

COMMUNITY CAPITAL TRUST  
CCM ALTERNATIVE INCOME FUND  
(THE “FUND”)

ANNUAL REPORT 2016



May 31, 2016



Dear Shareholder:

On behalf of the Board of Trustees of The Community Capital Trust, I am pleased to present the CCM Alternative Income Fund Annual Report to Shareholders for the year ended May 31, 2016.

The Fund celebrated its three-year anniversary and, during the one-year period ending May 31, 2016, achieved its goals of low volatility, income of 3.0 to 4.0% above 3-month T-Bills, monthly distributions and low correlation to the both the equity (S&P 500) and bond (Barclays Aggregate) markets.

We applaud the disciplined and productive efforts of Community Capital Management, Inc., registered investment advisor to the Fund, and Badge Investment Partners LLC, sub-advisor to the Fund, and we thank you, our shareholders.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Taylor". The signature is fluid and cursive, with a large initial "J" and "T".

John Taylor  
Chairman, Board of Trustees

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## MANAGER'S DISCUSSION & ANALYSIS

The CCM Alternative Income Fund ("Fund") finished its third year of operations with a 30-day SEC yield of 4.90% (4.68% unsubsidized 30 day yield) as of May 31, 2016 and total return of (0.63)% for the 12-month period. While the Fund experienced an annual loss on a net of fees basis, the Fund's goals to produce income of 3-month T-Bills plus 3.0% to 4.0% and correlation to the S&P 500 and Barclays Aggregate Bond Index of 0.0 to 0.50 was achieved (S&P target was changed from 0.3 to 0.5 during the period). In addition, the Fund has made monthly distributions and its standard deviation (volatility of returns) of 3.70% was within the range of its stated standard deviation goal of 2.0 to 4.0%.

The past 12-month period saw major equity indices experience two large declines on high volatility, followed by rapid recoveries, returning to essentially the same level as 12 months ago. The S&P's performance was largely driven from bigger companies that do not pay much in the way of dividends. The Russell 2000 was driven largely by small biotechnology companies, which the Fund does not own.

The yield curve experienced a flattening during the previous 12-month period, while the Federal Reserve implemented its long anticipated rate increase in December. The Fund had interest rate exposure across the curve and continued to generate positive cash flows in the form of hedged income.

The Fund's Beta (or the part of its returns that can be explained by the movement of the overall markets) was near zero to both the equity market (0.18 relative to the S&P 500) and the bond market (-0.48 relative to the Barclays Aggregate Bond Index).

This market independence also manifested itself in the Fund's low correlation to the major market indexes (0.42 relative to the S&P 500 and 0.01 relative to the Barclays Aggregate Bond Index). Low-correlation returns are a goal of many absolute return funds.

The portfolio management's team focus on the Fund's investment goals and objectives remains consistent: deliver low volatility income and returns with a strong measure of capital preservation.

*The Fund's benchmark is the Citigroup 3-Month U.S. Treasury Bill Index which returned 0.12% for the twelve months ending May 31, 2016. Returns for the S&P 500, Russell 2000, and Barclays Aggregate are shown for comparison purposes.*

*Return figures represent past performance and do not indicate future results.*

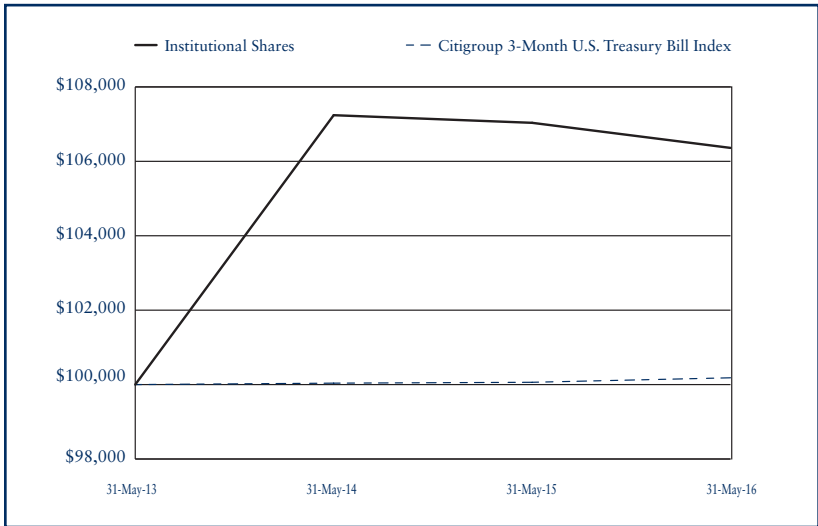
*This material represents an assessment of the market at a specific point in time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon as research or investment advice.*

*The CCM Alternative Income Fund is distributed by SEI Investments Distribution Co., which is not affiliated with Community Capital Management, Inc.*

*Fund Profile May 31, 2016 (Unaudited)*

<i>Annual Total Returns</i>	<i>One Year Ended May 31, 2016</i>	<i>Inception to Date</i>
<i>CCM Alternative Income Fund — Institutional Shares</i>	(0.63)%	2.08%*
<i>Citigroup 3-Month U. S. Treasury Bill Index</i>	0.12%	0.06%*

\* Commenced operations on May 31, 2013. Index return is based on Institutional Shares inception date.



The above illustration compares a \$100,000 investment made in the Fund to a broad based index, Citigroup 3-Month U.S. Treasury Bill Index. The Citigroup 3-Month U.S. Treasury Bill Index tracks the performance of U.S. Treasury bills with a remaining maturity of three months.

Past performance does not predict future results. Returns shown in the graph and the table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects fee waivers and expense limitations in effect. In their absence, performance would be reduced. Please call the Fund at 1-877-272-1977 to obtain the most recent month-end returns. The Fund's performance includes reinvestment of income and capital gains distributions, if any. All market indices are unmanaged and do not take into account any fees or expenses. It is not possible to invest directly in any index.

**Top Ten Holdings\***  
(% of Net Assets)

<i>FHA Project Loan, 07/01/2047</i>	6.75%
<i>Crestwood Equity Partners</i>	4.77%
<i>GMAC Capital Trust I, 02/15/2040</i>	3.89%
<i>Seaspan</i>	3.76%
<i>PIMCO Dynamic Credit Income Fund</i>	3.44%
<i>Washoe County, 02/01/2040</i>	2.95%
<i>USDA Loan, 12/01/2047</i>	2.94%
<i>Hollywood Beach Community Development District I, 10/01/2045</i>	2.82%
<i>Austin, 11/15/2042</i>	2.78%
<i>Macquarie Infrastructure Corp.</i>	2.59%
	<u>36.69%</u>

\* Excludes Short-Term Investments

**Asset Allocation\*\***  
(% of Net Assets)

<i>Asset-Backed Securities</i>	1.49%
<i>Closed-End Funds</i>	7.55%
<i>Common Stock</i>	32.75%
<i>Corporate Bonds</i>	10.04%
<i>FGLMC Single Family</i>	0.06%
<i>FHA Project Loans</i>	8.04%
<i>FNMA Multifamily</i>	1.71%
<i>GNMA Multifamily</i>	2.18%
<i>Municipal Bonds</i>	43.22%
<i>Preferred Stock</i>	10.31%
<i>Short-Term Investment</i>	4.10%
<i>USDA Loan</i>	2.94%
<i>Liabilities in Excess of Other Assets</i>	<u>(24.39)%</u>
	<u>100.00%</u>

\*\* Excludes securities sold short.

*Expenses May 31, 2016 (Unaudited)*

As a shareholder of the Fund, you incur two types of costs: transaction costs, such as wire fees; and ongoing costs, including management fees and other Fund operating expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

This example is based on an investment of \$1,000 invested on December 1, 2015 and held for the six-month period ended May 31, 2016.

*Actual expenses*

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested at the beginning of the period, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

*Hypothetical example for comparison purposes*

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as wire fees or low balance fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would be higher.

		Beginning Account Value December 1, 2015	Ending Account Value May 31, 2016	Expenses Paid During Period* December 1, 2015 Through May 31, 2016
<i>Actual</i>	<i>Institutional Shares</i>	\$1,000.00	\$1,025.50	\$15.04
<i>Hypothetical (5% return before expenses)</i>	<i>Institutional Shares</i>	\$1,000.00	\$1,010.15	\$14.93

\* Expenses are equal to the annualized expense ratio of 2.97%, including dividend expense and prime broker fees on short sales, for Institutional Shares multiplied by the average account value over the period, multiplied by 183 days/366 days (to reflect the one-half year period). The Fund’s ending account value on the first line in the table is based on its actual total return of 2.55% for the period December 1, 2015 to May 31, 2016.



*Schedule of Investments May 31, 2016*

	<u>Principal Amount</u>	<u>Value</u>
<b>MUNICIPAL BONDS - 43.22%</b>		
<b>Arizona - 0.40%</b>		
<b>Pima County Industrial Development Authority</b> 7.50%, 12/15/2018 (h)	\$ 120,000	\$ <u>120,659</u>
<b>California - 7.11%</b>		
<b>Central Valley Support Joint Powers Agency</b> 6.08%, 09/01/2029 (h)	150,000	174,099
<b>Pomona Pension Obligation Refunding</b> 5.83%, 07/01/2035 (h)	420,000	420,672
<b>Rancho Cucamonga Redevelopment Agency Successor Agency</b> 6.26%, 09/01/2031 (h)	290,000	342,716
<b>Sacramento County Public Financing Authority</b> 6.58%, 12/01/2038 (h)	250,000	316,108
<b>San Diego County Regional Airport Authority</b> 5.59%, 07/01/2043 (h)	250,000	276,818
<b>Tuolumne Wind Project Authority</b> 6.92%, 01/01/2034 (h)	500,000	<u>631,980</u>
		<u>2,162,393</u>
<b>Florida - 7.96%</b>		
<b>Florida State Department of Environmental Protection</b> 6.15%, 07/01/2027 (h)	145,000	155,109
<b>Hollywood Beach Community Development District I</b> 6.13%, 10/01/2039 (h)	220,000	257,358
6.25%, 10/01/2045 (h)	745,000	857,949
<b>Miami-Dade County</b> 7.50%, 04/01/2040 (h)	500,000	668,420
<b>Orlando Community Redevelopment Agency</b> 7.78%, 09/01/2040 (h)	405,000	<u>479,467</u>
		<u>2,418,303</u>
<b>Georgia - 1.43%</b>		
<b>Atlanta Development Authority</b> 5.35%, 01/01/2035 (h)	400,000	<u>434,248</u>
<b>Illinois - 1.65%</b>		
<b>Bedford Park Village</b> 6.57%, 12/01/2030 (h)	445,000	<u>503,362</u>
<b>Louisiana - 1.84%</b>		
<b>New Orleans Public Improvement</b> 6.05%, 12/01/2038 (h)	500,000	<u>561,010</u>
<b>Maryland - 1.78%</b>		
<b>Baltimore</b> 5.38%, 09/01/2030 (h)	500,000	<u>541,925</u>
<b>Massachusetts - 0.54%</b>		
<b>Massachusetts State Housing Finance Agency</b> 4.78%, 12/01/2020	160,000	<u>163,400</u>

The accompanying notes are an integral part of the financial statements.

	<u>Principal Amount</u>	<u>Value</u>
<b>Minnesota - 0.57%</b>		
<b>Minneapolis Development Revenue</b>		
6.50%, 06/01/2040 (h)	\$ 155,000	\$ <u>173,915</u>
<b>Missouri - 1.24%</b>		
<b>Missouri State Health &amp; Educational Facilities Authority</b>		
6.88%, 10/01/2040 (h)	365,000	<u>378,928</u>
<b>Nevada - 2.95%</b>		
<b>Washoe County</b>		
7.97%, 02/01/2040 (h)	675,000	<u>898,101</u>
<b>New Jersey - 0.64%</b>		
<b>New Jersey State Economic Development Authority</b>		
6.31%, 07/01/2026 (h)	175,000	<u>193,723</u>
<b>North Carolina - 0.81%</b>		
<b>Charlotte Airport Special Facilities Revenue</b>		
6.06%, 07/01/2041 (h)	225,000	<u>245,597</u>
<b>Ohio - 2.91%</b>		
<b>Clermont County Port Authority</b>		
5.75%, 12/01/2033 (h)	250,000	277,878
<b>Montgomery</b>		
4.80%, 12/01/2037 (h)	110,000	113,620
<b>Northeastern Ohio University's College of Medicine, Medical University Foundation</b>		
6.73%, 12/01/2030 (h)	230,000	245,086
7.08%, 12/01/2040 (h)	235,000	<u>251,076</u>
		<u>887,660</u>
<b>Oklahoma - 0.42%</b>		
<b>Oklahoma State Development Finance Authority</b>		
5.65%, 06/01/2041 (h)	120,000	<u>128,435</u>
<b>South Carolina - 1.51%</b>		
<b>Myrtle Beach</b>		
5.90%, 06/01/2039 (h)	400,000	<u>460,436</u>
<b>Texas - 5.12%</b>		
<b>Austin</b>		
5.75%, 11/15/2042 (h)	750,000	845,452
5.75%, 11/15/2042 (h)	300,000	332,718
<b>Harris County Cultural Education Facilities Finance Corp.</b>		
6.88%, 10/01/2033 (h)	350,000	<u>381,444</u>
		<u>1,559,614</u>
<b>West Virginia - 2.61%</b>		
<b>Ohio County Special District Excise Tax Revenue</b>		
7.50%, 03/01/2036 (h)	550,000	581,746
8.25%, 03/01/2035 (h)	195,000	<u>214,638</u>
		<u>796,384</u>

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	<b>Principal Amount/ Shares</b>	<b>Value</b>
<b>Wisconsin - 1.73%</b>		
<b>Green Bay Redevelopment Authority</b>		
5.90%, 06/01/2037 (h)	\$ 475,000	\$ 526,063
<b>TOTAL MUNICIPAL BONDS</b>		
<b>(Cost \$12,633,189)</b>		<u>13,154,156</u>
<b>COMMON STOCK - 32.75%</b>		
<b>Consumer Discretionary - 8.47%</b>		
EnerCare (Canada)	60,000	751,744
Interpublic Group of Companies (h)	14,000	334,600
Regal Entertainment Group (h)	35,000	736,050
Sinclair Broadcast Group (a) (h)	15,000	474,450
Six Flags Entertainment	1,000	57,690
Whistler Blackcomb Holdings (Canada)	11,500	222,923
		<u>2,577,457</u>
<b>Energy - 7.73%</b>		
Crestwood Equity Partners (a) (b)	67,255	1,451,363
Scorpio Tankers (a) (h)	110,000	646,800
Williams Partners (a) (b)	8,000	255,360
		<u>2,353,523</u>
<b>Financials - 8.84%</b>		
American Capital (c)	10,000	160,600
Ares Capital	22,000	326,480
Blackstone Group (b)	5,000	130,950
Blackstone Mortgage Trust (d)	8,000	225,520
Ryman Hospitality Properties (d) (h)	8,123	398,514
Starwood Property Trust (d)	10,000	206,200
Tiptree Financial	28,604	161,613
Wells Fargo (h)	7,000	355,040
Weyerhaeuser (d) (h)	23,000	724,500
		<u>2,689,417</u>
<b>Health Care - 2.11%</b>		
Pfizer (a) (h)	18,500	641,950
<b>Industrials - 4.35%</b>		
Aircastle (h)	14,900	314,986
Caterpillar	1,000	72,510
Macquarie Infrastructure Corp. (a) (h)	11,000	787,710
Seaspan (Hong Kong)	10,000	149,900
		<u>1,325,106</u>
<b>Materials - 1.25%</b>		
International Paper	9,000	379,440
<b>TOTAL COMMON STOCK</b>		
<b>(Cost \$8,954,953)</b>		<u>9,966,893</u>
<b>U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS - 14.93%</b>		
<b>FGLMC Single Family - 0.06%</b>		
Pool FHR 2106 S, 7.62%, 12/15/2028 (e) (j)	71,206	16,690
<b>FHA Project Loans - 8.04%</b>		
Pool A35272, 5.00%, 06/01/2035 (f)	277,937	277,651
Pool Robin Ridge, 5.75%, 01/01/2035 (f)	114,054	113,717

The accompanying notes are an integral part of the financial statements.

	<b>Principal Amount/ Shares</b>	<b>Value</b>
Pool 023-98146, 6.51%, 07/01/2047 (f)	\$ 1,875,318	\$ 2,055,047
		<u>2,446,415</u>
<b>FNMA Multifamily - 1.71%</b>		
Pool 957188, 5.65%, 06/01/2017 (h)	45,508	46,949
Pool 464296, 5.86%, 01/01/2028 (h)	347,280	370,644
Pool 463194, 6.36%, 08/01/2027 (h)	97,179	<u>103,829</u>
		<u>521,422</u>
<b>GNMA Multifamily - 2.18%</b>		
Pool 699710, 5.43%, 07/15/2044 (h)	407,557	419,784
Pool 2010-68, 6.14%, 06/20/2040 (e) (j)	1,374,696	<u>243,117</u>
		<u>662,901</u>
<b>USDA Loan - 2.94%</b>		
Pool Grand Prairie Apartments, 5.95%, 12/01/2047 (f)	819,623	<u>895,602</u>
<b>TOTAL U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS (Cost \$4,448,189)</b>		<u>4,543,030</u>
<b>PREFERRED STOCK - 10.31%</b>		
<b>Energy - 0.85%</b>		
Targa Resources Partners 9.00% (e) (h)	10,000	<u>257,200</u>
<b>Financials - 3.89%</b>		
GMAC Capital Trust I, 6.41% (e) (h)	47,282	<u>1,184,177</u>
<b>Health Care - 1.81%</b>		
Allergan, 5.50% (a) (c)	650	<u>550,469</u>
<b>Industrials - 3.76%</b>		
Seaspan, 9.50%	45,200	<u>1,144,464</u>
<b>TOTAL PREFERRED STOCK (Cost \$3,110,171)</b>		<u>3,136,310</u>
<b>CORPORATE BONDS - 10.04%</b>		
<b>Barclays Bank</b>		
7.75%, 04/10/2023 (e) (h)	500,000	530,000
<b>Cooperatieve Rabobank</b>		
8.40%, 11/29/2049 (e)	600,000	631,224
<b>Salvation Army</b>		
5.68%, 09/01/2031	100,000	113,501
<b>Scorpio Tankers</b>		
2.38%, 07/01/2019 (a) (g)	300,000	250,875
<b>Starwood Property Trust</b>		
4.55%, 03/01/2018	750,000	780,000
<b>Telesat Canada</b>		
6.00%, 05/15/2017 (g)	750,000	<u>750,000</u>
<b>TOTAL CORPORATE BONDS (Cost \$3,026,398)</b>		<u>3,055,600</u>
<b>CLOSED-END FUNDS - 7.55%</b>		
BlackRock Municipal Income Quality Trust	7,386	113,670
Cohen & Steers REIT and Preferred Income Fund (h)	23,197	447,238
Eaton Vance Limited Duration Income Fund	20,000	265,000
Neuberger Berman MLP Income Fund	25,000	191,250
PIMCO Dynamic Credit Income Fund (h)	56,500	1,048,075

The accompanying notes are an integral part of the financial statements.

	<b>Shares/ Principal Amount</b>	<b>Value</b>
Putnam Managed Municipal Income Trust	30,000	\$ 231,900
<b>TOTAL CLOSED-END FUNDS</b>		<u>2,297,133</u>
<b>(Cost \$2,303,266)</b>		
<b>ASSET-BACKED SECURITIES - 1.49%</b>		
<b>HASC</b>		
2005-I1, 0.84%, 11/25/2035 (e)	\$ 235,000	168,235
<b>Hero Funding Trust</b>		
2016-2A, 3.75%, 09/20/2041 (f) (g)	250,000	250,221
<b>Toyota Auto Receivables Owner Trust</b>		
2016-B, 1.02%, 10/15/2018	35,000	34,975
<b>TOTAL ASSET-BACKED SECURITIES</b>		<u>453,431</u>
<b>(Cost \$416,612)</b>		
<b>SHORT-TERM INVESTMENT - 4.10%</b>		
<b>Money Market Fund - 4.10%</b>		
Dreyfus Treasury Prime Cash Management, CI A, 0.17% (i)	1,247,876	1,247,876
<b>TOTAL SHORT-TERM INVESTMENT</b>		<u>1,247,876</u>
<b>(Cost \$1,247,876)</b>		
<b>Total Investments (Cost \$36,140,654) - 124.39%</b>		\$ 37,854,429
<b>Liabilities in Excess of Other Assets, Net - (24.39)%</b>		<u>(7,422,049)</u>
<b>NET ASSETS - 100.00%</b>		<u>\$ 30,432,380</u>
<b>EXCHANGE TRADED FUNDS SOLD SHORT - (5.71)%</b>		
iShares MSCI Australia	(17,000)	\$ (330,650)
iShares MSCI Emerging Markets Fund	(3,250)	(107,673)
iShares S&P/TSX 60 Index Fund	(20,000)	(316,010)
SPDR S&P Dividend Fund	(6,000)	(490,800)
Utilities Select Sector SPDR Fund	(10,000)	(491,500)
<b>TOTAL EXCHANGE TRADED FUNDS SOLD SHORT</b>		<u>(1,736,633)</u>
<b>(Proceeds \$1,793,513)</b>		
<b>COMMON STOCK SOLD SHORT - (17.61)%</b>		
<b>Consumer Discretionary - (1.02)%</b>		
Viacom (a)	(7,000)	(310,590)
<b>Consumer Staples - (1.54)%</b>		
Ambev ADR	(25,000)	(131,500)
Sysco	(7,000)	(336,770)
		<u>(468,270)</u>
<b>Energy - (3.59)%</b>		
Chevron	(4,000)	(404,000)
Exxon Mobil	(5,500)	(489,610)
Kinder Morgan	(11,000)	(198,880)
		<u>(1,092,490)</u>
<b>Financials - (2.21)%</b>		
Equity Residential (d)	(4,000)	(276,840)
Janus Capital Group	(13,000)	(197,340)
Simon Property Group (a) (d)	(1,000)	(197,640)
		<u>(671,820)</u>

The accompanying notes are an integral part of the financial statements.

	<u>Shares</u>	<u>Value</u>
<b>Industrials - (6.84)%</b>		
Boeing	(3,400)	\$ (428,910)
Caterpillar	(5,000)	(362,550)
CNH Industrial	(22,000)	(155,540)
Deere (a)	(5,000)	(411,450)
Fastenal	(8,000)	(368,240)
Finning International	(11,000)	(185,298)
Toromont Industries	(6,000)	(168,513)
		<u>(2,080,501)</u>
<b>Information Technology - (1.50)%</b>		
International Business Machines	(1,000)	(153,740)
ViaSat (a) (c)	(4,400)	(303,732)
		<u>(457,472)</u>
<b>Materials - (0.91)%</b>		
Scotts Miracle-Gro	(4,000)	(278,000)
<b>TOTAL COMMON STOCK SOLD SHORT</b>		
<b>(Proceeds \$5,163,991)</b>		<u>(5,359,143)</u>
<b>Total Securities Sold Short</b>		
<b>(Proceeds \$6,957,504)</b>		<u>\$ (7,095,776)</u>

Contracts**PURCHASED OPTIONS † (c) - 1.20%**

Alerian,			
Expires 06/18/2016, Strike Price: \$12.00	100	\$	4,000
Expires 06/18/2016, Strike Price: \$13.00	200		1,000
Allergan,			
Expires 06/18/2016, Strike Price: \$215.00	10		21,900
AMC Networks,			
Expires 06/18/2016, Strike Price: \$70.00	210		3,150
Crestwood Equity Partners,			
Expires 07/16/2016, Strike Price: \$15.00	35		22,050
Gogo,			
Expires 06/18/2016, Strike Price: \$11.00	100		8,000
iShares MSCI United Kingdom,			
Expires 07/16/2016, Strike Price: \$16.00	540		27,000
iShares Russell 2000,			
Expires 07/16/2016, Strike Price: \$111.00	45		4,680
Expires 08/20/2016, Strike Price: \$112.00	750		222,000
LinkedIn Corp.,			
Expires 06/18/2016, Strike Price: \$145.00	10		1,120
Macquarie Infrastructure Corp.,			
Expires 06/18/2016, Strike Price: \$75.00	30		900
Pfizer,			
Expires 06/18/2016, Strike Price: \$34.00	70		6,020
Powershares QQQ Trust Series 1,			
Expires 07/16/2016, Strike Price: \$104.00	100		4,800
ProShares S&P 500 Dividend Aristocrats,			
Expires 06/18/2016, Strike Price: \$53.00	10		300
Scorpio Tankers,			
Expires 07/16/2016, Strike Price: \$7.50	300		1,500
Sinclair Broadcast Group,			
Expires 06/18/2016, Strike Price: \$30.00	50		9,500

The accompanying notes are an integral part of the financial statements.

	<u>Contracts</u>		<u>Value</u>
SPDR S&P Metals & Mining,			
Expires 06/18/2016, Strike Price: \$21.00	50	\$	2,250
Expires 06/18/2016, Strike Price: \$22.00	50		4,300
SPDR S&P500 ETF Trust,			
Expires 06/18/2016, Strike Price: \$203.00	10		640
Expires 07/16/2016, Strike Price: \$208.00	10		2,610
Toll Brothers,			
Expires 06/18/2016, Strike Price: \$30.00	75		2,625
Utilities Select Sector SPDR Fund,			
Expires 06/18/2016, Strike Price: \$48.00	150		5,700
Viacom,			
Expires 06/18/2016, Strike Price: \$40.00	40		1,200
ViaSat,			
Expires 06/18/2016, Strike Price: \$65.00	40		2,000
Yahoo!,			
Expires 06/18/2016, Strike Price: \$37.00	30		<u>5,250</u>
<b>TOTAL PURCHASED OPTIONS</b>			
<b>(Cost \$384,152)</b>		<b>\$</b>	<b><u>364,495</u></b>

#### **WRITTEN OPTIONS † (c) - (0.67)%**

Crestwood Equity Partners,			
Expires 06/18/2016, Strike Price: \$17.50	(55)	\$	(26,400)
Expires 06/18/2016, Strike Price: \$20.00	(50)		(10,100)
Deere,			
Expires 06/18/2016, Strike Price: \$75.00	(20)		(200)
iShares MSCI United Kingdom,			
Expires 06/18/2016, Strike Price: \$16.00	(516)		(15,480)
iShares Russell 2000,			
Expires 07/16/2016, Strike Price: \$104.00	(335)		(8,040)
Expires 08/20/2016, Strike Price: \$104.00	(1,000)		(119,000)
Powershares QQQ Trust Series 1,			
Expires 07/16/2016, Strike Price: \$97.00	(50)		(550)
Simon Property Group,			
Expires 06/18/2016, Strike Price: \$195.00	(10)		(2,270)
Sinclair Broadcast Group,			
Expires 06/18/2016, Strike Price: \$30.00	(20)		(3,800)
Utilities Select Sector SPDR Fund,			
Expires 06/18/2016, Strike Price: \$44.00	(150)		(450)
Williams Partners,			
Expires 06/18/2016, Strike Price: \$27.50	(30)		(15,450)
Expires 06/18/2016, Strike Price: \$32.50	(25)		<u>(2,650)</u>
<b>TOTAL WRITTEN OPTIONS</b>			
<b>(Premiums Received \$207,417)</b>		<b>\$</b>	<b><u>(204,390)</u></b>

† For the year ended May 31, 2016, the total amount of all open purchased and written options, as presented in the Schedule of Investments, are representative of the volume of activity for these derivative types during the year.

The accompanying notes are an integral part of the financial statements.

A list of the open futures contracts held by the Fund at May 31, 2016 is as follows ‡:

Type of Contract	Number of Contracts Short	Expiration Date	Unrealized (Depreciation)
CAC Currency	(12)	Jun-2016	\$ (8,014)
CBT 10-Year DSF	(23)	Jun-2016	(21,142)
CBT 5-Year DSF	(25)	Jun-2016	(7,093)
Russell 2000 Index E-MINI	(6)	Jun-2016	(45,111)
S&P 500 Index E-MINI	(13)	Jun-2016	(67,804)
U.S. 10-Year Treasury Note	(32)	Jun-2016	(21,804)
U.S. Long Treasury Bond	(15)	Jun-2016	(29,323)
U.S. 2-Year Treasury Note	(5)	Jun-2016	(1,579)
U.S. 5-Year Treasury Note	(13)	Jun-2016	(7,745)
			<u>\$ (209,615)</u>

‡ For the year ended May 31, 2016, the total amount of all open futures contracts, as presented in the table above, is representative of the volume of activity for this derivative type during the year.

- (a) Underlying security for a written/purchased option.
- (b) Securities considered to be Master Limited Partnerships. At May 31, 2016, these securities amounted to \$1,837,673 or 6.04% of total net assets.
- (c) Non-income producing security.
- (d) REIT - Real Estate Investment Trust
- (e) Variable rate security, the coupon rate shown is the effective rate as of May 31, 2016.
- (f) Securities for which market quotations are not readily available are valued at fair value as determined by the Advisor in accordance with procedures adopted by the Board of Trustees. The total fair value of such securities at May 31, 2016 is \$3,592,238, which represents 11.80% of total net assets.
- (g) Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold to qualified institutional buyers in transactions exempt from registration. At May 31, 2016, these securities amounted to \$1,251,096, which represents 4.11% of total net assets.
- (h) All or a portion of this security has been committed as collateral for open short positions.
- (i) The rate shown is the 7-day effective yield as of May 31, 2016.
- (j) Interest only security.

ADR — American Depositary Receipt

CBT — Chicago Board of Trade

CAC — Canadian Currency

CI — Class

DSF — Deliverable Swap Future

FGLMC — Federal Housing Loan Mortgage Corporation Gold 30-Year Fixed

FHA — Federal Housing Administration

FNMA — Federal National Mortgage Association

GNMA — Government National Mortgage Association

MSCI — Morgan Stanley Capital International

S&P — Standard & Poor's

SPDR — Standard & Poor's Depository Receipt

TSX — Toronto Stock Exchange

USDA — United States Department of Agriculture

The accompanying notes are an integral part of the financial statements.



*Statement of Assets and Liabilities as of May 31, 2016*

<b>Assets:</b>	
Investments, at fair value (identified cost — \$36,140,654)	\$ 37,854,429
Foreign currency, at value (cost — \$5,047)	5,024
Receivables:	
Dividends and interest	360,950
Investment securities sold	355,568
Variation margin	10,320
Capital shares sold	4,658
Due from Broker	900,193
Options purchased, at value (cost — \$384,152)	364,495
Cash pledged as collateral for futures contracts	305,305
Prepaid expenses	<u>11,560</u>
Total Assets	<u>\$ 40,172,502</u>
<b>Liabilities:</b>	
Securities sold short (proceeds — \$6,957,504)	\$ 7,095,776
Payables:	
Investment securities purchased	472,071
Distributions to Shareholders	38,238
Capital shares redeemed	33,395
Advisory fees due to Advisor	20,169
Dividend expense on securities sold short	18,422
Variation margin	9,074
Shareholder servicing fees	5,070
Administration fees	2,281
Chief Compliance Officer fees	556
Trustees' fees	244
Due to Broker	1,800,419
Options written, at value (premiums received — \$207,417)	204,390
Other accrued expenses	<u>40,017</u>
Total Liabilities	<u>\$ 9,740,122</u>
<b>Net Assets:</b>	
	\$ 30,432,380
Net Assets consist of:	
Paid-in capital	\$ 32,192,631
Distributions in excess of net investment income	(103,806)
Accumulated net realized loss on investments, securities sold short, options and futures contracts	(3,005,672)
Net unrealized appreciation on investments and securities sold short	1,575,503
Net unrealized depreciation on options	(16,630)
Net unrealized depreciation on futures contracts	(209,615)
Net unrealized depreciation on foreign currency translation	<u>(31)</u>
Net Assets	<u>\$ 30,432,380</u>
Net Assets — Institutional (Unlimited shares of beneficial interest with no par value authorized; 3,150,185 shares outstanding)	\$ 30,432,380
Net Asset Value, offering and redemption price per share — Institutional	\$ 9.66

The accompanying notes are an integral part of the financial statements.

*Statement of Operations for the fiscal year ended May 31, 2016*

<b>Investment Income:</b>	
Dividends	\$ 949,137
Interest	1,066,280
Less: Foreign Taxes Withheld	(3,551)
Total investment income	<u>2,011,866</u>
<b>Expenses:</b>	
Investment advisory fees	303,630
Shareholder servicing fees	60,727
Dividend expense on securities sold short	177,207
Prime Broker fees	172,220
Professional fees	27,348
Chief Compliance Officer fees	25,728
Registration and filing expenses	19,962
Accounting and administration fees	19,422
Custodian fees	18,691
Printing fees	9,533
Trustees' fees	6,202
Transfer agent fees	4,259
Other	12,784
Total expenses	<u>857,713</u>
Less:	
Investment advisory fee waiver	(22,358)
Net expenses	<u>835,355</u>
Net investment income	<u>1,176,511</u>
<b>Realized and unrealized gain (loss) on:</b>	
Net realized loss on investments	(923,389)
Net realized gain on investment securities sold short	381,257
Net realized loss on futures contracts	(736,367)
Net realized loss on options	(424,927)
Net realized loss on foreign currency transactions	(11,556)
<b>Net realized loss</b>	<b><u>(1,714,982)</u></b>
Net change in unrealized appreciation on investments	423,902
Net change in unrealized depreciation on securities sold short	(164,918)
Net change in unrealized appreciation on futures contracts	80,839
Net change in unrealized depreciation on options	(32,222)
Net change in unrealized depreciation on foreign currency translation	(12)
<b>Net change in unrealized appreciation</b>	<b><u>307,589</u></b>
<b>Net realized and unrealized loss</b>	<b><u>(1,407,393)</u></b>
<b>Net decrease in net assets resulting from operations:</b>	<b>\$ <u>(230,882)</u></b>

The accompanying notes are an integral part of the financial statements.

## Statements of Changes in Net Assets

	For the Fiscal Year Ended May 31, 2016	For the Fiscal Year Ended May 31, 2015
Operations:		
Net investment income	\$ 1,176,511	\$ 880,559
Net realized loss on investments, securities sold short, futures contracts, options and foreign currency transactions	(1,714,982)	(1,236,359)
Net change in unrealized appreciation on investments, securities sold short, futures contracts, options and foreign currency translation	<u>307,589</u>	<u>356,506</u>
Net increase (decrease) in net assets resulting from operations	<u>(230,882)</u>	<u>706</u>
Distributions to shareholders from:		
Net investment income	(1,150,302)	(889,174)
Return of Capital	<u>(100,776)</u>	<u>(45,847)</u>
Total distributions	<u>(1,251,078)</u>	<u>(935,021)</u>
Capital share transactions:		
Institutional		
Shares issued	5,160,527	17,929,407
Shares reinvested	968,777	731,243
Shares redeemed	<u>(5,241,425)</u>	<u>(2,940,747)</u>
Increase in net assets from capital share transactions	<u>887,879</u>	<u>15,719,903</u>
Increase (decrease) in net assets	(594,081)	14,785,588
<b>Net Assets:</b>		
Beginning of year	31,026,461	16,240,873
End of year	<u>\$ 30,432,380</u>	<u>\$ 31,026,461</u>
Distributions in excess of net investment income	<u>\$ (103,806)</u>	<u>\$ (28,854)</u>
<b>Share Transactions:</b>		
Institutional		
Shares issued	530,259	1,731,944
Shares reinvested	100,467	71,198
Shares redeemed	<u>(542,374)</u>	<u>(287,299)</u>
Increase in shares	88,352	1,515,843
Institutional outstanding at beginning of year	<u>3,061,833</u>	<u>1,545,990</u>
Institutional at end of year	<u>3,150,185</u>	<u>3,061,833</u>

The accompanying notes are an integral part of the financial statements.

*Financial Highlights—Per share data  
(for a share outstanding throughout each year/period)*

	Institutional			
	For the Fiscal Year Ended May 31, 2016	For the Fiscal Year Ended May 31, 2015	For the Fiscal Year Ended May 31, 2014	For the Period Ended May 31, 2013 <sup>(a)</sup>
<b>Net Asset Value, Beginning of Period/Year</b>	\$ 10.13	\$ 10.51	\$ 10.00	\$ 0.00
<b>Shares Issued</b>	—	—	—	10.00
<b>Investment Operations:</b>				
<b>Net investment income<sup>(b)</sup></b>	0.38	0.36	0.22	—
<b>Net realized and unrealized gain (loss) on investments</b>	___(0.45)	___(0.38)	___0.50	___—
<b>Total from investment operations</b>	___(0.07)	___(0.02)	___0.72	___—
<b>Distributions from:</b>				
<b>Net investment income</b>	<b>(0.37)</b>	<b>(0.34)</b>	<b>(0.21)</b>	—
<b>Net capital gains</b>	—	—	___(c)	—
<b>Net return of capital</b>	___(0.03)	___(0.02)	___—	___—
<b>Total distributions</b>	(0.40)	(0.36)	(0.21)	—
<b>Net Asset Value, End of Period/Year</b>	\$ 9.66	\$ 10.13	\$ 10.51	\$ 10.00
<b>Total return</b>	(0.63%)	(0.19%)	7.24%	0.00% <sup>(d)</sup>
<b>Ratios/Supplemental Data</b>				
Net assets, end of period/year (in 000s)	\$ 30,432	\$ 31,026	\$ 16,241	\$ 2,250
Ratio of expenses to average net assets				
Before fee waiver	2.83%	2.90%	4.65%	___% <sup>(a)</sup>
After fee waiver <sup>(e)</sup>	2.76%	2.62%	2.89%	___% <sup>(a)</sup>
Ratio of net investment income to average net assets	3.89%	3.47%	2.16%	___% <sup>(a)</sup>
Portfolio turnover rate	86%	131%	109%	___% <sup>(f)</sup>

(a) Commenced operations May 31, 2013 with a seed investment of capital from the Advisor and another affiliate.

(b) Based on the average daily number of shares outstanding during the period.

(c) The amount represents less than \$0.01 per share.

(d) Return is for the period indicated and has not been annualized.

(e) Excluding dividend and prime broker fees on securities sold short, the ratio of expenses to average net assets would have been 1.60%.

(f) Not Annualized.

The accompanying notes are an integral part of the financial statements.

## **Note 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Community Capital Trust (formerly known as The Community Reinvestment Act Qualified Investment Fund) (the “Trust”) was organized as a Delaware business trust on January 15, 1999. The Trust is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company and consists of two separate series. The financial statements herein are those of the CCM Alternative Income Fund (the “Fund”). The Fund is classified as a diversified portfolio under the Act. The Fund offers one class of shares of beneficial interest, which has been designated as Institutional Shares. The Fund commenced investment operations on May 31, 2013. Community Capital Management, Inc. (the “Advisor”) is the Fund’s investment advisor. The financial statements of the remaining series of the Trust are not presented herein, but are presented separately. The assets of each series within the Trust are segregated, and a shareholder’s interest is limited to the series in which shares are held.

The Fund is an investment company in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Therefore, the Fund follows the accounting and reporting guidance for investment companies. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with U.S. GAAP for investment companies.

**Security Valuation.** Investments in securities traded on a national securities exchange are valued at the last reported bid price. Debt securities are valued by using market bid quotations or independent pricing services which use bid prices provided by market makers or estimates of values obtained from yield data relating to instruments or securities with similar characteristics. Options for which the primary market is a national securities exchange are valued at the last bid price on the exchange on which they are traded, or, in the absence of any sale, at the closing bid price. Options not traded on a national securities exchange are valued at the last quoted bid price. When market quotations are not readily available, securities and other assets are valued at fair value as determined by the Advisor and compared to independent third party sources for reasonableness. The Board of Trustees has approved the Fund’s valuation policies and procedures. Short-term obligations having a maturity of sixty (60) days or less at time of acquisition are valued at amortized cost (provided it is consistent with fair value) or original cost plus accrued interest.

At May 31, 2016, the Fund held securities that were fair valued by the Advisor in accordance with procedures approved by the Board of Trustees in the amount of \$3,592,238.

The Fund may hold foreign securities that trade on weekends or other days when the Fund does not price its shares. Therefore, the value of such securities may change on days when shareholders will not be able to purchase or redeem shares.

In accordance with the authoritative guidance on fair value measurements and disclosure under U.S. GAAP, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 — Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 — Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Investments are classified within the level of the lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

Level 1 inputs are quoted prices in an active market. A Level 1 input will be used unless the Advisor holds a large number of similar assets that are required to be measured at fair value and a quoted price in an active market might be available, but not readily accessible for each of the assets individually; and there has been a significant event after the close of the market.

Level 2 inputs are observable inputs, other than quoted prices. Examples of Level 2 inputs are as follows:

- Dealer prices for similar assets in active markets
- Quoted prices for identical or similar assets in non-active markets
- Inputs other than quoted prices that are observable
- Inputs that are derived principally from or corroborated by observable market data by correlations or other means
- Matrix pricing
- Pricing evaluations provided by independent pricing services

Level 3 inputs are unobservable inputs based primarily upon the Advisor's assumptions about the assumptions that market participants would use pricing the asset. Unobservable inputs are developed based on the best information available in the circumstances, which may include the Advisor's own data.

The following table sets forth information about the level within the fair value hierarchy at which the Fund's investments are measured at May 31, 2016.

Assets	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ —	\$ 13,154,156	\$ —	\$ 13,154,156
Common Stock	9,966,893	—	—	9,966,893
U.S. Government & Agency Obligations	—	1,201,013	3,342,017	4,543,030
Preferred Stock	—	3,136,310	—	3,136,310
Corporate Bonds	—	3,055,600	—	3,055,600
Closed-End Funds	2,297,133	—	—	2,297,133
Asset-Backed Securities	—	203,210	250,221	453,431
Short-Term Investment	1,247,876	—	—	1,247,876
<b>Total Assets</b>	<b>\$ 13,511,902</b>	<b>\$ 20,750,289</b>	<b>\$ 3,592,238*</b>	<b>\$ 37,854,429</b>

Liabilities	Level 1	Level 2	Level 3	Total
Securities Sold Short				
Exchange Traded Funds	\$ (1,736,633)	\$ —	\$ —	\$ (1,736,633)
Common Stock	(5,359,143)	—	—	(5,359,143)
<b>Total Liabilities</b>	<b>\$ (7,095,776)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (7,095,776)</b>

Other Financial Instruments	Level 1	Level 2	Level 3	Total
Purchased Options	\$ 364,495	\$ —	\$ —	\$ 364,495
Written Options	(204,390)	—	—	(204,390)
Futures**				
Unrealized Depreciation	(209,615)	—	—	(209,615)
<b>Total Other Financial Instruments</b>	<b>\$ (49,510)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (49,510)</b>

\* Represents securities valued at fair value as determined by the Advisor in accordance with procedures adopted by the Board of Trustees. Refer to the Schedule of Investments for details.

\*\* Futures contracts are valued at the unrealized depreciation on the instrument.

The following is a reconciliation of the investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	<b>U.S. Government &amp; Agency Obligations</b>
Beginning Balance as of June 1, 2015	\$ 3,916,579
Accrued discounts/premiums	(1,454)
Realized gain/(loss)	(454)
Change in appreciation/(depreciation)	88,041
Purchases	—
Sales	(307,622)
Amortization sold	56
Transfer into Level 3	—
Transfer out of Level 3	(353,129)
Ending balance as of May 31, 2016	<u>\$ 3,342,017</u>
Change in unrealized gains included in earnings related to securities still held at reporting date	<u>\$ 86,856</u>

	<b>Investments in Asset-Backed Security</b>
Beginning Balance as of June 1, 2015	\$ —
Accrued discounts/premiums	—
Realized gain/(loss)	—
Change in appreciation/(depreciation)	303
Purchases	249,918
Sales	—
Transfer into Level 3	—
Transfer out of Level 3	—
Ending balance as of May 31, 2016	<u>\$ 250,221</u>
Change in unrealized gains included in earnings related to securities still held at reporting date	<u>\$ 303</u>

For the fiscal year ended May 31, 2016, there were transfers between Level 1 and Level 2 assets and liabilities. The transfers were due to changes in the availability of quoted price inputs used to determine fair value. For the fiscal year ended May 31, 2016, there were transfers between Level 2 and Level 3 assets and liabilities. The transfers were due to changes in the availability of observable inputs used to determine fair value. All transfers, if any, are recognized by the Fund at the end of the period.

For the fiscal year ended May 31, 2016, there have been no significant changes to the Fund's fair value methodologies.



The following table summarizes the quantitative inputs and assumptions used for items categorized as recurring Level 3 assets as of May 31, 2016. The following disclosures also include qualitative information on the sensitivity of the fair value measurements to changes in the significant unobservable inputs.

Financial Asset	Fair Value at May 31, 2016	Valuation Techniques	Unobservable Inputs	Ranges (Average)
FHA Loans	\$ 2,446,415	Matrix Pricing	Structure  Spread to Benchmark  Offered Quotes Variance to Mark	2 out of lockout with remaining maturity term range 9.43 - 18.60 years (14.01 year average maturity). 1 is a 40yr Amortization with a 15yr Lockout period and 1% prepay penalty to maturity (2047)  N+322 - N+477 (N+425)  -0.33% - 4.65% (0.69%)
USDA Loans	\$ 895,602	Matrix Pricing	Structure  Spread to Benchmark  Offered Quotes Variance to Mark	40 year term, with 3 years remaining in lockout (3%, 2%, 1%)  N-122  N/A
Asset-Backed Security	\$ 250,221	Matrix Pricing	Structure  Spread to Benchmark  Offered Quotes Variance to Mark	Fixed Rate Coupons  N+225  NA

The unobservable inputs used to determine fair value of recurring Level 3 assets may have similar or diverging impacts on valuation. Significant increases and decreases in these inputs in isolation and interrelationships between those inputs could result in significantly higher or lower fair value measurement.

***Mortgage-Backed To-Be-Announced Securities.*** The Fund may enter into mortgage-backed to-be-announced securities (“TBAs”). These derivative financial instruments are subject to varying degrees of market and credit risk. TBAs provide for the delayed delivery of the underlying instrument. The contractual or notional amounts related to these financial instruments adjusted for unrealized market valuation gains or losses are recorded on a trade date basis. The credit risk related to settlements is limited to the unrealized market valuation gains or losses recorded in the statement of operations. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility and changes in interest rates.

**Investment Income and Securities Transactions.** Security transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses on sales of investments are determined on the basis of the identified cost for both financial statement and federal income tax purposes. Dividend income is recognized on the ex-dividend date or as soon as information is available to the Fund. Interest income is recognized on an accrual basis.

Amortization and accretion are calculated using the effective interest method. Amortization of premiums and discounts are included in interest income.

**Determination of Net Asset Value and Calculation of Expenses.** In calculating the net asset value (“NAV”) per share of the Fund, investment income, realized and unrealized gains and losses, and expenses are allocated daily to each share based upon the proportion of net assets of each share.

**Federal Income Taxes.** It is the policy of the Fund to comply with all requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether it is “more-likely-than-not” (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions deemed to meet the more-likely-than-not threshold are recorded as a tax benefit in the current year. However, management’s conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., the last 3 tax year ends, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

**Distributions to Shareholders.** Dividends from net investment income are declared and paid monthly and distributable net realized capital gains, if any, are declared and distributed at least annually. Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. GAAP.

**Use of Estimates.** In preparing financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Securities Purchased on a Delayed Delivery Basis.** The Fund may purchase securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date. The Fund will set aside liquid assets, or engage in other appropriate measures, to cover its obligations with respect to these securities.

**Futures Contracts.** The Fund may use futures contracts for tactical hedging purposes as well as to enhance the Fund’s returns. Initial margin deposits of cash or securities are made upon entering into futures contracts. The contracts

are marked to market daily and the resulting changes in value are accounted for as unrealized gains and losses. Variation margin payments are paid or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the amount invested in the contract.

Risks of entering into futures contracts include the possibility that there will be an imperfect price correlation between the futures and the underlying securities. Second, it is possible that a lack of liquidity for futures contracts could exist in the secondary market, resulting in an inability to close a position prior to its maturity date. Third, the futures contract involves the risk that the Fund could lose more than the original margin deposit required to initiate a futures transaction.

Finally, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. Refer to the Fund's Schedule of Investments for details regarding open futures contracts as of May 31, 2016.

***Options Written/Purchased.*** The Fund may invest in financial options contracts to add return or to hedge its existing portfolio securities, or securities that the Fund intends to purchase, against fluctuations in fair value caused by changes in prevailing market interest rates. The option techniques utilized are to hedge against changes in interest rates, foreign currency exchange rates or securities' prices in order to establish more definitely the effective return on securities or currencies held or intended to be acquired by the Fund, to reduce the volatility of the currency exposure associated with an investment in non-U.S. securities, or as an efficient means of adjusting exposure to the bond, equity and currency markets and not for speculation. When the Fund writes or purchases an option, an amount equal to the premium received or paid by the Fund is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Fund on the expiration date as realized gains. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or a loss.

The risk in writing a call option is that the Fund gives up the opportunity for profit if the market price of the security increases. The risk in writing a put option is that the Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in purchasing an option is that the Fund pays a premium whether or not the option is exercised.

The Fund also has the additional risk of being unable to enter into a closing transaction at an acceptable price if a liquid secondary market does not exist. Option contracts also involve the risk that they may not work as intended due to unanticipated developments in market conditions or other causes.

The Fund employed an active strategy of purchasing and writing options in accordance with its investment strategy. The cost of purchased options and the premiums received for written options that are presented in the Schedule of Investments are representative of the volume of activity during the fiscal year ended May 31, 2016.

Finally, for written options, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. Written options transactions entered into during the fiscal year ended May 31, 2016 are summarized as follows:

	Number of Contracts	Premium
Balance at the beginning of the year	(1,712)	\$ (119,115)
Written	(23,603)	(2,847,265)
Expired	4,680	379,672
Closing buys	<u>18,374</u>	<u>2,379,291</u>
Balance at the end of the year	<u>(2,261)</u>	<u>\$ (207,417)</u>

**Securities Sold Short.** The Fund engages in short sales (selling securities it does not own) as a part of its normal investment activities. When the Fund sells a security short, it borrows the security from a third party and sells it at the then current market price. The Fund is then obligated to buy the security on a later date so that it can return the security to the lender. Short positions may be used either to hedge long positions or may be used speculatively to seek positive returns in instances where the Advisor believes a security's price will decline. The Fund will either realize a profit or incur a loss from a short position, depending on whether the value of the underlying stock decreases or increases, respectively, between the time it is sold and when the Fund replaces the borrowed security. Because the market price of the security sold short could increase without limit, the Fund could be subject to a theoretically unlimited loss. Upon entering into a short position, the Fund records the proceeds as a receivable from prime broker in its Statement of Assets and Liabilities and establishes an offsetting liability for the securities sold under the short sale agreement.

Short sales are collateralized by pledged securities held at the custodian, US Bank N.A. The collateral required is determined daily by reference to the market value of the short positions.

The Fund is required to maintain margin cash balances at the prime broker sufficient to satisfy its short sales positions on a daily basis. The Fund is charged interest expense at the Federal Funds Rate plus 75 basis points on the amount of any shortfall in the required cash margin. Refer to the Statement of Assets and Liabilities for amounts due to/from broker.

**Foreign Currency Translation.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars on the date of valuation. The Fund does not isolate that portion of realized or unrealized gains and losses resulting from changes in the foreign exchange rate from fluctuations arising from changes in the market prices of the securities. These gains and losses are included in net realized and unrealized gains and losses on investments on the Statement of Operations. Net realized and unrealized gains and losses on foreign currency transactions represent net foreign exchange gains or losses from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions and the difference between the amount of the investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid.

**Indemnifications.** Under the Fund's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In the normal course of business, the Fund enters into contracts that contain a variety of representations, that provide general indemnifications. The Fund's maximum liability exposure under these arrangements is unknown, as future claims that have not yet occurred may be made against the Fund. However, based on experience, the Fund expects the risk of loss to be remote.

## Note 2 – CAPITAL SHARE TRANSACTIONS

Transactions in shares of the Fund for the fiscal year ended May 31, 2016 were as follows:

	Shares	Amount
Institutional		
Shares issued	530,259	\$ 5,160,527
Shares reinvested	100,467	968,777
Shares redeemed	<u>(542,374)</u>	<u>(5,241,425)</u>
Net Increase	<u>88,352</u>	<u>\$ 887,879</u>

Transactions in shares of the Fund for the fiscal year ended May 31, 2015 were as follows:

	Shares	Amount
Institutional Shares		
Shares issued	1,731,944	\$ 17,929,407
Shares reinvested	71,198	731,243
Shares redeemed	<u>(287,299)</u>	<u>(2,940,747)</u>
Net Increase	<u>1,515,843</u>	<u>\$ 15,719,903</u>

## Note 3 – INVESTMENT TRANSACTIONS

The aggregate purchases and sales and maturities of investments, excluding short-term investments, short sales, purchases to cover, and futures, by the Fund for the fiscal year ended May 31, 2016, were as follows:

<b>Purchases:</b>	
U.S. Government	\$ —
Other	34,143,525
<b>Sales and Maturities:</b>	
U.S. Government	\$ 758,286
Other	29,928,965

At May 31, 2016, the cost of investments for income tax purposes and the gross unrealized appreciation (depreciation) of investments for tax purposes was as follows:

Cost of investments	\$ 36,500,558
Gross unrealized appreciation	2,054,841
Gross unrealized depreciation	(700,970)
Net appreciation on investments	<u>\$ 1,353,871</u>

At May 31, 2016, the cost of securities sold short for income tax purposes and the gross unrealized appreciation (depreciation) of securities sold short for tax purposes was as follows:

Cost of securities sold short	\$ 6,957,504
Gross unrealized appreciation	246,074
Gross unrealized depreciation	(384,346)
Net depreciation on securities sold short	<u>\$ (138,272)</u>

## Note 4 – DERIVATIVE TRANSACTIONS

Derivative instruments and hedging activities require enhanced disclosures about the Fund's derivative and hedging activities, including how such activities are accounted for and their effect on the Fund's financial position, performance, and cash flows. The period-end fair values on the Schedule of Investments and the amounts of realized and changes in unrealized gains and losses as disclosed on the Statement of Operations are generally indicative of the volume of the Fund's derivative activity for the period.

The fair value of derivative instruments as of May 31, 2016, was as follows:

	Statement of Assets and Liabilities Location	Asset Derivatives	Liability Derivatives
Currency contracts	Net unrealized depreciation on futures contracts	\$ —	\$ (8,014)
Interest rate contracts	Net unrealized depreciation on futures contracts	—	(88,686)
Equity contracts	Net unrealized depreciation on futures contracts	—	(112,915)
	Options purchased, at value/ Options written, at value	<u>364,495</u>	<u>(204,390)</u>
		<u>\$ 364,495</u>	<u>\$ (414,005)</u>

The effect of derivative instruments on the Statement of Operations for the fiscal year ended May 31, 2016, was as follows:

The amount of realized and unrealized gain (loss) on derivatives:

	Realized Gain/ (Loss)	Change in Unrealized Appreciation (Depreciation)	Total
Currency contracts Futures Contracts	\$ 46,840	\$ 10,808	\$ 57,648
Interest rate contracts Futures Contracts	(878,635)	131,260	(747,375)
Equity contracts Futures Contracts	95,428	(61,229)	34,199
Options	<u>(424,927)</u>	<u>(32,222)</u>	<u>(457,149)</u>
	<u>\$ (1,161,294)</u>	<u>\$ 48,617</u>	<u>\$ (1,112,677)</u>

In accordance with Accounting Standards Update (“ASU”) 2013-01, Balance Sheet (Topic 210), Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, the Fund is required to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position.

The following table summarizes the disclosure requirements of ASU 2013-01:

**Offsetting the Financial Assets and Derivative Assets**

As of May 31, 2016	Gross Amounts Not Offset in the Statement of Assets and Liabilities					
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Assets Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Received	Net Amount
JPMorgan	\$ 10,320	\$ (9,074)	\$ 1,246	\$ —	\$ —	\$ 1,246
<b>Total</b>	<u>\$ 10,320</u>	<u>\$ (9,074)</u>	<u>\$ 1,246</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,246</u>

**Offsetting the Financial Liabilities and Derivative Liabilities**

As of May 31, 2016	Gross Amounts Not Offset in the Statement of Assets and Liabilities					
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	Net Amount
JPMorgan	\$ (9,074)	\$ 9,074	\$ —	\$ —	\$ —	\$ —
<b>Total</b>	<u>\$ (9,074)</u>	<u>\$ 9,074</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

## Note 5 – ADVISORY, SUB-ADVISORY AND SERVICE FEES

The Trust has entered into an Advisory Agreement with the Advisor to provide the Fund with investment management services. Pursuant to the Advisory Agreement, the Advisor is entitled to receive a fee, calculated daily, and paid monthly at the annual rate of 1.00% of the Fund's average daily net assets. For the fiscal year ended May 31, 2016, the Advisor was entitled to receive advisory fees of \$303,630.

The Board of Trustees of the Trust has approved Badge Investment Partners LLC (the "Sub-Advisor") to provide sub-advisory services with respect to the Fund pursuant to a Sub-Advisory Agreement between the Advisor and Sub-Advisor. The Advisor pays the Sub-Advisor out of the advisory fee the Advisor receives for managing the Fund. The Advisor provides certain support services to the Sub-Advisor in return for a portion of the Sub-Advisor's gross revenue. For the fiscal year ended May 31, 2016, the Advisor paid the Sub-Advisor \$158,440 in sub-advisory fees.

The Trust has adopted a Services Plan with respect to the Fund's Institutional Shares. Pursuant to the Services Plan, the Trust enters into servicing agreements with financial institutions that agree to provide certain personal liaison and administrative support services to their customers who are the



beneficial owners of Institutional Shares of the Fund in consideration for payment of up to a maximum of 0.50% (comprised of up to 0.25% for personal liaison services and up to 0.25% for administrative support services) per year of the average daily net asset value of the Institutional Shares beneficially owned by such customers. The Fund will limit fees to an aggregate fee of not more than 0.20% under the Services Plan for personal liaison and administrative support services through May 31, 2017. For the fiscal year ended May 31, 2016, the Fund incurred expenses under the Services Plan of \$60,727.

The Advisor has contractually agreed to waive fees and reimburse expenses until September 30, 2017 to the extent total annualized expenses (excluding acquired fund fees and expenses and dividend expenses and prime broker fees on securities sold short) exceed 1.60% of the average daily net assets of the Institutional Shares. The Advisor waived \$22,358 of these fees. The Advisor may not recoup waived fees and reimbursed expenses.

The President, Treasurer and Chief Compliance Officer of the Fund are affiliated with the Advisor.

## Note 6 – DISTRIBUTIONS TO SHAREHOLDERS

The Fund has qualified and intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code for federal income tax purposes and to distribute all of its taxable income and net capital gains. Accordingly, no provision has been made for federal income taxes.

Dividends from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal income tax regulations, which may differ from those amounts determined under U.S. GAAP. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, they are charged or credited to paid-in capital, undistributed net investment income or accumulated net realized gain, as appropriate, in the period that the differences arise.

Accordingly, the following permanent differences as of May 31, 2016, which are primarily attributable to the different treatment for gains and losses on paydowns of mortgage-backed and asset-backed securities, were reclassified to/from the following accounts:

This reclassification had no effect on net asset value per share.

Decrease Undistributed Net Investment Income	Increase Accumulated Net Realized Gain	Decrease Paid-in Capital
\$(385)	\$127,510	\$(127,125)

The tax character of dividends declared for each fiscal year indicated was as follows:

	Fiscal Year Ended May 31, 2016	Fiscal Year Ended May 31, 2015
Distributions declared from:		
Ordinary income	\$ 1,150,302	\$ 889,174
Return of Capital	100,776	45,847
Total Distributions	\$ 1,251,078	\$ 935,021

The Fund's tax-basis capital gains and losses are determined only at the end of each fiscal year.

As of May 31, 2016, the components of accumulated losses on a tax basis were as follows:

Capital loss carryforwards	\$ (2,231,710)
Other temporary differences	(666,186)
Unrealized appreciation, net	1,137,645
Accumulated losses, net	\$ (1,760,251)

For Federal income tax purposes, capital losses may be carried forward and applied against future capital gains. Net capital losses earned may be carried forward indefinitely and must retain the character of the original loss. As of May 31, 2016, the Fund had capital loss carryforwards outstanding as follows:

Short-Term	Long-Term	Total Capital Loss Carryforwards
\$1,906,848	\$324,862	\$2,231,710

## Note 7 – CONCENTRATION/RISK

The Fund, in pursuing its investment objective, is subject to risks. The following is a summary of certain of the risks, and a more complete list can be found in the Fund's most recent prospectus:

**Arbitrage or Fundamental Risk:** Employing arbitrage strategies has the risk that anticipated opportunities do not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds failed trades.

**Commodities Risk:** Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

**Derivatives Risk:** The use of derivative instruments exposes the Fund to additional risks and transaction costs. Derivative instruments come in many varieties and have a wide range of potential risks and rewards, and may include forward contracts, futures contracts, options (both written and purchased), swaps and options on futures and swaps. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

**Counterparty Risk:** In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

**Leverage Risk:** The Fund may make investments in futures contracts, swaps and other derivative instruments. The futures contracts, swaps and certain other derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If the Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a "when-issued" basis or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The net asset value of the Fund employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the Fund to pay interest.

**Short Sale Risk:** Short sales expose the Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the Fund. The amount the Fund could lose on a short sale is theoretically unlimited (as compared to a long position, where the maximum loss is the amount invested). The use of short sales may also cause the Fund to have higher expenses than those of other funds.

## *Note 8* –SUBSEQUENT EVENTS

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events. Based on this evaluation, no additional disclosures or adjustments were required to the financial statements.

REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

*To the Trustees and Shareholders of  
the CCM Alternative Income Fund*

We have audited the accompanying statement of assets and liabilities of CCM Alternative Income Fund (the "Fund"), including the schedule of investments, as of May 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and at May 31, 2013. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of May 31, 2016, by correspondence with the custodian and brokers. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of CCM Alternative Income Fund as of May 31, 2016, and the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and at May 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

New York, New York

July 29, 2016

## Proxy Policies

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (i) without charge, upon request by calling 1-877-272-1977 and (ii) on the Securities and Exchange Commission website at <http://www.sec.gov>.

## N-Q Filings

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for its first and third fiscal quarters on Form N-Q which would be for the fiscal quarters ending February 28 (February 29 during leap year) and August 31. The Form N-Q filing must be made within 60 days of the end of the appropriate quarter. The Fund’s Forms N-Q are available on the SEC’s website at <http://www.sec.gov>, or they may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC (call 800-732-0330 for information on the operation of the Public Reference Room).

## Notice to Shareholders (Unaudited)

For purposes of the Internal Revenue Code (“IRC”), the Fund is designating the following items with regard to distributions paid during the fiscal year ended May 31, 2016:

Return of Capital	Long-Term Capital Gain Distributions	Ordinary Income Distributions	Total Distributions	Qualifying for Corporate Dividends Received Deduction <sup>(1)</sup>	Qualifying Dividend Income <sup>(2)</sup>	U.S. Government Interest <sup>(3)</sup>	Interest Related Dividends <sup>(1)</sup>	Short-Term Capital Gain Dividends <sup>(5)</sup>
8.16%	0.00%	91.84%	100.00%	18.37%	39.54%	0.00%	54.93%	0.00%

- (1) Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).
- (2) The percentage in this column represents the amount of “Qualifying Dividend Income” as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of the Fund to designate the maximum amount permitted by law.
- (3) “U.S. Government Interest” represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of ordinary income. Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for shareholders of the Fund who are residents of California, Connecticut and New York, the statutory threshold requirements were not satisfied to permit exemption of these amounts from state income tax.
- (4) The percentage in this column represents the amount of “Interest Related Dividends” and is reflected as a percentage of ordinary income distributions. Interest related dividends are exempted from U.S. withholding tax when paid to foreign investors.
- (5) The percentage of this column represents the amount of “Short-Term Capital Gain Dividends” and is reflected as a percentage of short-term capital gain distributions that are exempted from U.S. withholding tax when paid to foreign investors.

*Trustees and Officers (Unaudited)*

The business and affairs of the Trust are managed under the direction of the Trust's Board of Trustees in accordance with the laws of the State of Delaware and the Trust's Declaration of Trust. Information pertaining to the trustees and officers of the Trust is set forth below. Trustees who are not deemed to be "interested persons" of the Trust as defined in the 1940 Act are referred to as "Independent Trustees." Trustees who are deemed to be "interested persons" of the Trust are referred to as "Interested Trustees." The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request, by calling 1-877-272-1977.

Name, Address and Age <sup>1</sup>	Position(s) Held with the Trust	Served in Position Since <sup>2</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>3</sup>	Other Directorships Held by Trustee <sup>4</sup>
<b>INDEPENDENT TRUSTEES</b>					
John E. Taylor Age 66	Chairman of the Board and Trustee	6/1/99	President and Chief Executive Officer, National Community Reinvestment Coalition, January 1992 to present.	2	None
Burton Emmer Age 79	Trustee	6/1/99	Assistant to Chief Executive Officer, GHS Electronics, Inc., October 1998 to December 2000; Partner, Grant Thornton LLP (certified public accountants), August 1979 to August 1998.	2	None
Heinz Riehl Age 80	Trustee	6/1/99	President, Riehl World Training & Consulting, Inc. (bank consulting), 1996 to present; Faculty Member, New York University, 1982 to 2008.	2	None
Irvin M. Henderson Age 60	Trustee	6/26/00	President and Chief Executive Officer, Henderson & Company (consulting firm), 1993 to present.	2	None
Robert O. Lehrman Age 81	Trustee	9/29/00	Business consultant and special counsel; Chairman, Advisory Board, Lodestone Banking Consultancy; formerly, Director, Community Capital Bank, New York, NY; formerly, President and Chief Executive Officer, Community Bankers Association, New York.	2	None
<b>OFFICERS</b>					
David K. Downes c/o Community Capital Management, Inc. 2500 Weston Road Suite 101 Weston, FL 33331 Age 76	President	1/29/04	Vice Chair, Community Capital Management, Inc. since February 2015; Chief Executive Officer, Community Capital Management, Inc. from January 2004 to February 2015.	N/A	N/A
Alyssa D. Greenspan, c/o Community Capital Management, Inc. 2500 Weston Road, Suite 101 Weston, FL 33331 Age 44	Vice President	10/22/10	President, Community Capital Management, Inc. since January 2015; Chief Operating Officer, Community Capital Management, Inc. since June 2009; Senior Vice President and Portfolio Manager, Community Capital Management, Inc. since May 2003.	N/A	N/A

Name, Address and Age <sup>1</sup>	Position(s) Held with the Trust	Served in Position Since <sup>2</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>3</sup>	Other Directorships Held by Trustee <sup>4</sup>
OFFICERS (Continued)					
James H. Malone, CFA c/o Community Capital Management, Inc. 2500 Weston Road Suite 101 Weston, FL 33331 Age 45	Treasurer	4/1/14	Chief Financial Officer of Community Capital Management, Inc. since July 2014; Director of Investment Platforms, since September 2011; Managing Director, Harbourside Consulting Group, LLC from September 2009 to August 2011; Vice President, Investment Platform Division at Franklin Templeton from November 2007 to May 2009.	N/A	N/A
Stefanie J. Little Little Consulting Group, Inc. 11 Gina Marie Lane Elkton, MD 21921 Age 48	Chief Compliance Officer	12/18/09	President, Little Consulting Group, Inc. since 2011; Managing Member, SEC Compliance Alliance, LLC since 2012; Attorney, Cipperman & Company from 2007 to 2011; Director, Cipperman Compliance Services, LLC from 2009 to 2011; Chief Compliance Officer of Community Capital Management, Inc. since January 2010; Director, Legal & Contract Management, Brandywine Global Investment Management, LLC from 2004 to 2007.	N/A	N/A
Michael P. Malloy Drinker Biddle & Reath LLP One Logan Square Suite 2000 Philadelphia, PA 19103 Age 56	Secretary	6/1/99	Partner, Drinker Biddle & Reath LLP (law firm) since 1993.	N/A	N/A

1. Each Trustee may be contacted by writing to the Trustee, c/o Community Capital Management, Inc., 2500 Weston Road, Suite 101, Weston, Florida 33331.
2. Each Trustee holds office until he resigns, is removed or dies. The president, treasurer and secretary shall hold office for a one year term and until their respective successors are chosen and qualified, or until such officer dies or resigns.
3. The Fund Complex consists of the Trust. The Trust has two portfolios, the Fund and The Community Reinvestment Act Qualified Investment Fund.
4. Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the 1940 Act.



### *Approval of Advisory and Sub-Advisory Agreements (Unaudited)*

At a meeting held on April 28-29, 2016, the Board of Trustees of the Trust, including a majority of the Trustees who are not “interested persons” (as defined in the Investment Company Act of 1940, as amended (the “Independent Trustees”)), approved (1) the continuation of the Trust’s Advisory Agreement with the Advisor with respect to the CCM Alternative Income Fund (the “Fund”) and (2) the continuation of the Sub-Advisory Agreement between the Advisor and Sub-Advisor with respect to the Fund for an additional one-year period. The Advisor reviewed and responded to Trustees’ questions concerning the materials relating to the Advisory Agreement and Sub-Advisory Agreement, in particular, letters from the Advisor and Sub-Advisor responding to specific questions from the Trustees relating to the Advisory Agreement and Sub-Advisory Agreement. Among other things, those materials and the Advisor’s presentation covered: (i) the nature, extent and quality of the Advisor’s/Sub-Advisor’s services provided to the Fund; (ii) the experience and qualifications of the Advisor’s/Sub-Advisor’s personnel involved in the management of the Fund; (iii) the Advisor’s/Sub-Advisor’s investment philosophy and process; (iv) the Advisor’s/Sub-Advisor’s assets under management; (v) the current advisory/sub-advisory fee arrangement for the Fund and the Advisor’s separate account fees; (vi) the performance of the Fund and the advisory/sub-advisory fee and expenses as compared to other funds; (vii) the Advisor’s and Sub-Advisor’s financial statements and profitability; and (viii) other possible benefits to the Advisor/Sub-Advisor arising from its advisory/sub-advisory and other relationships with the Trust.

The Trustees then met in executive session with counsel to the Trust. The Trustees discussed the information that had been provided to them in connection with the continuation of the Advisory Agreement and Sub-Advisory Agreement, including the matters covered at the March 31, 2016 special meeting of the Board that had been called to review and discuss the materials and information the Board had requested from the Advisor and Sub-Advisor relating to the Advisory Agreement and Sub-Advisory Agreement. In connection with such continuation, counsel to the Trust reviewed his firm’s memorandum outlining the Trustees’ duties and responsibilities in connection with the continuation of the Advisory Agreement and Sub-Advisory Agreement. After further discussion concerning the continuation of the Advisory Agreement and Sub-Advisory Agreement, the Trustees, including a majority of the Independent Trustees, reached the following conclusions: (i) the Advisor and Sub-Advisor have the capabilities, resources and personnel necessary to manage the Fund; (ii) based on the services that the Advisor and Sub-Advisor would provide to the Fund under the Advisory Agreement and Sub-Advisory Agreement, respectively, and the expenses incurred by the Advisor and Sub-Advisor in the performance of such services, the compensation to be paid to the Advisor and Sub-Advisor was fair and equitable; (iii) the difference in management fees between the Fund and the separate accounts managed by the Advisor was reasonable in light of the differing service levels and portfolio management requirements; (iv) the Advisor’s and Sub-Advisor’s direct and indirect expenses in providing advisory and sub-advisory services to the Fund was reasonable; and (v) breakpoints were currently not relevant to the Fund given its asset size. Based upon such information as they considered necessary to the exercise of their reasonable business judgment, the Trustees, including all of the Independent Trustees, concluded that it was in the best interests of the Fund to continue the Advisory Agreement with the Advisor and the Sub-Advisory Agreement between the Advisor and Sub-Advisor with respect to the Fund for an additional one-year period.

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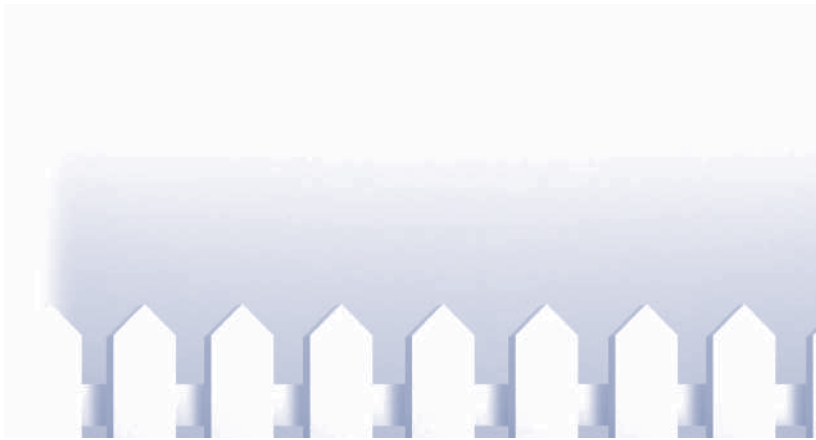
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Irvin M. Henderson, *Trustee*  
Robert O. Lehrman, *Trustee*

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