September 30, 2026

Angel Oak Multi-Strategy Income Fund
Quarterly Commentary

Market Overview

Credit markets delivered solid performance during the third quarter as many of the macroeconomic and geopolitical concerns that weighed on sentiment earlier in the year continued to stabilize. While periodic volatility emerged around economic data releases and evolving Federal Reserve policy expectations, risk assets generally remained well supported by resilient corporate fundamentals, healthy consumer balance sheets, and strong demand for spread products. Credit spreads remained resilient throughout most of the quarter despite a significant rise in U.S. Treasury yields.

Angel Oak mutual funds and ETFs continued to deliver resilient performance, benefiting from higher yields, active duration positioning, and meaningful exposure to sectors with attractive risk-adjusted return profiles.

Benchmark Performance	6/30/26	9/30/26	Quarterly Change
1M Term SOFR	3.63	3.75	11 bps
3M Term SOFR	3.63	3.68	5 bps
U.S. 2-Year Treasury	4.17	4.89	71 bps
U.S. 5-Year Treasury	4.23	5.09	86 bps
U.S. 10-Year Treasury	4.47	5.28	82 bps
U.S. 30-Year Treasury	4.95	5.63	68 bps
2s/10s Curve	0.29	0.40	11 bps
2s/30s Curve	0.78	0.74	-4 bps
S&P 500 Total Return Index	16,774.07	17,160.41	2.30%
Bloomberg U.S. Corp. IG Index OAS	74	80	6 bps
Bloomberg U.S. Corp. HY Index OAS	270	311	41 bps

Broadly speaking, bond returns during the third quarter were driven positively by income and negatively by duration. The 10-year Treasury yield rose more than 80 basis points (bps) during Q3, ending the quarter at 5.29%, while modest spread widening in corporate credit emerged as a notable theme late in the period. Although overall market volatility remained relatively contained, dispersion across sectors and issuers increased as investors became more focused on underwriting the impact of higher interest rates across credit markets. We continue to favor homeowner credit, agency mortgage-backed securities (MBS), and investment-grade securitized debt, where valuations remain attractive relative to similarly rated corporate credit.

From a fundamental perspective, the U.S. economy remains resilient, although signs of moderation have become more evident. Consumer spending has slowed from the robust pace observed over the past several years, yet the labor market has remained stable. This K-shaped economy continues to be reflected in rising delinquencies across certain consumer lending categories, while higher-income consumers and homeowners remain in relatively strong financial condition. Housing activity remains constrained by mortgage rates, which have risen above 7% for a prime 30-year fixed-rate mortgage and continue to limit affordability and mobility. However, homeowner equity remains near record levels, exceeding $30 trillion, providing a significant cushion against potential credit deterioration. While home price appreciation has moderated, we continue to view the risk of a broad-based housing correction as low.

Looking ahead, we expect credit selection to become increasingly important as we move through the final quarter of the year and into 2027. Elevated interest rates and the modest spread widening observed late in the quarter have created a compelling 6% to 10% expected return opportunity in high-quality U.S. fixed income over the next 12 months. Tighter financial conditions are leading to greater credit differentiation and creating additional opportunities for active management. At the same time, higher yields may do some of the Federal Reserve's work in slowing demand, as Federal Reserve Governor Christopher Waller recently noted during a panel discussion at the Bloomberg New Economy Forum. "When yields go up, is that going to impact interest-sensitive sectors like housing and autos and other things? Yeah, of course it is," he said, adding that higher yields are "doing a little bit of the work."

We do not anticipate a systemic rise in credit stress under current financial conditions and view the recent backup in rates as an opportunity to lock in higher yields and enhance future return potential within our portfolios. As a result, we remain focused on higher-quality areas of the market where fundamentals remain compelling. We believe homeowner credit, asset-backed securities (ABS), investment-grade collateralized loan obligations (CLOs), and select corporate credit opportunities remain well positioned to outperform over the next 12 months.

Fund Performance

The Angel Oak Multi-Strategy Income Fund's I-Share (ANGIX or the Fund) returned -1.31% for the quarter ended September 30, 2026, outperforming its benchmark, the Bloomberg U.S. Aggregate Bond Index, which returned -3.51%, by 220 bps. Relative performance was primarily driven by higher income generation and shorter-duration positioning. Year to date, the Fund has outperformed its benchmark by over 400 bps (1.30% versus -2.91%).

The Fund has outperformed its peer group, the Morningstar Multisector Bond Category, returning -1.31% versus -2.23% for the third quarter and 1.30% versus -0.62% year to date. This result reflects the Fund's focus on seeking attractive risk-adjusted returns over time while maintaining lower volatility than both its peers and the benchmark.

Market conditions during the third quarter were driven largely by rising Treasury yields, increased rate volatility, and wider agency MBS spreads. Credit spreads held firm until the final two weeks of the quarter. Within this backdrop, ABS (1.6% return) and CLOs (2.0% return) contributed to the Fund's performance, while agency residential mortgage-backed securities (RMBS) detracted. Non-agency RMBS outperformed peer-level aggregates (-1.4% versus -2.2%), with shorter-duration subsectors such as non-performing loans (NPLs) and second liens contributing most within MBS.

				Annualized			
Net Total Returns (as of 9/30/26)	**3 Mo.**	**YTD**	**1 Yr.**	**3 Yr.**	**5 Yr.**	**10 Yr.**	**SI[1]**
Class I	-1.31%	1.30%	2.95%	6.56%	1.70%	2.60%	4.46%
Class A at NAV	-1.37%	1.11%	2.69%	6.27%	1.46%	2.34%	4.23%
Class A at MOP[2]	-3.57%	-1.15%	0.39%	5.48%	1.00%	2.11%	4.07%
BBg U.S. Aggregate Bond Index	-3.51%	-2.91%	-1.84%	4.06%	-0.64%	1.14%	1.99%
Morningstar Multisector Bond Category	-2.23%	-0.62%	0.70%	6.30%	2.17%	3.23%	3.40%

[1]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. [2]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 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.

Sector Performance

Credit spreads remained relatively stable for much of the quarter as U.S. Treasury yields continued to move higher, but valuations came under pressure in September as interest rate volatility increased. The MOVE Index rose by more than 30 points during the quarter to approximately 110, while the Morgan Stanley Current Coupon Agency MBS Index widened by roughly 20 bps, primarily due to higher interest rate volatility.

Securitized credit outperformed both agency MBS and corporate credit during the quarter. The Fund's securitized allocation returned -0.2% and represented 69% of assets, while the corporate allocation returned -0.8% and represented 13% of assets. The government allocation returned -3.8% and represented 16% of assets.

The Fund has been highly active year to date, making dynamic rotations within CLOs, mortgage credit, and ABS while tactically adjusting corporate credit exposure across the quality spectrum. The Fund continues to maintain core overweight allocations to non-agency RMBS, agency MBS, and ABS while selectively identifying opportunities within corporate credit and CLOs.

Non-Agency RMBS Allocation

The Fund's largest allocation, approximately 42% of assets at quarter-end, remains in non-agency RMBS. The allocation was increased by 1%

		Q3 2026[3]	YTD 2026[3]
	% of Market Value	**Contribution (%)**	**Contribution (%)**
Non-Agency RMBS	42.1	-0.60	1.04
Agency MBS[4]	15.5	-0.63	-0.38
ABS	13.0	0.20	0.64
Corporates	13.0	-0.10	0.17
CLO	9.2	0.18	0.43
Non-Agency CMBS	5.1	0.07	0.27
Other[5]	1.4	-0.09	-0.16
Cash and Equivalents	0.7	-0.10	0.02
Fund Expenses[6]	–	-0.24	-0.73
Total	100.0	-1.31	1.30

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security. Totals may not equal 100% due to rounding. [3]Estimated returns, net of hedges, and unaudited. Contribution is calculated using an internal model; thus, returns may vary from the Fund's total return. [4]Includes wrapped only bonds. [5]Includes investments in affiliated funds, common and preferred equity, and collateralized debt obligations. [6]Includes certain investment expenses, such as interest expense from borrowings and repurchase agreements, incurred directly by the Fund or indirectly through the Fund's investments in underlying Angel Oak Funds (if applicable), none of which are paid to Angel Oak.

As of 9/30/26, the subsidized and unsubsidized 30-day SEC yields for ANGIX were 6.80% and 6.80%, respectively.

during the quarter as corporate credit exposure was reduced.

Investor demand for high-quality homeowner credit continued to support the sector. Non-agency RMBS spreads widened only modestly, by approximately 10 bps within the Fund. The sector returned -1.4% during the third quarter and 2.2% year to date. The overweight to seasoned, lower-coupon mortgage credit helped protect the Fund from extension risk associated with higher mortgage rates. For context, the average mortgage loan coupon (gross weighted average coupon) is 4.9%, well below current mortgage rates of approximately 6% to 8%. Non-agency RMBS remains the Fund's longest spread-duration sector given its expected durability during an economic slowdown.

Unsurprisingly, lower-duration mortgage allocations outperformed longer-duration allocations. Second liens, NPLs, credit risk transfer, legacy, and mortgage insurance outperformed non-qualified mortgage (non-QM) and prime. Non-QM and prime remain overweight seasoned, lower-coupon, positively convex opportunities that continue to trade at discounted prices. Combined with higher-income, shorter-duration bonds in other subsectors, these positions provide yield and balance to the overall strategy.

Portfolio Management Team

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Co-CEO, Group CIO

Namit Sinha
CIO, Public & Private Strategies

Clayton Triick, CFA®
Head of Portfolio Management, Public Strategies

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Portfolio Manager

Agency MBS Allocation

Agency MBS represented approximately 16% of Fund assets at quarter-end, a decrease of two percentage points from the end of the second quarter. Agency MBS tend to exhibit a higher correlation with rising Treasury yields and interest rate volatility.

Spreads widened during the third quarter, with the Morgan Stanley Current Coupon Agency MBS Index spread moving beyond 100 bps and reaching its widest levels of 2026. Market participants continue to navigate ongoing geopolitical uncertainty, heightened interest rate volatility, and a less predictable Federal Reserve policy backdrop.

The Fund intends to remain tactical within its agency MBS allocation, seeking to capitalize on periods of outsized spread volatility while increasing the relative allocation to floating-rate agency commercial mortgage-backed securities (CMBS).

ABS Allocation

The Fund's ABS allocation represented 13% of assets at quarter-end. The sector generated a 1.6% return during the quarter (5.1% YTD), contributing 20 bps to overall Fund performance. ABS has been a strong performer in 2026 amid volatility in longer-duration fixed-income sectors.

The ABS allocation remains focused primarily on consumer-related subsectors and is managed with a high degree of flexibility. The Fund selectively increased exposure during the quarter, ending the period with an average spread of approximately 400 bps. Spreads tightened during the third quarter as bond seasoning improved credit quality, contributing to strong risk-adjusted returns.

CLO Allocation

CLOs represented approximately 9% of Fund assets at quarter-end and generated a 2.0% total return during the third quarter and 5.2% year to date.

The CLO market remained resilient during the third quarter, supported by the floating-rate nature of the asset class. Underlying bank loan spreads were largely stable, although concerns about AI-driven disruption across portions of the software sector persisted. The Fund took advantage of attractive opportunities across highly structured A-, BBB-, and BB-rated tranches during the second quarter and maintained those positions throughout the third quarter.

The Fund executed dynamic rotations within the asset class as some new-issue deals struggled to clear. The CLO allocation was unchanged during the quarter and has been the Fund's best-performing sector year to date. The average spread increased to approximately 394 bps as the Fund capitalized on relative-value trading opportunities.

Macro Outlook and Fund Positioning

Economic activity, corporate fundamentals, and consumer spending remain underpinned by continued investment in AI, data centers, and related infrastructure. At the same time, the Federal Reserve remains focused on returning inflation to its 2% target, noting that financial conditions are not restrictive and framing its recent 25 bp increase in the federal funds rate as the removal of a "dose of accommodation."

Inflation trends remain uneven and continue to reflect supply-side pressures tied to energy, commodity, and power costs. Consumer spending has remained resilient, though increasingly supported by the wealth effect. Approximately 50% of consumer spending and roughly one-third of GDP are attributable to the top 10% of households. Meanwhile, real wage growth has flattened, and the personal savings rate has declined by more than 200 bps over the past two years.

Household balance sheets remain healthy overall, and debt-service burdens remain manageable despite higher interest rates. Mortgage debt continues to represent the largest component of household liabilities, yet the average rate on outstanding mortgages remains relatively low, at approximately 4%. At the same time, the mortgage-rate differential has widened, with newly originated mortgages carrying rates above 7% compared with an average rate of roughly 4.3% on existing loans. This dynamic continues to suppress refinancing activity and support slower prepayment speeds, while mortgage delinquencies have remained relatively contained.

Strong home-price appreciation over the past several years has driven homeowner equity to record levels, creating compelling opportunities across residential mortgage credit. Home equity lending has expanded meaningfully, with cumulative issuance now exceeding $60 billion.

Corporate fundamentals also remain favorable, supported by strong profitability, healthy margins, and continued earnings growth. Combined with wider credit spreads, higher yields have created an increasingly attractive opportunity set. As a result, we continue to emphasize higher-quality issuers with durable competitive advantages, efficient cost structures, strong free-cash-flow generation, and resilient balance sheets.

Within our multisector strategies, we remain focused on generating attractive income, maintaining lower correlations to broader market volatility, and emphasizing credit quality. While higher interest rates and longer duration have challenged many traditional fixed-income investors in 2026, we continue to identify differentiated opportunities across credit markets that have contributed to year-to-date returns of 5% to 10%. In many cases, rising Treasury yields have further enhanced prospective return opportunities, reinforcing the value of an active approach to fixed-income investing.

DEFINITIONS AND DISCLOSURES

2s/10s Curve: The difference between the 10-year Treasury rate and the 2-year Treasury rate.
2s/30s Curve: The difference between the 30-year Treasury rate and the 2-year Treasury rate.
30-Day SEC Yield: The SEC yield is an annualized yield based on the most recent 30-day period. The subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect.
Agency Commercial Mortgage-Backed Security (Agency CMBS): A type of mortgage-backed security that is secured by loans on commercial properties that are issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae, or another United States federal GSE or a United States federal government agency.
Agency Mortgage-Backed Securities (Agency MBS): Securities issued or guaranteed by the U.S. government or a GSE.
Agency Residential Mortgage-Backed Securities (Agency RMBS): Issued or guaranteed by the U.S. government or a GSE, such as the Government National Mortgage Association (GNMA or Ginnie Mae), Federal National Mortgage Association (FNMA or Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac). GNMA bonds are backed by the full faith and credit of the U.S. government and thus are free from default risk. While FNMA and Freddie Mac securities lack this same backing, the risk of default is negligible.
Asset-Backed Securities (ABS): Securities created by buying and bundling loans—such as residential mortgage loans, commercial loans, or student loans—and creating securities backed by those assets, which are then sold to investors.
Basis Point (bps): One hundredth of one percent and is used to denote the percentage change in a financial instrument.
Bloomberg 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.
Bloomberg U.S. Corporate High Yield Bond Index: An unmanaged market value-weighted index that covers the universe of fixed-rate, non-investment-grade debt.
Bloomberg U.S. Corporate Investment Grade Index: An index 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.
Collateralized Loan Obligation (CLO): A single security backed by a pool of debt.
Credit Risk Transfer (CRT): Programs that structure mortgage credit risk into securities and (re)insurance offerings, transferring credit risk exposure from U.S taxpayers to private capital.
Credit Spread: The difference in yield between two bonds of similar maturity but different credit quality.
Duration: Measures a portfolio's sensitivity to changes in interest rates. Generally, the longer the duration, the greater the price change relative to rate movements.
Extension Risk: The risk that rising interest rates or other factors slow mortgage prepayments, causing principal to be returned more slowly than expected and extending the duration of a mortgage-backed security.
Federal Funds Rate: The Federal Reserve's primary policy interest rate, which influences short-term borrowing costs and broader financial conditions across the U.S. economy.
Floating Rate: A floating-rate security is an investment with interest payments that float or adjust periodically based upon a predetermined benchmark.
Free Cash Flow: The money a company has left after paying its operating expenses and capital expenditures.
Gross Weighted Average Coupon (GWAC): The weighted average mortgage rate of the loans backing a mortgage-backed security, calculated before servicing and guarantee fees are deducted.
ICE BofA MOVE Index: An index that measures the implied volatility of U.S. Treasury options across various maturities.
K-Shaped Economy: An economic recovery where some sectors, income groups, or regions grow and prosper while others decline or stagnate, creating a sharp divergence in outcomes.
Legacy: Residential mortgage-backed securities issued in 2009 or earlier.
Morgan Stanley Current Coupon Agency Mortgage-Backed Securities Index: A widely followed benchmark that reflects the yield and spread levels of current-coupon U.S. agency mortgage-backed securities and is used to gauge conditions in the agency MBS market.
Morningstar Multisector Bond Category: Includes funds that diversify across several fixed-income sectors to maximize income. Typically, these funds invest 35% to 65% of their assets in lower-quality or unrated debt, and they have broad flexibility to allocate across U.S. government, corporate, foreign, and high-yield bonds.
Non-Agency Residential Mortgage-Backed Securities (Non-Agency RMBS): Securities issued by private institutions such as trusts and special purpose vehicles. These bonds are not guaranteed by the U.S. government or GSEs. They typically have a more sophisticated subordination structure, which redirects the aggregate principal and interest cash flows of the underlying collateral to the individual RMBS bonds based on a set of rules, which are designed to create tranches with specific risk, coupon, and maturity characteristics.
Nonperforming Loan (NPL): A loan in which the borrower is in default and has not made any scheduled payments of principal or interest for a certain period of time.
Non-Qualified Mortgage (Non-QM): A loan that does not meet the standards of a qualified mortgage and uses non-traditional methods of income verification to help a borrower get approved for a home loan.

Option-Adjusted Spread (OAS): The yield spread which has to be added to a benchmark yield curve to discount a security's payments to match its market price, using a dynamic pricing model that accounts for embedded options.
S&P 500 Total Return Index: A U.S. stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.
Second Lien: A loan secured by a property that ranks behind a first mortgage in repayment priority. In the event of a foreclosure, the first-lien lender is paid before the second-lien lender.
Secured Overnight Financing Rate (SOFR): A fully-transaction based, nearly risk-free reference rate and is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities. SOFR covers the most volume of transactions of any rate based on the U.S. Treasury repurchase agreement (repo) market and reflects the economic cost of lending and borrowing by the wide array of market participants active in the repo market.
Tranche: A portion of debt or structured financing. Each portion, or tranche, is one of several related securities offered at the same time but with different risks, rewards, and maturities.

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

	Class A	Class I
Gross	1.58%	1.33%
Net	1.24%	0.99%

***Gross expense ratios are reported as of the 5/31/26 prospectus and the net expense ratios are reported in the 1/31/26 Consolidated Financial Highlights as referenced in the prospectus. The Adviser has contractually agreed to waive its fees to limit the Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement to 0.99% (excluding interest expense and acquired fund fees and expense) of the Fund's average daily net assets through 9/30/27.**

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 non-rated 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.

It is not possible to invest directly in an index.

Must be preceded or accompanied by a prospectus. To obtain an electronic copy of the prospectus, please visit www.angeloakcapital.com.

Ratings provided by S&P, Fitch, KBRA, DBRS Morningstar, Egan-Jones, and AM Best. Ratings are expressed as letters ranging from AAA, which is the highest grade, to D, which is the lowest grade. If the rating agencies rate a security differently, the adviser uses the highest rating. When a rating agency has not issued a formal rating, the adviser will classify the security as non-rated.

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