



PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

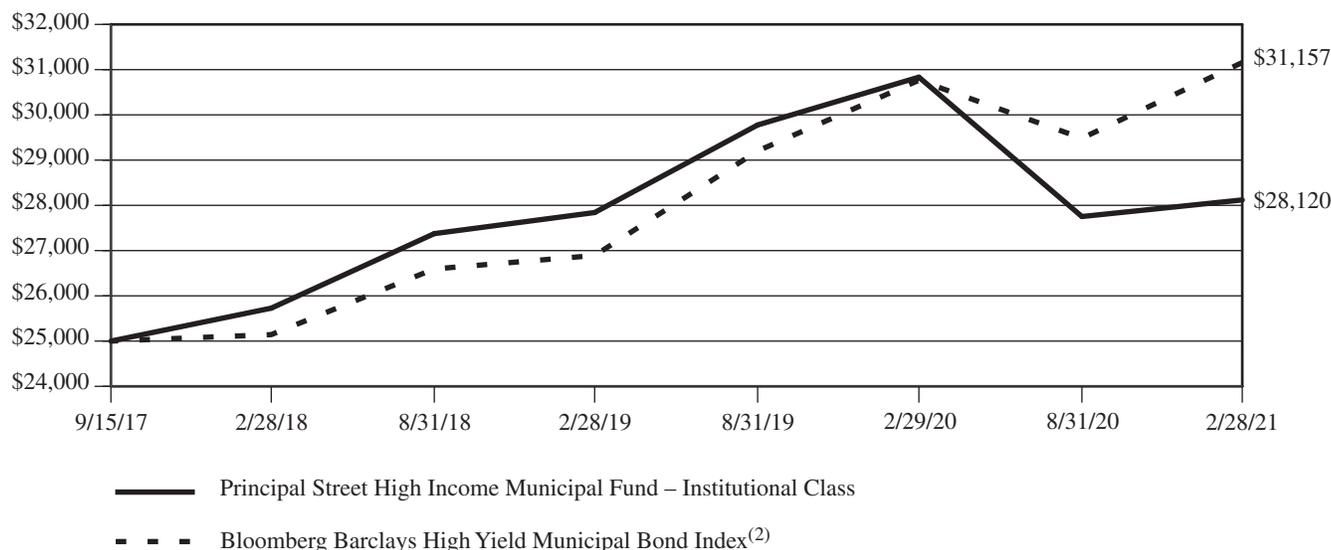
INSTITUTIONAL CLASS SHARES — GSTAX
INVESTOR CLASS SHARES — GSTEX

SEMI-ANNUAL REPORT

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PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

Value of \$25,000 Investment (UNAUDITED)



The chart assumes an initial investment of \$25,000. Performance reflects waivers of fee and operating expenses in effect. In the absence of such waivers, total return would be reduced. Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 1-877-914-7343. Performance assumes the reinvestment of capital gains and income distributions. The performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

ANNUALIZED RATES OF RETURN AS OF FEBRUARY 28, 2021

	<u>1-Year</u>	<u>3-Year</u>	<u>Since Inception⁽¹⁾</u>
Institutional Class	-8.80%	3.01%	3.46%
Investor Class	-8.76%	2.68%	3.11%
Bloomberg Barclays High Yield Municipal Bond Index⁽²⁾	1.27%	7.41%	6.58%

(1) Period since the Fund's inception. The Institutional Class and Investor Class commenced operations on September 15, 2017 and March 23, 2020, respectively. Performance for the Investor Class prior to the inception of the Investor Class is based on the performance of the Institutional Class, adjusted for the higher expenses applicable to the Investor Class.

(2) The Bloomberg Barclays High Yield Municipal Bond Index covers the high yield portion of the USD-denominated long-term tax-exempt bond market. The Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. One cannot invest directly in an Index.

The following is expense information for the Principal Street High Income Municipal Fund as disclosed in the Fund's most recent prospectus dated December 28, 2020:

Institutional Class Gross Expenses: 0.80%; Net Expenses: 0.74%.
 Investor Class Gross Expenses: 1.32%; Net Expenses: 1.23%.

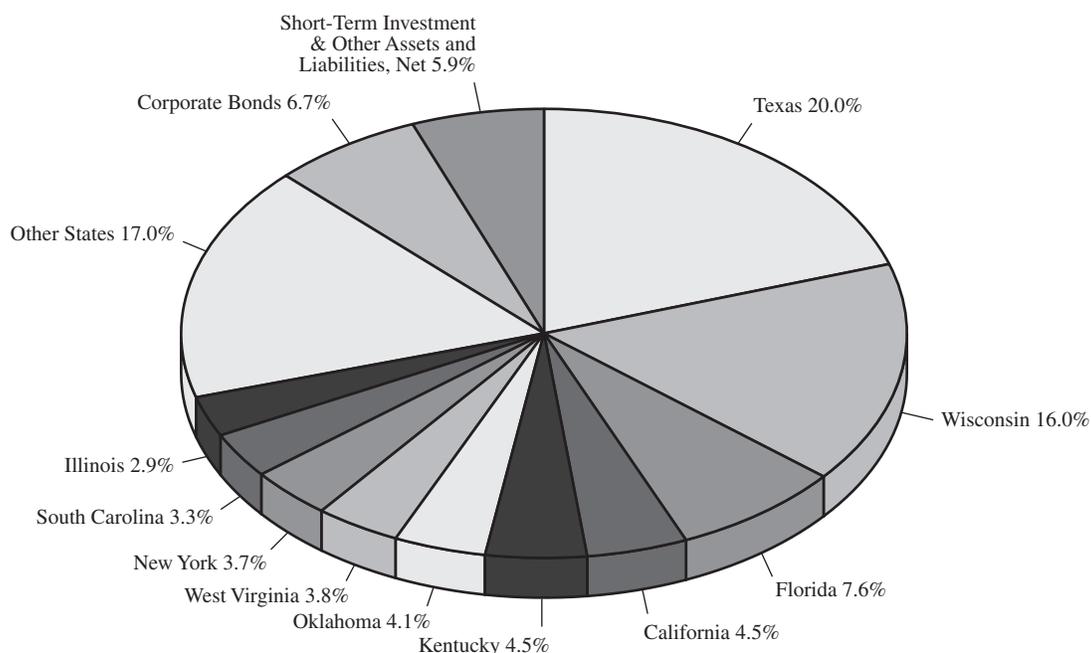
Principal Street Partners, LLC (the "Adviser") has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses, in order to ensure that Total Annual Fund Operating Expenses (excluding certain expenses such as Rule 12b-1 fees, taxes, leverage/borrowing interest, interest expense, dividends paid on short sales, brokerage commissions and other transactional expenses, acquired fund fees and

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expenses, or extraordinary expenses) do not exceed 0.73% of the Fund's average daily net assets. Fees waived and expenses paid by the Adviser may be recouped by the Adviser for a period of 36 months following the month during which such fee waiver and/or expense payment was made, if such recoupment can be achieved without exceeding the expense limit in effect at the time the fee waiver and/or expense payment occurred and the expense limit in place at the time of recoupment. The Operating Expense Limitation Agreement is indefinite but cannot be terminated through at least December 29, 2021. Thereafter, the agreement may be terminated at any time upon 60 days' written notice by the Trust's Board of Trustees (the "Board") or the Adviser.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

ALLOCATION OF PORTFOLIO⁽¹⁾ (UNAUDITED) AS OF FEBRUARY 28, 2021 (% OF NET ASSETS)



TOP TEN HOLDINGS⁽¹⁾ (UNAUDITED) AS OF FEBRUARY 28, 2021 (% OF NET ASSETS)

Wisconsin Public Finance Authority, Series A-1, 7.375%, 1/1/2050	5.7%
Angelina & Neches River Authority, 7.500%, 12/1/2045	4.6%
Falmouth City Solid Waste Disposal Facilities Revenue, 8.500%, 6/1/2040	4.5%
Wisconsin Public Finance Authority, Series A, 7.050%, 9/1/2046	4.5%
Port Beaumont Navigation District, 8.000%, 2/1/2039	4.0%
Atoka Industrial Development Authority, 8.000%, 8/1/2039	3.7%
Hilltop Lodge Cooperative Corp., 12.000%, 8/1/2022	3.6%
West Virginia Economic Development Authority, 7.625%, 12/1/2040	3.3%
Hilltop Lodge Cooperative Corp., 12.000%, 8/1/2021	3.1%
Wisconsin Public Finance Authority, 5.750%, 5/1/2054	2.7%

(1) Fund holdings and allocations are subject to change at any time and are not recommendations to buy or sell any security.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

EXPENSE EXAMPLE (UNAUDITED) FEBRUARY 28, 2021

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares, and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees, interest expense, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (September 1, 2020 – February 28, 2021).

ACTUAL EXPENSES

For each class, the first line of the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

For each class, the second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table for each class is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs may have been higher.

	Beginning Account Value (9/01/2020)	Ending Account Value (2/28/2021)	Expenses Paid During Period⁽¹⁾ (9/01/2020 to 2/28/2021)
Institutional Actual ⁽²⁾	\$1,000.00	\$1,012.10	\$3.64
Institutional Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.17	\$3.66

⁽¹⁾ Expenses for the Institutional Class are equal to the annualized expense ratio for the most recent six-month period of 0.73%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

⁽²⁾ Based on the actual Institutional Class return for the six-month period ended February 28, 2021 of 1.21%.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

EXPENSE EXAMPLE (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

	Beginning Account Value (9/01/2020)	Ending Account Value (2/28/2021)	Expenses Paid During Period⁽³⁾ (9/01/2020 to 2/28/2021)
Investor Actual ⁽⁴⁾	\$1,000.00	\$1,008.60	\$6.13
Investor Hypothetical (5% return before expenses)	\$1,000.00	\$1,018.70	\$6.16

⁽³⁾ Expenses for the Institutional Class are equal to the annualized expense ratio for the most recent six-month period of 1.23%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

⁽⁴⁾ Based on the actual Investor Class return for the period from inception through February 28, 2021 of 0.86%.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4%		
Arizona — 2.2%		
Arizona Industrial Development Authority, Series A (Obligor: Legacy Cares, Inc.) 7.750%, 07/01/2050	\$ 1,600,000	\$ 1,726,432
Arizona Industrial Development Authority, Series C (Obligor: Legacy Cares, Inc.) 6.750%, 07/01/2030	2,000,000	2,108,700
La Paz County Industrial Development Authority (Obligor: Imperial Valley Gateway Center) 7.000%, 12/01/2040	1,535,000	825,845
		<u>4,660,977</u>
California — 4.5%		
California Pollution Control Financing Authority (Obligor: CalPlant I) (a) 7.000%, 07/01/2022 (b) 7.500%, 07/01/2032 8.000%, 07/01/2039 (b) 7.500%, 12/01/2039 (b)	1,000,000 6,425,000 3,845,000 2,500,000	650,000 5,858,508 2,499,250 762,500
		<u>9,770,258</u>
Colorado — 1.1%		
Sheridan Station West Metropolitan District 6.000%, 12/01/2047 (b)	1,200,000	1,257,924
South Maryland Creek Ranch Metropolitan District, Series A 5.625%, 12/01/2047	1,125,000	1,200,589
		<u>2,458,513</u>
Florida — 7.6%		
Capital Trust Agency (Obligor: Voans SW Florida Healthcare) (b) 10.000%, 04/30/2022	4,250,000	4,037,500
Capital Trust Agency, Series A (Obligor: Tuscan Gardens of Palm Coast Obligated Group) (b) 6.500%, 10/01/2032 6.750%, 10/01/2037 7.000%, 10/01/2040 7.000%, 10/01/2049 (Obligor: Tallahassee NHHI) (b) 7.000%, 12/01/2045 7.125%, 12/01/2050 (Obligor: Tapestry Senior Housing Walden) (b) 7.000%, 07/01/2052	1,090,000 1,290,000 1,525,000 1,700,000 150,000 2,000,000 2,500,000	570,680 673,832 796,279 886,907 60,000 800,000 875,000

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4% (Continued)		
Florida — 7.6% (Continued)		
Florida Development Finance Corp.		
(Obligor: River City Education Services)		
4.000%, 07/01/2045	\$ 565,000	\$ 600,668
4.000%, 07/01/2055	525,000	553,959
Highlands County Health Facilities Authority		
(Obligor: Trousdale Foundation Obligation Group) (b)		
6.250%, 04/01/2049	2,500,000	1,176,475
Lake County Florida, Series A1		
(Obligor: Village Veranda at Lady Lake Obligated Group)		
7.125%, 01/01/2052	2,700,000	2,408,211
Seminole County Industrial Development Authority, Series A		
(Obligor: CCRC Development)		
5.500%, 11/15/2049	3,150,000	3,052,571
		<u>16,492,082</u>
Illinois — 2.9%		
Illinois Finance Authority, Series B		
(Obligor: 2017 IAVF Windy City Obligated Group) (b)		
5.500%, 12/01/2052	1,330,000	13,300
(Obligor: Blue Island) (b)		
5.800%, 12/01/2053	1,220,000	52,460
(Obligor: Roosevelt University)		
6.125%, 04/01/2058	2,500,000	2,954,125
State of Illinois		
4.250%, 10/01/2045	3,000,000	3,249,750
		<u>6,269,635</u>
Indiana — 2.4%		
Indiana Finance Authority		
(Obligor: RES Polyflow Indiana) (a)		
7.000%, 03/01/2039	5,560,000	<u>5,118,536</u>
Kentucky — 4.5%		
City of Falmouth Solid Waste Disposal Facilities Revenue		
(Obligor: Texas Bluegrass Biofuels, LLC)		
8.500%, 06/01/2040	8,875,000	<u>9,744,306</u>
Michigan — 0.6%		
Michigan Finance Authority		
5.000%, 06/01/2049	1,000,000	<u>1,195,740</u>

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4% (Continued)		
Mississippi — 2.0%		
Tunica County 6.000%, 10/01/2040	\$ 4,150,000	<u>\$ 4,286,203</u>
New York — 3.7%		
Metropolitan Transportation Authority 5.250%, 11/15/2056	2,940,000	3,373,444
Port Authority of New York & New Jersey (a) 4.000%, 07/15/2051	3,000,000	3,364,680
Ulster County Capital Resource Corp. (Obligor: Woodland Pond) 5.250%, 09/15/2047	550,000	532,400
5.250%, 09/15/2053	695,000	664,747
		<u>7,935,271</u>
Ohio — 2.0%		
Lake County Port & Economic Development Authority, Series A (Obligor: Tapestry Wickliffe) (b) 6.500%, 12/01/2037	550,000	192,500
6.750%, 12/01/2052	4,100,000	1,435,000
Southern Ohio Port Authority, Series A (a) (Obligor: PureCycle Ohio) 7.000%, 12/01/2042	2,600,000	2,769,702
		<u>4,397,202</u>
Oklahoma — 4.1%		
Atoka Industrial Development Authority (Obligor: Gladieux Metals Recycling) (a) 8.000%, 08/01/2039	7,200,000	8,042,040
Atoka Industrial Development Authority, Series A (Obligor: Gladieux Metals Recycling) 8.000%, 08/01/2039	750,000	837,712
		<u>8,879,752</u>
Oregon — 1.1%		
Oregon State Business Development Commission, Series 248-A (Obligor: Red Rock Biofuels) (a) (b) 6.500%, 04/01/2031	6,050,000	1,663,750
Oregon State Business Development Commission, Series 248-D (Obligor: Red Rock Biofuels) (a) (b) 6.500%, 04/01/2031	2,500,000	687,500
		<u>2,351,250</u>

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4% (Continued)		
Pennsylvania — 1.9%		
Pennsylvania Economic Development Financing Authority, Series A (Obligor: Tapestry Moon) (b)		
6.500%, 12/01/2038	\$ 2,950,000	\$ 2,212,500
6.750%, 12/01/2053	2,650,000	1,987,500
		<u>4,200,000</u>
Puerto Rico — 2.0%		
Children’s Trust Fund		
0.000%, 05/15/2057 (c)	40,000,000	2,157,200
Puerto Rico Highway & Transportation Authority		
5.000%, 07/01/2030 (b)	1,000,000	357,500
5.000%, 07/01/2046 (b)	4,735,000	1,692,763
		<u>4,207,463</u>
South Carolina — 3.3%		
South Carolina Jobs-Economic Development Authority (Obligor: Repower S. Berkeley) (a) (b)		
6.000%, 02/01/2035	1,000,000	400,000
South Carolina Jobs-Economic Development Authority, Series A (Obligor: Jasper Pellets) (a) (b)		
7.000%, 11/01/2038	1,500,000	1,298,145
(Obligor: AAC East) (a)		
7.000%, 05/01/2039	3,500,000	3,274,075
(Obligor: CR River Park)		
7.750%, 10/01/2057	2,200,000	2,122,362
		<u>7,094,582</u>
Tennessee — 1.7%		
Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board, Series B-1 (Obligor: Trousdale Foundation Obligation Group) (b)		
7.500%, 04/01/2049	1,140,000	572,896
Shelby County Health Educational & Housing Facilities Board, Series A (Obligor: Luke Obligated Group)		
5.750%, 10/01/2059	3,000,000	2,999,790
		<u>3,572,686</u>
Texas — 20.0%		
Angelina & Neches River Authority		
7.500%, 12/01/2045	9,900,000	9,911,781

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4% (Continued)		
Texas — 20.0% (Continued)		
Brazoria County Industrial Development Corp. (Obligor: Gladioux Metals Recycling) (a) 9.000%, 03/01/2039	\$ 4,500,000	\$ 5,192,910
Brazoria County Industrial Development Corp., Series A (Obligor: Gladioux Metals Recycling) (a) 9.000%, 03/01/2039	3,500,000	4,038,930
Brazoria County Industrial Development Corp., Series B (Obligor: Gladioux Metals Recycling) (a) 7.000%, 03/01/2039 8.500%, 03/01/2039	2,750,000 700,000	2,937,055 686,140
Jefferson County Industrial Development Corp. (Obligor: TRP Crude Marketing) 7.750%, 04/01/2039	1,000,000	1,020,300
Kountze Economic Development Corp. (Obligor: Allegiant Industrial) 15.000%, 11/01/2027	3,550,000	3,553,195
Port Beaumont Navigation District (Obligor: Allegiant Industrial Park) (a) 8.000%, 02/01/2039	7,780,000	8,541,195
Tarrant County Cultural Education Facilities Finance Corp. (Obligor: Buckingham Senior Living Community) (b) 5.750%, 11/15/2037	2,275,000	1,029,437
Tarrant County Cultural Education Facilities Finance Corp., Series A (Obligor: MRC Senior Living Fort Worth) 6.750%, 11/15/2051	5,000,000	5,566,900
Tarrant County Cultural Education Facilities Finance Corp., Series B (Obligor: CC Young Memorial Home) (b) 6.375%, 02/15/2041	550,000	436,480
Woodloch Health Facilities Development Corp., Series A1 (Obligor: Senior Care Living VII) (b) 6.750%, 12/01/2051	375,000	254,213
		43,168,536
West Virginia — 3.8%		
West Virginia Economic Development Authority (Obligor: Entsorga West Virginia) (a) (b) 8.750%, 02/01/2036 (Obligor: Empire Trimodol Terminal) 7.625%, 12/01/2040	1,000,000 7,000,000	1,063,170 7,180,040
		8,243,210

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Par</u>	<u>Value</u>
MUNICIPAL BONDS — 87.4% (Continued)		
Wisconsin — 16.0%		
Wisconsin Health & Educational Facilities Authority, Series C (Obligor: Covenant Communities)		
7.000%, 07/01/2043	\$ 505,000	\$ 471,064
7.500%, 07/01/2053	1,000,000	962,350
Wisconsin Public Finance Authority (Obligor: Cedars Obligated Group)		
5.750%, 05/01/2054	5,850,000	5,872,172
Wisconsin Public Finance Authority, Series A (Obligor: Alabama Proton Therapy Center)		
6.850%, 10/01/2047	400,000	408,080
(Obligor: Austin FBO LLC) (a)		
7.050%, 09/01/2046	9,250,000	9,715,552
(Obligor: Explore Academy)		
6.125%, 02/01/2048	1,550,000	1,663,398
Wisconsin Public Finance Authority, Series A-1 (Obligor: Trinity Regional Hospital)		
7.375%, 01/01/2050	12,425,000	12,283,479
Wisconsin Public Finance Authority, Series B (Obligor: Million Air Two Obligated Group) (a) (b)		
7.125%, 06/01/2041	2,980,000	3,096,250
		<u>34,472,345</u>
Total Municipal Bonds (Cost \$207,528,153)		<u>188,518,547</u>
CORPORATE BONDS — 6.7%		
Hilltop Lodge Cooperative Corp.		
12.000%, 08/01/2021 (d)	6,600,000	6,604,125
12.000%, 08/01/2022 (d)	7,850,000	7,854,906
Total Corporate Bonds (Cost \$14,450,000)		<u>14,459,031</u>

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

SCHEDULE OF INVESTMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

<u>Description</u>	<u>Shares</u>	<u>Value</u>
SHORT-TERM INVESTMENT — 2.7%		
Dreyfus AMT-Free Tax Exempt Cash Management, Institutional Class, 0.01%^		
Total Short-Term Investment (Cost \$5,716,574)	5,717,146	\$ 5,716,574
Total Investments — 96.8% (Cost \$227,694,727)		208,694,152
Other Assets and Liabilities, Net — 3.2%		6,989,907
Total Net Assets — 100.0%		<u>\$215,684,059</u>

(a) Security subject to the Alternative Minimum Tax (“AMT”). As of February 28, 2021, the total value of securities subject to the AMT was \$71,659,888 or 33.2% of net assets.

(b) Security in default at February 28, 2021.

(c) Zero coupon bonds make no periodic interest payments, but are issued at deep discounts from par value.

(d) Security is considered illiquid and is categorized in Level 2 of the fair value hierarchy. These Level 2 illiquid securities have a total fair value of \$14,459,031, which represents 6.7% of total net assets. See Notes 2 and 3 in Notes to the Financial Statements.

^ The rate shown is the annualized seven day effective yield as of February 28, 2021.

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) FEBRUARY 28, 2021

ASSETS:

Investments, at value (Cost: \$227,694,727)	\$208,694,152
Interest receivable	5,539,344
Receivable for capital shares sold	2,433,039
Prepaid expenses & other assets	<u>26,386</u>
Total Assets	<u>\$216,692,921</u>

LIABILITIES:

Payable for capital shares redeemed	739,904
Payable to investment adviser	83,931
Payable for distributions to shareholders	74,913
Payable for fund administration & accounting fees	52,999
Payable for transfer agent fees & expenses	21,531
Payable for custody fees	4,319
Payable for compliance fees	3,030
Accrued distribution fees	1,992
Accrued expenses	<u>26,243</u>
Total Liabilities	<u>\$1,008,862</u>

NET ASSETS \$215,684,059

NET ASSETS CONSIST OF:

Paid-in capital	\$237,814,939
Total accumulated loss	<u>(22,130,880)</u>
Net Assets	<u><u>\$215,684,059</u></u>

Institutional Class:

Net Assets	\$214,091,830
Shares issued and outstanding ⁽¹⁾	23,891,952
Net asset value, redemption price, and offering price per share	\$ 8.96

Investor Class:

Net Assets	\$ 1,592,229
Shares issued and outstanding ⁽¹⁾	176,777
Net asset value, redemption price, and offering price per share	\$ 9.01

⁽¹⁾ Unlimited shares authorized without par value.

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

STATEMENT OF OPERATIONS (UNAUDITED) FOR THE SIX MONTHS ENDED FEBRUARY 28, 2021

INVESTMENT INCOME:

Interest income	\$ 6,858,048
Total investment income	<u>6,858,048</u>

EXPENSES:

Investment adviser fees (See Note 4)	560,697
Fund administration & accounting fees (See Note 4)	109,173
Transfer agent fees & expenses (See Note 4)	43,621
Federal & state registration fees	31,406
Audit fees	11,198
Custody fees (See Note 4)	11,094
Trustee fees	7,499
Compliance fees (See Note 4)	6,214
Legal fees	5,441
Postage & printing fees	3,586
Distribution and shareholder servicing fees	2,716
Other expenses	2,534
Insurance expense	1,838
Total expense before interest expense and waiver	<u>797,017</u>
Interest expense (See Note 9)	1,326
Total expenses before waiver	798,343
Less: waiver from investment adviser (See Note 4)	<u>(50,105)</u>
Net expenses	<u>748,238</u>

NET INVESTMENT INCOME	<u>6,109,810</u>
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REALIZED AND UNREALIZED LOSS ON INVESTMENTS

Net realized loss on investments	(862,274)
Net change in unrealized appreciation/depreciation on investments	<u>(3,135,494)</u>
Net realized and unrealized loss on investments	<u>(3,997,768)</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 2,112,042</u>
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See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended February 28, 2021 (Unaudited)	For the Year Ended August 31, 2020
OPERATIONS:		
Net investment income	\$ 6,109,810	\$ 10,847,905
Net realized loss on investments	(862,274)	(2,790,579)
Net change in unrealized appreciation/ depreciation on investments	<u>(3,135,494)</u>	<u>(19,250,055)</u>
Net increase (decrease) in net assets resulting from operations	<u>2,112,042</u>	<u>(11,192,729)</u>
CAPITAL SHARE TRANSACTIONS:		
Institutional Class:		
Proceeds from shares sold	69,871,549	121,550,137
Proceeds from reinvestment of distributions	5,611,834	9,661,454
Payments for shares redeemed	<u>(59,196,016)</u>	<u>(63,218,835)</u>
Net increase in net assets resulting from Institutional Class transactions	<u>16,287,367</u>	<u>67,992,756</u>
Investor Class⁽¹⁾:		
Proceeds from shares sold	1,341,000	277,509
Proceeds from reinvestment of distributions	2,451	63
Payments for shares redeemed	<u>(2,737)</u>	<u>—</u>
Net increase in net assets resulting from Investor Class transactions	<u>1,340,714</u>	<u>277,572</u>
Net increase in net assets from capital share transactions	<u>17,628,081</u>	<u>68,270,328</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Institutional Class	(6,067,629)	(10,693,107)
Investor Class ⁽¹⁾	<u>(29,786)</u>	<u>(796)</u>
Total distributions to shareholders	<u>(6,097,415)</u>	<u>(10,693,903)</u>
TOTAL INCREASE IN NET ASSETS	<u>13,642,708</u>	<u>46,383,696</u>
NET ASSETS:		
Beginning of period	202,041,351	155,657,655
End of period	<u>\$215,684,059</u>	<u>\$202,041,351</u>

⁽¹⁾ Inception date of the Investor Class was March 23, 2020.

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the periods.

Institutional Class

	Six Months Ended February 28, 2021 (Unaudited)	Year Ended August 31, 2020	Year Ended August 31, 2019	For the Period Inception⁽¹⁾ through August 31, 2018
PER SHARE DATA:				
Net asset value, beginning of period	\$ 9.12	\$10.36	\$10.34	\$10.00
Investment operations:				
Net investment income	0.27	0.60	0.60	0.58
Net realized and unrealized gain (loss) on investments	(0.16)	(1.24)	0.22	0.34
Total from investment operations	0.11	(0.64)	0.82	0.92
Less distributions from:				
Net investment income	(0.27)	(0.56)	(0.60)	(0.58)
Net realized gains	—	(0.04)	(0.20)	—
Total distributions	(0.27)	(0.60)	(0.80)	(0.58)
Net asset value, end of period	\$ 8.96	\$ 9.12	\$10.36	\$10.34
TOTAL RETURN⁽²⁾	1.21%	-6.34%	8.36%	9.50%
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (in 000's)	\$214,092	\$201,763	\$155,658	\$79,861
Ratio of expenses to average net assets:				
Before expense waiver ⁽³⁾	0.78%	0.80%	0.83%	1.01%
After expense waiver ⁽³⁾	0.73%	0.74%	0.74%	0.74%
Ratio of expenses excluding interest expense to average net assets:				
Before expense waiver ⁽³⁾	0.78%	0.79%	0.82%	1.00%
After expense waiver ⁽³⁾	0.73%	0.73%	0.73%	0.73%
Ratio of net investment income to average net assets:				
After expense waiver ⁽³⁾	6.00%	6.28%	5.82%	6.09%
Portfolio turnover rate ⁽²⁾⁽⁴⁾	26%	41%	33%	54%

(1) Inception date of the Fund was September 15, 2017.

(2) Not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) Portfolio turnover disclosed is for the Fund as a whole.

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the periods.

Investor Class

	Six Months Ended February 28, 2021 (Unaudited)	For the Period Inception⁽¹⁾ through August 31, 2020
PER SHARE DATA:		
Net asset value, beginning of period	<u>\$ 9.18</u>	<u>\$ 8.66</u>
Investment operations:		
Net investment income	0.25	0.22
Net realized and unrealized gain (loss) on investments	<u>(0.17)</u>	<u>0.51⁽⁵⁾</u>
Total from investment operations	<u>0.08</u>	<u>0.73</u>
Less distributions from:		
Net investment income	(0.25)	(0.21)
Net realized gains	<u>—</u>	<u>—</u>
Total distributions	<u>(0.25)</u>	<u>(0.21)</u>
Net asset value, end of period	<u>\$ 9.01</u>	<u>\$ 9.18</u>
TOTAL RETURN⁽²⁾	0.86%	8.56%
SUPPLEMENTAL DATA AND RATIOS:		
Net assets, end of period (in 000's)	\$1,592	\$278
Ratio of expenses to average net assets:		
Before expense waiver ⁽³⁾	1.28%	1.32%
After expense waiver ⁽³⁾	1.23%	1.23%
Ratio of expenses excluding interest expense to average net assets:		
Before expense waiver ⁽³⁾	1.28%	1.32%
After expense waiver ⁽³⁾	1.23%	1.23%
Ratio of net investment income to average net assets:		
After expense waiver ⁽³⁾	5.50%	6.21%
Portfolio turnover rate ⁽²⁾⁽⁴⁾	26%	41%

(1) Inception date of the Investor Class was March 23, 2020.

(2) Not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) Portfolio turnover disclosed is for the Fund as a whole.

(5) The realized and unrealized gain per share in this caption is a balancing amount necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains on the Statement of Operations due to share transactions for the period.

See Notes to the Financial Statements

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FEBRUARY 28, 2021

1. ORGANIZATION

Managed Portfolio Series (the “Trust”) was organized as a Delaware statutory trust on January 27, 2011. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Principal Street High Income Municipal Fund (the “Fund”) is a diversified series with its own investment objectives and policies within the Trust. Prior to October 15, 2019, the Fund was known as the Green Square High Income Municipal Fund. The investment objective of the Fund is to provide current income exempt from regular federal income tax. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*. The Fund currently offers two classes of shares for purchase. The Institutional Class commenced operations on September 15, 2017, and the Investor Class commenced operations on March 23, 2020. Each class of shares has identical rights and privileges except with respect to 12b-1 fees and voting rights on matters affecting a single share class. The Investor Class shares are subject to a 0.50% Rule 12b-1 distribution and servicing fee. The Fund may issue an unlimited number of shares of beneficial interest, with no par value.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

Security Valuation – All investments in securities are recorded at their estimated fair value, as described in Note 3.

Federal Income Taxes – The Fund complies with the requirements of subchapter M of the Internal Revenue Code of 1986, as amended, necessary to qualify as a regulated investment company and distributes substantially all net taxable investment income and net realized gains to shareholders in a manner which results in no tax cost to the Fund. Therefore, no federal income or excise tax provision is required. As of and during the period ended February 28, 2021, the Fund did not have any tax positions that did not meet the “more-likely-than-not” threshold of being sustained by the applicable tax authority. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations. As of and during the period ended February 28, 2021, the Fund did not incur any interest or penalties. The Fund is not subject to examination by U.S. tax authorities for tax years prior to the period ended August 31, 2018.

Security Transactions, Income, and Distributions – The Fund follows industry practice and records security transactions on the trade date. Realized gains and losses on sales of securities are calculated on the basis of identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and regulations. Discounts and premiums on securities purchased are amortized over the expected life of the respective securities using the constant yield method.

The Fund will declare daily and pay monthly distributions of net investment income. The Fund will also distribute net realized capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

are permanent in nature, GAAP requires that they be reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund.

Allocation of Expenses – Income, expenses (other than those deemed attributable to a specific share class), and gains and losses of the Funds are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of the net assets of each Fund. Expenses deemed directly attributable to a class of shares are recorded by the specific class. Most Fund expenses are allocated by class based on relative net assets. Fund 12b-1 fees are expensed at annual rate of 0.50% of average daily net assets of the Investor Class shares (See Note 5). Expenses associated with a specific fund in the Trust are charged to that fund. Common Trust expenses are typically allocated evenly between the funds of the Trust, or by other equitable means.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Standards Update (“ASU”) – In March 2017, the FASB issued ASU No. 2017-08: Premium Amortization on Purchased Callable Debt Securities, which amends the existing accounting standards to shorten the amortization period of certain purchased callable debt securities to the earliest call date. This ASU is effective for fiscal years (and any interim periods within those fiscal years) beginning after December 15, 2018. The Fund adopted the new amendment as of September 1, 2019, but it did not have a material impact on the financial statements or net assets of the Fund.

Illiquid Securities – A security may be considered illiquid if it lacks a readily available market. Securities are generally considered liquid if they can be sold or disposed of in the ordinary course of business within seven days at approximately the price at which the security is valued by the Fund. Illiquid securities may be valued under methods approved by the Board as reflecting fair value. The Fund will not hold more than 15% of the value of its net assets in illiquid securities. At February 28, 2021, the Fund had investments in illiquid securities with a total value of \$14,459,031 or 6.7% of total net assets. Information concerning illiquid securities is as follows:

Security	Par	Dates Acquired	Cost Basis
Hilltop Lodge Cooperative Corp. 12.000%, 08/01/2021	\$6,600,000	March 2020	\$6,600,000
Hilltop Lodge Cooperative Corp. 12.000%, 08/01/2022	\$7,850,000	February 2020	\$7,850,000

3. SECURITIES VALUATION

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period and expanded disclosure of valuation Levels for major security types. These inputs are summarized in the three broad Levels listed below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability and would be based on the best information available.

Following is a description of the valuation techniques applied to the Fund’s major categories of assets and liabilities measured at fair value on a recurring basis. The Fund’s investments are carried at fair value.

Short-Term Investments – Investments in other mutual funds, including money market funds, are valued at their net asset value per share. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Fixed Income Securities – Municipal and corporate bonds are valued on the basis of valuations furnished by an independent pricing service which utilizes both dealer-supplied valuations and formula-based techniques. The pricing service may consider recently executed transactions in securities of the issuer or comparable issuer, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. Fixed income securities are categorized in the Level 2 of the fair value hierarchy.

Securities for which market quotations are not readily available, or if the closing price does not represent fair value, are valued following procedures approved by the Board. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. There can be no assurance that the Fund could obtain the fair value assigned to a security if they were to sell the security at approximately the time at which the Fund determines its net asset values per share. The Board has established a Valuation Committee to administer, implement, and oversee the fair valuation process, and to make fair value decisions when necessary. The Board regularly reviews reports of the Valuation Committee that describe any fair value determinations and methods.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s securities as of February 28, 2021:

	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ —	\$ 14,459,031	\$ —	\$ 14,459,031
Municipal Bonds	—	188,518,547	—	188,518,547
Short-Term Investment	5,716,574	—	—	5,716,574
Total Investments in Securities*	\$5,716,574	\$202,977,578	\$ —	\$208,694,152

* Refer to the Schedule of Investments for further information on the classification of investments.

4. INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Trust has an agreement with the Adviser to furnish investment advisory services to the Fund. Pursuant to the Investment Advisory Agreement between the Trust and the Adviser, the Adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to 0.55% of the Fund’s average daily net assets.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

The Fund’s Adviser has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses in order to ensure that Total Annual Fund Operating Expenses (excluding certain expenses such as Rule 12b-1 fees, taxes, leverage/borrowing interest, interest expense, dividends paid on short sales, brokerage commissions and other transactional expenses, acquired fund fees and expenses, or extraordinary expenses) for the Fund do not exceed 0.73% of the Fund’s average daily net assets.

Fees waived and expenses reimbursed by the Adviser may be recouped by the Adviser for a period of thirty-six months following the month during which such waiver or reimbursement was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the waiver or reimbursement occurred and at the time of recoupment. The Operating Expenses Limitation Agreement is indefinite in term but cannot be terminated within a year after the effective date of the Fund’s prospectus. After that date, the agreement may be terminated at any time upon 60 days’ written notice by the Board or the Adviser. Waived fees and reimbursed expenses subject to potential recovery by month of expiration are as follows:

<u>Expiration</u>	<u>Amount</u>
March 2021 – August 2021	\$67,746
September 2021 – August 2022	\$89,831
September 2022 – August 2023	\$97,749
September 2023 – February 2024	\$50,105

U.S. Bancorp Fund Services, LLC (the “Administrator”), doing business as U.S. Bank Global Fund Services, acts as the Fund’s Administrator, Transfer Agent, and Fund Accountant. U.S. Bank N.A. (the “Custodian”) serves as the Custodian to the Fund. The Custodian is an affiliate of the Administrator. The Administrator performs various administrative and accounting services for the Fund. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Custodian; coordinates the payment of the Fund’s expenses and reviews the Fund’s expense accruals. The officers of the Trust, including the Chief Compliance Officer, are employees of the Administrator. As compensation for its services, the Administrator is entitled to a monthly fee at an annual rate based upon the average daily net assets of the Fund, subject to annual minimums. Fees paid by the Fund for administration and accounting, transfer agency, custody and compliance services for the period ended February 28, 2021 are disclosed in the Statements of Operations.

5. DISTRIBUTION & SHAREHOLDER SERVICING FEES

The Fund has adopted a Distribution Plan pursuant to Rule 12b-1 (the “Plan”) in the Investor Class only. The Plan permits the Funds to pay for distribution and related expenses at an annual rate of 0.50% of the Investor Class average daily net assets. The expenses covered by the Plan may include the cost of preparing and distributing prospectuses and other sales material, advertising and public relations expenses, payments to financial intermediaries and compensation of personnel involved in selling shares of the Fund. For the period ended February 28, 2021, the Fund’s Investor Class incurred expenses of \$2,716 pursuant to the Plan.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

6. CAPITAL SHARE TRANSACTIONS

Transactions in shares of the Fund were as follows:

	<u>For the Six Months Ended February 28, 2021</u>	<u>Year Ended August 31, 2020</u>
Institutional Class:		
Shares sold	7,633,599	12,681,519
Shares issued to holders in reinvestment of distributions	617,347	1,010,726
Shares redeemed	(6,480,704)	(6,590,147)
Net increase in Institutional Class shares	<u>1,770,242</u>	<u>7,102,098</u>
Investor Class:⁽¹⁾		
Shares sold	146,446	30,358
Shares issued to holders in reinvestment of distributions	268	7
Shares redeemed	(302)	—
Net increase in Investor Class shares	<u>146,412</u>	<u>30,365</u>
Net increase in capital shares	<u>1,916,654</u>	<u>7,132,463</u>

(1) Inception date of the Investor Class was March 23, 2020.

7. INVESTMENT TRANSACTIONS

The aggregate purchases and sales, excluding short-term investments, by the Fund for the period ended February 28, 2021, were as follows:

U.S. Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$ —	\$ —	\$66,948,816	\$50,458,014

8. FEDERAL TAX INFORMATION

The aggregate gross unrealized appreciation and depreciation of securities held by the Fund and the total cost of securities for federal income tax purposes at August 31, 2020, the Fund's most recently completed fiscal year end, were as follows:

Aggregate Gross Appreciation	Aggregate Gross Depreciation	Net Depreciation	Federal Income Tax Cost
\$4,086,353	\$(19,951,434)	\$(15,865,081)	\$217,453,717

Any difference between book-basis and tax-basis unrealized appreciation (depreciation) would be attributable primarily to the tax deferral of losses on wash sales. For the year ended August 31, 2020, there were no differences.

At August 31, 2020, components of distributable earnings on a tax-basis were as follows:

Undistributed Tax-Exempt Ordinary Income	Other Accumulated Losses	Unrealized Depreciation	Total Accumulated Losses
\$885,895	\$(3,166,321)	\$(15,865,081)	\$(18,145,507)

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

As of August 31, 2020, the Fund did not have any capital loss carryovers. A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital, and ordinary losses which occur during the portion of the Fund’s taxable year subsequent to October 31 and December 31, respectively. For the taxable year ended August 31, 2020, the Fund deferred qualified short-term post-October losses of \$1,644,295 and qualified long-term post-October losses of \$1,447,628.

The tax character of distributions paid for the period ended February 28, 2021, were as follows:

Ordinary Income*	Tax Exempt Income	Long Term Capital Gains	Total
\$ —	\$6,097,415	\$ —	\$6,097,415

The tax character of distributions paid for the period ended August 31, 2020, were as follows:

Ordinary Income*	Tax Exempt Income	Long Term Capital Gains	Total
\$1,433,702	\$9,086,965	\$173,236	\$10,693,903

* For federal income tax purposes, distributions of short-term capital gains are treated as ordinary income distributions.

9. LINE OF CREDIT

The Fund has established an unsecured line of credit (“LOC”) in the amount of \$35,000,000, 15% of gross market value of the Fund, or 33.33% of the fair value of the Fund’s investments, whichever is less. The LOC matures unless renewed on July 23, 2021. This LOC is intended to provide short-term financing, if necessary, subject to certain restrictions and covenants in connection with shareholder redemptions and other short-term liquidity needs of the Fund. The LOC is with the Custodian. Interest is charged at the prime rate which was 3.25% as of, and during the period ended, February 28, 2021. The weighted average interest rate paid during the period on outstanding borrowings for the Fund was 3.25%. The Fund has authorized the Custodian to charge any of the Fund’s accounts for any missed payments. For the period ended February 28, 2021, the Fund’s LOC activity was as follows:

LOC Agent	Average Borrowings	Amount Outstanding as of February 28, 2021	Interest Expense	Maximum Borrowing	Date of Maximum Borrowing
U.S. Bank N.A.	\$81,122	\$ —	\$1,326	\$3,982,000	01/05/2021

10. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of that fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of February 28, 2021, National Financial Services, LLC, for the benefit of its customers owned 33.02% and Charles Schwab & Co., Inc., for the benefit of its customers, owned 30.00% of the outstanding shares of the Fund.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

11. COVID-19

The global outbreak of COVID-19 (commonly referred to as “coronavirus”) has disrupted economic markets and the prolonged economic impact is uncertain. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The operational and financial performance of the issuers of securities in which the Funds invest depend on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn adversely affect the value and liquidity of the Funds’ investments, impair the Funds’ ability to satisfy redemption requests, and negatively impact the Funds’ performance.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

ADDITIONAL INFORMATION (UNAUDITED) FEBRUARY 28, 2021

APPROVAL OF INVESTMENT ADVISORY AGREEMENT – Principal Street Partners, LLC

At the regular meeting of the Board of Trustees of Managed Portfolio Series (“Trust”) on February 23-24, 2021, the Trust’s Board of Trustees (“Board”), each of whom were present virtually via video conference, including all of the Trustees who are not “interested persons” of the Trust, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, (“Independent Trustees”) considered and approved the continuation of the Investment Advisory Agreement between the Trust and Principal Street Partners, LLC (“Principal Street” or the “Adviser”) regarding the Principal Street High Income Municipal Fund (the “Fund”) (the “Investment Advisory Agreement”) for another annual term.

Prior to the meeting and at a meeting held on January 6, 2021, the Trustees received and considered information from Principal Street and the Trust’s administrator designed to provide the Trustees with the information necessary to evaluate the continuance of the Investment Advisory Agreement (“Support Materials”). Before voting to approve the continuance of the Investment Advisory Agreement, the Trustees reviewed the Support Materials with Trust management and with counsel to the Independent Trustees, and received a memorandum from such counsel discussing the legal standards for the Trustees’ consideration of the renewal of the Investment Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations.

In determining whether to continue the Investment Advisory Agreement, the Trustees considered all factors they believed relevant, including the following with respect to the Fund: (1) the nature, extent, and quality of the services provided by Principal Street with respect to the Fund; (2) the Fund’s historical performance and the performance of other investment accounts managed by Principal Street; (3) the costs of the services provided and the profits realized by Principal Street, from services rendered to the Fund; (4) comparative fee and expense data for the Fund and other investment companies with similar investment objectives; (5) the extent to which economies of scale may be realized as the Fund grows, and whether the advisory fee for the Fund reflects such economies of scale for the Fund’s benefit; and (6) other benefits to Principal Street resulting from its relationship with the Fund. In their deliberations, the Trustees weighed to varying degrees the importance of the information provided to them and did not identify any particular information that was all-important or controlling.

Based upon Principal Street’s presentation and information from Principal Street and the Trust’s administrator designed to provide the Trustees with the information necessary to evaluate the terms of the Investment Advisory Agreement, the Board concluded that the overall arrangements between the Trust and Principal Street as set forth in the Investment Advisory Agreement, as it relates to the Fund, continue to be fair and reasonable in light of the services that Principal Street performs, the investment advisory fees that the Fund pays, and such other matters as the Trustees considered relevant in the exercise of their reasonable business judgment. The material factors and conclusions that formed the basis of the Trustees’ determination to approve the continuation of the Investment Advisory Agreement are summarized below.

Nature, Extent and Quality of Services Provided. The Trustees considered the scope of services that Principal Street provides under the Investment Advisory Agreement with respect to the Fund, noting that such services include, but are not limited to, the following: (1) investing the Fund’s assets consistent with the Fund’s investment objective and investment policies; (2) determining the portfolio securities to be purchased, sold, or otherwise disposed of and the timing of such transactions; (3) voting all proxies, if any, with respect to the Fund’s portfolio

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

securities; (4) maintaining the required books and records for transactions effected by Principal Street on behalf of the Fund; (5) selecting broker-dealers to execute orders on behalf of the Fund; and (6) monitoring and maintaining the Fund's compliance with the Trust's policies and procedures and with applicable securities laws. The Trustees reviewed Principal Street's audited financials, assets under management and capitalization. In that regard, the Trustees concluded that Principal Street had sufficient resources to support the management of the Fund. The Trustees noted that Principal Street manages a composite of separately managed accounts with investment objectives and investment strategies that are substantially similar to the Fund. The Trustees also considered the experience of the portfolio managers that Principal Street utilizes in managing the Fund's assets. The Trustees concluded that they were satisfied with the nature, extent, and quality of services that Principal Street provides to the Fund under the Investment Advisory Agreement.

Fund Historical Performance and the Overall Performance of Principal Street. In assessing the quality of the portfolio management delivered by Principal Street, the Trustees considered the performance since the inception of the Fund on both an absolute basis and in comparison to an appropriate benchmark index and the Fund's respective peer funds according to Morningstar classifications. When comparing the Fund's performance against its Morningstar peer group, the Trustees took into account that the investment objective and strategies of the Fund, as well as the Fund's level of risk tolerance, may differ significantly from the funds in the peer group. The Trustees noted that the Fund underperformed its peer group median and average over the year-to-date, one-year and three-year periods ended October 31, 2020. The Trustees also noted that the Fund underperformed its benchmark index over the same periods. The Trustees considered that the Fund had achieved positive total returns since inception and in the three-month period ended January 31, 2021.

Cost of Advisory Services and Profitability. The Trustees considered the management fee that the Fund pays to Principal Street under the Advisory Agreement. They also considered Principal Street's profitability analysis for services that Principal Street renders to the Fund. In that regard, the Trustees noted that Principal Street waived a portion of its management fees during the 12 months ended September 30, 2020. The Trustees noted that Principal Street manages separately managed accounts with investment strategies that are substantially similar to the Fund. The Trustees noted that the management fees charged to the separately managed accounts are equal to or greater than the management fee charged by Principal Street to the Fund. The Trustees also noted that Principal Street has contractually agreed, for a period of at least one year from the effective date of the Fund's prospectus, to waive its management fees and reimburse the Fund for its operating expenses, as specified in the Fund's prospectus. The Trustees determined that Principal Street's service relationship with the Fund yielded a reasonable profit.

Comparative Fee and Expense Data. The Trustees considered an analysis that the Trust's administrator had prepared, comparing the contractual expenses that the Fund bears relative to those of funds in the same Morningstar peer group. The Trustees noted that the Fund's management fee was above the peer group median and average. In connection with their review of the management fee, the Board considered the research-intensive nature of the Fund's investment strategy, relative to other funds in the peer group. The Trustees also considered that when the peer group was limited to similarly-sized funds, the management fee was equal to the peer group median and higher than the average. They also noted that the total contractual expenses of the Fund's Institutional Class and Investor Class (after management fee waivers and fund expense reimbursements) were above the peer group median and average but below the peer group median and average when compared to similarly-sized funds. While recognizing that it is difficult to compare advisory fees because the scope of advisory services provided may vary from one investment adviser to another, the Trustees concluded that Principal Street's advisory fee is reasonable.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

Economies of Scale. The Trustees considered whether the Fund would benefit from any economies of scale, noting that the investment advisory fee for the Fund does not contain breakpoints. The Trustees took into account the fact that Principal Street had agreed to consider breakpoints in the future in response to asset growth in the Fund. The Trustees concluded that it is not necessary to consider the implementation of fee breakpoints at this time, but committed to revisit this issue in the future as circumstances change and Fund asset levels increase.

Other Benefits. The Trustees considered the direct and indirect benefits that could be realized by Principal Street from its relationship with the Fund. The Trustees noted that Principal Street does not use affiliated brokers to execute the Fund's portfolio transactions. The Trustees considered that Principal Street may receive some form of reputational benefit from services rendered to the Fund, but that such benefits are immaterial and cannot otherwise be quantified. The Trustees concluded that Principal Street does not receive additional material benefits from its relationship with the Fund.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

AVAILABILITY OF FUND PORTFOLIO INFORMATION

The Fund files complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. For information on the Public Reference Room call 1-800-SEC-0330. In addition, the Fund's Part F of Form N-PORT is available without charge upon request by calling 1-877-914-7343.

AVAILABILITY OF PROXY VOTING INFORMATION

A description of the Fund's Proxy Voting Policies and Procedures is available without charge, upon request, by calling 1-877-914-7343. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (1) without charge, upon request, by calling 1-877-914-7343, or (2) on the SEC's website at www.sec.gov.

PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND

PRIVACY NOTICE (UNAUDITED)

The Fund collects only relevant information about you that the law allows or requires it to have in order to conduct its business and properly service you. The Fund collects financial and personal information about you (“Personal Information”) directly (e.g., information on account applications and other forms, such as your name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about your transactions with us, such as transaction amounts, account balance and account holdings).

The Fund does not disclose any non-public personal information about its shareholders or former shareholders other than for everyday business purposes such as to process a transaction, service an account, respond to court orders and legal investigations or as otherwise permitted by law. Third parties that may receive this information include companies that provide transfer agency, technology and administrative services to the Fund, as well as the Fund’s investment adviser who is an affiliate of the Fund. If you maintain a retirement/educational custodial account directly with the Fund, we may also disclose your Personal Information to the custodian for that account for shareholder servicing purposes. The Fund limits access to your Personal Information provided to unaffiliated third parties to information necessary to carry out their assigned responsibilities to the Fund. All shareholder records will be disposed of in accordance with applicable law. The Fund maintains physical, electronic and procedural safeguards to protect your Personal Information and requires its third-party service providers with access to such information to treat your Personal Information with the same high degree of confidentiality.

In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, credit union, bank or trust company, the privacy policy of your financial intermediary governs how your non-public personal information is shared with unaffiliated third parties.

INVESTMENT ADVISER
Principal Street Partners, LLC
6075 Poplar Avenue, Suite 221
Memphis, TN 38119

DISTRIBUTOR
Quasar Distributors, LLC
111 E. Kilbourn Avenue, Suite 2200
Milwaukee, WI 53202

CUSTODIAN
U.S. Bank N.A.
1555 North Rivercenter Drive, Suite 302
Milwaukee, WI 53212

**ADMINISTRATOR, FUND ACCOUNTANT
AND TRANSFER AGENT**
U.S. Bancorp Fund Services, LLC
615 E. Michigan Street
Milwaukee, WI 53202

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Cohen & Company, Ltd.
342 N. Water Street, Suite 830
Milwaukee, WI 53202

LEGAL COUNSEL
Stradley Ronon Stevens & Young, LLP
2005 Market Street, Suite 2600
Philadelphia, PA 19103

This report should be accompanied or preceded by a prospectus.

The Fund's Statement of Additional Information contains additional information about the Fund's trustees and is available without charge upon request by calling 1-877-914-7343.