Knights of Columbus Long/Short Equity Fund

The long/short equity fund is designed for faith-based investors and invests in accordance with the guidelines set forth by the United States Conference of Catholic Bishops (USCCB).

**FUND INFORMATION**

<table>
<thead>
<tr>
<th>Share Class</th>
<th>I Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker Symbol</td>
<td>KCEIX</td>
</tr>
<tr>
<td>Inception Date</td>
<td>December 2, 2019</td>
</tr>
<tr>
<td>Benchmark</td>
<td>HFRX Equity Market Neutral Index</td>
</tr>
<tr>
<td>Long Positions</td>
<td>72</td>
</tr>
<tr>
<td>Short Positions</td>
<td>47</td>
</tr>
<tr>
<td>Minimum Investment</td>
<td>$25,000</td>
</tr>
<tr>
<td>Gross Expense Ratio</td>
<td>2.63%</td>
</tr>
<tr>
<td>Net Expense Ratio</td>
<td>2.28%</td>
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</tbody>
</table>

Waivers are contractual and in effect until February 28, 2023. In the absence of current fee waivers, performance would be reduced.

**INVESTMENT OBJECTIVE**

The Long/Short Equity Fund seeks to increase diversification within portfolios and pursues capital appreciation by establishing long and short positions in domestic U.S. equities. The team favors companies that have attractive valuations and exhibit high-quality financial positions with a history of strong free cash flow.

**INVESTMENT PROCESS**

The Fund's selection model employs value, earnings quality, and other proprietary measures when ranking the large cap universe. The process entails a value bias when evaluating securities and places primacy on identifying undervalued firms relative to their quality (longs) and overvalued firms based on their quality (shorts). While the Fund tends to have a modest net long exposure, it can be net short and often carries large cash balances due to proceeds from the short positions.

**PERFORMANCE** (As of 3/31/2022, inception date: 12/2/2019)

<table>
<thead>
<tr>
<th>Fund</th>
<th>QTR</th>
<th>YTD</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long/Short Equity Fund</td>
<td>4.80%</td>
<td>4.80%</td>
<td>14.38%</td>
<td>-</td>
<td>-</td>
<td>3.79%</td>
</tr>
<tr>
<td>HFRX Equity Market Neutral Index</td>
<td>0.10%</td>
<td>0.10%</td>
<td>-1.42%</td>
<td>-</td>
<td>-</td>
<td>-1.54%</td>
</tr>
<tr>
<td>Lipper Alternative Long/Short Equity Classification</td>
<td>-1.94%</td>
<td>-1.94%</td>
<td>6.06%</td>
<td>-</td>
<td>-</td>
<td>8.34%</td>
</tr>
</tbody>
</table>

The performance data quoted represents past performance. Past performance is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth less than their original cost and current performance may be higher or lower than the performance quoted. The Fund charges a 2.00% redemption fee on shares held less than 30 days. Investment performance does not reflect this redemption fee; if it was reflected, the total return would be lower than shown. For performance data current to the most recent month end, please call 1-844-KC-FUNDS.

**GROWTH OF $10,000** (As of 3/31/2022)

Chart depicts the value of a hypothetical $10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if the Class A sales charges were deducted.

www.KofCAssetAdvisors.org  844-KC-FUNDS (844-523-8637)
The benchmark HFRX Equity Market Neutral Index rose 0.10%, while the Fund rose 4.80%. The first quarter of 2022 featured three major macroeconomic shocks: inflation reaching levels not seen in 40 years, the Federal Reserve commencing significant interest rate increases to moderate inflationary pressures, and Russia invading Ukraine sending commodity prices higher and amplifying inflationary fears. Market-neutral funds thrive in environments like the current one. Although the Fund does not need them to work well, rising interest rates are beneficial to market neutral strategies like KCEIX because they punish stocks with high duration, and benefit the low duration cash-generating profitable companies that we tend to own. Our overall performance this quarter supported this concept.

Long Book:

The long book detracted from performance in the quarter on an absolute basis, down -211bps. However, after adjusting for exposure, the long book outperformed the S&P 500 Index, which was down -4.6% during the quarter. We are long-term investors, and our portfolio consists of profitable, high-quality firms with proven business models trading at reasonable valuations.

Generally, Consumer Staples have historically provided some downside protection during market corrections while also capturing some of the upside. With that, we have been ramping up our position in consumer staples stocks. Our positions in staples, which hurt performance last year, delivered positive absolute returns in a down market. Albertson's (+16%, +36bps) was one of our best performers from this sector as they benefitted from capturing margins from record food inflation.

Similar to our Staples positions, Energy were another example where the holdings that hurt performance last year have been positive to date this year. We believe ConocoPhilips (+7.2%, +13bps) has worldclass management, superb reserves, and a focus on capital discipline, this and our other energy names appear well positioned to generate tremendous income for the Fund.

Some of the worst performers in the quarter were in the Semiconductor space, including Qualcomm Inc. (-16%, -28bps) and Seagate Technology Holdings (-18%, -48bps). We remain optimistic that the growing need for these technologies and products has made semiconductors a growing need of modern life.

QUARTERLY COMMENTARY

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**QUARTERLY COMMENTARY (continued)**

**Short Book:**
This quarter, the short book performed well and generated significant alpha for the Fund (+749bps). Although volatile at times, the thesis that we laid out in the last quarter (and in the past) continues to play out. RingCentral Inc., a loss-making firm in terms of earnings per share with a very high valuation, contributed to the Fund’s return (-29%, +54bps). Promising to revolutionize healthcare and enjoying elevated valuations despite consistently losing money, Oak Street Healthcare (-48%, +40bps) continued to positively contribute to returns as it did most of last year. Snapchat detracted from performance in this quarter (+48%, -34bps). The firm trades in excess of 15x sales despite losing -$488 million. Our position in Tesla, Inc. also detracted from performance in the quarter (+23%, -20bps). We currently maintain our long term stance on Tesla which has been often discussed in previous versions of this commentary.

**L2 is optimistic that the intersection of losing money, impossible to justify valuations, and impending investor disappointments will turn firms like Snapchat and Tesla into a healthy source of future alpha.**

**Final Thoughts:**
Although the long-book outperformed the S&P 500, it did detract from absolute performance. At the same time, the short book delivered positive absolute returns. We believe that we have significant pent-up returns that will be unlocked on both the long and the short side over the coming periods.

Our belief is that our long portfolios will benefit significantly from the margin of safety provided by reasonable valuations and fundamentals. We estimate that our short portfolios are ripe for generating significant returns triggered by the rise in inflationary pressures and/or the inability of the firms to meet lofty expectations.

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**ABOUT KNIGHTS OF COLUMBUS ASSET ADVISORS**

Knights of Columbus Asset Advisors, LLC (“KoCAA”), an SEC registered investment advisor, is the investment advisor to the Knights of Columbus Funds and the investment arm of Knights of Columbus, the world’s largest Catholic fraternal organization. KoCAA manages the Knights’ insurance assets, totaling approximately $28 billion as of 3/31/2022. KoCAA also offers a suite of faith-based investment solutions that are managed in accordance with USCCB investment guidelines. For more information about KoCAA’s business operations, please consult the Firm’s Form ADV disclosure documents, the most recent versions of which are available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov or call a KoCAA representative at 844-523-8637.

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**HFRX EMN (Equity Market Neutral):** — Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

**S&P 500 Index** — The S&P 500 or Standard & Poor’s 500 Index is a market-capitalization-weighted index that measures the value of the stocks of the 500 largest U.S. publicly traded companies.

**FCF/EV** — Portfolio weighted mean of (rolling four quarters FCF/market cap). 
**Margins** — Portfolio weighted mean of (operating profit from trailing four quarter / sales from the same period). 
**P/E** — Portfolio weighted mean of (rolling four quarter earnings before extraordinary items / market cap), inverted to calculate P/E. 
**Research & Development (R&D)/Sales (S)** — Portfolio weighted mean of (rolling four quarters R&D / rolling four quarter sales). 
**Return on Equity (ROE)** — Portfolio weighted mean of (rolling four quarter earnings before extraordinary items / most recent quarter book value). 
**Top 10 Active Long Positions** — Single name long equity positions selected for the fund’s portfolio in order to generate alpha based upon quantitative and fundamental analysis.

Knights of Columbus Asset Advisors which serves as the investment adviser to the fund and oversees the activities of L2 Asset Management, the equity sub-advisor, who serves as the investment advisor to the Fund.

This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money.

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