

Dear Clients and Friends,

Nearly three years from the first COVID case in the US, life has returned to something resembling normal for most people: working in offices, attending schools, and traveling for leisure or business. China, a last holdout enforcing COVID lockdowns, abruptly ended its “Zero COVID” policy in recent weeks, an acknowledgement of our new, endemic reality. Nevertheless, certain changes in everyday life seem permanent, such as video conferences rivaling in-person meetings, and growing demand for food delivery.

As we begin the new year, inflation remains the primary concern for monetary authorities, with rapid increases in short-term interest rates and the end of quantitative easing¹ slowing economic activity. While most inflation statistics have improved, achievement of the Federal Reserve’s 2% inflation rate target is likely to be a few years away, which suggests tight monetary conditions persisting for this year and next.

Financial markets were very weak last year, and valuation levels are now close to historic norms². We consider current valuations a more favorable point for establishing new equity positions than we’ve seen over the past few years, and our considerable experience identifying businesses that we expect to grow over the long term and appraising such businesses to find attractive prices is our raison d’etre. While short term turbulence may continue, we feel this combination of factors is additive to our goal of providing clients with long term returns above the indices, best measured by the annualized returns since inception for each fund.

VELA Fund Returns (as of December 31, 2022)

	Inception Date	1 Year	2 Year (Annualized)	Since Inception (Annualized)
VELA Small Cap Fund (CI I)	9/30/2020	-5.52	11.50	22.99
Russell 2000 Total Return Index		-20.44	-4.42	8.44
S&P 600 Total Return Index		-16.10	3.15	16.01
VELA Large Cap Plus Fund (CI I)	9/30/2020	-7.46	8.92	14.99
Russell 1000 Total Return Index		-19.13	1.13	6.92
S&P 500 Total Return Index		-18.11	2.66	7.71
VELA International Fund (CI I)	9/30/2020	-6.87	-0.02	6.91
MSCI World Ex US Index		-14.29	-1.75	5.09
VELA Income Opportunities Fund (CI I)	3/31/2022	-	-	-7.12*
Russell 3000 Total Return Index		-	-	-14.70*
50% Russell 3000/50% Bloomberg US Agg		-	-	-10.88*

*Returns are cumulative based on less than one year of performance.

Mutual fund performance data quoted represents past performance. Past performance 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. Current performance may be lower or higher than the performance data quoted. Investors may obtain mutual fund performance data current to the most recent month-end by calling 833-399-1001.

The total expense ratio for the VELA Funds Class I is: Small Cap VESMX 1.19%; Large Cap Plus VELIX 1.84%; International VEITX 1.19%; Income Opportunities VIOIX 0.92%.

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In December, we distributed gains to Fund investors as required by the SEC. We are always mindful that taxes and fees are a detractor to net investment returns, and each year we seek to capitalize on opportunities to mitigate the impact of taxable capital gains for investors in the VELA Funds. Collectively, the colleagues of VELA are among the largest investors in the VELA Funds, and with most of those accounts taxable, we are aligned with our clients from a tax perspective.

Fund	Tickers	Amount Per Share		Total
		Short Term	Long Term	
Small Cap	VESMX, VESAX	N/A	N/A	N/A
Large Cap Plus	VELIX, VELAX	\$0.0086	\$0.2310	\$0.2396
International	VEITX, VEILX	N/A	N/A	N/A
Income Opportunities	VIOIX, VIOAX	N/A	N/A	N/A

As we wrap up 2022 and look ahead to a bright 2023, we remain thankful for the trust and confidence our clients have shown in us, and we are committed to rewarding that trust by striving to achieve superior investment returns while maintaining the highest integrity. We thank you for joining us on this journey and wish you a wonderful start to the new year.

Sincerely,



Ric Dillon
CEO & CIO

Investors should carefully consider the investment objectives, risks, and charges and expenses of the fund before investing. The prospectus contains this and other information about the fund, and it should be read carefully before investing. Investors may obtain a copy of the prospectus by calling 833-399-1001.

Important Information:

The Russell 2000 Index is a small-cap stock market index of the smallest 2000 stocks in the Russell 3000 Index. The S&P Small Cap 600 Index is a stock market index established by Standard & Poor's. It covers roughly the small-cap range of American stocks, using a capitalization-weighted index. Prior to 3/1/22, the Small Cap Fund compared its performance only against the S&P Small Cap 600 Index. VELA believes the Russell 2000 Index is a more appropriate and accurate index against which to compare the Small Cap Fund's investment strategy and, therefore, the Russell 2000 Index replaces the S&P 600 Index as the Small Cap Fund's primary benchmark as of 3/1/22.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. The S&P 500 Index is a composite of 500 of the largest companies in the United States. The S&P 500 Index is unmanaged and does not represent the performance of any particular investment. Prior to 5/1/2022, the Large Cap Plus Fund compared its performance only against the S&P 500 Index. VELA believes the Russell 1000 Index is a more appropriate and accurate index against which to compare the Large Cap Plus Fund's investment strategies and, therefore, the Russell 1000 Index replaced the S&P 500 Index as the Large Cap Plus Fund's primary benchmark as of 5/1/2022.

The MSCI World ex US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States.

The Russell 3000 Index is a market-capitalization-weighted equity index. The index tracks the performance of the 3,000 largest U.S.-traded stocks, which collectively account for roughly 97% of all U.S.-incorporated equities. The secondary index for the fund is a blend of the

Russell 3000 TR (50%) and The Bloomberg Aggregate Bond Index (50%). The Bloomberg Aggregate Bond Index broadly tracks the performance of the U.S. investment-grade bond market. The index is composed of investment-grade government and corporate bonds.

You cannot invest directly in an index.

The VELA Funds are distributed by Ultimus Fund Distributors, LLC. (Member [FINRA](#))

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The views expressed are those of VELA Investment Management, LLC as of 10/06/2022 and are subject to change. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice. Third-party information in this report has been obtained from sources believed to be accurate; however, VELA makes no guarantee as to the accuracy or completeness of the information.

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Footnotes:

¹**Quantitative Easing:** a form of monetary policy in which a central bank, like the U.S. Federal Reserve, purchases securities from the open market to reduce interest rates and increase the money supply. Quantitative easing creates new bank reserves, providing banks with more liquidity and encouraging lending and investment.

²**Source:** NASDAQ