PT Asset Management, LLC
MUTUAL FUNDS

Performance Trust Municipal Bond Fund

2Q 2017 | COMMENTARY

PTIMX | PTRMX   866.792.9606   www.ptamfunds.com

Market Review

Municipal bond performance over the quarter benefited from uncertainty related to President Donald J. Trump's political agenda. The president's proposed agenda, which could have negative implications for municipal bonds (e.g., tax reform, increased business activity leading to higher inflation, healthcare reform, etc.), was sidetracked by growing speculation over the administration's ties to Russia.

Municipal bond performance was also supported by tepid inflation data, which continues to print below the Federal Reserve's (the "Fed's") target of 2%. As a result, interest rate markets shrugged off two Fed hikes in March and June, instead focusing on how weak inflation may slow the Fed's tightening cycle.

Portfolio Review and Positioning

(as of June 30, 2017)

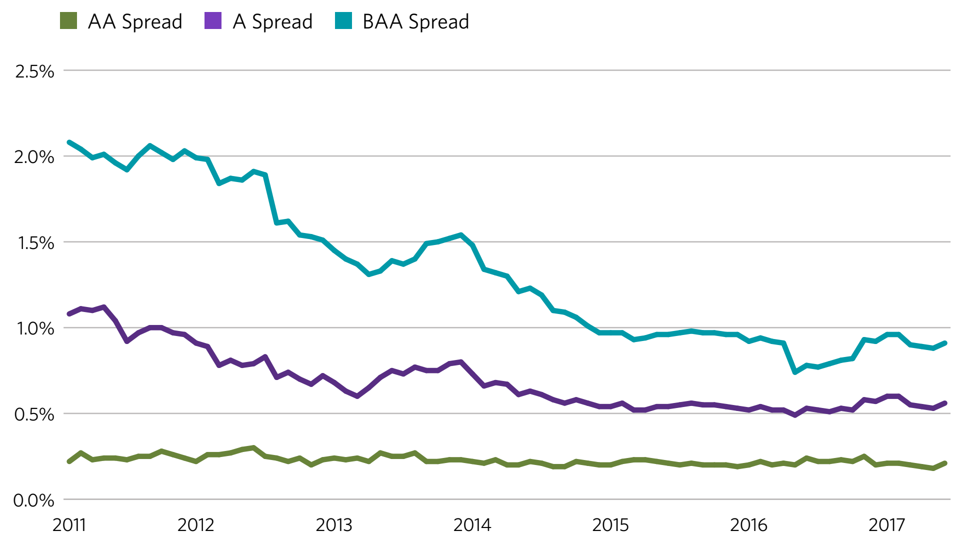
CREDIT QUALITY (%)

	1Q 2017	2Q 2017	Change
AAA	1.61	1.51	-0.10
AA	48.13	49.80	1.67
A	35.03	32.01	-3.02
BBB	8.16	7.53	-0.63
BB	0.96	2.22	1.26
B	0.00	1.04	1.04
Below B	0.00	0.00	0.00
Not Rated	3.65	3.96	0.31

Maintained Exposure to High Quality Bonds Due to Historically Tight Credit Spreads

As mentioned previously, over the past few years, we have witnessed dramatic spread tightening compared to historic levels. During the second quarter, investor demand for lower rated paper continued to keep credit spreads tight. As a result, we maintain our position of more than half of the portfolio in AA and higher rated bonds. Our higher credit quality strategy limited our exposure to many of the beleaguered credits that have appeared in the headlines such as Illinois, New Jersey, and Connecticut.

MUNICIPAL BOND SPREADS OVER AAA BY RATING February 28, 2011 to June 30, 2017



Source: MMD

Exposure to Municipal Bonds Subject to the AMT Resulted in Positive Performance for the Fund

In previous commentaries, we have spoken about our increased exposure to the alternative minimum tax ("AMT") following the U.S. election. We believed the AMT could be eliminated through tax reform, and that these municipal bonds were undervalued with the potential for further spread tightening. Although in April, Steve Mnuchin, the U.S. Treasury secretary, confirmed the administration's plans to eliminate the AMT, there has been little news of it since. Also, to date, the U.S. Senate has failed to execute on reforming the Affordable Care Act, not an auspicious sign for the Trump administration's other agenda items, such as tax reform.

Despite this outlook, we maintained our 14% exposure to municipal bonds subject to the AMT during the second quarter. While the probability of the elimination of AMT has dropped, AMT spread premiums are still being driven down as investors look for additional yield in this low rate environment. Going forward, we do not intend to increase our allocation much further, and could potentially reduce our exposure when opportunities appear attractive.

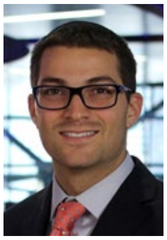
Fund Performance

For the second quarter of 2017, PTIMX returned 2.65%, outperforming the Bloomberg Barclays U.S. Municipal Bond Index's (the "Index") return of 1.96%. PTIMX's outperformance relative to the Index is attributable to its 6.7 year duration relative to the Index's 5.1 year duration in a declining interest rate environment. Over the three-month period, municipal bond interest rates fell modestly by 0.26% in the 10-year part of the yield curve. Additionally, we estimate the incremental spread offered on AMT bonds tightened by 0.09%. We have steadily increased PTIMX's AMT exposure from 8.75% at the end of 2016 to 14% at June 30, 2017, which enhanced PTIMX's performance over the three-month period.

Performance data quoted represents past performance which 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 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 visiting www.ptamfunds.com or by calling (866) 792-9606.

Mike Plaiss, CFA

Senior Portfolio Manager



Jason Appleson, CFA, FRM

Senior Municipal Research Analyst

TOTAL RETURNS (%) (as of 6/30/17)

	1-Year	3-Year	5-Year	Since Inception	Expense Ratio-Net	Expense Ratio-Gross
PTIMX (Inception Date: 6/30/2011)	-1.39	4.41	4.58	6.32	0.55%*	0.73%
PTRMX (Inception Date: 9/28/2012)	-1.63	4.21	—	3.85	0.80%*	0.98%
BbgBarc Municipal Bond Index	-0.49	3.33	3.26	4.34		

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*Advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual Fund operating expenses (excluding acquired fund fees and expenses, interest, taxes, dividends and interest expenses on short positions, brokerage commissions and extraordinary expenses such as litigation expenses) do not exceed 0.55% and 0.80%, respectively, of the average daily net assets of the Fund. This agreement is effective until December 29, 2017.

What Differentiates PTAM?

DISTINCTIVE APPROACH TO FIXED INCOME INVESTING

EXPERTISE IN COMPLEX STRUCTURES

STRONG LONG TERM RESULTS IN VARIOUS MARKET ENVIRONMENTS

GLOSSARY

Duration is a direct measure of how much a bond's price changes when its yield changes.

Bloomberg Barclays U.S. Municipal Bond Index is a market value weighted index of investment grade municipal bonds with maturities of one year or more.

DISCLAIMER

Mutual fund investing involves risk; principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in asset-backed and 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. The Fund may invest in Real Estate Investment Trusts which involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. Derivatives involve investment exposure that may exceed the original cost and a small investment in derivatives could have a large potential impact on the performance of the Fund. Options and swap positions held in the Fund may be illiquid and the Fund manager may have difficulty closing out a position. The Fund may also invest in equities, including common and preferred stock, as a non-principal investment strategy and exchange-traded funds ("ETFs"). ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a discount to its net asset value, 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 the Fund's ability to sell its shares.

While the Fund is no-load, management fees and other expenses still apply. Please refer to the prospectus for further details.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information about the investment company, and may be obtained by calling 1.877.738.9095. Read carefully before investing.

PT Asset Management, LLC ("PTAM") is the advisor to the PTAM Funds, which are distributed by Foreside Fund Services, LLC ("Foreside"). PTAM and Foreside are not affiliated. PTAM is registered to do business in the State of Colorado under the name PTAM and in the State of Florida under the name PTAM Performance Trust Asset Management, LLC.