

Quaker Small/Mid-Cap Impact Value Fund

Investment Objective

The Quaker Small/Mid-Cap Impact Value Fund (the "Fund") seeks to provide long-term growth of capital.

Why Invest

The Fund seeks to provide long-term growth of capital by investing in a concentrated, benchmark-agnostic portfolio of well-researched equities that are trading at valuations that do not reflect their full potential. The determination of value goes beyond just price—it is also a function of a company's fundamentals, which are analyzed along multiple dimensions, including an assessment of its environmental, social, and governance opportunities and risks.

Share Classes

	Ticker	Inception Date	Gross Expense Ratio %	Net Expense Ratio %
Institutional	QSVIX	1/1/18	2.26	1.46
Advisor	QUSVX	1/1/18	2.51	1.71

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 Initiatives¹	\$10 Billion Invested Nationwide

Portfolio Commentary

The Quaker Small/Mid-Cap (SMID) Impact Value Fund experienced a brief period of notable recovery about midway through the second quarter as people anticipated city and states reopening from COVID-19 related lockdowns. Since many of these securities are deemed economically sensitive (whether they truly are or not is debatable), lockdown reopening looms large for many small- and medium-sized companies. As cases increased in many sunbelt states during June, the fear of negative outcomes was felt in many SMID-cap value shares.

While first quarter earnings were generally benign for many of the portfolio companies, it seems like the market remains skeptical that strength can persist absent a sustainable economic recovery. In our view, valuations for many of our portfolio companies are pricing in beyond even the most bearish economic backdrop. In fact, we believe that many securities are trading far below their "takeover" price and also their "liquidation" price. Such backdrops, while they are uncomfortable to sit through, are historically phenomenal opportunities for long term returns.

"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. ¹Impact 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 Small/Mid-Cap Impact Value Fund** Institutional Shares for 1-year and since inception were -29.89% and 10.79%.*

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 Adviser has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses for **the Quaker Small/Mid-Cap Impact Value Fund's** Institutional Shares is gross 2.26%, net 1.46% with an inception date of January 1, 2018 (excluding any Rule 12b-1 fees, taxes, interest, acquired fund fees and expenses, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, liquidations and other extraordinary expenses) in order to prevent total annual fund operating expenses from exceeding 1.30% of the Fund's average daily, net assets through October 30, 2020. Pursuant to its expense limitation agreement with the Fund, the Adviser is entitled to recoup any fees that it waived and/or Fund expenses that it paid for a period of three years following such fee waivers and expense payments, to the extent that such recoupment by the Adviser will not cause the Fund to exceed any applicable expense limitation that was in place for the Fund when the fees were waived or expenses were paid. These waivers and reimbursements may be terminated at any time with respect to the Fund by its Board of Trustees upon sixty (60) days' written notice to the Adviser without payment of any penalty and shall automatically terminate upon the termination of the Fund's advisory contract with the Adviser.*

The top 10 holdings as of 06/30/2020 are: Independent Reality Trust (5.49%), Enviva Partners LP (5.27%), Synnex Corp (4.45%), Skyline Champion Corporation Com (4.27%), AGNC investment Corp (4.15%), Ameriprise Financial Inc (3.99%), Raymond James Financial Inc (3.55%), Two Harbors Investment Corp (3.45%), Crestwood Equity Partners LP (3.06%), Starwood Property Trust Inc (3.02%). 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 Small/Mid-Cap Impact Value Fund's** smaller companies can be riskier investments than larger companies. The Fund invests in companies that appear to be "undervalued" in the marketplace (i.e. trading at prices below the company's true worth). If the Fund's perceptions of value are wrong, the securities purchased may not perform as expected, reducing the Fund's return. Fund holdings, sector allocations, and asset allocations are subject to change and are not recommendations to buy or sell any security. **Quaker Small/Mid-Cap Impact Value Fund: Master Limited Partnership Risk.** The Fund's exposure to (MLP) may subject the Fund to greater volatility than investments in traditional securities. **Real Estate Investment Trust Risk.** The Fund may have investments in securities issues by, and/or have exposure to, commercial and residential real estate companies.*

The Russell 2500® Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. 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 Small Cap Value Fund to Quaker Small/Mid-Cap Impact Value Fund.

The Quaker Funds are distributed by Foreside Fund Services, LLC