

Penn Capital Managed Alpha SMID Cap Equity Fund

Performance Summary (% as of 12/31/2019)

Share Class / Index	QTD	1 Year	3 Year	Since Inception (11/30/15)
Institutional	7.91	30.83	12.22	11.63
Russell 2500 Index	8.54	27.77	10.33	10.71

Calendar Year Performance %

	2018	2017	2016
Institutional	-9.98	19.97	16.98
Russell 2500 Index	-10.00	16.81	17.60

Characteristics (as of 12/31/2019)

Number of Holdings	60
Weighted Avg. Market Cap (\$m)	\$9,889
Weighted Median Market Cap (\$m)	\$10,209
Price/Cash flow	10.5
EPS Growth - 5 Yr. (forecasted)*	13.0
Top 10 Holdings (%)	22.9

Performance Statistics (3 Year)

	Fund	Index**
Alpha	2.49	-
Beta	0.90	-
Standard Deviation	13.73	14.79
Sharpe Ratio	0.76	0.58
Sortino Ratio	1.14	0.89
R-Squared	93.86	-
Up Capture Ratio	97.44	-
Down Capture Ratio	84.01	-

Overview

The Penn Capital Managed Alpha SMID Cap Equity Fund ("Fund") 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 and mid-capitalization companies. Small and mid-capitalization companies are defined for this purpose as companies with market capitalizations at the time of purchase between the lesser of \$250 million or the market capitalization of the smallest company included in the Russell 2500® Index, and the greater of \$10 billion or the market capitalization of the largest company included in the Russell 2500® Index.

Portfolio management team

Joseph C. Maguire, CFA

Director of Research,
Senior Portfolio Manager, & Senior Partner

Eric J. Green, CFA

Deputy CIO of Equity,
Senior Portfolio Manager, & Senior Partner

Richard A. Hocker

Founder, Director, CIO & CEO

Total fund net assets

\$18.0 million

Fund Facts (Institutional Share Class)

Ticker	PSMPX
Distribution frequency	Annual
Inception date	11/30/2015

Performance is annualized for multi-year periods. 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.

The total annual operating expenses of the Fund are 2.20% and net expenses are 1.06% 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 1.06% of the average daily net assets for the Institutional shares of the Fund. This agreement is in effect until October 30, 2020. 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, Morningstar Direct, FactSet, US Bancorp Fund Services, LLC, Russell. *Forecasts are inherently limited and cannot be relied upon. **Russell 2500 Index.

Market Capitalization (% of portfolio)

>\$6B	68.8
\$3B - \$6B	19.3
\$2B - \$3B	7.3
\$1B - \$2B	2.1
\$0B - \$1B	0.0
Cash	2.4

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.

Sector Allocation (% of portfolio)

Financials	16.1
Industrials	14.9
Information Technology	12.8
Health Care	12.5
Consumer Discretionary	10.8
Real Estate	10.2
Communication Services	5.7
Materials	5.6
Energy	3.9
Utilities	3.4
Consumer Staples	1.8

Top 10 Holdings (% of portfolio)

Arch Capital Group	3.1
Burlington Stores, Inc.	2.5
Fidelity National Financial	2.5
Voya Financial	2.4
Teradyne	2.3
Catalent	2.2
TransUnion	2.1
IAA, Inc.	2.0
Aqua America, Inc.	2.0
Pinnacle Financial Partners	2.0

Allocations and holdings are subject to change at any time. 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: EPS (Earnings Per Share) Growth: Illustrates the growth of earnings per share over time. EPS growth rates help investors identify stocks that are increasing or decreasing in profitability. Price/Cash Flow Ratio: The ratio of a stock's price to its cash flow per share. The price-to-cash-flow ratio is an indicator of a stock's valuation. Although there is no single figure to indicate an optimal price-to-cash-flow ratio, a ratio in the low single digits may indicate the stock is undervalued, while a higher ratio may suggest potential overvaluation. The ratio takes into consideration a stock's operating cash flow, which adds non-cash earnings such as depreciation and amortization to net income. It is especially useful for valuing stocks that have positive cash flow but are not profitable because of large non-cash charges. Weighted Average Market Cap: A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500. Weighted Median Market Cap: The median market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which an equity fund invests. It is the trimmed mean of the market capitalizations of the stocks in the fund's portfolio. The Russell 2500 Index is composed of the bottom 500 stocks in the Russell 1000 Index and all the stocks in the Russell 2000 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.

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. Beta gauges volatility arising from exposure to general market movements as opposed to idiosyncratic factors. 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.

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