GENERAL COMMENTS

As the effects of the coronavirus continues to unfold, we hope that you and your families remain safe and healthy.

The Principal Street High Income Municipal Fund (the "Fund" or "Strategy") performed very well in both yield and total return through February, which was a continuation of the solid performance demonstrated during 2018 and 2019, thanks to the demand for yield, the shortage of supply, and the attractive relative value in the asset class. The search for yield was a powerful driver.

Then of course came March and the onset of the coronavirus, and suddenly the world and financial markets changed. Coronavirus fears triggered a massive selloff in all global markets and literally shut down the world economy. Needless to say, no asset class was immune, including our own. The high yield tax-exempt asset class was down dramatically in March and as a result, reversed the positive performance momentum seen earlier this year. As has been the case historically, high yield fell more sharply than investment grade, and as we discuss below, is also typically slower to rebound. If there is a silver lining, it is that, to-date, the dislocation is one of price rather than credit or income. We believe that this sets up the Fund very well for a strong rebound. In the interim, the distribution yield remains strong.

BACKGROUND

Perhaps the most important point to emphasize is while we find the Fund and the asset class in turbulent waters, they are not unchartered waters for this management team. In the recent past, we have managed successfully through the 2008 Financial Crisis, the 2010 Meredith Whitney selloff, the 2013 Puerto Rico debacle, the 2013 "taper tantrum", and the 2016 "demise" of the bond market following the Trump presidential election.

We are seasoned, active portfolio managers who have managed through virtually every period of disruption over the past 30 years and have seen all markets, good or bad. In each example, an important lesson followed, but none more so than in 2008: remaining invested proved to be the best approach. Even more important, we believe a rare investment opportunity has now presented itself and investors have the potential to reap substantial rewards moving forward.

The waters, continuing with our nautical theme, will likely be choppy for a while as the markets work to find an equilibrium. The Fund experienced minimal redemptions, which we believe is very positive. There is a material difference between unrealized and realized losses, and thus far the Fund's losses are unrealized, which we believe positions the Fund well for a rebound.

MARKET REVIEW

In March, the high yield tax-exempt market and the Strategy experienced a swift and dramatic sell-off due to the coronavirus pandemic and the unprecedented shutdown of society, the economy and the financial markets. Our market experienced irrational and indiscriminate, broad-based selling that was not rooted in fundamentals nor correlated to any measurable metric. For several weeks the market was embroiled in a chaotic fight for liquidity, and there was a severe disconnect between price and virtually all credit fundamentals. Prices on many bonds that we believe to have solid credit fundamentals plummeted. Since then, the market has now found considerably more stability, but there remains selling pressure that has kept prices at depressed levels. We believe that this is temporary.

In 2008, fear centered around the potential failure of our entire financial system. In 2020, fear is centering on the unknowns surrounding the coronavirus – medical, societal, and financial. We have been working to separate the investment proposition from the emotion and the value from the fear to arrive at a rational investing plan. Our belief is that the overall composition of the portfolio remains sound, that our focus on project revenue debt is a positive, and that a tremendous buying opportunity exists. In our view:

- This dislocation has been a liquidity and pricing event, not a credit, income or default problem;
- There was and continues to be a disconnect playing out between the value of the underlying collateral and the current pricing;

- Redemptions at the larger funds was driving selling and resulting in lower and lower prices;
- Forced selling to unwind leverage was exacerbating the selling pressure;
- Fear over the effects of the coronavirus was acting as an irrational overlay to this asset class and virtually every other market;
- Tremendous value has been created as a result of the falling prices.

From a credit and portfolio construction perspective, our view is that our market has overreacted. We have analyzed our portfolio very carefully on a credit-by-credit basis. We believe that the selloff and negative performance in March has not been a credit, income or default issue, but rather a pricing and liquidity issue not indicative of the underlying value of the bonds in the Strategy. The selloff did not discriminate between sectors, maturities, or credits, including senior living/healthcare, manufacturing, transportation, and education, and from established projects to older projects, as well as projects in construction to projects in capitalized interest.

As we have espoused for several years, we believe that the low-yield environment is here to stay for the foreseeable future and that the search for meaningful yield will once again become a primary objective for investors; perhaps even more so now than before the dislocation. We continue to believe in the attributes of the Fund -- namely yield, the potential for total return, diversification, low correlation, and attractive relative value. In the current low-yield environment, the yield generated, both on a relative and absolute basis, is very significant in our opinion, comparing favorably to most other asset classes. As of quarter end, the important municipal/treasury ratio soared to about 150% due to the dislocation, an indication that tax-exempt prices are very attractive and of the value that has been created as a result of the selloff.

QUARTERLY PERFORMANCE REVIEW

AVERAGE ANNUAL TOTAL RETURNS AS OF 3/31/2020

	Q1	1 YEAR	SINCE INCEPTION 9/15/17
PRINCIPAL STREET HIGH INCOME MUNICIPAL FUND (GSTAX)	-11.03%	-6.22%	2.61%
BLOOMBERG BARCL AYS HIGH YIELD MUNICIPAL BOND INDEX	-6.88%	-0.74%	3.65%

GROSS EXPENSE RATIO: 0.84%

NET EXPENSE RATIO: 0.75%[1]

30-DAY SEC YIELD (SUBSIDIZED): 7.25%

30-DAY SEC YIELD (UNSUBSIDIZED): 7.22%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For the most recent month end performance, please visit principalstreetfunds.com.

Not surprisingly, performance suffered in the 1st quarter. The Fund returned -11.03%, while the Fund's benchmark, the Bloomberg Barclays High Yield Municipal Bond Index, returned -6.88, an underperformance of 415 basis points (bps). The investment grade tax-exempt market (as represented by the Bloomberg Barclays Municipal Bond Index) was down -0.63% during the same period, The Fund's underperformance is largely attributable to the fallout from the coronavirus pandemic as discussed above, and specifically to the exaggerated price decline for our senior living facilities. Again, we believe that these projects represent solid credit fundamentals and that the price declines are unwarranted.

For the most part, our projects continue to operate well, and we anticipate that those operations will remain viable. In the early days of the pandemic, we were especially concerned about the senior living sector, which is an overweight in the portfolio. The fact that the elderly population is particularly vulnerable to the coronavirus was of major concern. We are happy to report that only three of our facilities have reported incidences of COVID-19. Importantly, we are not investors in nursing facilities or hospitals, which have been hit hard. Perhaps counterintuitively, the senior living sector has emerged as something of a "safe haven" for both residents and investors. In addition to providing essential services to the senior population, the majority of senior living facilities have initiated very stringent safety protocols and continue to operate and pay debt service. In our view, they may attract even more seniors who have been isolated once the coronavirus lifts.

In an effort to continue to generate an attractive yield for our investors, we have selectively added taxable bridge loans to the Fund. These are taxable short-term bonds focused on many of the same type of projects that we are investing in that are tax-exempt, and which we believe to be an extension of our tax-exempt strategy. With an average maturity of one year and an average coupon of 12%, these investments represent very good value and are a result of the demand we are seeing in the marketplace to finance earlier-stage projects.

At the end of the period, the Fund had $175 million of assets under management and 82 credits. The Fund continues to experience modest growth and we have added credits accordingly.

Our investments generated attractive income as many of the bonds we own continued to benefit from a modestly healthy economy. At the end of the period, the Fund had a 30-day SEC yield (subsidized) of 7.25%, which equates to a taxable-equivalent yield of 11.51% at the highest federal tax bracket of 37%. This distribution yield is one of the highest in the Morningstar high yield municipal bond funds universe. As stated above, we believe this yield continues to be very attractive on both a relative and absolute basis.

CORE TENETS AND POSITIONING

We return, as always, to some of our core tenets to guide us, and these do remain consistent. Although some of the individual components adjust slightly over time, these principles should sound very familiar, given that it has been our working thesis for many years. We believe:

- In the credit fundamentals for both the portfolio and the high yield market in general;
- That the Strategy is well-positioned and that our focus on project revenue debt has been and should continue over time to be a winning formula for generating attractive tax-exempt income and the potential for capital appreciation;
- That investors continue to search for meaningful yield, and that both the Fund and the asset class have the ability to provide that;
- That the asset class represents some of the best value in the fixed income universe (especially today, given the recent dislocation);
- That over time, the pricing will reconnect with the underlying value of the projects and should help to propel prices higher;
- That volatility, no matter the level or degree, can always be part of a credit cycle; and we have the ability to analyze difficult credits that may represent good value and work through problem credits that may develop over time;
- That the Strategy continues to offer low correlation to other asset classes and significant diversification;
- The projects in the Strategy, many of which are essential need, should continue to generate federally tax-free income during the coronavirus disruption.

LOOKING FORWARD

We are certainly aware that the world around us has changed, and that certain aspects may be forever changed. Many of the views expressed in this letter are predicated upon the world returning to some form of normalcy in the upcoming months. As investment professionals, however, we also believe that our investment process serves us well even in periods of disruption. Indeed, we believe that our emphasis on senior-secured, essential-need, bricks and mortar projects will hold up well over the longer term. We believe our projects continue to have strong underlying collateral value and very solid enterprise value. And most importantly, the vast majority of these projects typically continue to operate even as other enterprises have shut down. Senior living facilities (we do not invest in nursing facilities), manufacturing and recycling, master settlement tobacco bonds, and the majority of our education holdings continue to operate and pay their debt service. We anticipate that some of our borrowers may seek relief, but also that that relief should be temporary.

We believe that the bottom of our market occurred in the latter part of March. Although the market continues to experience selling pressure and is at best a “sideways” market of late, it has been much more orderly. We expect that the ride will be bumpy for the immediate future, but that ultimately the value of the underlying credits will prevail, leading to higher prices and stronger performance.

In the meantime, the Strategy should continue to generate and distribute federally tax-free income. For the most part, our projects continue to operate and pay their debt service. The volatility that we have experienced does not have anything to do with the underlying viability of the projects but is rather attributable to the enormous disconnect between the actual underlying value of the bonds and the pricing. We believe in this asset class and the projects that we invest in, and in the value that we are seeing emerge. Our plan is to exploit the dislocation and value to the greatest degree possible.

The market is poised for a rebound, but patience is warranted. Historically, the high yield market has been slower to rebound than the investment grade market. The rebound typically begins with shorter-term maturity investment grade, then intermediate maturity investment grade, and then longer maturity investment grade. High yield will generally lag, but if history is any lesson, the rebound should be swift and dramatic when it occurs.

0UR PHILOSOPHY

Even in periods of disruption — or perhaps even more so — our philosophy remains a constant. Our goal is to provide a quality product for our investors and to provide quality service, as well. As we continue to grow, we look forward to more conversations about your investment in the high yield tax-exempt asset class, our investment process and goals, our efforts to find yield and generate income in a difficult environment, and to add diversification to your portfolios. This dialogue is an integral part of our philosophy, and consistent with the theme of transparency and accessibility that governs the way we manage the Fund. As always, we adhere to the four cornerstones of our strategy and investment philosophy at all times:

- **Credit** - applying a rigorous top down / bottom up credit-driven investment process that seeks to mitigate risk, preserve capital, enhance income and increase the potential for capital gains;

- **Value** - finding and unlocking value in a selective asset class;
- **Transparency** - providing transparency in our investment process and outlook; and
- **Accessibility** - working directly with you, our clients, to answer a variety of questions, offer advice where we are able and help enhance your portfolio.

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by calling 1.877.914.7343 or visiting our website at principalstreetfunds.com. Read carefully before you invest.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk.

The Principal Street High Income Municipal Fund's primary investment objective is to provide current income exempt from regular federal income tax. Income may be subject to state or local tax.

Mutual Fund investing involves risk. Principal loss is possible. The Fund's value investments are subject to the risk that their intrinsic values may not be recognized by the broad market or that their prices may decline. Fixed-income securities are or may be subject to interest rate, credit, liquidity, prepayment and extension risks. Interest rates may go up resulting in a decrease in the value of the fixed-income securities held by the Fund. High-yield fixed income securities or "junk bonds" are fixed-income securities held by the Fund that are rated below investment grade are subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on public perception of the issuer. The municipal market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. The Fund is new with no operating history ax, legislative or political changes and there can be no assurance that the Fund will grow to or maintain an economically viable size.

Tax Equivalent yield is the interest rate which must be received on a taxable security to provide the bondholder the same after-tax return as that earned on a tax-exempt security. The tax rate used to calculate the Taxable Equivalent Yield is the 37% marginal federal income tax bracket.

SEC 30-Day Yield is based on a 30-day period ending on the last day of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses. A subsidized yield takes into consideration the expenses paid by the advisers.

Bloomberg Barclays High Yield Municipal Bond Index: The US Municipal 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.

Bloomberg Barclays Municipal Bond Index: Unmanaged Index that is considered representative of the broad market for investment grade, tax-exempt bonds (generally, bonds rated BBB by Standard & Poor's and Fitch or Baa and better by Moody's are considered Investment Grade), with a maturity of at least one year.

Investment Grade Bonds: Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies.

High Yield Bonds: A high paying bond with a lower credit rating than investment grade bonds or Treasury bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

The municipal/Treasury ratio is a comparison of the current yield of municipal bonds to U.S. Treasuries. It aims to ascertain whether or not municipal bonds are an attractive buy in comparison.

Correlation: A statistical measure that determines how assets move in relation to each other. It is measured on a scale of -1 to +1. A perfect positive correlation between two assets has a reading of +1. A perfect negative correlation has a reading of -1.

**10 year correlations for the Bloomberg Barclays High Yield Municipal Bond Index: 0.37% (Bloomberg Barclays US Corporate IG), 0.38% (Bloomberg Barclays US Aggregate), 0.28% (Bloomberg Barclays US Treasury), 0.11% (Bloomberg Barclays US Corporate High Yield), 0.72% (Bloomberg Barclays Municipal IG) and -0.06% (S&P 500 Index). The Bloomberg Barclays High Yield Municipal Bond Index is an unmanaged index consisting of noninvestment-grade, unrated or below Ba1 bonds. The Bloomberg Barclays U.S. Corporate IG Bond Index is a market value-weighted index which covers the U.S. investment grade fixed-rate debt market. The Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The Bloomberg Barclays US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. The Bloomberg Barclays U.S. Corporate High Yield Bond Index is a market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market. The Bloomberg Barclays Municipal IG Bond Index an unmanaged index which covers the U.S. investment-grade tax-exempt bond market. The S&P 500 is a stock market index that tracks the stocks of 500 large-cap U.S. companies. Bloomberg Barclays Research as of 12/31/19.*

A basis point is one one-hundredth of one percent.

Diversification does not guarantee a profit, nor does it protect against a loss in a declining market. High yield bonds, investment grade municipal bonds, tax-exempt bonds, and other asset classes have different risk profiles, which should be considered when investing. All investments contain risk and may lose value.

[1]The contractual Operating Expenses Limitation Agreement is indefinite but cannot be terminated through at least December 29, 2020.

Principal Street Partners is the Investment Adviser to the Principal Street High Income Municipal Fund, which is distributed by Quasar Distributors, LLC.

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