



CrossingBridge Funds Q3 2025 Commentary

Asleep at the Wheel – The Real Risks of Chasing Yield

The hazards of chasing yield often appear obvious only in the rearview mirror, yet they frequently build in plain sight. Investors lured by high returns and a seemingly stable business often overlook structural weaknesses until it is too late. Few examples capture this better than First Brands Group¹. The company's trajectory serves as a timely reminder that when credit risk is underestimated, investors can quickly find themselves passengers in a vehicle heading for a crash.

As shown below, First Brands' first lien term loan² ran off a cliff, falling from the mid-90s to the mid-30s in a matter of days. An examination of the First Brands situation is a lesson in the way large, sophisticated investors can still get it wrong.

Continued on next page.

¹ In our 2Q23 investor letter, we referenced a 1971 TV commercial for Fram oil filters, citing the tag line "Pay me now, or pay me later" in our discussion of out-of-court restructurings known as liability management exercises (LMEs). On September 28, 2025, First Brands, Fram's parent company, skidded right past an LME and crashed into an "old-school" free-fall Chapter 11 (i.e. a bankruptcy that is initiated without a pre-negotiated plan).

² First Brands Group LLC First Lien Secured Term Loan B due 3/30/27

Price History for First Brands Group LLC First Lien Secured Term Loan B^A



With the initial platform purchase in November 2016 of Trico Products (windshield wipers) and the subsequent acquisition of Fram (oil filters) in February 2019, First Brands began aggressively rolling up aftermarket auto parts manufacturers with an additional 18 acquisitions over six years. At the time of its bankruptcy filing, First Brands had over 26,000 employees, 60 factories world-wide, and had reported revenues of \$5.0 bn and EBITDA of \$1.1 bn in 2024. With limited exposure to cyclical Original Equipment Manufacturer (“OEM”) customers, the company’s strategy seemed to make sense: acquire producers of aftermarket parts with predictable consumption patterns³, cross-sell over different geographies and product lines, cut costs via consolidation of facilities, and insource manufacturing previously outsourced to third parties. Purchase price multiples for acquired companies averaged 7.3x historical EBITDA but 2.9x “pro forma” EBITDA adjusted for expected synergies. The roll-up strategy was financed with debt by

³ Approximately 82% of revenues in the twelve months leading up to the Chapter 11 filing were derived from sales of aftermarket parts.

enticing lenders with higher yields than comparable credits and covenants that appeared to provide reasonable lender protection at first glance.

All of this proved too good to be true.

According to court records, in 1Q25 “geopolitical uncertainty and headwinds from newly imposed tariffs...pressurized global supply chains”^B and compressed margins. In May 2025 and again in June, the company entered into a forbearance agreement with one of its equipment lessors that threatened to call a default after the company failed to make lease payments.

All of this was unknown to prospective lenders when First Brands came to market in July 2025, proposing a \$6.2 bn comprehensive global refinancing. During the marketing period, lender skepticism grew due to continuous rumors of significant short selling of its debt and aggressive off-balance sheet financings. The deal was put on hold pending a quality of earning examination requested by prospective lenders. On September 9, 2025, after the company failed to make a lease payment due on August 29, the lessor delivered a notice of default. On September 28, 2025, First Brands was forced into Chapter 11 with an empty tank - running out of cash and burdened with over \$9 billion of liabilities.

First Brands’ Pre-Petition Liabilities^C

Prepetition Indebtedness	Principal Amount Outstanding
ABL Obligations	
ABL Loans/Letters of Credit Obligations	\$226.9mm ³
ABL Supply Chain Financing/Cash Management	\$369.4mm
Total ABL Obligations	\$596.3mm
Term Loan Obligations⁴	
First Lien L/C Facility	\$100mm
First Lien Term Loans (USD)	\$3,886.9mm
First Lien Term Loans (EUR)	\$763mm ⁵
Side Car Term Loans	\$250mm ⁶
Second Lien Term Loans	\$540mm
Total Term Loan Obligations	\$5,539.9mm
Off-Balance Sheet Obligations (SPV Debtors’ Obligations)⁷	
Aequum Facilities	\$77.8mm
CarVal Facilities	\$159.0mm
Evolution Facilities	\$230mm
Onset Lease	\$1,880mm
Total Off-Balance Sheet Obligations	\$2,346.8mm
Select Unsecured Obligations	
Supply Chain Financing Obligations	\$812.4mm
TOTAL DEBT OBLIGATIONS OF DEBTORS	\$9,295.4mm

This leaves plenty of questions.

Who were the lenders and how great are their losses?

According to Barclays, collateralized loan obligations (“CLO”) were exposed to at least \$2.2 bn of USD-denominated defaulted debt and €0.5 bn of Euro-denominated loans^D with 21 U.S. CLOs holding portfolio exposure of 1% or more. To put this in context, assuming they were unable to sell down their first lien loan exposure at levels above the September month-end mid-30s market price and were required to mark their positions to market, these CLOs experienced a rapid 60-65 bps⁴ hit to their capital.⁵ While this likely had minimal impact on the more senior tranches of these CLOs, the credit-sensitive lower tranches likely experienced a more significant drawdown.

Court filings also show that private credit lenders, including BDCs,⁶ were owed about \$276 mm. These lenders, supposedly sophisticated, also experienced sharp mark-to-market losses on their positions. In addition, there are several special purpose vehicles (SPVs) representing over \$2.3 bn of off-balance sheet obligations and over \$800 mm of supply chain financing obligations. These instruments are not traded in the high yield and loan market, so market value and recovery with respect to these obligations is uncertain.

Is this a case of an over-leveraged company caught in industry turmoil or fraud?

Probably both. The First Brands’ leverage was 5.5x⁷ EBITDA for on-balance sheet debt, high for an auto parts producer. However in reality, total debt, including off-balance sheet obligations, was nearly \$9.3 bn, resulting in a leverage ratio of 8.5x EBITDA. Moreover, debt service, including interest and fees, was likely greater than First Brands’ cash flow from operations, necessitating access to additional capital to pay its bills.

It remains to be seen whether fraud was a factor, but the board of directors has formed a special committee to investigate the company’s pre-petition financing practices including its factoring programs and off-balance sheet SPVs. Questions have been raised as to whether the

⁴ Basis points. 1 bp = 0.0001%

⁵ Assumes a 1% position in the first lien loan, previously valued near 100, fell to a price of 35.

⁶ A BDC or Business Development Company is publicly traded U.S. investment firm that provides capital to small and mid-sized businesses via debt and equity investments.

⁷ Per court documents the company had approximately \$6.1 bn of on-balance sheet debt on September 29, 2025. 2024 EBITDA was approximately \$1.1 bn.

company double-pledged collateral, delayed remittance of collections, properly segregated inventory collateral and completed “true sales” of certain assets.

First Brands History of Debt-Financed Acquisitions (in \$ millions)^E

Date	Cumulative Net Debt Raised	Cumulative Acquisitions	Net Company Cumulative Capital Contribution	Use
Nov-2016	870	1,300	430	Acquisition
Feb-2018	870	1,300	430	Refinancing
Feb-2019	1,205	1,709	504	Acquisition
Jul-2020	1,915	2,462	547	Acquisition
Nov-2020	2,135	2,682	547	Acquisition
Mar-2021	2,135	2,682	547	Refinancing
Dec-2021	2,335	2,682	347	Cash to BS
Jan-2022	2,355	2,682	327	ABL Repayment
Apr-2022	2,655	2,682	27	Cash to BS
Dec-2022	2,955	2,930	(25)	Cash to BS
Jan-2023	3,205	3,711	506	Acquisition
Aug-2023	3,555	3,883	328	Cash to BS
Mar-2024	3,947	3,968	21	Acq'n/Refi/Cash
Oct-2024	4,207	4,907	700	Cash to BS

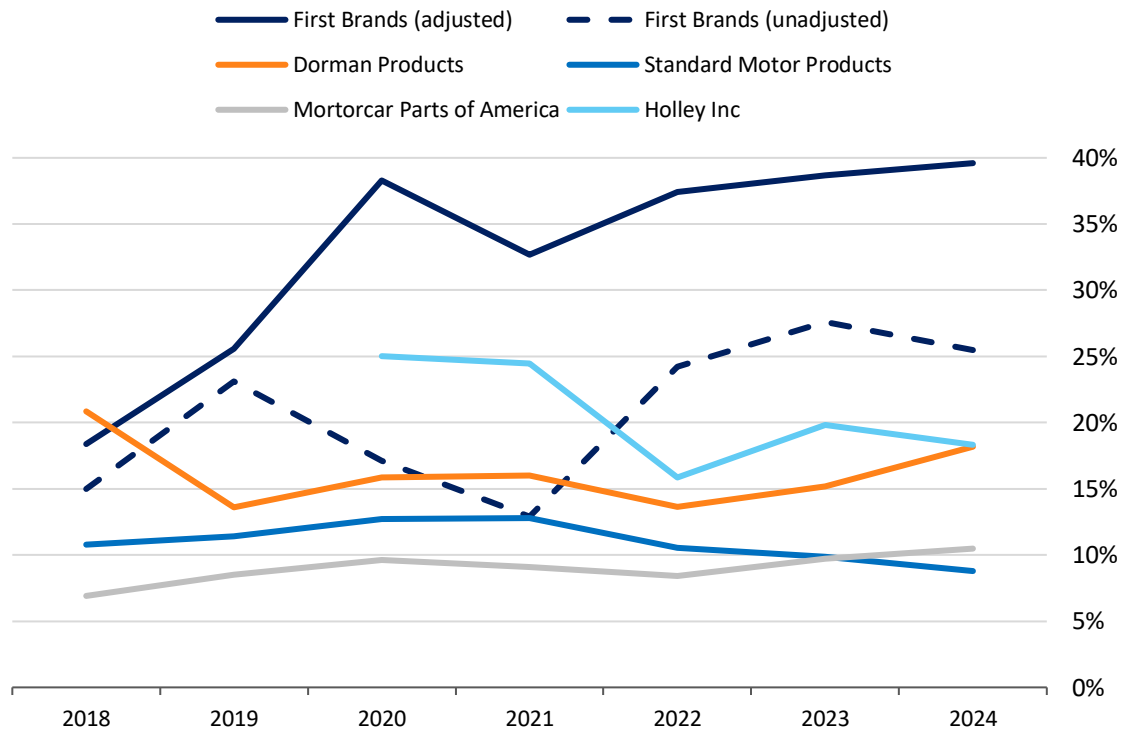
Why did CrossingBridge sell its position and side-step this credit risk?^F

We had been a lender to the company going back to the original Trico financing in 2016, participating in the financing for the Fram acquisition as well other subsequent deals. In 2022, it became apparent that First Brands was a serial borrower, as shown above, and the difficulty it encountered in attempting to issue second lien debt at reasonable spreads became a “tell.”

Additional factors further raised our wariness with respect to the credit.

Financial reporting was increasingly opaque: The company’s audited financial statements were of limited value because the steady stream of acquisitions obscured the ability to evaluate organic operating performance. Increasingly, we were discomfited by the “black-boxiness” of First Brands – we did not know what we didn’t know and, thus, had no business lending to the company.

Comparison of EBITDA % of Revenues^G



Unusually strong margins raised suspicions: As shown above, First Brands’ EBITDA margin, before adjustments for projected cost savings and synergies, one-time costs, etc. was consistently 700-1775 bps higher than that of comparable auto parts companies in 2022-24 and approximately 1100-1400 bps higher still when the company’s pro forma adjustments were included. In an industry in which EBITDA margins were typically 10-15% for an average operator and up to 25% for a strong operator in a good year, First Brands’ adjusted EBITDA margins, approaching 40% in each of the last three years, seemed unbelievable.

Covenants were permissive: Although the covenants in the credit agreement appeared comprehensive and lender-friendly, they permitted the company significant leeway to adjust EBITDA to include pro forma cost savings expected to be captured in the future, one-time restructuring costs, and other adjustments. First Brands was continuously in a state of acquisition and integration. Thus, these addbacks were constant rather than one-time, sarcastically referred to as “the recurring non-recurring.” In 2022-24, one time items comprised approximately one-third of the EBITDA used in covenant calculations. This raised concerns that

the serial acquisition strategy was masking lower organic sales growth, hiding margin deterioration and obscuring rising credit risks.

Factoring⁸ was a red flag: In general, factoring is a “warning light” suggesting that, without this form of financing, working capital would be a significant drain on liquidity. The “Big 4” auto parts retailers,⁹ comprising approximately 50% of company sales, demanded extended sales terms of one year or more. Therefore, factoring became a necessity because, without factoring, First Brands would likely need at least \$1.0 bn in incremental working capital financing. Subsequent to the Chapter 11 filing, it became known that the company was increasingly reliant on “reverse factoring” for supply chain financing.¹⁰ In doing so, the company was able to extend its accounts payable and “improve” cash flow without showing an increase in funded debt. Extended payables are sometimes a positive, reflecting vendors’ willingness to do business with a dependable, credit-worthy customer. However, in the case of First Brands, the extension of payables via reverse factoring appears to have made the credit even more precarious as it added to the company’s debt burden and ceded control of the company’s liquidity to these lenders.

First Brands represents an instance in which we heeded the “red flags” identified by regular re-underwriting in order to preserve capital. In contrast Compass Diversified Holdings is a case in which the red flags drew our attention to an investment opportunity.

Compass Diversified Holdings (CODI) 5.25% Senior Notes due 2029^H - CODI is an externally managed holding company that acquires and oversees control positions in North American middle-market businesses. In layman’s terms, CODI is a publicly traded private equity platform. The portfolio spans consumer and industrial franchises such as 5.11, BOA, PrimaLoft, The Honey Pot Co., Velocity Outdoor, Altor Solutions, Arnold, Sterno – and, until recent issues, Lugano Diamonds. CODI finances the purchase of these operating subsidiaries with parent level borrowings that are downstreamed as intercompany loans, effectively positioning the parent as a senior creditor of each business as well as majority equity owner. Per recent disclosures, CODI

⁸ Receivables factoring is a financial strategy whereby a company sells its receivables to a third party at a discount to receive immediate cash in an effort to improve cash flow.

⁹ Autozone, O’Reilly’s, Advance Auto Parts, and Genuine Parts

¹⁰ Reverse factoring is a financial strategy whereby a third-party financier pays the company’s vendors within normal terms, effectively buying the company’s payables at a discount and becoming a lender to the company.

has approximately \$1.9 billion debt at the parent level split between bank debt and senior notes with net leverage of 4.3x, or 3.6x excluding the management fee paid to its advisor.¹¹

A credit opportunity in CODI's senior notes was came about in early May 2025 when the company informed the market that investors should not rely on its fiscal 2024 financial statements after its audit committee uncovered irregularities in Lugano's inventory financing, accounting, and records. This led to the immediate resignation of Lugano's founder. Importantly, management and the board of directors indicated that the investigation was limited to Lugano and did not involve CODI's other subsidiaries. The company also delayed filing its 1Q25 10-Q. The market, however, did not wait for answers and CODI's equity, preferred stock, and unsecured notes sold off.

Our analysis began with a review of the footnotes of the annual reports which provided subsidiary-by-subsidiary detail. Excluding Lugano, we were able to reconstruct the income statement, balance sheet, and cash flow statement and map the various intercompany loans of the company's unaffected businesses, allowing for a conservative underwriting of the asset base. We concluded that even at modest cash flow multiples, the remaining portfolio of assets would cover the senior notes by more than 1.5x and provide ample margin of safety. This conclusion drove our initial purchases of the 2029 senior notes in May 2025 at prices in the mid-80s with an approximate 10% yield-to-maturity (YTM).

In hindsight, there were warning signs indicating problems at the Lugano subsidiary in the company's SEC filings: rising inventory and working capital needs at Lugano, a lengthening cash conversion cycle at the consolidated level, and declining levered free cash flow despite growth in adjusted EBITDA. At the subsidiary level, Lugano carried a \$623 million intercompany debt balance by year-end 2024 versus \$1.6 billion across the total portfolio. Repeated amendments to Lugano's intercompany credit between 2022 and 2024, explicitly designated "to build inventory to support salon expansion" corroborated how working capital-intensive the business had become. These disclosures, paired with the May press release's description of "irregularities" in inventory financing, gave us comfort that the problem was contained within Lugano and was not systemic across CODI.

Over the summer, the company entered a forbearance agreement with its bank lenders, reduced management fees payable to its external manager, and suspended the quarterly

¹¹ In calculating EBITDA, one may elect to add back fees paid to equity sponsors/advisors as, in a distressed scenario, these fees are often suspended, reducing the cash drain on the company and reducing leverage.

common dividend to conserve cash. In June, CODI expanded the period of financial statement non-reliance to the 2022-2023 fiscal years but reiterated that the issues were confined to Lugano. By July, CODI and its bank lender group extended the forbearance to the end of October and increased its borrowing capacity under the revolving credit facility, an action that reinforced our view that liquidity and banking support were intact while the forensic work ran its course.

In late August, we joined an ad hoc group of bondholders and executed a further forbearance agreement stipulating that a Lugano-only insolvency would not trigger an event of default at the parent company during the forbearance period. Compensation for the supporting holders included an upfront PIK¹² fee tiered to participation: 1.25% of principal if the group controlled a majority of bonds or 1.75% if group ownership exceeded 75% and additional 5% PIK interest on the bonds accruing from August 1 until the earlier of October 24, 2025, or the delivery of restated financials. We increased our position in early September at prices in the low-90s, with approximate YTM of 7.7%, with the expectation that additional economics afforded to the bondholder group would add approximately 40-50 bps of additional yield to our total return.

CODI is a classic “look through” situation. The senior notes are unsecured, parent level obligations backed by a diversified portfolio of majority-owned subsidiaries to which CODI is also a secured intercompany lender. The Lugano issues are being isolated and, in our view, will be resolved via sale or a subsidiary-level bankruptcy filing without recourse to the parent. Meanwhile, the healthy businesses generate sufficient cash flow to service the debt. The company has shown a willingness to conserve cash and could sell non-core assets to accelerate deleveraging if needed. With liquidity support from banks and alignment with an organized bondholder group, we are content to let time, transparency, and cash flow do the work. We believe the 2029 senior notes are attractive at today’s yield with the potential for a clean-up event that may result in capital appreciation if yields re-rate across the capital structure.

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¹² Pay-in-kind (i.e. in additional bonds rather than cash)

Mutual Fund Selected Characteristics on 9/30/25¹

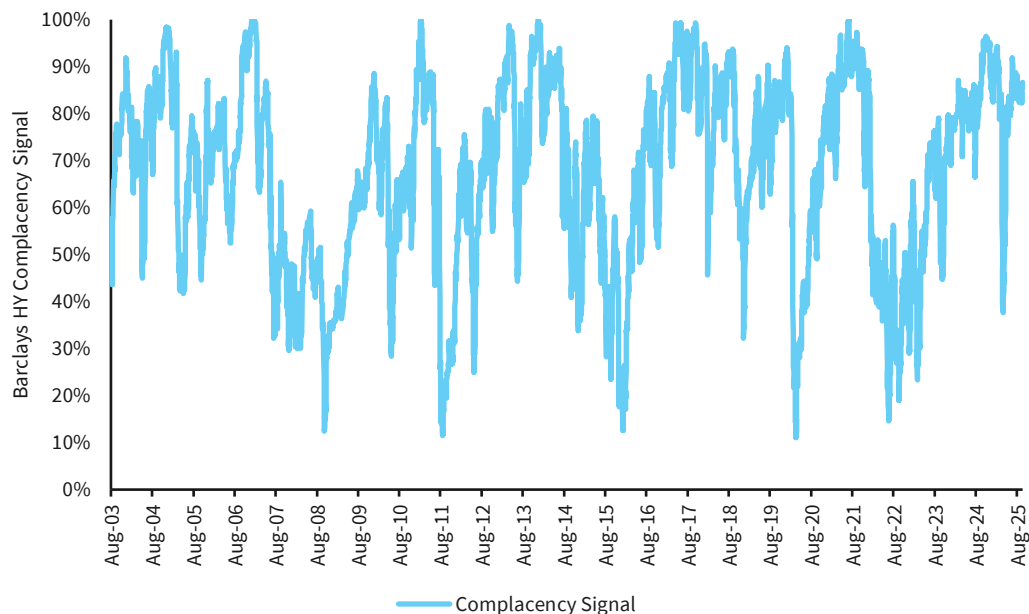
	CBUDX	CBLDX/ CBLVX	CBRDX	RSIIX/ RSIVX	NRDCX**
Yield to Worst (YTW)	5.40%	6.52%	7.42%	7.64%	+410
YTW Duration	0.40	0.87	1.08	1.59	0.79
Yield to Maturity (YTM)	5.59%	7.22%	8.30%	8.31%	+442
YTM Duration	0.97	1.80	2.71	2.95	2.34
Yield Extension	0.19%	0.71%	0.88%	0.66%	+32
Duration Extension	0.57	0.94	1.63	1.36	1.55
Investment Grade	73.69%	32.04%	9.21%	5.04%	16.70%
High Yield	22.42%	60.91%	86.97%	90.62%	73.23%
Cash & Other	3.89%	7.05%	3.82%	4.34%	10.07%
Floating Rate	22.9%	33.1%	48.3%	36.1%	61.0%
Leveraged Loans	4.4%	12.1%	20.0%	27.5%	2.8%
Foreign Exposure	13.7%	22.6%	32.9%	23.4%	85.2%
Dry Powder	41.7%	23.9%	11.2%	9.3%	19.4%

**NRDCX YTW/YTM: Spreads to Worst and Spreads to Maturity over benchmark rates listed, which is deemed a more appropriate measure with >80% of the portfolio invested in foreign domiciled bonds as well as multiple currencies (EUR 34.2%, NOK 28.6%, SEK 20.0%, USD 17.2% of invested portfolio).

In general, we have been increasing the credit quality of the portfolios while slightly extending duration. We continue to seek credit opportunities with potential events that may increase return in excess of yield-to-worst without taking on additional risk. Please note, each fund has specific mandates to which it adheres.

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Barclays High Yield Complacency Signal^J



In 1996, former Fed Chair Alan Greenspan described the tech-driven Dot-com bubble as “irrational exuberance”. Today, in an environment of elevated high yield inflows, low realized volatility, cheap credit index hedges, and declining interest rates, we appear to be in a world of “irrational complacency”^K as suggested by the graph above.

Investors are holding a record level of capital in money market funds,^L in excess of \$7 trillion at the end of September 2025, a portion of which they will continue to redeploy into a wider array of assets they believe will afford them higher returns even as the Fed cuts interest rates. Yet, they are accepting narrower credit spreads, bearing lower liquidity (whether they realize it or not), tolerating ever-weaker lender protections, and taking shortcuts in credit underwriting. Barring a sharp decline in the U.S. economy, this is likely to persist. Should this trend continue, we remember 2005 and 2006 when our internal models suggested negative future returns adjusted for credit losses.

Taking the backroads to avoid congestion,

DKS

David Sherman the CrossingBridge Team

Endnotes

^A Bloomberg, pricing for First Brands Group LLC First Lien Secured Term Loan B due 3/30/27 from 9/30/24 to 9/30/25

^B Declaration of Charles M. Moore in Support of Debtor's Chapter 11 Petition (Case No. 25-90399, docket #22) September 29, 2025

^C Declaration of Charles M. Moore in Support of Debtor's Chapter 11 Petition (Case No. 25-90399, docket #22) September 29, 2025

^D *First Brands, First Look*, Barclays, October 6, 2025

^E First Brands' lender presentations

^F In its history of investment in the First Brands credit, CrossingBridge, in aggregate, has experienced no losses.

^G First Brands' financial statements, lender presentations and annual financial statements for Dorman Products, Standard Motor Products, Motorcar Parts of America and Holley Inc. Holley Inc. became a public company in 2021.

^H On September 30, 2025, holdings in the Compass Diversified Holdings (CODI) 5.25% Senior Notes due 2029 represented 2.06% of the CrossingBridge Low Duration High Income Fund, 2.06% of the RiverPark Strategic Income Fund

^I Dry powder is defined as the sum of cash, cash equivalents, pre-merger SPACs, and maturities of 90 days or less.

^J *Capitulation and Complacency Signals*, Barclays, September 29, 2025. The Barclays' Complacency Signal uses six ex-ante symptoms of market tranquility to identify when the market is overly complacent and therefore may be sensitive to downside surprises. A higher percentage signals greater complacency.

^K *The Other Side of the Coin: Searching for Complacency in Credit*, Barclays, September 16, 2022.

^L Bloomberg: ICI Retail Money Market Funds Total Net Assets (WMMFRMTN Index) and ICI Institutional Money Market Funds Total Net Assets (WMMFIMEX Index) as of September 17, 2025.

The Fund's Subsidized/Unsubsidized SEC yields as of 9/30/25 were as follows:

CrossingBridge Low Duration High Income Fund (CBLDX): 5.94%/5.94%

CrossingBridge Low Duration High Income Fund (CBLVX): 5.69%/5.69%

CrossingBridge Ultra-Short Duration Fund (CBUDX): 4.28%/4.27%

CrossingBridge Responsible Credit Fund (CBRDX): 7.70%/7.35%

RiverPark Strategic Income Fund (RSIIX): 6.84%/6.84%

RiverPark Strategic Income Fund (RSIVX): 6.59%/6.59%

Nordic High Income Bond Fund (NRDCX): 6.32%/6.31%

Disclosures

Must be preceded or accompanied by a prospectus. The prospectus for the CrossingBridge Ultra-Short Duration Fund, CrossingBridge Low Duration High Income Fund, CrossingBridge Responsible Credit Fund, CrossingBridge Nordic High Income Bond Fund, and RiverPark Strategic Income Fund can be found by [clicking here](#). To obtain a hardcopy of the prospectus, call 855-552-5863. Please read and consider the prospectus carefully before investing. Per rule 30e-3, the fiscal [Q1 holdings](#) and [Q3 holdings](#) can be found by clicking on the respective links.

The prospectus for the CrossingBridge Pre-Merger SPAC ETF can be found by [clicking here](#). The Statement of Additional Information (SAI) can be found by [clicking here](#). To obtain a hardcopy of the prospectus, call 855-552-5863. Please read and consider the prospectus carefully before investing.

Any 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 redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 914-741-1515. Please Find the Most Current standardized performance For Each Fund as of the most recent quarter-end By clicking the following links: [CrossingBridge Low Duration High Yield Fund](#), [CrossingBridge Ultra-Short Duration Fund](#), [RiverPark Strategic Income Fund](#), [CrossingBridge Nordic High Income Bond Fund](#), [CrossingBridge Responsible Credit Fund](#) and [CrossingBridge Pre-Merger SPAC ETF](#).

The funds are offered only to United States residents, and information on this site is intended only for such persons. Nothing on this website should be considered a solicitation to buy or an offer to sell shares of the fund in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction.

CrossingBridge Mutual Funds' disclosure: Mutual fund investing involves risk. Principal loss is possible. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated and non-rated securities presents a greater risk of loss of principal and interest than higher-rated securities. Because the fund may invest in ETFs and ETNs, they are subject to additional risks that do not apply to conventional mutual fund, including the risks that the market price of an ETF's and ETN's shares may trade at a discount to its Net Asset Value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. The value of ETNs may be influenced by the level of supply and demand for the ETN, volatility and lack of liquidity. The fund may invest in derivative securities, which derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks, and, depending upon the characteristics of a particular derivative, suddenly can become illiquid. Investments in asset-backed, mortgage-backed, and collateralized mortgage-backed securities include additional risks that investors should be aware of, such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.

Investing in commodities may subject the fund to greater risks and volatility as commodity prices may be influenced by a variety of factors including unfavorable weather, environmental factors, and changes in government regulations. Shares of closed-end funds frequently trade at a price per share that is less than the NAV per share. There can be no assurance that the market discount on shares of any closed-end fund purchased by the fund will ever decrease or that when the fund seeks to sell shares of a closed-end fund, it can receive the NAV of those shares. There are greater risks involved in investing in securities with limited market liquidity.

CrossingBridge Pre-Merger SPAC ETF disclosure: investing involves risk; principal loss is possible. The fund invests in equity securities and warrants of SPACs. Pre-combination SPACs have no operating history or ongoing business other than seeking combinations, and the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable combination. There is no guarantee that the SPACs in which the fund invests will complete a combination or that any combination that is completed will be profitable. Unless and until a combination is completed, a SPAC generally invests its assets in U.S. Government securities, money market securities, and cash. Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial combination because certain stockholders, including stockholders affiliated with the management of the SPAC, may have sufficient voting power and a financial incentive, to approve such a transaction without support from public stockholders. As a result, a SPAC may complete a combination even though a majority of its public stockholders do not support such a combination. Some SPACs may pursue combinations only within certain industries or regions, which may increase the volatility of their prices. The fund may invest in SPACs domiciled or listed outside of the U.S., including, but not limited to, Canada, the Cayman Islands, Bermuda and the Virgin Islands. Investments in SPACs domiciled or listed outside of the U.S. may involve risks not generally associated with investments in the securities of U.S. SPACs, such as risks relating to political, social, and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices. Further, tax treatment may differ from U.S. SPACs and securities may be subject to foreign withholding taxes. Smaller capitalization SPACs will have a more limited pool of companies with which they can pursue a business combination relative to larger capitalization companies. That may make it more difficult for a small capitalization SPAC to consummate a business combination. Because the fund is non-diversified it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, a decline in the value of an investment in a single issuer could cause the fund's overall value to decline to a greater degree than if the fund held a more diversified portfolio.

Definitions: The **S&P 500**, or simply the **S&P**, is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. The **ICE BOFA Investment Grade Index** tracks the performance of U.S. dollar-denominated investment grade-rated corporate debt publicly issued in the U.S. domestic market. The **ICE BOFA High Yield Index** tracks the performance of U.S. dollar-denominated, below investment grade rated corporate debt publicly issued in the U.S. domestic market. **EBITDA** is a company's earnings before interest, taxes, depreciation, and amortization is an accounting measure calculated using a company's earnings, before interest expenses, taxes, depreciation, and amortization are subtracted, as a proxy for a company's current operating profitability. A **Basis Point (BP)** is 1/100 of one percent. **Pari-Passu** is a Latin term that means 'on equal footing' or 'ranking equally'. It is an important clause for creditors of a company in financial difficulty which might become insolvent. If the company's **debts** are **Pari-Passu**, they are all ranked equally, so the company pays each creditor the same amount in insolvency. **LIBOR** is the average interbank interest rate at which a selection of banks on the London money market are prepared to lend to one another. **Yield to Maturity (YTM)** is the total return anticipated on a bond (on an annualized basis) if the bond is held until it matures. **Free Cash Flow (FCF)** is the cash a company produces through its operations, less the cost of expenditures on assets. In other words, Free Cash Flow is the cash left over after a company pays for its operating expenses and capital expenditures. **Duration** is a measure of the sensitivity of the price of a bond or other debt

instrument to a change in interest rates. **Debtor-in-Possession (DIP)** financing is a special kind of financing meant for companies that are in bankruptcy. Only companies that have filed for bankruptcy protection under Chapter 11 are allowed to access dip financing, which usually happens at the start of a filing. Dip financing is used to facilitate the reorganization of a Debtor-in-Possession (the status of a company that has filed for bankruptcy) by allowing it to raise capital to fund its operations as its bankruptcy case runs its course. **Yield to Call (YTC)** refers to the return a bondholder receives if the bond is held until the call date, which occurs sometime before it reaches maturity. The SEC Yield is a standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. The yield figure reflects the dividends and interest earned during the period after the deduction of the fund's expenses. It is also referred to as the "standardized yield." **Yield to Worst** is the yield on the portfolio if all bonds are held to the worst date; Yield to Worst date is the date of lowest possible yield outcome for each security without a default.

ETF definitions: the ICE BOFA 0-3 Year U.S. Treasury Index tracks the performance of U.S. dollar-denominated sovereign debt publicly issued by the U.S. government in its domestic market with maturities less than three years. **Gross Spread** is the amount by which a SPAC is trading at a discount or premium to its pro rata share of the collateral trust value. For example, if a SPAC is trading at \$9.70 and shareholders' pro rata share of the trust account is \$10.00/share, the SPAC has a gross spread of 3% (trading at a 3% discount). **Yield to Liquidation:** similar to a bond's yield to maturity, SPACs have a yield to liquidation/redemption, which can be calculated using the gross spread and time to liquidation. **Maturity:** similar to a bond's maturity date, SPAC also have a maturity, which is the defined time period in which they have to complete a business combination. This is referred to as the **Liquidation or Redemption Date**. Price refers to the price at which the ETF is currently trading. The **SEC yield** is a standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. The yield figure reflects the dividends and interest earned during the period after the deduction of the fund's expenses. It is also referred to as the "standardized yield." **Weighted Average Life** refers to the weighted average time until a portfolio of SPACs' Liquidation or Redemption Dates.

All performance data greater than 1 year is annualized.

Diversification does not assure a profit nor protect against loss in a declining market.

A stock is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings. A bond is a debt investment in which an investor loans money to an entity that borrows the fund for a defined period of time at a fixed interest rate. A stock may trade with more or less liquidity than a bond depending on the number of shares and bonds outstanding, the size of the company, and the demand for the securities. The Securities and Exchange Commission (SEC) does not approve, endorse, or indemnify any security. Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

Tax features may vary based on personal circumstances. Consult a tax professional for additional information.

The CrossingBridge Ultra-Short Duration Fund, CrossingBridge Low Duration High Income Fund, CrossingBridge Responsible Credit Fund, CrossingBridge Nordic High Income Bond Fund, and RiverPark Strategic Income Fund are distributed by Quasar Distributors, LLC.

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