Knights of Columbus Core Bond Fund

This domestic bond fund is designed for faith-based investors and invests in accordance with the guidelines of the U.S. Conference of Catholic Bishops (USCCB).

**FUND PROFILE**

**I SHARES**

**INVESTMENT OBJECTIVE**

The Knights of Columbus Core Bond Fund seeks current income and capital preservation.

**FUND INFORMATION**

- **SHARE CLASS**: I Shares
- **TICKER SYMBOL**: KCCIX
- **INCEPTION DATE**: February 27, 2015
- **BENCHMARK**: Bloomberg Barclays US Aggregate Bond Index
- **NUMBER OF HOLDINGS**: 186
- **MINIMUM INVESTMENT**: $25,000

**HOLDINGS CREDIT QUALITY**

(As of 06/30/2020)

- **AAA/aaa**: 47.9%
- **AA/Aa**: 5.8%
- **A**: 11.4%
- **BBB/Baa**: 33.4%
- **BB/Ba**: 1.6%

**PERFORMANCE** (As of 06/30/2020, inception date: 2/27/2015)

<table>
<thead>
<tr>
<th>Core Bond 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></td>
<td>4.46%</td>
<td>3.77%</td>
<td>6.74%</td>
<td>4.70%</td>
<td>4.18%</td>
<td>3.65%</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 06/30/2020)

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.
Knights of Columbus Core Bond Fund

**QUARTERLY COMMENTARY**

For the quarter ended June 30, 2020, Knights of Columbus Core Bond Fund – I Shares outperformed its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, returning +4.46% compared to +2.90%. For the trailing twelve months, the Fund’s performance lagged the benchmark returning +6.74% versus +8.74%. The Fund ranked in the 80th percentile of its peer group, 108 bps behind the +7.82% average return of the Lipper Core Bond Universe for the one-year period. The Lipper rankings are based on total returns for the one-year period ending 6/30/20, the fund was ranked against 515 funds in the Core Bond Fund category.

The economy is in transition trying to recover from the precipitous slowdown caused by the spread of the coronavirus. The weak first quarter, which resulted in the highest unemployment rate since the Great Depression and jobless claims of nearly 25 million, has been followed by an uneven recovery as lockdown measures have been lifted to varying degrees depending on local conditions. The Federal Reserve (FED) has continued to support the markets and has been able to dial back their purchases of Treasuries and Mortgage Backed Securities as markets have recovered from the dislocations of the first quarter. The better tone to the market has driven spreads tighter across most sectors.

As FED actions continued to support the markets, our outperformance in the quarter was driven by our primary strategy of being overweight spread sectors. Our overweight to Financials and Energy combined with security selection in the Energy sector drove the outperformance in the Credit portfolio. After providing a drag on performance in the first three months of 2020, security selection in Asset Backed Securities contributed to the fund’s returns in the second quarter.

The markets remain in a fragile state, assessing the economic impact of so many factors; the spread of the virus, scientific developments to combat its spread, government responses, consumer reaction to prolonged restrictions on their lives, among others. We expect volatility to remain high and believe issue selection will be critical within our high quality, diversified bond portfolio.

The information provided herein represents the opinion of the manager at a specific point in time and is not intended to be a forecast of future events, a guarantee of future results nor investment advice.

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**CHARACTERISTICS** (as of 06/30/2020)

- 30-Day SEC Yield: 2.21%
- Unsubsidized 30-Day Yield: 1.91%
- Weighted Average Maturity: 8.26
- Duration: 5.94

**DURATION DISTRIBUTION**

<table>
<thead>
<tr>
<th>Maturity Range</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–1 year</td>
<td>1.9%</td>
</tr>
<tr>
<td>1–3 years</td>
<td>25.5%</td>
</tr>
<tr>
<td>3–5 years</td>
<td>27.2%</td>
</tr>
<tr>
<td>5–7 years</td>
<td>6.7%</td>
</tr>
<tr>
<td>7–10 years</td>
<td>14.8%</td>
</tr>
<tr>
<td>10+ years</td>
<td>23.8%</td>
</tr>
</tbody>
</table>

**ASSET CLASS DIVERSIFICATION** (as of 06/30/2020)

- **Agency MBS**: 20.2%
- **Treasury**: 16.5%
- **ABS**: 13.4%
- **CMBS**: 4.8%
- **Non-Agency MBS**: 4.8%
- **Local Authority**: 3.6%

**CORPORATE SECTOR DIVERSIFICATION** (as of 06/30/2020)

- **48.1%** Industrials
- **45.4%** Financials
- **6.5%** Utilities

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**ABOUT THE PORTFOLIO MANAGEMENT TEAM**

Knights of Columbus Asset Advisors manages approximately $24 billion in fixed-income assets on behalf of the Knights of Columbus organization (06/30/2020). Tony Minopoli oversees the investment team, including portfolio management, research and trading. Neill Jordan leads the Knights’ structured investment team, and Gilles Marchand leads the credit investment team.

**Knights of Columbus Asset Advisors Investment Team:**

- **Anthony Minopoli**
  - President & Chief Investment Officer
  - Started with firm: 2005
  - Started in industry: 1987

- **E. Neill Jordan, CFA**
  - Vice President, Portfolio Manager
  - Started in firm: 1987
  - Started in industry: 1983

- **Gilles Marchand, CFA**
  - Vice President, Portfolio Manager
  - Started with firm: 2010
  - Started in industry: 1990

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www.KofCAssetAdvisors.org 844-KC-FUNDS (844-523-8637)
INVESTMENT PROCESS

1 INVESTIBLE UNIVERSE
Invest primarily in government, corporate, and asset back securities

2 SECTOR ALLOCATION
A top down approach favoring sectors with above average value & yield

3 SECURITY SELECTION
Rigorous bottom up selection that complies with Catholic values

4 PORTFOLIO
A diversified Portfolio of our best ideas

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 $26 billion as of 06/30/2020. 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.

*Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). “NR” is used when a rating is not available. “U.S. Government” includes U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities. Ratings are obtained from Barclays using ratings from Moody’s Investors Service, Fitch Ratings, and Standard & Poor’s. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used.

Bloomberg Barclays U.S. Aggregate Bond Index — The U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Lipper Core Bond — Funds that invest at least 85% in domestic investment-grade debt issues (rated in the top four grades) with any remaining investment in nonbenchmark sectors such as high-yield, global, and emerging market debt.

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

Investing involves risk, including possible loss of principal. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. 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. Mortgage-backed securities are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities. There is no guarantee that the investment objective will be achieved. Holdings are subject to change.

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