

Item 1 – Cover Page

Part 2A of Form ADV: Disclosure Brochure



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This Brochure provides information about the qualifications and business practices of Palmer Square Private Credit Management LLC (“Palmer Square Private Credit”). If you have any questions about the contents of this Brochure, please contact us at (816) 994-3200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Palmer Square Private Credit is a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information through which you determine to hire or retain an adviser.

Additional information about Palmer Square Private Credit is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Palmer Square who are registered, or are required to be registered, as investment adviser representatives of Palmer Square.

This Brochure is neither an offer to sell nor a solicitation of an offer to buy shares or interests in any of the investment vehicles advised by Palmer Square Private Credit and does not include a complete discussion of the features, risks or conflicts associated with the investment vehicles herein. An offer of interests in such vehicles can be made only through the offering materials for the relevant investment vehicle and only in jurisdictions in which such an offer would be lawful. As required by the Advisers Act, Palmer Square Private Credit provides this Brochure to current or prospective investors in a private pooled investment vehicle, together with other relevant governing documents, such as the private pooled investment vehicle’s private placement memoranda or offering circular, prior to, or in connection with, such persons’ investment in the private pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of Palmer Square Private Credit, persons who receive this Brochure should be aware that it is designed solely to provide information about Palmer Square Private Credit as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about Palmer Square Private Credit's private pooled investment vehicle is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Palmer Square Private Credit. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

Item 2 – Material Changes

Not applicable.

This represents Palmer Square Private Credit's initial Brochure. We will provide you with a Brochure if requested based on changes or new information, at any time, without charge. Currently, our Brochure can be requested by contacting us at (816) 994-3200 or compliance@palmersquarecap.com.

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Item 4 – Advisory Business

Palmer Square Private Credit Management LLC (“Palmer Square Private Credit” or the “Adviser,” the “Firm,” “we,” or “us”) is a limited liability company organized under the laws of the State of Delaware that was formed on December 21 in 2022. Palmer Square Private Credit and its affiliated entities are headquartered in Mission Woods, Kansas, with additional offices in London, England.

Palmer Square Private Credit provides discretionary portfolio management and investment advisory services to the Palmer Square Private Credit Fund (the “Private Credit Fund”), which is a non-diversified closed-end pooled investment vehicle operating pursuant to the exclusion from the definition of an “investment company” in Section 3(c)(1) of the Investment Company Act of 1940, as amended (the “1940 Act”).

The Private Credit Fund is not required to register as an investment company under the 1940 Act in reliance upon the Section 3(c)1 exemption which is available to funds i. whose securities are not publicly offered and ii. that hold less than 100 investors. Palmer Square Private Credit manages the Private Credit Fund on a discretionary basis in accordance with the investment strategy description and the terms and conditions of the Private Credit Fund’s offering and organizational documents and any relevant supplements to those documents.

The Private Credit Fund was formed on December 29, 2022, as a Delaware statutory trust and is a financial services company that primarily lends to and invests in corporate debt securities of companies, including small to large private U.S. companies. Currently, this investment strategy is suitable only for sophisticated investors with substantial net worth and who are able to bear the risks of the strategies employed. The Private Credit Fund intends to focus the majority of its portfolio in privately originated and privately negotiated investments, predominantly direct lending to U.S. companies through (i) first lien senior secured and unitranche loans and (ii) second lien, unsecured, subordinated or mezzanine loans and structured credit, as well as broadly syndicated loans, club deals (generally investments made by a small group of investment firms) and other debt and equity securities. Investors and/or prospective investors should be aware of additional risks associated with investing in the Private Credit Fund, many of which are described in its governing documents.

The Private Credit Fund may invest in other funds managed by Palmer Square Private Credit affiliates, including other private funds exempt from registration under the 1940 Act, CLOs, CDOs and Warehouses. For more information on these investments, please see the offering materials for each applicable fund at palmersquare.com.

Palmer Square

Palmer Square Private Credit is majority owned by Palmer Square Capital Management LLC, (each collectively and with its affiliates “Palmer Square”).

As an enterprise, Palmer Square provides investment advisory services to institutions, high net worth individuals, investment companies and other pooled investment vehicles (each, a “client”). We serve as managing member, investment manager, collateral manager, collateral servicer, or portfolio manager to several types of investment vehicles, including investment companies registered under the 1940 Act, as amended (“Registered Funds”), collective investment trusts

(“CITs”), U.S. and non-U.S. private investment funds structured as hedge funds, private funds and fund of hedge funds (“Private Funds”), investment entities structured as collateralized loan obligations (“CLOs”), investment entities structured as collateralized debt obligations (“CDOs”), and investment vehicles organized to hold loans on a short-term basis prior to the launch of a CLO or CDO (“Warehouses”) (together with the Registered Funds, CITs, Private Funds, the CLOs and the CDOs, the “Palmer Square Funds”, and each of the Palmer Square Funds a “Palmer Square Fund”).

Additional Information

Palmer Square advises certain private funds and separately managed account clients that make risk retention investments in the equity of affiliated CLOs, CDOs and Warehouses, either directly or indirectly through investments in investment advisers affiliated with Palmer Square, as applicable.

Palmer Square and/or its affiliates may advise additional clients or investment vehicles without consulting its clients. In connection with the operation of such additional clients, Palmer Square and/or its affiliates employ substantially similar investment strategies and/or invest in substantially similar securities to the strategies employed or securities invested by other clients.

Investors in the Palmer Square Funds, including the Private Credit Fund, may not impose restrictions on the Palmer Square Funds’ investment activities. Palmer Square has full discretion in trading on behalf of such clients. Palmer Square does not require, and does not seek approval from, the Palmer Square Funds or their underlying investors with respect to its trading.

All of the discussions of the Palmer Square Funds in this Brochure, including but not limited to their investments, the management strategies used, associated fees and costs and conflicts of interest faced by Palmer Square Private Credit and its affiliates in connection with managing the Private Credit Fund and the Palmer Square Funds, are qualified in their entirety by the applicable fund governing documents. As noted above, Palmer Square causes certain clients to invest in other pooled investment vehicles or accounts which are advised or managed by Palmer Square or an affiliate, including, without limitation, investments in the equity and/or debt securities of CLOs, CDOs and/or Warehouses that are advised, sponsored and/or otherwise affiliated with Palmer Square or its affiliates. Please refer to your advisory agreement or the applicable Palmer Square fund’s governing documents for more information.

Item 5 – Fees and Compensation

Palmer Square Private Credit, for its portfolio management and advisory services provided to the Private Credit Fund, receives a based management fee (“Base Management Fee”) based on a percentage of assets under management. Should the Private Credit Fund elect to be regulated as a business development company under the 1940 Act, then it shall be entitled to performance-based compensation (“Incentive Fee”), as described below.

Base Management Fee. The Base Management Fee will be calculated at an annual percentage rate over the average (based on the number of shares outstanding each day in the quarter) of the Private Credit Fund’s total net assets (excluding the Base Management Fee and Incentive Fee) for the most recently completed calendar quarter. The Base Management Fee for any partial quarter will be pro-rated based on the number of days actually elapsed in that quarter relative to the total number of days in such quarter.

Incentive Compensation. Palmer Square Private Credit is permitted to receive performance-based fees and/or carried interest distributions (“Performance-Based Fees”) (e.g., carried interest) in connection with the management of the Private Credit Fund. The specific payment terms and other conditions of the Incentive -Based Fees available to a Palmer Square Private Credit and/or its designee are set forth in the Private Credit Fund’s governing documents, side letters and/or fee agreements. Generally, Performance-Based Fees payable to the applicable Palmer Square Credit Fund and/or its designee is payable quarterly, annually or more frequently in arrears. All Incentive-Based Fees will be consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder.

Fees are generally calculated by a service provider such as a third-party administrator or a trustee, and deducted directly from the client’s account by Palmer Square Private Credit through a centralized Palmer Square affiliate. Investors in the Private Credit Fund do not have the ability to choose to be billed directly. In the event of the termination of the relationship between a Private Credit Fund and Palmer Square Private Credit, the management and performance compensation typically will be allocated according to the date of termination or through the specified terms in the applicable agreement. Generally, any prepaid but unearned fees will be refunded.

Palmer Square Private Credit and its affiliates have made, and may make in the future, exceptions to its general fee schedule for the Private Credit Fund or an investor in said fund in its sole discretion based on various circumstances, such as the relationship Palmer Square has with the Private Credit Fund or an investor, expectations of capital additions in the future, product, share class, or composition of portfolio, among other reasons. This may include fee waivers, reductions or rebates which may be permanent or temporary. Neither the Private Credit Fund nor Palmer Square Private Credit is generally obligated to disclose such investor arrangements to all of the investors or obtain the approval of any investor.

Expenses Charged to Clients

Our fees are exclusive of various costs and expenses in connection with the Private Credit Fund’s provision of investment advisory services, including, but not limited to, organizational, custodial, brokerage, audit, line of credit, legal, risk management, consulting, third party administration and research-related fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and

electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. To the extent a client invests in other unaffiliated funds, such clients will bear their pro rata share of the fees (including any asset-based and performance-based compensation) and expenses of such investment funds.

Direct and Indirect Expenses

Expenses incurred directly by a client will be the responsibility of such client and may be paid directly by the client, or Palmer Square may pay the expenses directly out of its own account for and on behalf of the client, and in such cases will be entitled to reimbursement from the applicable client. Examples of allocable direct client expenses include, but are not limited to, the following:

- organizational expenses;
- operating expenses, including brokerage commissions and other charges for transactions in securities, other instruments and investments (including designated investments);
- escrow expenses;
- borrowing charges on margin accounts, credit facility charges and the costs of other indebtedness;
- insurance costs;
- governmental charges;
- licensing costs;
- audit fees;
- valuation expenses;
- financing and interest costs and expenses;
- custodial fees and expenses;
- administrative fees and expenses;
- reporting expenses;
- taxes;
- legal and accounting fees and other professional expenses such as consulting and investment banking fees;
- expenses associated with mailing and reproducing offering documents, any amendments thereto and other communications with investors;
- all expenses incurred in connection with any threatened, pending or anticipated litigation, examination or proceeding;
- all expenses incurred as a result of the client's obligation to indemnify Palmer Square, the administrator, their affiliates and certain other parties against losses, liabilities and expenses incurred in connection with the performance of their duties on behalf of, or the provision of services to, the client;
- all other expenses and liabilities incurred in connection with or arising out of the client's business, including extraordinary or non-recurring charges;
- expense related to any side pocket account (shall be charged only to the capital accounts who participated in the side pocket account); and
- reimbursements due to Palmer Square for all such costs and expenses, if any, borne by Palmer Square on behalf of the client.

Expenses Related to Affiliated Investments

In certain circumstances, Palmer Square Private Credit causes clients to invest in other pooled investment vehicles or accounts which are advised or managed by Palmer Square or an affiliate. The client will pay its pro rata share of the expenses of any affiliated pooled investment vehicles or accounts in which the client invests, if any. Please consult the private placement memorandum applicable client's governing documents or related documents for more information on the expenses of investments for affiliated Palmer Square products.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

As set forth in Item 5, Palmer Square and its affiliates receive performance-based compensation from certain clients (*i.e.*, performance allocation, performance fee or incentive collateral management fee). With certain exceptions, each affiliate of Palmer Square that serves as general partner, managing member or investment manager (or in a similar capacity) to a Private Fund and as collateral manager (or in a similar capacity) to a CLO, CDO or Warehouse is entitled to performance-based compensation from the applicable Palmer Square fund. The same applies to the Private Credit Fund and Palmer Square Private Credit. Performance-based compensation arrangements create an incentive for Palmer Square (i) to recommend investments that may be riskier or more speculative than those that might be recommended under a different fee arrangement, such as a management fee only arrangement, and (ii) to dispose of investments at a time and in a sequence that would generate the most performance-based compensation.

To the extent Palmer Square determines the fair value of assets, Palmer Square and therein Palmer Square Private Credit has a conflict of interest as the calculation of the performance-based compensation will be based on such valuations. Performance-based compensation incentivizes Palmer Square to overvalue assets in order to increase the amount of its performance-based compensation.

To the extent the Palmer Square determines the fair value of an investment, it has a conflict of interest as its management and performance-based compensation will be based on such valuation. With respect to the Private Credit Fund, all or a substantial portion of a Private Credit Fund's assets are valued in accordance with a proprietary model developed by Palmer Square.

As described below, Palmer Square, and therein Palmer Square Private Credit, has implemented procedures designed to mitigate these conflicts from influencing the allocation of investment opportunities among clients.

Side-by-Side Management (Allocation Practices)

Certain clients are subject to significant potential and actual conflicts of interest with respect to side-by-side management. Side-by-side management is the simultaneous management of multiple accounts that follow the same or similar investment strategies. With respect to certain clients, the conflicts with respect to side-by-side management present themselves both at the client level and at the investor level. This conflict of interest is also present where Palmer Square investment personnel provide services to Palmer Square BDC and Palmer Square Europe (as defined in Item 10), to the extent that clients of Palmer Square BDC Advisor LLC and Palmer Square Europe have investment strategies that are similar to clients of Palmer Square Private Credit.

It is Palmer Square's policy, and therein Palmer Square Private Credit's policy, to allocate, to the extent operationally and otherwise practicable, investment opportunities to each client in a fair and equitable manner. To the extent the portfolio managers deem a particular investment suitable for more than one of Palmer Square's clients, such investment will be allocated or apportioned by Palmer Square between (or among) applicable clients to the extent the Firm determines it is practicable and advisable to do so. Palmer Square recognizes that it may not always be possible

(or consistent with the investment objectives of a client) for the same investment positions to be taken or liquidated at the same time or at the same price as other of the Firm's clients.

Palmer Square allocates investment opportunities among its discretionary clients, where appropriate, on a basis that Palmer Square deems fair and equitable to each client, generally pro rata referencing an appropriate metric or based on a pre-determined allocation methodology. However, Palmer Square is not required to allocate on a pro rata basis if, in its discretion, Palmer Square determines another manner would be fair and equitable on an overall basis to all applicable clients under the circumstances, taking into account relevant characteristics of each applicable client (in each case, both at the time of investment and on a prospective basis). Such characteristics include, among other factors, cash position, lot size, amount of available capital, investment strategy, risk profile, liquidity, current portfolio holdings, overall portfolio composition, trading activity and tax and legal considerations, in each case relative to each applicable client both at the time of the investment and on a prospective basis.

Moreover, Palmer Square may be limited in its ability (or may be unable) to allocate certain investments, particularly with respect to private, unregistered or over-the-counter securities and financial instruments, due to a variety of factors, including limited investment opportunity, legal, regulatory, tax, trading, or counterparty-imposed or market-driven restrictions. As a result, a client may not participate in any particular investment opportunity on an equal, on a pro rata basis with other clients or at all. Moreover, there may be circumstances where an investment opportunity is allocated to certain clients first in satisfaction of applicable risk retention requirements or other legal or regulatory conditions. Moreover, non-discretionary clients may execute on an investment recommendation of Palmer Square, if at all, on a different timetable, at different prices, and with different restrictions from Palmer Square's discretionary clients.

Palmer Square has addressed these conflicts through policies and procedures designed to ensure each client is treated in a fair and equitable manner.

Please see Item 12 for additional information on Palmer Square's trading practices.

Item 7 – Types of Clients

Palmer Square Private Credit provides portfolio management and investment advisory services to the Private Credit Fund. The Private Credit Fund is offered to a broad range of client types, including institutions, high net worth individuals, collective investment trusts, investment companies and other pooled investment vehicles.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the investment strategies and methods of analysis employed by Palmer Square Private Credit on behalf of the Private Credit Fund. This summary should not be interpreted to limit in any way Palmer Square Private Credit's investment activities. Palmer Square Private Credit offers advisory services, provides advice with respect to investment strategies and makes investments Palmer Square Private Credit considers appropriate, subject to the Private Credit Fund's investment objectives and guidelines. Specific descriptions of such strategies and methods are included in the Private Credit Fund's governing documents. There can be no assurance that the investment objectives of Private Credit Fund will be achieved.

Although it is impossible to predict the precise nature and consequences of these events (or similar), or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact us, our clients and their investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact clients and borrowers and in many instances the impact will be adverse and profound.

As a result, each of the risks discussed in Item 8 of this Brochure is subject to, and should be considered in light of, the foregoing risks and uncertainties. This 'Methods of Analysis, Investment Strategies and Risk of Loss' section will be addressed at the enterprise level and refer to "Palmer Square" as the parent company inclusive of Palmer Square Private Credit.

Methods of Analysis

In directly investing capital to achieve a particular client objective, Palmer Square, through its affiliates, employs a blend of top-down and bottom-up analysis. The top-down approach has three components: (1) macro analysis whereby the investment team undertakes frequent dialogues regarding macro items including the economic outlook, financial and credit markets, new and secondary issues, regulatory changes, M&A environment, and valuation levels; (2) cross-asset relative value analysis which consists of analyzing the credit spectrum for strong relative value opportunities (e.g., analysis of valuation metrics across loans, bonds, convertibles, CLOs, CDOs, Warehouses and mortgage credits to identify and monitor optimal risk/reward opportunities); and (3) active monitoring by the investment team of the major sectors within the credit universe. With regard to the bottom-up approach, the investment team undertakes frequent dialogue discussing key analyses including items such as determining an issuer's ability to service debt, measuring past performance and understanding the approach of the manager team and their ability to meet goals, deal structure model analysis, document analysis and other financial modeling and scenario testing. Finally, the bottom-up approach includes trade refinement. For example, within the credit spectrum, the team also seeks to evaluate many trade specifics including, without limitation, liquidity, position size, upside/downside, and relative versus absolute value.

Palmer Square believes that the ongoing monitoring of the portfolios is of paramount importance to achieving a client's investment objective. The Firm's monitoring process focuses on many factors including meetings to review portfolio developments and market trends as well as security-specific reviews.

With regard to the bottom-up portion of our investment philosophy, Palmer Square generally believes

in maintaining a concentrated approach, thereby investing with what we believe to be relatively few managers. Palmer Square will generally select and monitor underlying managers based on factors determined in its sole and absolute discretion, including, without limitation, experience, performance track record, ability to protect capital in adverse market environments, personal financial commitment, prevalence of opportunities in their area of expertise, structure of organization, risk controls, risk management process, communication and reporting transparency style. The ultimate allocation of assets managed by Palmer Square is intended to manage the overall risk/return while optimizing the ability to generate long-term capital appreciation.

Investment Strategies

Private Credit: Our investment objective is to maximize total return, comprised predominately of current income and to a lesser extent capital appreciation. However, no assurance can be given that our investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, annual and other periodic basis. The Fund intends to focus the majority of its portfolio in privately originated and privately negotiated investments, predominantly direct lending to U.S. companies through (i) first lien senior secured and unitranche loans and (ii) second lien, unsecured, subordinated or mezzanine loans and structured credit, as well as broadly syndicated loans, club deals (generally investments made by a small group of investment firms) and other debt and equity securities (the investments described in this sentence, collectively, “Private Credit”). To a lesser extent, the Fund may also dynamically invest in publicly traded securities of large corporate issuers and in collateralized loan obligation (“CLO”) structured credit funds (the investments described in this sentence, collectively, “Opportunistic Credit”). The Fund expects that the Opportunistic Credit investments will generally be liquid and may be used for the purposes of maintaining liquidity for the Fund’s share repurchase program and cash management, while also presenting an opportunity for attractive investment returns. The instruments in which we invest may not be rated by any rating agency, but the Investment Advisor believes that if such instruments were rated, they would be below investment grade, which is an indication of having predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. Investments that are rated below investment grade are sometimes referred to as “high yield bonds,” “junk bonds” or “leveraged loans” (i.e., loans to companies with existing debt). Therefore, our investments may result in an above average amount of risk and volatility or loss of principal. Our corporate debt securities and Opportunistic Credit investments typically have maturities of three to ten years. To a limited extent, we may enter into derivatives transactions, which may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates or to earn income and enhance our total returns. We may receive or purchase warrants or rights to acquire equity or other securities in connection with making a debt investment in a company. We may also invest in other strategies and opportunities from time to time that we view as attractive. We will continue to evaluate other investment strategies in the ordinary course of business with no specific top-down allocation to any single investment strategy.

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including a complete loss of your original principal. You should be aware that past performance of any security is not

necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Depending on the different types of investments, there may be varying degrees of risk. The foregoing list of certain risk factors does not purport to be a complete enumeration or explanation of the risks associated with the investment services provided by Palmer Square Private Credit. Prospective investors should read all applicable organization documents and risk disclosures and consult with their own advisers before investing. In addition, as the Private Credit Fund develops and changes over time, investments may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred, including a risk of complete loss. The risks summarized below are qualified in their entirety by the disclosures in each applicable client's governing documents.

- *Concentration Risk:* A strategy that concentrates its investments in a particular sector of the market (such as traditional credit, structured credit and alternative investments) may be affected by events that adversely affect that sector and the value of a portfolio using such strategy may fluctuate more than that of a less concentrated portfolio.
- *Counterparty Risk:* The institutions (such as banks) and prime brokers with which Palmer Square does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of Palmer Square or create unanticipated trading risks.
- *Credit Default Risk:* The owner of a fixed income security may lose money if the issuer is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its payment obligations. Further, when an issuer suffers adverse changes in its financial condition or credit rating, the price of its debt obligations may decline and/or experience greater volatility. These adverse changes can also affect the liquidity of an issuer's debt securities and make them more difficult to sell.
- *Debt Securities:* Palmer Square may invest client capital in U.S. and non-U.S. corporate and sovereign debt securities and instruments. Debt securities may be subject to price volatility due to various factors including changes in interest rates, market perceptions of the creditworthiness of an issuer, and general market liquidity. Such instruments involve the fundamental credit risk that an issuer will be unable to make principal and interest payments. Debt securities may be rated or unrated, and whether or not rated may have speculative characteristics.
- *Distressed/Bankruptcy Investing:* Palmer Square may invest in unrated or "distressed" securities, i.e., securities of companies that are experiencing significant financial or business difficulties, including companies involved in debt restructurings, in bankruptcy or other reorganization and liquidation proceedings. Palmer Square may also purchase financial instruments of companies that have low credit quality, and purchase securities and loans that are in default. Performance may be substantially impaired by unsuccessful distressed or low credit investments.
- *Equity Securities and Equity Derivatives:* Palmer Square may invest client capital in equity securities and equity derivatives. The value of equity securities and equity derivatives vary

based upon the company's performance and movements in the broader equity markets. Numerous economic factors, as well as market sentiment, political, and market-related factors, among others, influence the value of equities. A portfolio may suffer losses if an equity instrument's performance diverges from expectations or if equity markets generally move in a single direction and Palmer Square has not hedged against such a move.

- *Eurozone Risk:* A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. As a result, financial markets in the EU have been subject to increased volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom left the EU (known as "Brexit"). One or more other countries may also abandon the euro and/or withdraw from the EU, placing its currency and banking system in jeopardy. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. Clients may have exposure to European markets and may have exposure to transactions tied to the value of the euro; such exposures could negatively affect the value and liquidity of the Fund's investments. All of these developments may continue to significantly affect the economies of all EU countries, which in turn may have a material adverse effect on a client's investments in such countries, other countries that depend on EU countries for significant amounts of trade or investment, or issuers with exposure to debt issued by certain EU countries.

In February 2022, Russia commenced a military attack on Ukraine. The outbreak of hostilities between the two countries could result in more widespread conflict and could have a severe adverse effect on the region and the markets for securities and commodities, including oil. In addition, sanctions imposed on Russia by the United States and other countries, and any sanctions imposed in the future, are generally expected to have a significant adverse impact on the Russian economy and related markets. The price and liquidity of the securities and commodities to which clients have exposure may fluctuate widely as a result of the conflict and related events. How long such conflict and related events will last and whether it will escalate further cannot be predicted. Impacts from the conflict and related events could have significant impact on an account's performance, and the value of an account may decline significantly over short or extended periods.

- *Event Risks:* Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar "Act of God" events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Palmer Square may have exposure to countries and markets impacted by such events, which could result in material losses.
- *Forward Contract Markets:* Palmer Square may trade forward contracts (and options on

forward contracts). These securities are not traded on exchanges and are individually negotiated and therefore can be highly illiquid. The principals in forward contract markets are not required to continue to make such markets or to continue to deal in forward contracts of all currencies and/or commodities. In addition, forward contract markets are subject to significant disruptions, including through the intervention of governmental authorities. Therefore, Palmer Square may experience liquidity or other problems, and may incur substantial losses on such investments.

- *Futures*: Palmer Square may utilize futures contracts on a security or on an index of securities. Futures positions may include both long and short positions. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses and, like other leveraged investments, any trade may result in losses in excess of the amount invested.
- *General Credit Risks*: Palmer Square will seek to take advantage of opportunities in the stressed and distressed credit arena and may be exposed to losses resulting from default and foreclosure. Stressed and distressed credit assets may have large uncertainties or major risk exposures to adverse conditions, and certain of them may be considered to be predominantly speculative. Generally, such credit assets offer a potentially higher return, but involve greater volatility of price and greater risk of loss of income and investment.
- *High Yield ("Junk") Bond Risk*: High yield bonds are debt securities rated below investment grade (often called "junk bonds"). Junk bonds 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. Companies issuing high yield bonds are less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings.
- *Investments in Undervalued Securities*: Palmer Square may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.
- *Loan Participations*: Palmer Square may invest in loan participations. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have the voting rights, which are retained by the lender. In addition, a loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan. Palmer Square will acquire participations only if the seller of the participation is determined by Palmer Square to be creditworthy.

- *Leverage:* Leverage may generally be employed in the investments associated with the investment advisory services provided by Palmer Square, including, without limitation, through the use of borrowed funds and investments in options, such as puts and calls, regulated futures contracts, warrants, credit default swaps and short sales. If leverage is utilized with respect to a position, any losses would be more pronounced than if leverage were not used, and a relatively small price movement in a security or other financial instrument may result in immediate and substantial losses.
- *LIBOR Replacement Risk:* Palmer Square can invest in certain debt securities, derivatives, or other financial instruments that utilize the London Inter-Bank Offered Rate (“LIBOR”) as a reference rate for various rate calculations. It is expected that the U.S. Dollar London Interbank Offered Rate (“LIBOR”), which is commonly used as a reference rate within various financial contracts (any such rate, a “Reference Rate”), will not be published after June 30, 2023 (other than the one-week and two-month tenors, which ceased to be published after December 31, 2021). In anticipation of the end of LIBOR, the United States and other countries have worked to replace LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate (“SOFR”) is the Reference Rate recommended by the Alternative Reference Rates Committee (the “ARRC”). The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which the Fund is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants. With respect to financial contracts to which a client may be a party, including corporate and municipal bonds and loans, consumer loans, bank loans, CLOs, floating rate debt, certain asset-backed securities, and interest rate swaps and other derivatives, any such contract that has a maturity that extends beyond June 2023 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or which have other curative mechanisms available) may need to be renegotiated, the process of which will consume resources and may result in disputes among counterparties, the result of which may be adverse to the applicable client. Regulators encouraged market participants to cease entering new contracts that use U.S. Dollar LIBOR as a reference rate by December 31, 2021. As a result, U.S. Dollar LIBOR’s liquidity and usefulness will likely diminish. Clients should expect that accounts will be party to SOFR-based contracts, or contracts utilizing other alternative reference rates, in the near-future. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which a client is a party may adversely affect the performance of the applicable client account.
- *Liquidity:* A portion of the investments that are made by Palmer Square can be less liquid or lack liquidity. Certain of the Private Funds only allow investors to withdraw assets at specified times (such as but not limited to, annually, semi-annually or quarterly) and may have the right to suspend the payment of withdrawals under certain circumstances. In many

situations, Palmer Square may invest in illiquid investments (including, without limitation, side pocket investments and follow-up investments) which could result in significant loss in value should they be forced to sell the illiquid investments as a result of rapidly changing market conditions or as a result of margin calls or other factors. With respect to Managed Account Clients and Legacy Clients, the Firm may be unable to liquidate certain securities in the portfolio prior to the date of termination of the investment management agreement.

- *Monetary Policy and Governmental Intervention:* The U.S. Federal Reserve (the “Federal Reserve”) and global central banks, including the European Central Bank, have – in addition to other governmental actions to stabilize markets and seek to encourage economic growth – acted to hold interest rates to historic lows. It cannot be predicted with certainty when or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the investments of clients. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.
- *Mortgage-Backed and Asset-Backed Securities:* Mortgage-backed and asset-backed securities represent interests in “pools” of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage-backed securities are subject to “prepayment risk” (the risk that borrowers will repay a loan more quickly in periods of falling interest rates) and “extension risk” (the risk that borrowers will repay a loan more slowly in periods of rising interest rates). If a client invests in mortgage-backed or asset-backed securities that are subordinated to other interests in the same pool, it may only receive payments after the pool’s obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the assets held by a pool may limit substantially the pool’s ability to make payments of principal or interest to a client, reducing the values of those securities or in some cases rendering them worthless. The risk of such defaults is generally higher in the case of mortgage pools that include so-called “subprime” mortgages. A client’s investments in other asset-backed securities are subject to risks similar to those associated with mortgage-backed securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.
- *No Limitation on Investment Instruments:* While certain clients may focus on traditional credit, structured credit and alternative investments, generally speaking, there is no limitation on the investment instruments in which a Palmer Square may direct a client to may invest. New investment instruments are continually developing and investment in such instruments may involve material and as of yet unanticipated risks.
- *Non-U.S. Investments; Emerging Market Risk:* Palmer Square may invest all or a portion of its assets in non-U.S. securities and interests denominated in non-U.S. currencies and/or traded outside of the United States, including emerging market securities and interests. Such investments require consideration of certain risks not typically associated with investing in securities traded in the United States or other assets. Such risks include, among other things, unfavorable currency exchange rate developments, restrictions on repatriation of investment

income and capital, imposition of exchange control regulation, confiscatory taxation, and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

- *Options:* Palmer Square may utilize options in furtherance of their investment strategies. Option positions may include both long positions, where Palmer Square is the holder of put or call options, as well as short positions, where Palmer Square is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a higher level of risk compared with their underlying securities.
- *Pandemic Risks:* An outbreak of disease or similar public health threat, or fear of such an event could have a material adverse impact on the performance of client accounts. In addition, outbreaks of disease could result in increased government restrictions and regulation, including quarantines, which could adversely affect our operations. In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. To date, the COVID-19 pandemic has significantly and negatively impacted the global economy, disrupted global supply chains, and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the financial performance of client accounts, including Palmer Square's ability to execute a client account's investment strategy in the expected time frame, will depend on future developments, including the duration and spread of the pandemic and the impact of the pandemic on local, national, and global financial markets, all of which are uncertain and cannot be predicted. An extended period of global supply chain and economic disruption could materially affect the performance of client accounts, results of operations, access to sources of liquidity, and financial condition.
- *Prepayment Risk:* When the issuer of a fixed income security has the right to prepay principal, if it exercises that right earlier or at a higher rate than expected, an investor may incur losses from being unable to recoup the initial investment and/or from having to reinvest in lower-yielding securities. This can have an adverse effect on income, total return and/or price of the security. Prepayment risk tends to be highest in periods of declining interest rates. Asset-backed securities, including mortgage-backed and commercial mortgage-backed securities, are subject to greater prepayment risk than other types of fixed income securities.
- *Proprietary Investment Strategies:* Palmer Square generally uses investment strategies that are different than those typically employed by managers of traditional portfolios of stocks and bonds and may involve significantly more risk and higher transaction costs than more traditional investment methods. Additionally, it is possible that the performance or the specific investments of Palmer Square may be closely correlated to each other in some market conditions, resulting (if those returns are negative) in significant losses.

- *Risks of Investing in Underlying Funds:* Underlying funds to which Palmer Square may allocate capital are organized as independent legal entities and may be subject to lawsuits or proceedings by government entities or private parties. Additionally, underlying funds pursuing certain strategies may be more prone to lawsuits in connection with their investment activities than underlying funds pursuing strategies where the likelihood of engaging in hostile investment activities is lower. Expenses or liabilities of a client or an underlying fund arising from any such suit would be borne by the client or the underlying fund.
- *Risk of Loss:* Investments associated with the investment advisory services provided by Palmer Square may be speculative and involve significant risk. The profitability of an investment depends upon a correct assessment of the future price movements of the securities, commodities and other financial instruments and the movement of interest rates. These price movements may be volatile and are subject to numerous factors which are neither within the control of nor predictable by Palmer Square. There can be no assurance that Palmer Square will be successful in accurately predicting price and interest rate movements. Accordingly, investors may incur substantial losses on their investments, and it is possible that performance will fluctuate substantially from period to period.
- *Short Sales:* Palmer Square may sell securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. Palmer Square may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if Palmer Square is otherwise unable to borrow securities which are necessary to cover the position.
- *Systems Risk and Cybersecurity:* Investment advisers, including Palmer Square, rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring its portfolio and net capital and generating risk management and other reports that are critical to oversight of a client's activities. Certain of the clients' and the Palmer Square's operations will be dependent upon systems operated by third parties, including prime broker(s), custodians, administrators, market counterparties and their sub-custodians and other service providers. The clients' service providers may also depend on information technology systems that may or may not be controlled by them and, notwithstanding the diligence that the client may perform on its service providers, the client may not be in a position to verify the risks or reliability of such information technology systems.

Clients, the enterprise of Palmer Square, their affiliates and their service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result

in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to clients or limited partners, without limitation, by interfering with the processing of transactions, affecting a client's ability to conduct valuations or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose clients or Palmer Square (which in turn may be indemnified by clients) to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for portfolio investments, which could affect their business and financial performance, resulting in material adverse consequences for such issuers and causing a client's investment in such portfolio investments to lose value.

- *Valuation Risk:* The sales price a client could receive for any particular portfolio investment may differ from the client's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued by Palmer Square or the client using a fair value methodology. All or a substantial portion of the Private Credit Fund's assets are valued in accordance with a proprietary model developed by Palmer Square, which may not comply with U.S. Generally Accepted Accounting Principles. Palmer Square has a conflict of interest as its management fee and performance-based compensation will be based on such valuations.
- *Selection and Monitoring of Sub-advisers and Other Third-Party Managers:* There is a risk that we will not identify in our selection process: an appropriate manager for the asset class; existing weaknesses in a manager's compliance or operational infrastructure; or existing material regulatory, financial or other operational issues. There is a risk that a manager will not meet our expectations from an investment performance perspective over time; will develop significant weaknesses in their compliance or operational infrastructure that could lead to a material adverse event; or will develop material regulatory, financial or other operational issues.

When Palmer Square engages a manager, we are highly dependent upon their investment expertise and abilities as they have day-to-day investment discretion over the underlying portfolio assets. Therefore, there is a risk that an event having a negative impact on a manager (such as a significant change in personnel, corporate structure or resources) may adversely impact a client's investment results.

Palmer Square conducts due diligence in selecting, monitoring, and overseeing its managers. However, due diligence is not foolproof and may not uncover problems associated with a particular manager. For example, one or more of the managers may engage in improper

conduct (including unauthorized changes in investment strategy) that may be harmful and may result in losses. We may rely upon representations made by managers, accountants, attorneys, and/or other service providers. If any of these representations are misleading, incomplete or false, this may result in the selection of a manager that might otherwise have been eliminated from consideration if fully accurate and complete information had been made available to us. Even if our due diligence efforts are effective at ensuring that we have a thorough understanding of a particular manager, our judgment about whether a particular manager is able to perform in a manner that meets our expectations over the long-term may be incorrect.

Although managers are generally subject to investment policies, strategies, and guidelines, there can be no assurance that the manager will comply with these policies, strategies, and guidelines. Failure to comply with the policies, strategies, and guidelines could result in an unintended deviation in the investment strategy and could result in losses.

- *Compensation Arrangements with the Managers:* Managers to which Palmer Square may allocate capital may be entitled to receive performance-based compensation based on the performance of such manager's portfolios. Such compensation arrangements may create an incentive for the managers to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation may be calculated on a basis which includes unrealized appreciation, such performance-based compensation may be greater than if such compensation were based solely on realized gains.
- *Possibility of Fraud and Other Misconduct:* When Palmer Square allocates capital to an underlying fund managed by a third party, Palmer Square does not have custody of the underlying fund's assets. Therefore, there is the risk that the underlying fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. Moreover, there can be no assurances that all underlying funds will be operated in accordance with all applicable laws and that assets entrusted to underlying funds will be protected.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in Palmer Square's advisory services. Investors should read the applicable offering materials, prospectus, or similar account opening documents for such client, if any, in addition to consulting with their own financial and tax advisers.

Item 9 – Disciplinary Information

Not applicable.

On September 21, 2020, the Securities and Exchange Commission issued an order instituting administrative and cease-and-desist proceedings, making certain findings and imposing certain sanctions. The settled order provides that Palmer Square violated certain provisions of the Advisers Act and the 1940 Act in connection with certain cross trading activity. Without admitting or denying the findings of the settled order, Palmer Square consented to the entry of the order, was ordered to cease and desist from violating certain provisions of the Advisers Act and the 1940 Act, was censured and agreed to pay a civil monetary penalty of \$450,000.

Item 10 – Other Financial Industry Activities and Affiliations

As noted, Palmer Square Private Credit is a subsidiary of Palmer Square Capital Management and an entity within the Palmer Square enterprise. Palmer Square or its affiliates serve as the general partner, managing member or investment manager (or in a similar capacity) for the Private Funds. Certain of our offshore Private Funds are managed by a board of directors, which includes a principal of Palmer Square.

Certain employees of Palmer Square serve as officers for one Registered Fund.

Palmer Square and/or a Palmer Square Fund may enter into a distribution relationship with a selling agent, such as a broker-dealer, for the solicitation of investment advisory clients and/or qualified investors for a Palmer Square Fund. The distributions agreements generally require either Palmer Square or the Palmer Square Fund to pay a portion of the fees earned by Palmer Square to the distributor. The distributor may charge a separate asset-based distribution fee (i.e., sales load).

Certain employees of Palmer Square are registered representatives with Foreside Fund Services, LLC (“Foreside”). As registered representatives, the employees are authorized to sell the Registered Funds and certain Private Funds. Palmer Square is not affiliated with Foreside.

Principals, employees and affiliates of Palmer Square may hold significant investments in Palmer Square Funds from time to time.

Palmer Square maintains certain exemptions from registration with the U.S. Commodity Futures Trading Commission as a commodity pool operator with respect to certain of the Palmer Square Funds that trade or are deemed to trade in commodity interests.

Palmer Square BDC Advisor LLC, is a related adviser of Palmer Square. Palmer Square BDC Advisor LLC is majority owned and controlled by Palmer Square. Palmer Square BDC Advisor LLC serves as investment adviser to a business development company (“Palmer Square BDC”) which primarily lends to and invests in privately-held companies. Certain employees of Palmer Square serve on the board of directors as interested directors and executive officers for the Palmer Square BDC. Palmer Square has entered into a resource sharing agreement with Palmer Square BDC Advisor LLC, pursuant to which Palmer Square provides Palmer Square BDC Advisor LLC with access to the resources of Palmer Square, including the investment and operations teams. Palmer Square maintains policies and procedures designed to manage and monitor the conflicts of interest presented to Palmer Square and its clients in connection with the provision of services to Palmer Square BDC Advisor LLC.

Palmer Square Europe Capital Management LLC (“Palmer Square Europe”), is a related adviser of Palmer Square. Palmer Square Europe, through its management series, is majority owned and controlled by Palmer Square. Palmer Square Europe serves as investment adviser to CLOs and CLO Warehouses which primarily invest in loans. Palmer Square has entered into a shared services agreement with Palmer Square Europe, pursuant to which Palmer Square provides Palmer Square Europe with access to the resources of Palmer Square, including the investment and operations teams. Palmer Square maintains policies and procedures designed to manage and monitor the conflicts of interest presented to Palmer Square and its clients in connection with the provision of

services to Palmer Square Europe.

Certain personnel of Palmer Square provide operational and administrative services to non-advisory business ventures associated with the principals of Palmer Square pursuant to a resource sharing agreement.

Palmer Square and its principals and employees will devote as much of their time to the activities of a particular client as they deem necessary and appropriate. Palmer Square and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities. These activities could be viewed as creating a conflict of interest in that the time and effort of Palmer Square and its principals and employees will not be devoted exclusively to the business of a particular client but will be allocated between the clients.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Palmer Square Private Credit as part of the Palmer Square enterprise, has adopted a code of ethics (“Code of Ethics”) that sets forth the standards of conduct expected of its supervised persons, certain personnel as defined under the Code of Ethics, and requires compliance with applicable securities laws and which is applicable to Palmer Square Private Credit and its supervised persons. In accordance with Rule 204A-1 under the Advisers Act, the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information or the appearance of unlawful personal trading and other business activities by Palmer Square or any of its supervised persons. The Code of Ethics also requires that certain of Palmer Square’s supervised persons (“access persons”) report their personal securities holdings and transactions and obtain pre-clearance of personal trades involving Restricted Securities, Initial Public Offerings or Limited Offerings, as defined under the Code of Ethics. Palmer Square personnel that are registered with Foreside, and their immediate family members, are prohibited from participation in Initial Public Offerings.

Our Code of Ethics and compliance manual also include provisions related to the confidentiality of client information, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Our goal is to protect our clients’ interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. All our employees are expected to adhere strictly to these guidelines and must acknowledge that they received, read, understand and are in compliance with the Code of Ethics on an annual basis.

If an access person is aware that Palmer Square Private Credit is purchasing/selling or considering for purchase/sale any security on behalf of a client, the access person is not permitted to effect a transaction in that security for his or her own account, directly or indirectly, until the transaction is completed for all clients or until a decision has been made not to purchase/sell such security on behalf of clients. This does not include transactions for accounts that are executed as part of a block trade within a managed strategy or for accounts over which the access person has no direct or indirect influence or control. These requirements are also not applicable to: (i) direct obligations of the government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; (iv) shares issued by other mutual funds other than Palmer Square Registered Funds; and (v) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds, none of which are Palmer Square Registered Funds.

Supervised persons are prohibited from trading, either personally or on behalf of others, while in the possession of material, nonpublic information, nor are any personnel of Palmer Square permitted to communicate material, nonpublic information to others in violation of the law. Furthermore, all access persons are required to submit information to the Chief Compliance Officer detailing all outside business activities. The Chief Compliance Officer will review and approve these activities on a case by case basis.

Our clients or prospective clients can request a copy of our Code of Ethics by contacting us at (816) 994-3200 or compliance@palmersquarecap.com.

Participation or Interest in Client Transactions

A conflict of interest exists to the extent Palmer Square and/or its related persons invest in the same securities that are recommended to clients. In order to address this conflict of interest, Palmer Square has implemented certain policies and procedures in its Code of Ethics, as further described above.

As described above, Palmer Square serves as the manager to a variety of investment products. Persons associated with our Firm may have significant investments in these products.

Palmer Square advises, and may organize or advise in the future, investment products that invest in similar or different investments. The management of these clients may conflict in some circumstances. This conflict of interest is also present where Palmer Square investment personnel provide services to Palmer Square BDC Advisor LLC and Palmer Square Europe, to the extent that clients of Palmer Square BDC Advisor LLC and Palmer Square Europe have investment strategies that are similar to clients of Palmer Square. For example, we may determine that an investment opportunity in a client is appropriate for a particular client, but not for another. We may have different types of clients, including Private Funds and managed accounts, and our clients may be subject to different regulations. Clients may have different investment strategies, objectives and restrictions and may be subject to different terms. These terms include, but are not limited to, the following: investor lock-up periods, management and performance fees, liquidity terms, rights to receive information regarding the portfolio and such other rights as may be negotiated by investors or other accounts. As a result, we may have an incentive to favor one account over another when making investment decisions.

There may be instances when allocating investments among clients in which some clients may participate in certain opportunities while other clients may not. Where accounts have competing interests in a limited investment opportunity, we may not allocate investment opportunities pro rata among clients but rather allocate investment opportunities on the basis of numerous other considerations, including, without limitation, a client's cash flows, investment objectives and restrictions, participation in other opportunities, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

Taking into consideration the conflicts of interest disclosed above, it is important to note that it is our policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each client on a fair and equitable basis relative to our other clients. In addition, periodically, where permitted by applicable law, Palmer Square may effectuate cross trades between or among client accounts. Please see Items 6 and 12 for more information on Palmer Square's trade allocation practices and policies and cross trade practices.

Palmer Square provides a variety of services for, and advice to, various clients, including issuers of securities that Palmer Square may recommend for purchase or sale by clients. In the course of providing these services, Palmer Square may come into possession of material, nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Palmer Square may be prohibited from improperly disclosing or using such

information for their personal benefit or for the benefit of any other person, including Palmer Square's clients.

Palmer Square may enter into non-disclosure agreements or come into possession of information that restricts our ability to trade securities that are held by clients of different strategies. These restrictions may have an adverse impact on one group of clients while benefiting another group. In certain situations, Palmer Square will purchase different classes of securities of the same company (e.g. senior debt, subordinated debt, and or equity) in different investment strategies which can give rise to conflicts. For example, in a distressed restructuring of a company's capital structure, Palmer Square may advocate for the benefit of one class of security which may be adverse to another security that is held by clients of a different strategy. Palmer Square seeks to mitigate the impact of these conflicts on a case by case basis.

Palmer Square causes certain clients to invest in other pooled investment vehicles or accounts which are advised or managed by Palmer Square or an affiliate, including, without limitation, investments in the equity and/or debt securities of CLOs, CDOs, Warehouses and Private Funds that are advised, sponsored and/or otherwise affiliated with Palmer Square or its affiliates. Generally, Palmer Square will waive or rebate clients, as applicable, so such clients will not pay additional fees with respect to an investment in such vehicles or accounts (although such fees or allocations may be paid or allocated, as applicable, at the client level or at the affiliated pooled investment vehicle or account level). However, the client will pay its pro rata share of the expenses of any affiliated pooled investment vehicles or accounts in which the client invests. Notwithstanding the foregoing, certain clients may be subject to fees payable to Palmer Square for investments in other Palmer Square products. Please consult the governing documents or other relevant offering materials for more information.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

When selecting broker-dealers and negotiating commission rates, Palmer Square seeks to obtain best execution, taking into account all relevant factors, including:

- Price;
- Likelihood of execution;
- Likelihood of execution within a desired time frame;
- Market conditions;
- Ability of a counterparty to execute a desired security in desired volume;
- Ability of a counterparty to act on a confidential basis;
- Ability of a counterparty to act with minimum market effect;
- Creditworthiness of a counterparty in relation to risk created by the transaction;
- Willingness and ability of a counterparty to make a market in particular securities;
- Operational coordination by a counterparty with Palmer Square and custodians of the Palmer Square's clients, including ability to communicate, to settle trades reliably and to quickly and effectively resolve differences;
- Counterparty's reputation for ethical and trustworthy behavior;
- Client preferences/guidance for permissible counterparties;
- Use of automation by a counterparty;
- Willingness of a counterparty to commit capital to a particular transaction;
- The market knowledge of a counterparty; and
- Ability of a counterparty to execute difficult transactions in unique and/or complex securities.

Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Palmer Square does not select or recommend brokers or dealers based on whether the broker or dealer refers clients to Palmer Square.

Soft Dollar Practices

Palmer Square is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with investment and research information or to pay higher commissions to such brokerage firms if Palmer Square determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend

conferences or meetings with management or industry consultants. Palmer Square is not required to weigh any of these factors equally. To the extent Palmer Square receives research services, Palmer Square receives a benefit because it does not need to produce or otherwise pay for such research services. Additionally, research services obtained from a broker could benefit all clients, and not only those having brokerage transactions with such broker. Palmer Square's selection of brokers on the basis of considerations which are not limited to applicable commission rates may at times result in Palmer Square's clients being charged higher transaction costs than they could otherwise obtain.

Receipt by an investment adviser of products and services provided by brokers, without any cash payment by an investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment adviser's clients is commonly referred to as "soft dollars." Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment advisers with respect to potential liability for violating their duty to obtain best execution for a client's securities transactions in circumstances in which such advisers use soft dollars generated by their advised accounts only for purposes of obtaining investment research and brokerage services (i) that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision making responsibilities and (ii) where the commissions paid are reasonable in relation to the value of the services provided.

Palmer Square does not currently have any formal soft dollar arrangements. Palmer Square is not required to allocate either a stated dollar or stated percentage of its brokerage business to any broker for any minimum time period, and will review such relationships from time to time.

Directed Brokerage

A managed account client or legacy client may direct Palmer Square in writing to use a particular broker-dealer to execute some or all transactions for the client ("Directed Brokerage"). In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Palmer Square will not seek best execution from other broker-dealers. As a result of the Directed Brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Where the client has Directed Brokerage that would result in additional operational difficulties, Palmer Square may determine to terminate the investment advisory relationship.

Cross Trades

From time to time, where permitted by applicable law, Palmer Square may determine that a sale of positions from one client to another is in the best interests of both clients. This may arise, for example, if one client is being wholly or partially liquidated to fund withdrawals, while another client has cash available for investment. Palmer Square and its affiliates will not receive commissions or otherwise profit from such cross trades, and Palmer Square's compliance officer or designee will be required to approve all cross trades in advance and in accordance with applicable law.

In the context of a Private Fund, Palmer Square may appoint an independent representative of the

Private Fund or one or more investors to an investor committee to consent on behalf of the Private Fund to a rebalancing transaction or other transactions in which participating accounts may have divergent interests. Any consent given by the independent representative or investor committee on behalf of a Private Fund would be binding upon all investors in such Private Fund. The Private Fund may agree to reimburse any such representatives or investor committee members for their reasonable out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

Allocation of Orders and Aggregation

It is Palmer Square's policy to allocate, to the extent operationally and otherwise practicable, investment opportunities to each client in a fair and equitable manner. To the extent the portfolio managers deem a particular investment suitable for more than one of Palmer Square's clients, such investment will be allocated or apportioned by Palmer Square between (or among) applicable clients to the extent the Firm determines it is practicable and advisable to do so. Palmer Square recognizes that it may not always be possible (or consistent with the investment objectives of a client) for the same investment positions to be taken or liquidated at the same time or at the same price as other of the Firm's clients.

Palmer Square allocates investment opportunities among its discretionary clients, where appropriate, on a basis that Palmer Square deems fair and equitable to each client, generally pro rata referencing an appropriate metric or based on a pre-determined allocation methodology. However, Palmer Square is not required to allocate on a pro rata basis if, in its discretion, Palmer Square determines another manner would be fair and equitable on an overall basis to all applicable clients under the circumstances, taking into account relevant characteristics of each applicable client (in each case, both at the time of investment and on a prospective basis). Such characteristics include, among other factors, cash position, lot size, amount of available capital, investment strategy, risk profile, liquidity, current portfolio holdings, overall portfolio composition, trading activity and tax and legal considerations, in each case relative to each applicable client both at the time of the investment and on a prospective basis.

Special Allocation Considerations

- As noted above, allocations may not be made pro rata due to investor subscription and redemptions or for other reasons.
- Simultaneous identical portfolio transactions for Palmer Square's clients may decrease the prices received, or increase the prices required to be paid, by each client for its portfolio sales and purchases.
- Palmer Square may be limited in its ability (or may be unable) to allocate certain investments, particularly with respect to over-the-counter instruments or private or unregistered securities, due to a variety of factors, including legal, regulatory, tax, trading or other contractual restrictions or counterparty-imposed or market-driven trading limitations (e.g. lot sizes), as may be applicable to one or more clients.

- Palmer Square may be restricted in its ability to allocate transactions involving simultaneous or related investments in the same portfolio company in the context of investment transactions involving the Palmer Square BDC and other funds managed by Palmer Square or an affiliate thereof.
- If deemed appropriate by Palmer Square in any given circumstance, including for administrative convenience or efficiency, the allocation of a particular investment between (or among) clients may be rounded. Non-pro rata allocations or deviations from pre-determined allocations are permitted in the interest of placing round lots in client accounts.
- Allocations may be unable to be made, in whole or in part, to certain clients in light of legal restrictions or other limitations on the investment mandate applicable to the client's outstanding investment interests, such as, for example, securities laws restrictions (e.g., inability to participate in Rule 144A transactions), requirements in respect of "socially responsible" investment funds, entities, vehicles, share classes or other investment interests or managed funds or contractual restrictions in respect of managed accounts.
- Trades will be allocated on a fair and equitable basis among clients without preference based on client performance or fee structure.

Palmer Square may be limited in its ability (or may be unable) to allocate certain investments, particularly with respect to private, unregistered or over-the-counter securities and financial instruments, due to a variety of factors, including limited investment opportunity, legal, regulatory, tax, trading, or counterparty-imposed or market-driven restrictions. As a result, a client may not participate in any particular investment opportunity on an equal, on a pro rata basis with other clients or at all. Moreover, there may be circumstances where an investment opportunity is allocated to certain clients first in satisfaction of applicable risk retention requirements or other legal or regulatory conditions. Moreover, non-discretionary clients may execute on an investment recommendation of Palmer Square, if at all, on a different timetable, at different prices, and with different restrictions from Palmer Square's discretionary clients.

Palmer Square may seek to contemporaneously purchase or sell the same investment for multiple clients. In those circumstances, the Firm may aggregate client trade orders for execution purposes where it believes aggregation is practical and in the best interest of all applicable clients. The aggregation of client trade orders does not ordinarily adversely affect commissions charged and execution prices, and in many cases results in reduced cost and more efficient and favorable execution. Although the aggregation of trade orders is expected to benefit Palmer Square's clients overall, aggregation may, in any circumstance, disadvantage a particular client. There may be circumstances where the Firm determines not to aggregate client trade orders which otherwise could have been aggregated or where aggregation is not feasible. All clients participating in a block trade generally will receive the average price and pay a proportional share of any commission and other transactions costs, subject to minimum ticket charges.

Palmer Square maintains policies and procedures covering its brokerage practices designed to ensure each client is treated in a fair and equitable manner, including to account for the services

provided by Palmer Square personnel to Palmer Square BDC Advisor LLC and Palmer Square Europe.

Item 13 – Review of Accounts

Periodic Account Review

Palmer Square Private Credit, as an entity part of the Palmer Square enterprise, monitors the portfolios of its clients regularly as part of an ongoing process. Investment reviews and decision-making are performed by Palmer Square's investment staff, including portfolio managers. Underlying funds held by a client are systematically monitored and reviewed by investment personnel of Palmer Square on a regular basis or more frequently as deemed necessary by the investment staff.

Unless otherwise agreed, clients are provided with transaction confirmation notices and monthly account statements directly from either the third party custodian or administrator, depending on the type of client account. Each investor in the Private Credit Fund is also provided with audited financial statements on an annual basis. Palmer Square may provide additional information by special agreement with investors.

Prospective investors in any one or more of the various funds should refer to the appropriate offering and organizational documents for more information on the reports provided to clients.

Item 14 – Client Referrals and Other Compensation

In the future we may enter into referral arrangements whereby we pay solicitors/introducers a referral fee in accordance with the requirements of applicable law. Any such referral fee shall be paid solely from the fees earned by Palmer Square Private Credit and shall not result in any additional charge to the client. The payment of referral fees creates an incentive for a solicitor to recommend Palmer Square Private Credit over another adviser that does not pay referral fees.

As discussed above in Item 10, Palmer Square, at its own expense, pays Foreside, a registered broker-dealer, a fee for certain distribution related services for the Registered Funds and certain Private Funds. Certain Palmer Square personnel serve as registered representatives of Foreside to facilitate the distribution of such Registered Funds and such Private Funds.

Item 15 – Custody

With respect to the Private Credit Fund, Palmer Square Private Credit is deemed to have custody by virtue of its status as the general partner, managing member or investment manager or a related party of the general partner/managing member/investment manager. Except with respect to certain uncertificated securities, Palmer Square Private Credit maintains the assets of the Private Credit Funds in accounts with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act and provides investors the qualified custodian’s name, address and the manner in which the assets are maintained promptly when the account is opened and following any changes to this information. To ensure compliance with Rule 206(4)-2, Palmer Square Private Credit has taken reasonable steps to ensure that all investors in the Private Credit Fund, for which it is deemed to have custody, are provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Private Credit Fund’s fiscal year. Investors should carefully review the audited financial statements of the Private Credit Fund upon receipt.

Item 16 – Investment Discretion

Palmer Square Private Credit has full discretionary authority for the Private Credit Fund. Such discretion is to be exercised in a manner consistent with the stated investment objectives in the governing documents. Further, details about the investment objectives, guidelines, and restrictions, are outlined in the offering materials and governing documents. When selecting investments and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise.

Item 17 – Voting Client Securities

As an entity within the Palmer Square enterprise, references to ‘Palmer Square’ herein include Palmer Square Private Credit. Where Palmer Square accepts responsibility to vote proxies, or in the case of an employee benefit plan, as defined by ERISA, where such responsibility has been properly delegated to, and assumed by, Palmer Square, the Adviser will only cast proxy votes in a manner consistent with the best interest of its clients or, to the extent applicable, their beneficiaries. In the event that Palmer Square is accorded the right to vote proxies for a client, Palmer Square will delegate the responsibility to review proxy proposals and make voting recommendations to Palmer Square to a non-affiliated third party vendor. Proxies will be voted consistent with the Proxy Voting Policies and Procedures summarized below in this Item 17.

Palmer Square will vote proxies for the Palmer Square Funds (inclusive of the Private Credit Fund) in accordance with the Proxy Voting Policies and Procedures summarized below in this Item 17.

Certain of the Private Funds are funds of funds that invest in underlying portfolio funds but do not invest directly in securities of operating companies. As a result, the most common scenario for these Private Funds would be that Palmer Square is requested to vote a proxy where it relates to a limited partnership interest, limited liability membership interest, share or similar equity interest in a portfolio fund in which one of the Palmer Square Private Funds invests. For the Private Funds structured as funds of funds, the underlying managers of the various funds do not typically convey traditional voting rights to the holders and the occurrence of corporate governance or other notices for this type of investment is substantially less than that encountered in connection with registered equity securities. If we are accorded voting or consent rights by virtue of any investment, we will be guided by general fiduciary principles and such voting or consent rights will be exercised by us in a manner believed to be in the best interests of clients and consistent with efforts to achieve a client’s stated objective, including maximizing portfolio value.

Plans managed by Palmer Square governed by ERISA shall be administered consistent with the terms of the governing plan documents and applicable provisions of ERISA. In cases where the Firm has been delegated sole proxy voting discretion, these policies and procedures will be followed subject to the fiduciary responsibility standards of ERISA.

We are subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. For example, we may provide services to accounts owned or controlled by companies whose management is soliciting proxies. Palmer Square, along with any affiliates and/or associates, has business or personal relationships with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships. If it is determined that a conflict or potential conflict exists between our interests and those of our clients, we may vote proxies notwithstanding the existence of the conflict. If it is determined that a conflict of interest or potential conflict of interest is material, our Chief Compliance Officer, or appropriate designee, will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict.

Absent special circumstances, which are fully described in our Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in our

Proxy Voting Policies and Procedures, as they may be amended from time-to-time. A summary of our Proxy Voting Policies and Procedures is as follows:

- Upon opening an account with Palmer Square, clients are given the option to delegate proxy-voting discretion to Palmer Square by completing the appropriate documents. Palmer Square will only exercise proxy-voting discretion over client shares in the instances where clients give Palmer Square discretionary authority to vote on their behalf.
- It is Palmer Square's policy to vote client shares primarily in conformity with Glass Lewis & Co. recommendations, in order to limit conflict of interest issues between Palmer Square and its clients. Glass Lewis & Co. and Palmer Square retain a record of all recommendations.
- Palmer Square conducts a review at least annually of Glass Lewis & Co to assess the firm's capacity and competency to serve as a proxy advisor.
- Glass Lewis & Co. is a neutral third party that issues recommendations based upon its own internal guidelines.
- Palmer Square may vote client shares inconsistent with Glass Lewis & Co. recommendations if Palmer Square believes it is in the best interest of its clients. In such a case, Palmer Square will have on file a written disclosure detailing why they believe Glass Lewis & Co.'s recommendation was not in the client's best interest.
- In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Palmer Square maintains with persons having an interest in the outcome of certain votes, Palmer Square will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients.
- Palmer Square votes client shares via ProxyEdge, an electronic voting platform provided by Broadridge Financial Solutions, Inc. Additionally, ProxyEdge retains a record of proxy votes for each client.
- Annually, Palmer Square will file Form N-PX with the SEC, which will contain each Registered Fund's complete proxy voting record.
- Palmer Square's Compliance Department will periodically review all proxy votes to ensure consistency with its procedures.
- Palmer Square conducts a periodic review of Glass Lewis & Co. to assess the firm's capacity and competency to serve as a proxy advisor.
- Upon request, clients can receive a copy of Palmer Square's proxy voting procedures and Glass Lewis & Co.'s proxy voting guidelines.

If you have any questions or would like a copy of Palmer Square's proxy voting procedures, Glass Lewis & Co.'s proxy voting guidelines and/or a record of how your shares were voted, please contact Palmer Square's Chief Compliance Officer at (816) 994-3200.

Item 18 – Financial Information

As of the date of this Brochure, the Firm has nothing to report.