

CBIS' Thoughts on Ukraine

March 2022

Like you, we are deeply troubled by the recent attacks on Ukraine. As brothers and sisters in Christ, and on Ash Wednesday, we pray for a swift and peaceful resolution. We pray especially for the poor and vulnerable who are most impacted in times of crisis and conflict. And we pray for the continued strength and courage of the leadership and citizens of Ukraine.

While we cannot predict the outcome in Ukraine, we want to share our thoughts on how this might impact global financial markets and economies and discuss exposure to Russia in our funds.

How will the events in Ukraine impact global financial markets?

We like to think financial markets are rational, discounting future cash flows to arrive at current prices, but it's not that simple.

The markets are also indicators of investor fear and greed. When faced with increased uncertainty, a natural human response is to RUN, and we are witnessing that now as global stock markets sell off.

The rational aspect of the market may well ask, "How do the attacks on Ukraine impact Amazon's earnings?" The emotional aspect responds with, "I don't care. I can't fight, so I will flee." Predicting short-term emotional response is a fool's errand. This is similar to what we witnessed two years ago during the outset of the COVID-19 pandemic.

What are the potential economic implications?

Europe will feel the brunt, not because of direct economic activity between Western Europe and Russia, but through oil prices. Increases in energy prices have been, and will continue to be, a "tax" imposed upon consumers and companies. Economic sanctions are being imposed upon Russia, but higher energy prices and reduced supply of natural gas will have a similar impact to Europe. Higher oil prices will similarly impact the US. For those concerned about growth-induced inflation in the US, this perversely is "good" news.

Markets are volatile because we don't know the future and we despise uncertainty. However, we need to recognize the world is always uncertain. This is one of the reasons equity investors receive a return premium over risk-free assets over the long run.

Do the Catholic Responsible Investments (CRI) Funds and the CBIS Global Funds have exposure to Russia?

The CBIS Global Funds do not have any exposure to Russia.

The CRI Funds have a limited amount of exposure to Russia; specifically, the CRI International Small-Cap Fund and the CRI International Equity Fund.

What is the exposure to Russia in the two CRI Funds' Portfolios?

As of February 28, 2022, the exposure is confined to a small number of individual securities within the two previously mentioned portfolios. The CRI International Small-Cap Fund holds one security with a total exposure of 0.02% to the overall portfolio, compared to 0.1% of its benchmark, the MSCI All Country World Ex-USA Small Cap.

The CRI International Equity Fund holds three securities with a total exposure of 0.13% of the overall portfolio compared to 0.40% of its benchmark, the MSCI All Country World Ex-USA.

In summary

As always, we suggest that investors:

- Take a long-term perspective and prepare for increased volatility in the short-term.
- Avoid the temptation to market time and address volatility by following a disciplined rebalancing policy.

We will continue to monitor the situation closely and provide updates. If you have any questions, please reach out to your CBIS representative. As always, we thank you for the trust and confidence you place in CBIS.

While we recognize that this has global market implications, this is a humanitarian crisis. Please join us in continuing to pray for peace and a swift resolution.

Peace

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Before investing you should carefully consider the new Catholic Responsible Investments Funds' investment objectives, risks, charges and expenses. This and other information is available in the prospectus, or summary prospectus. Please read the prospectus carefully before you invest. The prospectus, or summary prospectus, can be obtained by calling 1-866-348-6466.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives. Current and future holdings are subject to risk. Holdings subject to change.

The funds are distributed by SEI Investments Distribution Company (SIDCO). SIDCO is not affiliated with CBIS or any Sub Advisers of the Funds.