

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

- Interest rates declined further and reached new lows in August contributing to record-levels of borrowing in the U.S. government and corporate sectors of the bond market
- The return dispersion between the largest U.S. stocks and the rest of the market continued to grow wider
- The resurgence of COVID-19 cases means a "K-shaped"* economic recovery, where the rich get richer and the poor get poorer, looks to be the likely outcome

Market Commentary

With the massive amounts of monetary and fiscal stimulus, economic indicators continued to rebound in the third quarter from their historic lows in the spring. Employment and manufacturing data continued to increase, and despite lagging income growth, consumer confidence and spending showed healthy readings.

Major U.S. equity market indexes continued their positive momentum in July and August, and despite a decline in September, they posted positive results for the quarter with the S&P 500 returning 8.93%. Interest rates declined further and reached new lows in August contributing to record-levels of borrowing in the U.S. government and corporate sectors of the bond market. While economic growth, job gains, and liquid capital markets suggested improvement, the resurgence of COVID-19 cases means a "K-shaped" economic recovery, where the rich get richer and the poor get poorer, looks to be the likely outcome.

In the fixed income market, the Bloomberg Barclays Aggregate Index ("the Index") posted a positive quarterly return of 0.62%, with a much narrower dispersion of sector returns than what was experienced in the first two quarters of the year. The corporate segment of the Index once again led the way in the third quarter delivering a 1.54% return while the U.S. Treasury and mortgage-backed security (MBS) segments of the Index lagged, increasing a mere 0.17% and 0.11%, respectively. The Federal Reserve's ongoing purchase operations combined with investors' quest for yield contributed to risk taking in the bond market. This resulted in lower quality bonds outperforming higher quality bonds in the third quarter, with the Bloomberg Barclays U.S. Aggregate: Baa segment of the Index returning 2.11% and high-yield bonds returning 4.60%, as measured by the Bloomberg Barclays U.S. High Yield Index. Even though uncertainties remained, the record-low cost of borrowing continued to fuel a level of investment-grade and high-yield corporate borrowing that hit record highs in the first nine months of the year. This massive supply of new-issue corporate bonds in conjunction with continued price improvement means that demand may remain strong despite the record-low level of yields.

In the equity market, all major U.S. indexes posted positive returns in the third quarter, however there was a wide range of returns among the indexes and within sectors, reflective of the bifurcated impact that COVID-19 has had on individual companies and sectors of the market. Similar to the wealth divide that continued to grow nationwide, the return dispersion between the largest U.S. stocks and the rest of the market continued to grow wider. Mega-cap growth stocks whose revenues have benefited from the virus continued to post attractive results, driving market indexes like the Russell Top 200 Growth Index up over 14% for the quarter while smaller companies facing more struggles lagged behind, as evidenced by the paltry 2.56% return of the Russell 2000 Value Index. Much of the performance dispersion among the indexes is sector-specific given the large differences in sector construction, particularly between growth and value indexes. The contrast in sector performance in the S&P 500 was pronounced – energy was down 19.7% during the quarter, adding to the prior quarters' declines with year-to-date losses now at 48.1% on the fear, and now reality, of lower energy demand. While financials and real estate managed to post positive quarterly results of 4.4% and 1.9%, respectively, both remain far below their 2019 values. With equity prices climbing in the third quarter against relatively low corporate earnings expectations, stock valuations, as measured by the price-to-earnings ratios of the major market indexes, look high. If we look under the covers, however, not all equities look expensive. As history has shown, expectations can be 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 Contributors

- Slower prepayments in MBS pools
- Underweight to U.S. Treasuries
- Spread tightening across Taxable Municipal Bonds

Portfolio Detractors

- Underweight to corporate bonds
- Overweight to higher credit quality
- Yield curve structure

Portfolio Commentary

In the third quarter of 2020, the CRA Qualified Investment Fund (the Fund) CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted positive returns of 0.41%, 0.44%, and 0.35%, respectively, on a net-of-fees basis. The Intermediate component of the Bloomberg Barclays Aggregate Bond Index (the Benchmark) was up 0.48%.

The Fund benefited from being overweight to several credit sectors, specifically corporate bonds, non-agency asset-backed securities (ABS), and taxable municipals, which all posted positive returns during the quarter amidst improved investor confidence and demand for yield. While the combination of the Fund's three credit sectors delivered a strong 0.92% quarterly return, it still trailed a positive 1.33% return of the corporate segment of the Benchmark. The Fund's requirement that bonds must be rated single-A or higher at the time of purchase was a headwind to relative performance during the quarter as the "BBB" segment of the Benchmark performed significantly better than the higher quality segments, delivering a total return of 1.86%.

Interest rates remained relatively range-bound during the quarter with the yield curve steepening slightly when yields declined in the maturities below 10 years yet rose in those 10 years and longer. The Fund's exposure to the yield curve with maturities 10 years and longer was a slight headwind to relative returns; however, it was more than offset by the Fund being underweight to U.S. Treasuries, which rose a mere 0.19% during the quarter.

The Fund's largest sector, agency MBS, posted a return of 0.46%, outperforming the MBS segment of the Index which returned 0.11%. The Fund's agency MBS pools exhibited slower prepayments than those found in the Benchmark which was beneficial as interest rates declined and homeowner refinancing increased. Additionally, the Fund's agency MBS held a lower allocation to Ginnie Mae MBS, which was the worst performing MBS segment of the Benchmark.

The Fund's second largest sector, agency commercial MBS (CMBS), returned 0.66% during the quarter. The Fund benefited from its overweight position in this sector as all major subsectors of the agency CMBS universe experienced spread tightening during the quarter, with Fannie Mae Delegated Underwriting and Servicing (DUS) bonds leading the way, returning 0.94%.

The Fund ended the quarter with a yield-to-worst (YTW) that more-than doubled that of the Benchmark at 1.82% vs. 0.89% and a duration that was 15% longer than the Benchmark at 3.99 years vs. 3.47 years.

**A K-shaped recovery occurs when, different parts of the economy recover at different rates, times, or magnitudes after a recession. ¹Impact numbers are approximate figures.*

As of 09/30/2020, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (8/30/1999) were 3.98%; 2.30%; 2.36%; and 3.96%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (3/2/2007) were 4.35%; 2.75%; 2.82%; and 3.61%. The average annual returns for CRATX for the same periods were 3.99%; 2.39%; 2.46% and 3.25%. As of 09/30/2020, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 1.26%, 1.71%, and 1.36% 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.

Risk Considerations: 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.

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.