RCIRX | RCTRX

Q2 2026 Quarterly Commentary

Regan Total Return Income Fund — a review of markets, performance, and portfolio positioning for the second quarter of 2026.

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About this report. This commentary reviews performance and positioning for the Regan Total Return Income Fund (RCIRX / RCTRX) for the quarter ended June 30, 2026, and reflects the views of Regan Capital's investment team as of that date.

01 — PERFORMANCE & STATISTICS

Investment Update

The Fund (Institutional Class, RCIRX) returned 1.19% for the quarter ending June 30, 2026, net of fees and expenses, outperforming the Bloomberg Aggregate Bond Index (the "Agg), which returned 0.67%. Additional performance metrics and portfolio statistics as of June 30, 2026 are detailed below:

1.19% RCIRX · Q2 2026	**0.67%** Bloomberg Agg · Q2 2026	**5.68%** PORTFOLIO YIELD TO MATURITY	**~3 YRS** EFFECTIVE DURATION

Quarter End Returns — 6/30/26	Cumulative					Annualized			
	Q2 '26	6 Mo	9 Mo	YTD	Since Incep. (10/1/2020)	1 Yr.	3 Yr.	5 Yr.	Since Incep. (10/1/2020)
Institutional (RCIRX)	1.19%	1.91%	3.56%	1.91%	44.15%	5.38%	6.97%	4.98%	6.57%
Investor (RCTRX)	1.18%	1.85%	3.41%	1.85%	42.23%	5.25%	6.70%	4.74%	6.32%
Bloomberg US Agg. TR	0.67%	0.62%	1.73%	0.62%	-0.57%	3.79%	4.15%	0.08%	-0.10%

Portfolio Statistics	Institutional Class	Investor Class
Tickers	RCIRX	RCTRX
AUM	$2,203,544,720	$164,757,036
Gross Expense Ratio	1.05%	1.31%
Net Expense Ratio*	0.99%	1.24%
NAV	$9.52	$9.60
30-Day SEC Yield (Unsubsidized)	5.25%	5.00%
30-Day SEC Yield (Subsidized)	5.35%	5.10%

The portfolio maintains an average yield to maturity of 5.68% (including cash), an effective interest rate duration of approximately 2.7 years, and a weighted average life 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. For the most recent month-end performance, please call 1.800.44.REGAN or visit the Fund's website at www.regancapital.com.

02 — RATES, POLICY & SECTOR REVIEW

Market Commentary

For the quarter ending June 30, 2026, the Bloomberg Aggregate Bond Index returned approximately +0.67%, recovering from the first quarter's modest decline and bringing the year-to-date return to +0.62%. Coupon income was the primary driver of returns. Yields rose across the front end and belly of the curve as markets repriced from expectations for rate cuts toward the possibility of rate hikes, but the index's elevated carry helped offset the resulting price pressure. Option-adjusted spreads (OAS) remained near historically tight levels.

Agg Metric	Year-End 2025	June 30, 2026
Yield	4.32%	4.73%
Option Adjusted Spread (OAS)	+27 basis points (bps)	+26 basis points (bps)
Option Adjusted Duration (OAD)	5.91 years	5.88 years

Source: Bloomberg. Data as of 6/30/2026.

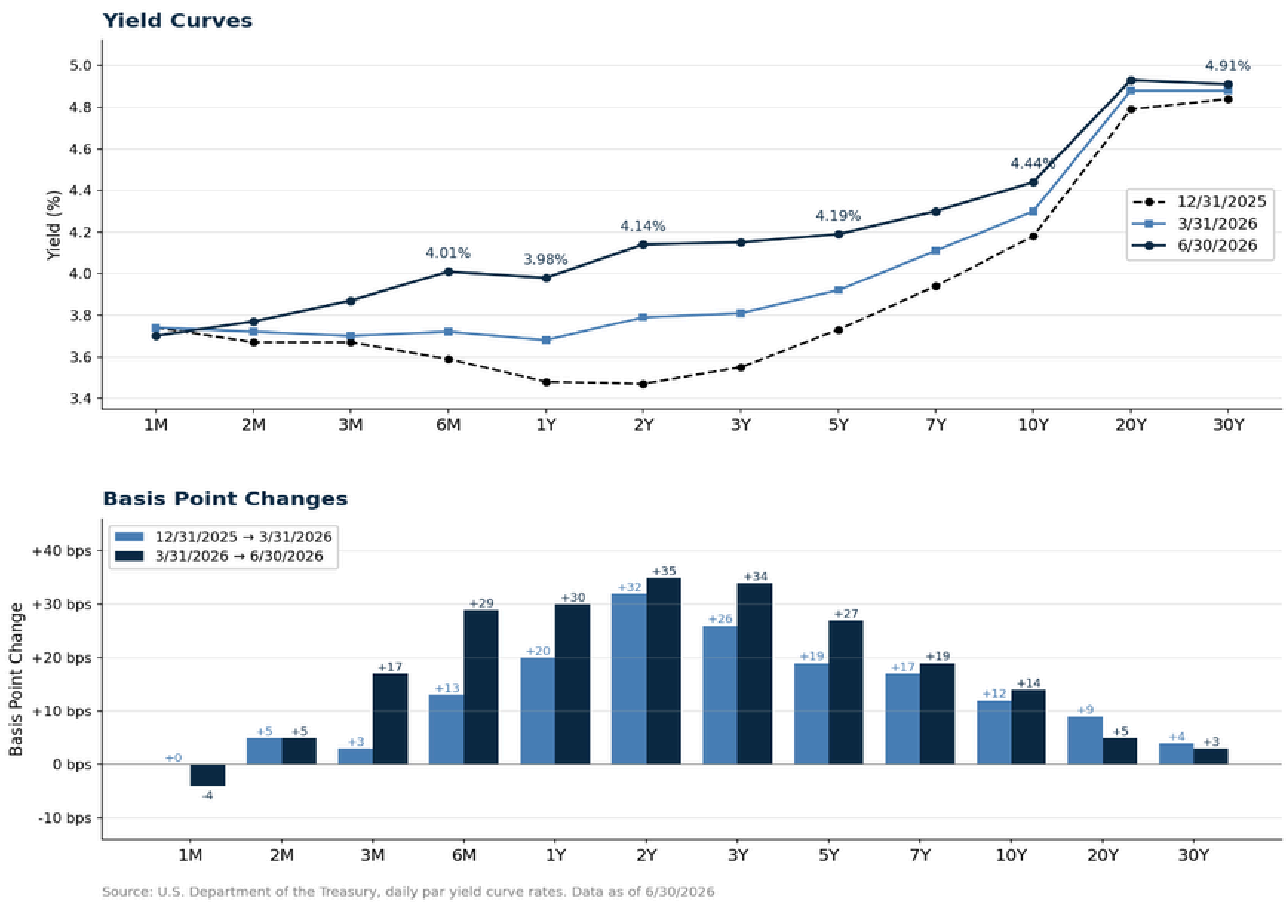
Markets Shifted Focus from Energy Shock to Monetary Policy

The second quarter saw a decline in market volatility even as the conflict with Iran remained unresolved and the Strait of Hormuz stayed effectively closed for much of the period. As the ceasefire took hold and Brent crude retreated to pre-war levels, investors shifted their focus from the energy shock itself to its inflationary consequences.

Treasury Curve Continues to Reprice

Kevin Warsh's arrival as Chair of the Federal Reserve shifted expectations for monetary policy and contributed to the repricing of the Treasury yield curve. The 2-year Treasury yield rose 35 basis points during the quarter to 4.14%, while the 10-year yield increased a more modest 14 basis points to 4.44%. The long end was comparatively stable, with the 30-year Treasury yield rising just 3 basis points. The result was a front-end-led bear flattening of the curve, driven primarily by a repricing of Federal Reserve policy expectations rather than an increase in term premiums.

U.S. Treasury Curve Bear Flattening



Source: U.S. Department of the Treasury, daily par yield curve rates. Data as of 6/30/2026.

The second quarter completed the curve's transformation. After uninverting in the first quarter, the front end and belly continued to reprice higher: yields in the six-month to three-year sector rose 27–35 basis points as markets increasingly priced in the possibility of future rate hikes, while 20- and 30-year yields rose only 3–5 basis points. Even the 3-month Treasury bill, which had remained anchored near the Fed's policy rate throughout the year, drifted up to 3.87% by quarter-end, indicating that hike risk has begun to filter into short-term pricing. The 2-year/30-year (2s30s) Treasury spread narrowed from 109 basis points to 77 basis points over the quarter.

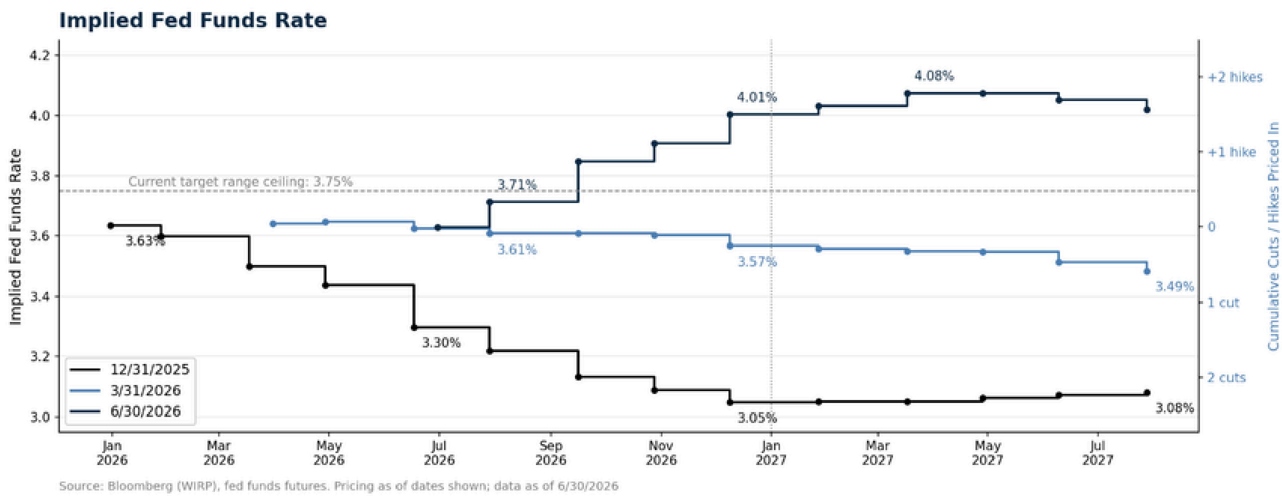
A New Era of Fed Leadership

Kevin Warsh was sworn in as the 17th Chairman of the Federal Reserve on May 22 following a 54–45 Senate confirmation, the narrowest of the modern era. His first FOMC meeting on June 16–17 signaled what he has described as a "regime change" at the central bank.

The Committee unanimously maintained the target range at 3.50%–3.75%, but the updated Summary of Economic Projections reflected a significant shift in the policy outlook. All but one participant expected rates to remain flat or move higher through year-end, with the median dot moving from projected cuts in March to a quarter-point hike in 2026. Warsh declined to submit his own projections, streamlined the policy statement, and moved away from forward guidance, emphasizing instead the Committee's commitment to restoring inflation credibility.

With May CPI at 4.2% year-over-year, the highest reading in three years, and core inflation still well above target, we expect policy to remain on hold at a minimum. Incoming data would need to justify any move away from a hawkish stance.

Market-Implied Fed Funds Rate: From Cuts to Hikes



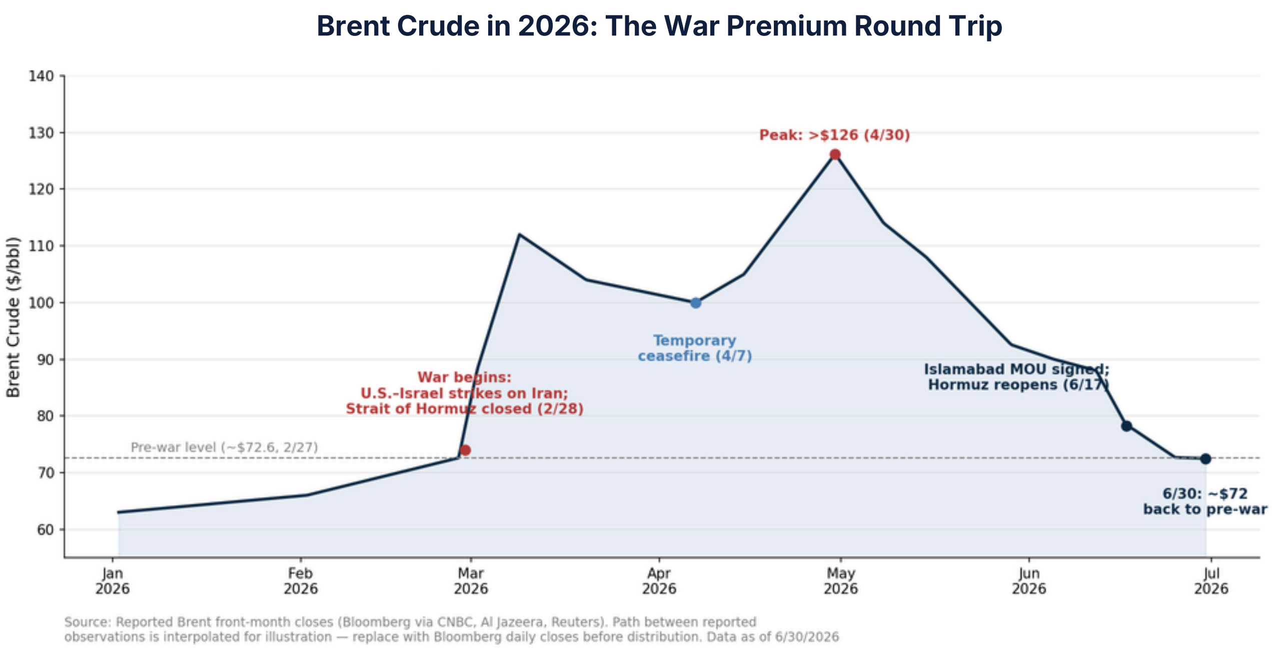
Source: Bloomberg (WIRP), fed funds futures. Data as of 6/30/2026.

The repricing in fed funds futures over the past six months has been remarkable. At year-end 2025, markets expected the fed funds rate to fall to roughly 3.05% by December 2026, implying more than two full rate cuts. By March 31, expectations had shifted to roughly one partial cut (3.57%). As of June 30, however, markets were pricing the fed funds rate at approximately 4.01% by the December meeting, roughly one and a half hikes above the current 3.63% effective rate, with the first full hike expected by the September or October meetings. A nearly 100-basis-point swing in implied year-end policy expectations over the past six months, from deep cuts to an outright hike, is precisely the type of environment in which a shorter-duration, higher-yielding strategy such as RCIRX is designed to help protect capital.

Geopolitical Tensions Ease, Inflation Persists

The path to de-escalation was anything but linear. A Pakistan-brokered ceasefire in early April gave way to months of extensions, threats, and renewed strikes before Presidents Trump and Pezeshkian signed the Islamabad Memorandum on June 17, reopening the Strait of Hormuz and beginning a 60-day negotiation period toward a permanent agreement. Although tensions remain, tanker traffic has recovered meaningfully, and the oil market has largely priced out the war premium.

Brent crude, which traded near $72 before the February 28 strikes, climbed above $126 by April 30 before falling 19% in May and ending the quarter back near its pre-war level. While the commodity round trip is complete, the inflationary effects are not. May CPI rose 4.2% year-over-year, the highest since April 2023, while core PCE reached approximately 3.4%, reflecting the trickle-down impact of several months of elevated energy prices on goods and services. Even with oil prices retracing, those inflationary pressures remain embedded in the economy, leaving both the Fed and bond market positioned accordingly.



Source: Bloomberg via press reports. Data as of 6/30/2026.

Risk Assets Recover While Credit Remains Expensive

Against this backdrop, risk assets staged a sharp recovery. The S&P 500 gained more than 15% during the quarter, its strongest quarterly return in six years, driven by continued AI infrastructure spending and optimism following the ceasefire. Investment-grade credit spreads also tightened toward historical lows, reaching levels that have been tighter only about 5% of the time over the past 25 years. This left investors with little compensation for taking additional credit risk. Meanwhile, stress in private credit persisted, with elevated redemption requests and the continued use of gating provisions across several vehicles.

Mortgages Continue to Offer Relative Value

The current coupon mortgage basis, which tightened to 94 basis points in January following the GSE purchase announcement, widened to 131 basis points by late March as conflict-driven rate volatility peaked. With the war premium now largely removed from oil prices and market volatility subsiding, mortgages enter the second half of the year offering attractive spreads relative to corporate credit.

Mortgage Spread to 5–10 Yr. Treasuries

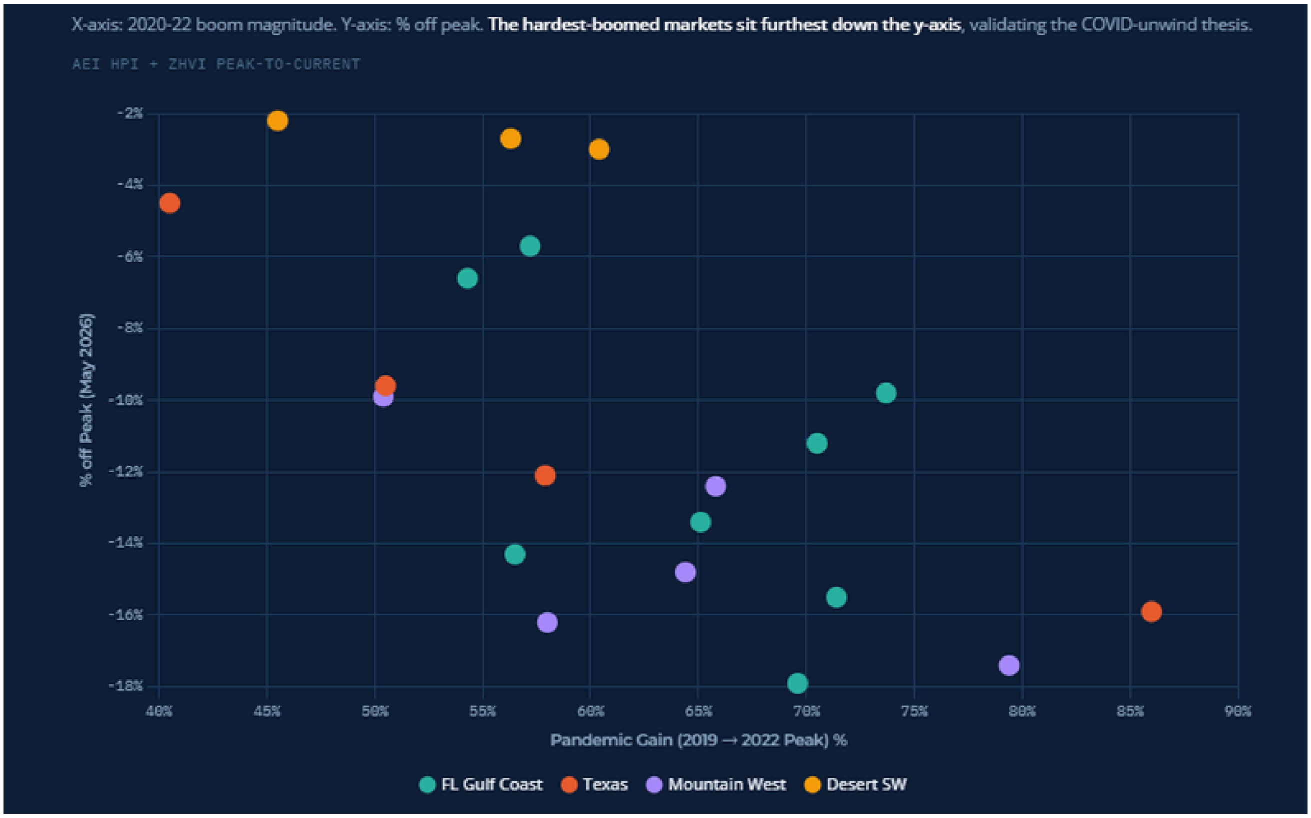
Source: Bloomberg (FNCL CC Spread to 5/10).

Freddie Mac 30-Year Commitment Rate

Source: Bloomberg (Freddie Mac PMMS).

Mortgage rates finished the quarter modestly higher, with the Freddie Mac 30-year Commitment Rate ending at 6.43%. With little policy progress on housing affordability, housing market activity remained subdued. Sun Belt cities, which experienced some of the strongest home price appreciation during the pandemic, are now seeing the largest declines. Some borrowers who purchased in 2022 have slipped into negative equity, a dynamic not seen on a meaningful scale since the Global Financial Crisis.

Pandemic Gain vs. Current Drawdown — Sun Belt Markets



Source: AEI Housing Center, Zillow Home Value Index. Peak-to-current change as of May 2026.

03 — SECTOR ALLOCATION & ATTRIBUTION

Portfolio Positioning

We attribute our significant outperformance over the past five years to active duration management, asset allocation, and security selection, in order of importance. The table below outlines the Fund's (RCIRX) current positioning, along with each sector's yield and duration.

Sector	Yield	Duration	% of Quarter-End NAV	Contribution to Quarterly Performance
Cash Equivalents	5.29%	1.95	18.60%	0.11%
Agency RMBS	4.94%	2.91	24.03%	0.24%
Legacy RMBS	6.35%	2.73	39.99%	0.67%
Corporate	4.88%	0.01	1.91%	0.01%
Non-Agency, IG RMBS	5.81%	2.05	13.81%	0.11%
Municipal	4.60%	13.70	1.65%	0.04%
Regan Total Return Income Fund — Total	**5.68%**	**2.67**	**100.00%**	**1.19%**

Source: Internally calculated by Regan Capital using data from Bloomberg and Intex. Data as of 6/30/2026.

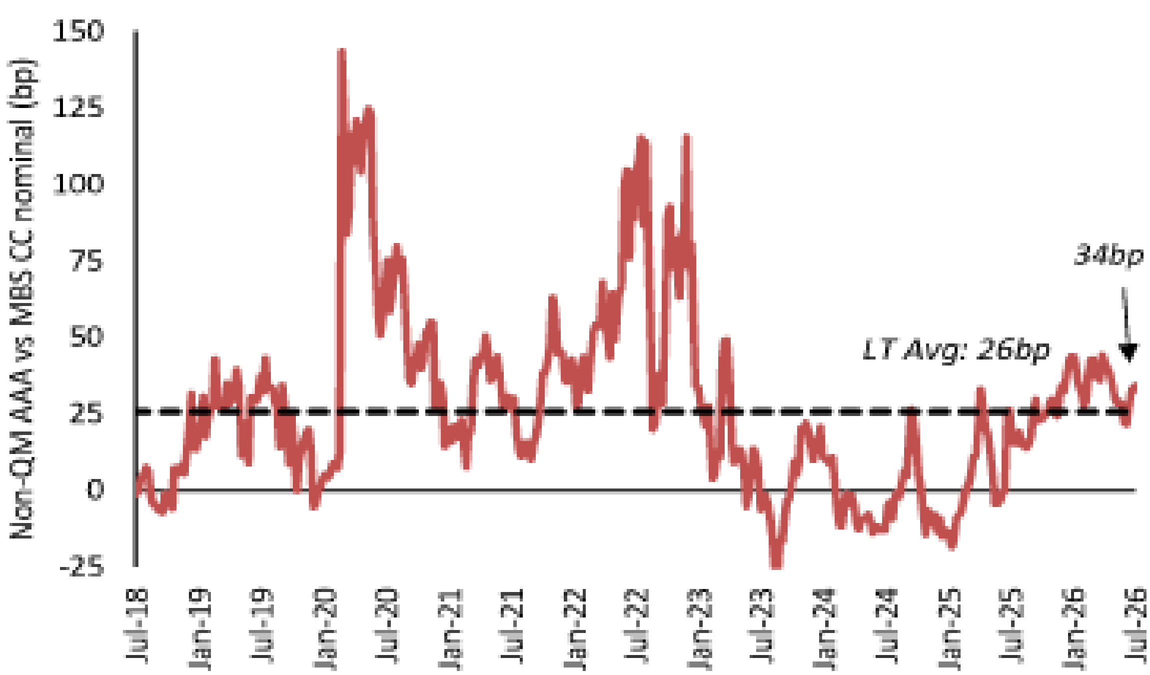
As of June 30, 2026, we view the Fund as holding 60% of its assets in ultra–high-quality securities (cash equivalents, Agency residential mortgage-backed securities (RMBS), investment-grade corporates, investment-grade municipals, and investment-grade RMBS). The remainder of the portfolio is invested in legacy RMBS.

% of Ending AUM by Strategy	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	QoQ[1]	YoY[1]
Cash / Bills	21.54%	17.45%	18.20%	15.00%	18.60%	3.60%	-2.94%
Legacy	45.76%	44.81%	39.34%	39.88%	39.99%	0.11%	-5.77%
Agency Floater	19.75%	23.25%	25.48%	21.06%	15.26%	-5.79%	-4.49%
Agency Fixed	10.07%	9.88%	7.60%	8.49%	8.77%	0.27%	-1.30%
Investment Grade 2.0	2.54%	2.39%	6.12%	12.10%	13.81%	1.72%	11.27%
Corporate	0.34%	0.31%	1.18%	1.97%	1.91%	-0.06%	1.57%
Muni	0.00%	1.91%	2.08%	1.50%	1.65%	0.15%	1.65%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Internally calculated by Regan Capital. Data as of 6/30/2026, most recent available at time of publication. 1.) QoQ = Quarter-over-Quarter; YoY= Year-over-Year

As the Treasury curve steepened, we lowered our Agency floater position and increased purchases of AAA-rated non-QM paper and Bills. Non-QM has widened versus Agencies amid increased supply technicals and macro volatility.

Non-QM AAA vs. Agency MBS, Nominal Spread Basis



Source: Yield Book, Nomura.

04 — OUTLOOK

Conclusion

The second quarter resolved much of the uncertainty that defined the start of the year, and the resolution was decidedly hawkish. The war premium has largely come out of oil, risk assets have recovered sharply, and Chairman Warsh has made clear that the Federal Reserve's priority is restoring price stability rather than delivering the rate cuts markets once expected. With headline inflation above 4%, futures markets now price rate hikes instead of cuts by year end, driving a meaningful repricing of the front end of the Treasury curve. Although energy prices have largely retraced their gains, the inflationary effects of the earlier shock continue to work through the economy, leaving both policymakers and markets firmly focused on incoming inflation data.

Against this backdrop, we believe the Fund remains well positioned. With a duration of approximately 2.7 years, a portfolio yield above 5%, and a meaningful cash cushion, the Fund is designed to navigate a front-end-led rate environment while maintaining flexibility. Its allocation to floating-rate mortgages stands to benefit if policy rates move higher, while the continued widening of the mortgage basis relative to historically tight corporate credit spreads creates attractive opportunities to add high-quality Agency RMBS and AAA-rated, non-QM securities. In an environment where monetary policy remains restrictive and compensation for taking additional credit risk is limited, we believe maintaining a shorter duration, high quality, and highly liquid portfolio continues to offer the most compelling risk-adjusted approach.

05 — FIRM OVERVIEW

About Regan Capital

Founded in 2011, Regan Capital, LLC is an SEC-registered investment adviser based in Dallas, Texas. The firm’s target investor base includes endowments and foundations, banks and insurance companies, corporate and public pension plans, family offices, high-net-worth individuals, and registered investment advisors.

Regan Capital was founded by Skyler Weinand, who serves as chief investment officer and managing member. Previously, Weinand was head of residential and consumer asset-backed (ABS) securities trading at Cantor Fitzgerald from July 2007 to March 2011. Prior to that, Weinand was responsible for trading a $2+ billion mortgage-backed securities (MBS) portfolio at Sit Investment Associates. From 2001 to 2005, Weinand was employed with GMAC-RFC, where he was responsible for portfolio valuation on a $1 billion MBS subordinate book, structuring CDOs, and structuring the first re-performing securitizations to come to market.

06 — IMPORTANT INFORMATION

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.

Registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise.

The Regan Total Return Income Fund is distributed by Quasar Distributors, LLC.

Investments in asset backed and mortgage-backed securities include additional risks investors should be aware of, including credit risk, prepayment risk, possible illiquidity, and default. Investments in debt securities typically decrease in value when interest rates rise, and this risk is usually greater for longer-term debt securities. When interest rates increase, the market values of mortgage-backed securities decline; at the same time, mortgage refinancing and prepayments slow, which lengthens effective duration — potentially increasing the volatility of the Fund. For more information on these risks, please see the Prospectus.

This letter is not intended to provide and should not be relied on for investment, legal or tax advice. This material is furnished on a confidential basis and does not constitute an offer, solicitation or recommendation to purchase any security, including interests in any Partnership, Fund, or Account managed by Regan Capital.

Regan Capital's historical performance returns presented herein may contain unaudited estimates and are subject to revision. Any forward-looking statements are based upon speculation, expectations, estimates and assumptions subject to uncertainties and contingencies, and the Adviser has no obligation to update them.

Glossary:

- **2-Year/30-Year Treasury Spread (2s30s):** The difference in yield between the 2-year and 30-year U.S. Treasury securities, expressed in basis points. It is a commonly used measure of the steepness or flatness of the Treasury yield curve.
- **30-Day SEC Yield (Subsidized/Unsubsidized):** Represents the net investment income a fund earns over a thirty-day period, shown as an annual percentage rate.
- **Basis Point (bp):** One basis point equals 1/100th of 1%, or 0.01%.
- **Bloomberg US Aggregate Bond Index:** A broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Investors cannot invest directly in the Index.
- **Effective Duration:** 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.
- **Freddie Mac 30-Year Commitment Rate:** A weekly survey-based measure of the average interest rate on 30-year fixed-rate conventional mortgages, published by Freddie Mac as part of its Primary Mortgage Market Survey (PMMS).
- **Gating Provisions:** Contractual terms that allow a fund to limit or suspend investor redemptions, typically used by private or less liquid vehicles during periods of market stress to prevent forced asset sales.
- **Non-Qualified Mortgage (Non-QM):** A residential mortgage loan that does not meet the Consumer Financial Protection Bureau's Qualified Mortgage standards (e.g., due to alternative income documentation or debt-to-income ratios), typically securitized separately from Agency-eligible loans.
- **Weighted Average Life:** The average number of years for which each dollar of unpaid principal on an investment remains outstanding.
- **Yield Curve:** A line that plots interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. It is used to gauge market expectations for economic growth and monetary policy.
- **Yield to Maturity (YTM):** The expected annual rate of return earned on a bond assuming the debt security is held until maturity.

REGAN capital

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