



## 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	69
SHORT POSITIONS	32
MINIMUM INVESTMENT	\$25,000
GROSS EXPENSE RATIO	1.85%
NET EXPENSE RATIO	1.85%

Waivers are contractual and in effect until February 28, 2026. 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 9/30/25, inception date: 12/2/2019)

	QTR	YTD	Annualized Returns			
			1-Year	3-Year	5-Year	Since Inception
<b>Long/Short Equity Fund</b>	<b>1.01%</b>	<b>2.88%</b>	<b>7.47%</b>	<b>8.64%</b>	<b>10.29%</b>	<b>5.92%</b>
HFRX Equity Market Neutral Index	0.77%	4.38%	5.74%	5.70%	3.97%	2.02%
Lipper Alternative Long/Short Equity Classification	4.61%	9.24%	10.01%	12.67%	9.57%	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 9/30/25)

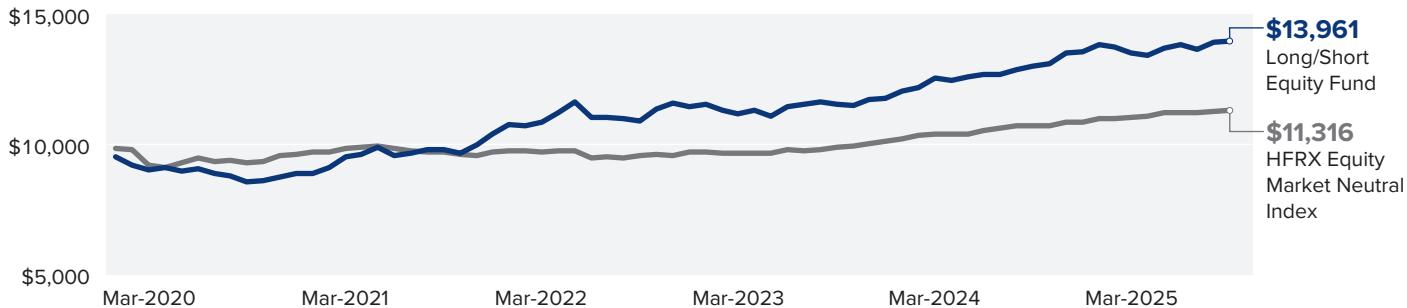
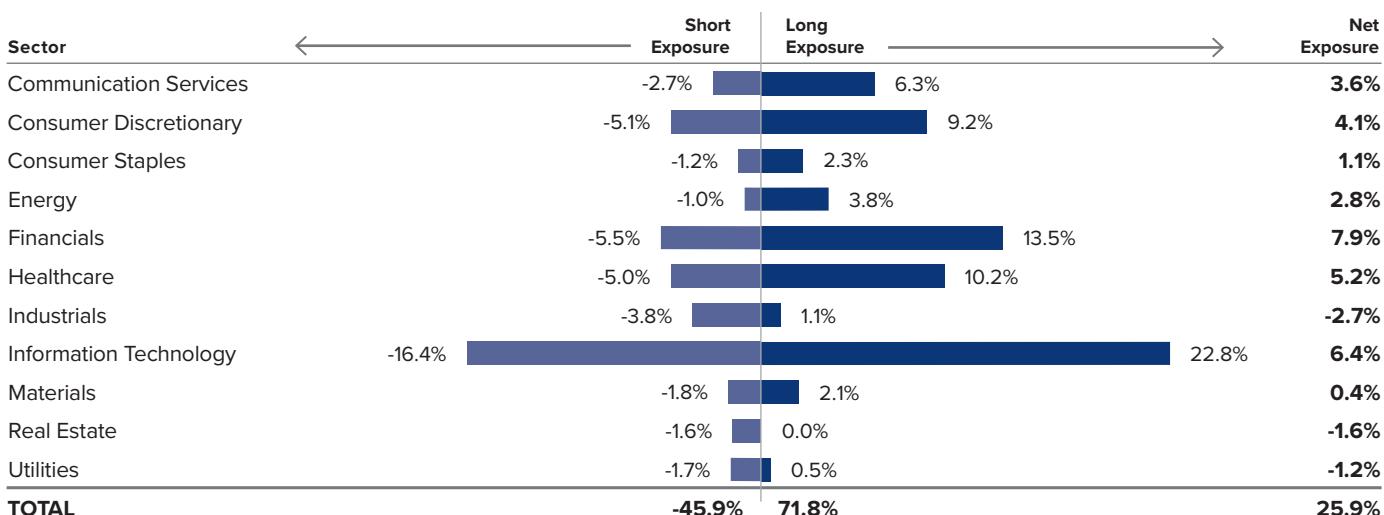


Chart depicts the value of a hypothetical \$10,000 investment in the Fund over the past 10 years (or since inception for funds lacking 10-year history). Investment performance is for Class I shares, and assumes the reinvestment of dividends and capital gains. The performance would have been lower if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

## SECTOR WEIGHTINGS (Excluding cash, As of 9/30/25)



Source: Wells Fargo Prime Brokerage, Data As of 9/30/25

## TOP 10 ACTIVE LONG POSITIONS

(Excluding cash, As of 9/30/25)

BRK/B	3.47%	UTHR	1.99%
FOXA	2.16%	CSCO	1.88%
FLEX	2.14%	EBAY	1.88%
NTAP	2.10%	GILD	1.86%
LOGI	2.01%	JBL	1.85%
<b>TOTAL</b>	<b>21.35%</b>		

Holdings are subject to change.

## TOP ACTIVE LONG FUNDAMENTALS

(As of 9/30/25)

	Longs	Shorts
FCF/EV	6.8%	1.1%
P/E	19.2x	69.4x
Dividend Yield	1.7%	1.2%
ROE	41.3%	15.5%
Margins	26.8%	11.5%
3 Yr Sales Growth	17.1%	99.5%

## QUARTERLY COMMENTARY

The benchmark HFRX Equity Market Neutral Index rose +0.77% while the Fund gained +1.01% net in Q3 2025 and the S&P 500 rose +8.12%.

## Market Overview:

Large Cap Growth led the way higher in Q3, up 10.43%, Large Cap Core rose 7.92%, and Large Cap Value rose a respectable 5.29%.<sup>ii</sup> Midcap, as measured by both the S&P Midcap (SPMD) and the Russell Midcap (IWR) benchmarks rose 5.52% and 5.33%, respectively.<sup>ii</sup>

The performance of the ARKK ETF, which we have always viewed as a reflection of the market's sentiment towards loss-making story stocks, was up 22.78% in the quarter.

Below we show the basic fundamentals of the stocks our market neutral strategy is long (top row) compared to those stocks we are short (second row) vs ARKK.

	FCF/EV*	P/S	P/E	Fwd P/E	ROE	Total Yield	3 Yr Sales Grth	36m Beta
KCEIX Longs	6.2%	1.7x	19.2x	14.2x	35%	6%	20%	1.14
KCEIX Shorts	0.7%	4.5x	78.1x	28.7x	12%	-1%	80%	1.55
ARKK	-1.0%	9.1x	-60.2x	-165.6x	-24%	0%	65%	2.07

Source: L2 Asset Management, LLC; Data from 9/30/2025; \*ex financials

This persists for various lengths of time over history, yet the conclusion is always the same: expensive, loss-making, and low-quality stocks fall while cheap quality stocks outperform.

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.

## Contributors &amp; Detractors:

Expedia Group, Inc. (EXPE, +27.0%, +38bps) is the world's second largest online travel company by revenue and fourth largest by stock market capitalization.<sup>iii</sup> Online travel agencies captured around 69% of the global travel market in 2024, up from nearly zero a quarter century ago. AI-driven personalization could drive this ratio to 73% by 2029.<sup>iv</sup>

Despite the sharp gains in its stock price over the last six months, EXPE continues to be inexpensively priced.

NetApp, Inc. (NTAP, +11.7%, +23bps) provides data management and storage solutions for hybrid cloud, public cloud, flash storage, and block storage customers.

NTAP's valuation is particularly inconsistent with the company's 11% compounded annual growth rate (CAGR) in adjusted EPS over the last three years and its predictable and growing free cash flow generation capability.

Tapestry, Inc. (TPR, +29.4%, +32bps) owns two widely known fashion brands: Coach and Kate Spade New York.

TPR stock has been a standout performer, jumping 75%+ year to date, and more than 160% over the last year. Nevertheless, the shares still look inexpensive. TPR generated \$1.1 billion of annual free cash flow in both FY 2025 and FY 2024.<sup>v</sup>

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