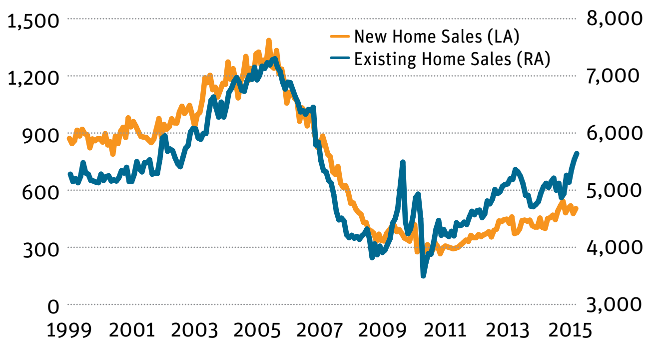
Strong Fundamentals Amid Market Volatility

Recent financial market volatility has been extreme. This volatility can be attributed to a sample of recent headlines including the sharp decline in commodity prices, fears of a secular slowdown in the Chinese economy, and the subsequent devaluation of the yuan.

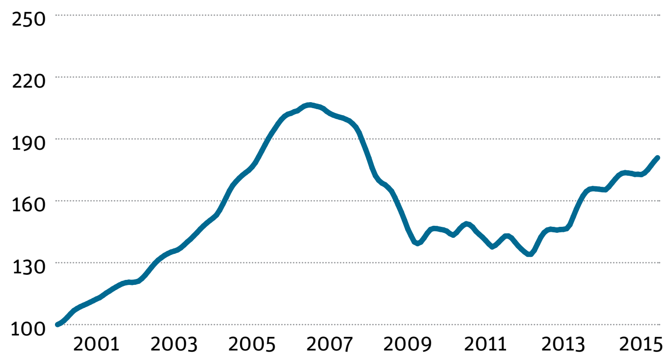
Despite the recent volatility in the equity and credit markets, the Angel Oak portfolio management team believes the fundamentals across our funds remain robust. While Angel Oak's fixed income funds are not completely immune to the weakness in global risk assets, the portfolio managers view this recent softness as more technical in nature and not driven by fundamentals.

Figure 1: Existing vs. New Home Sales



Units in thousands. Source: Bloomberg as of 7/31/15

Figure 2: S&P/Case-Shiller 20-City Composite Home Price Index



Units in thousands. Source: Bloomberg as of 6/30/15

Figure 3: Returns (%)

	1 Week	3 Month	YTD	1 Year
ANGIX	-0.66	-0.47	2.64	3.40
ANFIX	-0.10	-0.09	4.94	-
S&P 500	-9.91	-10.49	-6.81	-2.82
DJIA	-9.47	-12.39	-9.48	-4.39
Russell 2000	-9.24	-10.94	-7.00	-2.94
MSCI EAFE	-7.78	-11.91	-2.54	-9.08
MSCI Emerging Mkt.	-9.67	-24.76	-17.86	-27.02
Barclays U.S. Agg.	0.52	0.87	1.25	2.74
Barclays IG Corps.	0.29	0.03	0.11	0.94
Barclays High Yield	-1.59	-4.78	-1.07	-3.95

Source: Morningstar Direct as of 8/24/15. See page 3 for index definitions and standardized performance.

The non-agency Residential Mortgage-Backed Securities (RMBS) market, though outperforming most other risk assets, has been marginally weaker over the past few weeks. However, the fundamental real estate data continues to improve and housing market momentum has reached its highest level since the crisis. July new home sales rose 26% year-over-year and July existing home sales rose 10% year-over-year (Figure 1). The S&P/Case-Shiller 20-City Composite Home Price Index (Figure 2), which measures the value of U.S. residential real estate, continues to trend higher, up approximately 4.5% year-over-year in July. From their 2012 trough, U.S. housing prices are up over 30%, yet still remain 13% short of the peak in 2006. Amid this market weakness, the fund managers have been able to source some of the most attractive year-to-date (YTD) exposure adhering to the stringent credit process utilized since the firm's inception.

Within Commercial Mortgage-Backed Securities (CMBS), the portfolio management team remains constructive in the face of higher price volatility. CMBS tends to be more susceptible

Current performance may be lower or higher than the performance data quoted. 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. See page 3 for more important information about the Multi-Strategy and Flexible Income Funds.

to spread volatility and to market momentum due to a combination of actively traded CMBX indices and a more standardized new issue market. Despite the recent volatility, it is important to note the portfolio managers remain focused on CMBS collateralized by 10-year loans on domestic Commercial Real Estate (CRE). Credit underwriting is still conservative when compared to the pre-crisis period. Current risk analytics involve reviewing historical financials as compared to the pre-crisis credit underwriting process, which focused on more aggressive, highly optimistic forward-looking projections. The funds continue to focus opportunistically within the CMBS market, finding value in higher-quality 2014-originated deals, which now trade at approximately 50-100 basis points wider on a spread basis YTD.

Within the Collateralized Loan Obligations (CLO) market, the portfolio managers have been very selective with respect to new purchases since the middle of Q2. CLO prices remained very stable throughout the Greek turmoil, yet the managers became more cautious through the summer with both a potential Fed hike and quarter-end technical risks looming in September. Therefore, Angel Oak's participation rate in the new issue market declined materially, and portfolio managers focused on higher-quality deals with broader money manager participation. Within the secondary market, portfolio managers have focused on seasoned, shorter-duration bonds that have enhanced price stability in a softer market.

The technicals have remained highly favorable in CLOs and bank loans, and the portfolio managers expect to remain very constructive on the asset class for the rest of 2015. Performance this year in CLOs compared with high-yield bonds has proven right so far. Credit selection has become even more important as event risk has increased, leading to underperformance in less-loved non-investment grade corporate credit.

Within the regional financial corporate space, the funds have been selective towards new issue community bank subordinated debt late this summer. The new issue pipeline has slowed during August, but portfolio managers are optimistic toward a healthy pipeline of favorable credits this fall. Portfolio managers are also optimistic toward the existing exposure, which has maintained favorable price stability amid the spread widening experienced across other high-grade corporate sectors.

Conclusion

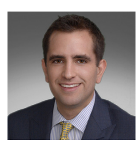
Structured credit is not immune to mark-to-market fluctuations due to recent macro events, and while global markets and structured credit may experience jitters, Angel Oak's portfolio management team views this as a buying opportunity and will be bargain-hunting. The U.S. structured credit markets portfolio managers target continues to reap the benefits of a post-crisis reflationary recovery in the U.S., and the U.S. data continues to gain momentum. Fundamentally, we believe the U.S. macro picture is improving as household net worth (as a percentage of disposable income) is back to pre-crisis levels, consumer delinquencies are at all-time lows, and the unemployment rate continues to fall. Finally, the collapse in crude oil could provide yet another tailwind for the consumer and the U.S. macro picture going forward.

Sam Dunlap
Senior Portfolio Manager

Mr. Dunlap is a Managing Director at Angel Oak Capital Advisors where he serves as the Lead Portfolio Manager of the Financial Institutions Division (FID). FID manages assets of financial institutions such as banks and insurance companies.

Mr. Dunlap has 11 years of capital markets experience across multiple sectors of the fixed income markets. Prior to Angel Oak, Mr. Dunlap spent six years marketing and structuring interest rate derivatives with SunTrust Robinson Humphrey. His primary coverage was the Wealth and Investment Management line of business where he focused on both interest rate hedging products and interest rate linked structured notes. Mr. Dunlap's previous experience included two years at Wachovia in Charlotte, NC supporting the agency mortgage pass-through trading desk.

Mr. Dunlap received a B.A. in Economics from the University of Georgia.



Clayton Triick, CFA®
Portfolio Manager

Mr. Triick serves as a Portfolio Manager for Angel Oak Capital Advisors where he focuses on portfolio analytics and fixed income strategies for Angel Oak Capital. Mr. Triick manages specific strategies within the mutual funds, private funds, and SMA's for Angel Oak Capital, specifically within structured credit and non-agency mortgage bonds.

Mr. Triick has 7 years of investment experience across multiple sectors of fixed income. Prior to Angel Oak Capital, Mr. Triick worked for YieldQuest Advisors, LLC where he served on the investment committee focusing on investment strategy and also managed the closed-end fund exposure within their investment portfolios for individual clients and across the family of mutual funds.

Mr. Triick graduated with a degree in Finance from the Farmer School of Business at Miami University in Oxford, OH. He also holds the Chartered Financial Analyst (CFA®) designation.

Index Performance:

Total Returns (as of 6/30/15)	2Q 2015	YTD	1 Yr.	3 Yrs.	Since ANGIX Inception[1]	Since ANFIX Inception[2]
S&P 500 TR USD	0.28%	1.23%	7.42%	17.32%	14.73%	3.70%
DJ Industrial Average TR USD	-0.29%	0.03%	7.21%	13.78%	12.44%	3.16%
Russell 2000 TR USD	0.42%	4.75%	6.49%	17.83%	12.82%	8.14%
MSCI EAFE NR USD	0.62%	5.52%	-4.22%	11.98%	5.78%	4.55%
MSCI EM NR USD	0.69%	2.95%	-5.12%	3.72%	-1.03%	-2.29%
Barclays US Agg Bond TR USD	-1.68%	-0.10%	1.86%	1.83%	3.15%	0.77%
Barclays US Corp IG TR USD	-3.16%	-0.92%	0.75%	3.23%	4.76%	-0.11%
Barclays US Corp. HY USD	0.00%	2.53%	-0.40%	6.81%	7.10%	0.28%

TR: Total Returns
NR: Net Returns

Angel Oak Multi-Strategy Income Fund Performance:

Total Returns (as of 6/30/15)	2Q 2015	YTD	1 Year	3 Years	Inception[1]
Class I	1.04%	2.90%	4.54%	7.99%	10.38%
Class A at NAV	0.98%	2.78%	4.27%	7.76%	10.20%
Class A at MOP[3]	-1.30%	0.45%	1.93%	6.94%	9.58%

Angel Oak Flexible Income Fund Performance:

Total Returns (as of 6/30/15)	2Q 2015	YTD	Inception[2]
Class I	1.63%	4.53%	5.12%
Class A at NAV	1.59%	4.45%	5.00%
Class A at MOP[3]	-0.73%	2.10%	2.64%

Angel Oak Multi-Strategy Income Fund Expense Ratios by Share Class*

	Class A	Class I
Gross	1.45%	1.20%
Net	1.24%	0.99%

*Gross expense ratios for the A Class and the Institutional Class are reported as of the 4/10/15 prospectus. The Adviser has committed contractually to waive fees and/or reimburse expenses so that net annual fund operating expenses do not exceed certain levels through 5/31/16 and may be discontinued at any time by the Fund's Adviser after 5/31/16.

Angel Oak Flexible Income Fund Expense Ratios by Share Class*

	Class A	Class I
Gross	1.62%	1.37%
Net	1.10%	0.85%

*Gross expense ratios for the A Class and the Institutional Class are reported as of the 5/31/15 prospectus. The Adviser has committed contractually to waive fees and/or reimburse expenses so that net annual fund operating expenses do not exceed certain levels through 5/31/16 and may be discontinued at any time by the Fund's Adviser after 5/31/16.

Performance data quoted represents past performance and is not a 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 may be lower or higher than what is stated. Current performance to the most recent month end can be obtained by calling 855.751.4324.

[1]The inception date of the Angel Oak Multi-Strategy Income Fund A Class (ANGLX) was June 28, 2011, while the inception date of the Institutional Class (ANGIX) was August 16, 2012. The returns of ANGIX shown for periods prior to the inception date include the returns of ANGLX and are adjusted to reflect the operating expenses of ANGIX.

NAV represents annualized returns without a sales charge.

[2]The inception date of both the Angel Oak Flexible Income Fund A and I Class (ANFLX and ANFIX) was November 3, 2014.

[3]Maximum Offering Price takes into account the 2.25% maximum initial sales charge.

Basis point (bps): A unit equal to one-hundredth of a percentage point.

Index Definitions:

Please note that an investor cannot invest directly in an index; therefore its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio.

Barclays U.S. Aggregate Bond Index: 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.
Barclays U.S. Corporate High Yield Bond Index: The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. The US Corporate High Yield Index is a component of US Universal and Global High Yield Indices.
Barclays U.S. Investment Grade Corporate Index: The U.S. Corporate Index is a broad-based benchmark that measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements.
S&P/Case-Shiller 20-City Composite Home Price Index: The index seeks to measures the value of residential real estate in 20 major U.S. metropolitan areas: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa and Washington, D.C.
Dow Jones Industrial Average (DJIA): The DJIA is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and Nasdaq.
MSCI EAFE Index: An equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada.
MSCI Emerging Markets Index: The index captures large and mid-cap representation across 23 Emerging Markets (EM) countries and is designed to measure equity market performance of emerging markets.
Russell 2000 Index®: The Russell 2000 Index® measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.
S&P 500® Index: The S&P 500® Index is a capitalization-weighted index of 500 stocks intended to be a representative sample of leading companies in leading industries within the U.S. economy.

Opinions expressed are subject to change, are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Must be preceded or accompanied by a prospectus.

To obtain an electronic copy of the Multi-Strategy Income Fund Prospectus, click here.
To obtain an electronic copy of the Flexible Income Fund Prospectus, click here.

Mutual fund investing involves risk. Principal loss is possible. The Funds can make short sales of securities, which involve the risk that losses in securities may exceed the original amount invested. The Fund may use leverage, which may exaggerate the effect of any increase or decrease in the value of securities in the Fund's portfolio or the Fund's net asset value, and therefore may increase the volatility of the Fund. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are increased for emerging markets. Investments in fixed income instruments typically decrease in value when interest rates rise. Derivatives involve risks different from and, in certain cases, greater than the risks presented by more traditional investments. Investments in asset-backed and mortgage-backed securities include additional risks that investors should be aware of, such as credit risk, prepayment risk possible illiquidity and default, as well as increased susceptibility to adverse economic developments. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Fund is non-diversified, so it may be more susceptible to being adversely affected by a single corporate, economic, political or regulatory occurrence than a diversified fund. The Fund will incur higher and duplicative costs when it invests in mutual funds, ETFs and other investment companies. There is also the risk that the Fund may suffer losses due to the investment practices of the underlying funds. For more information on these risks and other risks of the Fund, please see the prospectus.
Index performance is not indicative of fund performance.

Nothing presented herein is intended to constitute investment advice and no investment decision should be made based on any information provided herein. Nothing presented herein should be construed as a recommendation to purchase or sell a particular type of investment or follow any investment technique or strategy. Information provided reflects Angel Oak's views as of a particular time. Such views are subject to change at any point and Angel Oak shall not be obligated to provide any notice. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. No guarantee of investment performance is being provided and no inference to the contrary should be made.

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