

## WHO IS COMMUNITY CAPITAL MANAGEMENT (CCM)?

Community Capital Management (CCM) is a Ft. Lauderdale-based investment advisor specializing in the management of fixed income Environmental, Social and Governance (ESG)/impact investing portfolios. The firm was founded in 1998 and manages \$2 billion in assets on behalf of foundations, religious organizations, pension funds, banks, registered and unregistered funds, and high net worth investors. *To date, CCM has invested over \$6.7 billion in ESG/impact initiatives nationwide on behalf of its clients and this includes over \$550 million in bonds financing green initiatives.*

## DEFINING GREEN

CCM has been buying green bonds since 1999, before there was even a “green” label. The green bonds we have purchased over the last 15 years and continue to purchase today are designated “green” based solely on the intended use of proceeds for the financing of environmentally beneficial initiatives. *For us, a threshold declaration of green intent by an issuer may be a starting point and we believe this to be a nominal amount of the market. We identify, record and track the underlying environmental benefit that the transaction will support.* To do this, we use a combination of proprietary research augmented by the use of third-party standards from Global Green USA and the U.S. Green Building Council/LEED Certification to screen our portfolios ensuring bonds purchased in green portfolios support one or more of the following goals:

- **Smart Growth**, including adaptive reuse of structures, proximity to services and transit, urban infill, brownfield redevelopment, revitalization plans, and wetlands and floodplain preservation.
- **Energy Efficiency**, including efficient products, Energy Star appliances, insulation standards, meeting energy codes, photovoltaics and the production of renewable energy sources such as wind farms.
- **Resource Conservation**, including water conservation, storm water protection, renewable and reused materials, and construction and demolition recycling.
- **Health Protection**, including environmental assessments, hazard abatement, indoor air quality (IAQ) ventilation, hazard proximity, and IAQ paint, formaldehyde and carpet.

## CCM'S GREEN ADVANTAGE

CCM's green bond portfolios are actively managed and seek to provide investors with above-average, risk-adjusted returns while financing environmental initiatives. A benefit is the ability for investors to customize their green bond portfolio to align with their investment goals, investment policy statement and/or environmental areas(s) of focus. We believe our approach provides an added layer of investment transparency by detailing the use of bond proceeds and providing comprehensive reports on the environmental initiatives being financed. Many of our green bond investments have additional benefits such as job creation, economic development, and neighborhood revitalization.

## GETTING STARTED

CCM manages green bond portfolios within two investment vehicles: separately managed accounts (minimum: \$10 million) and a mutual fund (minimums vary per share class). For investments over \$500,000 in the institutional share class of the mutual fund and for all separate accounts, quarterly impact reports are provided detailing, dollar for dollar, the *environmental initiative and benefit* for each investment earmarked.



## CCM GREEN BOND EXAMPLES

### Spencer Green, Chelsea, Massachusetts

Spencer Green is located in a low-income census tract and features 48 affordable apartments on the site of the former Chelsea Armory, with 8 units priced for extremely low-income households earning less than 30% of area median income (AMI) and the remaining units restricted to residents with incomes below 80% of AMI. Fresh modern design encourages resident engagement and connection to the community.



#### Environmentally sustainable features include:

- Photovoltaic panels that generate electricity;
- An underground cistern that recycles rain for irrigation;
- Energy efficient systems throughout, including a state-of-the-art elevator that consumes 40% less energy;
- Extensive use of recycled and sustainable construction materials including hardwood flooring in the community room that is on its third life, reclaimed first from Boston University, then from the Armory's old basketball court; and
- Healthy homes standards such as no carpets, and paints and adhesives that are low in volatile organic compounds.

### New York State Energy Research and Development Authority

The New York State Energy Research and Development Authority (NYSERDA) Bonds are the first issue of bonds to finance or refinance loans to fund energy audits and energy efficiency improvements for eligible applicants pursuant to the Authority's Green Jobs – Green New York (GJGNY) program for one to four family residential structures.



#### The GJGNY Program provides New Yorkers with:

- Access to energy assessments;
- Installation services;
- Low-cost financing (currently for residential customers only); and
- Pathways to training for various green-collar careers.

The GJGNY program delivers services across the state and in targeted communities with the support of Constituency-Based Organizations (CBOs). Throughout NY State, CBOs help homeowners with the process of improving their homes' energy efficiency. CBOs recruit residential, small businesses, Not-for-Profits, and multifamily building owners into the energy assessment and financing programs and encourage individuals to take advantage of clean energy training opportunities.

### FOR MORE INFORMATION ON CCM'S GREEN BOND STRATEGY, PLEASE CONTACT:

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*Community Capital Management, Inc. is a Florida-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon nonperformance criteria, such as the security's social and/or environmental attributes. Impact figures mentioned in this report are approximate values. Past performance does not guarantee future results. Market conditions can vary widely over time and can result in a loss of portfolio value.*