



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

SHARE CLASS	I Shares
TICKER SYMBOL	KCEIX
INCEPTION DATE	December 2, 2019
BENCHMARK	HFRX Equity Market Neutral Index
LONG POSITIONS	66
SHORT POSITIONS	43
MINIMUM INVESTMENT	\$25,000
GROSS EXPENSE RATIO	2.03%
NET EXPENSE RATIO	1.70%

Waivers are contractual and in effect until February 28, 2021. 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 12/31/2020, inception date: 12/2/2019)

	Annualized Returns					
	QTR	YTD	1-Year	3-Year	5-Year	Since Inception
Long/Short Equity Fund	3.97%	-11.05%	-11.05%	-	-	-10.13%
HFRX Equity Market Neutral Index	3.15%	-3.92%	-3.92%	-	-	-4.24%
Lipper Alternative Long/Short Equity Classification	7.20%	6.24%	6.24%	-	-	6.84%

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 12/31/2020)

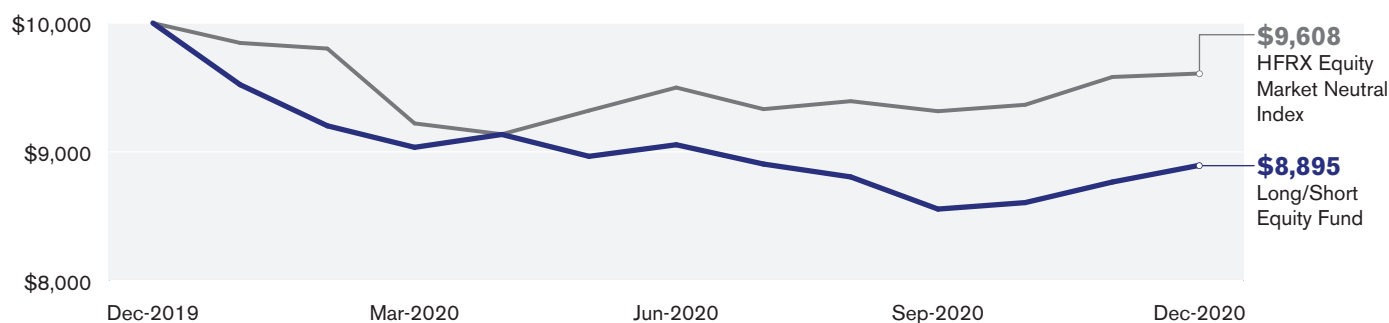


Chart depicts the value of a hypothetical \$10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if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

SECTOR WEIGHTINGS (Excluding cash, as of 12/31/2020)

Sector	Short Exposure	Long Exposure	Net Exposure
Communication Services	-4.0%	3.3%	-0.7%
Consumer Discretionary	-8.6%	5.1%	-3.5%
Consumer Staples	-1.7%	1.2%	-0.5%
Energy	-1.6%	1.0%	-0.5%
Financials	-1.0%	11.6%	10.6%
Healthcare	-5.9%	12.5%	6.6%
Industrials	-2.1%	9.4%	7.3%
Information Technology	-23.9%	29.5%	5.6%
Materials	-0.2%	2.2%	2.0%
Real Estate	-0.2%	0.0%	-0.2%
Utilities	-2.5%	0.0%	-2.5%
TOTAL	-51.4%	75.8%	24.3%

Source: Wells Fargo Prime Brokerage, Data As of 12/31/2020

TOP 10 ACTIVE LONG POSITIONS

(Excluding cash, as of 12/31/2020)

AAPL	2.67%	CSCO	2.02%
MSFT	2.51%	ORCL	2.01%
DVA	2.13%	STX	2.01%
MS	2.12%	KLAC	1.99%
BAC	2.08%	JPM	1.98%
TOTAL			21.51%

Holdings are subject to change.

TOP ACTIVE LONGS FUNDAMENTALS

(As of 12/31/2020)

	Longs	Shorts
FCF/EV	8.5%	-0.3%
P/E	22.8x	-31.9x
Dividend Yield	2.2%	1.8%
ROE	44.4%	-14.1%
Margins	29.9%	-8.5%
3 Yr Sales Growth	16.9%	100.0%

QUARTERLY COMMENTARY

The benchmark HFRX Equity Market Neutral Index rose 3.15% for the quarter while the Fund rose 3.97%. Considering the Fund's market neutral positioning, we are pleased to see the Fund benefitting from some overdue upside capture. For the year, the Fund returned -11.05% with the HFRX Equity Market Neutral Index falling -3.92%. Remarkably, while the fourth quarter of 2020 was good for stocks of all types, it was only the second quarter out of the last 16 where value outperformed growth. As discussed in our prior quarterly commentaries and our firm's research, the weak performance of value relative to growth has only been this dire in the run-up to the peak of the internet bubble. We continue to believe that reversion is inevitable and a matter of "when" not "if."

On the long side, our positions in blue-chip financials like Morgan Stanley & Co. LLC and Bank of America Corp. soared contributing over 140bps in absolute performance (MS: +55%, +99 bps contribution, BAC: +21%, 44bps contribution). Our long position in Intel Corp. fell in an upmarket, which hurt results (INTC: -2.5%, -6bps).

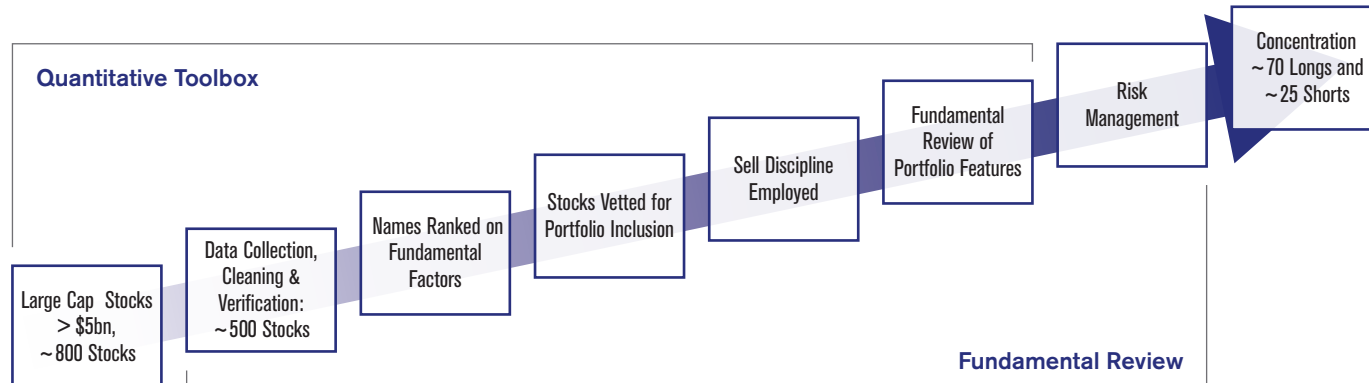
The information provided herein represents the opinion of the manager at a specific point in time and is not intended to be a forecast of future events, a guarantee of future results nor investment advice.

With competitors producing increasingly successful products, the market has decided Intel's 90%+ share of the lucrative server market is already lost. As always, we will keep a close eye on the evolution of Intel's fundamentals, but for now, feel confident in our holding.

Despite value's outperformance in the quarter, the short side of the portfolio still suffered from the market's obsession with fundamentally weak story stocks. Tesla Inc., a firm that loses money in its automotive business selling less than 500,000 cars, rose 34% to a valuation that is now greater than all other major car manufacturers combined. Tesla cost the fund -40bps (TSLA: +34%, -40bps). Similarly, we were disappointed to see Salesforce.com Inc. acquire one of our shorts, Slack Technologies Inc., for a substantial premium. Despite poor fundamentals, Salesforce.com paid \$26 billion for the company or nearly 30x revenue! The takeout cost the fund -50bps as the stock shot up 50% (+50%, -50bps). One of the big contributors on the short side is Zoom Video Communications

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INVESTMENT PROCESS



QUARTERLY COMMENTARY (continued)

Inc., a stock we wrote about in our prior commentary due to its unsustainable valuation and business model. The firm fell 16% and generated 18bps of absolute returns for the fund (ZM: +16%, -18bps).

This quarter provided a “milquetoast” indication of what will happen when fundamentals inevitably take precedent over speculation. Today’s similarities to 2000 are uncanny. Many of the market’s most durable, profitable, and highest quality firms are available at

reasonable to outright cheap prices as speculation grips markets. Periods like these are the precursors for the powerful returns that market-neutral strategies generate over the long arc of history. Those who lived through the euphoria of the internet, commodity, and credit bubbles and their subsequent crashes, the frothy environment today looks like the late stages of these prior bubbles. History is unambiguous: the importance of hedged strategies to asset allocation is most important in periods like today.

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 \$28.7 billion as of 12/31/2020. 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.

The HFRI EH: Equity Hedge Index – Equity Market Neutral Index employs 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.

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.

Investing involves risk, including possible loss of principal. There is no guarantee that the investment objective will be achieved.

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