Understanding Fixed Income Impact Investing
Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Within impact investing, there are multiple strategies across asset classes, each with their own level of risk, return and targeted impact. Since 1999, Community Capital Management (CCM) has been managing impact investments in the fixed income asset class.

**IMPACT INVESTING TERMINOLOGY**

While there are various titles given to this style of investing, they all have a similar approach:

**Mission-Related Investing**

Mission-related investing (MRI) is the practice of using financial instruments to advance a specific mission while earning a financial return.

**Community Investing**

Community investing, a subset of socially responsible investing, is the practice of using financial instruments to help underserved communities and support community investment initiatives while earning a financial return.

**Sustainable Investing**

Sustainable investing is the practice of including environmental factors in investment decisions, helping to encourage a more sustainable economy while earning a financial return.

**Economically-Targeted Investing**

Economically-targeted investing (ETI) is the practice of using financial instruments to assist in the economic stimulation and improvements of specific geographies while earning a financial return.

**CCM’s integrated two-prong impact investing strategy is specifically designed for institutions that are interested in utilizing their investment portfolios to further their mission.**

**FIRST PRONG – FINANCIAL**

CCM seeks to provide a high level of current income consistent with the preservation of capital and generate above-average, risk-adjusted returns against the benchmark, the Barclays Aggregate Bond Index.

**SECOND PRONG – IMPACT**

Clients have the opportunity for their investments to support specific impact initiatives or geographies. Based on elected targets, CCM then seeks fixed income securities whose proceeds benefit those requested screens. Clients receive detailed reports outlining both the financial and community impact.

“Fixed income impact investing provides an added layer of transparency that is vital in helping you understand the impact your investments have within the community.”

David Sand, Chief Investment Strategist, Community Capital
Fixed income is a great place to start within the market-rate, impact investing space. It is typically seen as a lower-risk asset class with lower volatility than other impact investment options.

### FINANCIAL CONSIDERATIONS BY ASSET CLASS

<table>
<thead>
<tr>
<th>Cash</th>
<th>Fixed Income</th>
<th>Equities</th>
<th>Alternatives</th>
<th>Real Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Preservation</td>
<td>High</td>
<td>Moderate to High</td>
<td>Low to Moderate</td>
<td>Poor to Low</td>
</tr>
<tr>
<td>Time Horizon</td>
<td>Short to Intermediate</td>
<td>Intermediate</td>
<td>Long</td>
<td>Long</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
</tr>
<tr>
<td>Return Potential</td>
<td>Low</td>
<td>Low to Moderate</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
</tr>
<tr>
<td>Volatility</td>
<td>Low</td>
<td>Low</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
</tr>
</tbody>
</table>

The table portrays some of the financial considerations of the major asset classes and is the opinion of Community Capital Management.

### TYPES OF MARKET-RATE, FIXED INCOME IMPACT INVESTING SECURITIES

**Single Family Agency Mortgage-Backed Securities (MBS)**
- **Impact**: Targeted Market-Rate Home Loans for Low- and Moderate-Income Borrowers

**Multifamily Agency MBS**
- **Impact**: Affordable Rental Housing
- Neighborhood Revitalization
- Environmental Sustainability
- Education
- Childcare

**Taxable Municipal Bonds**
- **Impact**: Affordable Rental Housing
- Neighborhood Revitalization
- Environmental Sustainability
- First-Time Homebuyer Programs
- Job Training/Creation
- Education

**Small Business Administration (SBA) Pools/Loans**
- **Impact**: Small Business Development
- Job Training/Creation
- Access to Capital

Impact initiatives are examples and not all-inclusive. Many of these investments have multiple positive impact outcomes and not all are listed.

Community Capital offers institutional investors its impact investing strategy via two products:
- • CRA Qualified Investment Fund Institutional Shares (Ticker: CRANX)
- • Separately managed account

Both employ the same integrated two-prong impact investing strategy.

CCM’s goal is to understand your organization and its objectives. The portfolio management team will work with you to customize your investments so they meet both your financial and impact goals. Our goal is to help you achieve your impact utilizing high credit quality bonds in an investment vehicle that works best for your organization.
Community Capital Management, Inc. is a Florida-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Past performance does not guarantee future results. Market conditions can vary widely over time and can result in a loss of portfolio value.

The CRA Qualified Investment Fund is distributed by SEI Investments Distribution Co. (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with Community Capital Management, Inc.

Investing involves risk including loss of principal. Bonds and bond funds will decrease in value as interest rates rise. Carefully consider the Fund’s investment objectives, risks, charges, and expenses. This and other information can be found in the Fund’s prospectus, which can be obtained by calling 866.202.3573. Please read carefully before investing.

The Barclays Aggregate Bond Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.