

Q4 2025

Quarterly Commentary

Regan Total Return Income Fund

RCIRX | RCTR



Table of Contents

Fund Performance 3
Market Commentary 4
2026 Outlook 9
Disclosures 16

Fund Performance

The Fund returned +1.61% for the quarter ending December 31, 2025 (institutional class, RCIRX), net of fees and expenses. Year-to-date, the Fund has returned +7.85%. The Fund's benchmark, the Bloomberg U.S. Aggregate Bond Index (the "Agg"), returned +1.10% for the quarter and has returned +7.30% year-to-date.

Fourth-quarter outperformance was largely driven by interest rate volatility. The Federal Reserve voted to cut rates by 25 basis points¹ in their December meeting, but market expectations going forward have become a bit more clouded. The Agg was outperforming the Fund by over 50bps throughout the first month of the quarter, but as the expectations for multiple future rate cuts lessened, the Agg's performance suffered. Additional performance metrics and portfolio statistics as of December 31, 2025, are detailed below:

Quarter-End Returns <i>December 31, 2025</i>	CUMULATIVE				ANNUALIZED			
	4Q25	YTD	3 Yr.	Since Incep. (10/1/2020)	1 Yr.	3 Yr.	5 Yr.	Since Incep. (10/1/2020)
Institutional (RCIRX)	1.61%	7.85%	24.14%	41.46%	7.85%	7.47%	5.45%	6.83%
Investor (RCTRX)	1.53%	7.53%	23.22%	39.66%	7.53%	7.21%	5.19%	6.57%
Benchmark²	1.10%	7.30%	14.65%	-1.15%	7.30%	4.66%	-0.36%	-0.22%
Relative Performance vs. Agg	0.51%	0.55%	9.49%	42.61%	0.55%	2.81%	5.81%	7.05%

Portfolio Statistics	Institutional Class	Investor Class
Tickers	RCIRX	RCTRX
AUM	\$2,057,442,342	\$141,777,092
Gross Expense Ratio	1.15%	1.40%
Net Expense Ratio*	0.99%	1.24%
NAV	\$9.55	\$9.63
30 Day SEC Yield (Unsubsidized)	4.38%	4.13%
30 Day SEC Yield (Subsidized)	4.45%	4.20%

The portfolio maintains an average yield to maturity³ of 5.23% (including cash), an effective interest rate duration⁴ of approximately two years, and a weighted average life⁵ of approximately six years.

The performance data quoted represents past performance and is no 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 1.800.44.REGAN or visit the Fund's website at www.reganfunds.com. See disclosures at the end of this presentation. Performance listed above is net of fees, includes reinvestment of income, is unaudited, and subject to change. Pursuant to a contractual fee waiver and reimbursement agreement, Regan Capital, LLC (the "Adviser") has agreed to waive fees and/or reimburse operating expenses (other than shareholder servicing fees, front-end or contingent deferred loads, taxes, interest expense, brokerage commissions, acquired fund fees and expenses, portfolio transaction expenses, dividends paid on short sales, extraordinary expenses, Rule 12b-1 fees, or intermediary servicing fees) for each class so that annual operating expenses will not exceed 0.99% ("Expense Cap"). The Expense Cap will remain in effect through at least January 31, 2026 and may be terminated only by the Trust for Advised Portfolios (the "Trust") Board of Trustees' (the "Board").¹Basis Point One basis point equals 1/100th of 1%, or 0.01% (and .0001 in decimal form). ²The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Investors cannot invest directly in the Index. ³Yield to Maturity (YTM) is the expected annual rate of return earned on a bond assuming the debt security is held until maturity. ⁴Effective duration is a measurement used to estimate the degree of change a bond's price is expected to have in response to a 1% change in interest rates. ⁵Weighted Average Life is the average number of years for which each dollar of unpaid principal on an investment remains outstanding.

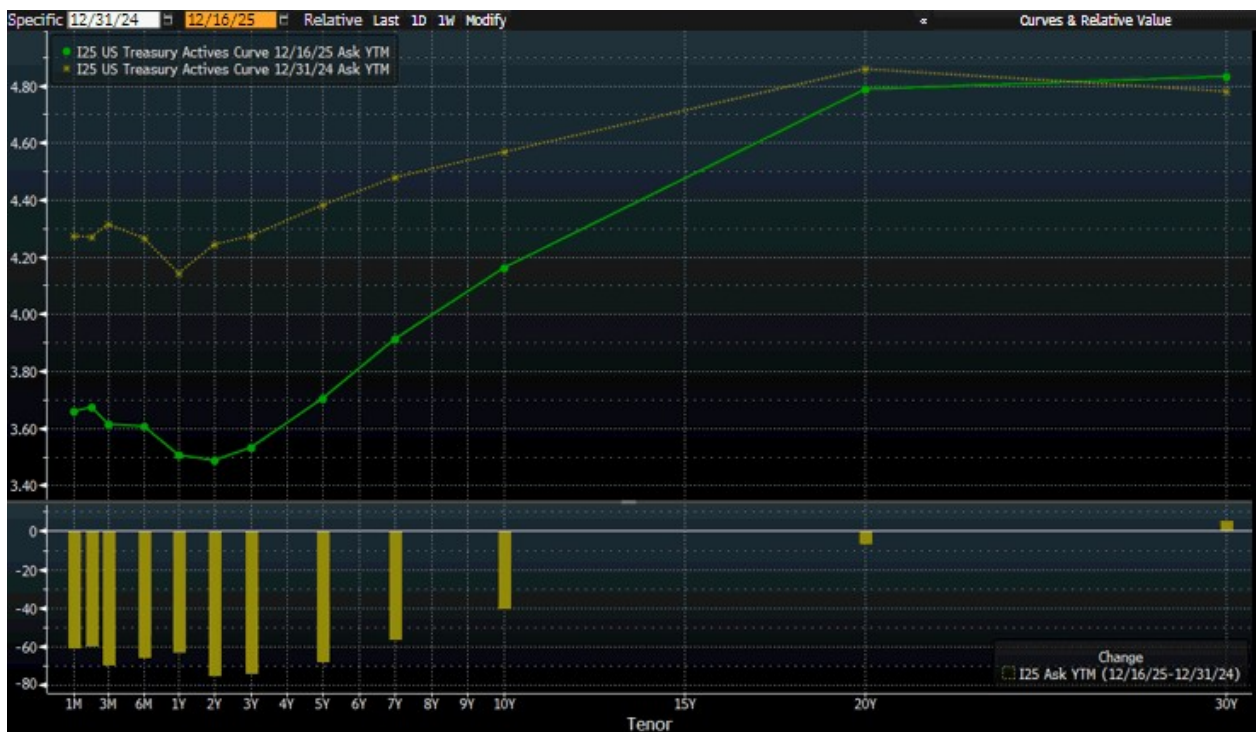
Market Commentary

Year-to-date, the Bloomberg Aggregate Bond Index has returned +7.30%, outpacing its start-of-year yield of 4.91% by 213 bps. Option-adjusted spreads (OAS) are 7 bps tighter, and duration has nudged 0.04 years lower. Investors are now receiving less return and less premium for the same amount of risk compared to the start of the year.

Agg Metric	Year-End 2024	Today
Yield	4.91%	4.34%
Option Adjusted Spread (OAS)	+34bps	+27bps
Option Adjusted Duration (OAD)	6.08 years	6.04 years

Much of the 2025 outperformance can be explained by movements in the Treasury curve.

Treasury Curve Shift – 2024 Versus 2025



Source: Bloomberg. Data as of 12/16/2025

While the curve is steeper, it appears less investable. Cash is yielding only 3.60%, and investors must extend out nearly eight years to achieve 4%+ yields. We can use the 4.34% yield on the Bloomberg Agg as a starting point. The Agg is composed of approximately 50% government securities (3.90% yield), 24% corporates (4.85% yield), and 26% agency Mortgage-Backed Securities⁶ (4.67% yield). Traditional bond investors are only now breaking even after more than five and a half years of losses, largely the result of taking on undue interest-rate risk when index yields were barely above 1%.

⁶Mortgage-Backed Securities (MBS) represent claims on the cash flows from pooled home loans, offering investors periodic income similar to bond payments.

Steepening Yield Curve & 2026 Bond Return Outlook



To repeat this year’s performance in 2026, rates would need to fall by more than 40 basis points across maturities. Curves have steepened meaningfully in recent months, with the 2–10-year curve widening to its largest spread since early 2022.

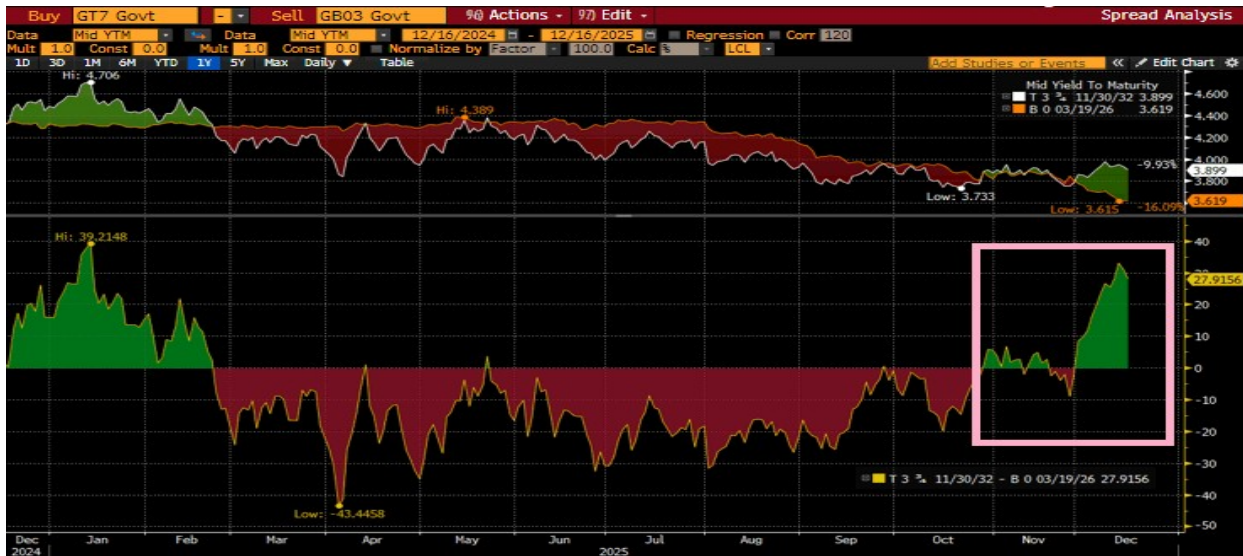
Mortgage Spread Trends Relative to Treasury Yields



Source: Bloomberg. Data as of 12/16/2025

We also pay attention to the 3-month bill versus the 7-year curve, as this is a better barometer of where the market is borrowing versus investing. A steeper curve bodes well for tighter mortgage spreads, as leveraged players are earning more on their trades (mREITs, banks, private equity, etc.). This has only recently turned positive again.

3-Month Treasury Bill vs. 7-Year Treasury Yield Spread



Source: Bloomberg. Data as of 12/16/2025

Mortgage spreads have tightened to +118 bps from a +165 bps peak in April. Spreads are approximately 17 bps tighter on the year. This tightening has been driven by increased demand, lower bond volatility, and a steeper yield curve.

Current Coupon Mortgage Spread to 5-10 Year U.S. Treasuries



Source: Bloomberg. Data as of 12/16/2025

The chart above reflects the “current coupon” mortgage spread, while the chart below shows the prevailing mortgage rate versus 7-year Treasuries. There is approximately 50 bps of additional tightening in mortgage spreads remaining, suggesting a “5-handle” mortgage rate is on the horizon.

Mortgage Rate Versus 7-year Treasuries



Source: Bloomberg. Data as of 12/16/2025

Overall bond volatility, as represented by the MOVE Index, has retreated to early 2022 levels.

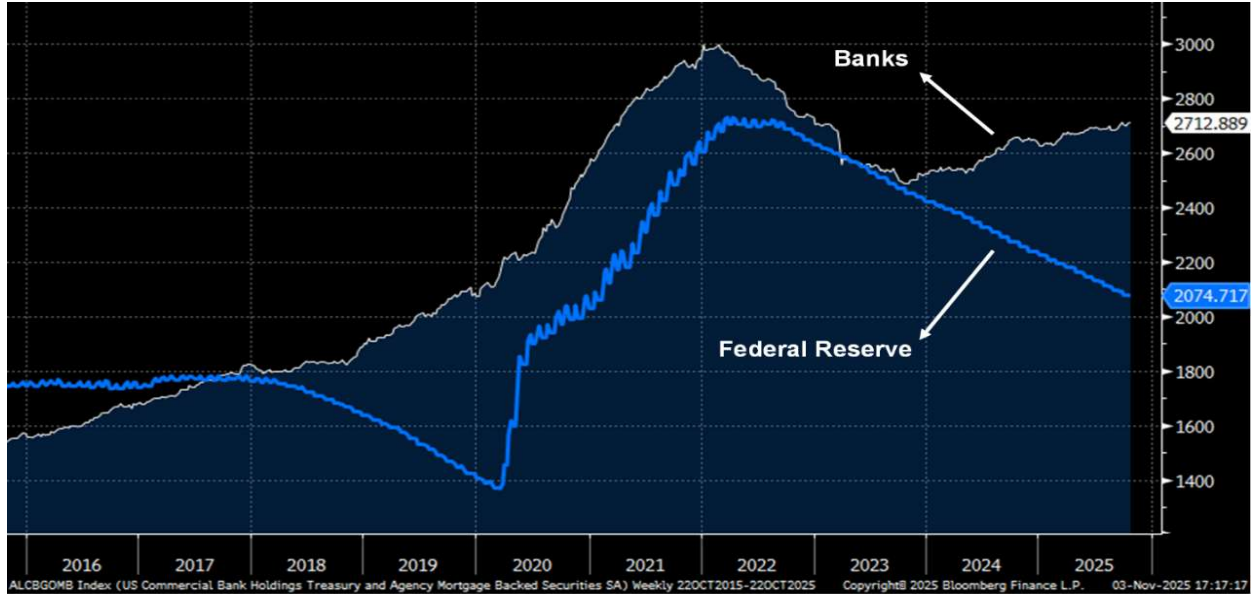
U.S. Treasury Market Volatility (MOVE Index)



Source: Bloomberg. Data as of 12/16/2025

While Fed QE ended in September 2022, bank demand is picking up, albeit only slightly.

Bank Demand and Agency Balance Sheet Trends

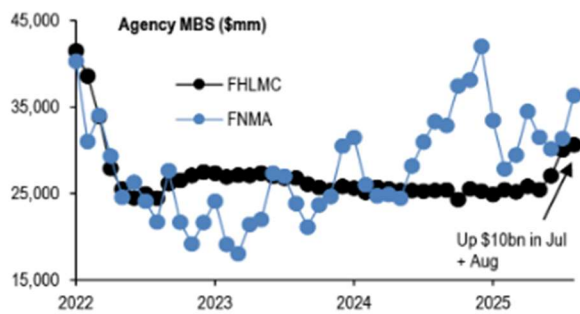


Source: Bloomberg. Data as of 12/16/2025

Fannie Mae and Freddie Mac have resumed growing their balance sheets by adding both MBS and mortgage loans.

Figure 2: MBS holdings grew by \$10bn at the GSEs in July and August...

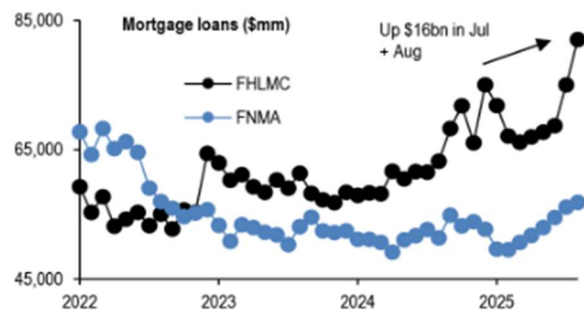
Retained agency MBS portfolios of the GSEs by month, in \$mm



Source: J.P. Morgan, Fannie Mae, Freddie Mac

Figure 3: ... while their mortgage loan portfolios rose by \$16bn in those two months

Retained mortgage loan portfolios of the GSEs by month, in \$mm

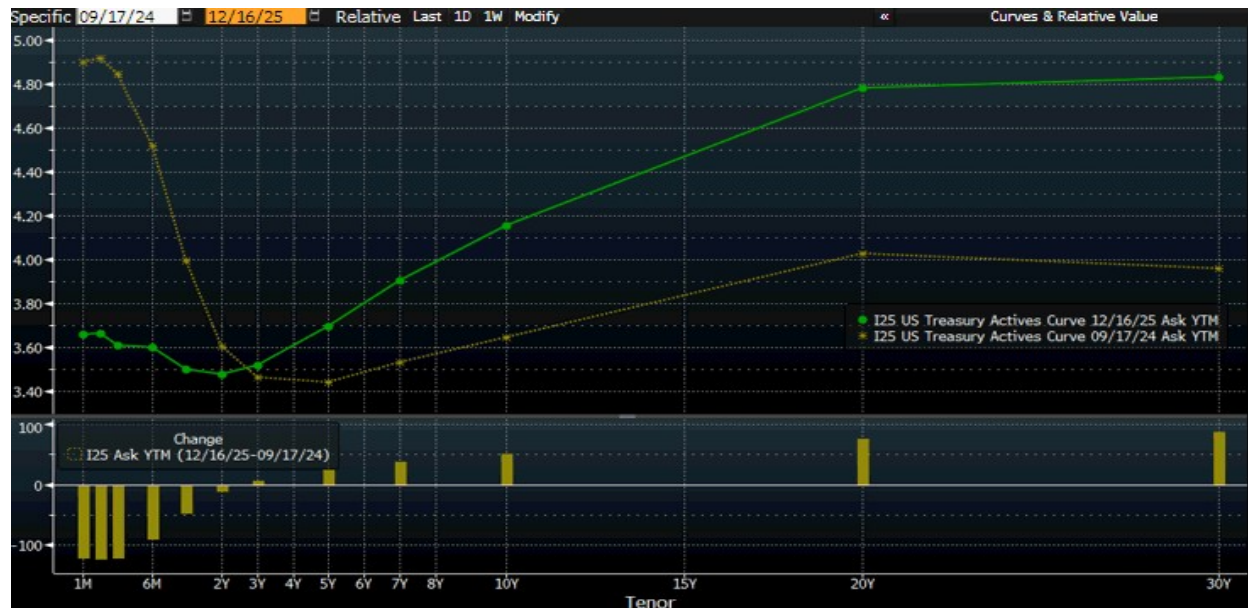


Conclusion

For the US Aggregate bond Index, 2025 (+7.30%) has been a solid rebound year following a disappointing 2024 (+1.25%). The Fed has cut rates six times since September 2024, totaling 175 bps, which was the primary driving force behind performance outpacing that yield at the start of the year.

While the front end of the curve has dropped markedly, the back end has risen by nearly 100 bps. There is still progress to be made before we reach what we would consider a “normal” fixed-income market, where traditional strategies such as rolling down the curve and utilizing bond ladders are viable.

Yield Curve Repricing Following 2025 Rate Cuts



Source: Bloomberg. Data as of 12/16/2025

2026 Outlook

The market is pricing in more than two rate cuts for 2026, while the Fed is projecting only one.

Market-Implied Rate Cuts vs. Federal Reserve Projections

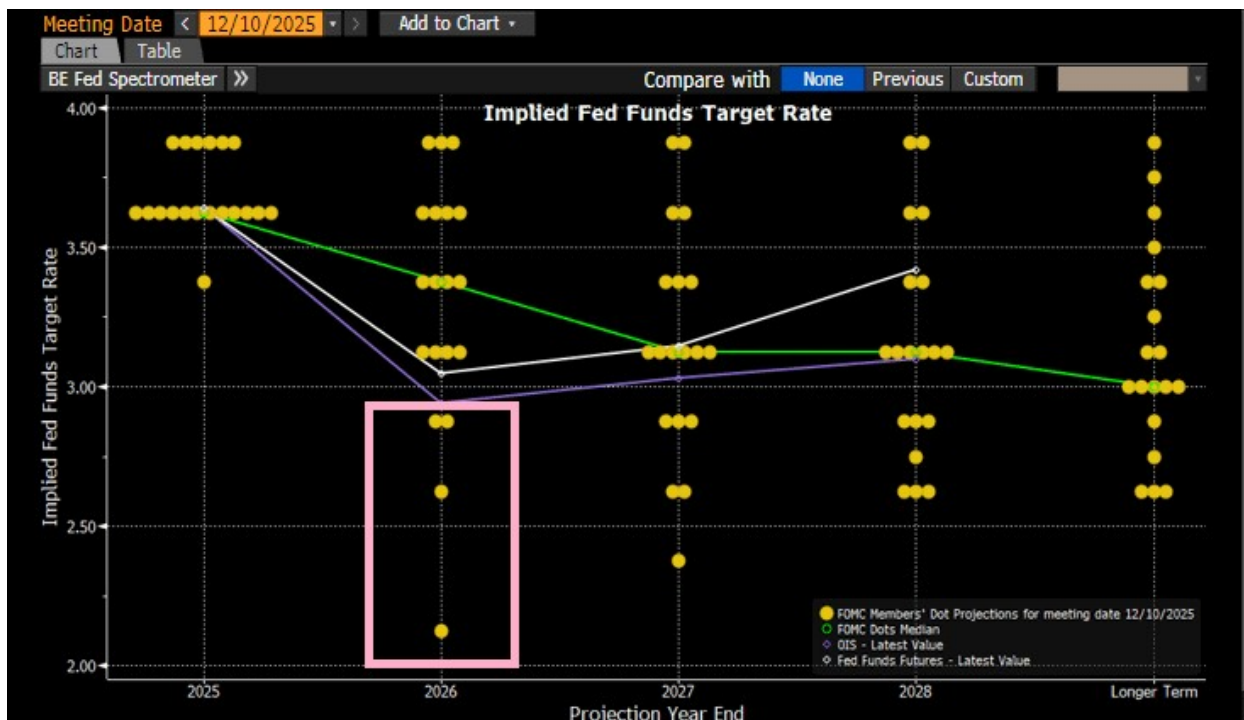
Region: United States »		Instrument: Fed Funds Futures »				
Target Rate	3.75	Pricing Date	12/16/2025			
Effective Rate	3.64	Cur. Imp. O/N Rate	3.643			
Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.	
01/28/2026	-0.244	-24.4%	-0.061	3.583	0.250	
03/18/2026	-0.573	-32.9%	-0.143	3.500	0.250	
04/29/2026	-0.844	-27.1%	-0.211	3.432	0.250	
06/17/2026	-1.401	-55.7%	-0.350	3.293	0.250	
07/29/2026	-1.704	-30.3%	-0.426	3.217	0.250	
09/16/2026	-2.057	-35.4%	-0.514	3.129	0.250	
10/28/2026	-2.224	-16.6%	-0.556	3.088	0.250	
12/09/2026	-2.394	-17.0%	-0.598	3.045	0.250	
01/27/2027	-2.384	+1.0%	-0.596	3.047	0.250	
03/17/2027	-2.438	-5.4%	-0.609	3.034	0.250	
04/28/2027	-2.394	+4.4%	-0.598	3.045	0.250	
06/09/2027	-2.418	-2.4%	-0.604	3.039	0.250	
07/28/2027	-2.504	-8.6%	-0.626	3.017	0.250	

Source: Bloomberg. Data as of 12/16/2025

Note the significant divergence in the year-end 2026 DOTS shown in the chart below, reflecting expectations by some participants for an additional four to six 25-basis-point rate cuts.

The lack of clarity makes owning a higher-yielding fund with relatively short duration, such as RCIRX, particularly attractive.

Fed Projections vs. Market Rate Expectations



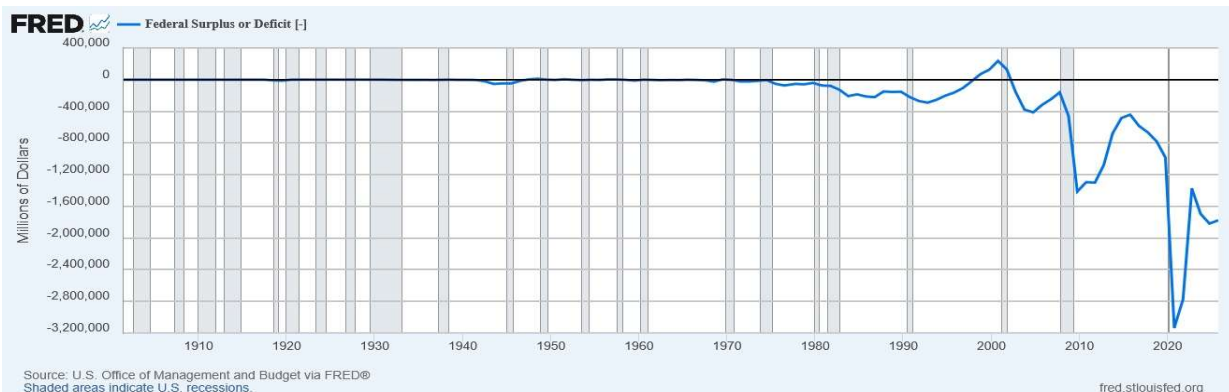
Source: Bloomberg. Data as of 12/16/2025

We frequently receive questions regarding how and why the back end of the yield curve continues to rise, particularly given that few market participants are explicitly making that rate call.

Several factors help explain the upward pressure on longer-dated yields:

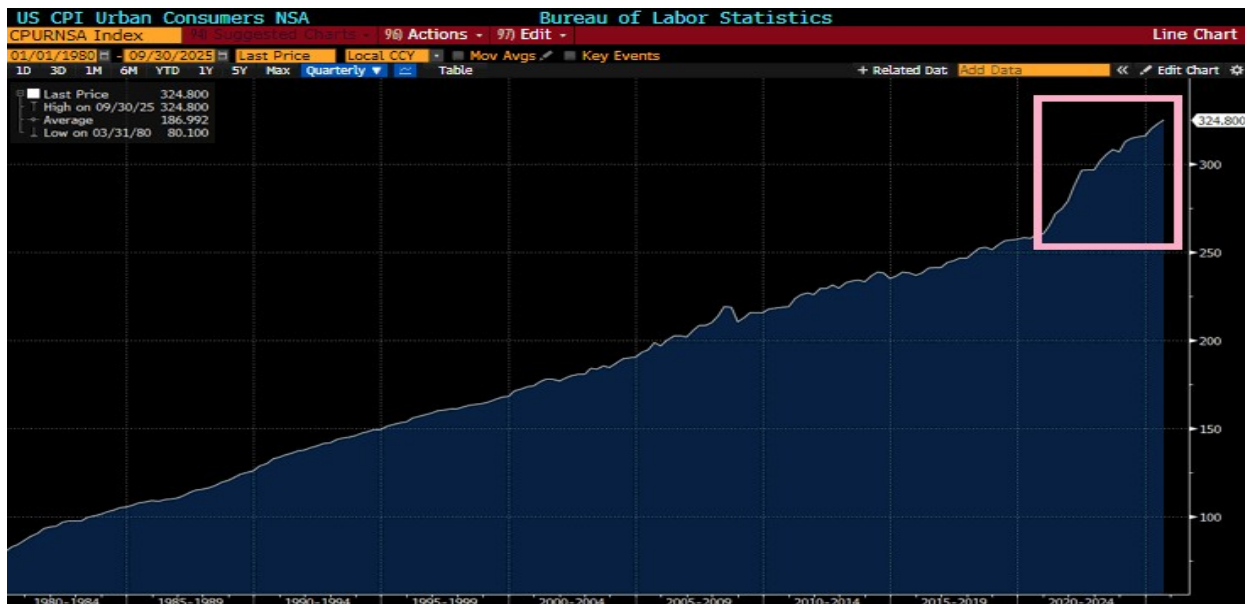
- Investors projecting lower 10-year Treasury rates often manage very large pools of capital benchmarked to indices with approximately six years of duration.
- Less than 5% of the outstanding fixed-income universe is floating-rate, and none of the major bond indices include floating-rate exposure.
- Demographic trends among insurance companies and pension funds point to a reduced structural need for duration.
- Federal deficits remain elevated at more than \$1.5 trillion annually. These levels are typically associated with periods of war or pandemic, yet the economy remains strong, equity markets are up over 100% since COVID, and financial conditions remain extremely accommodative.

U.S. Inflation in Historical Context



- Inflation remains elevated. Over the past 25 years, year-over-year inflation has averaged 2.58%. Since COVID, prices have risen by approximately 40%, as shown in the graph above. Whether inflation will revert to its long-term trend remains an open question.

U.S. Consumer Price Index Growth Since 1984



Source: Bloomberg. Data as of 12/16/2025

- Term premiums to own duration are finally breaking out after a 40-year decline. From 1981 – 2021, investors were rewarded, like Pavlov’s dog, to extend and re-extend duration. Term premium went negative from 2018-2021 signaling that investors were paying up to own riskier assets.

Term Premiums to Own Duration



Source: Bloomberg. Data as of 12/16/2025

The administration is running both monetary and fiscal policy extremely hot. What we are seeing is reminiscent of the early 1970s. In 1971, President Nixon took the United States off the gold standard, imposed price controls, and spent a significant amount of effort attempting to stimulate the economy ahead of the 1972 election. Sound familiar? During this period, inflation fell from 6.2% in 1969 to 2.7% in 1972. It then surged above 12%, declined back toward 5%, and rose again to nearly 15% before ultimately retreating.

You will see in this chart that reaching 2% or below is difficult and has only been a recent phenomenon.

Historical Inflation Volatility



Source: Bloomberg. Data as of 12/16/2025

The wild card in forecasting longer-duration rates is the administration potentially exercising yield curve control (YCC). YCC could take a variety of forms, but the most straightforward approach would be for the Treasury or the Federal Reserve to issue five trillion dollars in Treasury bills with maturities of one to thirteen months and use the proceeds to purchase five- to thirty-year Treasury notes. The Treasury could also signal to the market that it will purchase all longer-duration notes at yields of 4% or 3.5%, which would likely cause the market to move quickly to those levels.

While this may seem farfetched, similar actions were taken as recently as 2011 and were first implemented fifty years earlier in 1961. Following COVID, the government announced it would purchase investment grade bonds, high yield bonds, and related ETFs, which rapidly tightened spreads and lifted prices for those instruments.

In practice, very little was ultimately purchased, as the announcement alone was sufficient to move markets.

Leading up to 2022, the worst year for bonds in history, we were positioned for significantly higher rates by holding a high quality, low duration portfolio.

In conjunction with rapidly rising rates that began in early 2022, mortgage spreads widened materially.

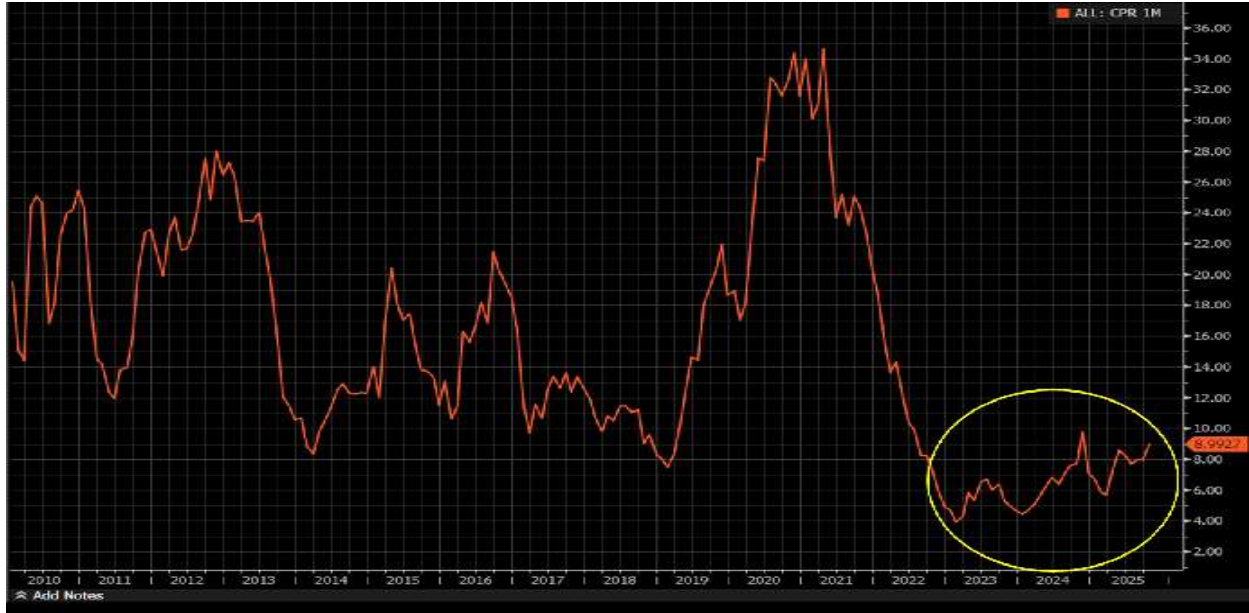
Mortgage Spread Movements During Rising Rate Environment



Source: Bloomberg. Data as of 12/16/2025

Prepayments dropped to all-time lows.

Mortgage Prepayments at Historically Low Levels



Source: Bloomberg. Data as of 12/16/2025

There was a rush for the exits by mortgage bond fund investors.

Investor Outflows from Mortgage Bond Funds



Source: Bloomberg. Data as of 12/16/2025

Fortunately, we had ample cash and were adding assets in 2022, which allowed us to outperform and take advantage of attractive buying opportunities.

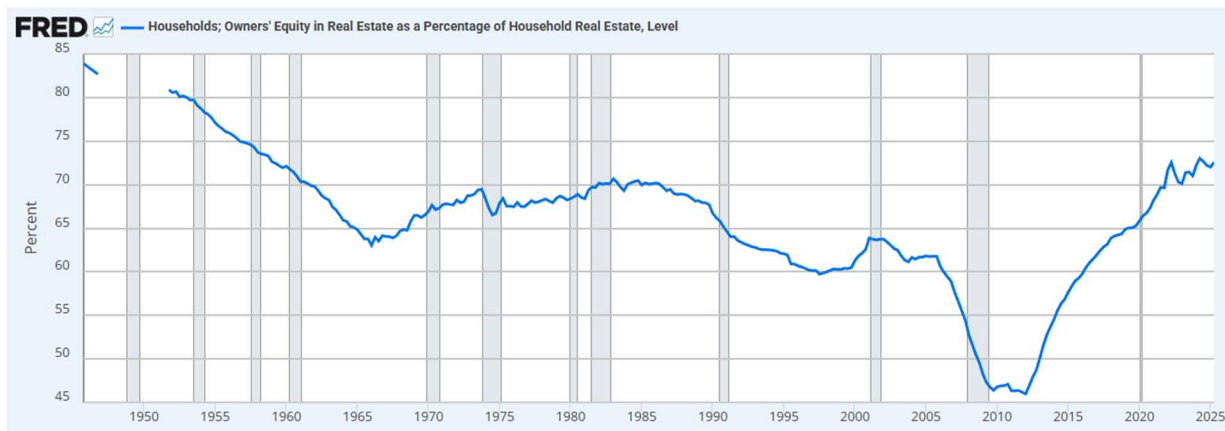
Interest rate risk in the market has eased somewhat since then, with overall market duration declining from 7 to 6 years and current rates standing significantly higher today compared to 2022.

Mortgage prepayment activity is now at all-time lows, and mortgage spreads remain relatively wide. Although mortgage bond investors faced significant headwinds in 2022, the environment today is characterized by predominantly favorable tailwinds.

High Quality, Discounted Mortgage Bonds Offer Asymmetrical Upside

We focus on high-quality mortgage assets that are either government-guaranteed or senior in the capital stack, typically backed by mortgages with approximately 30% loan-to-value ratios. National loan-to-value on residential real estate currently stands at approximately 27%, less than half of its level in 2012, providing meaningful borrower equity and structural support for mortgage credit.

U.S. Homeowner Equity as a Percentage of Residential Real Estate Value



Source: Board of Governors of the Federal Reserve System (US) via FRED.

Investing Themes for 2026:

- Maintain a relatively short duration of two to three years, with the goal of protecting against downside risk from higher long-term interest rates while participating in upside from declining short-term rates.
- Invest in lower dollar-price securities backed by potentially refinancable mortgage loans, which tend to benefit more from declining long-term rates than comparable Treasury or corporate bonds.
- Discounted, high-quality mortgage bonds offer a differentiated opportunity to benefit from declining yields through faster prepayments, while providing protection if rates rise via floating-rate coupons and elevated current income.



Disclosures

This material must be preceded or accompanied by a current prospectus for Regan Total Return Income Fund. The fund's prospectus can also be found by clicking [here](#).

For additional information on the Adviser please call +1 214-550-1710 or email ir@regancapital.com.

Mutual fund investing involves risk. Principal loss is possible. Past performance is no guarantee of future results.

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Investments in asset backed and mortgage-backed securities include additional risks that investors should be aware of, including credit risk, prepayment risk, possible illiquidity, and default, as well as increased susceptibility to adverse economic developments. Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer term debt securities. Investments in lower rated and nonrated securities present a greater risk of loss to principal and interest than higher rated securities do. For more information on these risks and other risks of the fund, please see the Prospectus. When interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancing and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the Fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan.

30-Day SEC Yield (Subsidized/Unsubsidized): Represents the net investment income a fund earns over a thirty-day period. This figure is based on the fund's share price at the end of the thirty-day period and is shown as an annual percentage rate. The subsidized 30-day SEC yield represents expense reimbursements and or fee waivers during the period. Regan Capital, LLC's Form ADV, supplementary brochures, privacy policy and audited financial statements for the Funds that it manages are available upon request. Regan Capital's historical performance returns presented herein may contain unaudited estimates and are subject to revision. Past performance is not an indication of future results. Any forward-looking statements contained in this document are based upon speculation, expectations, estimates and assumptions that are subject to a number of uncertainties and contingencies. The Adviser and its affiliates have no obligation to disseminate any updates or revisions to forward-looking statements in the event of any change in events, conditions or circumstances.

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