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 Billion
Impact and ESG Experience	22 Years
Impact and ESG Initiatives[1]	$13.3 Billion Invested Nationwide

Key Takeaways

- Both stock and bond markets continued to be volatile during the quarter as the effects of higher interest rates and inflation started taking a toll on the economy.
- The Federal Reserve (the Fed) continued its attempts to curtail inflation, raising interest rates and signaling its intent to remain vigilant.
- With credit spreads[2] widening to levels not seen since 2012 and the worst half-year performance in the S&P 500 in 50 years, both the credit and stock markets look to be signaling a recession.

Market Commentary

The second quarter of 2022 was marked by high volatility in the stock market where the S&P 500[3] declined by 16.1% and in the bond market where the Bloomberg Aggregate Index[4] (the Index), the proxy for the investment grade bond market, was down 4.69%.

The rate of inflation continued to grow in the quarter, hitting another record and prompting the Fed to raise the federal funds rate twice with the June rise of 0.75% marking the largest one-time increase in over 25 years. The Fed has signaled its intent to remain vigilant in combating inflation despite signs that the economy is slowing. Estimates of second quarter economic growth have been further revised downward as evidence points to the stress of higher inflation and higher interest rates. Manufacturing continues to grow; however, the Composite Purchasing Managers Index (PMI)[5], which measures activity in both the manufacturing and services sectors, fell to a five-month low against the backdrop of another monthly decline in consumer spending and a drop in the consumer savings rate, which hit its lowest level in a decade in April. Mortgage rates have almost doubled since the start of the year, with average lending rates hitting levels not seen since 2008, contributing to declines in both home construction and existing home sales.

In fixed income, investors continued to be concerned with the eroding effects of higher inflation and the prospect of higher interest rates. Bond mutual funds saw a total of $188 billion in net negative flows from the start of the quarter through June 22 bringing the total outflows close to $300 billion year to date, according to estimates from the Investment Company Institute. After strong positive flows in the first quarter, high yield bond funds experienced negative flows in the second quarter, contributing to wider spreads as investors grew increasingly concerned about the direction of the economy. Spreads widened across the investment grade bond market, the largest move taking place in the BBB-rated segment of the Index, which hit levels almost double their October 2021 lows. Interest rates moved higher overall during the quarter, but they were erratic and inconsistent along the yield curve. April's higher move along the curve indicated high inflation and continued economic growth, though the quarter ended with rates rising mostly on the short end of the yield curve. Of the three largest bond market Index sectors, corporate bonds were the worst performers, down 7.3%, and U.S. Treasurys were the best performers, down 3.8%. The mortgage-backed security (MBS) sector was down 4.0% during the quarter with spreads tightening in the higher coupon mortgage pools as investors grew less concerned about ongoing higher rates amidst a potential economic slowdown.

In equities, losses were ubiquitous with the more economically resilient sectors falling the least. In the S&P 500 Index, healthcare, consumer staples, and utilities posted losses of 5.9%, 4.6%, and 5.1%, respectively, whereas the technology, consumer discretionary, and communications services sectors were the hardest hit, declining 20.2%, 26.2%, and 20.7%, respectively. Even with energy prices continuing to rise, the energy sector reversed its first quarter gains and declined 5.2% as investors looked ahead and questioned the sustainability of high energy prices in the face of declining economic growth. When looking at drivers of negative stock returns, it is overwhelmingly based on investor expectations since corporate earnings growth and operating margins for 2022 (as measured by the S&P 500 Index) remained positive. While still positive, profits and margins are lower than their 2021 record highs as higher costs from widespread inflation have outpaced revenues. With expectations falling so rapidly across the market, particularly in large-cap growth stocks, valuations appear more attractive with the Russell 2000 Index[6] and Russell 1000 Growth Index[7] trading at 80% and 115% of their respective 20-year average price-to-earnings[8] averages. Looking ahead, companies will face the dual challenge of lower revenues as the economic growth rate declines and margin pressures as input costs remain high, leaving plenty of room for active stock pickers to differentiate between those stocks that deserve their lower valuations from those that are better equipped to survive and thrive in the environment ahead.

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	2.09	1.35
Advisor	QUSVX	1/1/18	2.34	1.60

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 Small/Mid-Cap Impact Value Fund (the Fund) institutional share class (QSVIX) was down 16.22% in the second quarter (net-of-fees). The Fund's benchmark, the Russell 2500 Value Index (R2500V), was down 15.41% in the quarter. The Fund's quarterly underperformance was largely attributable to lower-than-average returns of its financial and healthcare names. Additionally, companies with oil and gas exposure were relative outperformers to the Fund's renewable energy holdings.

Macroeconomic factors remained at the forefront of financial markets throughout the quarter. Energy, agricultural, and metal commodities all surged through the end of May before falling precipitously in June. The surge in commodities and normalizing consumer spending habits (shifting from goods to services) drove accelerating inflation in April and May. After a higher-than-expected May consumer price index[9] (CPI) report, the Fed raised rates 75 basis points[10] for the first time in almost 30 years.

High inflation and aggressive central bank action has increased the prospect for a recession or a significant deceleration in the economy going forward. Given smaller capitalization stock's higher economic sensitivity, the indices representing these stocks took an outsized hit. The Russell 2500 Value Index tumbled 11% during the final three weeks of the quarter to just a few points above where it was pre-COVID. The Russell 2000 Index was down 23.45% year to date as of quarter end.

While we are disappointed in the relative underperformance during the quarter and since the start of the year, we believe the Fund is well positioned for the current environment. Its Compounder investment approach positions the portfolio to not only be in high-quality companies that we believe should be more resilient during a poor economic time but also typically results in an underweighting to sectors (energy, materials, etc.) that have historically performed below average in a weak economy.

We think it is possible that there's more downside potential in equity markets. Generally, we believe that the market will be hard pressed to find a bottom until inflation is on a sustainable path back toward the Fed's long-term target of 2%. Less hawkish rhetoric as well as less restrictive monetary and fiscal policy could potentially restore investor confidence in economic growth. We will continue to look to deploy capital at opportune times that we believe minimize investor risk and maximize potential return.

We remain committed to our ESG and Fossil Fuel Free policy even during a period when energy has been the best performing sector. The Fund continues to own companies that are addressing climate change issues through their products and/or policies. While oil and gas has had its moment for a brief period, that moment may be quickly ending.

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 06/30/2022, the average annual returns for the CCM Small/Mid-Cap Impact Value Fund Institutional Shares for 1-year and since inception were -8.53% and 0.56%.

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 (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, 2022. 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 06/30/2022 are: Enviva Inc (6.11%), Nextera Energy (5.79%), Berry Global Group Inc (4.09%), Clearway Energy Inc (4.04 %), WP Carey Inc (3.88%), Fidelity National Financial Inc (3.73%), Universal Health Services, Inc – Class B (3.67%), Financial Institutions Inc (3.56%), Hingham Institution For Savings (3.31%), TD Synnex Corp (3.26%). Holdings are subject to change.

[1]Impact numbers are approximate figures [2]Credit spread is the difference in yield between a U.S. Treasury bond and another debt security of the same maturity but different credit quality. [3]S&P 500 Index is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States [4]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. [5]Composite Purchasing Managers Index (PMI) is an indicator of economic health for manufacturing and service sectors. [6]Russell 2000 Index is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. [7]Russell 1000 Growth Index is a stock market index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index. [8]Price-to-earnings indicates the dollar amount an investor can expect to invest in a company in order to receive $1 of that company's earnings. [9]Consumer price index measures the overall change in consumer prices over time based on a representative basket of goods and services. [10]Basis point is one hundredth of 1 percentage point.

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 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 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 Small/Mid-Cap Impact Value Fund to CCM Small/Mid-Cap Impact Value Fund.