



PENN CAPITAL MANAGEMENT COMPANY, LLC ("PENN CAPITAL")

## RELATIONSHIP SUMMARY

March 27, 2026

Penn Capital is an investment adviser registered with the U.S. Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### WHAT INVESTMENT SERVICES AND ADVICE CAN PENN CAPITAL PROVIDE ME?

Penn Capital provides ongoing investment advisory services to retail investors primarily through: affiliated and unaffiliated registered mutual funds (some via a model-delivery program), separately managed accounts ("SMAs"), wrap fee or model portfolio programs sponsored by unaffiliated third-parties, and collective investment trusts (CITs). Account monitoring generally is provided only for SMAs and is individually negotiated. Penn Capital does not accept custody of client assets but will work with qualified custodians. With the exception of Model portfolio programs, Penn Capital typically has discretionary investment authority, which means we determine which securities to buy or sell, and which brokers to use to conduct the investment trading. Minimum account sizes vary depending upon the type of investment (e.g., mutual funds, SMAs, wrap fee programs).

A more detailed explanation of Penn Capital's advisory services, fees, minimum account size, conflicts, compensation, and product offerings is available in our Form ADV Brochure which can be found at <https://www.adviserinfo.sec.gov/Firm/105081>.

#### *CONVERSATION STARTERS: KEY QUESTIONS YOU SHOULD ASK PENN CAPITAL*

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will Penn Capital choose investments to recommend to me?*
- *What is Penn Capital's relevant experience, including licenses, education and other qualifications? What do those qualifications mean?*

### FEES, COSTS, CONFLICTS AND STANDARDS OF CONDUCT

#### A. What fees will I pay?

Fees typically vary depending on the type, size, and complexity of the client account, or the product in which a client invests (e.g., mutual funds, SMAs, wrap fee or model program accounts). Fees for products other than registered mutual funds typically are individually negotiated. For SMAs, fees are typically charged quarterly in arrears based on account value and generally range from 0.30% to 1.25%, with possible breakpoints for larger accounts. Fees may be charged on total assets, including margin. For wrap, model, and sub-advised accounts, we do not set the total fee you pay and are compensated by the sponsor or fund adviser. We may also charge performance based fees to certain qualified clients.

If you are a retail investor, the more assets there are in your account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase your account assets. In addition, certain investors will pay higher fees than others, which provides an incentive for Penn Capital to favor those investors, but we have policies and procedures reasonably designed to ensure our activities are conducted consistently with our clients' best interests. In addition to advisory fees, SMA investors also will pay custodial fees to a bank, and trading costs such as brokerage or transaction fees. Mutual fund investors also will pay the fund any additional fees that reflect the fund's ongoing operating and administrative costs, as well as the fund's trading costs. We may offer certain clients more favorable management or

performance fee terms than others in similar strategies or accounts, based on factors such as the size and timing of their investment.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. More information about our fees is available in Items 5 and 6 of our Brochure, which can be found at <https://www.adviserinfo.sec.gov/Firm/105081>.

*CONVERSATION STARTERS: KEY QUESTIONS YOU SHOULD ASK PENN CAPITAL*

- *Help me understand how fees and costs might affect my investments. If I give Penn Capital \$10,000 to invest, how much will go to fees and costs, and how much will be invested?*

B. What are Penn Capital's legal obligations to me when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?

When Penn Capital acts as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. Since we recommend that clients invest in our mutual funds we make money through the funds' advisory fees. When you invest in a wrap fee or model delivery program that offers our strategies, we make money through advisory fees paid to us by the sponsor. Also, we permit employees to personally trade in securities we buy for our clients, but we have policies that seek to prevent any competing transactions, trading against, or front-running of our clients' investments. More information about our fees and conflicts of interest is in our Brochure which can be found at <https://www.adviserinfo.sec.gov/Firm/105081>.

*CONVERSATION STARTERS: KEY QUESTIONS YOU SHOULD ASK PENN CAPITAL*

- *How might Penn Capital's conflicts of interest affect me, and how are they addressed?*

C. How do your financial professionals make money?

The financial professionals who sell our products are employed by our parent company, not by Penn Capital. Penn Capital pays our parent company when these professionals raise assets into Penn Capital products, and our parent company may pay its employees salary, bonuses, and asset-based compensation tied to those sales. These affiliate payments create an incentive for our parent company and its financial professionals to recommend Penn Capital products.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes. When considering hiring a financial professional, you should visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research financial professionals.

*CONVERSATION STARTERS: KEY QUESTIONS YOU SHOULD ASK PENN CAPITAL*

- *As a financial professional, does Penn Capital have any disciplinary history? For what type of conduct?*

**ADDITIONAL INFORMATION**

You can find additional information about Penn Capital's investment advisory services and request a copy of this Relationship Summary and more up-to-date information at [www.penncapital.com](http://www.penncapital.com) or by calling 215-302-1500.

*CONVERSATION STARTERS: KEY QUESTIONS YOU SHOULD ASK PENN CAPITAL*

- *Who is my primary contact person and are they a representative of Penn Capital?*
- *Who can I talk to if I have concerns about how this person is treating me?*