest directly 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. The Fund may invest in convertible securities, which tend to decline as interest rates rise and, because of the conversion feature, tend to vary with fluctuations in the market value of the underlying securities. Small- and mid-capitalization companies may be subject to greater market risks and fluctuations in value than large capitalization companies. Leveraged companies tend to be more sensitive to issuer, political, market and economic developments than the market as a whole. Top 10 positions are based on the most recent holdings data available. *The largest/smallest market cap of the Russell 2000 Index. Allocations and holdings are subject to change at any time.

Foreside Fund Services, LLC, Distributor.

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