



## Knights of Columbus Small Cap Fund

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

### FUND INFORMATION

SHARE CLASS	I Shares
TICKER SYMBOL	KCSIX
INCEPTION DATE	February 27, 2015
BENCHMARK	Russell 2000
NUMBER OF HOLDINGS	127
MINIMUM INVESTMENT	\$25,000
GROSS EXPENSE RATIO	1.14%
NET EXPENSE RATIO	1.05%

Waivers are contractual and in effect until February 28, 2021. In the absence of current fee waivers, performance would be reduced.

### INVESTMENT OBJECTIVE

The Small Cap Fund pursues long-term capital appreciation by investing in the stocks of quality, small cap U.S. companies. The portfolio management team uses robust, quantitative stock selection models to identify companies that have attractive risk/return profiles.

### INVESTMENT PROCESS

The investment process begins with proprietary, quantitative research and modeling that help us define the market environment, analyze the investment universe and rank stocks from most to least attractive. The portfolio team incorporates a fundamental overlay to the process by reviewing buy/sell candidates and industry rankings to validate and interpret model rankings. Catholic screens are applied to ensure that all purchase candidates meet the USCCB investment guidelines.

### PERFORMANCE (As of 12/31/2020, inception date: 2/27/2015)

	Annualized Returns					
	QTR	YTD	1-Year	3-Year	5-Year	Since Inception
<b>Small Cap Fund</b>	<b>25.57%</b>	<b>13.65%</b>	<b>13.65%</b>	<b>6.00%</b>	<b>9.69%</b>	<b>7.21%</b>
Russell 2000 Index	31.37%	19.96%	19.96%	10.25%	13.26%	9.91%
Lipper Small Cap Core Class.	28.85%	9.24%	9.24%	5.55%	9.89%	7.23%

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)

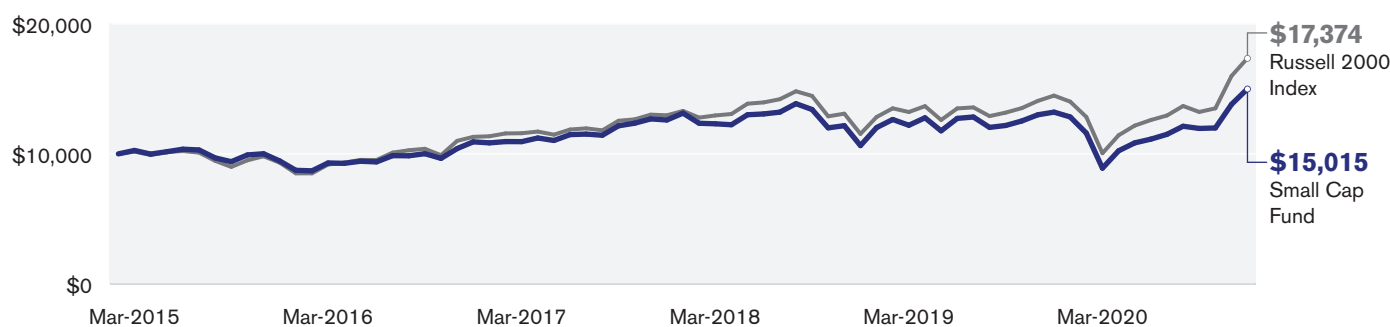


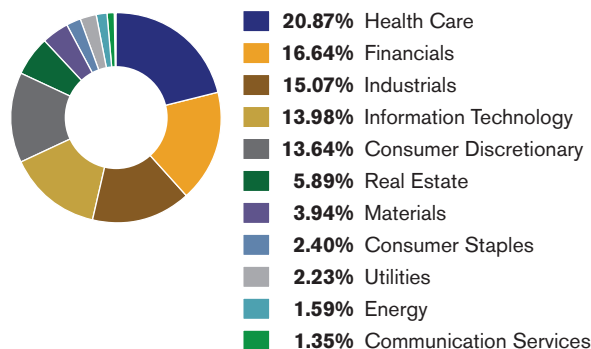
Chart depicts the value of a hypothetical \$10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if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

## TOP 10 HOLDINGS (Excluding cash, as of 12/31/2020)

HELEN OF TROY LTD	1.65%
ASGN INC	1.59%
ITRON INC	1.57%
ESSENT GROUP LTD	1.56%
SUMMIT MATERIALS INC -CL A	1.52%
NATERA INC	1.39%
CLEARWAY ENERGY INC-C	1.38%
INVESTORS BANCORP INC	1.32%
ENVESTNET INC	1.30%
VERICEL CORP	1.26%
<b>TOTAL</b>	<b>14.54%</b>

Holdings are subject to change.

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



## ABOUT THE PORTFOLIO MANAGEMENT TEAM

Boston Advisors is a division of Knights of Columbus Asset Advisors. Established in 1982, Boston Advisors is known for its hybrid investment approach, combining sophisticated, proprietary quantitative modeling with a fundamental overlay.

## Boston Advisors Investment Team:

**David A. Hanna**

SVP, Chief Investment Officer  
Started with firm: 2006  
Started in industry: 1987

**James W. Gaul, CFA**

SVP, Portfolio Manager  
Started with firm: 2005  
Started in industry: 1998

## QUARTERLY COMMENTARY

The Russell 2000 posted its third-consecutive positive quarter, gaining 31.37% for the fourth quarter and bringing its full-year total return to a strong 19.96%. Sector leadership remained pro-cyclical, supported by approval of two COVID-19 vaccines and expectations for continued governmental monetary and fiscal support. Leading sectors were Energy (+45.2%), Materials (+39.6%) and Information Technology (+37.5%). Laggards were Utilities (+21.3%), Real Estate (+22.5%) and Consumer Staples (+23.0%).

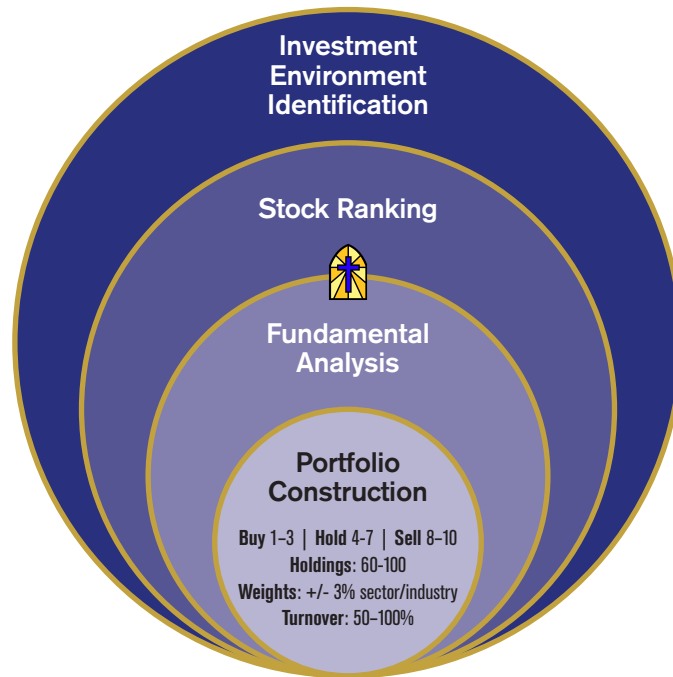
The Fund returned 25.57% for the quarter, trailing its benchmark index by 5.80%. Stock Selection in Software & Services (+14.7%) hurt performance as portfolio holdings did not keep pace with the benchmark. Content delivery network provider Limelight Networks Inc. (-30.7%, 0.5% Avg. Wgt.) detracted the most as investors sold shares amid margin pressure concerns. Shares of Envestnet, Inc. (+6.6%, 1.4%) also detracted, as the financial technology company's 2021 growth outlook was more tepid than expected. Similarly, holdings in Materials (+15.9%) posted positive returns, though lower than the benchmark. Steel producer Commercial Metals Company (+3.4%, 0.8%) posted tepid returns despite reporting stronger than expected earnings. Summit Materials Inc. (+21.4%, 1.6%) also underperformed as the construction materials company's earnings missed analysts' expectations.

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.

Portfolio results were helped by holdings in Communication Services (+65.1%), as digital advertising firm Cardlytics, Inc. (+102.1%, 0.8%) rallied after posting better than expected earnings and a new direct to consumer offering. In Consumer Staples (+26.9%), the portfolio benefitted from two companies leveraged to a broad reopening of the economy. Restaurant supplier Performance Food Group (+37.0%, 0.8%) continued its post-lockdown recovery while Darling Ingredients, Inc. (+60.0%, 1.1%) benefitted from the restaurant recovery and an optimistic outlook on the renewable energy it produces.

As we enter 2021, investors are focused on expectations for additional near-term fiscal and monetary support to bridge the economy through the winter and the intermediate-term benefits of widespread vaccinations to support the broad reopening of the economy. Further, the change of control in Washington is expected to result in changing fiscal priorities, such as increased infrastructure spending, additional support for alternative energy, and a reordering of international trading agreements. The expected shift in the economic landscape may continue the rotation out of large, fast-growing, expensive companies into smaller, economically sensitive value stocks. If the rotation occurs, extreme valuations in the highest growth names may make the selloff severe, but limited in duration, as many fast-growing companies are supported by secular changes with significant support for continued growth.

## INVESTMENT PROCESS



### 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](http://www.adviserinfo.sec.gov) or call a KoCAA representative at 844-523-8637.

**Lipper Small Cap Core** – Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) below Lipper's USDE small-cap ceiling.

**Russell 2000 Index** – The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe.

**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.

**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. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. There is no guarantee that the investment objective will be achieved.

The Knights of Columbus Funds are distributed by SEI Investments Distribution Co. (SIDCO) (1 Freedom Valley Dr., Oaks, PA 19456), which is not affiliated with Knights of Columbus Asset Advisors.

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