

CRA Qualified Investment Fund

About the Fund

The Fund is an investment grade, intermediate duration bond fund that seeks to preserve capital, deliver attractive risk-adjusted returns, and serve as the ballast in a portfolio. The Fund invests in well-researched, fossil fuel free bonds that have direct and measurable positive environmental and societal impacts, with most bonds qualifying under the Community Reinvestment Act (CRA) of 1977. The Fund offers impact targeting where shareholders meeting minimum requirements can direct their capital to support specific geographies or impact themes, a benefit accompanied by impact reporting.

Share Classes

| | Ticker | Inception Date | Expense Ratio |
|---------------|--------|----------------|---------------|
| CRA | CRAIX | 8/30/99 | 0.96 |
| Institutional | CRANX | 3/2/07 | 0.48 |
| Retail | CRATX | 3/2/07 | 0.83 |

Portfolio Managers

Andy Kaufman

Chief Investment Officer
 Industry Start Date: 2004
 CCM Portfolio Manager Since 2015

Elliot Gilfarb, CFA

Head of Fixed Income
 Industry Start Date: 2005
 CCM Portfolio Manager Since 2012

Julie Egan

Director of Municipal Research
 Industry Start Date: 1987
 CCM Portfolio Manager Since 2010

Key Takeaways

- In an effort to break COVID-19's chain of transmission, governments were forced to shut down most activity, bringing their economies to an almost complete halt
- Equity and most debt sold off with alarming speed, setting records for the quickest onset of a bear market
- The massive and ongoing Federal Reserve stimulus packages are beginning to provide some relief to market liquidity

Market Commentary

The first quarter of 2020 will forever be defined by the spread of COVID-19. The 11-year, record-long economic expansion came to a screeching halt as consumer spending declined (consumer spending is approximately 70 percent of Gross Domestic Product²) and businesses across industries were abruptly shuttered, resulting in massive job losses. Investors reacted just as swiftly as the virus spread. The 19.6 percent quarterly decline in the S&P 500 Index did not capture the extent of the equity market's volatility and drawdown. On March 23, the S&P 500 Index had fallen by 34 percent since its peak on February 19. Consistent with prior bouts of market fear, longer-dated U.S. Treasuries became the refuge for the weary, as witnessed by the volatility in the 30-year U.S. Treasury as its yield fell during the quarter from 2.39 percent to 1.32 percent. As the end of the quarter approached, an unprecedented combination of fiscal and monetary relief came when the Federal Reserve committed loans to businesses and liquidity support across an unusually broad list of bond market sectors. With the magnitude of the pandemic growing larger by the day, the U.S. Congress was forced to look beyond partisan agendas to pass a much-needed \$2 trillion economic stimulus bill.

In the fixed income market, the Bloomberg Barclays Aggregate Index posted a positive quarterly return of 3.15 percent, masking the wide dispersion of returns within the investment grade bond market. Sectors that posted positive returns included U.S. Treasuries, up 8.2 percent, and agency mortgages, up 2.8 percent. Corporate bonds were down 3.6 percent. The BBB segment of the Index was down 7.4 percent for the quarter with a drawdown of 17.5 percent during an 11-day trading period in March. This large drawdown under market duress should not come as a surprise as liquidity in corporate bonds is at its lowest levels when measured by the percent of the market held by primary dealers. During this period, the fundamental risks in the corporate bond market continued to grow, much of which was driven by the growth of BBB rated corporate debt that is vulnerable to credit rating declines.

In the equity market, all major U.S. indices were lower. The Russell 2000 Value Index experienced the largest losses among the broad indices, losing 35.7 percent, while the Russell Top 200 Growth Index posted the best returns, down 12.4 percent, with large-cap companies helping to narrow returns. In the S&P 500 Index, healthcare and technology declined a mere 12.7 percent and 11.9 percent, respectively, while energy and financials posted the largest declines, down 50.5 percent and 31.9 percent, respectively. Market panic and indiscriminate selling, reminiscent of the darkest days of the financial crisis, resulted in liquidity squeezes in pockets of the market. The stocks of leveraged companies, irrespective of the quality of their assets or strength of their cashflows, were the most negatively affected, particularly in Real Estate Investment Trusts (REITs), as illustrated by the negative return of 58.44 percent of the MVIS U.S. Mortgage REITs Index. Even preferred stocks (as measured by the iShares U.S. Preferred Stock ETF) drew down by over 30 percent in the middle of March before swiftly recapturing half of those losses in the last week.

The Federal Reserve's ongoing actions, while unprecedented, are necessary to backstop liquidity and enable financial markets to return to some semblance of normalcy. The economy is not just in a recession, it is in a self-induced coma with a currently undeterminable depth and length. What we do know is that a recovery will likely not be overnight.

About CCM

Community Capital Management, Inc. (CCM) was founded in 1998 and is a pioneer in impact and ESG investing. The firm believes a fully integrated portfolio, one that includes impact and environmental, social and governance (ESG) factors, can deliver strong financial performance while simultaneously having positive long-term economic and sustainable outcomes. CCM provides impact and ESG investing solutions coupled with customized reporting to clients on the positive impact outcomes of their investments. For more information, please call 877-272-1977 or visit: www.ccminvests.com.

| | |
|---|----------------------------------|
| Firm Assets | \$2.8 Billion |
| Impact and ESG Experience | 20 Years |
| Impact and ESG Initiatives¹ | \$10 Billion Invested Nationwide |

Portfolio Contributors

- Underweight to corporate bonds
- Higher credit quality
- Higher income

Portfolio Detractors

- Underweight to U.S. Treasuries
- Greater exposure to long-end of the yield curve
- Overweight ABS

Portfolio Commentary

In the first quarter of 2020, the CRA Qualified Investment Fund CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted positive returns of 2.13 percent, 2.15 percent and 2.16 percent, respectively, on a net-of-fees basis. The Intermediate component of the Bloomberg Barclays Aggregate Bond Index (the Benchmark) was up 2.49 percent.

The Fund's largest sector, agency mortgage-backed securities (MBS), was up 2.96 percent during the quarter and outperformed the Benchmark's MBS sector by 15 basis points. The relative outperformance was primarily attributed to three factors: The Fund's exposure to better performing vintages (year of issuance) across the coupon stack; the lack of 15/20-year MBS, which underperformed 30-year MBS; and a higher income profile.

The Fund's second largest sector, agency commercial mortgage-backed securities (CMBS), returned 3.47 percent during the quarter. Spreads widened across the entire sector while swaps also underperformed Treasuries across most of the curve. Within the sector, Fannie Mae's Multifamily Delegated Underwriting Service (DUS) bonds had the best performance returning 6.02 percent. Additionally, Treasury allocations in the Fund used primarily for duration management added 35 basis points to overall returns (the average Treasury allocation during the quarter was 3.68 percent.)

The third largest sector in the Fund, taxable municipal bonds, was up 1.27 percent. Like other sectors in the portfolio, spreads widened during the quarter. Overall, the price return was 0.40 percent, the income return was 0.89 percent, and paydowns negatively impacted performance by 0.02 percent.

Lastly, the asset-backed security (ABS) sector of the Fund was down 3.52 percent. The Fund's non-agency ABS, which is more than half of the exposure in this sector, was down 5.06 percent during the quarter (with income return of 0.74 percent) as spreads widened.

Looking at the benchmark, corporate spreads widened by 201 basis points during the quarter leading the sector to generate a negative excess return of 8.92 percent while the MBS sector posted the best excess return (down 0.83 percent) of all the major sectors. Treasuries made up the largest sector in the benchmark generating a total positive return of 5.25 percent.

As of March 31, 2020, the Fund's Yield-to-Worst (YTW) is 2.19 percent, higher than the Benchmark's YTW of 1.33 percent and it exhibited three percent longer duration (interest rate risk) to the Benchmark. The portfolio management team does not anticipate any changes to its current asset allocation weightings.

¹Impact numbers are approximate figures. ²Gross Domestic Product (GDP) is the value of all goods and services produced in a country over a specific time period.

As of 03/31/2020, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were 5.72%; 2.10%; 2.62%; and 3.97%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were 6.20%; 2.54%; 3.08%; and 3.60%. The average annual returns for CRATX for the same periods were 5.83%; 2.20%; 2.72% and 3.24%. As of 03/31/2020, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 1.69%, 2.14%, and 1.79% 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 0.92%; 0.48% and 0.82% respectively.

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

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

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. There is no guarantee the investment objective or goals of the Fund will be achieved. Holdings are subject to change.