

iMGP Low Duration Fund Third Quarter 2025 Commentary

The iMGP Low Duration Income Fund (formerly High Income Fund) rose 2.13% in the third quarter, beating the Bloomberg Aggregate Bond Index (the Agg), which was up 2.03%, and the Bloomberg Aggregate 1-3 Year Index (1-3 Agg), which was up 1.20%. Through the first three quarters of the year, the Fund was up 5.61%, trailing the Agg (+6.13%) but outperforming the 1-3 Agg (+4.16%).

Quarterly Performance as of 9/30/2025	AVERAGE ANNUAL TOTAL RETURN						
	3 MON	YTD	12 MON TOTAL RET	3 YR	5 YR	10 YR	SINCE INCEP 9/28/18
iMGP Low Duration Income Fund	2.13%	5.61%	6.73%	9.77%	6.39%	-	5.13%
Bloomberg US Aggregate 1-3 Year Index	1.20%	4.16%	4.14%	4.71%	1.78%	1.92%	2.42%
Bloomberg US Aggregate Bond Index	2.03%	6.13%	2.88%	4.93%	-0.45%	1.84%	2.06%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Short term performance is not a good indication of the fund's future performance and should not be the sole basis for investing in the fund. Indexes are unmanaged, do not incur fees, and cannot be invested in directly. Returns less than one year are not annualized.

Quarterly Portfolio Commentary

Performance of Managers

During the quarter, all three subadvisors produced positive returns, with Neuberger Berman up 3.41%, Guggenheim up 2.39%, and BBH gaining 1.60%. (All sub-advisor returns are net of the management fees that each sub-advisor charges the Fund.) For the first three quarters of the year, Guggenheim gained 7.34%, Neuberger Berman returned 4.61%, and BBH was up 4.19%.

Manager Commentaries

Brown Brothers Harriman

The portfolio had strong performance during the quarter with rates, selection, and sector effects contributing to performance. The portfolio's duration profile was additive to returns as shorter term bonds gained during the quarter. Positive sector effects were driven by exposures within holdings of ABS, corporate bonds, and loans. Favorable selection effects were diversified across ABS, loans, investment grade corporate bonds, CMBS, and high yield corporate bonds. Positions in collateralized fund obligation ABS, loans to technology companies, Freddie K CMBS, and small business loan ABS had notable impacts on the positive selection effects. Holdings of loans to chemicals and transportation companies underperformed and detracted from results.

Both supply and demand for credit continue to be very strong. Credit issuance was strong vs. the subdued volumes from last quarter due to lower interest rates and narrower credit spreads. Investment grade corporate bond issuance was in line with last year's record-setting pace, while leveraged corporate debt issuance decreased 7% year over year. Leveraged corporate issuers increasingly chose bond issuance, where volumes were up 6% over last year, vs. loans (down 11%). ABS volumes were down 2% from 2024's pace for both traditional and nontraditional subsectors.

Nonagency CMBS issuance was robust, with 40% more issuance than last year. Meanwhile, taxable bond fund flows are on pace to have one of the strongest calendar years on record. Generous refinancing availability tends to obscure cracks in credit quality; however, there are several trends that suggest the durability of issuers may

be tested in the near future. Signs of stress are emerging for lower-income U.S. consumers. These consumers' wages have not kept pace with the inflationary environment of 2022-2023, and high prices continue to impact spending choices. These inflationary dynamics will likely continue over the next 12 months. Labor market conditions are a reason for concern, as wage growth has moderated and non-farm payrolls sit near their weakest levels in over 15 years (excluding the months following the onset of COVID-19). There are many loan credit performance indicators that suggest these trends are beginning to impact credit markets. Subprime auto loan default rates are near the higher end of their historical range.

U.S. business conditions appear stronger. Default rates continue to moderate, delinquency rates and charge-offs of business loans remain subdued, and loan performance within CLOs and business development companies (BDCs) remains strong. There are significant infrastructure capital expenditures being made to support artificial intelligence (AI) ambitions, and they are being financed through the corporate and structured credit markets. With narrow spreads and many of these projects facing uncertain outcomes, strong credit research is paramount for navigating the increasing breadth of opportunities.

Strong credit research is always a necessary ingredient for attaining sustainable credit performance, and it is perhaps no surprise that our credit research identifies many issues that offer attractive yields but do not possess the durability features we seek. However, opportunities remain in every market. In environments of low spreads and sparse opportunity, we believe that the virtues of a bottom-up process build portfolios of durable credits at attractive yields that can prevail in economic uncertainty and benefit our clients' performance journey.

Guggenheim Investments

U.S. economic growth decelerated in the first half of the year. Since then, the economy appears to have found some footing at a slower growth trajectory, and we expect real GDP growth in 2025 around 1.8%. Some reduction in policy uncertainty and a rebound in financial markets helped consumption recover in recent months, particularly for high income households. AI-related investment has been a significant contributor to real GDP growth, even with official data likely understating the gains.

The labor market remains a key risk. Job growth has slowed substantially and is narrowly concentrated. An immigration-driven slowdown in labor supply growth has helped temper the impact of weaker job creation on unemployment, and we expect the unemployment rate will end the year around 4.5% before stabilizing. Risks are skewed toward a sharper rise. We expect some modest fiscal stimulus in 2026, with tax cuts helping boost consumer spending and business investment. AI optimism and elevated asset prices are likely to sustain high income household consumption, though the economy remains bifurcated. Housing and lower income households continue to face challenges, with subdued housing investment and rising credit card and student loan delinquencies.

Initial impacts of tariffs have been less than feared, but the costs of tariffs, now exceeding 1% of GDP, will ultimately impact either profit margins or consumer prices. We expect tariff effects on prices will persist over the next several months, pushing core inflation a bit above 3% by the end of the year and keeping it sticky in the first half of 2026. We anticipate these tariff effects are a one-time price shock, causing inflation to cool closer to target by the end of 2026.

The Fed is back in easing mode, implementing a "risk management" rate cut in September. While the prospect of above-target inflation remains a risk, Fed policymakers largely expect slower growth to weigh on inflation, and tariff pass-through to be temporary. Meanwhile, slightly higher unemployment has tilted risks to the Fed's dual mandate toward a softer labor market. We see the September rate cut as part of a recalibration, with two more cuts this year, and easing to neutral over the course of 2026, which we see as 3.125%. The Fed will transition to a new Chair next year, which may shift the tone of monetary policy deliberations. The new Chair will operate as part of a broader Committee and if the institutional framework remains intact, as we expect, economic fundamentals will remain the most salient driver for the Fed's rate outlook.

As front-end yields decline with Fed rate cuts, investors will look to replace portfolio income with stable cash flows. Investment-grade corporate bond yields of 4.8% are 100 bps above the decade average and we see the 10-year Treasury remaining in a broad range. Corporate bond spreads have narrowed to levels not seen since the late 1990s. While corporate fundamentals and investor demand support their levels, we see better relative value in high-quality fixed-income sectors like structured credit and defensive assets like infrastructure. Our positioning prioritizes diversification and income generation. We prioritize high carry

instruments, including non-agency residential mortgage-backed securities, senior collateralized loan obligations, and commercial asset-backed securities. We continue adding to Agency RMBS, focusing on lower coupon structures with positive convexity to monetize further interest rate rallies and/or bank deregulation that could spur further buying.

Neuberger Berman

Equity Markets

If the first quarter was a recalibration and the second quarter was a rebound, the third quarter was markets remembering how to sprint. The S&P 500 Index advanced 8.12% for the quarter and 3.65% in September, marking the best September in 15 years, driven by AI momentum and the Fed's 25 bp rate reduction. Year-to-date, the S&P 500 return stands at 14.83% through September, not bad for a year that started with tariff whiplash and plenty of "this time is different" debate.

The backdrop from Washington shifted in markets' favor. The Fed's first cut of 2025 signaled a willingness to ease into slower growth and moderating inflation. Tariff risks settled from the spring spike, even as inflation showed some passthrough. The message was clear: monetary policy stepped off the brake, and earnings optimism grabbed the wheel.

US Treasury Markets

Fixed income did what it does best in easing cycles: it quietly added points while equity stole headlines. The Bloomberg U.S. Aggregate Bond Index (investment grade) returned 2.03% in the third quarter and 1.09% in September, pushing YTD performance to 6.13%. High yield (Bloomberg US Corporate High Yield Index) outpaced investment grade—up 2.54% in Q3 and 0.82% in September, bringing YTD performance to 7.22%—a sign that risk appetite and corporate fundamentals remain sturdy even with long-end yields still elevated relative to recent memory.

Yields drifted lower into quarter-end while the Fed's move to a 4.00%-4.25% range supported duration and credit, with guidance pointing to more easing as growth cools and inflation risks rebalance. Spreads tightened across investment grade and high yield, with high yield spreads reaching the lowest decile of their historical distribution, favoring carry and income strategies over rate-sensitive exposures. Issuance and refinancing remained accessible for leveraged borrowers, though term premium and fiscal dynamics kept long maturities sensitive to macro headlines.

Option Implied Volatility Indexes

Volatility was orderly in the third quarter, with no notable swings. U.S. equity volatility (VIX) averaged around 16 for the quarter, a touch below long-term norms and consistent with a market that's trading more on earnings and policy signals than on surprise headlines. Outside the U.S., developed-market volatility (VXEFA) hovered near 12, while emerging markets volatility (VXEEM) sat closer to 17—still the "spicier cuisine" relative to developed peers, but hardly disorderly.

The more telling story sits in premiums—the margin we get paid for underwriting risk. Since the April volatility shock, the U.S. implied volatility premium has been both healthy and positive: roughly 7.54 in the third quarter and 2.11 year-to-date. That's the self-correcting nature of option markets at work—realized volatility cooled, hedge demand normalized, and implied re-priced to restore margins. Non-U.S. developed markets were slightly less efficient with premiums of about 42 bps in the July to September period and -2.06 year-to-date, while emerging markets offered more compensation, with premiums of 2.58 in the third quarter, though year-to-date sits modestly negative at about -78 bps.

Outlook

We expect a constructive backdrop for option strategies, with U.S. volatility in the mid-teens, a stable term structure, and VIX futures near long-term averages—conditions that support disciplined premium collection and higher retention in the absence of acute exogenous shocks. The Fed's easing stance, balanced growth, and resilient corporate fundamentals frame an opportunity set where underwriting uncertainty can turn ambient market noise into attractive cash flows. While policy and geopolitical risks may still trigger episodic dislocations, option markets have remained resilient, with premiums adjusting to real-time risk. In this environment, we believe disciplined option-writing can efficiently monetize risk premiums, complement traditional income, and deliver attractive, risk-aware returns without reliance on excessive complexity.

Strategy Allocations

The Fund’s target allocations across the three managers are as follows: 40% each to Brown Brothers Harriman and Guggenheim Investments, and 20% to Neuberger Berman. We use the fund’s daily cash flows to bring each manager’s allocation toward their targeted allocation should differences in shorter-term relative performance cause divergences.

Sub-Advisor Portfolio Composition as of September 30, 2025

Brown Brothers Harriman Credit Value Strategy

ABS	7.5%
Bank Loans	27.5%
Corporate Bonds	61.2%
CMBS	2.2%
Cash & Equivalents	1.6%

Guggenheim Multi-Credit Strategy

ABS	28.0%
Bank Loans	12.3%
Corporate Bonds	36.0%
CMBS (Agency)	2.5%
CMBS (Non-Agency)	1.5%
Preferred Stock	2.0%
RMBS (Agency)	5.6%
RMBS (Non-Agency)	14.5%
Other	-2.4%

Neuberger Berman Option Income Strategy

Equity Index Put Writing	100%
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iMGP Funds' investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be [viewed here](#) or by calling 1-800-960-0188. Read it carefully before investing. Must be preceded or accompanied by a prospectus. Read it carefully before investing.

Although the managers actively manage risk to reduce portfolio volatility, there is no guarantee that the fund will always maintain its targeted risk level, especially over shorter time periods and loss of principal is possible. The performance goals are not guaranteed, are subject to change, and should not be considered a predictor of investment return. All investments involve the risk of loss and no measure of performance is guaranteed. The fund aims to deliver its return over a full market cycle, which is likely to include periods of both up and down markets.

Dividends, if any, of net investment income are declared and paid monthly. The Fund intends to distribute capital gains, if any, to shareholders on a quarterly basis. There is no assurance that the funds will be able to maintain a certain level of distributions. The fund is newly organized with no history of performance.

Though not an international fund, the fund may invest in foreign securities. Investing in foreign securities exposes investors to economic, political and market risks, and fluctuations in foreign currencies. Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in mortgage-backed securities include additional risks that investor should be aware of including credit risk, prepayment risk, possible illiquidity, and default, as well as increased susceptibility to adverse economic developments. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management, and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The fund may invest in master limited partnership units. Investing in MLP units may expose investors to additional liability and tax risks. Multi-investment management styles may lead to higher transaction expenses compared to single investment management styles. Outcomes depend on the skill of the sub-advisors and advisor and the allocation of assets amongst them. The fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Merger arbitrage investments risk loss if a proposed reorganization in which the fund invests is renegotiated or terminated.

Diversification does not assure a profit nor protect against loss in a declining market.

Leverage may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used.

Mutual fund investing involves risk. Principal loss is possible.

[Can remove if do not mention Fund Ranking]

iM Global Partner Fund Management, LLC has ultimate responsibility for the performance of the iMGP Funds due to its responsibility to oversee the funds' investment managers and recommend their hiring, termination, and replacement.

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