

Penn Capital Managed Alpha SMID Fund

Investment Strategy

The Fund

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

The Approach

The Fund seeks to identify credit catalysts to equity performance on the macro and micro level. Traditional equity investors study a company's stock price and earnings but often ignore its bond price and cash flow. However, when a company's credit deteriorates, its equity tends to follow.

The Features

By utilizing credit indicators for stock selection, factor exposure, and risk mitigation, the Fund has historically provided competitive returns with less volatility than the Russell 2500.

Fund Facts

Ticker	PSMPX
Fund Size \$	17,536,824
Inception Date	11/30/2015
Share Class	Inst
Expense Ratio %	1.06
Turnover Ratio %	57.00
Distribution Frequency	Annually

Manager Biography

Joseph C. Maguire, CFA, CPA
 Senior Managing Partner
 At firm since: 2005
 BBA: The College of William & Mary
 MBA: UNC Kenan-Flagler Business School

Trailing Returns and Percentile Rank (%)

Peer Group: Open End Funds - Morningstar Institutional Category - SMID Core

	QTD	Rank	1 Year	Rank	3 Years	Rank	Since Inception	Rank
PSMPX	19.79	82	9.17	70	8.74	30	11.14	21
Peer Group	24.14		13.58		8.49		10.45	
Russell 2500	27.41		19.99		11.33		12.48	

Calendar Year Returns and Percentile Rank (%)

Peer Group: Open End Funds - Morningstar Institutional Category - SMID Core

	2020	Rank	2019	Rank	2018	Rank	2017	Rank
PSMPX	9.17	70	30.83	5	-9.98	29	19.97	8
Peer Group	13.58		26.40		-11.07		15.23	
Russell 2500	19.99		27.77		-10.00		16.81	

Last 3 Year Performance (%)

Peer Group: Open End Funds - Morningstar Institutional Category - SMID Core

	Return	Alpha	Beta	Std Dev	Sharpe	Up Capt	Down Capt	R2
PSMPX	10.88	1.62	0.97	21.77	0.52	100.62	95.20	97.01
Morningstar Instl SMID Core MFs	9.41	—	1.00	22.21	0.45	100.00	100.00	100.00
Russell 2500	12.16	—	1.00	23.60	0.54	100.00	100.00	100.00

Sector Allocation (%)

	PSMPX	R2500
Comm Services	3.10	
Cons Cyclical	13.08	
Cons Defensive	3.81	
Energy	2.23	
Financials	12.96	
Healthcare	15.67	
Industrials	15.28	
Materials	4.14	
Real Estate	8.50	
Technology	18.59	
Utilities	2.65	

Portfolio Metrics

	PSMPX	R2500
# of Holdings	61	2,545
Wtd Avg Market Cap \$	12,048	6,767
Wtd Avg Enterprise Value \$	14,918	8,540
Return on Equity %	9.51	2.55
Return on Invested Capital %	10.00	1.18
Free Cash Flow Growth %	-5.43	13.11
Price to Earnings Ratio	27.76	23.66
Price to Earnings 1Y Fwd Est	28.87	43.90
Price to Free Cash Flow Ratio	24.24	48.11
Price to Book Ratio	2.58	2.49
Dividend Yield %	1.06	1.23

Source: Morningstar Direct. 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.

Penn Capital Managed Alpha SMID 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®. 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.

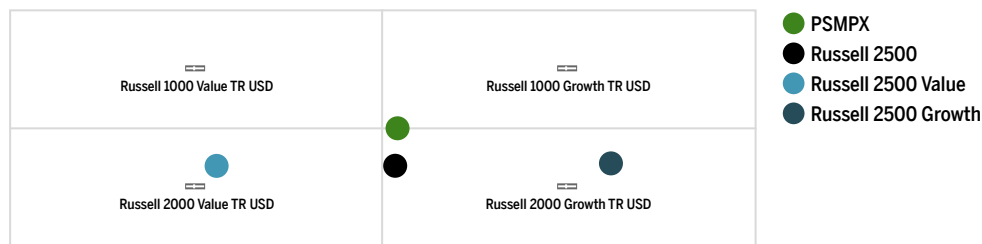
Top 10 Positions

Teradyne Inc	2.70
Transunion	2.40
Pinnacle Financial Partners Inc	2.11
Essential Utilities Inc	2.07
Catalent Inc	2.06
Avantor Inc	2.05
Ppd Inc Ordinary Shares	2.05
Steel Dynamics Inc	1.99
Tyler Technologies Inc	1.96
Western Digital Corp	1.95
	21.34

Portfolio Construction

Maximum # of Securities	80
Maximum Security Weighting	5%
Sector Weighting vs Russell 2500	+/- 5%
Maximum Cash	5%
Maximum Purchase Market Cap	Index*
Minimum Purchase Market Cap	Index*

Style Box - Last 3 Year Returns



Source: Morningstar Direct. *The largest/smallest market cap of the Russell 2500 index. 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 Terms and Index: 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. Active Share: Measures the percentage of portfolio stock holdings that differ from the benchmark index. The Russell 2500 Index is comprised of the 2,500 smallest companies in the Russell 3000 Index. Investors cannot invest directly in an index. The Russell 2500 Growth Index is comprised of companies with higher growth earning potential as defined by FTSE Russell's style methodology. The Russell 2500 Value Index is comprised of value oriented companies as defined by FTSE Russell's style methodology.

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.

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.

Foreside Fund Services, LLC, Distributor.

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