

THE IMPACT INVESTOR

SPRING 2020

Our spring 2020 issue of The Impact Investor newsletter is now available. We hope you enjoy the content, which includes an update on the Coronavirus, the introduction of our new logo, information on our 2019 annual impact report and webinar, an update on gender lens investing, and investment examples focusing on our impact theme of affordable housing. We always welcome ideas for future newsletters. If you have suggestions, please email jhorwitz@ccminvests.com.

COVID-19 & MARKET UPDATE



The spread of COVID-19, also known as the Coronavirus, continues to impact the financial markets and has led to unprecedented actions by state and Federal governments and by the Federal Reserve. We recently emailed a letter to our valued shareholders, clients, and friends providing an update on how the recent developments impact our strategies and what our firm is doing to ensure uninterrupted service while protecting the health and safety of our clients, colleagues, and employees. We remain operational while also abiding by the guidelines established to protect the health and safety of our community.

We fully expect tremendous social and economic strains for society because of this crisis and its repercussions. We expect underserved communities and individuals to be the hardest hit. Our mandate from clients to provide needed capital to low- and moderate-income communities and families is more important than ever. The full letter is available on our [website](#). We hope that you and your families remain healthy and safe and we will continue to update you on COVID-19 and the markets in the weeks to come.

NEW REPORT

2019 ANNUAL IMPACT REPORT & WEBINAR

Now in its seventh year of publication, we are thrilled to make our 2019 Annual Impact Report available, demonstrating our 20-year commitment to impact and ESG investing. We are extremely proud of our many contributions to the field, including investing approximately \$10 billion since inception in impact and ESG initiatives on behalf of clients into environmental and social initiatives nationwide. We hope you enjoy reading our report and welcome suggestions and thoughts on our efforts. Thank you for encouraging us to be the best impact and ESG investing manager we can be and for your continued support throughout the year.

In conjunction with our 2019 Annual Impact Report, we will be hosting a [webinar](#) on Tuesday, April 7 featuring four senior team members: Alyssa

Greenspan, CFA, president/COO; Andy Kaufman, CIO; David Sand, chief impact strategist; and Jessica Botelho, director of CRA & impact research. During the webinar and roundtable discussion, they will share thoughts on CCM and the firm's history in the space, provide highlights of our impact report, and discuss the current state and future of impact and ESG investing.



CCM UNVEILS NEW LOGO



We are excited to share the launch of our new logo! We are also in the process of updating our marketing collateral along with an updated website incorporating the new branding which will launch later this year. The changes come in an effort to modernize the firm's look and introduce a fresh logo while keeping with the tradition of CCM's 20-year impact and ESG investing history. Even though the logo has changed, CCM's mission remains the same – to deliver superior risk-adjusted returns via investment strategies that contribute to positive environmental and social outcomes.

The firm started managing assets in 1999 with a focus on community investments for financial institutions, primarily in affordable housing, and has since evolved to investing across 18 impact themes such as arts & culture, disaster recovery, economic inclusion, environmental sustainability, transit-oriented development, and more. We have removed the fence on our new logo to showcase the breadth and depth of our investment impact, and while affordable housing still remains a critical component of our impact, it is not the only impact outcome.

The new CCM logo and design is being rolled out on all materials moving forward. The branding builds on years of recognition as a pioneer and leader in impact and ESG investing. The firm website will continue to be located at www.ccminvests.com. We are excited to showcase our new logo in marketing materials, in social media, and at conferences with new banners.

IMPACT AND ESG INVESTMENTS WITH A FOCUS ON AFFORDABLE HOUSING



Throughout our two decades of work in impact and ESG investing, we have developed a series of impact themes, where one or more theme is associated with each of our investments. The themes cover a wide variety of issues and opportunities of interest to our clients. The creation and evolution of these impact themes have occurred in response to changing markets and the growing availability of impact and ESG investments. In this edition of The Impact Investor, we spotlight our impact theme of "Affordable Housing," along with two investment examples that align with this theme.

The preservation and growth of affordable housing is critical, and investors can play a role in its sustainability. Research has shown that the stability of an affordable mortgage or rent can have profound effects on childhood development, school performance, and health outcomes for families and individuals.¹ In addition to providing families a roof over their heads, the development of affordable housing can also yield positive outcomes at



AFFORDABLE HOUSING

Financing for affordable homeownership to low- and moderate-income borrowers and renters, including workforce housing, and investing in opportunities that promote affordable homeownership and access to quality living.

"Affordable housing is not only a roof over somebody's head. It allows kids to do better in school, for families to stay healthier, for workers to have shorter commutes."

Garth Rieman, Director of Housing
Advocacy and Strategic Initiatives,
National Council for State
Housing Agencies

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¹ <https://providencehousing.org/wp-content/uploads/2014/03/Housing-and-Economic-Development-Report-2011.pdf>

IMPACT AND ESG INVESTMENTS WITH A FOCUS ON AFFORDABLE HOUSING

Columbia Heights Village Apartments

District of Columbia
Sector: Taxable Municipal

IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:

- Affordable Housing
- Environmental Sustainability
- Healthy Communities
- Human Empowerment
- Minority Advancement



D3 Program

Denver, Colorado
Sector: Taxable Municipal

Bond proceeds will fund the creation and preservation of more than 2,400 units of affordable housing, part of the city of Denver's overall housing goal of adding at least 6,000 units in five years. The bonds were issued by the Housing Authority of the City and County of Denver to finance the costs associated with the provision of affordable housing pursuant to the D3 Program.

IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:

- Affordable Housing
- Environmental Sustainability
- Healthy Communities
- Human Empowerment
- Minority Advancement
- Seniors/Disabled

Columbia Heights Village Apartments is an affordable rental property in the District of Columbia. The property consists of 406 units, all of which receive Section 8 assistance, and is located in a low-income, majority-minority, and high-poverty census tract. The majority of the population residing in this census tract are minority households (75 percent), and 20 percent live below the poverty line.

The property is a partnership with the non-profit Change All Souls Housing Corporation (CASHC), formed to preserve the long-term affordability of the community and serve as a model for the future preservation of affordable housing. Columbia Heights Village Apartments was recently renovated, and property ownership shifted to the residents and CASHC due to the partnership. The large-scale renovation included a new lobby and 4,300-square foot community room which supports programs such as cooking and fitness classes, a reading program for seniors and children, and public computers. The renovation was made to withstand near-constant use by the community's more than 900 residents.

In recognition that the Denver, Colorado housing market has experienced conditions in which the supply of affordable housing within the City has not kept pace with demand, The Denver Housing Authority and the City of Denver entered into an Intergovernmental Agreement in 2018 to accelerate the production and preservation of much-needed affordable housing over the next five years through the DHA Delivers for Denver Program (the "D3 Program").

Proceeds are specifically dedicated to acquiring buildings, land, and/or existing subsidized rental housing that can be developed for Denver's lowest-income residents. Bond funding will also go towards the development of permanent supporting housing for individuals and families with disabilities experiencing homelessness while linking them to intensive supportive

services using the Housing First model which supports individuals by providing services needed to maintain housing and improve health and functioning.

The Authority expects to have developed, rehabilitated, and preserved at least 1,294 total units by December 31, 2024 within the three catalytic redevelopment projects of Sun Valley Homes, Westridge Homes, and the Shoshone development. All of the units will be affordable to tenant households earning no more than 80 percent of the Area Median Income (AMI). Furthermore, of the 1,294 total units within the projects:

1. approximately 388 of the total units will be affordable to very low-income populations
2. approximately 388 of the total units will be affordable to low-income populations
3. approximately 518 of the total units will be affordable to moderate-income populations



OVERVIEW AND UPDATE OF GENDER LENS INVESTING

In celebration and in recognition of International Women's Day, which took place on Sunday, March 8th, CCM recently released two resources: the 2020 update of "[The Women of CCM](#)" and "[Gender Lens Investing: How CCM Continues to Grow in an Expanding Space](#)." Our new gender lens investing piece provides an update to our fall 2018 report, "Gender Lens Investing: Opportunities in Fixed Income," which received positive feedback for drawing attention to the trend and also for communicating to the financial markets the desire for even more capital to be placed in gender lens investments. It also highlights the 2020 update to The Women of CCM which was distributed in March. Over the last year, we hired four new women to join our team and we are honored to include their broad and impressive skill sets in the updated report. Both resources can be found by visiting www.ccminvests.com.



THE WOMEN OF CCM

March 2020

Gender Lens Investing: How CCM Continues to Grow in an Expanding Space

In the fall of 2018, CCM published a report, "Gender Lens Investing: Opportunities in Fixed Income," which received positive feedback for drawing attention to the trend and also for communicating to the financial markets the desire for even more capital to be placed in gender lens investments. In addition to that report and another gender lens-related report, The Women of CCM that was distributed in March, we are excited to add a third working on Community Capital Management (CCM) and its ability to share their broad and impressive skill sets.

Overview of Gender Lens Investing

Gender lens investing (GLI) is the term for which was coined around 2000. It is the practice of investing for financial return while also considering the benefits to women. According to Veris Wealth Partners' fifth survey of GLI products, the number of GLI products has increased from 100 in 2010 to over 1,000 in 2019. Assets under management for these products have accelerated and the pace of new product offerings has increased. In four years, assets under management have jumped from \$10 billion to \$24 billion. The number of GLI products in the investment universe has more than quadrupled, from eight options to 35.¹

Public Market GLI Strategies AUM (\$Billions)

	2015	2016	2017	2018	2019
\$100	8.65	11.35	11.60	12.60	14.40
2014					

Source: Veris Wealth Partners, As of 6/30/2019

While the ecosystem is growing, there is still a lot of work that needs to be done to better define the metrics and measurements of GLI. Looking at the latest research from Credit Suisse Research, "Women Growth, Returns, and Impact," written by Joseph Quinlan and Jackie Vandenberg, there are ten areas of GLI measurement:

Top 10 GLI Metrics	1. Female labor force participation	6. Women entrepreneurs
2. Educational attainment	7. Corporate gender diversity	
3. Household income and wealth	8. Family leave	
4. Gender pay gap	9. Women in politics	
5. Unpaid work	10. Women and technology	

Source: Credit Suisse Research, CS Gender 3000, Published 10/2019

Another move forward in corporate gender diversity took place earlier this year when Goldman Sachs announced it will not take any company public unless it has at least one "diverse" board member. This new requirement will increase the percentage of women on corporate boards. The requirement will increase to two diverse board members in 2021. CCM is supportive of this trend and believes it will depend upon the size of the public company's board by December 31, 2021.

Looking at the proportion of women in management, we see it has increased from 10.1% in 2010 to 17.3% in the CS Gender 3000 in 2019 (North America now has the highest female representation in management).

Diversity in the Boardrooms By Region: % of Female Directors

North America 17.3 16.7 20.1 20.7 22.6 24.7
Europe 17.5 16.2 17.0 20.9 25.0 27.0
APAC 11.6 12.6 13.6 14.3 14.4
Japan 2.1 2.1 2.1 2.1 2.1 2.1
Latin America 5.0 7.1 7.3 8.3 7.8 7.8
Global 15.3 16.9 18.2 19.9 20.6 20.6

Source: Credit Suisse Research, CS Gender 3000, Published 10/2019



VISIT CCMINVESTS.COM TO:

- ✓ Download our [2019 Annual Impact Report](#)
- ✓ Sign up for our upcoming [webinar](#) on our impact report and the state and future of impact and ESG investing
- ✓ Read our updated perspectives on [gender lens investing](#)



Community Capital Management, Inc. ("CCM") is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income and equity by combining the positive outcomes of impact and environmental, social, and governance ("ESG") investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Stocks will fluctuate in response to factors that may affect a single company, industry, sector, or the market as a whole and may perform worse than the market. A sustainable investment strategy which incorporates ESG criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based upon non-performance-based objective criteria, including, but not limited to, the security's social and/or environmental attributes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. Impact figures mentioned are approximate values.