River Canyon Total Return Fund Q2 2019 Commentary

The River Canyon Total Return Bond fund (RCTIX) returned 9.13% net of fees in the first half of the year. The fund outperformed its benchmark, the Bloomberg Barclays US Aggregate Bond Index by 302 basis points. During the second quarter RCTIX returned 3.04% net of fees vs. the BBAG index return of 3.08%.

Net Returns as of 06/30/2019	1 mo.	3 mo.	YTD	1 Yr	3 Yr (ann)	SI* (ann)
RCTIX	**.61**	**3.04**	**9.13**	**9.87**	**7.42**	**6.41**
Bloomberg Barclays U.S. Agg. Bond Index	1.26	3.08	6.11	7.87	2.31	2.86

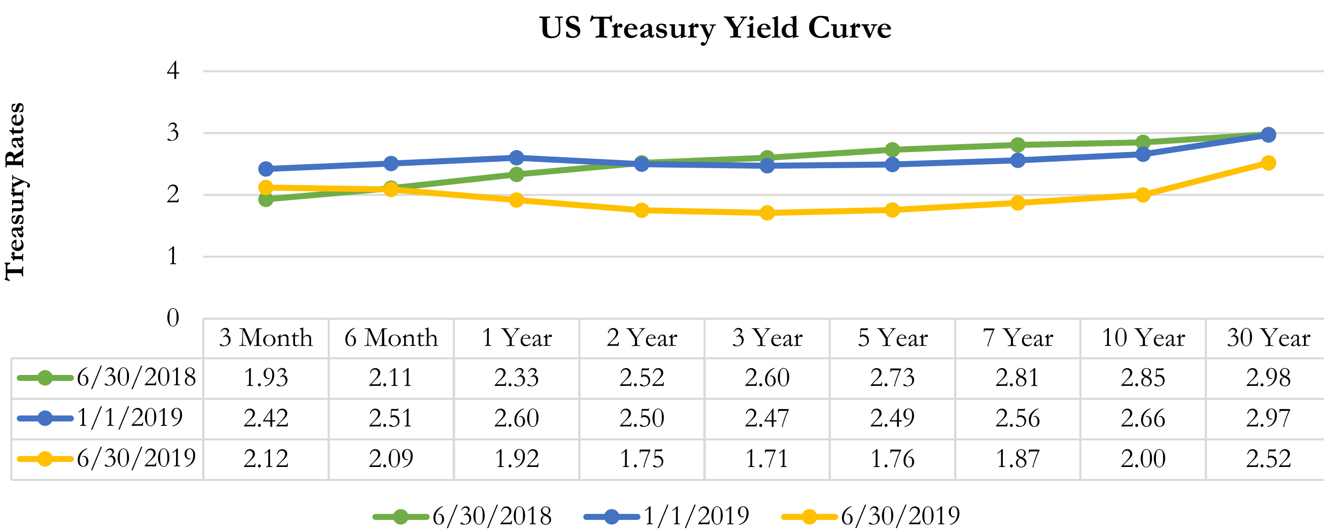
*Since 12/30/2014

Expense ratios*: gross 2.30%, net 0.71%

The performance data quoted represents past performance and is no guarantee of future results. 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 data quoted. For the most recent month-end performance, please call 310-272-1084.

Market Commentary

After a geopolitical/trade-war induced selloff during May, risk assets recovered and rallied along with lower Treasury yields into the end of the quarter following a dovish pivot from the Fed. The S&P 500 produced its best first half performance since 1997 returning 18.5%, while the US Investment Grade Index and US High Yield Index returned 9.43% and 9.73%, respectively. The yield on the US 10-year treasury dropped 67 basis points to end the first half of the year at 2.01%. Non-US developed market sovereign debt yields fell throughout the quarter ending near their multi-year lows. As of June 30, $13 trillion in developed market debt traded at negative yields. On the global economic front, limited progress in the US and China trade dispute, deterioration in global PMI indices, and falling long term inflation expectations empowered central banks' dovish stance, signaling a willingness for a new round of monetary policy easing. The rates market is pricing in 100% probability of a cut before year-end and a total of approximately 69bps of rate cuts.



	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
6/30/2018	1.93	2.11	2.33	2.52	2.60	2.73	2.81	2.85	2.98
1/1/2019	2.42	2.51	2.60	2.50	2.47	2.49	2.56	2.66	2.97
6/30/2019	2.12	2.09	1.92	1.75	1.71	1.76	1.87	2.00	2.52

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RCTIX Second Quarter Performance Recap

Top Performance Contributors

- Non-Agency RMBS
- Inverse Interest Only Mortgage Derivatives
- Non-US Government

Top Performance Detractors

- Interest Only Mortgage Derivatives

Portfolio Positioning and Outlook

In a fixed income investment environment characterized by low and negative interest rates, flat interest rate curves, and relatively tight credit spreads, we are maintaining a portfolio bias towards higher quality, liquid securities with more resilient total return profiles across an array of interest rate and credit scenarios. The fund's exposure to Agency RMBS continues to anchor the high quality bias of the fund. The funds non-Agency RMBS allocation is focused on seasoned senior and mezzanine legacy securities at discounted prices. This part of the portfolio should continue to benefit from a steady economic growth environment, a scarcity of new issuance, and general home value improvement. We are maintaining the same investment discipline for managing the strong inflows into RCTIX and remain focused on credit quality and interest rate risk in our capital allocation decisions at this point in the credit cycle. Looking forward, we believe the fund is in a favorable position to continue generating positive absolute and relative returns.

Fund Performance

30-Jun -19	QTD*	YTD*	Since Inception* (ann)
RCTIX	**3.04%**	**9.13%**	**6.41%**
Indices			
BB US Agg Bond Index	3.08%	6.11%	2.86%
BB US MBS Index	2.25%	4.17%	2.42%
Morningstar Multi Sector Bond Category	2.60%	6.89%	3.58%

**Mutual fund returns are presented net of fees. SI Annualized since 12/30/2014.*

and uncertainties, actual events or results or the actual performance of an individual investment, an asset class or the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Past performance is not indicative of future results.

Certain Investment Risks

It is important to note that the Fund is not guaranteed by the U.S. Government. Fixed income investments involve interest rate risk, issuer credit risk, prepayment risk, duration risk, price volatility risk and risk of default. Funds investing in bonds can lose their value as interest rates rise, and investors participating in such Funds can suffer a partial or total loss of their principal.

Mortgage-backed and other asset-backed securities involve risks that are different from or more acute than risks associated with other types of debt instruments. For example, rising interest rates tend to extend the duration of fixed-rate MBS, making them more sensitive to changes in interest rates and causing funds investing in such securities (such as the Fund) to exhibit additional volatility. Conversely, declining interest rates may cause borrowers to pay off their mortgages sooner than expected, thereby reducing returns because the Fund may be required to reinvest the return of borrower principal at the lower prevailing interest rate. MBS related to floating rate loans may exhibit greater price volatility than a fixed rate obligation of similar credit quality. With respect to non-agency MBS, there are no direct or indirect government or agency guarantees of payments in pools created by non-governmental issuers. Non-agency MBS also are not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have a government or government-sponsored entity guarantee.

For a more complete list of Fund risks, please see the Prospectus. For additional information, please contact rivercanyon@canyonpartners.com or (310) 272-1084.