

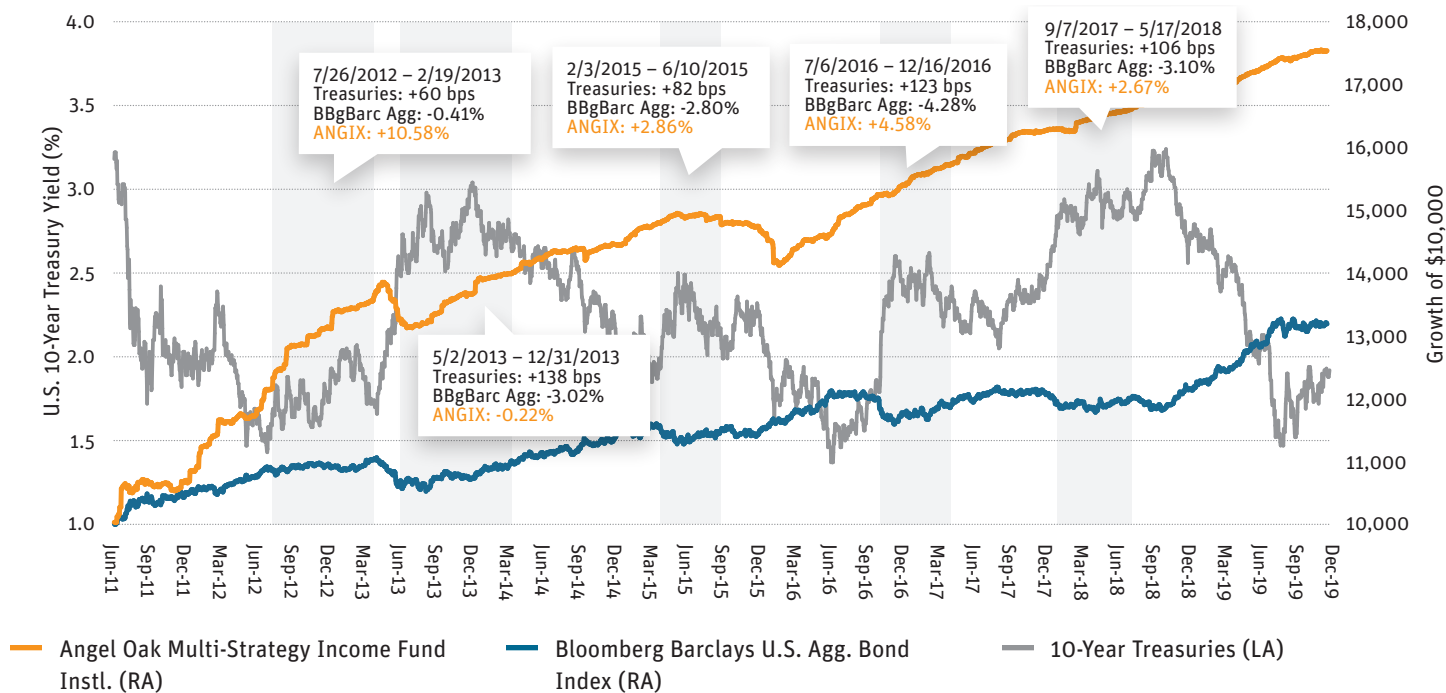
# Returns in Periods of Rising Rates

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 the Multi-Strategy Income Fund makes sense in today's environment:

- **Low duration:** Well-positioned for rising rate environment with heavy exposure to floating rate securities.
- **High current income:** I Shares subsidized SEC yield of 4.44% as of 12/31/19.
- **Low correlation:** Daily correlation of 0.1 to the Bloomberg Barclays U.S. Aggregate Bond Index (BBgBarc Agg.) since inception.
- **Historical performance:** Strong outperformance when rates have risen.

## ANGIX has outperformed during periods of rising rates



Source: U.S. Treasury, Morningstar Direct.

This chart illustrates the performance of a hypothetical \$10,000 investment made in Angel Oak Multi-Strategy Income Fund (ANGIX) I Shares since inception on 6/28/11 through 12/31/19. It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

<sup>1</sup>Bloomberg Barclays U.S. Aggregate Bond Index.

Past performance is no guarantee of future results. Please see reverse for full performance information.

### FUND OBJECTIVE

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

ANGIX Overall Morningstar Rating™

★★★

Category	Multisector Bond
Funds in Category	262
Criteria	Risk-Adjusted Return
As of Date	12/31/19

### FUND INFORMATION

	A Shares	I Shares
Ticker	ANGLX	ANGIX
CUSIP	03463K307	03463K406
SEC Yield subsidized	4.09%	4.44%

Represents 30-Day SEC yields

### FUND STATISTICS

(Since Inception)	Fund <sup>†</sup>	Index <sup>1</sup>
Std. Deviation	3.0	3.8
Sharpe Ratio	3.0	1.0
Correlation to Index*	0.1	1.0
Positive Months (%)	84.3	62.8
Negative Months (%)	15.7	37.3

<sup>†</sup>ANGIX

\*Correlation to Index is daily as of 12/31/19. See reverse side for key definitions.



# The potential for outperformance across interest rate cycles

TOTAL RETURNS (AS OF 12/31/19)	Annualized					
	4Q19	YTD	1 YEAR	3 YEAR	5 YEAR	INCEPTION <sup>1</sup>
Class I	0.89%	4.98%	4.98%	4.52%	3.96%	6.82%
Class A at NAV	0.92%	4.71%	4.71%	4.25%	3.69%	6.59%
Class A at MOP <sup>2</sup>	-1.31%	2.39%	2.39%	3.46%	3.22%	6.30%
Index <sup>3</sup>	0.18%	8.72%	8.72%	4.03%	3.05%	3.29%

## Expense Ratios by Share Class<sup>4</sup>

	CLASS A	CLASS I
Gross	1.37%	1.12%
Net	1.22%	0.97%

Performance quoted is past performance and is no guarantee of 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. Current performance may be lower or higher than the performance data shown. Current performance for the most recent month-end can be obtained by calling 855-751-4324 or by visiting [www.angeloakcapital.com](http://www.angeloakcapital.com).

<sup>1</sup>The inception date of the Angel Oak Multi-Strategy Income Fund A Class (ANGLX) was 6/28/11, while the inception date of the Institutional Class (ANGIX) was 8/16/12. 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.

<sup>2</sup>Maximum Offering Price takes into account the 2.25% maximum initial sales charge.

<sup>3</sup>Bloomberg Barclays U.S. Aggregate Bond Index.

<sup>4</sup>Gross expense ratios are reported as of the 5/31/19 prospectus. The net expense ratios are reported as of the 1/31/19 Annual Report and are referenced in the 5/31/19 prospectus. The Adviser has contractually agreed to waive fees through 5/31/20.

*Must be preceded or accompanied by a prospectus. To obtain an electronic copy of the prospectus, please visit [www.angeloakcapital.com](http://www.angeloakcapital.com).*

**30-Day SEC Yield:** The SEC yield is an annualized yield based on the most recent 30-day period. Subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect. As of 12/31/19, the subsidized and unsubsidized 30-Day SEC yield for ANGLX were 4.09% and 4.09%, respectively, and for ANGIX they were 4.44% and 4.44%, respectively.

**Bloomberg 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.

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

**Correlation:** A statistical measure of how two securities move in relation to another. Index used for comparison is the Bloomberg Barclays U.S. Aggregate Bond Index.

**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.

**Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month Treasury bill for the risk-free rate of return.

**Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period,

the wider the variability or range of returns and hence, the greater the fund's volatility—calculated since inception.

**It is not possible to invest directly in an index.**

**Mutual fund investing involves risk; principal loss is possible. 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. 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. Derivatives involve risks different from—and in certain cases, greater than—the risks presented by more traditional investments. Derivatives may involve certain costs and risks such as illiquidity, interest rate, market, credit, management, and the risk that a position could not be closed when most advantageous. Investing in derivatives could lead to losses that are greater than the amount invested. The Fund may make short sales of securities, which involves the risk that losses 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 higher and duplicative expenses when it invests in mutual funds, ETFs, and other investment companies. For more information on these risks and other risks of the Fund, please see the Prospectus.**

As of 12/31/19, the Angel Oak Multi-Strategy Income Fund (ANGIX) received a Morningstar rating based on risk-adjusted returns of 3 stars overall, 3 stars for the three-year period & 3 stars for the five-year period among 262, 262, and 220 multisector bond funds, respectively. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history, without adjustment for sales loads. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive

## 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. Its 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 12/31/19, Angel Oak Capital had approximately \$11.0 billion in assets under management through a combination of mutual funds, private funds and separately managed accounts.

2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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