

# RCTIX Quarterly Investment Report | Q4 2025

## Overall Morningstar Rating™



Based on risk-adjusted returns out of 360 funds as of December 31, 2025.

Category	Multisector Bond
10-Year % Rank	5 <sup>th</sup> Percentile Out of 209 funds
5-Year % Rank	6 <sup>th</sup> Percentile Out of 302 funds
3-Year % Rank	23 <sup>rd</sup> Percentile Out of 334 funds
1-Year % Rank	54 <sup>th</sup> Percentile Out of 353 funds
Criteria	Risk Adjusted Return

## Performance

As of December 31, 2025

Fund Inception: December 30, 2014

	RCTIX (net)	BAG
QTD	1.16%	1.10%
1-Year (Ann.)	7.75%	7.30%
3-Year (Ann.)	8.41%	4.66%
5-Year (Ann.)	4.97%	-0.36%
10-Year (Ann.)	5.74%	2.01%
SI (Ann.)	5.67%	1.88%

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. Performance reflects contractual fee waivers in effect. If fee waivers were not in place, returns would be reduced.

## Notable Observations

**In Q4 2025, RCTIX (the "Fund") returned +1.16% vs. a return of +1.10% for the Bloomberg U.S. Aggregate Bond Index (the "BAG" or the "Benchmark") over the same period. In 2025, RCTIX returned +7.75% net vs. a return of +7.30% for the Benchmark.**

In Q4 2025, the primary contributors to Fund performance were ABS (+57bps), Non-Agency RMBS (+51bps), and Corporates (+14bps). Over the same period, Agency RMBS detracted -15bps. In total return terms, the Fund's ABS book returned +2.1%, the Non-Agency RMBS book returned +2.4%, and the Corporates book returned +0.4%. The Fund's Agency RMBS book was down -2.6%.

For full-year 2025, the primary contributors to Fund performance were ABS (+297bps), Non-Agency RMBS (+200bps), and Corporates (+186bps). There were no material detractors. In total return terms for 2025, the Fund's Agency Inverse IOs book returned +16.3%, the ABS book returned +10.4%, the Non-Agency RMBS book returned +10.3%, and the Corporates book returned +5.7%.

In 2025, RCTIX delivered a Sharpe Ratio of 1.79 vs. 0.69 for the Benchmark and annualized volatility of 2.13% vs. 3.69% for the Benchmark. As of 2025 year-end, the Fund has a yield-to-maturity ("YTM") of 9.34% vs. 4.35% for the BAG and 6.53% for the Bloomberg U.S. Corporate High Yield Bond Index. As of Q4 2025, the Fund's cash allocation sits at 5.4%, which is moderately lower than Q3 levels. We are currently taking advantage of what we believe is a vast opportunity set, particularly in Non-Agency RMBS and yield-to-call ("YTC") Corporates, while remaining cautiously positioned for potential volatility in the coming months.

## Contribution to Quarterly Gross Returns

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

Portfolio Sector	Starting Allocation	Ending Allocation	Change in Allocation	Gross Return Contribution
ABS	29%	27%	+2%	▲ 0.57%
RMBS – Non-Agency	20%	22%	+2%	▲ 0.51%
Corporates	31%	31%	--	▲ 0.14%
Municipal	4%	4%	--	◀ 0.08%
Other	8%	5%	-3%	◀ 0.06%
CMBS	1%	2%	+1%	◀ 0.06%
CLO	2%	3%	+1%	◀ 0.06%
Treasuries	0%	0%	--	◀ 0.00%
RMBS – Agency	5%	5%	--	▼ -0.15%

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, 2027. The Net Expense Ratio is 0.69% and the Gross Expense Ratio is 0.91%.

Refinitiv Lipper Fund Awards, ©2023 Refinitiv. All rights reserved. Used under license. The Lipper Fund Awards recognized River Canyon Total Return Bond, Institutional for the 5-year performance period out of 83 funds for the 5-year period ending November 30, 2023 under the Multi-Sector Income Funds Classification. The fund did not win the Lipper Award in 2024.

## About the Fund

RCTIX is an actively managed, diversified portfolio of primarily corporate and asset backed credit. The Fund strives to achieve high relative and risk-adjusted returns compared to the Bloomberg US Aggregate Bond Index (BAG).

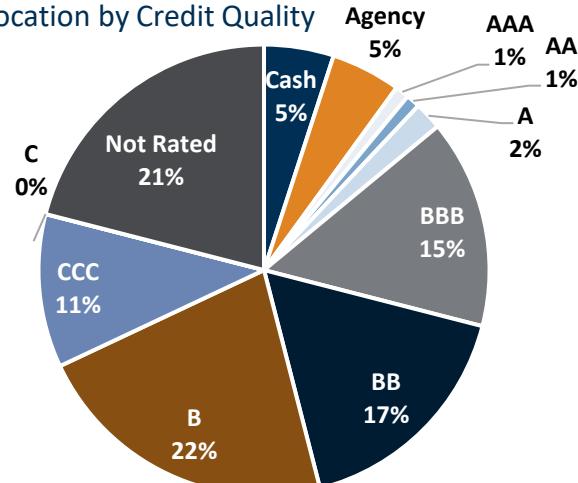
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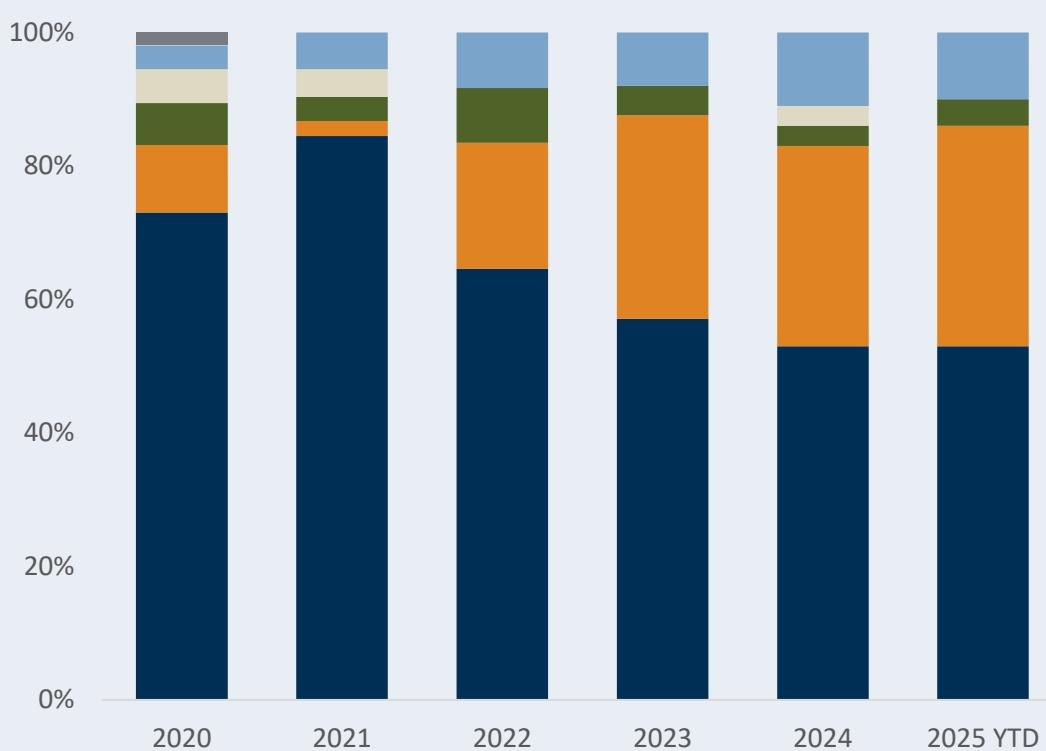
## Allocation by Credit Quality



## Portfolio Characteristics

	RCTIX	BAG
SEC Yield (Sub)*	<b>7.89%</b>	-
SEC Yield (Unsub)*	<b>7.73%</b>	4.32%
Floating Rate	<b>29%</b>	-
Annualized Volatility	<b>4.13%</b>	4.87%
Sharpe Ratio	<b>0.89</b>	-0.03

## Trailing Sector Allocation



Portfolio Allocation (12/31/2025)	
Asset-Based Credit	59%
Corporate Debt	31%
Municipal Debt	5%
US Sovereign Debt	0%
Cash	5%

## 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.

\*The 30-Day SEC Yield represents net investment income earned by the Fund over the 30-Day period ended 12/31/2025, 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.

## RCTIX Quarterly Investment Report | Q4 2025

### Q4 2025 Commentary & Outlook

**In Q4 2025, RCTIX (the “Fund”) returned +1.16% vs. a return of +1.10% for the Bloomberg U.S. Aggregate Bond Index (the “BAG” or the “Benchmark”) over the same period. In 2025, RCTIX returned +7.75% net vs. a return of +7.30% for the Benchmark.**

In Q4 2025, the primary contributors to Fund performance were ABS (+57bps), Non-Agency RMBS (+51bps), and Corporates (+14bps). Over the same period, Agency RMBS detracted -15bps. In total return terms, the Fund’s ABS book returned +2.1%, the Non-Agency RMBS book returned +2.4%, and the Corporates book returned +0.4%. The Fund’s Agency RMBS book was down -2.6%.

For full-year 2025, the primary contributors to Fund performance were ABS (+297bps), Non-Agency RMBS (+200bps), and Corporates (+186bps). There were no material detractors. In total return terms for 2025, the Fund’s Agency Inverse IOs book returned +16.3%, the ABS book returned +10.4%, the Non-Agency RMBS book returned +10.3%, and the Corporates book returned +5.7%.

In 2025, RCTIX delivered a Sharpe Ratio of 1.79 vs. 0.69 for the Benchmark and annualized volatility of 2.13% vs. 3.69% for the Benchmark. As of 2025 year-end, the Fund has a yield-to-maturity (“YTM”) of 9.34% vs. 4.35% for the BAG and 6.53% for the Bloomberg U.S. Corporate High Yield Bond Index. As of Q4 2025, the Fund’s cash allocation sits at 5.4%, which is moderately lower than Q3 levels. We are currently taking advantage of what we believe is a vast opportunity set, particularly in Non-Agency RMBS and yield-to-call (“YTC”) Corporates, while remaining cautiously positioned for potential volatility in the coming months.

**Q4 2025:** RCTIX outperformed its Benchmark in Q4 2025, a period where both interest rates and credit spreads were largely unchanged, due to its higher average portfolio coupon (7.34% as of December 31, 2025). Corporate earnings were generally solid in the quarter and U.S. GDP remained resilient, but the labor market showed pockets of weakness. Since we continue to anticipate a gradual and bumpy deterioration of the labor market, with potential for unemployment to move to the 5-5.5% range and AI further disrupting hiring trends, RCTIX has continued to avoid exposure to the subprime consumer market which is most materially impacted by labor market softening. In contrast, we continue to see positive fundamentals for prime consumers and the single-family housing market. RCTIX has expressed this view by growing its Non-Agency RMBS book (to ~22% of NAV).

**Full Year 2025:** In 2025, RCTIX outperformed its Benchmark by approximately +45bps, despite a shorter duration stance (4.7 years) vs. the BAG (5.9 years). The Federal Reserve delivered 3 rate cuts to a Federal Funds Rate of 3.5-3.75% in December, and 10-Year U.S. Treasury yields tightened 40bps from 4.57% to 4.17%. Credit spreads, as measured by prevailing option adjusted spreads, also tightened, which especially benefits longer duration credit. During 2025, fixed income assets benefitted from lower interest rates and tighter credit spreads supported by overall market optimism for potentially accommodative monetary policy. We believe the Fund’s performance in 2025 was consistent with its value proposition: to seek to deliver a high single digit total return with lower volatility than its benchmark.

**2026 and Beyond:** Despite market anticipation of continued fundamental strength, we believe tighter prevailing credit spreads leave little room for spread compression and benign index-level yields mask credit dispersion and disruption under the surface. Accordingly, RCTIX remains constructive on:

- Yield-to-call (“YTC”) corporate credit opportunities in the 7-8% yield range that we believe have upside return potential from pull to par events;
- Asset-Backed Opportunities, primarily in Non-Agency RMBS, where a structural shortage of single-family homes in the U.S. has driven consumer home equity levels to record highs at the same time that subdued housing turnover is supportive of further house price appreciation; and
- Agency Inverse IOs, a form of Agency MBS whose coupons rise as rates fall, to provide a hedge should the Federal Reserve cut rates more than is currently priced in for 2026.

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### PRINCIPAL INVESTMENT RISKS

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**Must be preceded and accompanied by a prospectus <https://www.rivercanyonfunds.com>. Read the prospectus or summary prospectus carefully before investing.**

### 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. Data is sourced from Bloomberg PORT.

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.

Yield-to-call ("YTC"): The rate of return an investor earns if a callable bond is held until its call date, when the issuer can repurchase it before maturity.

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

HELOC: home equity line of credit; a line of revolving credit secured by equity you have in your home.

Agency Inverse IO: a type of derivative mortgage-backed security that receives no principal payments and has a coupon rate with an inverse relationship to a benchmark interest rate

### 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](http://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.

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### IMPORTANT MORNINGSTAR DISCLOSURES

Morningstar Rating™ as of 31 December 2025 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 (334 funds rated); 3 Yrs. 4 Stars (334 funds rated); 5 Yrs. 5 Stars (302 funds rated); 10 Yrs. 5 Stars (209 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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