



# 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	Bloomberg 2000
NUMBER OF HOLDINGS	109
MINIMUM INVESTMENT	\$25,000
GROSS EXPENSE RATIO	0.98%
NET EXPENSE RATIO	0.98%

Waivers are contractual and in effect until February 28, 2025. 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 6/30/24, inception date: 2/27/2015)

	Annualized Returns					
	QTR	YTD	1-Year	3-Year	5-Year	Since Inception
<b>Small Cap Fund</b>	<b>-0.91%</b>	<b>5.32%</b>	<b>12.42%</b>	<b>0.78%</b>	<b>7.29%</b>	<b>6.55%</b>
Bloomberg 2000 Index	-3.20%	0.51%	9.36%	-2.51%	7.92%	7.44%
Russell 2000 Index	-3.28%	1.73%	10.06%	-2.58%	6.94%	7.04%
Lipper Small Cap Core Class.	-3.41%	2.28%	10.33%	1.28%	8.10%	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 6/30/24)

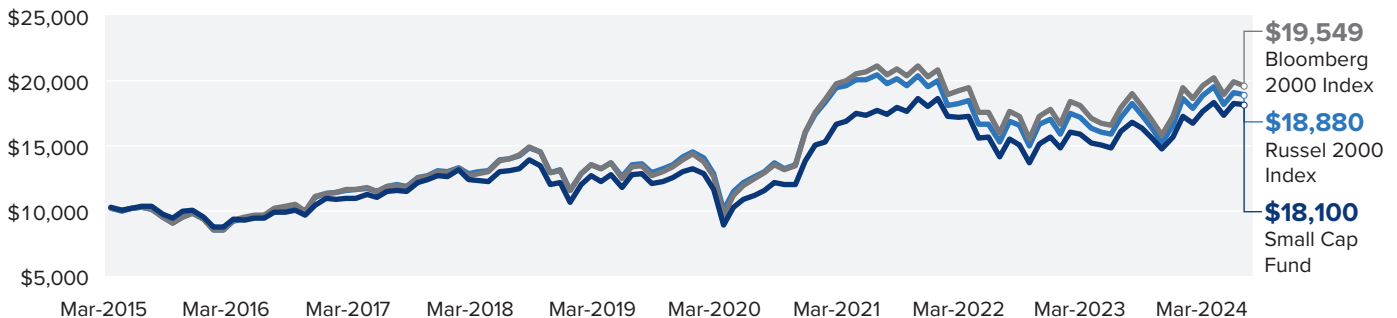


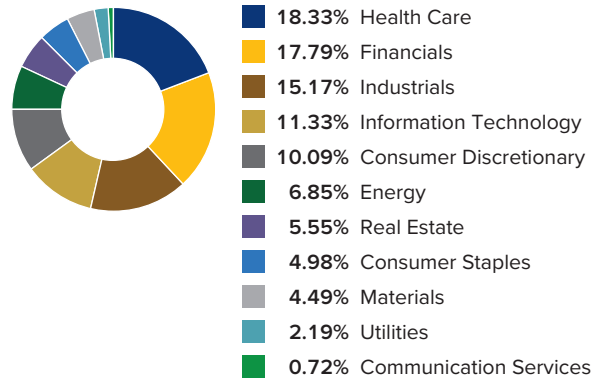
Chart depicts the value of a hypothetical \$10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if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

## TOP 10 HOLDINGS (Excluding cash, As of 6/30/24)

ATI INC	2.05%
SPROUTS FARMERS MARKET INC	1.99%
BOOT BARN HOLDINGS INC	1.82%
BRINK'S CO/THE	1.76%
RADNET INC	1.76%
FORMFACTOR INC	1.73%
KB HOME	1.63%
TANGER INC	1.61%
HALOZYME THERAPEUTICS INC	1.53%
MAXIMUS INC	1.51%
TOTAL	17.39%

Holdings are subject to change.

## SECTOR WEIGHTINGS (Excluding cash, As of 6/30/24)



## ABOUT THE PORTFOLIO MANAGEMENT TEAM

The Equity team is known for its hybrid investment approach, combining sophisticated, proprietary quantitative modeling with a fundamental overlay.



**David A. Hanna**

Head of Equities  
Started with firm: 2006  
Started in industry: 1987



**James W. Gaul, CFA**

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



**Eric Eaton, CFA**

Portfolio Manager and  
Equity Analyst  
Started with firm: 2011  
Started in industry: 2007

## QUARTERLY COMMENTARY

The Bloomberg 2000 Index was down in the second quarter returning -3.20%. Small caps started the quarter trading lower, exacerbated by a hotter than expected March CPI read out on April 11th, but the Bloomberg 2000 Index found a short-term bottom a week later down -8.40% for the quarter. From these market lows, rates fell, and the Bloomberg 2000 rallied +8.90% to a short-term peak on May 15th when the April CPI read out came in line with expectations. The Bloomberg 2000 drifted -2.96% lower through the end of June to end the quarter down in the red. Sector breadth in the quarter was good as seven sectors outperformed the Bloomberg 2000 index, while four sectors underperformed. Information Technology (+0.4%) and Consumer Staples (-0.3%) led, while Consumer Discretionary (-7%) and Health Care (-6%) lagged.

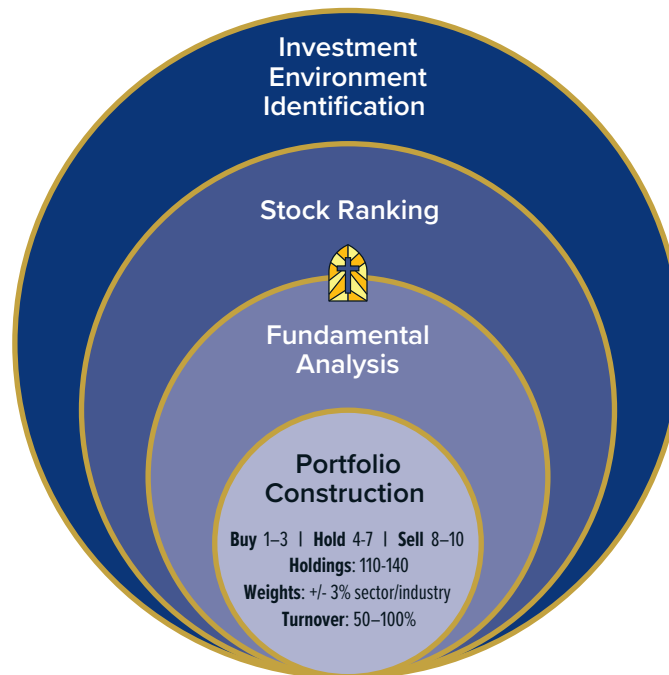
The Knights of Columbus Small Cap Fund outperformed the Bloomberg 2000 index in the second quarter, with the Fund returning -0.91%. Stock selection drove the majority of relative outperformance in the quarter, but allocation contributed positively. The largest positive contributor to relative performance was Health Care (+14%) driven by Biotechnology. Insmed Inc. (1.0% Average Weight, +147.0% Total Return) announced positive top line data in its phase 3 ASPEN trial driving shares materially higher. Consumer Staples (+14%) was the second largest positive contributor to relative performance driven by strong selection. Sprouts Farmers Market, Inc.

(1.7%, +29.8%) had strong earnings, same store sales and raised their full year guide driving shares higher throughout the quarter. The largest negative contributor to relative performance was Information Technology (-7%) driven by Software and Services. Sprout Social, Inc. (0.9%, -40.2%) had a negative earnings update and cut their full year revenue guide largely due to sales and go-to-market changes which drove shares lower. Industrials (-8%) was the second largest negative contributor to relative performance driven by Capital Goods. JELD-WEN Holdings, Inc. (1.2%, -36.6%) had a negative earnings update and cut their full year guide driven by lower residential construction spending which drove share lower.

The story in growth has been – and remains until proven otherwise – the promise of generative artificial intelligence. Real growth from AI-enabling technologies may provide growth equity investors with another several quarters of attractive returns, even in the face of a weaker macroeconomic or geopolitical backdrop. However, should any of the AI leaders (especially NVIDIA) fail to produce a sufficiently impressive “beat and raise” quarter, the downside risks to both security and index level returns would be elevated. We remain neutral-ish in portfolio positioning, balancing upside participating in higher-growth, higher-momentum names against downside protection in stable/defensive growth companies should the music stop unexpectedly.

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.

## 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 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 6/30/24, 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](http://www.adviserinfo.sec.gov) or call a KoCAA representative at 844-523-8637

**Material Subsequent Event:**

Effective March 1, 2024, Knights of Columbus Small Cap Fund changed its primary benchmark, with approval of the Funds’ Board of Trustees, from the Russell 2000 Index to the Bloomberg 2000 Total Return Index. As detailed in the Prospectus Supplement dated March 1, 2024.

**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.

**Bloomberg US 2000 Total Return Index** — Bloomberg US 2000 Total Return Index is a float market-cap-weighted benchmark of the lower 2000 in capitalization of the Bloomberg US 3000 Index (B3000). The Index is constructed in a three-step process: (1) eligibility universe definition, (2) liquidity screening and (3) segmentation on the selection date. The Index is rebalanced following the selection date in March and September to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. Additionally, Index constituents’ weights will be updated in June and December.

“Bloomberg”, Bloomberg US 1000 Growth Total Return Index, Bloomberg US 1000 Value Total Return Index, Bloomberg US 2000 Total Return Index, Bloomberg World ex US Large & Mid Cap Total Return Index, Bloomberg US 3000 REIT Total Return Index USD are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by Knights of Columbus Asset Advisors. Bloomberg is not affiliated with Knights of Columbus Asset Advisors, and Bloomberg does not approve, endorse, review, or recommend any Knights of Columbus Funds. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Knights of Columbus Funds.

**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.

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

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

11325 (7/24)