COMMUNITY CAPITAL MANAGEMENT

CCM Community Impact Bond Fund

Key Takeaways

- The S&P 500 Index declined 4.3% in the first quarter, driven by a rotation out of growth sectors and increased geopolitical uncertainty that pressured U.S. equities.
- The Bloomberg US Aggregate Bond Index was roughly unchanged during the quarter, as income and paydowns helped offset negative price declines from rising interest rates.
- Economic data indicated a slower but still expanding U.S. economy, with consumer spending remaining supportive, continued expansion in services activity, inflation still above target, and a labor market that showed ongoing signs of cooling.

Share Classes

	Ticker	Inception	Expense Ratio
CRA	CRAIX	8/30/99	0.87
Institutional	CRANX	3/2/07	0.42
Retail	CRATX	3/2/07	0.77

Portfolio Managers

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

Elliot Gilfarb, CFA, Head of Fixed Income
Senior Portfolio Manager
Industry Start Date: 2005
CCM Portfolio Manager Since 2012

Miriam Legrand, Director of Credit Research
Portfolio Manager
Industry Start Date: 2001
CCM Portfolio Manager Since 2022

Shonali Pal, CFA, Portfolio Manager
Industry Start Date: 2014
CCM Portfolio Manager Since 2022

Alex Alario, Portfolio Manager
Industry Start Date: 2016
CCM Portfolio Manager Since 2020

Market Commentary

U.S. equities moved lower in the first quarter, with the S&P 500 Index declining 4.3%. Equity performance was pressured by a rotation away from growth-oriented sectors, valuation concerns in certain areas of the market, and heightened geopolitical uncertainty toward the end of the quarter. Sector performance was mixed, with energy leading the way and gaining 38.3% as the top-performing sector. The financials sector lagged, down 9.5%, while large growth sectors including technology, communication services, and consumer discretionary also posted mid- to high-single-digit losses.

The U.S. bond market was relatively stable during the quarter. The Bloomberg US Aggregate Bond Index was roughly flat, with returns from income and paydowns offsetting losses due to rising interest rates. The 2-year Treasury yield rose from 3.47% at year-end 2025 to 3.79% by March 31, while the 10-year Treasury yield increased from 4.17% to 4.32%. As a result, the Treasury curve flattened during the quarter.

Economic data suggested that the U.S. economy continued to expand at a slower pace. Consumer activity remained supportive, with personal consumption expenditures rising 0.4% in January and retail sales rebounding 0.6% in February. Services activity remained in expansion, with the Institute for Supply Management (ISM) nonmanufacturing index at 54.0 in March, although business commentary pointed to elevated uncertainty related to trade policy and geopolitical developments.

Labor market activity remained modest, yet conditions stayed relatively tight, with the unemployment rate at 4.3% by the end of the quarter. Hiring trends were uneven during the quarter, and the Federal Reserve noted that uncertainty around the outlook remained elevated.

Inflation remained above the Federal Reserve's target but was still well below prior-cycle highs. The Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) Price Index continued to indicate inflation was running in the 2.5% to 3.0% range during the quarter. While there was some evidence that inflation may have started to moderate, the recent rise in oil prices has introduced renewed uncertainty.

Against this backdrop, the Federal Reserve left the federal funds target range unchanged at 3.50% to 3.75% at its March meeting. The Federal Reserve emphasized that economic uncertainty remained elevated and stated it was being attentive to risks on both sides of its dual mandate. Early in the first quarter, the Federal Funds futures market implied 2 to 3 rate cuts by the end of 2026 but with the conflict in the Middle East, it has shifted to no rate cuts by year-end.

Looking ahead, the U.S. economy appears set to remain in a slower-growth environment. This outlook is supported by moderately healthy consumer activity but faces growing headwinds from softer labor-market conditions, elevated policy uncertainty, and renewed geopolitical risks. Markets will look to remain focused on the implications of rising oil prices due to the conflict in Iran. Additionally, attention will focus on hiring trends and how the Federal Reserve plans to address a stagflationary environment.

Portfolio Contributors

- Overweight taxable municipal bonds
- Overweight agency commercial mortgage-backed securities (CMBS)
- Duration and yield curve positioning

Portfolio Detractors

- Underweight lower coupons within agency mortgage-backed securities (MBS)
- Overweight non-agency asset-backed securities (ABS)
- Underweight Ginnie Mae agency MBS

Portfolio Commentary

In the first quarter of 2026, the CCM Community Impact Bond Fund (the Fund) CRA Shares (CRAIX), Institutional Shares (CRANX), and Retail Shares (CRATX) posted returns of 0.15%, 0.26%, and 0.28%, respectively, on a net of fees basis. The Intermediate component of the Bloomberg Aggregate Bond Index (the Benchmark) posted a return of 0.11%.

Duration and Yield Curve Positioning

Interest rates were volatile during the quarter with rates moving higher in January and falling in February amidst lower economic growth expectations. In March, rates moved notably higher as inflation concerns intensified from the conflict with Iran. Interest rates ended the quarter between 3 and 32 basis points higher than where they started the year with the largest increases in the 1- to 5-year segment of the yield curve where the Fund was underweight. At the start of the year, the team expected that interest rates would remain rangebound, though at levels modestly below those of the prior year. Given this outlook, they maintained a barbel positioning to capture higher income at the long end of the curve, while making modest adjustments to the Fund's relative duration, extending duration as rates rose in January and shortening it after rates declined in February. These decisions contributed positively to relative performance during the quarter.

Sector Allocation and Composition

As interest rates moved higher, prices across the Benchmark's three major sectors declined; however, U.S. Treasuries and agency MBS posted positive total returns of 0.05% and 0.40%, respectively, as coupon income more than offset the price declines. The Benchmark's corporate sector was down 0.22% with the BBB- rated segment declining 0.26%, as most relative losses occurred in March when both equity and credit market volatility increased after the start of the war.

During the quarter, the Fund's sector allocation was beneficial to relative returns. The Fund benefited from its overweight to agency CMBS, particularly the Ginnie Mae real estate mortgage investment conduit (REMIC) sub-sector, which has lagged the bond market over the last few years. It also benefited from its overweight to taxable municipal bonds, particularly housing-related bonds, which comprise the majority of the Fund's municipal exposure. The Fund also benefited from its higher credit quality, reflecting an underweight to BBB-rated bonds, as well as strong security selection within the financials sub-sector of corporate bonds. These gains were partially offset by the Fund being overweight to solar-backed non-agency ABS, which underperformed other ABS sub-sectors.

Positioning Changes

As interest rates shifted in January and February, the team adjusted the Fund's relative duration accordingly. However, amid rising inflation risk tied to the conflict in Iran, the team chose not to extend duration in March, even as rates approached the higher end of their expected range. Sector allocations at the end of the quarter remained close to where they started the quarter, as relative valuations remain similar, despite improving performance in the agency CMBS and municipal bond sectors which outperformed during the quarter. The team found better relative value in the corporate sector, selling where spreads were tight and finding opportunities of comparable credit quality to buy at wider, more attractive spreads.

As of 03/31/26, the average annual returns for CRAIX for 1-year, 5-year, 10-year and since inception (08/30/1999) were 4.19%; 0.23%; 0.99%; and 3.12%. The average annual returns for CRANX for 1-year, 5-year, 10-year and since CRANX inception (03/2/07) were 4.66%; 0.70%; 1.45%; and 2.68%. The average annual returns for CRATX for the same periods were 4.29%; 0.35%; 1.10%; and 2.33%. As of 03/31/26, the 30-Day SEC yield for the CRA Shares, Institutional Shares, and Retail Shares was 3.06%, 3.51%, and 3.16%, 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 888-272-0007. The annual operating expenses for the CRA Qualified Investment Fund's CRA Shares, Institutional Shares, and Retail Shares is 0.87%; 0.42% and 0.77%, respectively.

Data sources: Bloomberg 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 CCM Community Impact Bond 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, LLC.

This fund involves impact risk. The Adviser may select or exclude securities of certain companies for reasons other than performance and, as a result, the Fund may underperform other funds that do not use an impact screening process. Impact investing is qualitative and subjective by nature. There is no guarantee that impact criteria used by the Adviser will reflect beliefs or values of any particular investor.