



Client Relationship Summary (Form CRS/Form ADV Part 3) – June 30, 2020

Item 1 – Introduction

Palmer Square Capital Management LLC (“we”, “us” or “our”) is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Clients and prospective clients should be aware that services and fees differ between investment advisers and broker-dealers and it is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at <https://investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

We offer discretionary investment advisory services to a limited number of retail investors, focused primarily on corporate credit, structured credit, alternatives and similar investments. Clients may access these investments by investing in funds, including funds managed by us or our affiliates. Typically, we have full discretion in trading on behalf of clients. In a discretionary account (typically referred to as a separately managed account), we are granted authority by you in an investment management agreement to determine the securities or other assets to purchase or sell in the account. This discretion will remain in effect unless revoked by you. Accounts are tailored to address your specific goals, objectives and constraints. We consider a range of factors that can impact the investment management process, including risk tolerance, investment time horizon, and cash needs. We monitor your account and will purchase and sell securities and other assets in the account consistent with the investment strategy or strategies selected by you as part of your overall investment plan, subject to any reasonable restrictions provided to us in writing. We generally require any managed account client to have a minimum account value of \$10 million but we will accept accounts of lower value at our discretion.

Additional information on relationships, fees and services can be found in our Form ADV, Part 2A (Items 4 and 7) which is available on our website at <https://www.palmersquarecap.com/uploads/FormADV2A.pdf>.

Conversation Starter - Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Item 3 – Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

We generally receive an annual fee based on a percentage of assets under management, generally paid quarterly. Fees for each client are negotiated on a case-by-case basis and may vary depending upon the level of service we provide to you. In addition to the fees paid to us, you may be subject to various costs and expenses, including but not limited to, custodial, brokerage and transactional fees and expenses. Our fees are exclusive of the fees and expenses relating to investments in underlying funds, including affiliated funds. Clients may be invoiced or may have us deduct fees automatically pursuant to your investment management agreement.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Additional information can be found in our Form ADV, Part 2A (Items 5-6) which is available on our website.

Conversation Starter – Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

Conflicts and Standard of Conduct

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Below are some examples to help you understand what that means:

- To the extent a client invests in an affiliated fund, the client may be subject to both a management fee and the fees and expenses of the affiliated fund. Accordingly, we have an incentive to cause clients to invest in affiliated funds where we receive an additional layer of fees.
- We manage accounts where we are entitled to receive performance-based fees as well as accounts where we are not entitled to receive performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because we have an incentive to favor the accounts that pay performance-based fees when allocating investment opportunities.
- We make money from the fees we collect from our clients. To the extent we charge an asset-based fee with respect to your account, we have an incentive to encourage you to increase the amount of assets in your account.

Additional information on conflicts of interest can be found in our Form ADV, Part 2A (Items 7,8,10,11 and 12) which is on our website at <https://www.palmersquarecap.com/uploads/FormADV2A.pdf>.

Conversation Starter – How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Generally, our financial employees are paid a fixed salary. They are also entitled to receive an annual bonus at the discretion of management that is not specifically tied to the performance of your account(s).

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. Please visit at <https://investor.gov/CRS> for free and simple search tools to research us and our financial professionals.

Conversation Starter - As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5 – Additional Information

If you have any questions about our services or if you wish to request a copy of the relationship summary, please contact us at 816-994-3200 or compliance@palmersquarecap.com. Additional information is also available on the SEC's website at <https://adviserinfo.sec.gov/>.

Conversation Starter - Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?