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 Billion
Impact and ESG Experience	23 Years
Impact and ESG Initiatives[1]	$13.5 Billion Invested Nationwide

Key Takeaways

- Both the stock market and bond market remained volatile during the quarter.
- The Federal Reserve (the Fed) continued its attempts to curtail inflation, raising interest rates twice and signaling its intent to remain vigilant.
- Credit spreads[2], while remaining relatively stable during the quarter, are still at levels that would indicate an economic downturn.

Market Commentary

The third quarter of 2022 remained volatile in both the stock market and bond market. Stocks partially rebounded in July after a difficult second quarter; however, they declined broadly in August and September. The third quarter's 4.88% decline in the S&P 500 Index brought total year-to-date (YTD) losses to 23.9%. With inflation continuing to spook fixed income investors, the bond market posted another negative return for the quarter with the Bloomberg Aggregate Index[3] down 4.75%, making the 14.6% YTD decline the worst drawdown in the Index's 26-year history.

Despite lower inflation expectations going into the third quarter, investors were caught off guard in July when the consumer price index[4] (CPI) rose yet again, up 9.1%, the fastest annual pace since November 1981. However, with the second quarter gross domestic product[5] (GDP) posting another quarter of real economic decline, investors became hopeful that the Fed's actions to curtail inflation, including another 0.75% increase in the federal funds rate in July, were starting to take effect, thus minimizing ongoing aggressive action. This positive sentiment, which buoyed both equity and bond prices during July, was short lived. Inflation failed to materially decline, and economic activity appeared to recover, contributing to another 0.75% increase in the fed funds rate in September and a precipitous decline in stock and bond prices. The broad impact that U.S. interest rate policy has on the global economy combined with inflation and higher interest rates outside of the U.S. negatively impacted economic growth overseas. This led to a flight to the U.S. dollar, which strengthened relative to most currencies. Exacerbating uncertainty were geopolitical fears, including the ongoing Russia/Ukraine war and reduced energy supply to Europe as the northern hemisphere enters its coldest months.

In fixed income, investors remain concerned about the eroding effects of higher inflation and the prospect of even higher interest rates, albeit to a much lesser extent than in the second quarter. Bond mutual funds saw a total of $64 billion in net negative flows from the start of the quarter through Sept 21, bringing the total outflows YTD close to $360 billion, according to estimates from the Investment Company Institute. In fixed income, despite the economic uncertainty from rising interest rates and high inflation, the Bloomberg U.S. High Yield Index[6] held up better than investment grade bonds, declining a mere 0.65% vs. the 5.06% decline in the Bloomberg U.S. Corporate Index[7]. Corporate spreads remain at levels not far from those in mid-2020 when the economy was contracting in the early days of the pandemic. With higher-than-normal spread levels and a further inversion of the yield curve during the quarter, bond investors continue to price in the expectation that economic growth will decline.

In equities, losses were widespread across the globe, particularly outside of the U.S. The MSCI EAFE Index[8] declined by 3% and the MSCI Emerging Markets Index[9] declined by 11.6%, with China getting hit the hardest as the effects of higher interest rates took their toll on the economy and company earnings. Only two of the major market sectors in the S&P 500 Index, energy and consumer discretionary, posted positive returns. The interest rate-sensitive real estate and communications services sectors were the hardest hit, declining 11.0% and 12.7%, respectively. Investors remain skeptical around the outlook for earnings, driving price-to-earnings[10] multiples for all but the largest growth stocks even further below their longer-term averages. While higher costs and the fear of declining revenues are weighing on the minds of stock investors, valuations in certain companies and segments of the market look cheap, even after adjusting for worst case scenarios.

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 5.79% (net of fees) in the third quarter of 2022. Its benchmark, the S&P 500 Fossil Fuel Free Index, was down 5.2% in the quarter. The Fund is down 24.25% YTD vs. the S&P 500 Fossil Fuel Free Index down 25.22% YTD.

Overly accommodative fiscal and monetary policies in 2020 and 2021 set the wheels of inflation in motion. Supply chain snafus also contributed to lower-than-normal manufacturing production. Coupled with increased demand, inflation really took off. Since the Russian invasion of Ukraine, the world has been on the precipice of an energy crisis, with gas and oil supplies from Russia now thrown into jeopardy.

While the Fed turned hawkish in December, it was too late. Now the Fed is playing catch up, with rates raised 75 basis points[11] for the second time at the September meeting. Recent consumer price index[4] (CPI) data slowed from their highs in July and August, only to reaccelerate in September. Stocks bounced in the summer, only to borderline crash in September. Technology stocks were hit the hardest as their bubble valuations continue to return to Earth.

With the winddown of quantitative easing, yields on the 10-year Treasury bond have moved significantly higher. This bodes poorly for richly valued equities, especially the speculative ones lacking profits. The Fund's focus on high-quality profitable businesses led it to outperform YTD, but it did underperform slightly during the quarter.

The market remains in a tough spot. The economy is already slowing dramatically — commodity prices are universally off their highs and housing and food prices also are ameliorating. The early signs of a recession are in place. Typically, in times like this, the Fed turns accommodative. Its vigilance in fighting inflation today; however, puts the market between a rock and a hard place: a very hawkish Fed coupled with borderline recessionary economic conditions.

With the market down well over 20% YTD, much of the bad news is likely already priced into equities. Our view is that unemployment rates will creep higher, but with consumer balance sheets in excellent shape, we are not expecting a deep recession. Given the weakness we wrote about last quarter, we have reduced some of our overweight cyclical and financial names given elevated global macro concerns. It appears that inflation is peaking and the decline in prices for everything from housing and semiconductors to copper and oil suggests forward inflation rates will fall rapidly.

Should we see lower inflation, then the Fed likely will turn less hawkish. That should offer a solid backdrop for equities. Valuations in stocks are at cheaper than average levels already, indicating larger margins of safety[12] in many names today.

Tactically, we reduced our exposure to technology names last year as valuations ran hot. We also reduced cyclical exposure in early 2022. We remain heavily underweight technology but are starting to see value in certain high-quality technology names. Our healthy dose of real estate investment trusts (REITs) and healthcare stocks offered some calm amidst the storm until September, when virtually all stocks sold off in what appeared to be a mass exodus from equities. Long term, fixing inflation is causing some pain, but will ultimately reset the market at a level for sustainable growth.

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 09/30/2022, the average annual returns for the CCM Core Impact Equity Fund's Institutional Shares for 1-year and since inception were -18.20% and 7.32%.

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 top 10 holdings as of 09/30/2022 are: Microsoft Corp (5.08%), Alphabet Inc – Class C (4.07%), Nextera Energy (3.89%), Fiserv Inc (3.88%), Alphabet Inc – Class A (3.57%), Global Payments Inc (3.45%), Quanta Services Inc (3.06%), Electronic Arts Inc (2.94%), Enviva Inc (2.74%), Cigna Corporation (2.64%). 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]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. [4]Consumer price index measures the overall change in consumer prices over time based on a representative basket of goods and services. [5]Gross domestic product (GDP) is a monetary measure of the market value of all the final goods and services produced and sold in a specific time period by countries. [6]Bloomberg U.S. High Yield Index measures the performance of high-yield debt issued by corporations domiciled in the US or Canada. [7]Bloomberg U.S. Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. [8]MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries. [9]MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. [10]Price-to-earnings tells investors how much a company is worth. [11]Basis point is one hundredth of 1 percentage point. [12]Margins of safety is the difference between the amount of expected profitability and the break-even 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 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