

Quarterly Commentary

March 31, 2025

Economic activity remained strong in the first quarter, although we saw signs of potential slowing ahead. Tariff uncertainty remained extremely elevated because of the wide range of possible policy outcomes and disparate economic impacts. This uncertainty affected surveys of consumer and business sentiment, which softened in March. At the same time, consumer inflation expectations moved higher. Nevertheless, actual data regarding job creation, personal income, retail sales and industrial production remained resilient.

U.S. Treasury yields trended downward over the quarter and the yield curve slightly steepened. The 10-year Treasury yield ended the quarter 35 basis points lower at 4.23%, reversing about half of the fourth quarter's rise. The bond market produced broadly positive total returns for the quarter as stocks sold off and investors sought safety in fixed income securities. Along with the Fed remaining on the sidelines while other developed market central banks raised policy rates, U.S. rates rallied. This bucked a trend that saw interest rates rise in Europe and Japan. The Bloomberg U.S. Aggregate Bond Index posted a 2.78% return for the quarter. On a total return basis, spread sectors generally performed well but trailed similar duration Treasury securities.

PORTFOLIO REVIEW

We continue to favor spread sectors and credit risk in asset allocation, with an up-in-quality bias within asset classes. Investment grade and high yield corporate spreads remain too tight for a risk-on posture, while unprecedented policy uncertainty from the White House adds caution to our forecasts. We continue to favor high quality credit with less cyclical and more predictable free cash flow. We reduced the portfolio's overweight exposure to corporates and increased government related-credit, Asset-Backed Securities (ABS), Commercial Mortgage-Backed Securities (CMBS), and taxable municipals. We're targeting duration neutrality versus the benchmark, with a willingness to err on the side of slightly short than slightly long.

Heightened uncertainty is increasing the risks to global growth and inflation outlooks. We now expect below-trend U.S. growth this year with risks heavily skewed to the downside. Our European growth outlook is more balanced because of increasingly supportive monetary and fiscal policy, but the potential impact of a global trade war looms large. We expect the Fed to deliver additional interest rate cuts this year, but at a slower pace than the market expects. As has been the case since before the Fed embarked on the current normalization cycle, we believe the market is too focused on economic growth and not sufficiently focused on inflation. The current Fed continues to lean hawkish, and our view is that Trump's policy priorities are inflationary, even if they cause demand destruction. The European Central Bank (ECB) is likely to ease policy rates at a faster pace than the Fed.



CONTRIBUTORS

The Fund lagged its benchmark*, the Bloomberg U.S. Aggregate Bond Index, slightly during the quarter. Sector allocation – primarily an overweight to corporate bonds - was the primary detractor during a period of widening spreads, but curve positioning and security selection also hampered relative results.

Security selection within CMBS contributed to the Fund's first-quarter relative performance. These holdings targeted high-quality, energy-efficient office collateral, which continued to recover thanks to stable tenant bases providing more-predictable cash flows. Additionally, the U.S. focus of these securities helped insulate them from spread volatility caused by uncertain global trade policy during the quarter.

An off-benchmark allocation to taxable municipals was favorable during the period, as was overweights in government related-agency and CMBS.

Along the yield curve, overweights to 5 year and 10 year Key Rate Duration (KRD) and underweight to 20 year KRD proved positive, as rates declined most in the belly of the curve, and less so in the long end.

DETRACTORS

Sector allocation was the largest detractor during the period, as spread sectors underperformed. Corporate spreads began to widen from historical tightness following the inauguration of President Trump. Policy priorities that seemed to favor a remaking of global trade ahead of tax cuts and/or deregulation contributed to wider spreads and general rate and credit volatility as the quarter progressed. An overweight to corporates was the primary detractor, including an allocation to high yield, where spreads widened most. Emerging market exposure in the government related-credit sector also dragged on relative results.

Underweight U.S. Treasuries, which is to be expected given the team's bottom up, credit specialist approach, was another detractor during a period of falling interest rates.

Security selection within corporates was hampered by exposure to electric utility bonds, as that industry underperformed the broader corporate market in the wake of the Los Angeles wildfires in January.

The Fund was overweight spread duration, as expressed via swap spread curve exposure, with overweights at 5, 10, 20, and 30 years longer dated spreads widened more than their shorter dated counterparts.

* Attribution shows 16 bps behind the benchmark on a Gross of Fund (GoF) basis. 262bps vs 278 bps

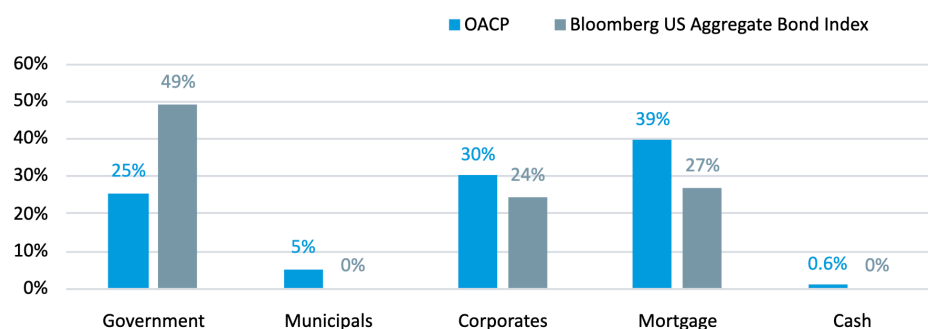
DATA

Currency Allocation

	OACP	Benchmark
U.S. (%)	77.31	93.33
Non-U.S. (%)	22.69	6.67

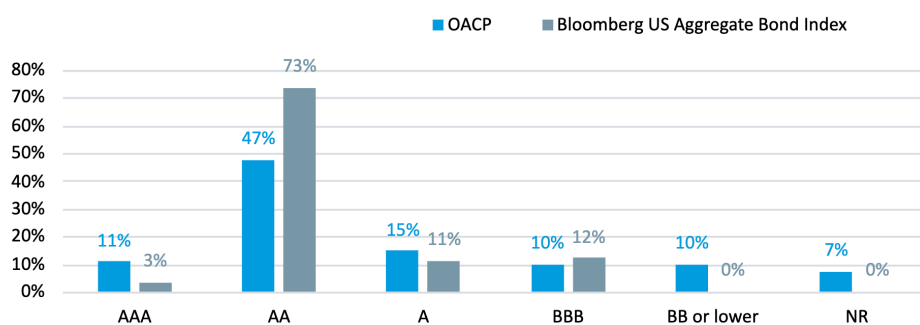
Source: Bloomberg Finance L.P. and Morningstar Direct. The benchmark is the iShares Core US Aggregate Bond ETF

Sector Allocation %



Source: Bloomberg Finance L.P.

Credit Rating Distribution



Source: Bloomberg Finance L.P.

Credit Rating Distribution reporting uses median rating methodology across the three major rating agencies (Moody's, S&P, Fitch): if all three rating agencies are available, median rating is used, if only two, the lower of the two and in case of only one agency rating the security, that is used.

Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the Fund itself. Quality ratings are subject to change. A rating of AAA to B represents investment-grade; a rating of BB and below represents below investment-grade.

PERFORMANCE & MARKET RISK:

Market Risk Since Inception (3/30/2022)

	Std. Dev. (%)	Beta	Alpha (%)	R-Squared (%)	Tracking Error
OneAscent Core Plus Bond	7.50	0.89	-0.19	92.37	2.21
Bloomberg US Aggregate Bond Index	8.04	1.00	-	100.00	-

Source: Morningstar Direct. Market Price represents the fund's closing market price through December 31, 2023.

Standard Deviation (Std Dev): Measures the average a return series deviates from its mean. It is often used as a measure of risk. When a fund has high standard deviation, the predicted range of performance implies greater volatility.

Beta: A measure of the volatility, or systematic risk of a security or a portfolio in comparison to the market as a whole.

Alpha: Often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark that is considered to represent the market's movement as a whole.

R-Squared: A measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the index.

Tracking Error: The divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark.

As of 3/31/2025

Trailing Returns

	3 Month	YTD	1 Year	3 Year	Since Inception
OneAscent Core Plus Bond ETF (Price)	2.48%	2.48%	5.07%	0.84%	0.84%
OneAscent Core Plus Bond ETF (NAV)	2.25%	2.25%	4.89%	0.79%	0.78%
Bloomberg US Aggregate Bond Index	2.78%	2.78%	4.88%	0.52%	0.54%

Fund NAV represents the closing price of underlying securities. Closing Market Price is calculated using the price which investors buy and sell ETF shares in the market. The Closing Market Price returns in the table were calculated using the closing price and account for distributions from the funds.

The performance data quoted represents past performance. Past performance does not guarantee future results. The 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 and current performance may be lower or higher than the performance quoted. For performance current to the most recent month end, please call 1-800-222-8274.

The total fund operating expense is 0.74%.

Investors should carefully consider the investment objectives, risks, and charges and expenses of the fund before investing. The prospectus contains this and other information about the fund, and it should be read carefully before investing. Investors may obtain a copy of the prospectus by calling 1-800-222-8274 or clicking the link above. The fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC, which is not affiliated with OneAscent Investment Solutions, LLC.

Important Risk Information:

Exchange-traded funds involve risk including the possible loss of principal. Past performance does not guarantee future results. The Adviser invests in equity securities only if they meet both the Fund's investment and values-based screening requirements, and as such, the returns may be lower than if the Adviser made decisions based solely on investment considerations. Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

The Fund faces numerous market trading risks, including the potential lack of an active market for Fund sharers, losses from trading in secondary markets, and periods of high volatility and disruption in the creation/redemption process of the Fund. These factors may lead to the Fund's shares trading at a premium or discount to NAV.

The Fund is a new ETF and has a limited history of operations for investors to evaluate. The Adviser has not previously managed a mutual fund or an ETF.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged, fixed income, market-value-weighted index generally representative of investment grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The Bloomberg Barclays U.S. Aggregate Bond Index figures do not reflect any fees, expenses or taxes. An investor cannot invest directly in an index.

The Fund is actively managed by the Fund's investment sub-adviser, Teachers Advisors, LLC (the "Sub-Adviser"). The Sub-Adviser does not rely exclusively on rating agencies when making investment decisions and instead performs its own credit analysis, paying particular attention to economic trends and other market events. Individual securities or sectors may be overweighted or underweighted relative to the Fund's benchmark index, when the Sub-Adviser believes that the Fund can boost returns above that of the index.