RIVER CANYON

RCTIX Quarterly Investment Report | Q2 2024

Overall Morningstar Rating™

★★★★★

REFINITIV LIPPER FUND AWARDS
2023 WINNER UNITED STATES

Based on risk-adjusted returns out of 316 funds as of June 30, 2024.

Category	Multisector Bond
1-Year % Rank	15th Percentile *Out of 353 funds*
3-Year % Rank	6th Percentile *Out of 316 funds*
5-Year % Rank	5th Percentile *Out of 262 funds*
Criteria	Total Return

Performance | Quarter-End

As of June 30, 2024
Fund Inception: December 30, 2014

	RCTIX (net)	BAG
QTD	2.04%	0.07%
1-Year (Ann.)	9.82%	2.63%
3-Year (Ann.)	3.27%	-3.02%
5-Year (Ann.)	4.41%	-0.23%
SI (Ann.)	5.35%	1.22%

Characteristics | Quarter-End

	RCTIX	BAG
Duration (Years)	3.35	6.13
SEC Yield (Sub)*	7.63%	-
SEC Yield (Unsub)*	7.44%	5.00%
Floating Rate	32%	-
Annualized Volatility	4.38%	4.96%
Sharpe Ratio	0.85	-0.08

The performance data quoted herein represents past performance and is not a 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 800-245-0371.

Contributors & Detractors | Quarter-End

Legend
◀▶ -0.10% to 0.10% ▲ > 0.10% ▼ < -0.10%

Quarter	Portfolio Sector
▲	ABS
▲	Corporate
▲	Municipal
▲	RMBS
▲	US Treasury
◀▶	CLO
◀▶	CMBS

About the Fund

RCTIX

With $752.5 million in AUM as of Q2 2024, the Fund is an actively managed, diversified portfolio of corporate and structured credit and other fixed income instruments. The Fund strives to achieve high relative and risk-adjusted returns compared to the Bloomberg US Aggregate Bond Index (BAG).

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Notable Observations

RCTIX returned +2.04% net of fees for 2Q24, while the Fund's benchmark, the Bloomberg US Aggregate Bond Index ("BAG"), delivered +0.07% over the same period. Year to date, RCTIX is +3.52% vs -0.71% for the benchmark, putting the Fund in the 78th percentile of the Morningstar Multisector Bond Fund peer group. RCTIX's outperformance was the result of excess portfolio yield (8.6% YTM versus the Agg's 5.0%) and shorter duration (3.4Y versus 6.1Y for the Agg). RCTIX's annualized vol in the first half of the year was 2.4%, for a Sharpe Ratio of 0.8 vs the benchmark's, 4.8% and -1.0, respectively.

In Q2, the Fund's primary contributors were **ABS**, contributing +0.95%, **Corporates**, contributing +0.62%, **Munis**, contributing +0.24%, and **RMBS**, contributing +0.24%. **ABS Consumer Equity** and **CMBS Agency IO** both were a drag to performance, detracting -0.08% and -0.07% from the quarter's performance, respectively. In total return terms, the Corporate book was +2.8%, Muni book +10.3%, and Structured Products +0.87%. Year to date through 1H24, primary contributors are Corporates (+1.59%), ABS (+1.52%), Munis (+0.72%), and RMBS (+0.58% ex IIOs). The largest detractor year to date is RMBS Agency IIOs (-0.70%).

This quarter, the fund generated 11.4% cash endogenously from interest payments, amortizations, paydowns and maturities. This brings that total endogenous liquidity just shy of 20% for the first half of the year. **Within the quarter, we reduced corporate exposure by approximately 4% as a result of portfolio refinancings and reduced our CMBS exposure via the sale of Ginnie Mae Project IO.**

Contribution to Quarterly Gross Returns

Portfolio Sector	Starting Allocation	Ending Allocation	Change in Allocation	Gross Return Contribution
CMBS	7%	5%	-2%	0.06%
ABS	34%	32%	-2%	0.95%
RMBS - Non-Agency	11%	10%	-1%	0.23%
CLO	2%	2%	--	0.08%
Municipal	4%	5%	+1%	0.24%
RMBS – Agency	4%	4%	--	0.01%
Corporate	33%	29%	-4%	0.62%
US Treasury	0%	3%	+3%	0.11%
Cash	5%	10%	+5%	0.00%

***The 30-Day SEC Yield represents net investment income earned by the Fund over the 30-Day period ended 6/30/2024, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-Day period. The 30-Day unsubsidized SEC Yield does not reflect any fee waivers/reimbursements/limits in effect.**

River Canyon Fund Management LLC (the "Adviser") has contractually agreed to waive fees and reimburse expenses to the extent that Total Annual Fund Operating Expenses (excluding brokerage costs, interest, taxes, dividend expense on short positions, litigation and indemnification expenses, expenses associated with investments in underlying investment companies, and extraordinary expenses) exceed 0.65% until January 28, 2025. The Net Expense Ratio is 0.69% and the Gross Expense Ratio is 0.91%.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call (800) 245-0371 or visit our website at https://www.rivercanyonfunds.com. Please click here for a prospectus. Read the prospectus or summary prospectus carefully before investing.

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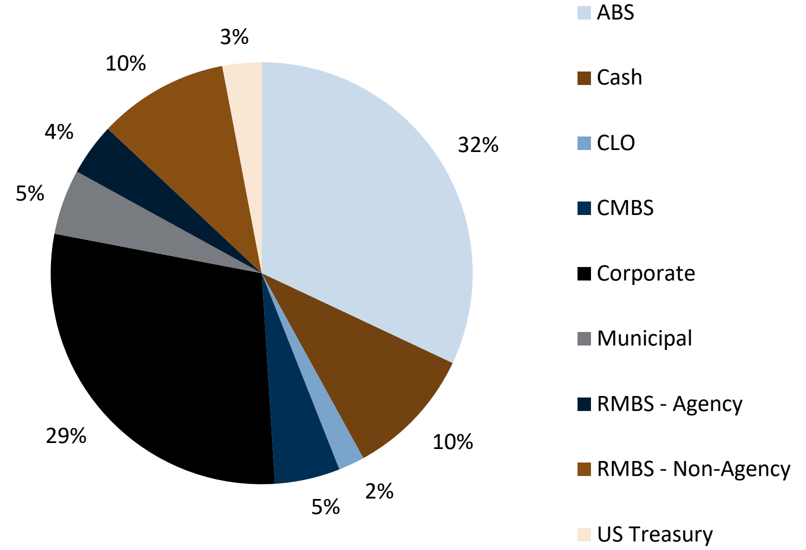
Allocation by Credit Quality | Quarter-End

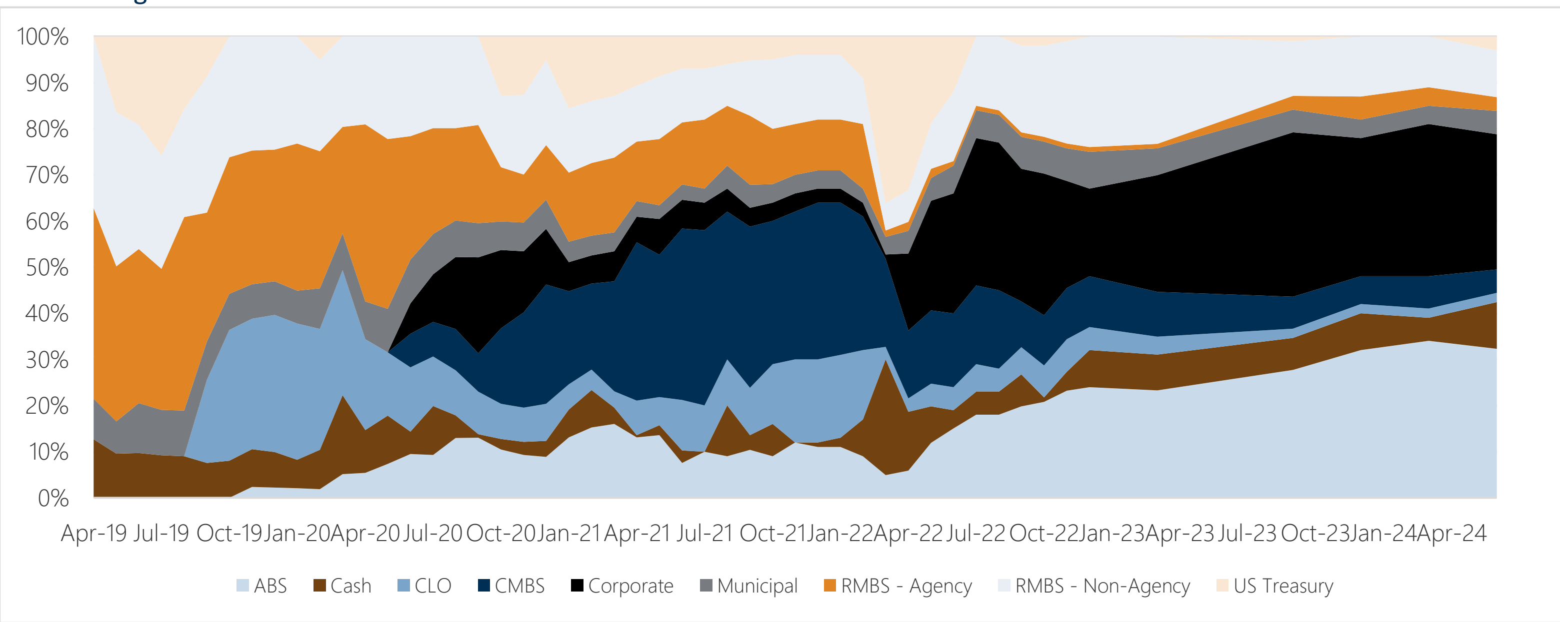
	Current Quarter	Change vs Prior Quarter
Cash	10%	5%
Agency	4%	0%
AAA	3%	1%
AA	1%	0%
A	2%	-1%
BBB	21%	-2%
BB	20%	2%
B	17%	-3%
CCC	5%	-1%
CC	0%	0%
C	1%	0%
Not Rated	16%	-1%

Credit quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Quality ratings are subject to change. Moody's assigns a rating of Aaa as the highest to C as the lowest credit quality rating. S&P assigns a rating of AAA as the highest to D as the lowest credit quality rating.

Allocation by Sector | Quarter-End



Trailing Sector Allocation



Important Information

The Fund's benchmarks for performance comparison purposes are the Bloomberg U.S. Aggregate Bond Index. The Bloomberg U.S. Aggregate Bond Index is an unmanaged index that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage pass-through securities, and asset-backed securities. The index returns reflect the theoretical reinvestment of dividends on securities in the index. The impact of any transaction costs and the deduction associated with a mutual fund, such as investment management and administration fees, are not reflected in the index calculations. It is not possible to invest directly in an index.

PRINCIPAL 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 and risk of default, and price volatility risk. 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. The Fund invests in asset backed and mortgaged backed securities which may be more volatile than other fixed income securities and influenced by the housing markets or markets from which the collateral is drawn. For a more complete list of fund risks, please see the Prospectus.

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Q2 2024 Commentary & Outlook

RCTIX returned +2.04% net of fees for 2Q24, while the Fund's benchmark, the Bloomberg US Aggregate Bond Index("BAG"), delivered +0.07% over the same period. Year to date through 1H24 RCTIX is +3.52% vs -0.71% for the benchmark, putting the Fund in the 78th percentile of the Morningstar Multisector Bond Fund peer group. RCTIX's outperformance was the result of excess portfolio yield (8.6% YTM versus the Agg's 5.0%) and shorter duration (3.4Y versus 6.1Y for the Agg). Further, RCTIX's annualized volatility in the first half of the year was 2.4%, to deliver a Sharpe Ratio of 0.8 vs the benchmarks, 4.8% and -1.0, respectively.

The labor market is cooling and supply and demand imbalances are normalizing to pre-pandemic levels. As we have discussed in previous commentaries, the labor market has been contending with a shortage of supply, but Fed rate hikes are working as intended to cool labor demand. Job Openings (JOLTS) have declined from a post-pandemic peak of 12.2 million to 8 million today, and the ratio of jobs to unemployed is down from 2 to 1.2. Job openings as a percentage of total payroll jobs have fallen from 7.4% in March 2022 to 4.8% in April. The rebalancing of the labor market has occurred so far by companies cutting vacancies rather than layoffs, which has allowed the unemployment rate to stay subdued at 4%, slowing wage growth and helping to slow inflation. Taken as a snapshot today, the labor market is in good shape and back to pre-pandemic levels. However, a more balanced labor market coupled with what we think will continue to be a loosening trajectory should imply that jobs and wages are more elastic and vulnerable to the downside should the economy turn. It is rare for unemployment to rise 50bps, as we have seen from with the recent move from 3.5% to 4.0%, and simply stop. Since inflation appears to remain persistent and above 2%, the Fed is likely to wait for clear evidence of a slowdown before it begins easing. We remain cautious and continue to anticipate a moderate recession in the next 6-9 months (the political cycle makes predicting timing difficult).

We believe inflation will continue to move toward the Fed's 2% target in the near-term with some volatility in underlying components. We see evidence that the stickier residential components are closer to turning lower in the coming months, but the Boomer demographic drawing down savings and record household wealth in higher cohorts should be supportive of certain service components ex-shelter.

The balance sheets of wealthier consumer cohorts remain strong, but spending is likely to continue to decline and we anticipate more distress in lower cohorts. Resilient housing and equity prices have pushed household net worth to a record high, supporting wealthier cohorts. Aggregate household debt as a percent of disposable income bottomed at 8.3% in 2021 and sits at 9.8% today, below the long-term average of 11.0% and peak of 13.2% pre-GFC. Debt servicing costs as a percent of disposable income at 10% remains similarly contained. We believe this is largely due to fixed rate mortgages. On the other hand, cumulative excess savings, which peaked at $2.1TN in 2021, have been entirely depleted. $6.1TN in money market funds would also seem supportive to the consumer but this capital is largely concentrated among wealthier demographics with a lower propensity to consume. At present, rising delinquencies and defaults have largely been contained to subprime demographics, but we expect this weakness to leak into middle tier consumers as the labor market loosens. As the savings rate moves up from a historically low 3.6% and labor market loosens, we expect consumer spending to slow. We are constructive on the overall balance sheets of prime and near-prime demographics and generally believe there have been tightening lending standards for new loans. At present, we see compelling select opportunities in Prime Auto Loans (from non-economic bank sellers) and Consumer Loans. The combination of record home equity and rate-locked homeowners also makes for compelling opportunities in HELOCs and Home Improvement Loans for higher quality borrowers seeking to monetize home equity and not lose the low rate on their mortgage with refinancings.

Corporate spreads at the index level continue to offer little value and we prefer to focus on short-duration refinancing opportunities, which are not vulnerable to rate or spread moves. Investment Grade spreads inside 100bps and High Yield Spreads around 300bps are historically tight and offer little room for error. We continue to focus on short-term refinancing opportunities but the market has been aggressive in taking advantage of a good technical bid for paper to refinance debt. In the Leveraged Loan market, where CLO creation and high base rates have driven a wave of demand, we have seen $391BN in loan repricings this year, a record year to date number and equal to more than a quarter of the $1.34TN market. Today, 44.0% of the leveraged loan market trades above par, up from just 1.4% in June 2023. The competitiveness of the market has taken annualized takeout yields for short-duration paper from 8-9% down closer to 7%, but we still think this is an attractive defensive place to allocate money given the current backdrop.

Given our outlook for a cooling labor market, economy and inflation, we have a tactical overweight in portfolio duration at 3.5Y, slightly higher than the 2.5-3Y duration we've had over the past year but well short of the 6.1Y duration for the benchmark. This quarter, the fund generated 11.4% cash endogenously from interest payments, amortizations, paydowns and maturities. This brings that total endogenous liquidity just shy of 20% for the first half of the year. **Within the quarter, we reduced corporate exposure by approximately 4% as a result of portfolio refinancings and reduced our CMBS exposure via the sale of Ginnie Mae Project IO.**

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Important Information

Sharpe Ratio: A measurement of the portfolio's outperformance per unit of the portfolio's volatility.
Duration: A measurement of the portfolio's bonds' sensitivity to interest rate changes. "Duration" represents Effective Duration for RCTIX and Modified Adjusted Duration for the Index.
Yield to Maturity ("YTM"): The rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate.
CMBS: Commercial Mortgage-Backed Securities
RMBS: Residential Mortgage-Backed Securities
CLO: Collateralized Loan Obligation
ABS: Asset Backed Securities
AUM: Assets Under Management
S&P: The Standard and Poor's 500, or simply the S&P 500, is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States
Basis Point: one hundredth of one percent
Amortization: the process of spreading an intangible assets cost over a specified period of time via periodic payments.
Paydowns: a reduction in the overall amount owed on a loan or other debt.
HELOC: home equity line of credit; a line of revolving credit secured by equity you have in your home.
Par value: the face value of a bond or stock, as stated in the issuing company's corporate charter.

IMPORTANT LIPPER FUND AWARDS DISCLOSURES

The Lipper Fund Awards recognized River Canyon Total Return Bond, Institutional for the 5-year performance period ended 11/30/23 out of 83 funds under the Multi-Sector Income Funds Classification. The Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. For more information, see lipperfundawards.com. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper.

IMPORTANT MORNINGSTAR DISCLOSURES

Morningstar Rating™ as of 30 June 2024 for the Inst. series; other classes may have different performance characteristics. The River Canyon Total Return Bond Fund was rated against the following numbers of Multi-Sector Bond funds over the following time periods: Overall 5 Stars (316 funds rated); 3 Yrs. 5 Stars (316 funds rated); 5 Yrs. 5 Stars (262 funds rated) based on risk adjusted returns. **Past performance is no guarantee of future results**. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar rankings are based on a fund's average annual total return relative to all funds in the same Morningstar category. Fund performance used within the rankings, reflects certain fee waivers, without which, returns and Morningstar rankings would have been lower. Morningstar's percentile ranking is based on the highest (or most favorable) rank of 1 and the lowest (or least favorable) percentile rank of 100.

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