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CWFIX

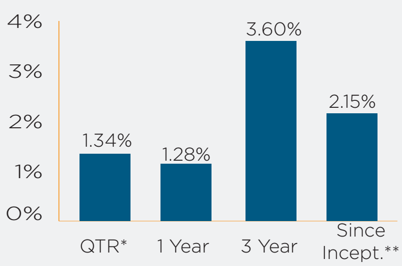
Chartwell Short Duration High Yield Fund

Q3 2018 Highlights

- The Fund returned 1.34% during Q3 2018.
- The strongest performing sectors during the quarter were Services, Technology and Telecommunications.
- The Real Estate, Utilities and Healthcare sectors were lagging during the quarter.

CWFIX Performance

As of 09.30.2018



*Quarterly returns not annualized.
**Since inception date of 07.15.2014.

Macroeconomic Update

Q3 Gross Domestic Product (GDP) is expected to have only marginally softened from the above-trend Q2 level that was recently unrevised at 4.2%. As of October 1, 2018, the Atlanta Federal Reserve's GDPNow™ (Federal Reserve Bank of Atlanta, Center for Quantitative Research) pegs Q3 growth at 4.1%. On the supply side, business confidence remained high and attempts to move product through the supply chain prior to additional tariffs taking effect propped up operating rates. Both the Institute for Supply Management Manufacturing and Non-Manufacturing (services) indices (October 2018 Manufacturing ISM® Report On Business®, October 2018 Non-Manufacturing ISM® Report On Business®) registered continuing expansion readings as Q3 came to a close. Although the ISM® Manufacturing index did come off its quarterly high slightly as the quarter closed, the ISM® Non-Manufacturing (services) index accelerated into quarter end. That anecdotally makes sense as the manufacturing index is more sensitive to international trade conditions, which are being impacted by the various trade skirmishes initiated by the current U.S. administration. On the demand side, continued employment gains during Q3 and a further increase in average hourly earnings kept consumer confidence at elevated levels. When consumers feel confident they tend to keep their wallets open. Federal government spending, following the adoption in mid-March of a $1.3 trillion spending plan for the fiscal year ending September 30, 2018, also added to aggregate U.S. growth. That spending plan was temporarily extended to the end of 2018.

Consistent with our expectations noted in our last quarterly piece, fixed asset spending by businesses slowed into quarter end as trade policy uncertainty continued and rising input prices pressured equipment affordability. Wholesale prices are clearly showing an up-trend and that is expected to eventually make its way into retail prices over the near term. That will keep the Federal Reserve in the hot seat as it tries to manage inflation expectations while at the same time allowing this economic expansion to continue as long as possible. The above trend-growth in the second and third quarters is likely unsustainable and we would expect some softening as rising prices and rising interest rates start to bite.

High Yield Overview

Notwithstanding rising interest rates, the high yield bond market rode strong economic data and solid corporate earnings to deliver good performance in Q3. The broad high yield market returned 2.44% for the quarter, as measured by the ICE BAML US Cash Pay High Yield Index. High Yield's risk premium, or spread-over-treasury, fell 43 bps[1] to finish the quarter at 3.25%. The yield on the 10-Year Treasury bond rose 21bps to close the quarter at 3.06%. Returns by credit quality were led by lower-rated credits, as BB's, B's and CCC's returned 2.36%, 2.41% and 2.85% respectively. At the end of Q3, the yield to maturity on the broad high yield market stood at 6.51%, with the market's effective duration registering 4.0 years.

Short Duration BB-rated Portfolio Analysis

CWFIX returned 1.34% during Q3. Services (2.6%)[2], Technology (4.9%) and Telecommunications (7.6%) were the strongest performing sectors, while Real Estate (7.5%), Utilities (5.0%) and Healthcare (7.6%) lagged. In absolute terms, every sector contributed positively to overall performance. Top individual contributors in Q3 included Dell International (2.6%), PolyOne Corp (2.5%) and The ADT Corporation (2.6%). Partially offsetting these, the largest detractors from overall performance included Crown Americas (2.3%), T-Mobile (2.5%) and GFI Group (0.0%). Trading activity

Q3 Portfolio Diagnostics

As of 09.30.2018

	Chartwell	ICEBAML HY Cash Pay BB 1-3 Yr Index
Current Yield	5.19%	5.33%
Yield to Maturity	4.37%	4.34%
Average Coupon	5.27%	5.43%
Average Price	101.69	101.88
Average Maturity	2.5 yrs	2.0 yrs
Effective Duration	1.7 yrs	1.6 yrs
30-Day SEC Yield[3]	3.70%	
30-Day SEC Yield Unsubsidized[4]	3.45%	

Source: Chartwell Investment Partners/BondEdge/ICE BofAML

The performance data quoted represents past performance, and is no guarantee of future results. *Investment returns and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance data cited. Current month end data is available at www.chartwellip.com. Returns for periods of less than a year are not annualized. Expense ratio is 0.50% Net and 1.23% Gross. Chartwell Investment Partners, LLC has contractually agreed to waive its fees and/or pay expense until at least July 17, 2019 to limit Fund expenses.*

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Chartwell Short Duration High Yield Fund

Portfolio Analysis (cont'd)

was modest with turnover registering 8% for Q3 and 23% YTD. We sold positions in Dish Corp (0.0%) and Nielson Holdings (0.6%), using the proceeds to initiate a position in T-Mobile (2.5%) as well as to add exposure to a number of other existing holdings. We extended exposure to HCA Inc (2.6%) by moving from a 2019 maturity to a 2022 maturity.

CWFIX invests in a unique and narrow slice of the high yield bond market, for which there is no good, replicable index. The strategy seeks to generate attractive income with relatively low volatility over full market cycles. Indices for this portion of the market are small in size, susceptible to large swings in constituents, and consequently extremely volatile. The ICE BAML 1-3 Yr BB Index includes non-U.S. issuers and is not constrained at the sector or issuer level. The volatility of returns for the Short Duration BB strategy has historically been about one half the volatility of this Index.

Outlook and Positioning

GDP growth, corporate profits, consumer confidence and employment are a few of the economic indicators supporting the credit and equity markets at present. With the current economic expansion approaching record length in terms of time, some fear that we must be near the "late innings". Time alone notwithstanding, we see multiple economic data points that could suggest the economy sits closer to mid-cycle than late-cycle. For example, growth in average hourly earnings has not yet risen to levels indicative of prior cycle turns. The index of Leading Economic Indicators remains in an upward trend. Capital spending from cyclical sectors does not yet appear excessive, and U.S. housing starts, after seven years of growth, are still below their long-term historical average. In the context of the strength and possible longevity of the current economy expansion, High Yield valuations look reasonable in our opinion.

U.S. High Yield maintains an absolute yield advantage over most domestic and international fixed income alternatives, a yield advantage that could cushion the ill effects of rising interest rates. We remain constructive on the fundamentals (cash flow, leverage, debt service, etc.) for many individual high yield issuers. However, there are areas of risk that bear close watching. As the economy has improved, the Federal Reserve has raised interest rates eight times over the last three years, with additional increases implied. Often the case in 'tightening' cycles, rate increases aimed at controlling inflation will eventually reach a level that hinder economic growth – the seeds of the next slowdown are perhaps being sown. Beyond interest rates, mid-term elections in the U.S. and unforeseen geopolitical events are additional areas that could create future market volatility.

In the current environment, we believe that high yield portfolios with a quality bias aimed at limiting relative volatility are a prudent fixed income allocation. Our focus remains on owning relatively higher quality positions, namely BB-rated or better issues in the Short Duration strategy. As always, our investment decisions concerning individual high yield issues, based on bottom up fundamental credit research, will be the primary determinant of performance.

Definitions

ICE Bank of America Merrill Lynch (ICE BofAML) 1-3 Year BB Cash Pay High Yield Index is a subset of The Bank of America Merrill Lynch U.S. Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 3 years and rated BB1 through BB3, inclusive.

Current Yield is the income return on an investment, such as the interest or dividends received from holding a particular security.

Yield to Maturity is the estimated rate of return based on the assumption that it will be held until its maturity date and not called.

[1]A basis point or bp represents a unit equal to 1/100th of 1% and denotes the amount of change in the equity indexes. [1]

[2]The numbers in parentheses following each company mentioned reflect the percentage of the fund's net assets comprised of such securities as of 09.30.2018. Holdings percentage is subject to change.

[3]The 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements, and it would be lower without those reimbursements.

[4]The Unsubsidized 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield.

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Chartwell Investment Partners LLC, is an investment management firm dedicated solely to the investment advisory business. Chartwell's philosophy is to rely on proprietary, bottom-up research to find high-quality investments across its various product offerings.

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Manager views expressed herein were current as of the date indicated above and are subject to change. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this commentary.

This material must be preceded by or accompanied with a copy of the Fund's current prospectus.

Mutual fund investing involves risk, including the potential loss of principal.

Fixed income investment includes the following risks: credit, prepayment, call and interest rate risk. Credit risk refers to the loss in the value of a security based on a default in the payment of principle and/or interest of the security, or the perception of the market of such default. As interest rates rise the value of bond prices will decline. High-yield bonds have a higher risk of default or other adverse credit events, but have the potential to pay higher earnings over investment grade bonds. The higher risk of default, or the inability of the creditor to repay its debt, is the primary reason for the higher interest rates on high -yield bonds. The Fund invests in foreign and emerging market securities which involves certain risks such as currency volatility, political and social instability and reduced market liquidity. The Fund invests in ETFs (Exchange-Traded Funds) and is therefore subject to the same risks as the underlying securities in which the ETF invests as well as entails higher expenses than if invested into the underlying ETF directly.

The Fund acquired the assets and liabilities of the Chartwell Short Duration High Yield Fund (the "Predecessor Fund"), a series of Investment Managers Series Trust, on July 17, 2017. As a result of the reorganization, the Fund is the accounting successor of the Predecessor Fund. Performance results shown (prior to July 17, 2017) reflect the performance of the Predecessor Fund. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

Index performance data quoted represents past performance and does not guarantee future results. One cannot invest in an index.

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