

AICA Member Profile: Angel Oak Capital Advisors

Angel Oak Capital Advisors is an investment management firm founded in 2008, with offices in Atlanta, New York, and Seattle. The firm is led by key principal Sreeni Prabhu, who serves as Managing Partner, co-CEO, and Group Chief Investment Officer.

Angel Oak provides value-driven, fixed-income investment solutions for institutional and retail clients. Bolstered by data and analytics, Angel Oak seeks to deliver attractive risk-adjusted returns through a mix of stable current income and price appreciation. The firm's experienced investment team looks for the best opportunities in fixed income, specializing in structured credit and financials.



“Income is at the heart of the closed-end fund universe, and Angel Oak has a range of income-oriented strategies from daily liquid mutual funds and exchange-traded funds to closed-end funds — both traditional and continuously offered such as our Strategic Credit Fund interval fund.”

*Randy Faust, Angel Oak Managing Director,
National Accounts*

FINS

Angel Oak manages the Financial Strategies Income Term Trust, a listed closed-end fund with the NYSE ticker symbol FINS. The fund seeks current income with a secondary objective of total return through a focus on investment grade credit and a banking sector debt-centric strategy. The fund also makes selective investment opportunities across financial sector preferred and common equity.

At least 50% of FINS' investment portfolio is publicly rated investment grade or, if unrated, judged to be of investment grade quality by Angel Oak. The fund was launched on May 29, 2019.

ASCIX

Angel Oak also manages the Strategic Credit Fund, a listed, continuously offered closed-end interval fund with the ticker symbol ASCIX. The fund invests across structured and corporate credit, with a focus on finding the best relative value opportunities across fixed income.

At least 80% of the fund's net assets will be invested in the following credit-related assets:

- Residential mortgage credit
- Asset-backed securities

- Corporate debt and preferred securities
- Collateralized loan obligations
- Commercial mortgage credit

The fund was launched on December 26, 2017.

Q&A with Randy Faust

In which sectors does Angel Oak most excel?

In residential mortgage-backed securities and community bank debt, which are very challenging for most investors to understand. I think our best work is done in the trenches, from a technical standpoint, in identifying value in these niche strategies and making them part of an easily accessible and diversified portfolio.

What is one item that most investment professionals regularly misunderstand?

The fact that assets held by closed-end funds are often very heavily regulated. Investors don't always see that as a good thing, but it should give them comfort. As a fixed-income manager, all we really want is our money back, so investing in bonds issued by a bank is going to be different from investing in a corporation or other entity that doesn't have that regulation around it.

Where do you see Angel Oak in three years?

We believe we will see significant growth across our closed-end fund, interval fund, and actively managed ETF platforms. Specific to interval funds, we are seeing increased acceptance among registered investment advisors and wire house platforms. The growth of assets under management in the interval fund community, particularly with regard to credit, suggests that interval funds will continue to be an excellent vehicle for someone with a medium- to long-term investment horizon, which theoretically every investor has.

How long have you been a member of AICA and why did you join?

We've been a member of AICA for two and a half years now, and we joined because we believe in AICA Chairman John Cole Scott's mission to promote closed-end funds and interval funds. We appreciate his understanding of the space and his ability to connect us with likeminded investors and industry leaders.

Learn more about [Randy Faust](#), [Angel Oak](#), and its listed CEF, [FINS](#).

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