

Wavelength Interest Rate Neutral Fund

December 2018

Portfolio Commentary

- Markets were dominated by volatile conditions in December, as fear drove investors to the sidelines and the portfolio managed downside risk accordingly with a return of -0.80%
- In this context, the S&P 500 returned -9.03%, suffering its worst monthly loss since 2009, and a range of asset classes driven by growth experienced their steepest declines in close to a decade
- In the portfolio, upside was driven by government bond exposures, particularly 5-year, 10-year and 30-year US Treasury positions which increased substantially in recent months
- Inflation-linked bonds and municipal bonds also contributed positively during the month
- Negative contributions came from convertible bonds, credit and bank loans where risk was reduced
- The portfolio is well-positioned to harvest yield and capture upside as cash comes off the sidelines and moves back into markets in 2019, whether this is driven by growth or inflation factors moving forward

Performance

| | Cumulative Total Return as of 12/31/2018 | | | | Annualized Total Return as of 12/31/2018 | | | |
|---|--|--------|--------|-----------------|--|-------|-------|-----------------|
| | December | YTD | 1 Yr | Since Inception | 1 Yr | 3 Yr | 5 Yr | Since Inception |
| WAVLX | -0.80% | -1.47% | -1.47% | 8.72% | -1.47% | 3.91% | 1.72% | 1.60% |
| S&P BGCantor 0-3 Month US Treasury Bill Index | 0.19% | 1.83% | 1.83% | 2.99% | 1.83% | 0.97% | 0.59% | 0.56% |

Source: Bloomberg LP

Correlation Statistics

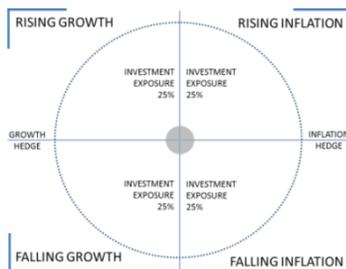
| | | | |
|---|------|--|------|
| Correlation vs. Government Bonds ¹ | 0.12 | Correlation vs. Real Estate ⁴ | 0.31 |
| Correlation vs. Corporate Credit ² | 0.44 | Correlation vs. FI / Credit Hedge Funds ⁵ | 0.33 |
| Correlation vs. Commodities ³ | 0.31 | | |

Investment Approach

Investment Strategy

The Fund is designed to harvest total return through diversification across instruments linked to the macroeconomic drivers of interest rates.

Target Portfolio



Notes: ¹ Morningstar Global Government Bond Index, ² Barclays Global High Yield Corp Index, ³ S&P / Goldman Sachs Commodity Index, ⁴ Bloomberg World Real Estate Index, ⁵ HFRX Fixed Income - Credit Index

The S&P/BGCantor U.S. Treasury Bill Index is a broad, comprehensive, market-value weighted index that seeks to measure the performance of the U.S. Treasury Bill market. You can not invest directly in the index.

The performance data quoted represents past performance. Past performance does not guarantee 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 their original cost. Current performance may be lower or higher than the performance data quoted. Call 1-866-896-9292 or visit www.wavelengthfunds.com for current month-end data.

About the Fund

INVESTMENT OBJECTIVE

Seeks total return.

KEY ADVANTAGES

Innovative Research

The Fund's investment strategy is grounded in academic research and uses financial and economic concepts commonly examined by leading academics.

Portfolio Hedging

The Fund uses four distinct sub-portfolios built based on the macroeconomic relationships of markets traded and quantitatively balances the portfolio's investment exposure.

Disciplined Risk Management

The Fund incorporates risk measures as part of its investment process which seeks to limit outsized sensitivity to any single economic outcome.

Ticker

WAVLX

Inception Date

9/30/2013

Investment Minimum*

\$100,000

12b-1 Fee

None

Gross Expense Ratio

1.85%

Net Expense Ratio**

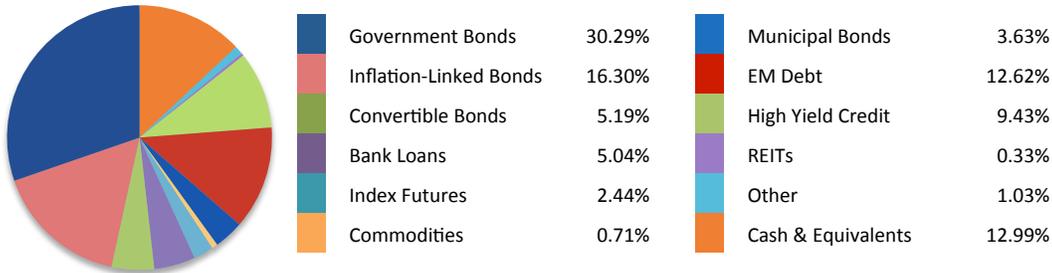
1.29%

*Investment minimums waived for fee-based advisors and certain other investors. See Prospectus for additional details.

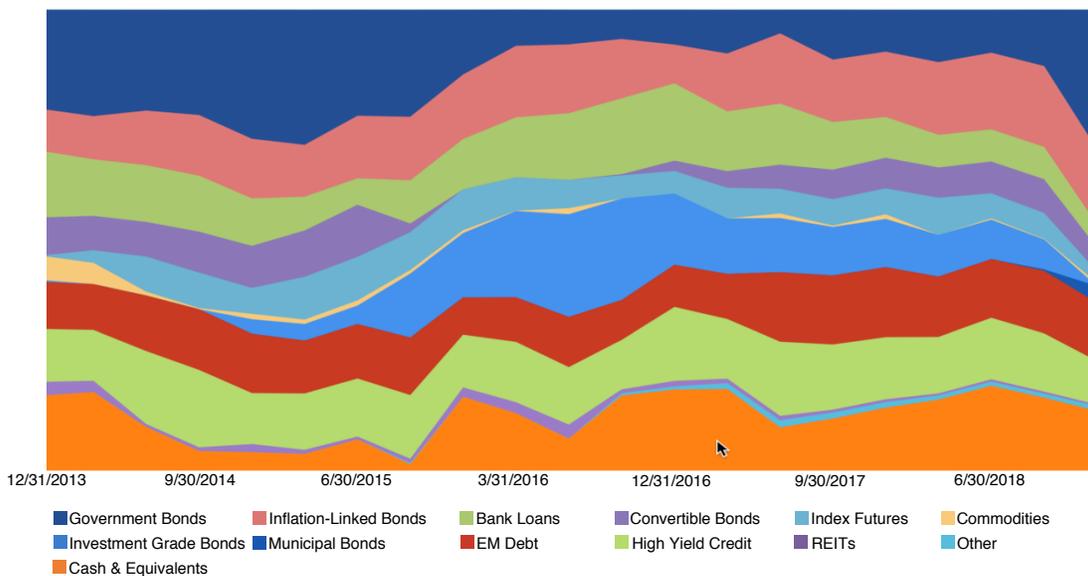
**Adviser contractually agreed until at least October 1, 2019 to waive management fee and/or reimburse expenses of Fund to the extent necessary to maintain total annual fund operating expenses at 0.99% of average daily net assets, exclusive of certain expenses such as those related to short sales and borrowing costs.



Sector Allocation (as of 12/31/2018)



Historical Sector Allocation (as of 12/31/2018)



Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell securities.

PRINCIPAL RISKS:

The use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, and possible losses greater than the Fund's initial investment as well as increased transaction costs. Concentration generally will lead to greater price volatility.

This Fund enters into a short sale by selling a security it has borrowed. If the market price of a security increases after the Fund borrows the security, the Fund will suffer a potentially unlimited loss when it replaces the borrowed security at the higher price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses. Diversification does not eliminate risk. An investor considering the Fund should be able to tolerate potentially wide price fluctuations. The Fund is subject to high portfolio turnover risk as a result of frequent trading, and thus, will incur a higher level of brokerage fees and commissions, and cause a higher level of tax liability to shareholders in the Fund. The Fund may attempt to increase its income or total return through the use of securities lending, and they may be subject to the possibility of additional loss as a result of this investment technique.

This Fund is a non-diversified fund. Because the fund may invest in securities of smaller numbers of issuers, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer than a fund that invests more widely, which may, therefore, have a greater impact on the Fund's performance.

This Fund is not suitable for all investors.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call 1-866-896-9292 or visit www.wavelengthfunds.com to view or download a prospectus online. Read the prospectus carefully before you invest. There are risks involved with investing including the possible loss of principal. Past performance does not guarantee future results. Wavelength Funds are distributed by Ultimus Fund Distributors, LLC.

Wavelength Principals



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Wavelength Capital Management
BS, Union College

About Wavelength Capital Management

Wavelength Capital Management is an alternative investment management firm that provides research, advisory, and fund management services to institutional and individual investors. The firm's investment philosophy is based on the macroeconomic drivers of asset prices and its investment strategies are designed to generate consistent risk-adjusted returns uncorrelated with traditional asset classes over long-term macroeconomic cycles