COMMUNITY CAPITAL MANAGEMENT

CCM Core Impact Equity 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	$4.2 Billion
Impact and ESG Experience	22 Years
Impact and ESG Initiatives[1]	$13 Billion Invested Nationwide

Key Takeaways

- Both stock and bond markets were volatile during the quarter amidst expectations for even higher inflation, exacerbated by the war in Ukraine.
- Consumer spending remains robust; however, sentiment has waned amidst high inflation, particularly in gasoline prices.
- The inversion of the yield curve suggests that investors are uncertain about whether the current economic growth rate will persist.

Market Commentary

The first quarter of 2022 was marked by high volatility, not only in the stock market but also in the bond market where the Bloomberg Aggregate Index (the Index)[2], the proxy for the investment-grade bond market, fell by 5.93%, its largest quarterly decline in 40 years. Through the first half of the quarter, both markets were troubled by the persistence of inflation, particularly in energy prices, and the future actions by the Federal Reserve (Fed), which increased the Federal Funds rate by 0.25% in March and signaled its intention to raise rates six more times in 2022. In the latter half of the quarter, Russia's invasion of Ukraine added to the worries. The heart-wrenching effects of the social atrocities as well as the potential economic impacts could not be ignored. Concerns of even higher inflation and additional Russian aggression grew larger; U.S. crude oil prices had already climbed by 17% from the start of the year but then accelerated another 40% post invasion. While prices declined shortly thereafter, they still ended the quarter 30% higher than where they started. The sanctions issued by most of the world's developed countries threatened to further disrupt global trade, leading to price increases across most commodities, with the S&P GSCI Index[3] up 29% during the quarter. The S&P 500 Index[4] declined amidst the uncertainty, by as much as 12.8%, but staged a recovery in the last weeks of March to post a 4.60% loss. The war in Ukraine remained at the forefront of investors' minds, and the effects of higher prices were not far behind, particularly gasoline prices, which hit record highs and doubled their early 2020 levels. Against this backdrop, and despite a post-omicron rebound in consumer spending, consumer sentiment fell to its lowest level in over a decade. The optimism of higher personal incomes and the prospect of "normalcy" after the worst of the pandemic has been quickly overcome by worries of the wealth-eroding effects of higher inflation and geopolitical instability.

In fixed income, volatility was particularly high during the quarter due to the uncertainty of the war in Ukraine as further supply chain disruptions increased concerns around higher rates of inflation. The MOVE index, a measure of bond market volatility, averaged a level of 95.36 during the quarter, well above its 5-year average. The BBB-rated segment of the Index experienced the largest losses, down 7.9% due to the combination of its longer duration[5] (8.2 years) and spread widening as investors demanded more compensation for taking on higher credit risk. The Bloomberg High Yield Index[6] held up better than the investment-grade Index in the quarter, down 4.8%, primarily a result of its shorter maturity profile. In the Index, the utilities and industrials sectors posted the worst results, down 11.4% and 8.0%, respectively, as fossil fuels represent a larger portion of their operating expenses. Despite the geopolitical turmoil and corresponding speculation that the Fed may lighten its plans to tighten monetary policy, plans for a 0.50% increase in the Federal Funds rate in May remain in place. The yield curve flattened even further during the quarter and by the end of March, was inverted in the 3- to 10-year part of the curve, suggesting that investors expect an extended period of inflation followed by lower growth. With yields climbing the lowest in the 20- and 30-year part of the curve, investors appear to be hanging on to what has become a commonly used tool to protect against economic and stock market declines, despite little-to-no compensation for their additional term risk. While these longer-dated bonds have provided some protection when stocks decline, the additional interest rate risk (duration[3]) without the historically normal levels of compensation is notable. Similarly, while credit spreads have widened since hitting lows in October, they remain well-below average, with the BBB-rated segment of the market of particular concern, trading at a spread level that remains 30% and 17%, respectively, below its 15-year average and median. Compensation for risk-taking in the bond market remains well below the levels demanded in prior periods of economic uncertainty.

In equities, except for the energy sector, stocks got off to a rocky start; investors were suddenly attentive to 2021's record valuations, selling higher priced growth stocks, particularly those in the technology sector. While some of those losses were recovered in the latter weeks of March, the quarter ended for most indices negatively with the technology-heavy NASDAQ[7] falling 9.1% and the Russell 2000 declining 7.5%. There was a wide dispersion of returns among sectors with energy, consumer staples, and utility sectors of the S&P 500 Index[4] posting positive returns of 31.5%, 7.2%, and 4.1%, respectively, while consumer discretionary, communication services, and technology sectors declined a respective 13.3%, 12.8%, and 8.5%. With the value indices holding many of the stocks benefiting from the rise in energy prices, value held up better during the market sell-off with the value/growth dispersion widest among the Russell 2000 and mid-cap indices, where the value names outperformed the growth names by over 10%. Valuations in the market appeared more attractive at quarter-end vs. the start of the quarter; however, not all due to stock price declines. After recovering from 2020 declines, company earnings hit another all-time high in 2021, bolstering expectations for 2022. With lower stock market prices, yet higher expectations for future earnings, the price-to-expected earnings ratio[9] measure of market valuation has declined from its lofty 2021 levels. For passive investors relying on this broad-based statistic, markets still look expensive relative to their long-term averages. For active investors, the valuation dispersion among stocks remains high and opportunity awaits those who understand the fundamental impacts to each company from inflation, reduced labor supply, and the compounding effects of war.

Investment Objective

The CCM Core Impact Equity Fund (the Fund) seeks to provide long-term growth of capital.

Why Invest

The Fund seeks long-term growth of capital by investing in a portfolio of mid- and large-cap companies where earnings growth is expected to compound. The research process focuses on identifying companies with sustainable business models that are developed and executed by experienced and shareholder-aligned management teams and which include environmental, social, and governance (ESG) related factors in their assessment of opportunities and risks.

Share Classes

	Ticker	Inception Date	Expense Ratio
Institutional	QAGIX	1/1/18	1.72
Advisor	QUAGX	1/1/18	1.97

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
Portfolio Manager
Industry Start Date: 2015
CCM Portfolio Manager Since 2020

Portfolio Commentary

The CCM Core Impact Equity Fund's Institutional Share Class (QAGIX) was down 3.2% during the first quarter of 2022. The S&P 500 Fossil Fuel Free Index[10] (the Benchmark) was down 4.1% in the quarter.

Just as the pandemic was winding down, the global macro picture was hit with news that Russia invaded Ukraine. Stocks have been weak, with technology stocks hit the hardest. Many bubble areas, including a slew of profitless electric vehicle stock companies, fintech "disruptors," and meme stocks, crashed more than 50%.

The Fed, which turned hawkish in December last year, stayed true to its word, raising interest rates in March as well as ending Quantitative Easing. This bodes ill for richly valued equities, and our focus on high-quality, profitable businesses led us to outperform in the quarter. Interest rates moved dramatically higher, with yields on the 10-year Treasury up 0.8% to 2.3%. The flattening yield curve kept many of our financials in check, but we remain overweight given our still positive view on the U.S. economy.

Moderate inflation and interest rates are positive for banks overall. A recession poses more risk to the financial system. As we see it, unemployment rates continue to decline with consumer balance sheets in excellent shape. While Fed Fund Rate increases are a headwind, it typically takes at least six to 12 months before there is meaningful impact. In short, we are still bullish on the economy in 2022 but have reduced some of our overweight cyclical names given elevated global macro concerns.

While various popular investing strategies can dominate (e.g., meme stock mania at the extremes), over the long run, history suggests that investors can beat the market by owning stocks in companies that generate substantial free cash flow[11] while also growing earnings per share at above-market rates. This is where we are focused. Investors who chased growth at high prices during the dot-com frenzy in 1999 and recently purchased profitless growth names in 2020, have now suffered terrible losses.

We have reduced our exposure to many of the mega-cap technology names, with a heavily underweight position there. That said, we like a handful of exposure to certain names, as they do have large moats, impressive levels of profitability, and valuations that are quite reasonable.

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 03/31/2022, the average annual returns for the CCM Core Impact Equity Fund's Institutional Shares for 1-year and since inception were 11.50% and 14.23%.

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 annual operating expense for the **CCM Core Impact Equity Fund's** Institutional Shares is 1.72% with an Inception Date 01/01/18.*

The top 10 holdings as of 03/31/2022 are: Microsoft Corp (6.48%), Alphabet Inc – Class C (4.48%), Alphabet Inc – Class A (3.94%), Enviva Inc (3.64%), Global Payments Inc (3.32%), Fiserv Inc (3.20%), Anthem Inc (2.94%), Cigna Corporation (2.80%), Apple Inc (2.65%), Signature Bank (2.57%), Holdings are subject to change.

[1]Impact numbers are approximate figures [2]Bloomberg Aggregate Bond Index is a broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance. [3]S&P GSCI Index serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time. [4]S&P 500 Index is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States. [5]Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. [6]Bloomberg High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. [7]Nasdaq is an American stock exchange based in New York City. [7]Russell 2000 Indexis a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. [9]Price-to-expected earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). [10]S&P Fossil Free Index is designed to measure the performance of companies in the S&P 500 that do not own fossil fuel reserves. [11]Free Cash Flow is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.

Important Information

There is no guarantee that a strategy will be successful. Mutual fund investing involves risk including the possible loss of principal. 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. This fund involves Impact and ESG Risk. 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 and ESG screening process. Impact and ESG investing is qualitative and subjective by nature. There is no guarantee that impact and ESG criteria used by the Adviser will reflect beliefs or values of any particular investor.

**The S&P Fossil Free Index is designed to measure the performance of companies in the S&P 500 that do not own fossil fuel reserves.

The S&P 500® Total Return Index is a widely recognized, unmanaged index consisting of the approximately 500 largest companies in the United States as measured by market capitalization. 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 800.220.8888. 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 Impact Growth Fund to CCM Core Impact Equity Fund.

**Effective January 1, 2022, the Fund's benchmark changed to the S&P Fossil Free Index