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 Billion
Impact and ESG Experience	23 Years
Impact and ESG Initiatives[2]	$13.8 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 continued to weigh on economic growth.
- The Federal Reserve (Fed) continued its attempts to curtail inflation, raising interest rates by 0.75% in November and 0.50% in December.
- Credit spreads declined, particularly in the lower credit quality segments of the bond market, highlighting improved investor sentiment and a lower probability of a severe recession.

Market Commentary

The fourth quarter of 2022 was overall positive in the capital markets, ending a volatile year. Major stock market indices posted mostly positive returns during the quarter even with meaningful volatility and performance dispersion among individual stocks and sectors. Optimism returned to the capital markets in October and November as investors grew more confident that the Fed would start to pare back some of its more aggressive tightening measures. Despite a lower federal funds rate increase in mid-December, the surprisingly stronger third quarter gross domestic product (GDP) increase spooked some investors, reducing their prior confidence that the Fed might curtail its actions, and both stock and credit markets declined during the month. The quarter; however, ended higher with the S&P 500 Index gaining 7.6% and the Russell 2000 up 6.2%. Interest rates moved inconsistently across the yield curve with significant moves higher in the under 2-year segment, slight declines in the belly of the curve, and slight increases in the over 10-year segment. The bond market overall posted its only positive quarterly gain of the year with the Bloomberg Aggregate Index climbing 1.87%. Despite signs of a slowing economy and further inversion of the yield curve, investors overall appear unconcerned about a potential recession given the quarterly gains in stocks and in credit, where the Bloomberg U.S. High yield Index rose by 4.20%. Announcements of job losses toward the end of the quarter, combined with evidence that real wage declines are starting to take their toll on the consumer, all indicate that the economy is set to slow, and inflation to continue its slow progression lower. The real question from here is whether the Fed will be able to orchestrate a "soft landing" where it aptly accomplishes its dual mandate of lowering inflation without causing significant damage to employment.

In fixed income, the large and frequent interest rate moves during the quarter were indicative of the bond market's lack of clarity. Core inflation (as measured by the Core Consumer Price Index) remained stubbornly high in September with its year-over-year increase being the highest in over 40 years. The 10-year U.S. Treasury yield hit a high of 4.25% in October, a yield not seen since late 2007. While the 10-year U.S. Treasury yield ended the quarter at 3.88%, just slightly higher than its level at the end of September, rates at the front end of the curve continued to rise as inflation expectations remain high. Investor appetite for credit was not consistent across the credit sectors during the quarter. Even with stronger balance sheets of municipalities and their corresponding ability to better weather an economic downturn, taxable municipal bonds underperformed corporate bonds, with the Bloomberg Taxable Municipal Bond Index delivering a 1.45% return and the Bloomberg U.S. Corporate Index up 3.63%. Despite a potential economic slowdown and higher interest rates on the long end of the yield curve, longer duration, lower-quality investment-grade corporates were the best performers with the long BBB-segment of the corporate index up 6.05% during the quarter. Credit spreads overall are still slightly wider than where they started the year even with the quarter's positive performance in these sectors.

In equities, major market indices across the globe were higher during the quarter, helping to offset the significant losses that occurred in the third quarter. The gains, however, were not consistent across the sectors, particularly in the U.S. where the consumer discretionary sector of the S&P 500 Index declined another 10.2%, losing 37.0% for the year. The expectations for profitability in the energy sector continued to rise with the energy component of the S&P 500 Index posting a 22.8% return for the quarter and an impressive 65.7% return for the year. Investors continued to shy away from the larger and pricier technology names, which comprise a disproportionately large weight in the index as profits for many of these companies have already started to slow amidst higher costs. With real wages declining and consumer spending expected to slow, the higher revenues that had supported some of the declining profit margins may soon also go down, leaving little excitement for investors who want to be compensated for expensive stocks. Amidst a period of transition where the effects of inflation and a slowing economy will test both the profit and revenue outlooks for many companies, the environment looks attractive for price-conscious, fundamental active investment managers.

[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

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

Miriam Legrand
Director of Credit Research / Portfolio Manager
Industry Start Date: 2001
CCM Portfolio Manager Since 2022

Shonali Pal
Junior Portfolio Manager
Industry Start Date: 2014
CCM Portfolio Manager Since 2022

Daniel Caballero
Junior Portfolio Manager
Industry Start Date: 2019
CCM Portfolio Manager Since 2022

Share Classes

	Ticker	Inception Date	Expense Ratio
CRA	CRAIX	8/30/99	0.88
Institutional	CRANX	3/2/07	0.43
Retail	CRATX	3/2/07	0.78

Portfolio Contributors

- Shorter Duration
- Underweight the Front End of the Yield Curve
- Underweight U.S. Treasuries

Portfolio Detractors

- Overweight Agency Commercial Mortgage-Backed Securities (CMBS)
- Underweight Corporate Bonds
- Overweight Non-Agency Asset-Backed Securities (ABS)

Portfolio Commentary

In the fourth quarter of 2022, the CCM Community Impact Bond Fund (the Fund) CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted returns of 0.72%, 0.83%, and 0.74%, respectively, on a net-of-fees basis. The intermediate component of the Bloomberg Aggregate Bond Index (the Benchmark) returned 1.72%.

Interest rates rose on the front end of the yield curve (under 2 years) where yields ended the quarter 19 to 133 basis points higher than where they started. With rates in the middle of the curve declining slightly yet rising in the 10+ year segment of the curve, the yield curve flattened further and by quarter-end, the 6-month U.S. Treasury bill carried the highest yield of U.S. Treasury securities at 4.76%, over 79 basis points higher than the 30-year U.S. Treasury bond. Against this shift in rates, the Fund's shorter duration profile and its underweight to the front end of the yield curve were beneficial to relative returns.

The three major sectors of the Benchmark posted positive returns during the quarter with corporate bonds, agency MBS, and U.S. Treasuries up 2.72%, 2.14%, and 1.02%, respectively. With the exception of taxable municipal bonds, ABS and agency CMBS spreads narrowed among other sectors of the Benchmark. Investors were seemingly less concerned about credit risk as spreads narrowed the most in the higher risk BBB-rated segment of the Benchmark. This segment of the Benchmark, at almost 10%, was a large contributor to the Benchmark, posting a 3.06% return. With the Fund's underweight to corporates and overweight to agency CMBS, taxable municipal bonds and ABS were headwinds during the quarter. The Fund's structural underweight to U.S. Treasuries, which averaged 5.7% of the Fund and 40% of the Benchmark, helped offset those positions.

Investors were also seeking longer duration credit, as evidenced by the excess return differential between the shortest and longest corporate bonds in the Benchmark. Corporate bonds with maturities over seven years posted excess returns over 3% higher than those with maturities under one year. Given our view of higher market volatility and a slowdown in economic growth, the Fund's credit exposure (taxable municipal, corporate, and non-agency ABS) has been shorter in duration and higher in credit quality than credit in the Benchmark. Both of these active moves were headwinds to relative returns during the quarter when longer duration, lower credit-quality credit outperformed.

We expect that the Fed will remain aggressive managing inflation until it is completely under control. We remain cautious in the possibility of a surprise uptick in inflation due to strong employment and look to keep a slight underweight to portfolio duration to the Benchmark. With the relative value we see along the yield curve, and our outlook for slowing inflation, we remain underweight at the short end of the yield curve and overweight the long end of the curve. In contrast to last year, we now find agency MBS attractive and will look to overweight the sector and favor coupons in the middle and higher end of the coupon stack. While we reduced our underweight exposure to lower coupon MBS, we remain underweight since the Fed could at some point start to sell. Given our expectations for reduced economic growth, we will continue to monitor conditions before adding to our non-agency ABS and may sell if we see meaningful deterioration in market or economic conditions.

In credit, we continue to hold a higher-quality and lower-duration/average life credit portfolio to help reduce volatility amidst an ongoing period of market uncertainty. With spreads tightening in the fourth quarter in longer duration credit, shorter duration credit appears to be a better relative value.

As of 12/31/2022, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were -10.20%; -0.64%; 0.21%; and 3.02%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were -9.72%; -0.19%; 0.66%; and 2.35%. The average annual returns for CRATX for the same periods were -10.03%; -0.52%; 0.32% and 2.00%. As of 12/31/2022, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 2.38%, 2.84%, and 2.48%, 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 888-272-0007. The annual operating expenses for the CRA Qualified Investment Fund's CRA Shares, Institutional Shares, and Retail Shares is 0.88%; 0.43% and 0.78%, 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.

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.