

Cantor Fitzgerald Large Cap Focused Fund

# 3Q 2025 MARKET COMMENTARY

September 30, 2025

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

## Market Review

The global outlook through 2026 highlights strong U.S. corporate profitability alongside persistent inflation and tariff-related trade disruptions, with markets split on whether the surging AI boom represents durable growth or bubble risk. The S&P 500 delivered 13.8%<sup>1</sup> earnings growth in Q3 2025, its third straight double-digit increase, powered by the “Magnificent 7,” whose earnings jumped 26.6%.<sup>1</sup> Overall index earnings are projected to rise 10.8%<sup>1</sup> in 2025 and 14.1%<sup>1</sup> in 2026, though valuations remain stretched at 22.4 times forward earnings, with tech leaders trading at multiples that now surpass the dot-com era. In the U.S., GDP growth of more than 3.5% has defied tariff fears, though inflation above 3% is expected to persist.

The U.S. tariff escalation of 2025 stands as a structural disruptor for global commerce. With most exporters unwilling to absorb the costs, American firms and consumers are bearing the inflationary burden. Margins across import-reliant sectors face continued compression, and with little sign of retreat, tariff-driven price pressures are likely to remain through 2026.

## Within the Fund

For the quarter ended September 30, 2025, the Cantor Fitzgerald Large Cap Focused Fund Institutional Class shares net of fee return of 10.71% outpaced the Fund’s benchmark, the S&P 500 Index, which posted a return of 8.12%.

The Fund’s holdings within **Information Technology** and **Industrials** sectors contributed positively to relative performance, while the Fund’s positioning in **Communication Services** and **Consumer Discretionary** sectors had the most negative effect on performance. The Fund was generally underweight the “Magnificent 7” stocks which proved a 1.5% headwind to relative performance as the group returned 17.7% on average. The best performing sectors within the S&P 500 index were Information Technology (+13.2%) and Communication Services (+12.1%) while Consumer Staples (–2.3%) weighed on the market.

The **Information Technology** sector delivered the best relative performance with the Fund’s holdings returning 21.09% compared to a 13.18% return in the benchmark sector. The top contributors to the sector were **AppLovin Corporation** and **Arista Networks**.

- **AppLovin** (3.9% of net assets), a vertically integrated advertising technology company, sharply outperformed the broader market in recent months on the strength of robust fundamentals, particularly its surging ad-tech business. In its Q2 2025 results, the company reported earnings up 169% year-over-year, on a 77% revenue jump, with adjusted earnings and sales both topping consensus. The divestment of its legacy gaming unit completed AppLovin’s pivot to a pure-play ad platform, which we expect will lead to sustained adjusted EBITDA margins of greater than 75%. Management guided above expectations for Q3, underscoring confidence in self-serve ad tools—launched October 1 for nongaming clients—and in international expansion. Consensus expectations are for advertising revenue to reach nearly \$5.2 billion by year-end 2025, up about 60% from 2024, with further growth into 2026 as non-gaming verticals

Source: <sup>1</sup> S&P Global

## Within the Fund (cont'd)

scale. With low digital ad penetration, less than 2%, and expanding share gains, we believe AppLovin is well positioned into an expanding total addressable market expected to top \$1.5 trillion over the next decade.

The **Industrials** sector delivered the second best relative performance with the Fund's holdings returning 17.35% compared to a 5.05% return in the benchmark sector. The top contributor in the sector was **Comfort Systems**.

- **Comfort Systems** (3.0% of net assets), a leading provider of mechanical and electrical contracting services with a strong emphasis on HVAC and modular construction, outpaced the benchmark over the past quarter thanks to record-setting fundamentals. In Q2 2025, the company posted a 75% YoY earnings increase and a 35% beat versus consensus, with revenue climbing 20%. Gross margins expanded to 23.5% while backlog surged 41% to a record \$8.1 billion, giving strong visibility for late 2025 and into 2026. We believe, demand in technology/data centers segment—now comprising about 40% of revenue— will continue to be a key growth driver, supported by a scalable offsite construction model that addresses labor shortages and accelerates deployment for hyperscale clients. Management's upbeat guidance, rising free cash flow, and an 11% dividend hike reinforced the company's momentum, with dominance in modular manufacturing as a key differentiator positioning for sustainable growth through 2026.

On the negative side, stock selection in **Communication Services** and **Consumer Discretionary** were the primary lagging sectors.

The **Communication Services** sector delivered the worst relative performance with the portfolio holdings returning 2.23% compared to a 12.11% return in the benchmark sector. The largest detractors in the sector were **Netflix** and **Pinterest**.

- **Netflix** (2.9% of net assets), the world's largest streaming platform, trailed the benchmark during the quarter despite reporting robust financial results, and powerful international expansion. The company reported earnings and revenue above consensus forecasts and reflected YoY growth of 47% and 16%, respectively, with double-digit operating margins and free cash flow targeting \$9 billion for the full year. The launch of ad-supported subscriptions and continued price increases in mature US markets appear likely to further bolster earnings growth. While industry competition and rising content costs present risks, Netflix is forecast to sustain roughly 10% annual revenue growth through 2030 and expand margins—cementing its leadership and network effects in global streaming as it deepens engagement and capitalizes on emerging advertising opportunities.

The **Consumer Discretionary** sector delivered the second worst relative performance with Fund holdings returning 5.20% compared to a 9.57% return in the benchmark sector. The Fund does not hold Tesla, which was the largest headwind to relative performance in the sector as the stock returned 40.0% for the quarter. Among positions held in the portfolio, **Booking Holdings** was the largest detractor.

- **Booking Holdings** (3.0% of net assets), the world's largest online travel agency, pulled back over the past three months, although reporting broadening international strength. In Q2 2025, Booking reported adjusted EPS up 32% YoY, and revenue up 16% YoY, driven by robust demand in Europe and Asia, ongoing acceleration in alternative accommodations, and a stronger direct-mobile mix. The business saw record bookings across its platforms, notably with alternative accommodations growing 10% and flights surging 44%. Management raised full-year guidance for revenue and cash flow, with Beach vacations and AI-powered "Connected Trip" integration underpinning future growth, supported by cost-saving reinvestments into new offerings. While near-term US softness and high valuations warrant caution, the company is expected to deliver double-digit growth through 2025 and mid-single digits in 2026, on the strength of Booking's network advantages, mobile leadership, and leading margins as key fundamentals.

## Outlook

The U.S. economy has defied predictions of a trade-war-induced slowdown. We forecast growth is set to average 2% annually through 2026, buoyed by robust labor markets and consumer demand, even as tariffs push price levels higher. Consensus forecast is for the Fed to maintain monetary easing, though core inflation is forecast above 3% in 2026,<sup>2</sup> complicating the policy outlook. 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 will be decisive themes as investor focus pivots to 2026 and beyond.

Source: <sup>2</sup> Bloomberg

## Cantor Fitzgerald Large Cap Focused Fund Largest Holdings (As of 9/30/2025)

HOLDING	% OF NET ASSETS
Microsoft Corp.	4.53
Broadcom, Inc.	4.50
KLA-Tencor Corp.	3.93
AppLovin Corp	3.88
Apple, Inc.	3.83

HOLDING	% OF NET ASSETS
Parker-Hannifin Corp.	3.45
Alphabet, Inc.	3.44
Meta Platforms, Inc.	3.30
Costco Wholesale Corp.	3.11
Arista Networks Inc	3.10

## Annualized Total Returns (As of 9/30/2025)

	3Q 2025	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPTION
Institutional Class	10.71	18.49	25.31	27.73	17.82	16.08	04/01/2013
Class A (at NAV)	10.54	18.20	24.86	27.32	17.48	15.71	10/25/2000
Class A (at Offer)	4.19	11.41	17.65	24.83	16.10	15.02	10/25/2000
Class R6	10.66	18.45	25.25	27.76	17.88	16.14	04/01/2013
S&P 500	8.12	14.83	17.60	24.94	16.47	15.30	
Morningstar Category	7.59	15.25	21.73	28.11	13.71	15.90	

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://largecapfocusedfund.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%	0.94%
Class A	1.17%	1.17%
Class R6	0.79%	0.87%

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, 2026, 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**

The views expressed herein are those of the portfolio management team as of the time of publication and are subject to change without notice. This material is provided for informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security. Past performance is not indicative of future results. Investing involves risk, including possible loss of principal. There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses.

**Definitions**

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

The **S&P 500 Index** is 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.

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