COMMUNITY CAPITAL MANAGEMENT

Quaker Impact Growth Fund

Investment Objective

The Quaker Impact Growth Fund (the "Fund") seeks to provide long-term growth of capital.

Why Invest

The Fund seeks long-term growth of capital by investing in a portfolio of mid- and large-cap companies where earnings growth is expected to compound. The research process focuses on identifying companies with sustainable business models that are developed and executed by experienced and shareholder-aligned management teams and which include environmental, social, and governance (ESG) related factors in their assessment of opportunities and risks.

Share Classes

	Ticker	Inception Date	Expense Ratio
Institutional	QAGIX	1/1/18	1.87
Advisor	QUAGX	1/1/18	2.12

Portfolio Managers

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

Andrew Cowen
Head of Equities
Industry Start Date: 2000
CCM Portfolio Manager Since 2013

Thomas Lott
Portfolio Manager
Industry Start Date: 1999
CCM Portfolio Manager Since 2013

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 Commentary

After setting a record for the fastest bear market in history, the rebound in the second quarter was equally fast and furious. While fundamentals appear difficult across the board, with even Amazon pandemic costs causing an earnings' miss, the recovery in equity prices has only been exceeded lately by the inflation in valuation metrics. While we seek growth stocks, we also remain mindful of the most important aspect of any business – cash flow.

When cash burning enterprises like Tesla expand to valuations exceeding the combined market cap of Toyota, Ford, and General Motors, we start to get cautious. When we hear investors say things like "valuations don't matter anymore," we get quite nervous.

Our strategy as growth managers for the Quaker Impact Growth Fund remains unchanged. We aim to purchase the best earnings growth business models that we can find. Buying high and selling higher is a dangerous game, one that prudent managers typically avoid. Our sense is that the Federal Reserve has simply pumped too much liquidity into the markets, exacerbated by our Federal Government supplying record levels of stimulus.

Indeed, the reemergence of day traders chasing hot stocks is quite reminiscent of the dotcom era. Aware that most equity bubbles last 12 to 15 months, valuations for Nasdaq stock that are already fifty percent higher than long-term norms could become even more stretched.

Our strategy to navigate this is to continue to invest in stocks that we believe have great balance sheets and above average long-term growth rates, and reduce exposure when valuations become untenable. While the Fund's performance of late reflects our more conservative style, we continue to have high levels of conviction in what we call our portfolio of Compounders.

We are holding more cash than is typical, and fully expect to deploy this capital as attractive opportunities arise. The upcoming November elections will mean more opportunity, as stock market volatility is likely to increase. In any case, we have moved all of our investments into fossil free companies and are diligent in our search for impact and ESG investments.

**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.*

The funds may experience negative performance. Past performance does not guarantee future results. The fund recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic.

*As of 06/30/2020, the average annual returns for the **Quaker Impact Growth Fund's** Institutional Shares for 1-year and since inception were 5.31% and 6.89%.*

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. Returns over one year are annualized.

*The annual operating expense for the **Quaker Impact Growth Fund's** Institutional Shares is 1.87% with an Inception Date 01/01/18.*

The top 10 holdings as of 06/30/2020 are: Microsoft Corp (8.96%), Amazon Com Inc (8.39%), Apple Inc (5.49%), Facebook Inc (5.04%), Dell Technologies Inc (3.63%), Alphabet Inc (3.31%), Alphabet Inc (3.15%), Visa Inc (2.59%), Berkshire Hathaway Inc (2.52%), BlackRock Inc (2.40%). Holdings are subject to change.

Important Information

There's no guarantee that a strategy will be successful. Mutual fund investing involves risk including the possible loss of principal. The Quaker Impact Growth Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. Equity securities are subject to price fluctuation and possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The Fund invests in smaller companies (generally less than $1.5 billion market capitalization).

The S&P 500® Total Return Index is a widely recognized, unmanaged index consisting of the approximately 500 largest companies in the United States as measured by market capitalization. You cannot invest directly in an index.

Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The Statutory, and where available, the Summary Prospectuses contain this and other important information and are available for download at www.ccminvests.com or by calling 866.202.3573. Read carefully before investing.

Source: Fund data provided by Quaker Funds. CCM is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

Effective September 6, 2018 the Fund's name changed from Quaker Strategic Growth Fund to Quaker Impact Growth Fund and Quaker Small Cap Value Fund to Quaker Small/Mid-Cap Impact Value Fund.

The Quaker Funds are distributed by Foreside Fund Services, LLC