



THE
COMMUNITY
DEVELOPMENT FUND

Helping Develop America's Communities

The Community Development Fund

Semi-Annual Report
June 30, 2017

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The Fund files its complete schedule of investments of fund holdings with the Securities and Exchange Commission (the “Commission”) for the first and third quarters of each fiscal year on Form N-Q within sixty days of the period end. The Fund’s N-Q forms are available on the Commission’s website at <http://www.sec.gov>, and may be reviewed and copied at the Commission’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to fund securities, as well as information relating to how the Fund voted proxies relating to fund securities will be available (i) without charge, upon request, by calling 1-844-445-4405; and (ii) on the Commission’s website at <http://www.sec.gov>.

This report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by an effective prospectus.

SCHEDULE OF INVESTMENTS

Sector Weightings†:

- FNMA Single Family 49.0%
- GNMA Single Family 12.7%
- U.S. Treasury Obligation 11.4%
- FGLMC Single Family 9.1%
- FNMA Other 7.7%
- Money Market Fund 3.5%
- GNMA Multifamily 2.5%
- Municipal Bonds 2.4%
- FGLMC Other 1.7%

† Percentages based on total investments.

<u>Description</u>	<u>Face Amount</u>	<u>Market Value</u>
U.S. GOVERNMENT & AGENCY OBLIGATIONS — 93.6%		
FGLMC Multifamily — 7.5%		
Pool WN0011, 3.38%, 04/01/2030	\$ 800,000	\$ 833,906
Pool WA3207, 3.60%, 04/01/2030	2,293,730	2,410,568
		3,244,474
FGLMC Single Family — 4.7%		
Pool Q41874, 3.00%, 07/01/2046	2,044,245	2,042,198
FNMA Multifamily — 15.6%		
Pool AM0126, 2.68%, 08/01/2022	1,584,114	1,621,201
Pool TBA, 3.30%, 06/01/2028	390,000	401,944
Pool AM5986, 3.44%, 06/01/2026	1,100,000	1,147,735
Pool 469683, 3.54%, 11/01/2021	409,045	431,044
Pool AM5197, 4.20%, 01/01/2030	561,589	612,470
Pool 467997, 4.52%, 04/01/2020	1,166,221	1,229,209
Pool 467998, 4.52%, 06/01/2020	1,262,328	1,336,692
		6,780,295
FNMA Single Family — 48.6%		
Pool AS7484, 3.00%, 06/01/2046	995,550	997,179
Pool BC0962, 3.00%, 06/01/2046	2,003,749	2,002,461
Pool AS7476, 3.00%, 07/01/2046	1,053,644	1,052,967
Pool AS7647, 3.00%, 07/01/2046	1,023,752	1,023,093
Pool AS7653, 3.00%, 07/01/2046	1,590,509	1,590,481
Pool AS8262, 3.00%, 10/01/2046	1,024,560	1,023,903
Pool BC4723, 3.00%, 10/01/2046	1,921,433	1,920,197
Pool AS8465, 3.00%, 12/01/2046	1,002,587	1,001,944
Pool AS8734, 3.50%, 01/01/2047	1,087,521	1,117,958
Pool AS8771, 3.50%, 02/01/2047	1,024,453	1,057,246

The accompanying notes are an integral part of the financial statements.

SCHEDULE OF INVESTMENTS (continued)

<u>Description</u>	<u>Face Amount</u>	<u>Market Value</u>
FNMA Single Family — 48.6% (continued)		
Pool AS9369, 3.50%, 03/01/2047	\$ 1,031,176	\$ 1,064,380
Pool AS9360, 3.50%, 04/01/2047	1,881,459	1,933,572
Pool TBA, 4.00%, 07/13/2039	5,100,000	5,361,176
		<u>21,146,557</u>
GNMA Multifamily — 2.9%		
Pool 2017-74, 2.60%, 09/16/2058	1,273,735	<u>1,250,519</u>
GNMA Single Family — 14.4%		
Pool G2 AT5238, 3.00%, 06/20/2046	1,039,625	1,050,972
Pool G2 AU1724, 3.00%, 06/20/2046	1,066,902	1,078,687
Pool G2 AU1835, 3.00%, 08/20/2046	983,643	994,379
Pool G2 AS5883, 3.50%, 06/20/2046	1,328,316	1,376,950
Pool G2 AU1762, 3.50%, 07/20/2046	1,691,805	1,754,190
		<u>6,255,178</u>
TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS (COST \$41,413,054)		<u>40,719,221</u>
MUNICIPAL BONDS — 2.7%		
Massachusetts — 0.6%		
Massachusetts State, Housing Finance Agency, RB 2.60%, 12/01/2039 (A)	240,000	<u>240,365</u>
New York — 2.1%		
New York City, Housing Development, RB 2.20%, 05/01/2020	750,000	750,884
2.35%, 11/01/2020	175,000	<u>175,242</u>
		<u>926,126</u>
TOTAL MUNICIPAL BONDS (COST \$1,165,000)		<u>1,166,491</u>
U.S. TREASURY OBLIGATION — 12.9%		
United States Treasury Bill 0.88%, 07/13/2017 (B)*	5,605,000	<u>5,603,795</u>
TOTAL U.S. TREASURY OBLIGATION (COST \$5,603,366)		<u>5,603,795</u>
SHORT-TERM INVESTMENT — 4.0%		
Money Market Fund — 4.0%		
Fidelity Institutional Government Portfolio, Class I, 0.82% †(C)	1,735,768	<u>1,735,768</u>
TOTAL SHORT-TERM INVESTMENT (COST \$1,735,768)		<u>1,735,768</u>
TOTAL INVESTMENTS (COST \$49,917,188) — 113.1%		<u>49,225,275</u>
OTHER ASSETS AND LIABILITIES — (13.1)%		<u>(5,702,591)</u>
NET ASSETS — 100.0%		<u>\$ 43,522,684</u>

The accompanying notes are an integral part of the financial statements.

SCHEDULE OF INVESTMENTS (concluded)

A list of the open futures contracts held by the Fund at June 30, 2017, is as follows:

Type of Contract	Number of Contracts	Expiration Date	Unrealized Appreciation
U.S. 5-Year Treasury Note	(23)	Oct-2017	\$ 9,211
Ultra 10-Year U.S. Treasury Bond	(26)	Sep-2017	16,083
			<u>\$ 25,294</u>

For the period ended June 30, 2017, the average notional value of short futures contracts held was \$3,745,560 and the ending notional value of short futures contracts held was \$6,240,646.

Percentages are based on Net Assets of \$43,522,684

* Zero Coupon Security - Rate shown is the 7-day effective yield as of June 30, 2017.

† Rate shown is the 7-day effective yield as of June 30, 2017.

(A) Variable Rate Security. The rate reported on the Schedule of Investments is the rate in effect as of June 30, 2017.

(B) All or a portion of this security has been pledged as collateral for open futures contracts.

(C) Security, or a portion thereof, has been pledged as collateral on To Be Announced securities.

FGLMC — Federal Government Loan Mortgage Corporation

FNMA — Federal National Mortgage Association

GNMA — Government National Mortgage Association

RB — Revenue Bond

TBA — To Be Announced

The following table sets forth information about the level within the fair value hierarchy at which the Fund's investments and other financial instruments are measured at June 30, 2017:

Investments in Securities	Level 1	Level 2	Level 3	Total
U.S. Government & Agency Obligations	\$ —	\$ 40,719,221	\$ —	\$ 40,719,221
Municipal Bonds	—	1,166,491	—	1,166,491
U.S. Treasury Obligation	—	5,603,795	—	5,603,795
Short-Term Investment	1,735,768	—	—	1,735,768
Total Investments in Securities	<u>\$ 1,735,768</u>	<u>\$ 47,489,507</u>	<u>\$ —</u>	<u>\$ 49,225,275</u>
Other Financial Instruments	Level 1	Level 2	Level 3	Total
Futures Contracts [†]				
Unrealized Appreciation	\$ 25,294	\$ —	\$ —	\$ 25,294
Total Other Financial Instruments	<u>\$ 25,294</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,294</u>

[†] Futures contracts are valued at the unrealized appreciation on the instrument.

Amounts designated as "—" are \$0.

For the period ended June 30, 2017, there were no transfers between Level 1, Level 2 and Level 3 assets and liabilities. All transfers, if any, are recognized by the Fund at the end of the period.

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ASSETS AND LIABILITIES**Assets:**

Investments (Cost \$49,917,188)	\$ 49,225,275
Cash and cash equivalents	18,172
Receivable for investment securities sold	4,649,069
Interest and dividends receivable	101,104
Cash collateral on derivative contracts	80,000
Variation margin receivable	13,703
Receivable from Investment Adviser (Note 5)	3,087
Total assets	<u>54,090,410</u>

Liabilities:

Payable for investment securities purchased	10,440,775
Distributions Payable	30,967
Chief Compliance Officer fees payable (Note 3)	17,355
Payable due to Administrator (Note 4)	14,167
CRA servicing fees payable (Note 4)	7,145
Payable due to Trustees	392
Other accrued expenses	56,925
Total liabilities	<u>10,567,726</u>

Net assets. \$ 43,522,684

Net assets consist of:

Paid-in capital	\$ 44,421,202
Distributions in excess of net investment income	(31,767)
Accumulated net realized loss on investments	(200,132)
Net unrealized depreciation on investments	(691,913)
Net unrealized appreciation on futures contracts	25,294
Net assets.	<u>\$ 43,522,684</u>

Net Asset Value, Offering and Redemption Price Per Share –

Class A shares (unlimited authorization - no par value)

(\$43,522,684 ÷ 4,494,195 shares) \$ 9.68

The accompanying notes are an integral part of the financial statements.

STATEMENT OF OPERATIONS**Investment income**

Dividends	\$ 9,204
Interest	<u>391,411</u>
Total investment income	<u>400,615</u>

Expenses

Accounting and administration fees (Note 4)	73,333
Investment advisory fees (Note 5)	53,252
CRA servicing fees (Note 4)	35,501
Chief Compliance Officer fees (Note 3)	27,355
Trustees' fees and expenses	1,670
Transfer Agent fees	18,887
Legal fees	17,405
Printing fees	8,729
Custodian fees	8,244
Audit fees	6,943
Registration fees	665
Other	<u>16,346</u>
Total expenses	<u>268,330</u>

Less:

Investment advisory fees waived (Note 5)	(53,252)
Reimbursement from Investment Adviser (Note 5)	<u>(37,577)</u>
Net expenses	<u>177,501</u>

Net investment income	<u>223,114</u>
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Net realized gain/(loss) on:

Investments	82,571
Futures contracts	(82,747)

Net change in unrealized appreciation/(depreciation) on:

Investments	53,446
Futures contracts	<u>25,294</u>

Net realized and unrealized gain	<u>78,564</u>
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Net increase in net assets resulting from operations	<u>\$ 301,678</u>
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The accompanying notes are an integral part of the financial statements.

The Community Development Fund

STATEMENT OF CHANGES IN NET ASSETS

	Six-month period ended June 30, 2017 (Unaudited)	For the period ended December 31, 2016*
Operations:		
Net investment income	\$ 223,114	\$ 83,712
Net realized gain/(loss) on investments and futures contracts	(176)	141,014
Net change in unrealized appreciation/ (depreciation) on investments and futures contracts	<u>78,740</u>	<u>(745,359)</u>
Net increase/(decrease) in net assets resulting from operations	<u>301,678</u>	<u>(520,633)</u>
Dividends and distributions from:		
Net investment income	(254,881)	(103,138)
Net realized gains	<u>—</u>	<u>(321,623)</u>
Total dividends and distributions	<u>(254,881)</u>	<u>(424,761)</u>
Capital share transactions:		
Issued	13,500,000	30,500,000
Reinvestment of dividends	<u>115,886</u>	<u>205,395</u>
Increase from capital share transactions	<u>13,615,886</u>	<u>30,705,395</u>
Total increase in net assets	<u>13,662,683</u>	<u>29,760,001</u>
Net assets:		
Beginning of period	<u>29,860,001</u>	<u>100,000</u>
End of period	<u>\$ 43,522,684</u>	<u>\$ 29,860,001</u>
Distributions in excess of net investment income	<u>\$ (31,767)</u>	<u>\$ —</u>
Shares transactions:		
Issued	1,395,550	3,055,573
Reinvestment of dividends	<u>11,968</u>	<u>21,104</u>
Net increase in shares outstanding	<u>1,407,518</u>	<u>3,076,677</u>

* The Fund commenced operations on April 29, 2016.

Amounts designated as “—” are \$0.

The accompanying notes are an integral part of the financial statements.

The Community Development Fund

FINANCIAL HIGHLIGHTS

*Selected Per Share Data & Ratios
For a Share Outstanding Throughout Each Period*

	Six-month period ended June 30, 2017 (Unaudited)	For the period ended December 31, 2016*
Net asset value, beginning of period	\$ 9.67	\$ 10.00
Income/(loss) from operations:⁽¹⁾		
Net investment income.	0.06	0.03
Net realized and unrealized gain/(loss) on investments	0.02	(0.22)
Total gain/(loss) from operations	0.08	(0.19)
Dividends and distributions from:		
Net investment income.	(0.07)	(0.04)
Net realized gains	—	(0.10)
Return of capital	—	(0.00) [^]
Total dividends and distributions	(0.07)	(0.14)
Net asset value, end of period	\$ 9.68	\$ 9.67
Total return[†]	0.79%	(1.89)%
Ratios and supplemental data		
Net assets, end of period (\$ Thousands)	\$ 43,523	\$ 29,860
Ratio of expenses to average net assets (including waivers and reimbursements)	1.00% ⁽²⁾	1.00% ⁽²⁾
Ratio of expenses to average net assets (excluding waivers and reimbursements)	1.51% ⁽²⁾	1.93% ⁽²⁾
Ratio of net investment income to average net assets.	1.26% ⁽²⁾	0.47% ⁽²⁾
Portfolio turnover rate	9% ⁽³⁾	85% ⁽³⁾

* The Fund commenced operations on April 29, 2016.

[^] Amount represents less than \$(0.005).

⁽¹⁾ Per share calculations were performed using average shares for the period.

⁽²⁾ Annualized.

⁽³⁾ Portfolio turnover is for the period indicated and has not been annualized.

[†] Total return is for the period indicated and has not been annualized. Return shown does not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Total return would have been lower had the Adviser not waived its fee and/or reimbursed other expenses.

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS**1. Organization**

The Community Development Fund (the “Fund”) is an open-end investment company that was established as a Delaware statutory trust pursuant to a Certificate of Trust dated August 12, 2011. The Trust’s Agreement and Declaration of Trust permits the Trust to operate separate series (“portfolios”) of units of beneficial interest (“shares”) and separate classes of portfolios. Currently, the Trust offers one class of shares. The investment objectives of the Fund are to provide current income consistent with the preservation of capital and enable institutional investors that are subject to regulatory examination under the Community Reinvestment Act of 1977, as amended, (the “CRA”) to claim favorable regulatory consideration of their investment. Community Development Fund Advisors, LLC (the “Adviser”), was organized under the laws of the State of Delaware as a limited liability company on July 25, 2011 and is also registered with the Securities and Exchange Commission (“SEC”) as an investment adviser under the Investment Advisors Act of 1940 (the “1940 Act”). Logan Circle Partners L.P. (the “Sub-Adviser”) manages the Fund’s assets under the direction of the Adviser.

2. Significant accounting policies

The following are significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund:

Use of estimates — The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board (“FASB”). The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the fair value of assets, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and such differences could be material.

Security Valuation — Investments in securities traded on a national securities exchange are valued at the last reported bid price. Debt securities are valued by using market bid quotations or independent pricing services which use bid prices provided by market makers or estimates of values obtained from yield data relating to instruments or securities with similar characteristics.

NOTES TO FINANCIAL STATEMENTS (continued)

Futures are valued at the settlement price established each day by the board of exchange on which they are traded. The daily settlement prices for financial futures are provided by an independent source. On days when there is excessive volume, market volatility or the future does not end trading by the time a Fund calculates its NAV, the settlement price may not be available at the time at which the Fund calculates its NAV. On such days, the best available price (which is typically the last sales price) may be used to value a Fund's futures position.

The Fund's board of trustees has adopted methods for valuing securities including in circumstances in which market quotes are not readily available, and has delegated authority to the Fund's investment adviser to apply those methods in making fair value determinations, subject to board oversight. The investment adviser has established a Valuation Committee (the "Valuation Committee") to administer, implement, and oversee the fair valuation process, and to make fair value decisions. The Valuation Committee regularly reviews its own fair value decisions, as well as decisions made under its standing instructions to the investment adviser's valuation teams. The Valuation Committee reviews changes in fair value measurements from period to period and may, as deemed appropriate, update the fair valuation guidelines to better reflect the results of comparisons of fair value determinations with actual trade prices and address new or evolving issues. The Valuation Committee reports any changes to the fair valuation guidelines to the board of trustees with supplemental information to support the changes. The Fund's board and audit committee also regularly review reports that describe fair value determinations and methods.

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical

NOTES TO FINANCIAL STATEMENTS (continued)

instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

- Level 3 — Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

For the period ended June 30, 2017, there have been no significant changes to the Fund's fair valuation methodology.

Mortgage-Backed To-Be-Announced Securities — The Fund may enter into mortgage-backed to-be-announced securities ("TBAs"). These derivative financial instruments are subject to varying degrees of market and credit risk. TBAs provide for the delayed delivery of the underlying instrument. The contractual or notional amounts related to these financial instruments adjusted for unrealized market valuation gains or losses are recorded on a trade date basis. The credit risk related to settlements is limited to the unrealized market valuation gains or losses recorded in the statement of operations. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility and changes in interest rates.

NOTES TO FINANCIAL STATEMENTS (continued)

Futures Contracts — The Fund may use futures contracts for tactical hedging purposes as well as to enhance the Fund's returns. Initial margin deposits of cash or securities are made upon entering into futures contracts. The contracts are marked to market daily and the resulting changes in value are accounted for as unrealized gains and losses. Variation margin payments are paid or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the amount invested in the contract.

Risks of entering into futures contracts include the possibility that there will be an imperfect price correlation between the futures and the underlying securities. Second, it is possible that a lack of liquidity for futures contracts could exist in the secondary market, resulting in an inability to close a position prior to its maturity date. Third, the futures contract involves the risk that the Fund could lose more than the original margin deposit required to initiate a futures transaction.

Finally, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. Refer to the Fund's Schedule of Investments for details regarding open futures contracts as of June 30, 2017.

Security transactions, dividend and investment income — Security transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses on sales of investments are determined on the basis of the identified cost for both financial statement and federal income tax purposes. Dividend income is recognized on the ex-dividend date or as soon as information is available to the Fund. Interest income is recognized on an accrual basis.

Amortization and accretion are calculated using the effective interest method. Amortization of premiums and discounts are included in interest income.

Determination of Net Asset Value and Calculation of Expenses — In calculating the net asset value ("NAV") per share of the Fund, investment income, realized and unrealized gains and losses, and expenses are allocated daily to each share based upon the proportion of net assets of each share.

NOTES TO FINANCIAL STATEMENTS (continued)

Federal income taxes — It is the Fund’s intention to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Code. Accordingly, no provision for Federal income taxes has been made in the financial statements.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether it is “more-likely-than-not” (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions deemed to meet the more-likely-than-not threshold are recorded as a tax benefit in the current year. The Fund did not record any tax provision in the current period. However, management’s conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., the initial open tax year end, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the period ended June 30, 2017, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period ended June 30, 2017, the Fund did not incur any interest or penalties.

Dividends and distributions to shareholders — Dividends from net investment income are declared and paid monthly. Distributable net realized capital gains, if any, are declared and distributed at least annually. Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. GAAP.

Securities Purchased on a Delayed Delivery Basis — The Fund may purchase securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date. The Fund will set aside liquid assets, or engage in other appropriate measures, to cover its obligations with respect to these securities.

NOTES TO FINANCIAL STATEMENTS (continued)**3. Transactions with affiliates**

Certain officers of the Trust are also officers of SEI Investments Global Funds Services (the “Administrator”), a wholly owned subsidiary of SEI Investments Company, and/or Foreside Fund Officer Services, LLC, an affiliate of the Distributor. Such officers are paid no fees by the Trust, other than the Chief Compliance Officer (“CCO”) as described below, for serving as officers of the Trust.

A portion of the services provided by the CCO and his staff, who are employees of Foreside Fund Officer Services, LLC, are paid for by the Trust as incurred. The services include regulatory oversight of the Trust’s advisors and service providers, as required by SEC regulations. The CCO’s services and fees have been approved by and are reviewed by the Board.

4. Administration, CRA Servicing, Distribution, Custodian and Transfer Agent Agreements

The Fund and the Administrator are parties to an Administration Agreement under which the Administrator provides administrative services to the Fund. For these services, the Administrator is paid an asset based fee, which will vary depending on the number of share classes and the average daily net assets of the Fund, subject to a minimum. For the period ended June 30, 2017, the Fund paid \$73,333 for these services.

The Fund has adopted a CRA servicing plan (the “CRA Servicing Plan”) with respect to Class A Shares that allows such shares to pay the Adviser a fee in connection with the ongoing CRA recordkeeping and compliance services provided to shareholders at an annual rate of up to 0.20% of average daily net assets of the Class A Shares. For the period ended June 30, 2017, the Class A Shares incurred \$35,501 of CRA servicing fees, an effective rate of 0.20%.

The Fund has adopted a Distribution Plan pursuant to Rule 12b-1 under the 1940 Act, with respect to its Class A Shares. The Distribution Plan allows the Fund to pay fees for the sale and distribution of Class A Shares and for shareholder services provided to the holders of Class A Shares. Under the Distribution Plan, the Fund may pay its distributor up to 0.25% per year of the Fund’s average daily net assets attributable to its Class A Shares. For the period ended June 30, 2017, the Class A Shares did not incur any Distribution fees.

NOTES TO FINANCIAL STATEMENTS (continued)

UMB Bank, N.A., (the “Custodian”) serves as the Fund’s Custodian pursuant to a custody agreement. UMB Fund Services, Inc. (the “Transfer Agent”) serves as the Fund’s Transfer Agent pursuant to a transfer agency agreement.

5. Investment Advisory Agreement

Under the terms of an investment advisory agreement, the Adviser provides or arranges for a third party sub-adviser to provide investment advisory services to the Fund. For its advisory services, the Adviser receives a fee, which is calculated daily and paid monthly, at an annual rate of 0.30% of the Fund’s average daily net assets. The Adviser has contractually agreed to reduce fees and reimburse expenses to the extent necessary to keep Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions and other costs and expenses relating to the securities that are purchased and sold by the Fund, acquired fund fees and expenses, and other non-routine expenses not incurred in the ordinary course of such Fund’s business (collectively, “excluded expenses”)) from exceeding 1.00% of the Fund’s average daily net assets until April 30, 2018 (the “expense cap”). In addition, if at any point Total Annual Fund Operating Expenses (not including excluded expenses) are below the expense cap, the Adviser may recover all or a portion of its fee reductions or expense reimbursements within a three-year period from the year in which it reduced its fee or reimbursed expenses if the Fund’s Total Annual Fund Operating Expenses are below the expense cap that was in place at the time of such fee reductions or expense reimbursements. This agreement may be terminated: (i) by the Board for any reason at any time; or (ii) by the Adviser, upon ninety (90) days’ prior written notice to the Trust, effective as of the close of business on April 30, 2018. For period ended June 30, 2017, the Fund paid \$53,252 for these services. As of June 30, 2017, fees which were previously waived and/or reimbursed by the Adviser which may be subject to possible future reimbursement, up to the expense cap in place at the time the expenses were waived and/or reimbursed to the Adviser were \$167,597 and \$90,829, expiring in 2020 and 2019, respectively.

The Adviser pays the Sub-Adviser a fee out of its advisory fee which is based on a percentage of the average monthly market value of the assets managed by the Sub-Adviser.

NOTES TO FINANCIAL STATEMENTS (continued)

6. Investment Transactions

The aggregate purchases and sales and maturities of investments, excluding short-term investments, by the Fund for the period ended June 30, 2017, were as follows:

Purchases:	
U.S. Government	\$ 24,130,265
Sales and Maturities:	
U.S. Government	\$ 3,183,848

7. Federal tax information

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. As a result, net investment income/(loss) and net realized gain/(loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income/(loss), accumulated net realized gain/(loss) or paid-in capital, as appropriate, in the period that the differences arise.

The tax character of dividends and distributions declared during the last fiscal year were as follows:

	<u>Ordinary Income</u>
2016.	\$424,761

As of December 31, 2016, the components of distributable earnings on a tax basis were as follows:

Post-October Losses*	\$ (199,956)
Unrealized Depreciation	<u>(745,359)</u>
Total Accumulated Losses	\$ (945,315)

* Under current tax law, capital losses realized after October 31 and prior to the Fund's fiscal year may be deferred as occurring on the first day of the following fiscal year.

NOTES TO FINANCIAL STATEMENTS (continued)

The Federal tax cost and aggregate gross unrealized appreciation and depreciation for the investments held by the Fund at June 30, 2017, were as follows:

Federal Tax Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized Depreciation	Net Unrealized Depreciation
\$49,917,188	\$32,966	\$(724,879)	\$(691,913)

8. Risks associated with financial instruments

As with all mutual funds, a shareholder of the Fund is subject to the risk that his or her investment could lose money. The Fund is subject to the principal risks noted below, any of which may adversely affect the Fund's net asset value and ability to meet its investment objective.

Credit Risk

The Fund had significant holdings in Fannie Mae, Freddie Mac and GNMA mortgage-backed securities. Investments in these issues may be at risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation.

9. Indemnifications

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be established; however, based on experience, the risk of loss from such claims is considered remote.

10. Underlying investment in other investment companies

The Fund currently invests a portion of its assets in the Fidelity Institutional Government Portfolio, Class I (the "Fidelity Fund"). The Fidelity Fund invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully. The investment objective of the Fidelity Fund is current income with liquidity and stability of principal. The Fund may redeem its investment from the Fidelity Fund at any time if the Advisor determines that it is in the best interest of the Fund and its shareholders to do so.

NOTES TO FINANCIAL STATEMENTS (continued)

The performance of the Fund may be directly affected by the performance of the Fidelity Fund. The financial statements of the Fidelity Fund, including the portfolio of investments, can be found at the Security and Exchange Commission's website www.sec.gov and should be read in conjunction with the Fund's financial statements. As of June 30, 2017, the percentage of the Funds' net assets invested in the Fidelity Fund was 4.0%.

11. Other

At June 30, 2017, 64% of total shares outstanding were held by 4 record shareholders each owning 10% or greater of the aggregate total shares outstanding. These shareholders were comprised of omnibus accounts that were held on behalf of various shareholders.

12. Regulatory Matters

In October 2016, the Securities and Exchange Commission (the "SEC") released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule which introduces two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact of the Rule, management believes that many of the Regulation S-X amendments are consistent with the Portfolio's current financial statement presentation and expects that the Portfolio will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

13. Subsequent events

The Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financials were issued. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements.

DISCLOSURE OF FUND EXPENSES

All mutual funds have operating expenses. As a shareholder of a mutual fund, your investment is affected by these ongoing costs, which include (among others) costs for fund management, administrative services, and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from the mutual fund's gross income and directly reduce its final investment return. These expenses are expressed as a percentage of the mutual fund's average net assets; this percentage is known as the mutual fund's expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period from January 1, 2017 to June 30, 2017.

The table on the next page illustrates your Fund's costs in two ways:

Actual Fund Return. This section helps you to estimate the actual expenses after fee waivers that your Fund incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return.

You can use this information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over that period. Simply divide your ending starting account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for your Fund under "Expenses Paid During Period."

Hypothetical 5% Return. This section helps you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expenses Paid During Period" column with those that appear in the same charts in the shareholder reports for other mutual funds.

DISCLOSURE OF FUND EXPENSES (concluded)

Note: Because the return is set at 5% for comparison purposes — NOT your Fund’s actual return — the account values shown may not apply to your specific investment.

	Beginning Account Value 1/1/17	Ending Account Value 6/30/17	Annualized Expense Ratios	Expenses Paid During Period*
Actual Fund Return				
Class A Shares	\$ 1,000.00	\$ 1,007.90	1.00%	\$ 4.98
Hypothetical 5% Return				
Class A Shares	1,000.00	1,019.84	1.00	5.01

* Expenses are equal to the Fund’s annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

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FUND INFORMATION

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Administrator	SEI Investments Global Funds Services One Freedom Valley Drive Oaks, PA 19456
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Custodian	UMB Bank, N.A. 1010 Grand Avenue Kansas City, Missouri 64106
Transfer Agent	UMB Fund Services, Inc. 235 West Galena Street Milwaukee, WI 53212
Independent Registered Public Accounting Firm	Tait, Weller & Baker LLP 1818 Market Street Philadelphia, PA 19103



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