

Dear Clients and Friends,

With the close of markets this past Friday, September 29, we celebrated the 3rd anniversary of our first three mutual funds. While I've recognized a couple of milestones in past letters, this is a particularly significant one in our industry. Having reached it, our funds have received their first ratings from Morningstar, a research firm which evaluates investment products such as ours.

I am pleased to share that based on the Funds' three-year performance record; the VELA Small Cap Fund received a rating of four stars (awarded to Funds within the top 32.5% of performance relative to peers). The VELA Large Cap Plus and VELA International Funds each received the maximum rating of five stars (awarded to Funds within the top 10% of performance relative to peers).

VELA Fund Returns (as of September 30, 2023)

	Inception Date	1 Year	2 Year (Ann.)	3 Year (Ann.)*	Overall Morningstar Rating
VELA Small Cap Fund (CI I)	9.30.20	14.38	3.03	18.15	★★★★
Russell 2000 Total Return Index		8.93	-8.71	7.16	
VELA Large Cap Plus Fund (CI I)	9.30.20	14.81	3.44	13.73	★★★★★
Russell 1000 Total Return Index		21.19	0.16	9.53	
VELA International Fund (CI I)	9.30.20	27.28	0.38	7.59	★★★★★
MSCI World Ex US Index		24.00	-2.87	6.07	
				Since Inception (Ann.)	
VELA Income Opportunities Fund (CI I)	3.31.22	10.22		-6.45	
Russell 3000 Total Return Index		20.46		-2.77	
50% Russell 3000/50% Bloomberg US Agg		10.39		-4.04	

*Since Fund Inception for each of the Small Cap, Large Cap Plus, and International Funds; The Income Opportunities Fund reflects annualized, since inception performance as of the Fund's 3.31.22 inception date (1.5 years of total 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 1.82%; International VEITX 1.19%; Income Opportunities VIOLX 0.93%.

While I am happy with our progress to date, our larger goal for our clients is to have returns exceed benchmarks over rolling five-year periods, a length of time we consider to be the minimum for statistical significance. [20 years is even better, but rarely does anyone have that amount of patience.]

An interpretation of current financial market levels: the Federal Reserve will most likely keep interest rates at levels sufficiently high to get inflation down to at least 3% over the next year. Achieving their stated goal of 2% inflation will require the Fed Funds rate to remain above inflation for the foreseeable future, as evidenced by the 10-year Treasury yielding 4.58% at quarter end¹.

The significance of these statistics is that compared to the decade leading up to 2020, the cost of borrowing is likely to remain elevated over the foreseeable future for both families and corporations. With respect to financial markets, increasing costs to borrow are typically accompanied by periods of slower growth as companies are less likely to undertake costly expansion projects, such as investment in new equipment or lines of business. In navigating such an

environment, we look for companies with strong balance sheets and relatively low levels of net debt (which, as we saw in the spring, may be significantly impacted by increasing interest rates).

On a secular basis, the US faces several economic headwinds over the coming years, most of which are well known:

- Congressional-led Fiscal policy increasingly constrained by a Debt/GDP ratio which is higher than we saw in WWII²,
- The aforementioned tight monetary policy implemented by the Fed,
- De-globalization, which could be considered a side effect of “Cold War II” between US-allies and the Russia/China axis, and
- The concurrent “War on Climate Change”, which is not possibly “won” without cooperation of both geo-political sides, as carbon emissions know no borders.

All of these headwinds could be reduced by continued innovation, with artificial intelligence (AI) one example that has great potential to improve manufacturing efficiencies, mitigate carbon emissions, and enhance our ability to adapt to a changing climate, among other things. Most important to our purpose is to recognize that no decade is without economic challenges of some nature. Our goal as investors is to best navigate the landscape ahead of us to provide strong and consistent returns for our clients.

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:

For the Overall and 3-Year ratings period as of 9/30/2023, the VELA Small Cap Fund Class I received a four star rating out of 447 funds in the US Fund Small Value category; the VELA Large Cap Plus Fund Class I received a five star rating out of 1,286 funds in the US Fund Large Blend category; and the VELA International Fund Class I received a five star rating out of 679 funds in the US Fund Foreign Large Blend category, based on risk-adjusted returns.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10- year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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The Russell 2000 Index is a small-cap stock market index of the smallest 2000 stocks in the Russell 3000 Index.

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 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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Footnotes:

¹Source: <https://www.marketwatch.com/investing/bond/tmubmusd10y?countrycode=bx>

²Source: <https://www.investopedia.com/terms/d/debtgdpratio.asp>