

CRANX: What Worked and Why Amidst a Volatile First Quarter

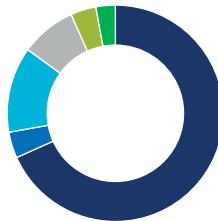
March 2020 will long be remembered as an extraordinary month in our lifetimes and in the history of markets worldwide. While it is too soon to know how COVID-19 and related shocks will fully play out, this perspective takes a look at our flagship impact investing mutual fund – the CRA Qualified Investment Fund Institutional Shares (Ticker: CRANX) – and details how many of the recent and extreme market stresses validate its core investment philosophy.

Preservation of Capital

The Fund's core fixed income strategy has a strong emphasis on preservation of capital. In our twenty years of operation, we have seen boom cycles in the debt and mortgage markets end badly, albeit for different reasons, the financial crisis of 2008, and, more recently, the COVID-19 pandemic. The Fund's disciplined investment approach has provided us the insight to avoid private label mortgage-backed securities (MBS) and invest a large percent of the portfolio in government and agency-backed MBS. The Fund's agency MBS are backed by loans to low- and moderate-income (LMI) borrowers and its agency CMBS finance affordable rental housing properties, primarily those in LMI communities. As of March 31, 2020, approximately 70 percent of the Fund's assets were backed by the U.S. Government or Government Agencies.

Credit Quality¹ | %, As of 3/31/2020

● Government/Agency	68.3
● AAA	3.9
● AA	12.8
● A	8.3
● U.S. Treasury	3.8
● Money Markets	2.9



Risk-Adjusted Returns

The Fund's strategy looks to offer total return consistent with that of an intermediate, investment-grade bond strategy. In the first quarter of 2020, CRANX posted a positive return of 2.15 percent. Given the Fund's impact focus and use-of-proceeds analysis, it is typically underweight in Corporate bonds and Treasuries. Corporates and Treasuries were the worst and best performing sectors, respectively, in the benchmark (Bloomberg Barclays Intermediate Aggregate Index). CRANX had a beta of 0.90 to the benchmark for the quarter.²

¹ Government/Agency includes mortgage-backed and asset-backed securities issued by the U.S. Government and government agencies. All securities rated by S&P, Moody's, Fitch, and/or Kroll Bond Rating Agency. For securities rated by more than one agency, the lowest rating assigned is shown. Ratings are typically measured from AAA (highest) to D (lowest).

² Beta can be considered a measure of sensitivity or of volatility. Beta, with regard to mutual fund investing, is a measure of a particular fund's movement (ups and downs) compared to the overall market. For reference, the market is given a beta of 1.00. A mutual fund investor looking for a fund with less volatility (less swings in price or NAV) might look for funds with betas lower than 1.00. Beta measures higher than 1.00 will indicate higher highs but lower lows. Source: Bloomberg as of 3/3/2020; data includes daily points for the first quarter number.

³ Correlation is a measure of how similar the historical performances of two different asset classes or securities have been and is a great example of bonds as the ballast. A negative correlation close to -1.0 indicates that the historical returns of the two asset classes being compared have been opposite each other. Data sources: Bloomberg as of 03/31/2020; data includes daily points for the first quarter number Community Capital Management, Inc. ("CCM") is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. As of 03/31/2020 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%. Performance quoted is past performance. Past performance 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. For most recent month-end performance, call 877-272-1977. The annual operating expenses for the CRA Qualified Investment Fund's Institutional Shares is 0.48%. The Fund is 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 Fund is not diversified. There is no guarantee the objective of the Fund will be achieved. **Carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information can be found in the Fund's prospectus, which can be obtained by calling 866-202-3573. Please read it carefully before investing.**

Bonds as the Ballast

Bonds can offer important diversification benefits, especially when markets experience extreme volatility like the first quarter of 2020. If we look at the S&P 500 Index (one of the most broad-based equity indices), it was down nearly 20 percent for the quarter. CRANX posted a positive return of 2.15 percent and we are extremely pleased with its history of providing ballast in client portfolios to equity losses. Bonds are a great diversifier and can be used as a tool when rebalancing portfolios. The strategy's impact approach leads to some sector allocations that are traditionally not included in other intermediate duration bond funds. This sector combination has historically contributed to a return pattern that has lower correlation to the equity markets (resulting in better portfolio diversification when it is needed the most), lower volatility, and a greater opportunity to add value through active management. As of March 31, 2020, CRANX exhibited a negative correlation³ of 0.14 to the S&P 500 Index.

● We recently wrote a piece, *The Rebalancing Conundrum*, that discusses rebalancing portfolios in the face of continued uncertainty and volatility. The perspective is available here [here](#).

Responsible Investing, Fossil Fuel Free, and Customization

CCM requires a rigorous use-of-proceeds analysis for all bonds purchased where we can measure, monitor, and track the expected positive environmental and social outcomes. Our work has always involved directing client capital to underserved individuals and communities. Within the strategy, clients can customize their investments to support specific geographies or impact themes. Additionally, the Fund has been fossil fuel free since its inception and we are proud of having one of the longest track records of avoiding carbon-related energy bonds.

● As the nation faces uncertain recovery from the COVID-19 crisis, we know that support for the less fortunate and in hard-hit communities will be more important than ever. We will continue to build upon our track record of making prudent investments that provide capital where it is most needed.