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]	$13.8 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[2] 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)[3] 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[4] gaining 7.6% and the Russell 2000[5] 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[6] 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[7] 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[8] delivering a 1.45% return and the Bloomberg U.S. Corporate Index[9] 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.

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 up 6.70% (net of fees) in the fourth quarter of 2022. The S&P 500 Fossil Fuel Free Index (the Benchmark) was up 7.52% in the quarter. For the year, the Fund was down 19.17% vs. the Benchmark being down 19.59%.

In 2020 and 2021, overly accommodative fiscal and monetary policies on a global basis created huge demand for goods and services. Supply chain snafus also contributed to lower-than-normal manufacturing production and supply. Coupled with large stimulus, inflation really took off. The Russian invasion of Ukraine added to inflationary pressures, with Europe struggling through an energy crisis.

To combat inflation, the Fed raised rates to 4.5% from 0.25% in 2022. This action helped ease inflationary pressures, with CPI[10] data slowing from its highs in July and August. Technology and electric vehicle stocks, pushed to bubble valuations amidst the pandemic, have been hit the hardest of late.

Our relentless focus on high-quality profitable businesses led us to outperform in 2022, although we did underperform slightly during the fourth quarter. We see the early signs of a recession taking place, and typically in these times, 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.

But with stocks down almost 20% in 2022, 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 such strong shape, we are not expecting a deep recession. We have reduced some of our overweight cyclical and financial names given elevated global macro concerns but remain bullish on many equities that appear to already be pricing in a downturn.

As inflation falls, 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[11] in many names today.

We remain heavily underweight technology but have been adding some positions back that appear quite beaten up. Our healthy dose of real estate investment trusts (REITs) and healthcare stocks last year offered some calm amidst the storm. Long term, fixing inflation is causing some pain but will ultimately reset the market to a level that supports 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 12/31/2022, the average annual returns for the CCM Core Impact Equity Fund's Institutional Shares for 1-year, 3-year, and since inception were -19.18%, 6.32, and 8.33%.

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 (5.25%), Nextera Energy (3.79%), Quanta Services Inc (3.44%), Alphabet Inc – Class A (3.23%), Global Payments Inc (3.18%), Cigna Corporation (3.16%), Electronic Arts Inc (3.11%), Elevance Health Inc (2.92%), Unilver PLC ADR (2.91%), Amerisourcebergen Corp (2.81%). 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]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. [4]The S&P 500® Index is a widely recognized, unmanaged index consisting of the approximately 500 largest companies in the United States as measured by market capitalization.[5]Russell 2000 Index is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. [6]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. [6]Bloomberg U.S. High Yield Index measures the performance of high-yield debt issued by corporations domiciled in the US or Canada [8]Bloomberg Taxable Municipal Bond Index covers the USD denominated long-term taxable bond market. [9]Bloomberg U.S. Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. [10]Consumer price index measures the overall change in consumer prices over time based on a representative basket of goods and services. [11]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