



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	26
MINIMUM INVESTMENT	\$25,000
GROSS EXPENSE RATIO	2.05%
NET EXPENSE RATIO	2.03%

Waivers are contractual and in effect until February 28, 2025. 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 9/30/24, inception date: 12/2/2019)

	Annualized Returns					
	QTR	YTD	1-Year	3-Year	5-Year	Since Inception
Long/Short Equity Fund	2.40%	10.18%	12.33%	9.87%	-	5.60%
HFRX Equity Market Neutral Index	1.56%	5.83%	8.28%	3.21%	-	1.27%
Lipper Alternative Long/Short Equity Classification	3.45%	11.58%	17.38%	6.74%	-	N/A*

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.

*Lipper does not provide fund specific inception date returns.

GROWTH OF \$10,000 (As of 9/30/24)

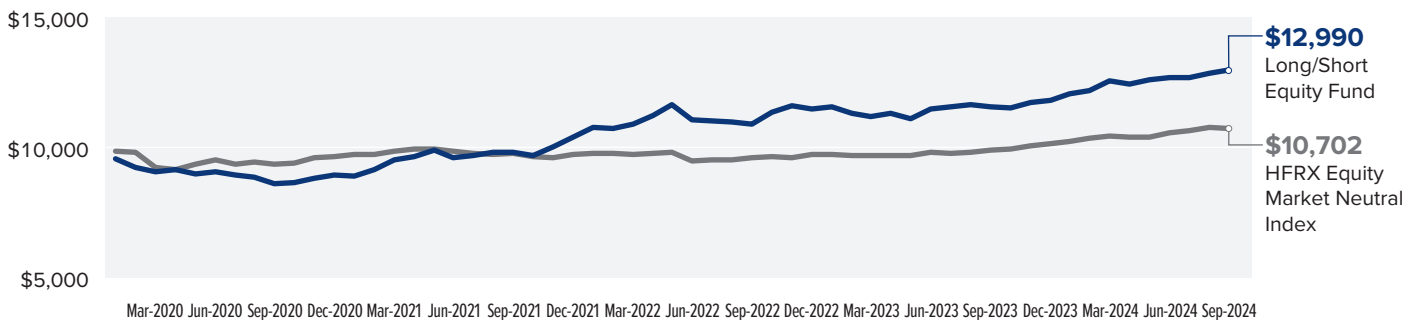
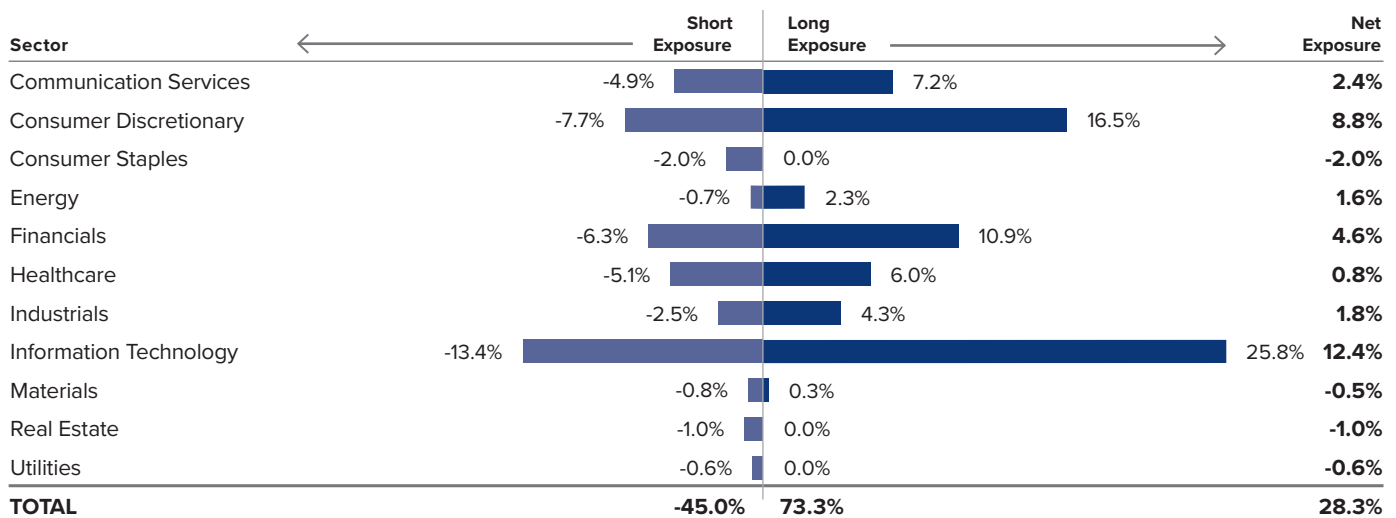


Chart depicts the value of a hypothetical \$10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if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

SECTOR WEIGHTINGS (Excluding cash, As of 9/30/24)



Source: Wells Fargo Prime Brokerage, Data As of 9/30/2024

TOP 10 ACTIVE LONG POSITIONS

(Excluding cash, As of 9/30/24)

APP	3.41%	OC	2.05%
EXPE	2.38%	AAPL	2.05%
IBM	2.18%	SYF	2.04%
EBAY	2.15%	MSFT	1.96%
META	2.11%	DKS	1.94%
TOTAL			22.27%

Holdings are subject to change.

TOP ACTIVE LONG FUNDAMENTALS

(As of 9/30/24)

	Longs	Shorts
FCF/EV	7.4%	1.5%
P/E	16.5x	N/A*
Dividend Yield	1.8%	1.3%
ROE	42.7%	0.2%
Margins	25.7%	19.9%
3 Yr Sales Growth	38.1%	58.6%

* P/E is N/A due to a reciprocal issue when flipping an average E/P metric closing in on the zero bound.

QUARTERLY COMMENTARY

The Knights of Columbus Long/Short Equity Fund rose +2.40%, ahead of the benchmark HFRX Equity Market Neutral Index which rose 1.56% in Q3 2024. The Fund's returns for the quarter were in-line with our expectations.

Market Overview:

The S&P 500's performance this quarter was largely driven by the Financials, Utilities, and Real Estate sectors. Despite representing barely 18% of the benchmark, these three sectors rose 10.66%, 19.37%, and 17.17% respectively, vs. the Index rising only 5.89%.¹ Investors are treating these sectors like levered bonds.

Investors continue to trade based on macro forecasts that research has proven is impossible to predict.² Outside the robust literature, why else should you be skeptical of your ability to predict future rates and their impact on asset classes? We only need to look back to 2020 when the bond market had priced 10-year yields at just 0.50%.

Many investors bought these bonds under the perception that "bonds are safe" immediately before the most severe outbreak of inflation since the 1970s. That decision would prove catastrophic. The classic 60/40 stock and bond portfolios blindly emulated by so many would turn in their worst performance since 1937 as long-dated US Treasury bonds had the worst year in recorded American history.³

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.

And here we are today with the Fed delivering a 50bps cut and investors sending equities they perceive to be bond-like soaring. We have no idea if the recent price action has any merit. Quite the contrary.

We write this to remind readers of the importance of sticking with a disciplined, evidence-based strategy that does not pretend it can forecast macroeconomic events.

Contributors & Detractors:

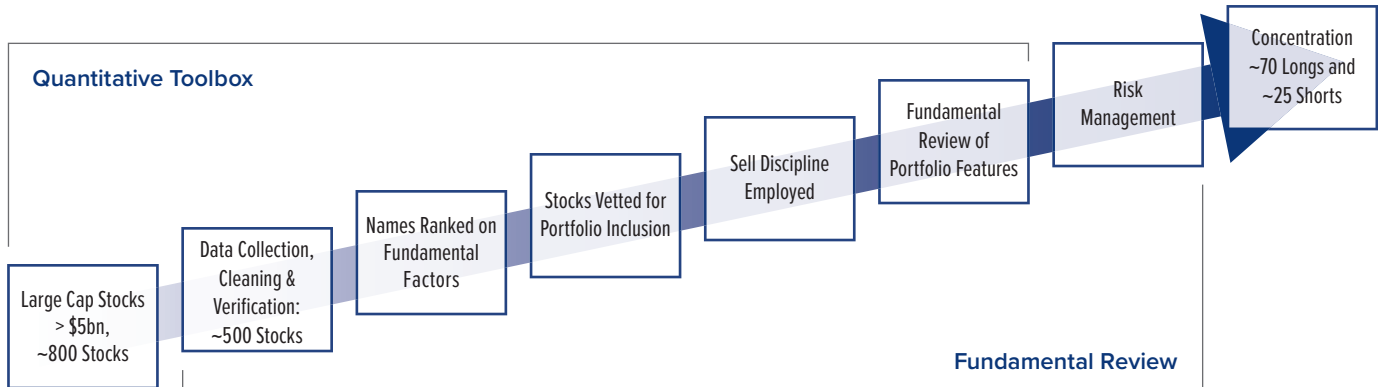
After divesting many businesses over the last decade, International Business Machines Corporation (+28.9%, +46bps) was a contributor to returns this quarter. IBM has shifted its focus to two key fast-growing and highly valued areas: hybrid cloud computing and artificial intelligence (AI).

Headquartered in San Jose, California, Super Micro Computer, Inc. (-48.8%, +56bps) contributed to the Fund's returns as its share-collapse helped our short-book.

Perhaps the second most well-known posterchild for investors' early 2024 frenzy to gain exposure to transformative AI technology, Super Micro more than quadrupled in just two months from \$284 at year-end 2023 to its peak of \$1,229 in early March 2024. Since then, the stock has plunged more than 60% partly due to the natural dimming of the mania surrounding AI, disappointing

continued on next page >>

INVESTMENT PROCESS



QUARTERLY COMMENTARY (continued)

operating performance versus expectations and Sun Micro's inability (so far) to produce a 10-K for the fiscal year ended June 30, 2024.

A detractor from performance this quarter was NetApp, Inc. (-3.72%, -8bps). NetApp is a data storage software company that benefits from two durable trends driving commerce on a global basis: 1) business managers now make decisions primarily based on the analysis and interpretation of data as opposed to qualitative factors; and 2) the inexorable growth in cloud computing for handling the mountain of data necessary for organizations to thrive in today's world. We remain optimistic about NTAP's prospects.

Applied Materials, Inc. (-14.21%, -11bps) detracted from returns in our long book as the stock fell sharply. Despite this recent slide, we continue to believe the company will benefit from continued growth in AI-related demand and other chip-hungry products including cell phones, EVs, and the clean energy sector.

Final Thoughts:

Considering our process does not use 300%+ leverage like many of our

competitors, we are pleased with returns year-to-date. This is particularly true considering the highly concentrated nature of returns from highly valued glamour stocks driving broad markets. Our view is that over the full-cycle the strategy will provide equity-like returns with negligible correlation to broad benchmarks.

As detailed in our research and commentaries, this belief is fortified by the speculative capital allocation that drove much of 2023's returns. In our view, this has once again "primed" our short book to provide a valuable source of downside protection and absolute returns for long-term investors following a disciplined asset allocation program.

¹ Bloomberg, S&P 500 Index GICS Level 1 Sector Data, Sector Weights from S&P Compustat Data

² See research by Philip E. Tetlock in Super Forecasting and Expert Political Judgement: How Good is It?

³ 2022 Was the Worst Year Since 1937 for This Investing Strategy, Billy Duberstein, The Motley Fool

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 serves as the investment arm of Knights of Columbus, the world's largest Catholic fraternal organization. KoCAA offers a suite of faith-based investment solutions that are managed in accordance with USCCB investment guidelines. As of 9/30/24, KoCAA managed approximately \$28 billion in total assets. 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

HFEX 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.

Markit iBoxx USD Liquid Investment Grade Index — The Markit iBoxx USD Liquid Investment Grade Index is designed to reflect the performance of US Dollar (USD) denominated investment grade corporate debt. The index rules aim to offer a broad coverage of the USD investment grade liquid bond universe. The indices are an integral part of the global iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments. The index is market-value weighted with an issuer cap of 3%.

Knights of Columbus Asset Advisors serves as the investment adviser to the fund and oversees the activities of L2 Asset Management LLC, as the fund's investment sub advisor.

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.

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 or L2 Asset Management.

© 2024 Knights of Columbus Asset Advisors. All rights reserved.

Knights of Columbus Asset Advisors, 1 Columbus Plaza, New Haven, CT 06510

11327 (10/24)