

CEO Annual Message

2022



YOU ARE THE LIGHT OF THE WORLD



CBIS

Jeffrey A. McCroy

President &

Chief Executive Officer

As we look back on a particularly challenging year, I'm reminded once again of scripture. You might recognize the line above from Matthew. In full context, the verse speaks to the miracle of light—the idea that it's in us all, regardless of circumstances—and that something so precious should not be wasted.

Our given task, then, as told to us by Matthew, is to shine our light at all times across all places.

I won't be the first to observe the abundance of shadows dwelling in so many places today. Faithless politics in every corner of the world. Armed combat in Ukraine. The residual effects of a global pandemic. Decades-high inflation. And, of course, investment markets characterized by a lot more pain than gain.

While it may seem that the fundamental structures of society and business are quaking, the fact is, we've been here before. And guess what? We came together to accomplish extraordinary things. It may sound cliché, but I have every reason to believe we will again.

A PATH TO RESILIENCE

None of this is to minimize the difficulties of the last 12 months. The challenges faced by the CBIS Investment Team are impossible to overstate. From bell to bell, volatility in the stock market remained stubbornly and consistently high. The high-quality companies our process prefers weren't always rewarded by the marketplace. Bonds, in the face of so much central bank intervention, experienced their worst year on record. It's no surprise that

investment banks and asset managers around the world are realigning their operations, often at the expense of senior leadership.

In this unsettled environment, I'll say that the CBIS funds performed in line with expected performance parameters. While no one likes to see negative numbers, the Investment Team believes we have an outstanding lineup of sub-advisers that remained loyal to our investment process.

We're often asked if we make fund changes in response to short-term market swings. And the answer is consistently "No." In difficult times, successful investing demands unwavering discipline. We have faith that our steadfastness to process will get us through these tough markets and prepare us well for the future. I'm entirely confident that over the long term, CBIS' investors will be well-positioned to benefit.

KEEPING PERSPECTIVE

As a firm, CBIS exhibited stability through the challenges of 2022. That's not to say we weren't affected. Like all money managers, our assets under management were impacted by declining markets and negative fund performance. And we had a few important personnel changes, including the planned departure of Alessandro Lombardi, the well-respected and long-time president of CBIS Global.

But let's appreciate where we are in this moment. CBIS investors have stuck with us during these times and remained faithful in their confidence with the firm. Our shareholders, the Christian Brothers, have

remained incredibly supportive of our efforts and are committed to investing in expanding the mission of the firm. Why? Because our products and our processes and our people work hard. I have every reason to expect our asset base to not only recover but grow beyond the skeptics' wildest expectations when the market inevitably turns around.

In the meantime, CBIS has never lost sight of its higher calling. We remain the primary benefactor of the FSC Foundation, where we commit a significant portion of our profits to support and advance educational services for the poor in regions around the globe. Last year, the Foundation reached the \$4,000,000 mark in grants distributed since its founding in 1988. Our collective efforts continue the 300-year-old Lasallian tradition of serving the poor through education, extending the caring vision of St. John Baptist De La Salle into the future.

From where I sit, it's easy to be optimistic about CBIS. With our rich history of attracting and retaining people of strong character and keen ability, CBIS continues to be led by some of the most talented and decent people in the industry.

CONTINUING TO EVOLVE

Given the fast pace we've run over the last 12 months, it's almost easy to forget the transitions our two fund lineups underwent just over a year ago. In December of 2021, we completed the conversion of CBIS Global Funds' legal structure to a UCITS management company. The modification, which had no impact on investors, aligned CBIS Global's investment offerings more

closely with industry best practices and put us in better position to expand the lineup. That same month, we completed the transition of the CUIT fund complex to the Catholic Responsible Investments Funds, a series of SEC-registered mutual funds. In combination, the two conversions allowed us to reach a much larger universe of Catholic investors in 2022.

And to make sure we're effectively helping all of our investors in their journey to transform the world, we recently created an advisory body to review and opine on important CBIS initiatives: The CBIS Charisms Council. Representing investors in both the Global Funds and the CRI Funds, the Council will be a source of review and input to CBIS on key initiatives that relate to the integration of Catholic teaching into the firm's investment strategies. I expect the Council to also serve as an important voice to remind us of who we are in moments of uncertainty.

The CBIS Impact and Justice team, meanwhile, stayed true to its mission and found opportunity to incorporate impact into our public fixed income funds. CBIS has a long history of engagement through its equity investments, and with the addition of impact bonds, we now have a chance to create intentional and measurable positive impact through our fixed income investments. In my view, this will represent an important expansion of our Active Ownership efforts.

GROWING GLOBAL

In the meantime, as we work to serve the greatest number of Catholic investors looking to transform the world, the whole of CBIS

is becoming greater than the sum of its parts. Indeed, thanks in no small part to the leadership of Mr. Lombardi, I believe we're poised to see more and more core business activity coming out of CBIS Global.

I might suggest that Alessandro's greatest success was bringing greater alignment between CBIS U.S. and CBIS Global in their collective efforts to serve Catholic institutions around the world. As a result of his efforts, CBIS Global's series of sub-advised investment funds have grown to represent \$1 billion (USD) assets under management at year-end.

While we'll miss a great executive like Alessandro, I'm pleased to say here that we've come to agreement with one of the industry's premier investment executives, Andrea Favaloro, to assume the role of President of CBIS Global. A challenge such as this is no easy task for any executive, but I believe Mr. Favaloro brings the necessary skills and experience to take on the challenge.

All in all, I believe we're in a place to take CBIS Global—and CBIS as a firm—to the next level on the world stage. I have to think the industry is taking note of our firm's growing presence as a global investment firm.

STILL FINDING OPPORTUNITY

While I'm pleased with the firm's accomplishments in 2022, it's important we continue to shine our light on the future. After all, history shows that great companies are optimistic about their business when times are tough. It's not always easy, of course, and many companies fail to seize the moment.

As I indicated, CBIS Global offers a tremendous opportunity to grow our business outside the U.S. Currently, CBIS Global is about one tenth the size of the endowment and foundation business in the U.S. I believe that, over time, the two businesses can be of the same magnitude. Our plans for 2023 include researching solutions-based products that would look very similar to CRI Magnus Funds but serve our Global investors.

Meanwhile, the now publicly-offered CRI Funds are already finding an audience in the defined contribution space. This market, which by definition serves individuals, not institutions, will expose our product lineup to a much larger universe of investors. Serving more of the Catholic faithful is my vision for CBIS.

IT'S A WONDERFUL CHALLENGE

Taken together, 2022 was a pressure-packed 12 months. It's understandable how worrisome a time like this could be to any investor. But for all its extremes, the year never handed the CBIS family anything it couldn't handle. Not every steward of other people's capital can say that with confidence. This moment is a good reminder that God would never give us a weight we can't carry. To quote another verse from Matthew, "My yoke is easy and the burden is light."

Your task of matching a faith-based mission with moral investment choices remains a great one to be sure. But so too is the real promise of meaningful reward. We at CBIS are honored to be part of that noble effort.

Peace

Important Information

Christian Brothers Investment Services Inc. ("CBIS," or, the "Adviser"), an Illinois corporation founded in 1981, serves as the investment adviser to the Funds.

Before investing you should carefully consider the 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 Funds will achieve their stated objectives. Bonds and bond funds will decrease in value as interest rates rise. The Funds may underperform other similar funds that do not consider conscious company/Catholic values guidelines when making investment decisions. An investment in the Fund(s) is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The Funds are distributed by SEI Investments Distribution Company (SIDCO). SIDCO is not affiliated with CBIS.

Contact Us



Info@cbisonline.com

or



(877) 550-2247