

Penn Capital Multi-Credit High Income Fund

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

Share Class / Index	QTD	1 Year	3 Year	Since Inception (11/30/15)
Institutional	2.21	11.36	5.60	6.98
ICE BofA HY Constrained Index	2.61	14.41	6.32	8.12
50% ICE BofA High Yield Constrained Index / 50% S&P/LSTA BB Loan Index	2.00	11.85	5.18	6.38

Characteristics (as of 12/31/2019)

Number of Companies	156
Average Maturity (Yr.)	5.94
30-Day SEC Yield (% - with waivers)	5.33
30-Day SEC Yield (% - without waivers)	4.02

Asset Type (as a % of total investments)

Corporate Bonds	63.1
Bank Loans*	35.0
Short-Term Investments	1.9

Performance Statistics (3 Year)

	Fund	Index**
Alpha	0.06	-
Beta	1.11	-
Standard Deviation	3.79	3.33
Sharpe Ratio	1.03	1.04
Sortino Ratio	1.77	1.84
R-Squared	93.39	-
Up Capture Ratio	111.71	-
Down Capture Ratio	121.69	-

Overview

The Penn Capital Multi-Credit High Income Fund ("Fund") seeks to provide total return through interest income and capital appreciation. The Fund seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its net assets in high yield debt instruments. High yield debt instruments include high yield fixed income securities and senior floating rate bank loans that are generally rated at the time of purchase below investment grade.

Investment Philosophy

Seeks to identify catalysts for credit improvement through a full credit cycle by engaging in tactical allocations to:

- Double-B rated debt and below
- Senior floating rate loans
- Distressed debt
- Convertible bonds
- Crossover investment grade bonds

Portfolio management team

David H. Jackson, CFA
Senior Portfolio Manager
Senior Partner

Martin A. Smith
Senior Portfolio Manager
Senior Partner

Richard A. Hocker
Founder, Director, CIO & CEO

Total fund net assets

\$19.0 million

Fund Facts (Institutional Share Class)

Ticker	PHYNX
Distribution frequency	Monthly
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 2.41% and net expenses are 0.72% 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 0.72% of the average daily net assets for Institutional Class 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. *Including mutual fund exposure. Sources: Morningstar Direct, Standard & Poor's, US Bancorp Fund Services, LLC, Bank of America Merrill Lynch. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. **50% ICE BofA High Yield Constrained Index / 50% S&P/LSTA BB Loan Index.

Calendar Year Performance % (Institutional Share Class)

	2018	2017	2016
Institutional	-1.04	6.88	15.23
50% ICE BofA High Yield Constrained Index / 50% S&P/LSTA BB Loan Index	-1.33	5.44	12.33

Fund Maturity %

0-3 Years	13.7
3-5 Years	29.1
5-7 Years	35.6
7-10 Years	13.3
10+ Years	6.5

Credit Quality %

Double B or Higher	45.0
Single B	49.3
Triple C and Below	3.8

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.

Top 10 Sector Allocation (% of portfolio)

Media & Broadcasting	11.3
Healthcare	7.2
Financial Services	6.7
Telecommunications	6.3
Energy - Services/Other	5.8
Energy - E&P	5.1
Services	3.6
Technology	3.4
Metals/Mining/Steel	3.1
Food/Bev/Tobacco	3.1

Top 10 Holdings (% of portfolio)

Penn Capital Def. Floating Rate Income Fund	17.0
Altice France	1.3
Altice Luxembourg	1.2
Gogo, Inc.	1.2
Meredith Corp.	0.9
Teva Pharmaceutical	0.9
CenturyLink	0.9
CF Industries	0.8
E.W. Scripps	0.8
Big River Steel	0.8

Sources: Standard & Poor's, Penn Capital. Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Allocations and holdings are subject to change at any time. Quality ratings are subject to change. Standard & Poor's assigns a rating of AAA as the highest to D as the lowest credit quality rating. Rating source: Standard & Poor's.

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: Modified Duration: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. Modified duration follows the concept that interest rates and bond prices move in opposite directions. This formula is used to determine the effect that a 100-basis-point (1%) change in interest rates will have on the price of a bond. Average Maturity: For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer. For a portfolio of bonds, average effective maturity is the 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 and the likelihood of any of the bonds being called. The ICE BofA US High Yield Constrained Index contains all securities in The ICE BofA Merrill Lynch US High Yield Index but caps issuer exposure at 2%. An investor cannot directly invest in an index. The S&P/LSTA BB Loan Index is a market value-weighted index designed to measure the performance of the US leveraged loan market and is comprised of loans whose rating is BB+, BB, BB-.

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. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. 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.

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.