COMMUNITY CAPITAL MANAGEMENT

CCM Community Impact Bond Fund[1]

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	$4.2 Billion
Impact and ESG Experience	22 Years
Impact and ESG Initiatives[2]	$12.6 Billion Invested Nationwide

Key Takeaways

- Consistent with market behavior since the start of the pandemic, the direction of interest rates and stock prices was heavily dependent on new information related to the COVID-19 virus.
- Despite high inflation and shortages of both goods and workers, consumers and businesses are adapting to life in the post-pandemic world.
- Pockets of the stock market continue to get more expensive as investors speculate on the possibility of exponential growth opportunities from structural shifts in the economy.

Market Commentary

The factors affecting the capital markets in the fourth quarter of 2021 were not too dissimilar than in the prior quarter. The U.S. economy continued to grow, prices continued to rise, and COVID-19 cases ballooned among both the vaccinated and unvaccinated, albeit due to the new omicron variant of the virus. Supply shortages remained across most industries, with holiday spending playing a large role in the high level of consumer demand, outpacing the supply of both goods and workers to produce and deliver those goods. Inflation worries continued, and by the end of November, the trailing 12-month Consumer Price Index (CPI) was up 6.8%, the highest 12-month increase since 1982.

Amidst high inflation and a low unemployment rate, the Federal Reserve (Fed) announced in December that it would accelerate its tapering program, further reducing its estimates for monthly bond purchases. In the bond market, interest rate movements were swift and frequent during the quarter, although not in the same direction along the yield curve. Demand for 30-year bonds remained strong, picking up significantly after Thanksgiving on the identification of the omicron variant of the COVID-19 virus and the corresponding travel restrictions and quarantines that were quickly implemented across the globe. The yield on the 30-year bond ended the quarter 0.18% lower than where it started yet yields in the 6-month through 7-year segments of the curve ended higher, up between 0.12% and 0.45%. Stocks gained ground during the quarter; however, there was a wide dispersion of returns between the largest and smallest stocks. The largest stocks were once again the best performers during the quarter as evidenced by the difference in returns between the S&P 500 Index and Russell 2000 Index, which returned 11.0% and 2.1%, respectively. Like the bond market, the stock market remained volatile. Broad gains in October were followed by declines in November, and then another round of gains in December, with the S&P 500 Index ending the year up 28.7%.

In fixed income, the Bloomberg U.S. Aggregate Index (the Index) delivered a 0.01% return for the quarter with income fully offsetting its 0.48% price decline. Within the investment grade bond market, security returns were primarily driven by where they fell along the yield curve with rates declining in the 10+ year segment of the curve yet rising in the maturity segments below. The Agency mortgage-backed security (MBS) sector, with its shorter average life/duration vs. that of the U.S. corporate and U.S. Treasury sectors, underperformed, falling 0.37%. Despite spread widening, corporate bonds led the way, up 0.23% with U.S. Treasurys close behind, up 0.18%. In contrast to the third quarter, longer duration corporate bonds were the best performers, up 1.47%, with a large contribution from the rebounding industrials sector, which had previously declined due to concerns over the impact of rising input costs on company profits. Bond yields domestically and globally moved higher over the last year as economies have learned to move forward amidst pandemic uncertainty. In the U.S., the quarter's sharp increase in yields for bonds below 10 years appear to indicate investors' expectation for continued economic growth and inflation levels that remain elevated. While longer-term rates had already started to decline from their early 2021 highs, their swift fourth quarter move in the opposite direction suggests that technical factors may have been responsible vs. any fundamental outlook related to future economic growth and inflation.

In equities, the fourth quarter was the grand finale to an already impressive 2021. Despite the prior quarter's worries about the impact of higher input costs and supply chain bottlenecks on corporate earnings, most companies in the S&P 500 beat analyst expectations, highlighting their ability to survive, adapt, or even thrive amidst change, driving the Index to another record-high by mid-November. Consistent with market behavior since the start of the pandemic, the stock market's direction during the quarter was very dependent on the news. For example, in the four trading days in November after the discovery of the new and highly contagious omicron variant, the S&P 500 fell 4%, only to fully recover shortly thereafter when the variant was shown to be far less severe than previous strains. Among the broad market sectors in the S&P 500, returns were positive yet disparate. The technology and real estate sectors led the way, delivering returns of 16.7% and 16.8%, respectively, with the energy and communications services sectors delivering the lowest returns at 8.0% and 0.0%, respectively. The energy sector may have lagged in the quarter; however, it was the best performer for the year, up 54.6%, primarily due to revenue increases from higher gas and oil prices. Stock valuation dispersion across the major market indices remains high, with large-cap, growth-oriented stocks continuing to look expensive relative to their 20-year history while value and small-cap stocks look more reasonably priced. Among the stock market sectors, there is even greater valuation dispersion; the utilities and energy sectors are the only sectors trading below their 20-year average valuations, perhaps due to expectations for structural shifts in the energy markets as action on climate change shifts demand for sources of energy that go beyond fossil fuels. Conversely, valuations in the technology and consumer discretionary sectors are 52% and 66% higher, respectively, than their 20-year averages. While much of this exuberance can be explained by the growing dominance of individual stocks that comprise each of these two sectors, the swift and large price increases in certain growth stocks during 2021 is reminiscent of prior periods of speculation where valuations become meaningless in investors' quest to profit from the latest expected growth trends.

[1]Effective 3/1/21, the Fund's name changed from CRA Qualified Investment Fund to CCM Community Impact Bond Fund [2]Impact numbers are approximate figures

About the Fund

The Fund is an investment grade, intermediate duration bond fund that seeks to preserve capital, deliver attractive risk-adjusted returns, and serve as the ballast in a portfolio. The Fund invests in well-researched, fossil fuel free bonds that have direct and measurable positive environmental and societal impacts, with most bonds qualifying under the Community Reinvestment Act (CRA) of 1977. The Fund offers impact targeting where shareholders meeting minimum requirements can direct their capital to support specific geographies or impact themes, a benefit accompanied by impact reporting.

Share Classes

	Ticker	Inception Date	Expense Ratio
CRA	CRAIX	8/30/99	0.90
Institutional	CRANX	3/2/07	0.45
Retail	CRATX	3/2/07	0.80

Portfolio Managers

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

Elliot Gilfarb, CFA
Head of Fixed Income
Industry Start Date: 2005
CCM Portfolio Manager Since 2012

Julie Egan
Director of Research
Industry Start Date: 1987
CCM Portfolio Manager Since 2010

Portfolio Contributors

- Yield curve positioning
- Spread tightening in taxable municipal bonds
- Shorter duration

Portfolio Detractors

- MBS positioning
- Overweight agency commercial MBS
- Underweight agency MBS

Portfolio Commentary

In the fourth quarter of 2021, the CCM Community Impact Bond Fund (the Fund) CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted negative returns of 0.69%, 0.67%, and 0.67%, respectively, on a net-of-fees basis. The Intermediate component of the Bloomberg Aggregate Bond Index (the Benchmark) was down .51%

Interest rate movements were not consistent along the yield curve during the quarter. The yield on the 30-year bond ended the quarter 0.18% lower than where it started yet yields in the 6-month through 7-year segments of the curve ended higher, up between 0.12% and 0.45%. Amidst this shift in rates, the Fund's shorter duration and underweight to the middle part of the yield curve was helpful.

There was little return dispersion among the sectors that comprise the Benchmark in the quarter. U.S. Treasurys were down 0.57%, corporates down 0.56%, and Agency MBS posted slightly better results, down 0.37%. The Fund was underweight to Agency MBS (26.6% vs. 34.1% for the Benchmark), which detracted slightly from returns; however, this was offset by the Fund's 5% cash position, which posted a positive 0.02% return.

From a security selection perspective, in contrast to the prior three quarters, the Fund's Agency MBS portfolio underperformed the Agency MBS segment of the Benchmark by 0.13% due to its underweight of the lowest coupon mortgages, which were the best performers. Performance for most of the Fund's sectors deviated from those of the Benchmark primarily due to the differences in how each sector fell along the yield curve. For example, the Fund's taxable municipals only declined 0.08%, whereas those in the Benchmark were down 0.62%. Over a third of the Fund's municipal exposure falls below two years where rate rises had less of a negative impact on returns.

The Fund's investment team has not changed its outlook for higher rates and with little performance dispersion among the bond market sectors, few position changes were made during the quarter. With spreads widening across most of the portfolio, yet tightening in the Fund's taxable municipals, the team lowered its allocation to this sector and increased its exposure to corporate bonds.

As of quarter-end, the Fund's duration was below that of the Benchmark (4.02 years vs. 4.36 years) yet its yield advantage remained healthy at 1.70% vs. 1.55% for the Benchmark.

As of 12/31/2021, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were -1.72%; 1.96%; 1.67%; and 3.66%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were -1.28%; 2.43%; 2.12%; and 3.23%. The average annual returns for CRATX for the same periods were -1.63%; 2.07%; 1.77% and 2.87%. As of 12/31/2021, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 0.80%, 1.25%, and 0.90%, respectively. 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. The annual operating expenses for the CRA Qualified Investment Fund's CRA Shares, Institutional Shares, and Retail Shares is 0.90%; 0.45% and 0.80%, respectively.

Data sources: Barclays Live, Bloomberg PORT, and eVestment Alliance.

CCM is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

Risk Considerations: Investing involves risk, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. The CCM Community Impact Bond Fund is not diversified. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. There is no guarantee the investment objective or goals of the Fund will be achieved. Holdings are subject to change.

This material must be preceded or accompanied by the current Fund prospectuses. Please read them carefully before investing. The Funds are distributed by SEI Investments Distribution Co., which is not affiliated with Community Capital Management, LLC.