COMMUNITY CAPITAL MANAGEMENT

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	0.92
Institutional	CRANX	3/2/07	0.48
Retail	CRATX	3/2/07	0.82

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

- The Federal Reserve's unprecedented action to stem the pain from COVID-19 has resulted in a financial system that was flushed with liquidity and financial support
- The record-low cost of borrowing has fueled a level of investment grade corporate borrowing that in the first five months of 2020 has already exceeded last year's totals
- Technology's role in both remote work and consumer spending had already been trending higher pre-COVID, and it quickly became a necessity in a quarantined world

Market Commentary

After a bleak start in April, economic activity picked up throughout the quarter as the months'-long quarantine started to lift, and businesses re-opened. Job losses had peaked at over 19 million in April, and despite significant improvement, there remained almost 14 million fewer jobs at the end of June than at the start of the year. The Federal Reserve's unprecedented action to stem the pain from COVID-19 has resulted in a financial system that was flushed with liquidity and financial support and has contributed to a rebound in investor confidence in both the stock and bond markets. Stocks maintained the positive momentum that began in the last week of March and the S&P 500 gained 20.5 percent during the quarter. Interest rates have remained at historic lows, contributing to greater government, corporate, and consumer lending. While economic growth, job gains, and liquid capital markets could suggest improvement, the resurgence of COVID-19 cases in June means that the likelihood of a "V-shaped"* economic recovery may not be remotely close to an option.

In the fixed income market, the Bloomberg Barclays Aggregate Index (the Index) posted a positive quarterly return of 2.90 percent, masking the wide dispersion of returns within the investment grade bond market. In a reversal from the first quarter, the corporate segment of the Index led the way, delivering an 8.98 percent return while the U.S. Treasury and mortgage-backed security (MBS) segments of the Index lagged, increasing a mere 0.48 percent and 0.66 percent, respectively. The Federal Reserve's decision to extend its purchase operations to high yield bonds helped contribute to the 10.18 percent return of the Bloomberg Barclays High Yield Index. Despite the impressive return, high yield bonds are still down 3.8 percent year-to-date and spreads have remained well above their long-term averages as defaults have grown. Even though uncertainties remain, the record-low cost of borrowing has fueled a level of investment grade corporate borrowing that in the first five months of the year had already exceeded last year's totals. Risk-conscious bond investors beware; as of the end of the quarter, corporate bonds grew to over 27 percent of the investment grade bond market (as measured by the sector allocation of the Index), further reducing the diversification benefits of bond portfolios that are benchmarked and closely managed to the Index.

In the equity market, all major U.S. indices were higher; however, most stocks – particularly preferred stocks, real estate investment trusts, and utility stocks – have remained far below their pre-COVID levels. While the quarantine has wreaked havoc across the globe and in many industries, some industries have benefited, furthering the performance dispersion within the equity market. The technology and consumer discretionary sectors, which had historically been considered economically cyclical, are the only two S&P 500 sectors that are up year-to-date, despite economic growth that is still far from pre-COVID levels; technology's role in both remote work and consumer spending had already been trending higher pre-COVID. However, it very quickly became a necessity in a quarantined world versus simply an option, reinforcing many of these stocks' newfound roles in providing a staple to both consumers and businesses. In contrast, despite its 30 percent recovery during the quarter, the energy sector is still down 35 percent from where it was at the start of the year, as the future of travel and the demand for energy remain in question. With stock prices climbing against plummeting corporate earnings expectations, stock valuations, as measured by the major market indices, look high. As we look under the covers, however, not all stocks look expensive. And as history has shown, expectations may be often just as overly negative in times of stress as they are overly positive in times of exuberance, creating ample opportunity for active investors seeking good values.

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	$3 Billion
Impact and ESG Experience	20 Years
Impact and ESG Initiatives[1]	$10 Billion Invested Nationwide

Portfolio Contributors

- Underweight to U.S. Treasuries
- Slower prepayments in MBS pools
- Overweight to spread sectors

Portfolio Detractors

- Underweight to corporate bonds
- Underweight to lowest coupon MBS
- Underweight to lower quality bonds

Portfolio Commentary

In the second quarter of 2020, the CRA Qualified Investment Fund CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted positive returns of 1.30 percent, 1.51 percent, and 1.43 percent, respectively, on a net-of-fees basis. The Intermediate component of the Bloomberg Barclays Aggregate Bond Index (the Benchmark) was up 2.13 percent.

The Fund's largest sector, agency MBS, was up 0.55 percent during the quarter and underperformed the Benchmark's MBS sector by 12 basis points. The relative underperformance is primarily attributed to being underweight the best performing coupons during the quarter. The Fund did pick up some performance with its slower prepayments and a higher income profile, but still not enough to outperform the Benchmark's MBS sector.

The Fund's second largest sector, agency commercial MBS, returned 2.42 percent during the month. The major subsectors all experienced spread tightening during the quarter, but Ginnie Mae Project Loan Real Estate Mortgage Investment Conduit (REMIC) securities ended up with the best performance, generating a 3.33 percent total return.

The third largest sector in the Fund, taxable municipal bonds, was up 2.20 percent with most of the total return coming from spreads tightening during the quarter. Overall, price return was 1.44 percent and income return was 0.81 percent (paydowns accounted for the rest of the total return). Lastly, the Fund's asset-backed security sector (ABS) was up 3.34 percent. The Fund's non-agency ABS, which makes up roughly half of the exposure, was up 5.59 percent during the quarter as spreads tightened (price return was 4.71 percent).

Looking at the Benchmark's performance, corporate spreads tightened by 152 basis points during the quarter, leading the sector to generate an excess return of 7.02 percent and an overall total return of 7.63 percent. The MBS sector generated an excess return of 0.38 percent while Treasuries, the largest sector in the Benchmark, was up 0.54 percent. As of June 30, 2020, the Fund's Yield-to-Worst (YTW) is 1.91 percent, higher than the Benchmark's YTW of 0.97 percent, and it exhibited 12 percent longer duration (interest rate risk) to the Benchmark. The portfolio management team does not anticipate any changes to its current asset allocation weightings.

**V-shaped recovery is a type of economic recession and recovery that resembles a "V" shape in charting. Specifically, a V-shaped recovery represents the shape of a chart of economic measures economists create when examining recessions and recoveries. A V-shaped recovery involves a sharp rise back to a previous peak after a sharp decline in these metrics. [1]Impact numbers are approximate figures.*

As of 06/30/2020, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were 4.96%; 2.52%; 2.48%; and 3.99%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were 5.43%; 2.98%; 2.95%; and 3.64%. The average annual returns for CRATX for the same periods were 5.07%; 2.64%; 2.59% and 3.29%. As of 06/30/2020, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 1.34%, 1.79%, and 1.44% 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.