Cantor Fitzgerald Large Cap Focused Fund

3Q 2024 MARKET COMMENTARY

September 30, 2024

Institutional Class: FICHX | Class A: FICGX
Class R6: FICIX

Market Review

In the third quarter, U.S. equity markets rallied with the S&P 500 index posting its best first nine months of the year since 1997. In addition, bonds also saw a significant rise as rates fell across the yield curve. Equity markets underwent a sharp downturn in mid-July due to heightening recession fears, trade tensions and the yen carry trade unwind. However, the reversal was short-lived, and markets turned upwards again on the outlook for central bank easing, stronger U.S. economic data, and stimulus from China that was announced in September. At the bottom of the mid-quarter market reversal the volatility index spiked to its highest level in four years, and the S&P 500 and Magnificent 7 were down -8.2% and -18.1% peak-to-trough, respectively.

The estimated year-over-year earnings growth rate for the S&P 500 for the third quarter of 2024 is 5.3%, which is below the 5-year and 10-year average of 10.0% and 8.5%, respectively. If the energy sector is excluded, the growth rate improves to 7.3%. After reporting year-over-year earnings growth of 1.5% in 2023, the S&P 500 is now poised for double digit earnings growth of 10.0% for the full calendar year 2024 and 15.0% for 2025. If growth holds up and recession risks abate, risk assets should continue to rise as the earnings back drop appears favorable and, other than the Bank of Japan, global central banks have a clear accommodative posture.

Within the Fund

For the quarter ended September 30, 2024, the Cantor Fitzgerald Large Cap Focused Fund Institutional Class shares net of fee return of 4.4% trailed the Fund's benchmark, the S&P 500 Index, which posted a return of 5.9%.

The Fund's holdings within the Information Technology and Financials sectors contributed positively to relative performance, while the Fund's positioning in the Health Care and Communication Services sectors had the most negative effect on performance. Security selection and sector allocation were almost evenly split in contribution to relative underperformance. The Fund had no exposure to the best performing sectors in the benchmark this quarter, Utilities and Real Estate, causing more than 0.6% of negative relative return.

The **Information Technology** sector delivered the best relative performance with the Fund's holdings returning 5.1% compared to a 1.6% return in the benchmark sector.

- **AppLovin Corp.** (4.4% of net assets) a software-based advertising platform, reported a positive earnings surprise on significant strength in the mobile gaming market. Earnings beat expectations by more almost 22% and management raised the earnings outlook going forward. Shares gained 57.8% during the quarter.

The Fund holdings in the **Financials** sector delivered better relative performance with a 12.6% return while in the benchmark the sector gained 10.6%.

- **American Express Co.** (3.0% of net assets), the payment servicing company, contributed the most to Fund return in the sector for the period. The company reported quarterly earnings that beat analysts' expectations by more than 7% on strong net interest income growth and solid expense control. Investors rewarded shares with a return of 17.5%.

Within the Fund (cont'd)

On the negative side, the Fund's positioning in the **Health Care** and **Communication Services** sectors caused most of the lagging performance.

The Fund's holdings in the **Health Care** sector declined 3.9% during the period, compared to a benchmark sector gain of 6.1%.

- **Medpace Holdings, Inc.** (2.3% of net assets), a clinical research services company, reported quarterly earnings that beat expectations by almost 9%. However, cautious comments from management regarding booking trends from biotech companies were concerning, causing a share price drop of 18.9%..

In the **Communication Services** sector, the Fund's holdings posted a quarterly negative return of 3.4%, worse than the 1.7% gain for the sector in the index.

- **Pinterest, Inc.** (1.8% of net assets), the social media platform, reported a positive earnings surprise of just 4%. While the shares gained 27.2% during the second quarter on a massive earnings beat, shares retreated 26.4% during the current quarter as conservative guidance from softness from food and beverage customers was a disappointment to investors.

Outlook

As noted earlier, the estimated year-over-year earnings growth rate for the S&P 500 for the third quarter of 2024 is 5.3%. For the quarter, eight of the eleven sectors are expected to report year-over-year earnings growth, led by Information Technology (+15.4%), Health Care (+11.2%), and Communication Services (+12.3%). Three sectors are projected to report a year-over-year decline in earnings, led by the Energy sector (-19.7%). Estimated year-over-year revenue growth for Q3 2024 is 4.7%, marking the 16th consecutive quarter of revenue growth.

Following the 50bps rate cut at the September Federal Reserve meeting, U.S. Treasury Market forecasts are indicating a cycle of rapid cuts to bring the Fed Funds rate to 3.25-3.5% by September 2025. Of significant note is that this path of cuts is typical of a recession. The 2-year and 10-year U.S. Treasury yields are projected to reach 3.50% and 4.05%, respectively, by mid-2025, versus current yields of 3.60% and 3.75%. Since 1950, the period between when the Federal Reserve first lowers the benchmark rate and when it stops lowering and begins raising rates again varies widely but has averaged 12-24 months. Since 1990, the cycle has lengthened considerably with rate cycles averaging 41 months and the benchmark rate on average declining by 3.6% in an easing cycle and rising by 3.1% in a tightening cycle.

Equity market performance following the onset of a rate cutting cycle is highly varied but tends to be positive. Over the past 50 years the S&P 500 index has averaged a 6.4% return in the 12-months following the start of an easing cycle, with a median of 10.5%. However, the range of returns is +36.5% to –36.0%, with three of the 13 cycles down double digits. Thus, with expectations of solid earnings growth against a backdrop of seemingly benign central bank posture regarding rates, the outlook for equities seems favorable.

Top Ten Equity Holdings (%)

HOLDING	% OF NET ASSETS
Microsoft Corp.	4.8%
Apple Inc	4.5%
AppLovin Corp	4.4%
Costco Wholesale Corp	3.8%
Parker-Hannifin Corp	3.7%

HOLDING	% OF NET ASSETS
KLA Corp	3.6%
Meta Platforms Inc	3.3%
Arch Capital Group Ltd	3.3%
Alphabet Inc	3.0%
American Express Co	3.0%

Annualized Total Returns (As of 9/30/2024)

	3Q 2024	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPTION
Institutional Class	4.35	17.38	30.58	8.46	17.92	14.22	04/01/2013
Class A (at NAV)	4.29	17.21	30.29	8.15	17.61	13.84	10/25/2000
Class A (at Offer)	-1.73	10.47	22.84	6.03	16.22	13.17	10/25/2000
Class R6	4.44	17.55	30.70	8.54	18.02	14.28	04/01/2013
S&P 500	5.89	22.08	36.35	11.91	15.98	13.38	
Russell 1000 Growth	3.19	24.55	42.19	12.02	19.74	16.52	
Morningstar Category	3.68	22.00	38.91	7.43	16.09	13.73	

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://growthequityfund.cantorassetmanagement.com/.

Total returns may reflect waivers and/or expense reimbursements by the Fund Advisor and/or distributor for some or all periods shown. Performance would have been lower without such waivers and reimbursements. Performance at NAV assumes that no front-end sales charge applied or the investment was not redeemed. Performance at offer assumes that a front-end sales charge applied to the extent applicable.

EXPENSE RATIOS	NET	GROSS
Institutional Class	0.86%	1.02%
Class A	1.17%	1.35%
Class R6	0.79%	0.94%

In the interest of limiting expenses of the Fund, the Fund Advisor has entered into an Expense Limitation Agreement with the Trust, pursuant to which the Fund Advisor has agreed to waive or reduce its management fees and to assume other expenses of the Fund in an amount that limits the Total Annual Operating Expenses of the Fund but inclusive of to not more than 1.17%, 0.86% and 0.79% of the average daily net assets of the Class A, Institutional Class, and Class R6 shares of the Fund, respectively. This contractual arrangement is in effect until January 31, 2025, unless terminated by the Board of Trustees of the Fund at any time. Defined terms not defined herein are given the meaning ascribed to them in the prospectus. Please see the prospectus for additional information.

Investors should consider the investment objectives, risks, and charges and expenses of the Fund(s) 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://largecapfocusedfund.cantorassetmanagement.com/.

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, growth stock risk, limited number of securities risk, sector risk, company size risk, liquidity risk, active management and selection risk, COVID-19 risk, and cybersecurity risk.

Definitions

Holdings is a count of all Fund holdings excluding any cash or cash equivalents held by the Fund..

The **S&P 500** and **Russell 1000 Growth Indices** are unmanaged indices of the shares of large U.S. corporations. All index performance includes capital appreciation and reinvested dividends and is presented gross of fees.

The Fund is distributed by Ultimus Fund Distributors, LLC,
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Not a Deposit	May Lose Value	No Bank Guarantee
Not insured by the FDIC, NCUA or any other government agency		

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