COMMUNITY CAPITAL MANAGEMENT

CCM Small/Mid-Cap Impact Value Fund

About CCM

Community Capital Management, LLC (CCM) was founded in 1998 and is a pioneer in impact and ESG investing. The firm believes a fully integrated portfolio, one that includes impact and environmental, social and governance (ESG) factors, can deliver strong financial performance while simultaneously having positive long-term economic and sustainable outcomes. CCM provides impact and ESG investing solutions coupled with customized reporting to clients on the positive impact outcomes of their investments.

Firm Assets	$4.0 Billion
Impact and ESG Experience	22 Years
Impact and ESG Initiatives[1]	$12 Billion Invested Nationwide

Key Takeaways

- Supply shortages contributed to inflation levels that have persisted beyond previous expectations.
- Investor sentiment was volatile as evidenced by swinging interest rates and September's swift stock market decline.
- The prospect of higher rates, higher inflation, and the Federal Reserve's (Fed's) removal of stimulus weighed heavily on the largest, most expensive stocks.

Market Commentary

The economy continued to grow in the third quarter of 2021, albeit at a slower pace than the previous six months of the year due to increasing cases of the COVID-19 delta variant and supply shortages across most industries. Consumer demand outpaced the supply of goods and workers, contributing to inflation that has persisted beyond previously projected levels. By the end of August, the Consumer Price Index was up 5.3% for the trailing 12 months, one of the highest 12-month rates in 20 years. With inflation levels relatively high, and the worst of the pandemic seemingly behind us, the Fed announced its anticipated timeline to reduce previously implemented stimulus measures, which includes paring back bond purchases as soon as November and increasing interest rates next year. While interest rates ended the quarter close to where they began, the bond market was anything but steady. The 10-year U.S. Treasury yield fell to 1.18%, a level not seen since February. As the inflationary effects of supply shortages became evident, rates started to rebound, accelerating after the late September Fed meeting where it announced its tapering intentions. Stock performance during the quarter was mixed, with most major market indices ending the quarter lower than where they began. The largest stocks were some of the best performers during the quarter, as evidenced by the difference in returns between the S&P 500 Index, which posted a positive return of 0.58%, and the equal-weighted S&P 500 Index, which was down 0.22%. While muted quarterly returns might indicate a quiet quarter, it was anything but quiet in the stock market. July was not a good month for small-cap stocks and the positive momentum gained in the prior quarters came to a halt. August witnessed broad market gains, only to be followed by steep losses in September when fear began to grow around the potential for corporate profit declines amidst higher interest rates and supply costs.

In fixed income, the Bloomberg U.S. Aggregate Index (the Index) delivered a total return of 0.05%. With uncertainty surrounding economic growth due to a feared rebound in COVID-19 cases, rates declined in July and bottomed in early August. While this helped boost bond returns, investors appeared cautious, favoring U.S. Treasurys and shorter duration spread sectors. As rates reversed course and started to climb back, investors favored the spread sectors, despite the risk aversion evidenced by September's stock market decline. In the investment grade bond market, the major sectors had little return dispersion during the quarter. Agency MBS posted the best results, up 0.10%, with U.S. Treasurys up 0.09%, and corporate bonds flat. Longer-duration corporate bonds were the worst performers primarily as a result of the industrials sector, which was down 0.25% during the quarter. The stocks of industrials companies were hit hard during the quarter by increases in shipping costs and a rise in commodities prices, contributing to investors' demand for more spread when buying their bonds. Demand for investment grade bonds appears to have slowed from the increase in the second quarter with spreads remaining well below their 15-year median levels. Net bond issuance continues to grow as does the duration of the Index, which hit another record high of 6.7 years at the end of September, both of which seem to point to the increased level of credit and interest rate risk in today's bond market.

In equities, investors moved as quickly as economic and industry data changed. Most of the market's quarterly losses were concentrated in the industrials sector, where rising commodity costs can quickly increase expenses and erode profitability. The S&P 500 Industrials sector was down 6.15% in September and down 4.23% for the quarter. While the S&P 500 Energy Index was down 1.66% during the quarter, it still leads the Index so far in 2021 delivering a year-to-date return of 43.22% with a quarter of that gain coming in the month of September when the prices of oil and natural gas accelerated higher. The technology sector and mega-cap growth stocks once again posted the best results in the U.S. stock market. However, they fell the hardest in September, illustrating their vulnerability to rising rates, a less accommodative Fed, and the threat of additional regulation impacting mega-cap stocks like Alphabet and Facebook.

Stock valuations across the major market indices remain mixed, with large-cap, growth-oriented stocks looking expensive relative to their 15-year history and value and small-cap stocks looking more reasonably priced. Among the stock market sectors, we see even greater valuation dispersion. The energy sector still looks fairly valued irrespective of recent increases in energy costs and the industrials sector still looks expensive despite pullback. The dispersion of valuations among stocks remains elevated, which should create an opportunity for active investment managers to outperform their benchmarks through security selection, regardless of the valuation characteristics of the entire market or individual sectors.

[1] *Impact numbers are approximate figures*

Investment Objective

The CCM Small/Mid-Cap Impact Value Fund (the Fund) seeks to provide long-term growth of capital.

Why Invest

The Fund seeks to provide long-term growth of capital by investing in a concentrated, benchmark-agnostic portfolio of well-researched equities that are trading at valuations that do not reflect their full potential. The determination of value goes beyond just price—it is also a function of a company's fundamentals, which are analyzed along multiple dimensions, including an assessment of its environmental, social, and governance (ESG) opportunities and risks.

Share Classes

	Ticker	Inception Date	Gross Expense Ratio %	Net Expense Ratio %
Institutional	QSVIX	1/1/18	2.41	1.58
Advisor	QUSVX	1/1/18	2.66	1.83

Portfolio Managers

Andy Kaufman
Chief Investment Officer
Industry Start Date: 2004
CCM Portfolio Manager Since 2015

Thomas Lott
Portfolio Manager
Industry Start Date: 1999
CCM Portfolio Manager Since 2013

Alex Alario, CFA
Jr. Portfolio Manager
Industry Start Date: 2015
CCM Portfolio Manager Since 2020

Portfolio Commentary

The CCM Small/Mid-Cap Impact Value Fund (the Fund) institutional share class (QSVIX) was up 2.04% in the third quarter and up 23.81% year to date (YTD). The Russell 2500 Value Index (R2500V) was down 2.09% in the third quarter and is up 21.91% YTD. The Fund's secondary benchmark, the Russell 2500 Index (R2500), was down 2.69% in the third quarter and is up 14.38% YTD.

The Fund's outperformance versus the R2500V occurred across multiple industry groups but was particularly strong in the Fund's utilities, consumer discretionary, and industrial holdings. Sector outperformance was a result of the strategy owning companies we believe are high quality and trading at a discount to their intrinsic value. In our view, a quality company is one we believe has sustainable competitive advantages, above average growth, high returns on capital, and low capital requirements. If we are correct in our evaluation and analysis, we believe that these companies can outperform over medium- and longer-term time horizons and during times of de-risking in markets.

For much of the third quarter, investor concerns over the Covid-19 delta variant resulted in a risk-off tone. We saw 10-year U.S. treasury yields reach a 6-month low, closing just above 1.17% in early August. The Russell 2000 Index, which represents smaller market capitalization companies, was off as much as 7.8% for the quarter in August. This sell-off coincided with the increased rate of new Covid-19 cases. While the Fund's benchmark sold off during this period, we believe money went looking for quality companies, thus driving positive performance on an absolute and relative basis for the Fund.

Looking ahead, we see strong evidence that we are just at the beginning of an expansionary economic cycle and that there is a strong bull case for equities. While the Fed has signaled its intention to wind down its asset purchases starting in November, monetary policy should remain very accommodative through at least next summer, if not longer. There are also still reports that the upwards of 95% of the $350 million in state and local aid that was appropriated in the last Covid-19 relief bill remains unspent. Finally, consumers remain in a strong financial position with low credit balances and high savings. While it may take some time for the labor market to work out some of the disruptions caused by the pandemic, we believe there is a good argument for stocks to go higher. Particularly those that are tied to economic activity.

We see government policy actions driving higher interest rates in the medium term and look to position the portfolio to benefit as a result. We expect to maintain an overweight position in financials and keep an underweight approach to interest rate sensitive sectors such as consumer staples and real estate.

Finally, we remain committed to our impact, ESG, and fossil fuel free policies. Many of the Fund's investments fit into more than one of CCM's impact themes. The Fund currently holds over 10% of its assets in companies that address climate change issues through supplying non-fossil fuel forms of energy. While many fossil fuel exposed energy names have been benefiting from energy shortages, governments around the world remain committed to address climate change. We believe low carbon energy will be the long-term winner and that billions of dollars of investment annually is needed to address greenhouse gas emissions. We thank all our investors for your support.

Inception date as of January 1, 2018. The funds may experience negative performance. Past performance does not guarantee future results. The fund recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic.

As of 09/30/2021, the average annual returns for the CCM Small/Mid-Cap Impact Value Fund Institutional Shares for 1-year and since inception were 46.14% and 3.66%.

Performance quoted is past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. An investor's investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than your initial cost. To obtain the most recent month-end performance, call 877-272-1977. Returns over one year are annualized.

*The Adviser has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses for **the CCM Small/Mid-Cap Impact** Value Fund's Institutional Shares is gross 2.41%, net 1.58% with an inception date of January 1, 2018 (excluding any Rule 12b-1 fees, taxes, interest, acquired fund fees and expenses, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, liquidations and other extraordinary expenses) in order to prevent total annual fund operating expenses from exceeding 1.30% of the Fund's average daily, net assets through October 28, 2021. Pursuant to its expense limitation agreement with the Fund, the Adviser is entitled to recoup any fees that it waived and/or Fund expenses that it paid for a period of three years following such fee waivers and expense payments, to the extent that such recoupment by the Adviser will not cause the Fund to exceed any applicable expense limitation that was in place for the Fund when the fees were waived, or expenses were paid. These waivers and reimbursements may be terminated at any time with respect to the Fund by its Board of Trustees upon sixty (60) days' written notice to the Adviser without payment of any penalty and shall automatically terminate upon the termination of the Fund's advisory contract with the Adviser.*

The top 10 holdings as of 09/30/2021 are: Enviva Partners LP (6.91%); Rexnord Corporation (4.04%); Hingham Inst SVG (3.96%); Clearway Energy Inc – Class C (3.95%); Fidelity National (3.94%); Raymond James Financial Inc (3.72%); Financial Institutions Inc (3.65%); Berry Global Group Inc (3.58%); Ameriprise Financial Inc (3.51%); Discover Financial (3.39%). Holdings are subject to change.

Important Information:

There's no guarantee that a strategy will be successful. Mutual fund investing involves risk including the possible loss of principal. Impact/ESG investing is qualitative and subjective by nature. There is no guarantee that Impact/ESG criteria used by the Adviser will reflect beliefs or values of any particular investor. The Adviser may select or exclude securities of certain companies for reasons other than performance and, as a result, the Fund may underperform other funds that do not use an impact/ESG screening process. Impact/ESG investing is qualitative and subjective by nature. There is no guarantee that impact/ESG criteria used by the Adviser will reflect beliefs or values of any particular investor.

Common stock risks include the financial risk or selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the Fund invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through period of decline and cyclical change. Recent Market Events Risk – The effects of COVID-19 may lead to a substantial economic downturn or recession in the U.S. and global economies, the recovery from which is uncertain and may last for an extended period of time. As a result of this significant volatility, many of the risks discusses herein associated with an investment in the Fund may be increased.

The Russell 2500® Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. You cannot invest directly in an index.

Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The Statutory, and where available, the Summary Prospectuses contain this and other important information and are available for download at www.ccminvests.com or by calling 866.202.3573. Read carefully before investing.

Source: Fund data provided by Quaker Investment Trust. CCM is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

The CCM Funds are distributed by Foreside Fund Services, LLC.

*Effective October 28, 2020 the Fund's name changed from Quaker Small/Mid-Cap Impact Value Fund to CCM Small/Mid-Cap Impact Value Fund.