Palmer Square Credit Opportunities ETF (PSQO)

April 2025

Fund Refresher

As a refresher, the Palmer Square Credit Opportunities ETF seeks a high level of current income, with a secondary objective of long-term capital appreciation. By investing with a flexible mandate with the goal of allocating to a more diverse mix of opportunities across corporate credit and structured credit. Given the current opportunity, the ETF is primarily focused on executing on relative value available in collateralized loan obligations ("CLOs"), investment grade corporate bonds ("IG Corps"), high yield corporate bonds ("HY Corps"), mortgage-backed securities ("MBS"), asset-backed securities ("ABS") and bank loans.

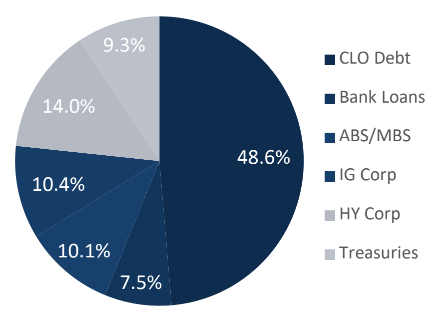
What makes the Palmer Square Credit Opportunities ETF Distinct?

- Access to a flexible approach which invests in an actively managed portfolio of CLOs, high-quality bonds across corporates, asset-backed securities, and bank loans
- Expanded set of credit opportunities coupled with low interest rate duration bias provides diversification potential for fixed income portfolios
- Low spread duration positioning should lessen susceptibility to spread widening risk and volatility, while still maintaining solid yield potential

Portfolio Snapshot

	03/31/2025
Interest Rate Duration	0.82 yrs
Spread Duration	1.73 yrs
Credit Spread	161
Weighted Average Price	99.5
Current Yield	5.75%
Yield to Expected Call	5.51%
Yield to Maturity	5.58%
30-Day SEC Yield (subsidized)	5.43%
30-Day SEC Yield (unsubsidized)	5.43%

Asset Allocation (as of 03/31/2025)



Performance Update, as of 03/31/2025

	Q1 2025[1]	YTD[1]	Since Inception[2]
Palmer Square Credit Opportunities ETF (PSQO) (NAV)	1.45%	1.45%	3.59%
Palmer Square Credit Opportunities ETF (PSQO) (Market Price)	1.65%	1.65%	3.85%
Bloomberg U.S. Corporate 1-3 Year Index	1.62%	1.62%	2.14%

The performance data quoted represents past performance and that past performance does not guarantee future results. Investment return and principal value will 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 the performance information quoted. To obtain performance information current to the most recent month-end please call 866-933-9033. The Fund's gross/net expense ratio is 0.50%/0.50%.

[1]Partial Period: From 9/11/2024 – 03/31/2025. [2]Inception date: 9/11/2024

Please note the allocation above is a % of NAV and does not include hedges. Current and future portfolio holdings are subject to change and risk.

Performance and Attribution: PSQO has returned 1.45% (net of fees) at NAV during Q1 and 3.59% (net of fees) at NAV since inception. The ETF benefitted from a number of factors including a broad-based rally in credit spreads and high coupons, particularly within our CLO exposure. Solid credit fundamentals remain supported by a strong technical backdrop based on consistently positive fund flows and limited net new supply growth in corporate credit markets. CLO Debt remains the strategy's largest performance contributor at +0.89% in Q1, while corporates also provided a meaningful +0.28% during the quarter. Below is a summary of major benchmark performance for comparison.

Selected Indices*	Q1 2025 Performance	YTD 2024 Performance
Bloomberg U.S. Treasury Index	+2.92% (Yield -0.35%)	+0.58% (+0.37%)
Bloomberg U.S. Aggregate Bond Index	+2.78% (spread +1bps)	+1.25% (-8bps)
Bloomberg U.S. Corporate Index	+2.31% (spread +13bps)	+2.13% (-19bps)
Bloomberg 1-3 Year U.S. Corporate Index	+1.62% (spread +5bps)	+5.28% (-15bps)
Bloomberg U.S. High Yield Index	+1.00% (spread +58bps)	+8.19% (-36bps)
iBoxx Liquid Leveraged Loan Index	-0.10% (DM +30bps)	+8.50% (-61bps)
Palmer Square CLO Senior Debt Index	+1.28% (DM +14bps)	+7.41% (-33bps)
Palmer Square CLO Debt Index	+1.53% (DM +28bps)	+13.22% (-135bps)
S&P 500 Index	-4.28%	+25.00%
STOXX 600 Index	+5.94%	+9.62%

Source: Bloomberg as of 03/31/2025.

Relative Value and Current Upside Potential

- **We see value in CLO debt at current levels, as spreads are still wide compared to other areas of corporate credit.** If CLO debt levels return to their tight post crisis spreads, total return potential is still attractive. We currently favor newer vintage issue CLO deals with cleaner portfolios. Please see the table of indices below highlighting current price and spreads as well as potential upside from current levels (The data is as of April 14 given significant move wider in spreads since quarter end.) Yield to Expected (YTE) illustrates the yields if spreads were to stay the same and the bonds pull to par by maturity. The Average 1-yr Upside represents an opportunity for the 1 year total return if spreads return to their 10 year average levels, and the Tight 1yr Upside represents the an opportunity for the 1 year total return if spreads return to their 10 year tight levels.[1,2]

PALMER SQUARE CLO INDEX LEVELS AND 1YR UPSIDE TO AVERAGE/TIGHTS

Rating	Current Average Price	Discount Margin	Yield to Expected	Average 1yr Upside[1]	Tight 1yr Upside[2]
AAA	$99.60	145	5.19%	6.21%	6.58%
AA	$99.08	196	5.73%	7.22%	7.60%
A	$98.77	238	6.16%	7.94%	8.32%
BBB	$98.04	359	7.40%	9.22%	11.77%
BB	$93.97	780	11.67%	16.13%	19.86%
B	$69.95	1191	15.92%	24.97%	32.11%

Source: JPM/Intex/Palmer Square. As of 04/14/2025. Below investment grade ratings are subject to higher risks. Figures shown are not indicative of the performance of the Fund. [1]Refers to the potential increase in value of the investment in one year if spreads return to 10-year average levels. [2]Refers to the potential increase in value of the investment in one year if spreads return to 10-year tight levels. The potential increase in value is calculated by determining the return resulting from the positive or negative difference between the current price of the securities and the price of the securities at the respective spread levels noted in the hypothetical performance (i.e., spread levels at 10-year averages) plus the income from anticipated coupon payments over the next 12 months. For purposes of this analysis, anticipated coupon payments incorporate the forward LIBOR/SOFR curve. The presented hypothetical performance does not reflect the impact of material economic and market factors on decision making, any changes to the Fund over time, and was prepared with the benefit of hindsight. Please see Notes and Disclosures for definitions.

Allocation Summary (as of 03/31/2025)

Allocation	% Allocation	YTE	Rate Duration	Spread Duration
Corp IG	10.1%	4.65%	2.40 yrs	2.40 yrs
Corp HY	13.6%	6.01%	2.33 yrs	2.33 yrs
Bank Loans IG	0.2%	5.71%	0.25 yrs	5.36 yrs
Bank Loans HY (1L)	7.1%	6.95%	0.25 yrs	4.29 yrs
Bank Loans HY (2L)	0.0%	--	--	--
CLO AAA	22.4%	5.03%	0.25 yrs	1.90 yrs
CLO AA	0.0%	--	--	--
CLO A	0.0%	--	--	--
CLO BBB	22.1%	6.79%	0.25 yrs	1.44 yrs
CLO BB	2.5%	9.45%	0.25 yrs	1.43 yrs
CLO B	0.0%	--	--	--
ABS	10.1%	4.57%	0.72 yrs	0.72 yrs
Treasuries	8.7%	2.92%	0.59 yrs	--

- **CLO Allocation/Opportunity to Capture Income and Total Return:** As of quarter-end, 47.0% of the portfolio was invested in CLO debt. When looking across corporate and structured credit, CLO debt is one of the few asset classes that are still trading close to their historical averages and continue to look compelling vs. corporates. Given wider spreads and high base rates, breakeven spread widening across the CLO capital stack is still very high. *We continue to add to CLO portfolios that are higher quality and more liquid as we believe they will continue to outperform portfolios with more risky collateral.*

  Given the current high yields and low duration, CLO AAAs have provided a much steadier return stream vs corporates. Over the past 5 years, CLO AAAs have returned 25.83% vs corporates at +0.92% with much lower volatility. Given uncertainty in the current rate environment, we expect this trend to continue.

- **Bank Loan Allocation:** As of quarter-end, bank loan exposure was 7.3% of the portfolio. . We continue to focus on higher quality bank loans in both the primary and secondary markets; however, the lack of recent new money transactions has limited the opportunity set in primary. Loan technicals remained strong in the first quarter, supported by consistent fund inflows, strong CLO issuance, and low new money supply. While early April volatility softened these technicals, it also significantly reduced the repricing risk that had previously weighed on spreads and has created more compelling opportunities in the secondary market. Corporate fundamentals remain an acute focus, especially in light of recent changes to the macroeconomic backdrop. *We remain constructive on higher quality U.S. bank loans and may seek to increase allocations in light of more compelling spreads and prices.*

- **High Yield Bond Allocation:** As of quarter-end, HY corporate bond exposure was 13.6% of the portfolio. Spread valuations remained challenged during the quarter, but we did add exposure to shorter duration, discounted BB bonds to provide relative price stability and potential upside convexity. Overall, the HY corporate allocation is conservatively positioned with a heavy skew towards higher quality issuers in defensive sectors. Since quarter end, HY corporate bond spreads have widened by more than 50bps and dispersion across sectors and ratings has increased. We've utilized this volatility to selectively rotate into credit-specific opportunities at more attractive levels. *We believe HY corporate spreads are approaching more attractive levels but remain patient in our approach to adding incremental risk or exposure.*

- **ABS/MBS Allocation: As** of quarter-end, ABS exposure was 10.1% of the portfolio. In ABS, we continue to like prime consumer borrowers while subprime consumers continue to struggle with higher inflation.

*Please see Notes and Disclosure for definitions.

Summary Themes:

I. **Conservative Positioning**
II. **Tariff Chaos and the Impact on Growth and Corporate Fundamentals**
III. **2025 Outlook: A Resilient US Economy, Rate Volatility to Continue, Floating Rate Credit Remains an Attractive Source of Steady Income**

Theme I. Conservative Positioning

- The Fund maintained its defensive positioning in the first quarter, which certainly helped mitigate losses and preserve capital late in the quarter (more on tariffs below). This positioning was driven by: (i) continued spread compression, with most credit asset classes approaching historically tight levels; (ii) low spread volatility, supported by robust fundamentals and favorable market technicals; and (iii) elevated interest rate volatility, reinforcing our preference for floating rate credit. Notable changes include a modest reduction in CLO Debt (-5% q/q) and an increase in High Yield (+7% q/q). Both rotations were driven by relative value, with CLO spreads and prices hitting post crisis tight, meanwhile in early January HY bonds screened as one of the few sub classes of credit trading below par. Overall, we remain conservatively positioned throughout the quarter given the increasing uncertainty around trade/tariff policy. Post quarter end, spreads have widened out significantly and we have started to deploy capital at more attractive levels.

Theme II. Tariff Chaos and the Impact on Growth and Corporate Fundamentals

- **Trump Tariffs Broader, Higher and More Permanent Than Feared:** President Trump's tariff announcement on April 2nd led to a significant market selloff, with the S&P 500 dropping by 10%+ and credit markets exhibiting increased volatility. While the tariffs were probably the most well flagged risk, what caught the market offsides was the breadth (e.g. the voluminous list of countries), magnitude (e.g. 90% tariff on Vietnam), and the implied permanence (e.g. formulaic targeting of trade deficits generically rather than simple reciprocity) of the overall tariff policy. But perhaps the most concerning element of this current episode has been the aggressive widening out of Treasury yields and acute weakening of the U.S. Dollar. Rather than benefitting from their traditional safe-haven status, long-end treasury bonds have sold off along with risky assets defying conventional wisdom. This has certainly caught the eye of key market participants as well as the Fed, and importantly, the President himself. We think the decision to delay the reciprocal tariffs was a direct consequence of treasury yield widening. As such, the Trump Put likely exists not in the equity market, but in the bond market. And the put strike might just be 4.50%.

- **Damage Control and "Transitional Costs":** Even if the tariffs were to be rescinded today, there has already been some amount of economic damage. The uncertainty around trade policy has almost hurt confidence and led to both consumers and corporates delaying big purchases. Projects and hiring will be paused. M&A activity is likely to slow to a halt, and credit issuance markets have gone quiet. As of April 9, the Fed GDPNOW forecast for Q2 growth stood at -1.5% on an adjusted basis. And most economists have slashed growth forecasts to be around zero +/-1%. Regardless of how the tariff policy eventually plays out, what is clear is there will be a near-term negative impact on growth. We think the administration is willing to live with some "transitional costs" but also know politicians' desire to be re-elected generally can outweigh all other motivations.

- **<u>Corporate Fundamentals Mixed, But Directionally Negative:</u>** A lower growth environment is objectively worse for Corporate America, but no other economy is capable of adjusting faster than America's. And it has become more clear in recent days that the Trump Administration is willing to be more flexible on timing, to allow companies to adjust business models to mitigate the impact of tariffs. It's too early to assess this now, but by the end of the Q1 reporting cycle, we expect the vast majority of companies will have a mitigation plan in place. Nonetheless, we expect certain industries and business models to be significantly impacted by the new trade policy regime, with smaller companies probably faring worse than larger companies. But given the idiosyncratic nature of supply chains, it will have an incredibly mixed impact. Even companies in the same industry could see drastically different outcomes depending on sourcing strategy, production footprint, pricing power, etc. Understanding these important nuances is what our analysts have been and will continue to examine in the coming months. This presents both risks and opportunities, with credit selection being as important as it's ever been.

<u>Theme III. Outlook: Tariff Uncertainty Creates Opportunities, Rate Volatility to Continue, Floating Rate Credit Remains an Attractive Source of Steady Income</u>

- **<u>Tariff Uncertainty Creates a Better Entry into Credit:</u>** Palmer Square has been defensively positioned for the past 12 months on a generally tight credit spread environment. While we do not wish for market volatility, we have been waiting for a better entry point into credit to deploy our ample dry powder. This is true across all our strategies: Short Duration, Income Plus, Multi-Asset and Opportunistic Credit. We have begun to deploy capital in the post tariff world, but do so judiciously as there remains considerable uncertainty on the eventual economic impact of the new trade policy regime and the actual impact on individual companies. This is when having an experienced team of senior analysts is paramount and gives us confidence in the forward return profile.

- **<u>Rate Volatility Here to Stay:</u>** The beginning of the year has shown us that rate volatility is here to stay as the market faces a number of key issues – inflation has yet to be fully vanquished, the path of rate cuts remains very uncertain, and myriad policy questions are still left outstanding (more deficit spending? tariffs? tax cuts?). We anticipate the U.S. 10-Year Treasury Bond to trade in the broad range of 3.50-5.00% in 2025 as we believe short term rates will end up near 4.00% (*1 Fed Funds Rate cut*) and the upward sloping shape of the curve will reestablish. Within this range, we expect rate volatility to remain elevated and the potential for the market to temporarily overshoot to the up or downside. Rates outside of this range likely bode ill for the market as it likely indicates an unexpected slowdown in the economy or a reacceleration in the rate of inflation. The market is in consensus on the asymmetrical nature of rate cuts (Fed Funds = flat or down); any discussion of rate hikes by the Fed would be highly disruptive to the market.

- **<u>Floating Rate Continues to be an Attractive Relative Value Play:</u>** We continue to view floating rate credit as the most attractive place to invest in credit due to a number of factors including: (i) current income advantage over similarly rated fixed rate credit, (ii) expectations for continued rate volatility, (iii) strong demand technicals, and (iv) our higher-for-longer rate view. While recent Fed Fund rate cuts and a steeper yield curve have eroded some of the coupon advantage, floating rate assets continue to offer a higher current yield given the spread premium offered by CLOs and Loans. This is a crucial point of differentiation as current income tends to be the primary driver of excess return in a tight spread environment. Lastly, exposure to floating rate allows investors to avoid much of the interest rate-induced volatility that we foresee in 2025.

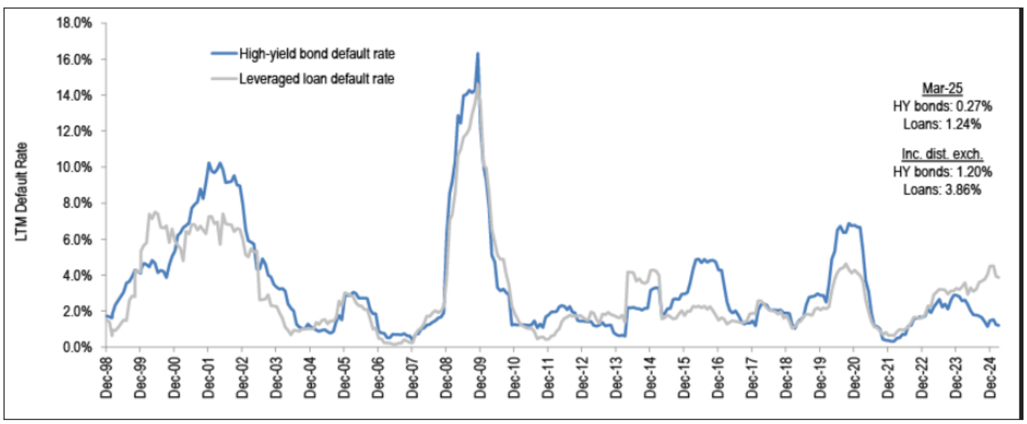
For your reference, the following pages include several charts regarding the corporate and structured credit markets.

Summary

The diverse portfolio across corporate and structured credit is positioned in predominately investment grade securities, yet has offered a strong current yield and potential opportunity for capital appreciation. We believe we are opportune in our approach to relative value and are excited about how this portfolio is positioned and its outlook.

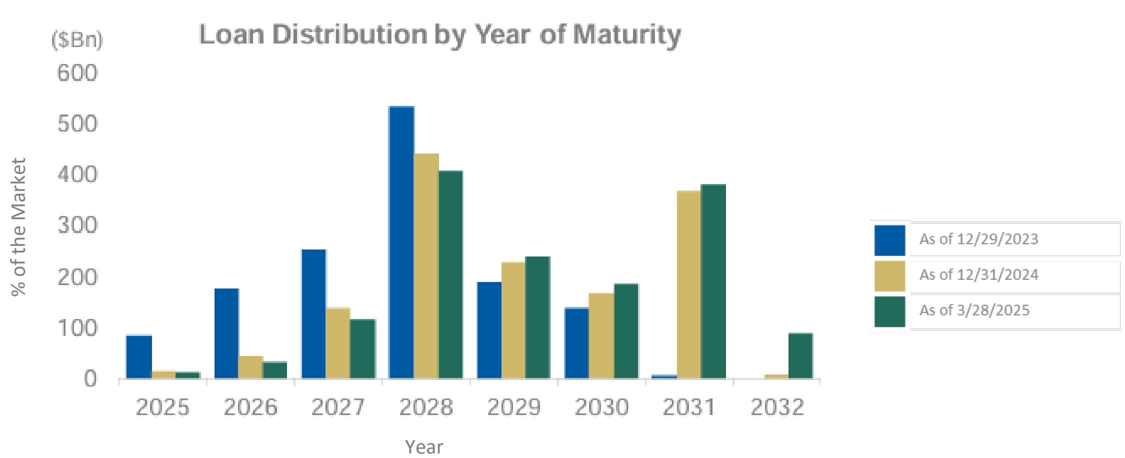
Please do not hesitate to contact us at investorrelations@palmersquarecap.com or (816)994-3200 should you desire more information. We would also be happy to set up a call and/or meeting at your convenience.

Exhibit 1: Loan default rates below recent highs



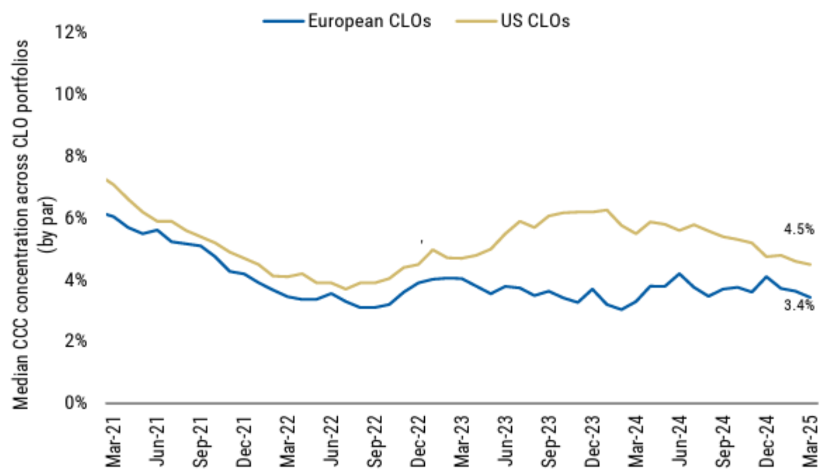
Source: J.P. Morgan; PitchBook Data, Inc; Bloomberg Finance L.P.; S&P/IHSMark; Data as of 3/31/2025

Exhibit 2: Loan maturities by YE 2026 came down by $215bn (79%) in 2024 and continue to decline



Source: ICE, Pitchbook LCD, Morgan Stanley Research as of 3/31/2025

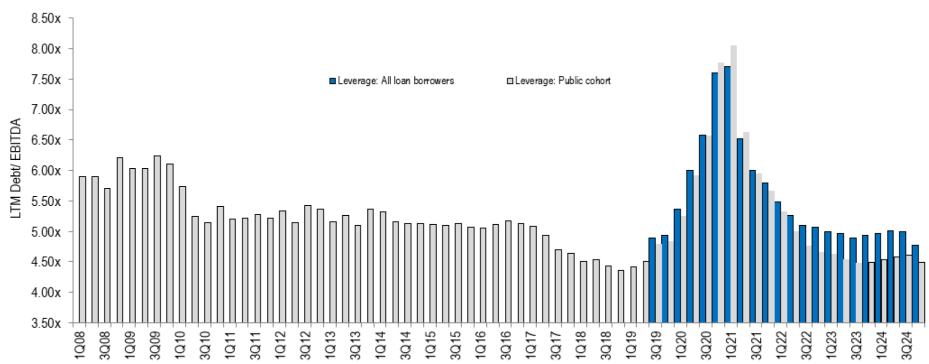
Exhibit 3: Median CCC assets in CLO portfolios



Source: Morgan Stanley Research, Intex. Data as of 3/31/2025

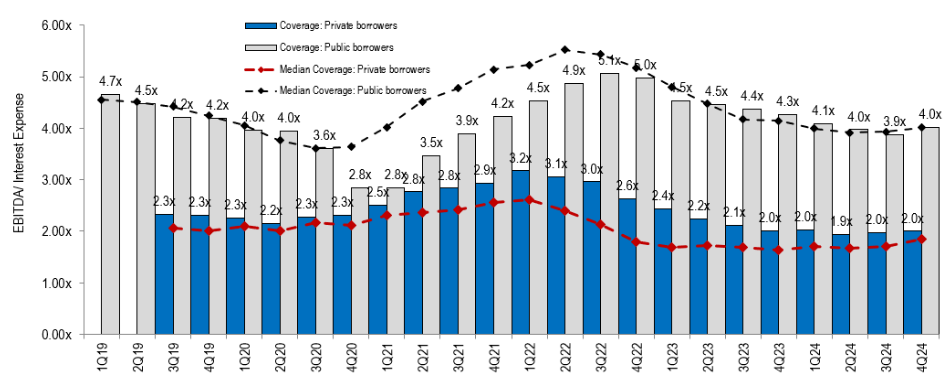
Exhibit 4: Loan gross leverage still near multi year low, trending lower

Bank Loan Net Leverage (TM)



Source: J.P. Morgan, Capital IQ; Bixby Research and Analytics, Inc.

Exhibit 5: Interest coverage ratios in line with historical averages, larger companies outperform



Source: J.P. Morgan, Capital IQ; Bixby Research and Analytics, Inc.

Notes and Disclosures

This overview is for informational and comparative purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any interests in the Palmer Square Credit Opportunities ETF, ("PSQO" or the "Fund") or any other securities, or to provide any other advisory services. Any offer to invest in PSQO will be made pursuant to the Fund's prospectus, which will contain material information not contained herein and to which prospective investors are directed. Before investing, you should carefully read such materials in their entirety. This overview is not intended to replace such materials, and any information herein should not be relied upon for the purposes of investing in the Funds or for any other purpose. This overview is a summary and does not purport to be complete.

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The views expressed herein are for informational purposes only. There is no guarantee that the views and opinions expressed in this letter will come to pass.

The allocation, portfolio characteristics, and credit quality distribution figures shown are for illustrative purposes only. Palmer Square does not guarantee to execute those portfolio characteristics, that allocation, and credit quality distribution. Allocation, portfolio characteristics, and exposures information, as well as other referenced categorizations, reflect classifications determined by Palmer Square as well as certain Palmer Square assumptions based on estimated portfolio characteristic information, including but not limited to, look through analysis for certain structured credit securities. Allocation and credit quality distribution figures may not sum to 100%. Ratings listed herein are assigned by Standard & Poor's (S&P) and Moody's Investor Service (Moody's). Credit quality ratings are measured on a scale with S&P's credit quality ratings ranging from AAA (highest) to D (lowest) and Moody's credit quality ratings ranging from Aaa (highest) to C (lowest). We use the higher of the two ratings. Credit ratings listed are subject to change. Please contact Palmer Square for more information.

Position level data in the portfolio snapshot sections assume a 20% annual prepayment rate and a 2 percent default rate for the underlying institutional bank loan collateral.

Market opportunities and yields shown are for illustration purposes only and are subject to change without notice. Palmer Square does not represent that these or any other strategy/opportunity will prove to be profitable or that the Fund's investment objective will be met. This material represents an assessment of the market environment at a specific point in time, is subject to change without notice, and should not be relied upon by the reader as research or investment advice. With regard to sources of information, certain of the economic and market information contained herein has been obtained from published sources and/or prepared by third parties. While such sources are believed to be reliable, Palmer Square or their employees or representatives do not assume any responsibility for the accuracy of such information. Yield data is sourced from Bloomberg and JPMorgan Markets.

Interest Rate Duration measures a portfolio's sensitivity to changes in interest rates. Spread Duration measures the sensitivity of a bond price based on basis point changes of more than 100. Potential Pull to Par ($) is the dollar difference between a bond's current price and par. Potential Pull to Par (%) is the percentage difference between a bond's current price and par. Yield to Expected Call is a Yield to Call metric that assumes callable bonds are not called on their call date, but at some later date prior to maturity. Yield to Expected Call considers contractual terms in a bond's indenture or other similar governing document. A bond may be called before or after this date, which has the potential to increase or decrease the Yield to Expected Call calculation. All else equal, when a bond's price is below par, Yield to Expected Call is a more conservative yield metric than Yield to Call. If a bond is not callable, Yield to Expected Call calculates the bond's Yield to Maturity. Yield To Maturity is the rate of return anticipated on a bond if held until the end of its lifetime. Current Yield is annual income divided by price paid. 30-Day SEC Yield represents net investment income earned by the Fund over the 30-day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. The subsidized SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced. The unsubsidized SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and does not reflect waivers in effect. Sharpe Ratio is used to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - such as that of the 10-year U.S. Treasury bond - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Beta describes an investment's volatility in relation to that of the stock or bond market as a whole. For example, the S&P 500 is typically considered to be 'the equity market' and it has a beta of 1.0. Credit Spreads are often a good barometer of economic health - wide or widening (bearish sentiment) and narrowing/tight or tightening (bullish sentiment). **Basis points (BPS)** refers to a common unit of measure for interest rates and other percentages in finance. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index of publicly issued investment grade corporate, US Treasury and government agency securities with remaining maturities of one to three years. The Bloomberg U.S. 1-3 Year Corporate Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities. S&P 500 Index is a market-capitalization- weighted index of 500 leading publicly traded companies in the U.S. Bloomberg U.S. Treasury index is an index based on recent auctions of U.S. Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates. Bloomberg U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. Bloomberg U.S. High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. iBoxx Liquid Leveraged Loan Index is a subset of the benchmark Markit iBoxx USD Leveraged Loan Index ("USD LLI"). iBoxx Liquid LLI tracks the total return of the 100 most liquid loans from the USD LLI index universe, offering a powerful insight into the loan market. Unlike mutual funds, indices are not managed and do not incur fees or expenses. It is not possible to invest directly in an index. The STOXX 600 Index seeks to offer broader exposure to European companies. Thus, it's often cited as a close European alternative to Standard & Poor's 500 Index (S&P 500). Palmer Square CLO Senior Debt Index (CLOSE) seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLOSE is comprised of original rated AAA and AA debt issued after January 1, 2009 subject to certain inclusion criteria. Palmer Square CLO Debt Index (CLODI) seeks to reflect the investable universe for U.S. dollar denominated CLOs. CLODI is comprised of original rated A, BBB, and BB debt issued after January 1, 2009 subject to certain inclusion criteria.Past performance is not indicative of future results. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable. Please note that the performance of the Fund may not be comparable to the performance of any index shown. Palmer Square has not verified, and is under no obligation to verify, the accuracy of these returns.

Notes and Disclosures (cont'd)

The securities issued under the CLO transactions have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This overview shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

CAPEX refers to capital expenditure or the money a company spends to buy, improve or maintain long-term assets. Magnificent 7 is a common term used to represent seven specific technology companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla). The Atlanta Fed GDPNow model forcast GDP (gross domestic product) growth by aggregating the 13 subcomponents that make up GDP with the chain-weighted methodology used by the U.S. Bureau of Economic Analysis. Core CPI (consumer price index) is a measure of inflation that excludes the price of food and energy. Yield Curve is a graph that plots the yield (or interest rate) across different maturity dates. YTW (yield-to-worst) is a financial metric that calculates the lowest possible return on a bond. Put Strike, also known as the exercise price, is the predetermined price at which the holder of a put option can sell the underlying security or asset.

London Interbank Offered Rate (LIBOR) is the benchmark interest rate at which major global banks lend to one another. As of January 1, 2022, many banks are no longer required to submit the data needed to calculate the LIBOR rate. In June 2023, LIBOR will be replaced by SOFR. The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate that reflects the cost of borrowing cash overnight, secured by U.S. Treasury securities. It's a reference rate used in financial contracts like loans and derivatives, and it replaced the LIBOR (London Interbank Offered Rate) as the primary benchmark rate.

Risks: The securities issued under the CLO transactions have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Investment in the Fund involves a high degree of risk and is suitable only for sophisticated investors. No assurance can be given that the Fund's investment objective will be achieved and investment results may vary substantially on a monthly, quarterly, annual and/or other periodic basis. Investments in underlying funds may not be diversified. Investments in the funds are subject to significant restrictions on transfers and have fees and expenses that may offset profits. There is no secondary market for interests in the Funds and none is expected to develop. The Funds' use of leverage in the course of their trading could exacerbate losses. The Master Fund and the Underlying Funds may invest in unrated or "distressed" securities, i.e., securities of companies that are experiencing significant financial or business difficulties, including, without limitation, companies involved in debt restructurings, in bankruptcy or other reorganization and liquidation proceedings. The Master Fund and the Underlying Funds may also purchase financial instruments of companies that have low credit quality, and purchase securities and loans that are in default. Many of the investments that are made by the Master Fund will lack liquidity. Accordingly, the Master Fund's ability to respond to market movements may be impaired and the Master Fund may experience adverse price movements upon liquidation of its investments. Certain inherent conflicts of interest arise from the fact that the Managing Member and the Investment Advisor act on behalf of the Fund and carry on investment activities for other clients. Consider the partnerships fees and charges, which may affect any amounts to be received by investors. Investors are advised to read the offering documents for further details, and consult their tax advisers, prior to making an investment.

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The Fund is subject to liquidity risk and therefore may not be able to sell some or all of the investments that it holds due to a lack of demand in the marketplace or other factors. The Fund is subject to credit risk in that if an issuer or guarantor of a debt security held by the Fund or a counterparty to a financial contract with the Fund defaults or is downgraded or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of the Fund's portfolio will typically decline. The Fund is classified as "non-diversified," which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified. High yield securities, commonly referred to as "junk bonds", are rated below investment grade by at least one of Moody's, S&P or Fitch (or if unrated, determined by the Fund's advisor to be of comparable credit quality high yield securities). High yield funds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. Generally fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, and longer-term and lower rated securities are more volatile than shorter-term and higher rated securities. Using derivatives exposes the Fund to additional or heightened risks, including leverage risk, liquidity risk, valuation risk, market risk, counterparty risk, and credit risk. Derivatives transactions can be highly illiquid and difficult to unwind or value and they can increase Fund volatility.

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