

# Penn Capital Special Situations Small Cap Equity Fund

## Investment Strategy

The investment seeks to provide capital appreciation. The fund seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its net assets in the equity securities of small-capitalization companies.

Small-capitalization companies are defined for this purpose as companies with market capitalizations at the time of purchase between the lesser of \$100 million or the market capitalization of the smallest company included in the Bloomberg US 2000 Index and the greater of \$4 billion or the market capitalization of the largest company included in the Bloomberg US 2000 Index.

## Fund Facts

Ticker	PSCNX
Fund Size \$ (m)	46.8
Inception Date*	12/17/2015
Share Class	Inst
Expense Ratio % (net)	1.09
Expense Ratio % (gross)	1.73
Turnover Ratio % (annual)	69
Distribution Frequency	Annually

## Portfolio Management Team

**Eric J. Green, CFA**  
Chief Investment Officer – Senior Portfolio Manager, Senior Partner

## Trailing Returns (%)

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Incp*
PSCNX	13.61	14.40	14.40	7.75	15.54	11.63
BBG 2000 Index	15.04	17.09	17.09	3.52	11.05	9.64

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](http://www.penncapitalfunds.com).** The total annual operating expenses of the Fund are 1.73% 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 December 31, 2024. 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.

## Calendar Year Returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016
PSCNX	14.40	-17.98	33.33	27.62	28.98	-16.17	15.85	20.60
BBG 2000 Index	17.09	-20.09	18.58	22.47	24.31	-10.86	14.13	21.55

## Modern Portfolio Statistics (%) - Last 3 Yrs

	Return	Alpha	Beta	Std Dev	Sharpe	Up Capt	Down Capt	R2
PSCNX	7.75	4.59	1.17	26.73	0.32	127.22	115.34	91.59
BBG 2000 Index	3.52	—	1.00	21.92	0.15	100.00	100.00	100.00

## Sector Allocation (%)

	PSCNX	BBG 2000
Comm. Services	8.0	2.3
Cons. Disc.	16.7	11.9
Cons. Staples	1.4	3.3
Energy	9.9	5.2
Financials	13.4	17.1
Healthcare	10.0	16.0
Industrials	17.1	17.1
Materials	5.5	5.3
Real Estate	4.3	6.7
Technology	11.8	12.9
Utilities	—	2.2

## Portfolio Metrics

	PSCNX	BBG 2000
Number of Holdings	77	1,956
Wtd Avg Market Cap \$ (m)	3,581	3,008
Return on Equity %	10.7	6.2
Price to Book Ratio	2.0	1.9
Price to Earnings Ratio	14.6	14.9

Source: Morningstar Direct, FactSet. Sector Allocation is based on the most recent common holdings data available. Turnover ratio is the percentage of the portfolio's holdings that have been replaced in a given year. Alpha is the excess return of an investment to its benchmark, adjusted for systematic (beta) risk. Beta gauges the volatility of an investment's returns relative to a market index or benchmark, which is considered to represent the market's volatility as a whole. Standard deviation is a measure of the dispersion of a set of data from its mean. Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Upside capture ratio measures a fund's performance in up markets relative to its benchmark, calculated by dividing the fund's upside return by the benchmark's upside return. Downside capture ratio measures a fund's performance in down markets relative to its benchmark, calculated by dividing the fund's downside return by the benchmark's downside return. R-squared measures the relationship between a portfolio and its benchmark.

# 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 to target relative value opportunities with high conviction.

Penn Capital distinctly integrates credit and equity research with a Complete Capital Structure Analysis<sup>®</sup>. 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 (%)

*Portfolio Date: 11/30/2023*

Weatherford International PLC Ordinary Shares - New	2.99
Golden Entertainment Inc	2.23
SeaWorld Entertainment Inc	2.04
Rambus Inc	1.93
Northern Oil & Gas Inc	1.90
Alphatec Holdings Inc	1.88
Ameris Bancorp	1.79
GXO Logistics Inc	1.77
Kulicke & Soffa Industries Inc	1.77
Carpenter Technology Corp	1.74

## 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*

**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). 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. 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 Bloomberg 2000 Index. Allocations and holdings are subject to change at any time. The Bloomberg US 2000 Index is a float market-cap-weighted benchmark of the lower 2,000 companies in capitalization of the Bloomberg US 3000 Index.