PORTFOLIO MANAGER INSIGHTS

The Case for a Short Duration High Yield Strategy

Represented by: A•A•M ADVISORS ASSET MANAGEMENT

Volatility continued across most markets in 2023, reflecting changing market expectations for Federal Reserve (Fed) policy. During this period, the **Shenkman Capital Short Duration High Income Fund** was able to insulate investors from some of the worst of the drawdowns within the fixed income markets while still providing an attractive return profile compared to many other fixed income alternatives.

We believe it is essential for investors to choose not only the right product, but also an investment manager with the experience to navigate an increasingly volatile market environment through rigorous, analysis of credit fundamentals. We recently sat down with Mark Shenkman, President and Founder of Shenkman Capital, to discuss why investors should consider a short duration high yield strategy. Key takeaways from our conversation with Mark are shown below.

Mark R. Shenkman
President and Founder
Shenkman Capital Management

WHY CONSIDER A SHORT DURATION HIGH YIELD STRATEGY?

This **Shenkman Capital Short Duration High Income Fund** aims to be an all-weather solution with a focus on providing high current income, while seeking to minimize many of the key risks investors are focused on including credit risk, duration risk, liquidity risk, and volatility risk.

After a bruising year for the financial markets in 2022 and a change in tone at the end of 2023, the Fed finds itself in the precarious position of attempting to stabilize prices without spurring a recession. Market expectations at the end of 2023 called for aggressive rate cuts, but have since been tempered by Fed comments and stubborn inflation data, resulting in continued volatility. The high degree of uncertainty regarding inflation, interest rates, and recession is the type of market where a short duration high yield strategy such as ours can offer investors the potential for downside protection, while maintaining upside exposure as the market continues to trade at a discount versus historical levels.

Additionally, the Fund can add diversification to a fixed income portfolio given its lower correlation to the US Treasury market and is a potentially beneficial addition to core fixed income exposure. The Fund also has a lower duration and higher coupon income relative to many other fixed income assets.

WHY SHENKMAN CAPITAL?

PEOPLE

Shenkman manages approximately $30.5 billion in assets with approximately $8 billion managed in its short duration strategy as of the end of December 2023. The firm is focused exclusively on below investment grade credit and analyzes the entire capital structures of these companies.

Shenkman has 140 team members, comprised of 47 investment professionals inclusive of the analysts, who are are industry specialists and cover all companies within their respective sectors.

PROCESS

Shenkman utilizes a structured, disciplined process encouraging management contact prior to purchasing any credit and on an ongoing basis. Analysts regularly prepare credit updates utilizing proprietary credit scores and other risk measurements. The firm believes avoiding credit mistakes in a short duration strategy is critical in achieving attractive risk-adjusted returns.

PHILOSOPHY

Shenkman focuses first and foremost on capital preservation, and considers themselves to be guardians of capital. Since income is an important component in the return profile for leveraged credit, Shenkman believes that utilizing detailed credit analysis to help manage capital preservation is the key to driving success in short duration high yield.

Q. Mark, before we get into the details, what's the bottom line about why you believe investors should consider a short duration high yield strategy today?

A. In short, we believe an uncertain environment represents an ideal time to add exposure to a high yield short duration strategy. A properly constructed short duration portfolio can minimize credit and interest rate risks. Finally, we believe a short duration allocation should have low volatility while offering an income stream that seeks returns in excess of the stated "yield-to-worst" of the overall portfolio.

Q. With so much uncertainty in today's market what can investors expect?

A. Given the resiliency of the economy and robust labor markets, recent Federal Reserve actions indicate they want to maintain as much flexibility as possible. For the past year, investor optimism over the Fed's pivot to rate cuts has propelled the markets to record levels. Although the restrictive Fed policies remain on pause until more data on the direction of the economy and embedded inflation becomes known, investors are anticipating interest rate reductions in the second half of 2024. Cutting rates prematurely in the face of a strong economy could lead to a resurgence of inflation, possibly necessitating future interest rate increases. Therefore, market volatility could occur with shifts in Fed policies. As a result, we anticipate continued uncertainty over the foreseeable future as many variables unfold.

Specific to the health of the high yield market, many factors support below investment grade credit. In our view, corporate balance sheets remain relatively strong, near-term maturities manageable, and default rate expectations could increase modestly from the current lows towards historical averages. In our view, we do not anticipate default rates to rise above historical averages of 3.5%. Additionally, given current yields and discounted bond prices, we believe these factors are supportive of a short duration strategy – as potentially reducing volatility and achieving relatively attractive income are becoming increasingly beneficial in an uncertain environment.

It is important to recognize that not all short duration strategies are the same. Detailed credit analysis can be critical because mistakes may be detrimental to total return, and selecting the "right" issues has the potential to enhance returns above the stated yield-to-worst of the strategy. Proper portfolio construction and analytics also have the potential to enhance return and minimize volatility. We believe that a high quality, short maturity, short duration strategy can be particularly helpful to have in a diversified portfolio in any market environment.

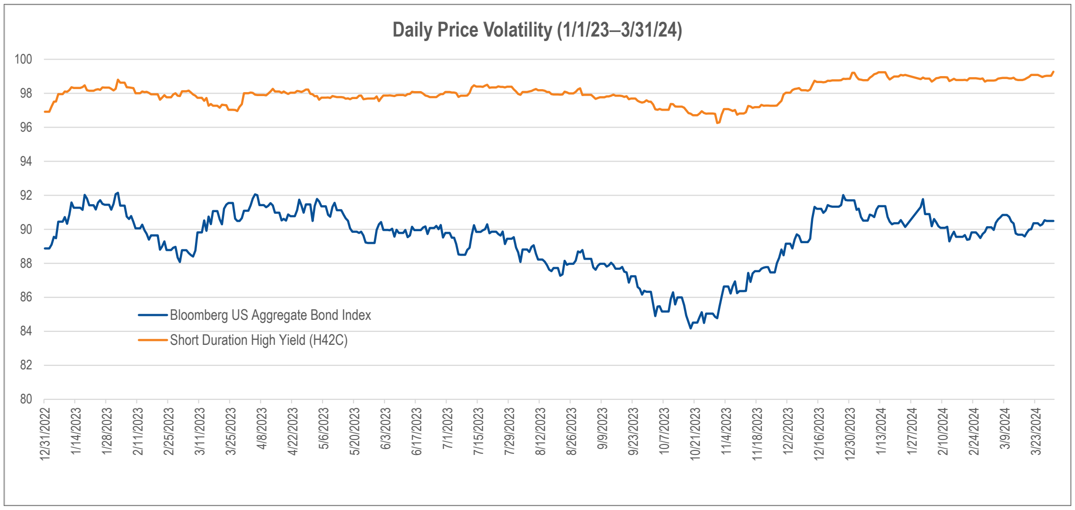
Q. Why do you think this type of strategy should be a strategic allocation in a core fixed income portfolio?

A. Having witnessed the fixed income carnage in 2022 and the frequent sentiment shifts in 2023 as well as so far this year, active management of a high quality, true short duration strategy can potentially protect principle in periods of uncertainty and volatility relative to other fixed income categories.

The Shenkman Capital Short Duration High Income Fund has historically helped preserve capital in rising rate environments, but its low effective duration has also contributed to price stability during periods of overall credit spread widening. Adding a short duration high yield bond allocation to a core fixed income portfolio (such as the Bloomberg US Aggregate Bond Index) can potentially help increase returns while reducing volatility. With higher coupons, low correlation to US Treasuries, increased "duration coverage" and a moderate level of volatility, we believe that a short duration high yield strategy is a beneficial addition to core fixed income allocations.

To illustrate these points, the Fund outperformed investment grade indices during the 2022 rate hike cycle, including both the broad investment grade index (defined as "C0A0") and the shorter duration investment grade index (defined as "C1A0"). Additionally, the Fund behaved more similarly to investment grade corporates as opposed to broad high yield (defined as "H0A0") during the initial and dramatic market dislocation at the onset of COVID-19 in March of 2020. More recently in 2023 and year-to-date, high yield short duration has proven less volatile than core fixed income allocations such as the Bloomberg US Aggregate Bond Index while delivering solid results.

The graph below illustrates the price of the Bloomberg US Aggregate Bond Index (LBUSTRUU) versus our short duration high yield target universe, ICE BofA 0-2YR Duration BB-B (H42C).



Source: Shenkman Capital. **Past performance does not guarantee future results.** Prices not representative of the Shenkman Capital Short Duration High Income Fund. It is not possible to invest directly in an index.

The low correlation to interest rates relative to most fixed income asset classes and the healthy income can provide beneficial characteristics to a broad fixed income portfolio. High yield short duration has historically shown to be an effective strategy to potentially enhance returns and Sharpe Ratios for a fixed income portfolio over the long term.

Q. How can investors look to help increase income while balancing credit and interest rate risk?

A. We believe the key is to have a disciplined process and a dedicated research team with the ability to monitor changes in credit risk, as well as a repeatable analytical framework to maximize relative value. We have also found that it is vital to have systems in place that can rapidly disseminate information across the whole investment team in order to engage in conversations to quickly assess the information and take action where necessary. We believe these processes are critical to an investor's success in managing short duration high yield. We seek to manage interest rate risk in the portfolio approach and construction, looking to ensure that maturity and duration exposure are appropriately managed throughout the credit and interest rate cycles. Using these methods, the Fund can help enhance income and minimize credit and interest risks relative to the broader credit market (defined as "H0A0").

Q. Are there differences in short duration strategies?

A. Yes. We believe there are key differences in approaches to short duration taken by various managers. There are passive short duration high yield ETFs which merely shorten the duration of high yield, but their volatility characteristics are very similar to broad market high yield as they often include the lower quality/higher risk segments of the market and are not actively managed to avoid credit and default risks. Amongst active short duration high yield managers, some have more appetite for lower rated securities, and some have longer duration portfolios. We stress a disciplined focus on credit selection and portfolio construction.

At Shenkman, we primarily focus on higher-quality credits and target an option-adjusted duration (OAD) below two years. We believe focusing on high quality credits that have already been seasoned allows us to potentially reap the attractive income of the broader high yield market while limiting the overall volatility.

> ***"The key takeaway is that while there are many approaches, our short duration strategy is designed to deliver incremental yield with lower risk and lower volatility characteristics compared to the potential construction of some other short duration products."***

Since this Fund historically has a higher average dollar price than the broader credit market, investing in a defaulting security can adversely impact returns. Therefore, we emphasize selection of high-quality credits based on detailed credit analysis and ongoing monitoring through our four red flags (changes in fundamentals, market, quantitative, and management risks). Our view is that building a diversified portfolio has proven beneficial in limiting credit risk. Today's lower price environment versus historical provides an additional opportunity to purchase bonds at discounted prices below par, thereby potentially providing an incremental total return component to a higher coupon focused strategy.

We also believe high quality credit analysis can enhance returns in the short duration strategy. An important aspect of short duration high yield is gauging the likely yield in light of the fact that the majority of bonds in the high-yield market are callable and can be redeemed at various call dates prior to maturity. As a result, it is critical to consider the impact of embedded options on a bond's potential return profile and duration. It is important to note that market convention in pricing high-yield callable bonds is to quote the corresponding yield-to-worst and duration-to-worst for a given price. From a yield perspective, the resulting quoted yield will be the lowest and most conservative outcome of the multiple redemption scenarios. This ensures specific income or yield requirements will still be met even in the worst redemption scenarios. However, our experience has proven that yield-to-worst can oftentimes be an overly conservative metric for an actively managed strategy. This is particularly true when callable bonds are trading at discounts or premiums as compared to their call prices and par. A key driver of this dynamic is the fact that an issuer's decision to call or redeem its bonds is not solely based on refinance economics such as payback period and net present value (NPV), but more often driven by company specific motivations and circumstances. Through in-depth research of catalysts driving the call and tender activity on each individual issue, a skilled manager can potentially add value and evaluate when bonds are most likely to be called to determine the yield to that more "likely" call date. Having a strong bottom-up fundamental research process can help a manager to understand issuers' financing needs and seize upon idiosyncrasies within the short duration high yield universe, and potentially help enhance returns over the stated yield-to-worst return. Similarly, understanding how CFO's may act in different rate environments can be additive to returns.

Q. Are there income and growth opportunities in the short duration high yield space that investors should consider?

A. We believe there are both income and growth opportunities in short duration high yield that investors should consider. Although investing in short duration high yield bonds had originally been considered a strategy for limiting exposure to rising interest rates, we believe its favorable long-term performance and risk/volatility characteristics has earned it a place as a valuable addition to a diversified core fixed income allocation. Additionally, with today's discounted price environment, many bonds trade below par as opposed to premiums which has been historically the case. The market now presents investors the opportunity to potentially add an incremental capital appreciation component to a higher coupon focused strategy with a continued focus on minimizing volatility.

Short duration high yield bonds appear to offer a compelling risk/reward opportunity. For reasons mentioned throughout this interview, short duration has experienced robust growth within our firm as many institutional and high net worth investors have actively allocated to this strategy as a compelling solution to enhance returns while still limiting volatility and risk. The most common use case has been as an inclusion to diversified fixed income portfolios to enhance returns while limiting volatility, however it has also been used as a less volatile high yield option, a lower duration/higher income alternative to investment-grade credit, and a higher yielding addition to a tiered cash management program. Careful credit selection within a diversified short duration bond portfolio can potentially result in income enhancements and compounding the income stream can generate attractive growth.

Q. How does a short duration high yield strategy attempt to minimize risk?

A. A short duration high yield strategy seeks to minimize two major risks—rate risk and credit risk—within an overall fixed income allocation by focusing on: 1) shorter maturities and call dates, and 2) higher quality issuers. We believe the most important risk to manage is credit risk. Hence, we have a credit research team that performs in-depth fundamental analysis through a structured disciplined process.

By focusing on the higher-quality segment of high yield, an investor has the potential to develop a more attractive risk/reward profile by reducing default risk. Shorter maturities may also reduce default risk as more seasoned issuer(s) and companies typically have lower default risk, and the investment horizon is shorter often resulting in a higher level of confidence in possible outcomes. In our opinion, an investor should not only focus on duration and maturities, but should select a manager who can determine refinancing probabilities. In our view the combination of these factors should capture a good portion of the broad high yield market's coupon income, while at the same time, helping to limit volatility and downside risks.

Q. Mark, you stated how short duration high yield bonds can offer a compelling risk/reward profile. How can this potentially benefit investor portfolios?

A. We believe short duration high yield bonds remain an attractive vehicle to generate income. They can potentially provide high coupon income, minimal duration risk, and still offer alpha opportunities through calls, tenders, and other credit-specific catalysts relative to investment grade debt. With a low or negative correlation to US Treasuries (depending on tenor), greater "duration coverage," and a similar level of volatility, short duration high yield can offer a compelling alternative to investment grade credit.

EXHIBIT A: SCFFX vs Other Fixed Income Indexes (Periods Ending March 31, 2024)

	Annualized Total Return					Standard Deviation*	Sharpe Ratio*
	1 Year	3 Year	5 Year	10 Year	SI*		
SCFFX	7.63	3.23	3.42	3.13	3.24	3.78	0.71
Short Duration High Yield *ICE BofA US 0-2YR Duration BB-B High Yield Constrained (H42C)*	9.03	4.01	3.57	3.64	3.71	3.28	1.00
US High Yield Bonds *ICE BofA US High Yield (H0A0)*	11.04	2.21	4.03	4.36	4.48	6.38	0.71
Broad Fixed Income Market *Bloomberg US Aggregate Bond Index*	1.70	-2.45	0.36	1.54	1.40	5.43	0.04
US Corporate Bonds 1-3 Year *ICE Bof A US Corporate 1-3 Year (C1A0)*	5.15	0.71	1.96	1.92	1.90	1.78	0.40
US Corporate Bonds 1-5 Year *ICE Bof A US Corporate 1-5 Years (CVA0)*	5.24	0.23	2.03	2.19	2.14	2.62	0.42
Short Duration Treasuries *ICE Bof A US Treasury 0-3 Year (G1QA)*	3.68	0.79	1.43	1.19	1.12	1.09	-0.27

* Since inception of SCFFX 5/17/13-12/31/23.

SCFFX Expense Ratio (gross / net) is 0.75% / 0.75%. The adviser has contractually agreed to waive a portion of the fund expenses through January 27, 2025.

Source: Morningstar. **Past performance does not guarantee future results.** Sharpe Ratio measures the risk adjusted return and represents the additional amount of return per unit of increase in risk. The higher the Sharpe Ratio, the better the risk-adjusted return. Standard deviation measures the volatility of an investment's returns. Higher deviation represents higher volatility. Please see important disclosures for definitions and additional information.

Performance data quoted represents past performance and 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. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 1-855-SHENKMAN.

Q. Why is a low or negative correlation to US Treasuries important and how does that work?

A. Low or negative correlation is important because short duration bonds offer investors an opportunity to still capture attractive returns while diversifying their fixed income investments and potentially mitigating interest rate volatility. As illustrated in Exhibit B, over the past 27 years short duration high yield bonds have exhibited a correlation of -0.06 to the Bloomberg US Government 1-5 year Index. That means that when shorter-dated US Treasury notes posted negative returns and interest rates rose, on average, short duration high yield bonds tended to produce positive returns. This inverse relationship also exists for high yield bonds (H0A0) and has remained relatively stable over various trailing periods. Conversely, investment grade corporate bonds (C0A0) had a positive correlation to this index (+0.55 over the trailing 27 years), thus tending to decline in value when interest rates rose. As one would expect, the Bloomberg US Aggregate Bond Index has an even higher correlation given its large allocations to US Treasuries and agency MBS. To get true diversification, investors should seek some negative correlation between asset classes.

EXHIBIT B: Correlation to Bloomberg 5-year US Treasury Note Returns (January 1997 to December 2023)

Short Duration High Yield *ICE BofA US 0-2YR Duration BB-B High Yield Constrained (H42C)*	-0.06
US High Yield Bonds *ICE BofA US High Yield (H0A0)*	-0.07
US Corporate Bonds *ICE BofA US Corporate Index (C0A0)*	0.55
Broad Fixed Income Market *Bloomberg US Aggregate Bond Index*	0.83
Short Duration Treasuries *ICE BofA 0-3YR U.S. Treasury Index (G1QA)*	0.94

Source: eVestment, Shenkman Capital, BofA, Barclays. **Past performance does not guarantee future results.** Please see important disclosures for definitions and additional information.

Q. Do you believe that moving from longer duration investment grade credit to shorter duration high yield bonds can help shift an investor's risk profile?

A. Yes. The most noticeable trade-off is increased credit risk for lower duration risk. Certainly, the credit quality does shift with below investment grade bonds; however, we believe the scope for mitigating credit risk within a short duration high yield portfolio is arguably greater than the scope for limiting interest rate risk in an investment grade portfolio because the latter is typically anchored near a benchmark duration of four to seven years. This is an important distinction because there is only so much that can be done to limit capital losses in investment grade portfolios as interest rates rise. Additionally, the broader high yield market is a higher credit quality today than historically. As of December 31, 2023, approximately 50% of the market was in the BB-rated segment, which is the highest rating for a non-investment grade company. This compares to the beginning of 2008 when only 35% of the market was BB-rated. This has the potential to minimize credit risk and companies in the higher ratings segment tend to exhibit healthy fundamentals. Additionally, although we have entered a higher rate environment compared to the last several years, the uncertain outlook and the Fed's policy on controlling inflation may lead to a period of heightened interest rate volatility which could continue to disproportionately impact longer duration credits. While the market is currently anticipating the Fed Funds rate to come down after a historic and rapid period of increases, markets may not behave as they have historically post an aggressive rate hiking campaign. Given the steep inversion of the Treasury curve that we are witnessing in the current environment (-110 basis points as of 2/27/24), futures markets are implying that the unwind of the most recent rate hike cycle may be different than prior rate cut cycles. This is likely due to market expectations that the Treasury curve should return to a more normal steepness between front-end rates and longer-term rates. The 20 year average spread of 3-month to 10-year Treasury rates is 143 basis points. Current Treasury Forward curves are calling for 5-year and 10-year Treasury rates to not change much from current levels while 3 month rates are forecast to drop by over 125 basis points over the next two years. In this scenario, longer duration exposures may not benefit from a declining rate environment in the way they have historically.

To illustrate, we compare characteristics of short duration high yield to those of longer duration investment grade benchmarks.

EXHIBIT C:
Index Characteristics: Short Duration High Yield vs. Investment Grade Corporate Bonds

As of December 31, 2023	Short Duration High Yield[1]	US Corporate[2]	US Aggregate[3]
Average Price	$99.20	$93.42	$91.70
Average Coupon	6.51%	4.06%	3.09%
Yield	6.47%	5.14%	3.03%
Yield-to-Worst (YTW)	6.97%	5.15%	4.53%
Duration-to-Worst (DTW)	1.23 years	6.82 years	6.31 years
Duration Coverage (YTW/DTW)	**5.67x**	**0.76x**	**0.72x**

1 Based on issues in the ICE BofA BB-B US High Yield Index (H42C).
2 Based on ICE BofA US Corporate Index (C0A0).
3 Based on Bloomberg US Aggregate Bond Index.
Source: Shenkman Capital, BofA, Barclays. Past performance does not guarantee future results. It is not possible to invest directly in an index.

Included in Exhibit C is a metric we refer to as "duration coverage," which measures the amount of yield per unit of duration (YTW/DTW). The higher the duration coverage, the greater the compensation per year of duration risk. Currently, we believe investment grade bonds inadequately compensate investors because of lower relative yields and higher durations. In 2022 as an example, when the Federal Reserve aggressively raised rates in order to combat inflation, investment grade bonds experienced a much greater drawdown than the shorter duration strategy.

Though the market and Fed expectations are calling for lower rates this year, the speed and size of rate cuts will depend on how economic data unfolds in the coming months which may cause potential volatility as varying expectations adjust. On a macro basis, combatting inflation is more important than a growing economy and fighting the last mile to bring inflation to the 2% target may be difficult without risking a recession, especially considering the continued uncertainties over global growth, the pending presidential election, the potential for wider military conflicts, and unsustainable U.S. deficits and debt. This rate and economic backdrop has the potential to create an environment of higher volatility over the short/intermediate terms. Our opinion is a short duration strategy could help investors mitigate the downside while generating attractive income.

Q. Do you believe this is an appropriate time to include short duration high yield bonds as part of a well-balanced portfolio?

A. At Shenkman Capital, we believe short duration high yield bonds appear attractive at any point in the cycle. However we think they are especially attractive now given the current uncertain economic and market environment, as many investors seek income, downside protection and risk-averse returns. With a distinct set of investment characteristics, the Shenkman Capital Short Duration High Income Fund may offer a solution for many investors given the market and economic challenges.

The above average higher current yields and discounted average bond prices can provide investors with an opportunity for capital appreciation beyond the current income stream. Additionally, with the greater near-term uncertainty and potential for greater volatility, investors could be compensated to "weather the storm", earn relatively attractive incremental income and potentially mitigate downside risks.

Short duration high yield bonds have the potential to provide income generation with alpha opportunities and minimal duration risk. As such, many investors have found this subset of the high yield market to be a worthy addition to either a core fixed income allocation or tiered cash management program. Investors may find short duration high yield bonds to be a compelling alternative to investment grade credit given its negative correlation to US Treasuries, increased "duration coverage" and comparable level of volatility. Finally, in our opinion, successful execution of this strategy requires in-depth credit research and prudent active management.

Bottom line:

We believe an uncertain environment represents an ideal time to add exposure to a high yield short duration strategy. A properly constructed short duration portfolio can minimize credit and interest rate risks. Finally, we believe a short duration allocation should have low volatility while offering an income stream that seeks returns in excess of the stated "yield-to-worst" of the overall portfolio.

IMPORTANT DISCLOSURES

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and may be obtained by calling 1-855-SHENKMAN (1-855-743-6562). Read carefully before investing.

FUND RISKS: Mutual fund investing involves risk. Principal loss is possible. There can be no assurance that the Fund will achieve its stated objective. In addition to the normal risks associated with investing, bonds and bank loans, and the funds that invest in them are subject to interest rate risk and can be expected to decline in value as interest rates rise. 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. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management, and the risk that a position could not be closed when most advantageous. Leverage may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used.

HIGH YIELD RISK: Investing in high yield securities should be viewed as speculative and you should review your ability to assume the risks associated with investments that utilize such bonds. High Yield securities are subject to numerous risks including higher interest rates, economic recession, deterioration of the junk bond market, possible downgrades and defaults of interest and/or principal. High Yield security prices tend to fluctuate more than higher rated bonds and are affected by short-term credit developments to a greater degree.

Certain information contained in this material constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of Shenkman Capital and the performance of any investment funds may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Shenkman representation that any investment funds will achieve any strategy, objectives or other plans. Unless otherwise indicated, the information contained in this material is current as of the date indicated on its cover. Such information is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. Additionally, there is no obligation to update, modify or amend the material or to otherwise notify a reader in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and best interests. All expressions of opinions are subject to change without notice.

Investors should seek financial guidance regarding the appropriateness of investing in any security or investment strategy discussed in this material and should understand that statements regarding future prospects may not be realized.

DEFINITIONS: **Alpha** measures the excess return of an investment relative to a benchmark index. The **Average Price** of a bond is calculated by adding its face value to the price paid for it and dividing the sum by two. A **basis point** is 0.01% of 1%. **Correlation** is a statistical measure of how two variables move in relation to each other with coefficients ranging from +1 to -1. A correlation coefficient of +1 implies that as one variable moves, the other will move in exact lockstep. Alternatively, a correlation coefficient of -1 implies that if one variable moves, the other moves in the same amount in the opposite direction. If the correlation is 0, the movements of the variables are completely random. **Coupon** is the periodic interest payment made to the bondholders during the life of the bond. **Credit Ratings** are provided by nationally recognized statistical rating organization (NRSRO) and range from AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. US Government and Agency securities are generally considered to be of the highest quality. **Duration** is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates; it is expressed as a number of years. **Duration-to-Worst (DTW)** is the duration of a bond computed using either the final maturity date, or a call date within the bond's call schedule, whichever would result in the lowest yield to the investor. **Option-Adjusted Duration (OAD)** is is a measure that helps approximate the degree of price sensitivity of a bond to changes in interest rates adjusted for the option to call or put. **Sharpe Ratio** measures the risk adjusted return and represents the additional amount of return per unit of increase in risk. **Spread** is the percentage point difference between yields of various classes of bonds compared to treasury bonds. **Standard deviation** measures the volatility of an investment's returns. Higher deviation represents higher volatility. **Tenor** refers to the length of time remaining before a financial contract expires. It is often used interchangeably with the term "maturity." **Yield-to-Worst (YTW)** is the lowest possible yield from owning a bond considering all potential call dates prior to maturity.

About Advisors Asset Management

Since 1979, Advisors Asset Management (AAM) has delivered a diverse range of investment solutions. AAM partners with select high-quality boutique and institutional managers that we believe have a distinct approach and proven investment process that can add value to investor portfolios. Each manager is thoroughly vetted to ensure we partner only with firms that we believe are high-caliber and provide a value-added offering. Due diligence is conducted on the firm, the individual strategy as well as the associated investment personnel.

If you are a financial professional and would like to learn how the Shenkman Capital Short Duration High Income Fund can fit into your portfolios, please contact your AAM Representative at 866.606.7220 or visit us at www.aamlive.com.

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Past performance does not guarantee future results. It is not possible to invest in an index.

INDEX DEFINITIONS: The **Bloomberg US Aggregate Bond Index** was created in 1973 (LBUSTRUU) and covers the USD-denominated, investment grade, fixed rate, taxable bond market of SEC-registered securities, and includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed rate and hybrid ARM passthroughs), ABS and CMBS sectors. It is a component of the Bloomberg US Universal Index in its entirety.

The **ICE BofA 0-2 Year Duration BB-B US HY Constrained Index (H42C)** is a subset of the HUC4 that consists of all securities that have a duration-to-worst of 2 years or less. The I**CE BofA US High Yield, BB/B Rated, Constrained Index (HUC4)** has an inception date of December 31, 1996, and is a subset of the **ICE BofA US High Yield Index (H0A0)** that consists of all securities rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. The ICE BofA US High Yield Index (H0A0) has an inception date of August 31, 1986 and tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

The **ICE BofA US Corporate Index (C0A0)** has an inception date of December 31, 1972 and tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. The **ICE BofA 1-3 US Corporate Index (C1A0)** has an inception date of December 31, 1975, and is a subset of the **ICE BofA US Corporate Index (C0A0)**, including all securities with a remaining term to final maturity of less than 3 years. The **ICE BofA 1-5 US Corporate Index (CVA0)** has an inception date of December 31, 1975 and is a subset of the ICE BofA U S Corporate Index (C0A0) including all securities with a remaining term to final maturity of less than 5 years. The **ICE BofA 0-3 Year US Treasury Index (G1QA)** has an inception date of December 31, 1992 and tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market with maturities less than three years.

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