TODD COHEN
CHIEF INVESTMENT OFFICER

KRISTIN FAFARD, CFA
CHIEF INVESTMENT STRATEGIST

ANDY KAUFMAN
SENIOR PORTFOLIO MANAGER

ELLIOT GILFARB, CFA
SENIOR PORTFOLIO MANAGER

JULIE EGAN
PORTFOLIO MANAGER

ANDREW COWEN
PORTFOLIO MANAGER

THOMAS LOTT
PORTFOLIO MANAGER

DAVID SAND
CHIEF IMPACT STRATEGIST

JESSICA BOTELHO
DIRECTOR OF CRA AND IMPACT RESEARCH

3Q 2018 Commentary

MARKET COMMENTARY

September marked the tenth anniversary of the start of the financial crisis and few would have predicted the subsequent sustained growth in both the economy and in the financial markets. The momentum continued this past quarter with corporate profit growth benefiting not only from the tax cuts enacted at the end of last year, but also from surprisingly strong revenue growth, the highest since 2011. This good news was enough to offset the cloud of uncertainty surrounding trade negotiations and helped boost U.S. equity markets with the S&P 500 Index climbing 7.71%. Both the bond market and the Federal Reserve reacted to the news as interest rates rose across the yield curve, and the target Federal Funds rate was raised by another 25 basis points (0.25%). This was the Fed's third increase since the start of 2018 and the eighth since the tightening cycle started in late 2015. While the U.S. economy and financial markets continued to steam ahead, results were mixed elsewhere in the world with emerging markets in particular showing signs of struggle. With the threat of trade wars, a strong U.S. dollar, and rising interest rates, the MSCI Emerging Markets index declined again during the third quarter, bringing total year-to-date losses to 7.68%.

With rates rising once again during the quarter, the investment-grade bond market, as measured by the Bloomberg Barclays U.S. Aggregate index, was only up 0.02% for the quarter and down 1.6% since the start of the year. In contrast to the first six months of the year, investors were more willing to take on credit risk and spreads narrowed across the board, providing a cushion to the negative effects of rising rates. High yield bonds (as measured by the Bloomberg Barclays High Yield Index) were up 2.4% and investment grade corporate credit rebounded. Longer maturity corporates (as measured by the Corporate sector in the Bloomberg Barclays U.S. Aggregate Bond Index), which have become a much larger piece of the Index over the last eight years, was the best performer. Despite the strong quarter, this sector is still down 5.5% from the start of the year, a reversal from its 2016 and 2017 index leadership, and evidence of the return variability that accompanies longer duration assets.

While the S&P 500 Index posted impressive results, the breadth of the rise was limited, and once again heavily influenced by the largest and highest growing companies in the Index. Year-to-date, the Russell Top 200 Growth Index is up 18.23% compared to the returns of smaller, slower-growing companies, as measured by the Russell 2500 Value Index which is only up 5.75%. This persistent multi-year pattern has accumulated to the point where over the last 5 years, mega growth has outperformed small/mid-cap value by almost 47%. We see this as both a risk and an opportunity. For index investors, it is a risk. Indices that are top-heavy with expensive stocks can topple quickly when expectations aren't met. For the frustrated and patient valuation-conscious stock pickers, this is an opportunity. Not only are these stocks relatively cheap, there are private equity funds ready to use their record levels of cash and the accommodative debt markets to pay fair value if the public markets will not.

CRA Qualified Investment Fund

PORTFOLIO COMMENTARY

In the third quarter of 2018, the CRA Qualified Investment Fund Institutional Shares (CRANX) returned 0.02% with the CRA Shares (CRAIX) and Retail Shares (CRATX) posting negative returns of 0.19% and 0.07%, respectively.

The Fund's largest sector, agency commercial mortgage-backed securities (CMBS), was up 0.06%. Product spreads tightened during the quarter while swaps outperformed treasuries across the curve. On a stand-alone basis, the sector contributed 28 basis points of income return (the Fund generated a total income return of 83 bps).

The Fund's second largest sector, agency mortgage-backed securities (MBS), performed in line with the benchmark's MBS sector return (both were down 0.12%). The Fund's MBS had similar paydowns vs. the benchmark while generating seven basis points (0.07%) of extra income. The sector was able to overcome the lack of shorter-duration MBS (15/20yr MBS outperformed 30yr MBS) and Ginnie Mae MBS (Ginnie Mae outperformed Fannie and Freddie MBS) by being underweight 3% coupon MBS, which was the worst performing coupon during the quarter.

The third largest sector in the Fund, taxable municipal bonds, was up 0.19%. Taxable municipals were able to outperform the two largest sectors in the Fund as spreads tightened in the sector.

Lastly, the Fund's asset-backed security sector was down 0.39%. The sector contributed nine basis points (0.09%) of income return.

For the benchmark, corporate bonds led the way in the third quarter generating a return of 0.80% as spreads tightened by 17 basis points, while both Treasuries and mortgages were down 0.12% during the quarter. The non-corporate space of the benchmark (Sovereign, Supranational, Foreign Agency, and Foreign Local Government, roughly 4.3% of the Index) also performed well generating a return of 0.37%, while the ABS (0.6% of the Index) and CMBS (2.3% of the Index) sectors were up 0.49% and 0.46%, respectively.

As of September 30, 2018, the Fund's Yield-to-Worst (YTW) is 3.74%, higher than the Benchmark's YTW of 3.34% and it exhibited four percent longer duration (interest rate risk) to the Benchmark (4.58 vs 4.38). In addition, the Fund has a higher concentration in agency and government guaranteed securities to the Benchmark.

As of 9/30/18, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were -1.59%; 1.34%; 2.60%; and 3.80%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were -1.05%; 1.78%; 3.06%; and 3.22%. The average annual returns for CRATX for the same periods were -1.40%; 1.45%; 2.71% and 2.86%. As of 9/30/18, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 2.20%, 2.65%, and 2.30% respectively. Performance quoted is past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. An investor's investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than your initial cost. To obtain the most recent month-end performance, call 877-272-1977. The annual operating expenses for the CRA Qualified Investment Fund's CRA Shares, Institutional Shares, and Retail Shares is 0.91%; 0.46% and 0.81% respectively.

CCM Alternative Income Fund

> "Everybody loves somebody sometime
> Everybody falls in love somehow
> Something in your kiss just told me
> My sometime is now."
>
> - DEAN MARTIN

PORTFOLIO COMMENTARY

The Community Capital Alternative Income Fund returned 2.88% in the third quarter including 1.29% of distributions. These results brought year-to-date returns to 4.13% including 3.82% of distributions. These results compare well with the Bloomberg Barclays U.S. Aggregate Bond Index which posted negative year-to-date returns of 1.60%.

We are happy with the Fund's returns in the third quarter. Once again, the overall backdrop was mediocre for the Fund. Equity markets had their best quarter in five years. Growth outperformed value once again. Credit spreads tightened a little but seem to lack room to tighten much more. Delivering close to 3% returns in the environment boiled down to good idiosyncratic performance from the portfolio.

The biggest contributor to performance came from an equity we have owned since the Fund's inception, Enercare. It is a Canadian company whose largest business is leasing water heaters in Ontario. We have written about Enercare in the past as perhaps one of the most boring businesses on the planet.

But boring meant a steady cash flow generator with a good balance sheet that paid annually increasing dividends while also investing in energy efficiency growth areas. It is precisely the type of company we love and precisely what the equity markets have ignored for the past few years.

From the beginning of 2017 until the end of this year's second quarter, Enercare's shares gained less than 1%. A dividend yield over 5% was the only reason it wasn't a major drag on the portfolio.

Fortunately, Enercare's very talented management team kept improving the business, growing profits and investing in growth prospects. Every day the stock stagnated, it became cheaper and more attractive until finally in August, Brookfield, the largest private equity firm in Canada acquired Enercare for a 53% premium. This incredibly boring company generated almost 28% compound annual return on the shares we owned since inception.

Enercare is not some one-off situation where we got lucky. It was the third portfolio company in three years to be acquired. Each company shared the same traits: steady cash flow generation, good balance sheet, and an ability to grow organically at a mid-single digit rate.

These traits are shared by most of our equity investments past and present. While the market largely has been and still is chasing hyper growth companies at valuations that require an awful lot of faith, the companies in our portfolio have been steadily improving but not moving much in price. That's the bad news if you can call it that. The decidedly good news is there are buyers out there willing to pay fair prices for whole businesses and we get paid to wait for them to come calling.

For those the market has already blessed with gains, we have noticed an uptick in conversations about taking money off the table. A common question seems to be where to put the money. With interest rates looking to head higher, the bond market suddenly seems somewhat risky. So what to do?

We have built and run CCMNX for the past five years as a complement or substitute to a bond portfolio, with the goal for investors to earn yield in a structure with hedges to both interest rate and equity markets. Through the end of September, the Fund has delivered over three percent alpha versus the Bloomberg Barclays U.S. Aggregate Bond Index and almost two percent of alpha versus the high yield index while maintaining low betas to both. While we generally do not compare the Fund to the S&P 500, it has generated over one percent alpha since inception with lower betas and correlations.

Dean Martin sang about everybody loving somebody sometime. For those looking to book gains in equities, our sometime is now.

Important Information

The benchmark for the CRA Qualified Investment Fund changed in February 2018 from the Bloomberg Barclays U.S. Aggregate Bond Index to the Bloomberg Barclays Intermediate U.S. Aggregate Index. The sector returns quoted are for the new benchmark.

As of 9/30/18, CCMNX one-year, five-year, and since inception (5/31/13) performance was 5.21%, 3.08%, and 3.16%, respectively. As of 9/30/18, the 30-Day SEC yield and the unsubsidized 30-Day yield for CCMNX are both 5.93% 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. For CCMNX, performance reflects fee waivers, which if not in effect, would have decreased performance. The total annual fund operating expenses is 2.85%. The net expense ratio is 2.74% which is the amount the investor would pay. The total annual operating expense after fee waivers and expense reimbursements (other than acquired fund fees and expenses and dividend expense and prime broker fees on securities sold short) is 1.40%. Waivers are contractual and in effect until 9/30/19.

Data sources: Barclays Live, Bloomberg PORT, and eVestment Alliance.

CCM is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

This material must be preceded or accompanied by the current Fund prospectuses. Please read them carefully before investing. The Funds are distributed by SEI Investments Distribution Co., which is not affiliated with Community Capital Management, Inc.

Investing involves risk, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. The CRA Qualified Investment Fund is not diversified. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. The CCM Alternative Income Fund uses investment techniques that are different from the risks ordinarily associated with equity investments. Such techniques and strategies include hedging risks, merger arbitrage risks, derivative risks, short sale risks, leverage risks, commodities risk, and foreign investment risks, which may increase volatility and may increase costs and lower performance. Commodities can be highly volatile and the use of leverage may accelerate the velocity of potential losses. There is no guarantee the investment objective or goals of the Funds will be achieved. Holdings are subject to change.

The top 10 holdings for CCMNX as of 9/30/18 are: FHA 023-9846 ST. Francis (5.20%), Independence Realty Trust (3.64%), C 5 7/8 PERP (3.40%), SEB 5 3/4 11/29/49 (3.34%), JPM 7.9 PERP (3.32%), Starwood Property Trust I (3.08%), PGIM Global SH Dur HI Yld (3.06%), Aircastle LTD (3.03%), AT&T Inc (2.88%), and Washoe Hwy-BABS (2.57%). Holdings are subject to change. Current and future holdings are subject to risk.