

# Prepared for Rising Rates?

While interest rates continue to test period lows, improving economic conditions and an impending end to quantitative easing make the prospects for rising rates even more of a reality. While rising rates could significantly impact much of the traditional fixed income market with the erosion of principal, the Angel Oak Multi-Strategy Income Fund is well-positioned to potentially outperform in a rising rate environment.

## WHY ANGLX MAKES SENSE IN TODAY'S ENVIRONMENT:

- **Low duration:**<sup>1</sup> Well positioned for rising rate environment with heavy exposure to floating rate securities
- **High current income:** with a yield of 4.8%<sup>2</sup>
- **Low correlation:** Daily correlation of 0.1 to the Barclays US Aggregate Bond Index since inception
- **Outperformance:** The Fund has outperformed in periods of both rising and falling rates

## ANGLX has outperformed during periods of rising rates

### FUND FACTS AS OF 9/30/2014

**Objective:**

The investment objective of the Angel Oak Multi-Strategy Income Fund is current income.

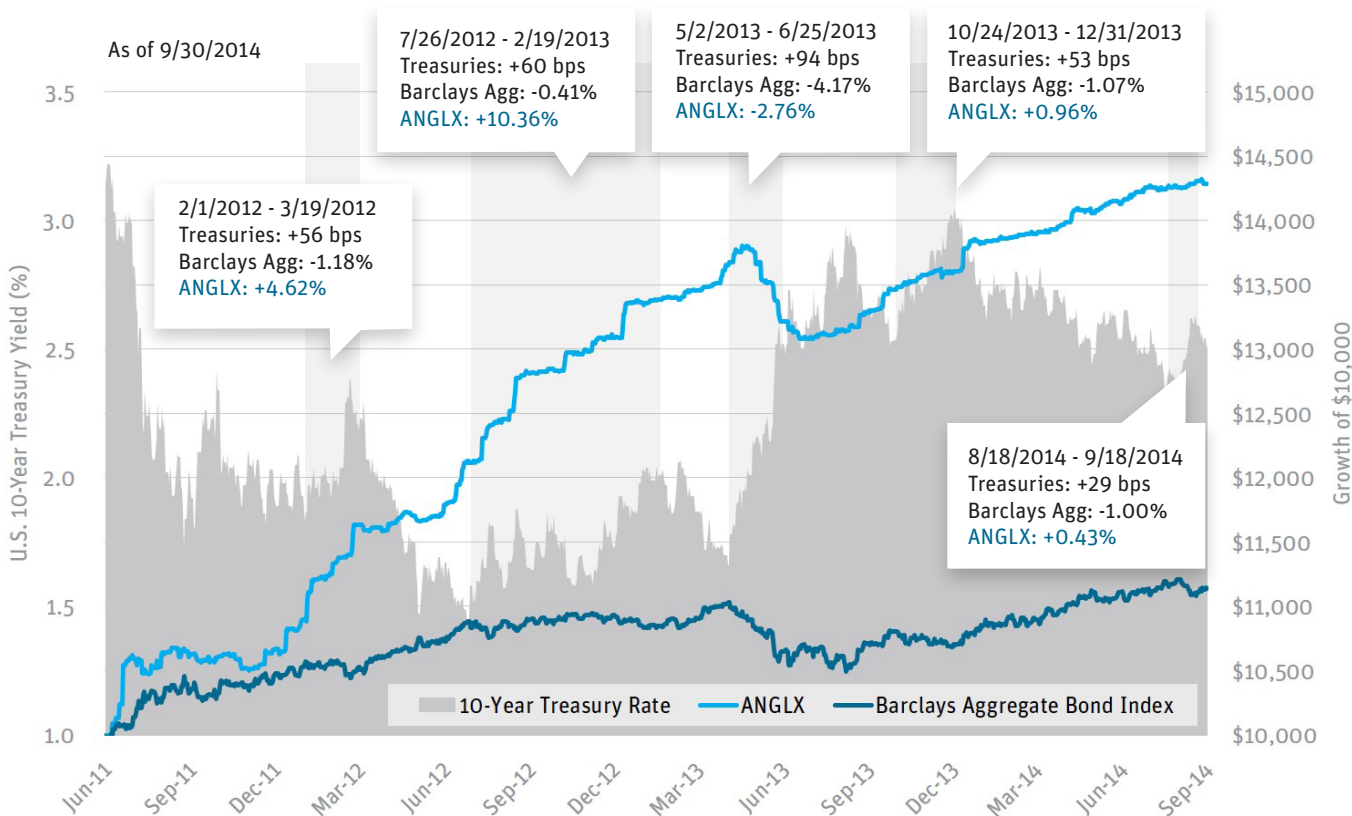
**Symbols:**

Class A	Class C	Institutional
ANGLX	ANGCX	ANGIX

**Dividend frequency:** Monthly

**Inception:** 6/28/2011

	ANGLX	Barclays Agg <sup>3</sup>
Effective Duration <sup>1</sup>	2.1	5.6
Sharpe ratio	2.1	1.2
↑ mo. (%)	87%	67%
↓ mo. (%)	13%	33%



This chart illustrates the performance of a hypothetical \$10,000 investment made in Angel Oak Multi-Strategy Income Fund (ANGLX), A Shares since inception on 6/28/11 through 9/30/2014. It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance. Please see reverse for full performance information. Source: U.S. Treasury, Barclays Capital

# The Potential for Outperformance Across Interest Rate Cycles

TOTAL RETURNS (AS OF 9/30/2014)		YTD	1 YEAR	3 YEARS	SINCE INCEPTION <sup>4</sup>
Angel Oak Multi-Strategy Income Fund (ANGLX)	NAV	4.99%	7.40%	10.34%	11.55%
	MOP <sup>5</sup>	2.60%	5.03%	8.18%	9.54%
Barclays U.S. Aggregate Bond Index		4.10%	3.96%	2.43%	3.36%

30-day SEC Yield (A Shares): 3.87%<sup>2</sup>

<sup>4</sup>Inception 6/28/2011.

<sup>5</sup>Maximum Offering Price takes into account the 2.25% maximum initial sales charge.

**Performance quoted is past performance and is no guarantee of future results.** The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance to the most recent month end can be obtained by calling 877-625-3042.

Expense Ratios by Share Class:<sup>6</sup>

	A Shares	C Shares	I Shares
Gross	1.92%	2.67%	1.67%
Net	1.24%	1.99%	0.99%

<sup>6</sup>Gross expense ratios for the A Class, C Class and the Institutional Class are reported as of the 5/30/14 prospectus. The net expense ratios for the A Class, C Class and the Institutional Class are reported as of the 1/31/14 Annual Report and are referenced in the 5/30/14 Prospectus. The Advisor has committed contractually to waive fees and/or reimburse expenses so that net annual fund operating expenses do not exceed certain levels through 5/31/15; this restriction may be discontinued at any time by the Fund's Advisor after 5/31/15.

## About Angel Oak Capital Advisors

Angel Oak Capital Advisors is an investment management firm focused on providing compelling fixed income investment solutions for its clients. Backed by a value-driven approach, Angel Oak Capital seeks to deliver attractive risk-adjusted returns through a combination of stable current income and price appreciation. Our experienced investment team seeks the best opportunities in fixed income with a specialization in mortgage-backed securities and other areas of structured credit. As of 9/30/14, Angel Oak Capital has approximately \$4.2 billion in assets under management through a combination of mutual funds, private funds and separately managed accounts.

[→ Learn more about the Fund: AngelOakCapital.com/ANGLX](http://AngelOakCapital.com/ANGLX)

<sup>1</sup>Effective Duration: Measures a portfolio's sensitivity to changes in interest rates. Generally, the longer the effective duration, the greater the price change relative to interest rate movements.

<sup>2</sup>Current yield of 4.8% as of 9/30/2014. Estimates a fund's annual income per share yield. For funds that issue monthly dividends, the most recent income distribution (including interest income and dividends; capital gains are excluded) is multiplied by 12 and then divided by the fund's net asset value (NAV) as of the distribution date. For funds that issue quarterly dividends, the most recent income distribution is multiplied by four and then divided by the fund's net asset value (NAV). Special dividends are handled in a similar manner. The SEC yield is an annualized yield based on the most recent 30 day period. The SEC yield does not include prepayment income which could be a significant contribution to yield.

<sup>3</sup>Barclays U.S. Aggregate Bond Index is an unmanaged index that measures the performance of the investment-grade universe of bonds issued in the United States. The index includes institutionally traded U.S. Treasury, government-sponsored, mortgage and corporate securities. Please note that an investor cannot invest directly in the index; therefore, its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio.

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The Fund invests in high-yield securities and unrated securities of similar credit quality (commonly known as junk bonds), as well as derivatives of such securities, and therefore is likely to be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominantly speculative with respect to the issuers' continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may result in underperformance during a bull market.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Angel Oak Mutual Funds. This and other important information about each fund is contained in the prospectus or summary prospectus for each fund, which can be obtained by calling Shareholder Services at 877-625-3042. The prospectus or summary prospectus should be read carefully before investing.**

Investment products:

Not FDIC Insured	May Lose Value	Not Bank Guaranteed
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