September 30, 2025

# CANTOR FITZGERALD HIGH INCOME FUND

A Mutual Fund | Institutional Class: ATPYX | Class A: ATPAX

## Market Review

The sweeping U.S. tariff increases of 2025 have created persistent friction in global trade flows. Despite some price concessions from specific trade partners, it appears most exporters have not absorbed significant costs, leaving American importers and consumers to bear the brunt. This has squeezed profit margins for U.S. firms and fueled inflationary pressure, signaling that the tariff cycle may remain a structural headwind for importers and consumers through 2026.

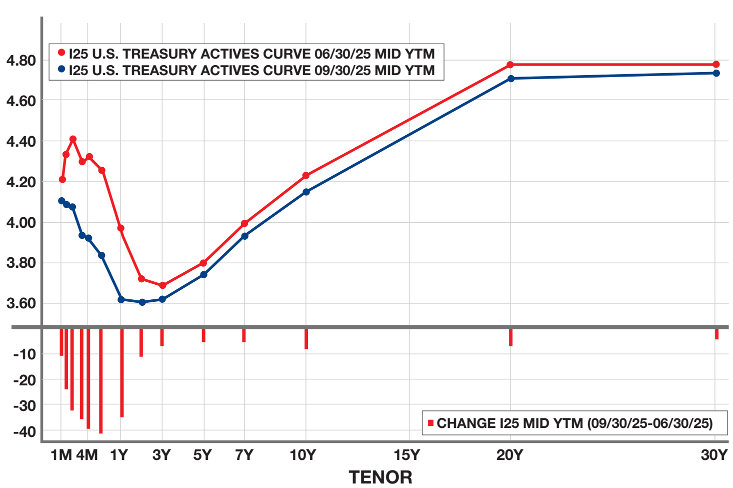
U.S. Treasury yields saw a decisive move during Q3 2025, primarily driven by the pivot in Federal Reserve policy and evolving economic data. Following initial volatility in July as longer-dated yields remained stubbornly high due to concerns over persistent inflation and geo-political risks (like lingering tariff uncertainty and the threat of a government shutdown), yields across the short end of the curve declined sharply in August and September. This drop was in anticipation of, and reaction to, the Fed's 25 bps rate cut in September, which many economists felt was supported by a softening labor market (evidenced by downward payroll revisions). This combination of falling short-term yields and range-bound longer-term yields resulted in a significant steepening of the yield curve; the curve began moving away from its long period of inversion toward a more "normal" upward slope, reflecting diminishing recession fears but also the market's demand for a higher term premium due to ongoing U.S. fiscal risks and the potential long-term inflationary effects of new tariffs.

The U.S. Corporate High Yield bond market posted a strong positive return in the third quarter of 2025, with the Bloomberg U.S. Corporate High Yield Index® (the "Index") gaining 2.5%. This performance was primarily driven by a surge in risk appetite that narrowed credit spreads, coupled with falling Treasury yields following a pivotal Federal Reserve policy shift.

The high-yield bond market benefited significantly from the Federal Reserve's decision to cut interest rates by 25 basis points ("bps") in September, which ended a nine-month pause. This move was framed as a proactive "risk management" step in response to a softening labor market (evidenced by downward revisions to payroll data), despite inflation remaining somewhat elevated. The market also reacted positively to strong corporate earnings reports and a broadening equity market rally, which fueled optimism about corporate fundamentals and reduced default risk. This positive momentum caused the Option-Adjusted Spread ("OAS") to tighten considerably; the OAS for the Index narrowed to as low as 259 bps during the quarter, ending the period at 267 bps and near historically tight levels. Credit metrics have generally remained stable in the recent period for many companies. The high-beta CCC sector lead high yield bonds higher, producing a total return of about 4.5% and well out-pacing the overall high yield market.

FIGURE 1

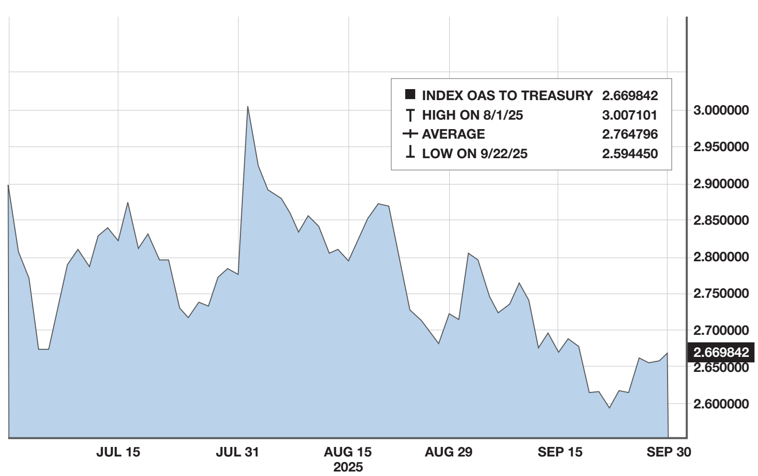
**U.S. Treasury Yield Curves – 6/30/2025 vs. 9/30/2025**




Source: Bloomberg

FIGURE 2

**Bloomberg US Corporate High Yield Index – Option Adjusted Spread**




Source: Bloomberg

## Within the Fund

For the quarter ended September 30, 2025, the Cantor Fitzgerald High Income Fund Institutional Class shares net of fee return of 1.89% trailed the Fund's benchmark, the Bloomberg U.S. Corporate High Yield Index, which posted a return of 2.54%.

The Fund's holdings within **Basic Industry** and **Energy** sectors contributed positively to relative performance, while the Fund's positioning in the **Communications** and **Consumer Cyclical** sectors had the most negative effect on performance. Security selection was a detractor to relative performance, while sector allocation had a more modest impact on relative performance.

Positions in the **Basic Industry** sector delivered the best relative performance with the Fund's holdings returning 6.8% compared to a 1.9% return in the benchmark sector.

- **Cleveland-Cliffs Inc. 6.75% due 4/15/2030 Ba3/BB-** (2.0% of net assets) was one of the top contributors in the portfolio. Cleveland-Cliffs manufactures custom-made pellets and hot briquetted iron (HBI); flat-rolled carbon steel, stainless, electrical, plate, tinplate and long steel products; as well as carbon and stainless-steel tubing, hot and cold stamping and tooling. Bonds performed well during the period, primarily driven by improved fundamental company performance and a favorable policy environment for the domestic steel industry, which significantly reduced the company's credit risk.

The Fund holdings in the **Energy** sector delivered better relative performance with a 3.3% return while in the benchmark the sector was up 2.9%.

## 3Q25 Performance Attribution by Credit Quality

| | WEIGHT (%) | | TOTAL RETURN (BPS) | | OUTPERFORMANCE (BPS) | |
|---|---|---|---|---|---|---|
| CREDIT QUALITY | PORTFOLIO | BENCHMARK | PORTFOLIO | BENCHMARK | ASSET ALLOCATION | SECURITY SELECTION |
| **Total** | **100.00** | **100.00** | **212.42** | **253.56** | **(6.37)** | **(34.78)** |
| BBB | 4.77 | 0.14 | 191.13 | 264.65 | (0.39) | (2.83) |
| BB | 64.22 | 49.69 | 197.77 | 225.87 | (8.12) | (13.67) |
| B | 24.31 | 37.12 | 226.75 | 256.77 | (0.30) | (7.78) |
| CCC | 3.57 | 9.95 | 544.35 | 459.04 | (17.23) | 6.85 |
| CC | - | 0.53 | - | (1,520.11) | 11.19 | - |
| C | - | 0.01 | - | (2,267.62) | (0.07) | - |
| DD | - | 0.03 | - | (1,087.39) | 0.45 | - |
| DDD | - | 0.50 | - | 663.41 | (2.25) | - |
| NR | - | 1.45 | - | 289.97 | (0.48) | - |
| Cash | 3.12 | 0.57 | 57.12 | 635.90 | 10.84 | (17.36) |

Source:Bloomberg

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. Standard & Poor's ("S&P") assigns a rating of AAA as the highest to D as the lowest credit quality rating. Attribution effects reflect historical performance drivers and do not predict or guarantee future results.

## 2Q25 Performance Attribution by Duration

| | WEIGHT (%) | | TOTAL RETURN (BPS) | | OUTPERFORMANCE (BPS) | |
|---|---|---|---|---|---|---|
| DURATION | PORTFOLIO | BENCHMARK | PORTFOLIO | BENCHMARK | ASSET ALLOCATION | SECURITY SELECTION |
| **Total** | **100.00** | **100.00** | **212.42** | **253.56** | **(7.92)** | **(33.23)** |
| 0 - 1 yrs | 23.52 | 11.38 | 197.61 | 243.34 | (2.47) | (11.24) |
| 1 - 3 yrs | 42.49 | 47.20 | 194.58 | 244.19 | 0.13 | (21.23) |
| 3 - 5 yrs | 27.14 | 34.58 | 259.59 | 246.29 | 0.35 | 5.27 |
| 5 - 7 yrs | 2.24 | 4.29 | 339.91 | 284.53 | 0.02 | 1.75 |
| 7 - 10 yrs | 1.49 | 1.32 | 294.12 | 703.95 | 0.89 | (6.06) |
| 10+ yrs | - | 0.61 | - | 1,171.98 | (5.88) | - |
| Cash | 3.12 | 0.60 | 57.12 | 354.52 | (0.97) | (1.71) |

Source:Bloomberg

- **Nabors Industries, Inc. 8.875% due 8/15/2031 B3/CCC** (0.5% of net assets) was the top contributor in the sector. Nabors Industries, Inc. provides oil and gas drilling services. The Company offers managed pressure, directional drilling, digital mud logging, remote operations, and tubular services. During the quarter, the Company announced it would divest the Quail Tools business for $600 million, with proceeds to be used for substantial debt reduction. Our analysis suggests this non-core asset sale and improved free cash flow in Q2 2025 contributed to a total return of 27% during the period.

On the negative side, the Fund's positioning in the **Communications** and **Consumer Cyclical** sectors caused most of the lagging performance.

The Fund's holdings in the **Communications** sector increased 2.4% during the period, compared to a benchmark sector gain of 3.6%.

- **Roblox Corporation 3.875% due 5/01/2030 Ba1/BBB-** (2.8% of net assets) was the primary detractor in the sector. Roblox Corporation provides entertainment products and services. The Company designs and develops a wide range of online games such as internet three-dimensional and tutorial games for kids, teens, and adults. Although growth was still strong, the forecast for Q3 bookings was a deceleration compared to Q2, with some analysts noting a further slowdown in the bookings growth rate in September. Our research suggests that headlines related to ongoing scrutiny of child safety on the platform negatively impacted the total return on the bonds.

In the **Consumer Cyclical** sector, the Fund's holdings posted a quarterly return of 1.7%, trailing the 2.8% for the sector in the index. In addition, the larger portfolio allocation to the sector compared to the index (22.1% vs. 19.1%) was a detractor to overall performance.

- **Century Communities, Inc. 6.75% due 6/01/2027 Ba2/BB** (3.0% of net assets) was the primary contributor to underperformance in the sector. Century Communities, Inc. operates as a home building and construction company. The Company offers acquisition, development, construction, marketing, sale and management services for various residential projects. Bonds performed poorly during the third quarter of 2025 due to a combination of broad headwinds in the U.S. housing market coupled with a negative revision to the company's credit outlook by S&P.

## Credit Upgrades vs Downgrades

During quarter, the Fund saw four of its positions receive credit rating upgrades, while no credits were downgraded. Elastic NV moved from BB- to BB, United Airlines was upgraded from BB to BB+, Roblox Corp. moved from BB+ to BBB- and Tutor Perini was upgraded from B- to B.

## Outlook

The U.S. economy has notably outperformed bearish predictions following a rapid trade policy reset and the implementation of new tariffs. According to the IMF, U.S. real GDP is projected to grow roughly 2% in 2025 and 2026. While tariffs have added to inflation, the real consumer pain has so far been contained, and the Federal Reserve is expected to continue modest monetary easing—though core inflation is seen remaining above 3% well into 2026.

Although credit spreads have trended lower throughout 2025, absolute yield levels within the high-yield market remain near longer-term averages and offer some investors a good opportunity to lock in high current income as reinvestment risk becomes more of a concern.

## Summary

Markets remain intensely focused on whether the unprecedented AI-led valuation surge is sustainable, with history suggesting caution. Broad-based global growth, powered by fiscal spending, fintech productivity, and resilient consumer demand, is pushing growth and earnings estimates higher, but trade and inflation uncertainty leaves significant room for surprises. U.S. monetary policy, tariff escalation, and the ongoing debate on tech valuations and historically tight credit spreads will be decisive themes as investor focus pivots to 2026 and beyond. The potential for more market volatility and uncertainty regarding sustainable corporate earnings growth warrant Cantor Fitzgerald's defensive posture within the Fund. Risk-management and capital-preservation remain central to the investment process, as we remain intently centered on monitoring, managing and mitigating various risks while attempting to limit volatility. In addition, our proactive portfolio management allows the investment team to continue its opportunistic approach to finding investments that offer good relative value and unexpected earnings growth.

## Cantor Fitzgerald High Income Fund Largest Holdings (%) As of 9/30/2025

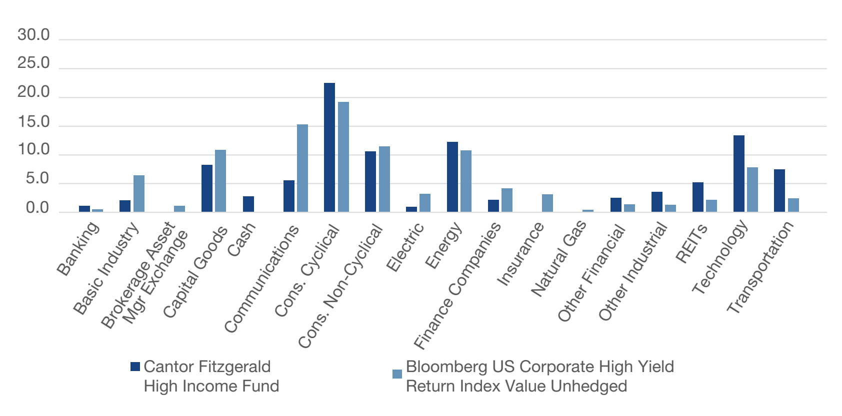
| | PERCENT OF NET ASSETS |
|---|---|
| Tutor Perini Corp. 11.875% due 4/30/2029 | 3.48% |
| Venture Global LNG, Inc. 9.875% due 2/01/2032 | 3.29% |
| TransDigm Inc. 6.875% due 12/15/2030 | 3.14% |
| Century Communities, Inc. 6.75% due 6/01/2027 | 3.04% |
| US Foods Inc. 4.75% due 2/15/2029 | 2.95% |
| Roblox Corp. 3.875% due 5/01/2030 | 2.89% |
| Elastic NV 4.125% due 7/15/2029 | 2.88% |
| RITHM Capital Corp 8.00% due 7/15/2030 | 2.59% |
| Coherent Corp. 5.00% due 12/15/2029 | 2.48% |
| RHP Hotel Properties L.P. 4.50% due 2/15/2029 | 2.47% |

## Investment Performance (%) As of 9/30/2025

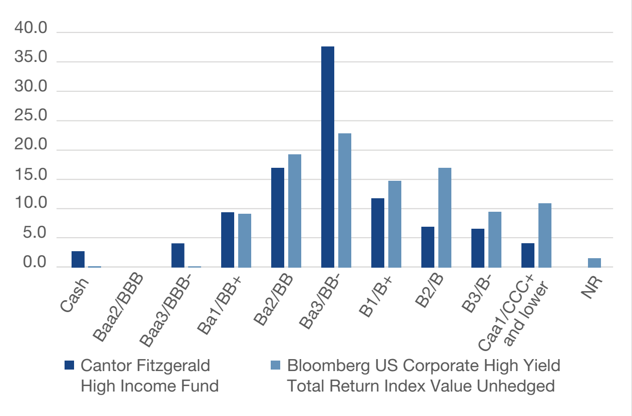
| Annualized Total Returns | 3Q 2025 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Inception |
|---|---|---|---|---|---|---|---|
| Institutional Class | 1.89 | 5.42 | 5.43 | 8.42 | 4.45 | 4.47 | 6/1/2006 |
| Class A (at NAV) | 1.84 | 5.27 | 5.23 | 8.16 | 4.22 | 4.26 | 6/1/2006 |
| Class A (at Offer) | -2.21 | 1.06 | 0.96 | 6.68 | 3.38 | 3.83 | 6/1/2006 |
| Bloomberg US Corporate High Yield Total Return Index Value Unhedged | 2.54 | 7.22 | 7.41 | 11.09 | 5.55 | 6.17 | |
| Bloomberg US Aggregate Bond Index* | 2.03 | 6.13 | 2.88 | 4.93 | -0.45 | 1.84 | |

**The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance data for all share classes current to the most recent month end may be obtained by calling (833) 764-2266 or visiting https://highincomefund.cantorassetmanagement.com**

## Sector Allocations (%)




## Credit Ratings[2]




## Important Disclosures

**Investors should consider the investment objectives, risks, and charges and expenses of the Fund before investing. The prospectus contains this and other information about the Fund and should be read carefully before investing. The prospectus may be obtained at (833) 764-2266 or visiting https://highincomefund.cantorassetmanagement.com/. The Fund is distributed by Ultimus Fund Distributors, LLC, Member FINRA/SPIC. Cantor Fitzgerald Investment Advisors, L.P. and Smith Group Asset Management, LLC is not affiliated with Ultimus Fund Distributors, LLC.**

## Important Risk Information

**Investing involves risk, including loss of principal. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. The Fund will be subject to the following principal risks: market risk, interest rate risk, credit risk, junk bonds risk, subordinated securities risk, foreign securities risk, emerging market securities risk, prepayment or call risk, extension risk, portfolio selection risk, investment risk, redemption risk, and cybersecurity risk.**

## Definitions

The **S&P 500 Index** is an unmanaged index of the shares of large U.S. corporations. All index performance includes capital appreciation and reinvested dividends and is presented gross of fees.

The **Bloomberg U.S. Corporate High Yield Index** is an unmanaged index considered representative of the universe of fixed-rate, non-investment grade debt.

**Option-adjusted spread** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return.

**Gross Domestic Product ("GDP")** is the monetary value of all finished goods and services made within a country during a specific period.

**Consumer Price Index ("CPI")** regularly measures the change in the prices paid by consumers in the U.S. for a representative basket of goods and services.

**Basis Points ("bps")** is a unit of measure equal to one-hundredth of one percent (0.01%). It's commonly used to describe changes in interest rates, bond yields, and other financial instruments.

**Credit Spread** is the difference in yield between two debt securities with different credit quality but the same maturity.

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