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	$4.2 Billion
Impact and ESG Experience	23 Years
Impact and ESG Initiatives[1]	$14.1 Billion Invested Nationwide

Key Takeaways

- Both stock and bond markets continued to be volatile during the quarter as investors' fear of inflation abruptly shifted to fear of a banking-led economic slowdown.
- The Federal Reserve continued its attempts to curtail inflation with its meager 0.25% increase in the federal funds rate, suggesting a higher probability of slower economic growth.
- The performance dispersion among securities of large vs. small companies increased as investors gravitated to larger companies typically less reliant on bank lending.

Market Commentary

Despite the market turbulence that took place in March when the Federal Deposit Insurance Corporation (FDIC) took control of both Silicon Valley Bank (SVB) and Signature Bank (SBNY), most major stock and bond market indices delivered positive results in the first quarter of 2023. The swift action by federal bank regulators helped to calm the fears of jittery investors and bank depositors. Major stock market indices rebounded after declining broadly during the days that followed. The S&P 500 Index[2] rose 7.5%, and the NASDAQ[3] composite was up 17.1% during the quarter. U.S. Treasury yields ended the quarter 18 to 62 basis points[4] higher for maturities under one year and nine to 41 basis points lower for those maturities farther out the yield curve, contributing to the positive returns in the bond market where the Bloomberg U.S. Aggregate Index[5] rose 2.96% during the quarter.

In fixed income, bond investor sentiment improved in January as inflation appeared to be slowing. The corresponding demand for fixed income helped to drive yields lower, resulting in a positive return for bonds in January and a welcome relief after declines in the previous year. However, subsequent data soured the outlook for inflation, resulting in yields rising and bond prices falling into March. On March 10, concerns grew beyond the two failed banks to widespread concern over the health of the entire banking system and its impact on the broader economy. Consistent with prior periods of economic and market fear, investors sought safety in U.S. Treasuries. Over the course of the next six days, spreads widened[6], and yields on U.S. Treasuries fell between 18 and 99 basis points. Investor confidence somewhat improved after the actions of the bank regulators; however, spreads remained wider, particularly in financials, and interest rates ended the quarter well below their March 9 peak. With inflation data mixed and the recent banking issues weighing heavily on the minds of the Federal Reserve, its late March meeting resulted in a meager 25 basis point increase in the federal funds rate. The small increase reinforced investor expectations that the banking issues will result in a slowing economy and a higher probability of a late 2023 recession.

In equities, while the major market indices were up for the quarter, returns were volatile and inconsistent across sectors. The larger technology stocks that were some of the poorer performers last year, experienced impressive gains as evidenced by the 21.8% return for the technology component of the S&P 500 Index. The more defensive sectors that performed relatively well last year were laggards during the quarter with the healthcare and utilities sectors of the S&P 500 Index down 4.3% and 3.2%, respectively. Financial stocks struggled, particularly in March when the vulnerability of the regional banks became evident after the failure of SVB and SBNY. Small-cap stocks, as represented by the Russell 2000 Index[7], were up 2.74% during the quarter; however, the March decline of 4.78% illustrated the degree to which investors prefer the stability of larger-cap stocks during times of market stress. Even the Russell 2000 Growth Index[8], with its minimal financial exposure, was down 2.47% in March on concerns about the prospect of tighter lending conditions for smaller companies that rely on bank lending to help leverage their growth. With banking crisis liquidity concerns seemingly under control, investors were looking ahead at changing credit and economic landscapes and how companies could adjust accordingly. For active investment managers who take the time to conduct such analysis, we believe this period of transition offers unique opportunities.

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	2.18	1.30
Advisor	QUSVX	1/1/18	2.43	1.55

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 flat in the first quarter of 2023 (net-of-fees). The Fund's benchmark, the Russell 2500 Value Index (R2500V), was up 1.4% in the quarter, and its secondary benchmark, the Russell 2500 Index (R2500), rose by 3.4%.

The Fund's underperformance largely stemmed from its lower-than-average returns in healthcare and real estate holdings. Additionally, companies with oil and gas exposure outperformed the Fund's renewable energy holdings. The underperformance in these sectors was slightly offset by outperformance of the Fund's consumer discretionary and industrial holdings.

Small- and mid-cap stocks experienced a volatile quarter, with the R2500 Index rising by approximately 6% before the collapse of Silicon Valley Bank (SVB). SVB's failure raised concerns about economic growth. Since small- and mid-cap stocks are generally more economically sensitive than large-cap stocks, the R2500 Index fell around 8% during the week following SVB's collapse, while the S&P 500 only dropped about 3% in the same time frame.

Small- and mid-cap value stocks underperformed their growth counterparts in the quarter. The Russell 2500 Growth Index (R2500G) was up 6.5%, while the R2500V only rose 1.4%. A significant contributor to its underperformance were the larger weight of banks in the value index. The SVB failure triggered a considerable decline in financial stocks, causing the R2500V Index to be more impacted by the failure than the R2500G Index. Growth stocks also played catch-up during the quarter, having significantly underperformed in 2022. The macro environment remains a crucial consideration within the small- and mid-cap equity space. Although January data suggested a stronger-than-expected economy, in February the banking crisis had already begun to negatively impact the economy. During the quarter, tighter credit conditions influenced many small- and mid-cap companies, causing increased volatility.

In addition to tightening credit, above-target inflation prompted the Fed to continue tightening monetary policy. M2 Money supply fell for the first time since the 1940s. Weak leading economic indicators and tighter monetary policy is causing the market to price in a higher probability of a recession in 2023. While we are disappointed with the relative underperformance during the quarter, we believe the Fund is well positioned for the current environment. Given the higher economic sensitivity of smaller-capitalization stocks, the portfolio management team has sought to position the portfolio in companies that should be relatively resilient during an economic downturn. The Fund's compounder investment approach focuses on high-quality companies that we believe should be more resilient during weak economic times.

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 03/31/23, the average annual returns for the CCM Small/Mid-Cap Impact Value Fund Institutional Shares for 1-year, 3-year, and since inception were -14.46%, 20.39%, and 0.88%.

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, 2023. 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 03/31/2023 are: BERRY GLOBAL GROUP INC (4.17%), NEXTERA ENERGY PARTNERS LP (4.08%), QUANTA SERVICES INC (3.59%), ASBURY AUTOMOTIVE GROUP (3.49%), WP CAREY INC (3.43%), AMERIPRISE FINANCIAL INC (3.40%), TD SYNNEX CORP (3.28%), FLEETCOR TECHNOLOGIES INC (3.25%), RAYMOND JAMES FINANCIAL INC (3.16%), and FIRST CITIZENS BCSHS -CL A (3.12%). Holdings are subject to change.

[1]Impact numbers are approximate figures [2]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. [3]The Nasdaq Stock Market is an American stock exchange based in New York City and is the most active stock trading venue in the US by volume. [4]Basis point is one hundredth of 1 percentage point. [5]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]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. [7]Russell 2000 Index is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. [8]Russell 2000 Growth Index is a broadly diversified index predominantly made up of growth stocks of small U.S. companies.

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.