



# 2020 Impact Report

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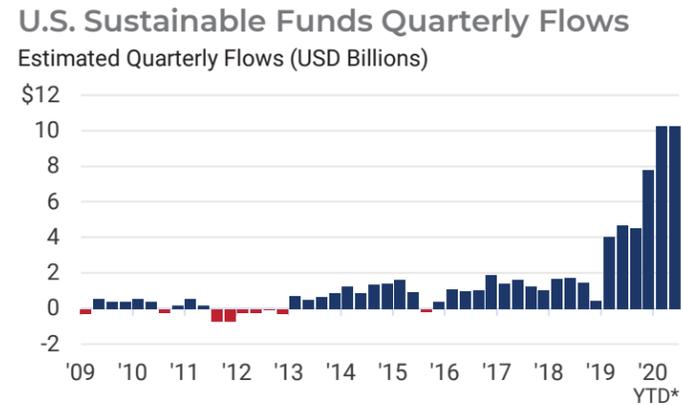
# Introduction

We are pleased to share our 2020 annual impact report, now in its 8th edition. It was an unprecedented year as financial markets experienced extraordinary volatility along with federal support and the unemployment rate hit its highest level since the Great Depression. Society was tested with the COVID-19 global pandemic disrupting daily life, protests for social justice shining a spotlight on racial inequities, and robust political discourse with the presidential election.

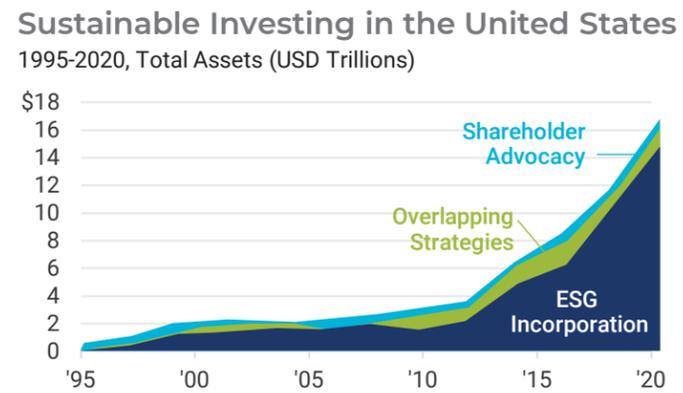
Through all of the trials and tribulations of 2020, sustainable fund flows in the United States continued at a record pace. In the second quarter of 2020, Morningstar reported estimated net flows of \$10.4 billion into sustainable mutual funds. That nearly matched first-quarter flows and brought the total for the first half of the year to \$20.9 billion, just shy of the annual record of \$21.4 billion in sustainable fund net flows set in 2019.<sup>1</sup>

Sustainable investing in the United States continues to expand at a healthy pace, according to the US SIF Foundation's 2020 Report on US Sustainable and Impact Investing Trends. The total U.S.-domiciled assets under management using sustainable investing strategies grew to \$17.1 trillion at the start of 2020 from \$12.0 trillion at the start of 2018, an increase of 42%. This represents 33%, or one in three dollars, of the \$51.4 trillion in total U.S. assets under professional management.<sup>2</sup>

Despite ongoing economic uncertainty and the pandemic, investors remain focused on the environmental and social impact of their portfolios. In this report, we highlight how we have leveraged our 21-year history of innovative investment solutions to meet today's evolving and critical needs.



Source: Morningstar Direct, Data as of 6/30/2020 \*YTD 2020 as of 6/30/2020. Includes ESG Integration, Impact, and Sustainable Sector funds as defined in Sustainable Funds U.S. Landscape Report, 2018. Includes funds that have been liquidated does not include funds of funds.



Source: US SIF Foundation

<sup>1</sup> <https://www.morningstar.com/articles/994219/sustainable-funds-continue-to-rake-in-assets-during-the-second-quarter>

<sup>2</sup> <https://www.ussif.org/trends>

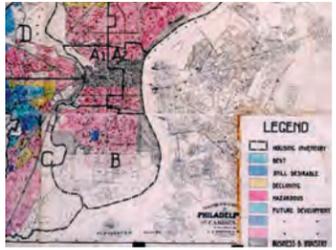
## Letter from the CEO and President/COO

The challenges faced in 2020 have reinforced the importance of and commitment to our mission – to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. In an effort to help those most in need, in May, we launched a \$100 million initiative to invest in COVID-19 relief. The initiative offers investors the opportunity to provide capital to underserved people and neighborhoods, economic recovery programs, and small businesses. We are proud to report that as of the end of 2020, we have invested on behalf of our clients \$72 million in this initiative.

We believe that impact investing can help make our society work better and can be a ladder of opportunity for people who have historically been overlooked. Many of the underpinnings of the practices and tools of our core fixed income investment strategy can be traced to discrimination practices in lending, also known as redlining. Our flagship CRA Qualified Investment Fund was launched in 1999 specifically to help banks meet the requirements of the CRA Investment Test where the Fund invests in underserved and, in many cases, formerly redlined communities in financial institutions' service areas. The interest in the strategy has significantly broadened over the years to include all types of investors looking to align their missions, values, and faiths, including foundations, religious organizations, non-profits, healthcare companies, pension funds, high net worth individuals, and endowments.

Our longevity in helping these communities allowed us to expand our focus this past year on minority communities through our Minority Community Advancement Racial Empowerment Strategy, or Minority CARES initiative. The program was appropriately launched on Juneteenth, which commemorates the end of slavery in the United States. Our goal with Minority CARES is to invest \$2 billion over the next five years in market-rate bonds that align with the values of social justice, improvement in the lives of those in historically marginalized communities, and increased economic opportunity for people of color. As of the end of the year, we have invested on behalf of our clients \$315 million in this program.

There are never immediate solutions to long-standing problems, which is why as an impact and environmental, social, and governance (ESG) manager with over 20 years of experience, we are deeply committed to finding new opportunities to offer investors a way to complement their impact beyond donations and grants and use their investments to support critical issues like economic equality, racial justice, and sustainable investing.



In the 1960s, sociologist John McKnight coined the term "redlining" to define the discriminatory practice of avoiding investment in communities with unfavorable or high-risk demographics, typically with large minority populations.

The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods.

In an effort to further support these issues, and our impact and ESG investing peers, we signed on to several investor statements in 2020. One from Green America urged the Securities & Exchange Commission (SEC) to uphold the current shareholder resolution process that allows investors – even small investors – to raise crucial social, environmental, and corporate governance issues with Corporate America. We also joined nearly 200 signatories in the Investor Statement on COVID-19 Response, which asked for global institutional investors to step up as corporate citizens and recommended measures that can be taken to protect the community and minimize the negative consequences of this pandemic. We signed on to ICCR's Investor Statement of Solidarity and Call to Action to Address Systemic Racism along with Confluence Philanthropy's "The 2020 Belonging Pledge," which asks for investors to commit to discussing racial equality at their next investment committee meeting. And we became a supporter of the Task Force on Climate-Related Financial Disclosures

TCFD developed recommendation disclosures that could “promote more informed investment, credit, and insurance underwriting decisions and, in turn, would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposures to climate-related risks.”

(TCFD).<sup>3</sup> TCFD was established by the Financial Stability Board (FSB) as a request from the G20 Finance Ministers and Central Bank Governors for a closer review on how the financial sector can take account of climate-related issues.

We are proud to be a pioneer in impact and ESG investing thought leadership to further the conversation and the flow of capital to people and neighborhoods most in need. Helping underserved communities is central to our mission, and in October, we authored, *Connecting the Dots: The Intersection of Economic Equality, Racial Justice, and Sustainable Investing*, which shares details on the history of economic inequality and its relationship with the capital markets, specifically the intersectionality between economic equality and racial justice as it pertains to climate change; safe, affordable, and sustainable housing; and corporate awareness. Thanks to feedback from many of you, our thought leadership “perspectives” covered a variety of topics, including gender

lens investing, fallen angels, the rebalancing conundrum, the United Nations Sustainable Development Goals (SDGs), Community Development Financial Institutions (CDFIs), and why stock and bond correlation matters in portfolio management. We also wrote a report and perspective on the overview of changes to the CRA rule for OCC-supervised banks.

In the fall, we distributed two surveys – our 2nd annual impact and ESG survey and 5th annual CRA investing survey, both having our largest response rates to date. In October, we were humbled by our client-led nominations and subsequent wins in two of the 2020 Money Management Institute (MMI)/Barron’s Industry Awards: 2020 Asset Manager of the Year (AUM of \$10 billion or less) and Sustainable & Impact Investing. And in December, we hosted our 4th annual impact awards competition with Arroyo Viejo Recreation Center in Oakland, CA winning this year’s prize based on votes from all of you.

Thank you to our clients for encouraging us as we strive to be the best impact and ESG investing manager we can be and for your ongoing support throughout this trying year. Your insights and investments are increasing the flow of impact capital and the creation of sustainable offerings. We hope you enjoy reading our 2020 annual impact report and welcome suggestions and thoughts for future reports.

Sincerely,



**Todd Cohen**  
Founder and CEO



**Alyssa Greenspan, CFA**  
President and Chief Operating Officer

### Highlights of CCM's Category Wins for the 2020 MMI/Barron's Industry Awards

**The Asset Manager of the Year category** (AUM of \$10 billion or less) honors a smaller asset manager that exemplifies innovation in delivering better outcomes for investors and financial advisors.

"CCM exemplifies innovation in delivering positive outcomes for investors and financial advisors by utilizing its proprietary technology for bringing an impact story to life and dispelling the myth that impact investors must receive concessionary returns. For over 20 years, CCM has been a leader in impact and ESG investing with a specialty in taxable core fixed income."

**The Sustainable & Impact Investing category** honors programs that support awareness and adoption of sustainable and ESG investing.

"Minority CARES anticipates investing over \$2 billion over the next five years in market-rate bonds that align with the values of social justice, improvement in the lives of those in historically marginalized communities, and increased economic opportunity for people of color."



# About CCM

<sup>3</sup> <https://www.fsb-tcfd.org/>

## About CCM

# 21 yrs

CCM has a 21-year history of client customization and consistent management of its impact and ESG investment strategies.

# \$3.3B

CCM manages over \$3.3 billion in assets.<sup>4</sup>

# \$10.5B

CCM has invested approximately \$10.5 billion in impact and ESG investments across the United States on behalf of a diversified client base of investors.<sup>4</sup>

# 61%

CCM is 61% employee-owned.<sup>4</sup>

# 18

CCM investments align with one or more of its 18 impact themes.<sup>4</sup>

# 1,500

CCM has assisted more than 500 banks obtain CRA-qualified investments, as recognized in over 1,500 CRA exams.<sup>4</sup>

CCM manages \$3.3 billion<sup>4</sup> in impact and ESG investments, including CRA qualified investments. We believe a fully integrated portfolio, one that includes impact and ESG factors, can deliver strong financial performance while simultaneously having positive long-term economic and sustainable outcomes. CCM's strategies utilize an innovative approach to fixed income and equity investing by combining measurable social, economic, and environmental positive impacts with rigorous financial analysis, an inherent focus on risk management, and transparent research. Working through a network of investment consultants and advisors, we serve a wide variety of clients, including foundations, religious organizations, non-profits, healthcare companies, pension funds, high net worth individuals, and endowments.

Among our many partnerships and collaborations, we are a signatory to the UNPRI, and our investment strategies align with the UN Sustainable Development Goals and United States Conference of Catholic Bishops socially responsible investment guidelines.

### Highlights of some of the organizations that CCM is a member/supporter of:



<sup>4</sup> As of 12/31/2020

## Investment Strategies

CCM is committed to the principles of diversity, equity, and inclusion (DEI). The firm believes that diversity in the decision-making process enhances results, and as such, we facilitate diversity in employee hiring, training, and promotion and consider diversity factors in our investment processes. In 2020, CCM formalized these time-tested practices and created a new DEI committee shaped by our values and our work with team members across the firm and with different backgrounds and life experiences. James Malone, CFA, was named chief diversity officer where he will serve as chairman of the DEI committee in addition to his role as chief financial officer.

To assist with the formation of our new DEI committee, over the summer, we hosted a Cultural Expansion Webinar with Kemy Joseph, Co-Founder of F.E.A.R.S. Advantage™, to increase our awareness and open a dialogue with employees regarding our historical and new DEI efforts.

Our Impact and CRA Committee met regularly throughout the pandemic with one of the committee's responsibilities being oversight for reviewing the firm's impact and ESG policy and making modifications as needed. There were no changes to our impact and ESG policy in 2020. Our full Impact and ESG Policy is available by visiting <https://www.ccminvests.com/impact/impact-esg-policy/>.

## Investment Strategies

CCM provides impact and ESG investment solutions, coupled with hands-on client service, to a broad range of investors through strategies in fixed income, equities, and alternatives. CCM's strategies utilize an innovative approach to fixed income and equity investing by combining measurable social, economic, and environmental positive impacts with rigorous financial analysis, an inherent focus on risk management, and transparent research.



### Fixed Income

#### ► Mutual Fund

CRA Qualified Investment Fund

- For Banks: CRAIX
- For Institutions: CRANX
- For Individuals: CRATX

#### ► Separate Accounts

Core  
Mortgage-Backed Securities  
Tax-Exempt Municipals



### Equities

#### ► Mutual Fund

CCM Core Impact Equity Fund: QUAGX/QAGIX

CCM Small/Mid-Cap Impact Value Fund: QUSVX/QSVIX



### Alternatives

#### ► Mutual Fund

CCM Alternative Income Fund: CCMNX

## Impact Customization

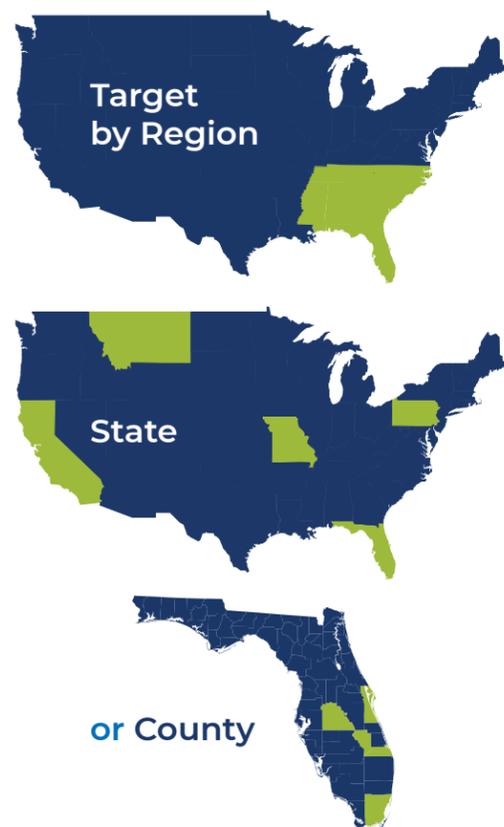
CCM's market-rate core fixed income impact and ESG investment strategy has a 21-year history of client customization. It started for banks focusing on CRA-qualifying investments targeted to the geographic regions of the country in which they operate and has evolved to include a variety of clients. Investors have the opportunity to customize their bond portfolios to direct capital to specific geographies or impact themes, aligning their investments with their values. Customization can take place in our flagship mutual fund (CRA Qualified Investment Fund) and/or in a separately managed account.

*We are proud to work with and provide impact customization to a variety of clients including faith-based investors, endowments, foundations, healthcare organizations, non-profits, public funds, banks, and high net worth individuals.*

— Alyssa Greenspan, CFA, President & COO

### Impact by Geography

Investments targeted to geographies can be as narrowly defined as a county. Investors can choose multiple geographies within different counties and/or states. When a client selects customization by geography, the investments will support a variety of CCM's 18 impact themes.



### or Impact by Theme

Investments targeted to impact themes can support one or multiple impact themes. When a client selects customization by impact theme, the investments will specifically support those themes and can be located nationwide.



or Multiple Impact Themes



For a full list of impact themes and their descriptions, see pp. 10-11

Investors can customize their investments using our **impact targeting form**.



## How CCM Aligns with the United Nations Sustainable Development Goals

Over the years, we have seen a proliferation of U.S. and global standards, goals, and principles that seek to unite like-minded investment managers and their clients around various desirable and needed objectives. While all guidelines have been helpful to the industry, the one that seems to have the greatest usage and traction are the United Nations Sustainable Development Goals (SDGs). The SDGs, released in September 2015, aim to end all

forms of poverty, fight inequalities, and tackle climate change while ensuring that no one is left behind. They are the blueprint to achieve a better and more sustainable future for all. We continue to monitor the SDGs and how they align with our impact themes as we build and innovate. We believe our 18 impact themes all play a role in the 17 SDGs and have highlighted below those that are in direct alignment.

UN SDG Goal	CCM's Impact Themes
1 No Poverty	Affordable Health and Rehab Care Affordable Housing Disaster Recovery, Resilience, and Remediation Human Empowerment
2 Zero Hunger	Sustainable Agriculture
3 Good Health and Well Being	Affordable Health and Rehab Care Disaster Recovery, Resilience, and Remediation Healthy Communities
4 Quality Education	Education and Childcare Gender Lens
5 Gender Equality	Gender Lens
6 Clean Water and Sanitation	Environmental Sustainability
7 Affordable and Clean Energy	Environmental Sustainability
8 Decent Work and Economic Growth	Enterprise Development and Jobs
9 Industry, Innovation, and Infrastructure	Neighborhood Revitalization Transit-Oriented Development
10 Reduced Inequalities	Economic Inclusion
11 Sustainable Cities and Communities	Affordable Housing Transit-Oriented Development
13 Climate Action	Environmental Sustainability

## 18 Impact Themes

Throughout our two-plus decades of work in impact and ESG investing, CCM has developed a series of impact themes, where one or more themes are 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 client input, changing markets, and the growing availability of impact and ESG investments.

In 2020, as a result of COVID-19, we expanded our existing impact theme of Disaster Recovery, Resilience, and Remediation to include investments benefiting widespread health emergencies.

### Affordable Health and Rehab Care

Creating and retaining affordable healthcare services and rehabilitation facilities for low- and moderate-income and medically underserved persons<sup>5</sup> and investing in opportunities that promote wellness and access to high-quality health care for everyone.

### Affordable Housing

Financing for affordable homeownership to low- and moderate-income borrowers and renters, including workforce housing,<sup>6</sup> and investing in opportunities that promote affordable homeownership and access to quality living.

### Arts and Culture

Supporting educational programs, businesses, organizations, and the development of properties involved with visual, performing, design, literary, and other art-related works.

### Disaster Recovery, Resilience, and Remediation

Supporting economic development activities in designated disaster areas and physical and civic infrastructure to better prepare communities for the effects of climate change, natural disasters, and widespread health emergencies. Investments in recovery, resilience, and remediation can stimulate community and economic development, build strong infrastructure, and promote sustainability, all while empowering people and protecting our planet.

### Economic Inclusion

Assisting and supporting the process of bringing targeted groups, individuals, and communities, including immigrants and refugees, closer to the economic mainstream and capital markets. Financial literacy training, loans to first-time homebuyers, small business loans, rent-to-own housing programs, and “banking the unbanked” initiatives are all examples of economic inclusion opportunities.

### Education and Childcare

Providing education and/or childcare services primarily in low- and moderate-income communities, improving the quality of educational services and facilities, and offering broad-based youth development programs that look to have a beneficial impact to children.

### Enterprise Development and Jobs

Providing small businesses with access to capital, creating jobs, retaining jobs, and offering job training programs.

### Environmental Sustainability

Supporting properties, projects, companies, and small businesses implementing sustainable initiatives such as rehabilitation of existing buildings/adaptive reuse; meeting energy codes; LEED certification; using renewable energy, reused, or recycled materials for construction; water conservation efforts; brownfield development; and Walk Scores.<sup>7</sup>

<sup>5</sup> “Medically Underserved” are areas or populations designated by HRSA (U.S. Department of Health and Human Services, Health Resources and Services Administration) as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population.

<sup>6</sup> The most common definition of workforce housing comes from the [Urban Land Institute](https://www.urbanlandinstitute.org/), which defines workforce housing as: “housing that is affordable to households earning 60 to 120 percent of the area median income.”

<sup>7</sup> <https://www.walkscore.com/>

### Gender Lens

Benefiting women and girls, primarily those that are low- and moderate-income, such as women-owned businesses, educational programs, health-related services, and affordable homeownership. Investing in opportunities with women leadership, workplace equity, products and services beneficial to women and girls, and related shareholder engagement and policy work.

### Government Supported Communities

Assisting communities in need of economic and community development as designated by U.S. Government, federal agencies, and/or state agencies.

### Healthy Communities

Establishing and maintaining effective strategies to achieve healthy equity in neighborhoods such as multi-use trails, high Walk Scores, high Bike Scores<sup>7</sup>, community parks, access to nutritious foods, and investing in opportunities that promote health and wellness.

### Human Empowerment

Assisting individuals and families, including immigrants and refugees, through resources and programs designed to achieve personal goals, greater self-sufficiency, and upward mobility.

### Minority Advancement

Supporting communities with a high minority population (over 50 percent as defined by their ethnicity), racially or ethnically concentrated areas of poverty (HUD R/ECAP census tracts),<sup>8</sup> programs offering equal access to jobs, economic development, and affordable housing. Investing in opportunities with ethnic minority leadership, workplace equity, services beneficial to ethnic minorities, and related shareholder engagement and policy work.

<sup>8</sup> [https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e\\_0](https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0)

<sup>9</sup> <http://www.tod.org/>

### Neighborhood Revitalization

Transforming blighted neighborhoods into areas of opportunity and vibrant, safe places to live by assisting in the revitalization of neighborhood facilities.

### Rural Community Development

Investing in small businesses and other economic opportunities in rural communities.

### Seniors and the Disabled

Offering affordable living for seniors and/ or disabled individuals including physical, social, and psychological services.

### Sustainable Agriculture

Supporting agriculturally-sustainable businesses such as those that engage in pesticide-free agriculture, hydroponics, aquaponics, and vertical farming.

### Transit-Oriented Development (TOD)

Creating vibrant, livable, and sustainable communities through the integration of compact, walkable, pedestrian-oriented, mixed-use communities centered around high-quality train systems.<sup>9</sup>

## Impact Reporting

Clients receive our customized impact reporting, which details the positive impact outcomes of their investments and how they are having multiple environmental and social benefits to society and to their communities. CCM's proprietary technology tracks and quantifies each client's specific impact – allowing the portfolio to fully align with their values, missions, and goals. Clients meeting minimum asset requirements receive quarterly impact reports that include comprehensive impact metrics such as cumulative impact data, geographic mapping, and impact theme alignment.

**Quantitative data** can include the number of jobs created or the number of affordable housing units as well as impact theme allocations. **Qualitative research** is the "story," so to speak, which includes detailed explanations of what each bond is financing. In 2020, we updated the look and feel of our client impact reports to include more impact metrics and mapping. We continuously look for ways to improve and enhance our reporting.

## Sample Quarterly Impact & Financial Report<sup>10</sup>



<sup>10</sup> This sample report is solely for purposes of illustrating the types of financial and impact reporting that might be received by a separate account client. Only some pages of CCM's client impact and financial report are shown above.

## Case Study: Impact Investment

### Agency CMBS Diversey Square I Apartments<sup>11</sup> | Chicago, IL

Diversey Square I Apartments is an affordable rental property in Chicago, Illinois where all 196 units receive Section 8 assistance. The property is in a moderate-income, majority-minority, and high-poverty census tract where 70% of the population are minorities and 24% live below the poverty line.

Located in the Logan Square neighborhood of Chicago, Diversey Square I Apartments is a three-story building with one-, two-, three-, and four-bedroom apartments, some of which are accessible for people with disabilities. It offers residents a playground, community room, and laundry facility, as well as 24-hour maintenance. A service coordinator is available to assist elderly residents.



Walk Score's mission is to promote walkable neighborhoods. Walkable neighborhoods are one of the simplest and best solutions for the environment, our health, and our economy.<sup>7</sup>

The property is owned and managed by the Hispanic Housing Development Corporation (HHDC), a non-profit organization founded in 1975 to help create affordable housing in Chicago's Latino neighborhoods. HHDC builds and revitalizes neighborhoods and helps people improve their lives by building comfortable, affordable, and sustainable housing that becomes a catalyst for economic prosperity and community growth. HHDC works in the areas of housing development, construction, property management, and energy sustainability. It believes that neighborhood construction and rehabilitation projects create economic opportunities for residents. HHDC has a subsidiary construction company, Tropic Construction, which trains and hires residents from the neighborhoods it serves. These jobs help individuals and boost the local economy.

#### Impact Themes This Investment Helped Support:



<sup>11</sup> <https://www.hispanichousingdevelopment.com/diverse-square-apartments-i>



HHDC has become one of the largest and most effective community development organizations in the country. It has been nationally recognized as a model for community development by private organizations, foundations, and government agencies.



## Team

We are extremely proud of our team, who showed the utmost dedication during a challenging and unpredictable year. Their backgrounds and experience are diverse, and they all have played a pivotal role in helping CCM grow to where it is at today. We are committed to an inclusive environment and want our firm to reflect the many diverse communities where we work, live, and invest in across the country.

## Investment Team

 <b>Andy Kaufman</b> Chief Investment Officer	 <b>Kristin Fafard, CFA</b> Chief Investment Strategist	 <b>David Sand</b> Chief Impact Strategist	 <b>Elliot Gilfarb, CFA</b> Head of Fixed Income	 <b>Andrew Cowen</b> Head of Equities	 <b>Julie Egan</b> Director of Municipal Research/PM	 <b>Jessica Botelho</b> Director of CRA & Impact Research
 <b>Thomas Lott</b> Portfolio Manager	 <b>Cayce Shawn</b> Trader	 <b>Alex Alario</b> Jr. Portfolio Manager	 <b>Allison Glansberg</b> Investment Analyst	 <b>Daniel Caballero</b> Investment Analyst	 <b>Shonali Pal</b> Investment Analyst	 <b>Amina Rubin</b> Investment Research Associate

## Leadership

 <b>Todd Cohen</b> Founder, CEO	 <b>Alyssa Greenspan, CFA</b> President & Chief Operating Officer
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## Business Management

 <b>Stefanie J. Little</b> Chief Compliance Officer*	 <b>James Malone, CFA</b> Chief Financial & Diversity Officer	 <b>Isha Naidu</b> Software Development & Reporting	 <b>Melodie Dinkins</b> Administrative Manager
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## Marketing

 <b>Jamie Horwitz</b> Chief Marketing Officer	 <b>Barbara Seaman</b> Sales & Marketing Specialist	 <b>Izabela Dagula</b> Marketing Assistant
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## Operations

 <b>Priscilla Lozevski</b> Head of Operations	 <b>Aaron Strassman</b> Operations Specialist	 <b>Alex Trifan</b> Operations Analyst
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## Sales and Client Services

 <b>Andy Shafter</b> Sr. Client Portfolio Manager	 <b>Martha Schuman</b> Sr. Client Portfolio Manager	 <b>Jeffrey Pearlman</b> Sr. Client Portfolio Manager	 <b>Michelle DeLaCruz</b> Client Portfolio Manager	 <b>Maria Leon</b> Client Services Manager	 <b>Jackson Silverstein</b> Business Development Associate
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\*Outsourced position

### CCM Diversity %, As of 12/31/2020



"Racial Minority" refers to non-white, and include American Indian/Alaska Native, Asian, Black/African American, Hispanic/Latino, and Multiracial.

# 2020 Investment Impact

## 2020 Investment Impact

For over 21 years, we have remained consistent in our commitment to measuring impact and have continued to adapt and add to the methodology over time. Impact and ESG factors are integrated into every investment decision as each security must meet our strict impact criteria in order to be considered for its respective portfolio.

### Impact Metrics

Since inception, the firm has invested approximately \$10.5 billion in impact and ESG initiatives nationwide on behalf of its clients. This includes approximately \$1.1 billion invested in 2020 among the following broad categories:

#### 2020 Impact



#### Affordable Healthcare and Rehabilitation Facilities

**\$30M**

In affordable healthcare, rehabilitation care, and opportunities that promote wellness



#### Economic and Environmental Initiatives

**\$266M**

In green projects, neighborhood revitalization, healthy communities, and general community development



#### Affordable Mortgages

**\$417M**

financing approximately 2,600 affordable mortgages



#### Enterprise Development and Job Creation

**\$16M**

In job creation opportunities, access to capital, and small business development



#### Affordable Rental Housing

**\$330M**

financing approximately 85,000 affordable rental housing units



#### Statewide Homeownership

**\$59M**

Financing for affordable homeownership, assistance with down payments, and first-time homebuyer programs

49

States plus the District of Columbia where investments were made in 2020<sup>12</sup>

\$1.1B

Invested in impact and ESG initiatives nationwide on behalf of clients in 2020<sup>12</sup>

\$417M

Financing approximately 2,600 affordable mortgages in 2020<sup>12</sup>

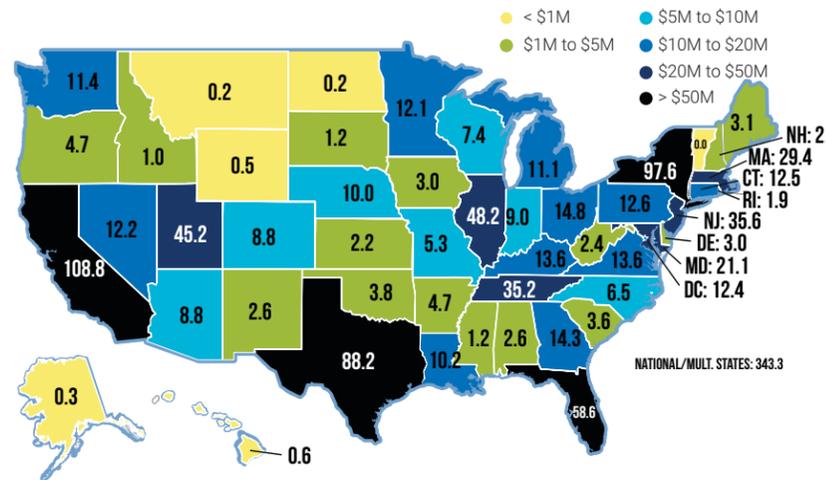
\$330M

Financing approximately 85,000 affordable rental housing units in 2020<sup>12</sup>

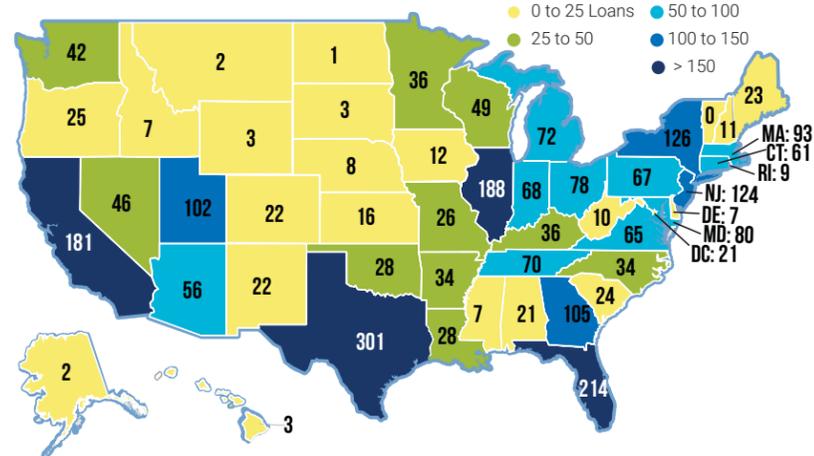
### Impact by Geography

The maps below show more detailed impact metrics of our geographic footprint from our fixed income investments made on behalf of clients in 2020:

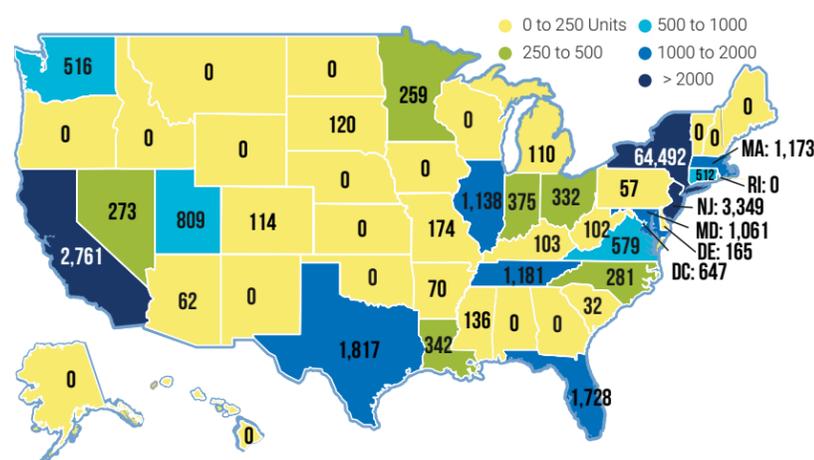
#### Impact Investment by State In \$Millions



#### Affordable Mortgages by State



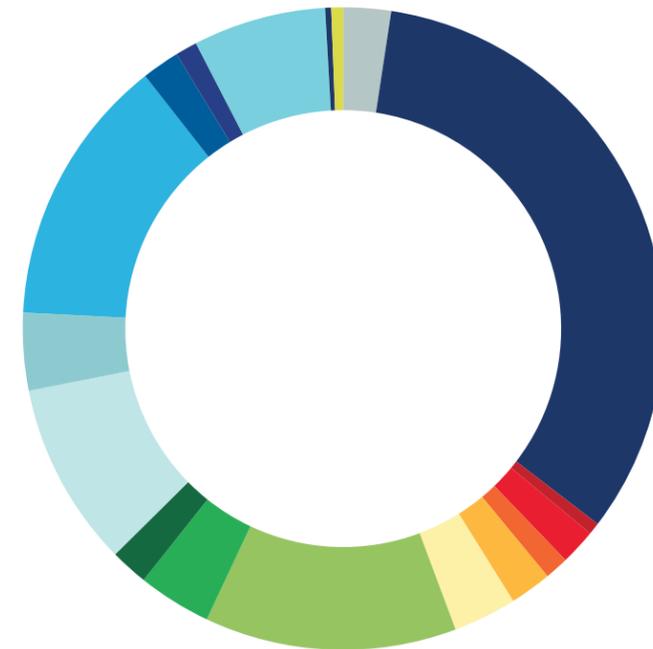
#### Affordable Rental Housing Units by State



### Impact by Themes

One investment can deliver multiple positive societal outcomes. The chart below shows more detailed impact metrics for fixed income investments as of 12/31/2020 and how they align with one or more of our 18 impact themes:

#### Impact Themes as of 12/31/2020



Affordable Health and Rehab Care	2.4%
Affordable Housing	33.0%
Arts and Culture	0.6%
Disaster Recovery, Resilience, and Remediation	1.8%
Economic Inclusion	1.2%
Education and Childcare	2.1%
Enterprise Development and Jobs	3.2%
Environmental Sustainability	12.7%
Gender Lens	3.7%
Government Supported Communities	1.9%
Healthy Communities	9.3%
Human Empowerment	3.9%
Minority Advancement	13.6%
Neighborhood Revitalization	1.9%
Rural Community Development	1.1%
Seniors and the Disabled	6.7%
Sustainable Agriculture	0.3%
Transit-Oriented Development	0.6%

46%

Approximately 46% of fixed income investments supported two or more impact themes<sup>12</sup>

24%

Approximately 24% of fixed income investments supported three or more impact themes<sup>12</sup>

14%

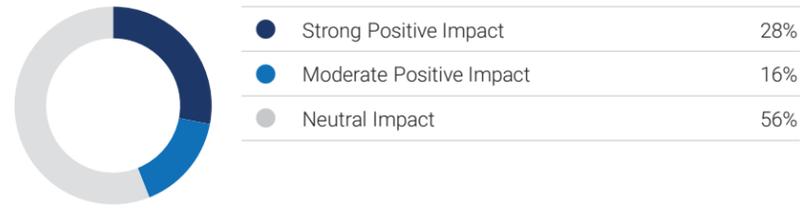
Approximately 14% of fixed income investments supported four or more impact themes<sup>12</sup>

<sup>12</sup> Data as of 12/31/2020

## Equities

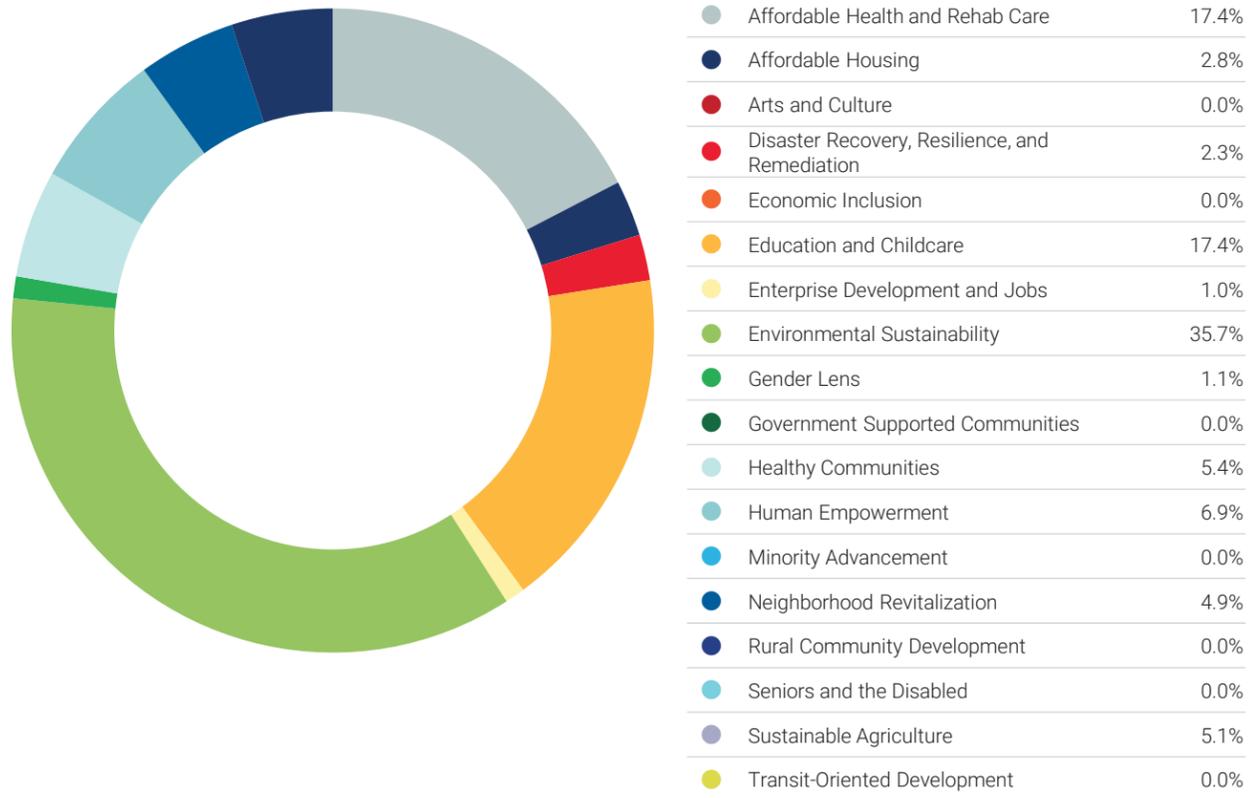
Our impact and ESG criteria for equities includes four categories: Strong Positive Impact, Moderate Positive Impact, Neutral Impact, and Negative Impact. The chart shows equity strategies as of 12/31/2020:

### Impact Classification as of 12/31/2020



### Impact Themes as of 12/31/2020

Securities designated Strong Positive Impact and Moderate Positive Impact align with one or more of our 18 impact themes:



## Impact Stories

In 2020, we purchased over 650 securities. In this section, we highlight one impact story across each of our financial sectors. One of the best ways to understand the environmental and/or social impact of an investment is to share our impact stories. We believe that the stories provide a powerful overview of how each investment has positive impacts on communities and society.

We are always happy to provide impact investment examples to prospective investors for a particular geography or impact theme. If you would like to see other examples, please email Iza Daguila at [idaguila@ccminvests.com](mailto:idaguila@ccminvests.com).

### Fixed Income

#### ABS Sunnova Energy International<sup>13</sup>

Sunnova Energy International is a leading provider of residential solar power and energy storage systems. Its mission is to be a source of clean, affordable, and reliable energy and to power energy independence for homeowners. The notes are backed by a portfolio of 5,601 solar loans made to Sunnova's residential customers to finance the purchase and installation of systems to collect, store, and use solar energy. The underlying loans represent payment obligations of geographically diverse creditworthy customers: the solar loans were made to customers across 17 states and territories.



These fixed-rate solar loans tend to be less of a financial burden on customers because the photovoltaic systems provide electricity and replace fluctuating monthly electric bills with consistent and predictable loan payments. To optimize the environmental and financial benefits of its solar energy systems, Sunnova provides maintenance services as part of its loan product to ensure that the solar assets continue to have optimal performance. Most other solar loan products put the maintenance responsibility and cost on the customer, which adds to their financial burden.

Sunnova believes in doing well by doing good. Its sustainability goal is to provide the world with cleaner, renewable, and more reliable energy by focusing on responsible growth, energy resiliency, and innovation to create lasting value. It developed a system called the Sunnova Adaptive Home, which not only produces and stores energy, it also "adapts" to the home's energy needs by optimizing energy sources and consumption predictively and in real time.

#### Impact Themes This Investment Helped Support:



Environmental Sustainability

<sup>13</sup> <https://www.sunnova.com/>

### Agency CMBS West Park Apartments<sup>14</sup> | Rapid City, SD

West Park Apartments is an affordable housing property for seniors and people with disabilities in Rapid City where all 80 residential units receive Section 8 assistance. Located in Rapid City's Historic District, West Park Apartments provides controlled access, lawn care, snow removal, and 24-hour maintenance. Community amenities include courtyards with seating, a picnic area, a beauty salon/barber shop, a large community room with a kitchen, a multipurpose room, a sunroom, and laundry facilities on every floor. Utilities (electricity, heating, water, garbage, and sewer) are included in the rent, which helps residents keep their living expenses predictable.



West Park Apartments is managed by Oakleaf Property Management, which participates in the U.S. Department of Housing and Urban Development (HUD) Service Coordinator Program. The Service Coordinator Program provides funding for the employment of social services coordinators in insured and assisted housing developments for the elderly and people with disabilities. The coordinator is responsible for assuring that elderly residents, especially those who are frail or at-risk, and non-elderly residents with disabilities, are linked to the supportive services they need to continue living independently in that development. Oakleaf uses this program to promote self-sufficiency and independence for its residents. The service coordinators it hires facilitate a variety of support services available within the community including:

- Transportation to special events, medical appointments, malls, banks, pharmacies, and hospitals
- Noon meal programs
- On-site supportive services
- On-site library
- Increasing interaction and participation in community life
- Expanding the understanding of each resident's capabilities and need for outside agencies
- Legal and financial services
- Referrals for counseling
- Recreational and wellness activities
- Strengthening management-resident relationships

#### Impact Themes This Investment Helped Support:

- Affordable Health and Rehab Care
- Affordable Housing
- Human Empowerment
- Seniors and the Disabled

<sup>14</sup> <http://oakleafpm.com/south-dakota-communities/rapid-city-sd-westpark-apartments/>



### Agency MBS Customized Pool of Mortgages to Low- and Moderate-Income (LMI) Borrowers

An affordable mortgage pool of LMI borrowers is comprised of 26 loans across 14 states. All the loans financed owner-occupied properties and were originated in 2020. Minorities face unique challenges to stable, safe, and affordable housing. These challenges are confounded by intersections between race, class, and familial status. Studies have shown that the stability of an affordable mortgage can have profound effects on health outcomes, childhood development, and overall well-being.

#### Impact Themes This Investment Helped Support:

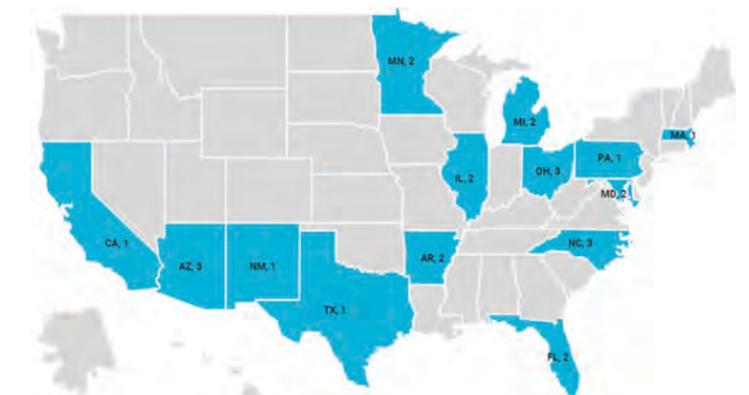
- Affordable Housing
- Government Supported Communities
- Healthy Communities
- Gender Lens
- Environmental Sustainability
- Minority Advancement

#### Loan Pool Highlights

<b>14</b> states	<b>2</b> loans were made to first-time homebuyers
<b>2</b> purchase loans	<b>24</b> loans were refinanced existing homes
<b>18</b> loans were made to minority borrowers	<b>7</b> loans were made to minority women borrowers
<b>12</b> loans were in majority minority census tracts	<b>1</b> loan was in a R/ECAP* census tract

*\*To assist communities in identifying racially/ethnically-concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test.*

#### LMI Borrowers by State



This investment is part of our Minority CARES Initiative.

## Corporate Bonds USAA Capital Corporation<sup>15</sup>

In April 2020, United Services Automobile Association (USAA) Capital Corporation issued two sets of sustainability bonds to support eligible investments in the areas of affordable housing, clean transportation, COVID-19 relief, and renewable energy. The company will use net proceeds to finance or refinance eligible investments, including projects of USAA and its subsidiaries that have environmental or social benefits.

### Affordable Housing

USAA's affordable housing investments will go toward low-income housing properties or to funds that exclusively invest in such properties in the United States and U.S. territories. Low-income housing properties are those that qualify for U.S. Federal Low-Income Housing Tax Credits (LIHTC), or meet one or more of the criteria below:

- At least 50% of the units are qualified low-income rental units, meaning that rents do not exceed 30% of an income less than 60% of the area median gross income.
- At least 40% of the units are both restricted for renters with limited incomes and have rents that do not exceed 30% of an income less than 60% of the area median gross income.
- The average rent of all the apartments within the property does not exceed 30% of an income less than 60% of the area median gross income.
- At least 20% of the units are qualified low-income rental units in areas that have been classified as Low-Income Qualified Census Tracts by the U.S. Department of Housing and Urban Development (HUD).



Founded in 1922 when 25 Army officers met in San Antonio and agreed to insure each other's vehicles, USAA now serves more than 13 million members and employs some 35,000 people worldwide. USAA hired its first woman in a management position in 1934 and its first woman officer in 1956. Building on this history, USAA was named 2019 Best Employer for Diversity by Forbes. The corporation is proud to call itself a leader in sustainable development.

<sup>15</sup> [https://www.usaa.com/?&ds\\_s=CPC&ds\\_e=GOOGLE&ds\\_c=ENT\\_ENT\\_Brand\\_USAAKW\\_GenPop\\_EXT&ds\\_ag=General&ds\\_k=usaa&tx-id=SEM:TX1:AAB49YSVXN&ds\\_rl=1249521&ds\\_rl=1249527&gclid=Cj0KCQiAzsz-BRCCARIsANotFgM59CxZzx0rC0P\\_UWFbk1fqBUKEIK-WbN2tGPDvos01jjWwk0XVaONYaAi69EALw\\_wcB&gclid=aw.ds](https://www.usaa.com/?&ds_s=CPC&ds_e=GOOGLE&ds_c=ENT_ENT_Brand_USAAKW_GenPop_EXT&ds_ag=General&ds_k=usaa&tx-id=SEM:TX1:AAB49YSVXN&ds_rl=1249521&ds_rl=1249527&gclid=Cj0KCQiAzsz-BRCCARIsANotFgM59CxZzx0rC0P_UWFbk1fqBUKEIK-WbN2tGPDvos01jjWwk0XVaONYaAi69EALw_wcB&gclid=aw.ds)

## Clean Transportation

USAA's investments in clean transportation will go to loans to purchase new vehicles that are battery-powered electric vehicles, plug-in hybrid vehicles, or hybrid-electric vehicles that meet or exceed specified fuel efficiency standards.

## COVID-19 Relief

USAA's investments in COVID-19 relief are intended to address the effects of the pandemic and may include measures taken to alleviate financial burdens on USAA members caused by the crisis, including:

- Waiving banking fees for insufficient funds, overdrafts, late payments, and early withdrawals of CDs or annuities.
- Deferring members' payments on mortgages and consumer loans.
- Waiving deductibles and co-payments for Medicare supplement clients for testing or treatment of illnesses related to the COVID-19 virus.



## Renewable Energy

USAA's investments in renewable energy will go toward acquiring or developing facilities that generate renewable power from wind or solar resources, including supporting transmission infrastructure and energy storage.

## Project Selection and Reporting

The treasury and legal departments at USAA will evaluate and select projects eligible for proceeds on an annual basis, aligning with the eligibility criteria set forth above. The corporation expects to target an approximately equal balance between green and social initiatives and to strike a balance between supporting existing and new investments. In the clean transportation category, it plans to allocate first to loans for battery electric vehicles followed by loans to plug-in hybrid vehicles. USAA expects to allocate substantially all of the net proceeds within two years of the issuance of the notes.

USAA will provide information about the allocation of net proceeds on a designated website, updated at least annually until all the proceeds have been allocated and as necessary thereafter if there are material developments. After the proceeds have been fully allocated, USAA will publish a report from an independent accounting firm attesting that allocation was completed in accordance with USAA's reports.

### Impact Themes This Investment Helped Support:

- Affordable Housing
- Disaster Recovery, Resilience, and Remediation
- Environmental Sustainability



This investment is part of our COVID-19 Relief Initiative.

## Taxable Municipals Victory Commons<sup>16</sup> | Bronx, NY

Victory Commons is a planned new affordable housing property with 95 units to be built in the Bronx, New York. The building site is in a low-income, high-minority, and high-poverty census tract where 99% of the population are minorities and 26% lives below the poverty line.

On August 27, the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC) announced the financing of three new affordable housing developments that will spur the construction of 400 deeply affordable homes in Brooklyn and the Bronx and create thousands of jobs. Each project will be led by minority and women-owned business enterprise (M/WBE) development teams.

For the Victory Commons property, M/WBE developer Exact Capital is partnering with the Victory Baptist Church to build 95-units of affordable housing development in the Morrisania neighborhood in the Bronx. All homes will remain permanently affordable to low-income New Yorkers and supportive services will be provided for formerly homeless households. The development also will feature a church sanctuary and offices, a multi-purpose space, and parking.



*'A new reality requires a fresh approach, which is why we're deploying new financing methods that will deliver stability for countless families in an extremely uncertain time,' said HPD Commissioner Louise Carroll. 'Despite the funding challenges that have arisen due to the COVID-19 pandemic, we will continue to champion the people of this city by providing affordable housing for those who need it most, and empowering our Minority and Women-Owned business partners to further drive economic equity in our city.'*

— Bronx Times, <https://www.bxtimes.com/new-affordable-housing-coming-to-morrisania/>

**Walk Score**  
**91**

**Walk Score's mission is to promote walkable neighborhoods. Walkable neighborhoods are one of the simplest and best solutions for the environment, our health, and our economy.<sup>7</sup>**

**Impact Themes This Investment Helped Support:**

- Affordable Housing
- Enterprise Development and Jobs
- Environmental Sustainability
- Gender Lens
- Healthy Communities
- Minority Advancement

**Minority CARES** This investment is part of our **Minority CARES Initiative.**

<sup>16</sup> <http://www.goldsteinhall.com/case-studies/victory-commons/>

## Equities

### Dell Technologies<sup>17</sup>

Dell Technologies is an end-to-end information technology (IT) solutions provider. The company is most well-known for its desktop and notebook computers, but it also offer servers, network, and storage products and services. VMWare, a division of the company, provides software to data centers designed to help them operate in the most efficient way possible.

The core products at Dell play an important role in bringing positive change to society. The ability to store and access information has aided our ability to understand the world around us. Computers have helped drive significant innovation within society but also play vital roles in critical jobs such as healthcare. Computers also have enabled billions of people to communicate with each other and access information using the internet. Dell's management team understands this and has focused on making sure the company can provide a net positive benefit to society. It has attempted to quantify the links between IT and its ability to restore the environment and bring about social change by conducting studies in partnership with Harvard and MIT.

Dell's management has gone beyond just the baseline benefits of its products by taking a strong position on minimizing its products' environmental impact. The company has focused on its supply chain and has worked to have at least 95% of its suppliers report their greenhouse gas (GHG) emissions as well as set goals to reduce them. Over the next 10 years, the company hopes to reduce the GHG intensity of its suppliers by 60% by 2030. The company also has worked to reduce the energy intensity of its products. Since 2012, the company has reduced the energy intensity of its overall portfolio by 69.9%. Management has set a goal of reducing an additional 10% by the end of 2021.

While Dell has received awards such as Best Places to Work for LGBTQ and Best Employers for Diversity, management recognizes that the company still has progress to make on the front of addressing the diversity of its workforce. In its most recent annual sustainability report, management has set goals for 2030 to ensure that 50% of its global workforce are women (currently 31%) and 40% of its global leaders are women (currently 24%). Management also is looking to ensure that 25% of its workforce consists of Black/African American and Hispanic/Latino minorities (currently 13%) and 15% of its U.S. leaders are comprised of these minority groups (currently 15%). These goals address important challenges facing our society today as it relates to economic opportunity for minorities. Building a diverse and inclusive work environment can drive significant positive social impacts.



**Impact Themes This Investment Helped Support:**

- Education and Childcare
- Environmental Sustainability

<sup>17</sup> <https://www.delltechnologies.com/en-us/index.htm>

## Impact in Action

In prior years, we have highlighted impact stories where our employees have been able to visit properties that have benefited from investments we have made. Unfortunately, due to COVID-19, travel was limited in 2020; however, Jamie Horwitz, chief marketing officer, and James Malone, chief financial and diversity officer, were able to visit one property in February while at a conference in Louisville, KY.

### Impact Themes This Investment Helped Support:



### Agency CMBS Henry Greene Apartments<sup>18</sup> | Louisville, KY

Henry Greene Apartments is an affordable rental property in Louisville where 124 of the 125 units receive Section 8 assistance. Henry Greene Apartments is in a low-income, high-minority, and high-poverty census tract. Most of the population residing in this census tract are minority households and live below the poverty line.

In 2019, the property began a \$17.5 million renovation that included energy efficiency and safety changes. Those changes included more lighting outside, better walkways, and upgraded appliances. The apartments remained affordable during the upgrade and residents were not displaced. The property is in the Russell neighborhood, which is going through a revitalization that includes a new, mixed-income housing development, a new YMCA, and a new multi-sport facility developed by the Louisville Urban League.

In Jamie and James' words, "We were surprised when we learned that Henry Greene Apartments was only a 10-minute drive from the beautiful downtown hotel where the conference we were at was being held. It was quite a dichotomy to go from the city center to another part of town – literally just down the road – and see another side of Louisville. The neighborhood had the feel of an older, historic area that appeared to have been run down over the years, but one where we could see pockets of reinvestment. The apartment complex was on a quiet block, and the multi-sport facility was under construction. We are hopeful that these important affordable complexes, upgrades, and neighborhood revitalization plans will help the community grow and thrive."

<sup>18</sup> <https://hayes-gibson.squarespace.com/henry-greene>



## 4th Annual Impact Awards

We are excited to share that CCM's 4th annual impact awards competition was another success with **Arroyo Viejo Recreation Center in Oakland, CA** as the 2020 winner. As we have done in years past, we donated \$10,000 to the winning organization.



### Taxable Municipals Arroyo Viejo Recreation Center<sup>19</sup> | Oakland, CA

The Arroyo Viejo Recreation Center in East Oakland is in a moderate-income, high-minority, and high-poverty census tract where 99% of the population are minorities and 25% live below the poverty line. The center was newly renovated to include a new media lab, dance studio, classrooms, security cameras, and food pantry. The ADA-compliant center offers computer operation and repair classes, literacy and reading clubs, an investment club for youth, a teen center, a conflict resolution center, and a Friday Night Live for teens.

The Arroyo Viejo Recreation Center offers children access to the Early Head Start program. Early Head Start promotes school readiness for children from birth to age five. The program offers free early childhood education and care, prenatal education, and family services to eligible Oakland residents. Families experiencing homelessness and children in foster care are automatically eligible. Programs include:

- **Individualized Early Childhood Education:** Early Head Start prepares children for kindergarten using a variety of learning experiences. The program focuses on every child's intellectual, social, emotional, and physical growth and development.
- **Health Services:** All children receive health and development screenings, vision screenings, dental care, and mental health support.
- **Family Services:** Head Start supports and strengthens parent-child relationships by engaging families in their children's learning and development.
- **Disabilities Services:** Children with disabilities have individualized education plans or individualized family service plans.
- **Nutrition Services:** Every child is served a nutritious breakfast, lunch, and snacks daily through the US Department of Agriculture Child and Adult Care Food Program.

### Impact Themes This Investment Helped Support:



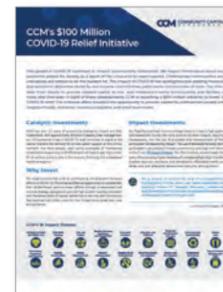
<sup>19</sup> <https://www.oaklandca.gov/topics/arroyo-viejo-recreation-center>



# 2020 Impact Initiatives

## 2020 Impact Initiatives

As a pioneer in impact and ESG investing, we continually look for new ways to support investments that contribute to positive societal outcomes. This past year was an especially difficult one with the COVID-19 pandemic wreaking havoc on lives, our economy, and healthcare system and the many reminders of racial divisions, including the wealth gap that has been exacerbated by the pandemic. We know that impact and ESG investing is not a magic wand that alone can resolve these economic issues and deep-rooted problems, but we believe that capital can be a powerful tool in providing solutions to many of today's most pressing issues. For example, investing capital in LMI and minority communities can help narrow economic disparities and complement donations and grants as part of a multi-faceted solution to bridging the wealth divide. In 2020, we created two such initiatives that we have highlighted below.



### COVID-19 Relief

The impact of COVID-19 has spotlighted pre-existing financial and economic disparities faced by low-income communities, particularly communities of color. Our mandate from clients to provide needed capital to LMI communities and families proved to be more vital than ever in 2020. In May, we launched a \$100 million initiative to invest in COVID-19 relief. The initiative offers investors the opportunity to provide capital to underserved people and neighborhoods, economic recovery programs, and small businesses.



### Minority CARES

On Juneteenth, we launched the Minority Community Advancement Racial Empowerment Strategy (Minority CARES). The program allows institutional and retail investors the opportunity to direct their fixed income capital to advance racial equality, tackle social disparities, and help build an economy that provides opportunities for everyone from affordable housing to access to capital – the basic building blocks of income equality. Minority CARES anticipates investing \$2 billion over the next five years in market-rate bonds that align with the values of social justice, improvement in the lives of those in historically marginalized communities, and increased economic opportunity for people of color.



In October, we shared our first quarterly impact report on CCM's Minority CARES initiative.

## Overview of Initiatives<sup>20</sup>



Inception	June 2020	May 2020
Investment Goal	\$2 billion over 5 years	\$100 million
Amount Invested in Initiative Since its Launch	\$315 million	\$72 million
Targeted Impact	<p>Focused on solutions to racial inequality that align with</p> <ul style="list-style-type: none"> <li>The values of social justice</li> <li>Improvement in the lives of those in historically marginalized communities</li> <li>Increased economic opportunity for people of color</li> </ul>	<p>Provides capital to underserved people, neighborhoods, economic recovery programs, and small businesses impacted by COVID-19</p>
Reporting	<p>Quarterly impact report on the overall initiative including:</p> <ul style="list-style-type: none"> <li>Granular level detail on the impact of investments</li> <li>Spotlights on recent investments</li> <li>Aggregate impact data</li> </ul>	<p>Spotlights in newsletters and CCM's annual impact report; specific examples available upon request</p>
CCM's Impact Themes included in Initiative	8 Impact Themes	Multiple Themes

<sup>20</sup> Amount invested for each initiative as of 12/31/2020

## Thought Leadership

We look to produce relevant and timely thought leadership that provides awareness, understanding, and insight in impact, ESG, and CRA investing. In 2020, there were several important issues at the forefront of discussions, including racial justice, health inequalities, changes to the CRA, the economy, jobs, diversity, and gender equality. Our efforts to spotlight these very important topics were included in a variety of ways, including white papers, surveys, perspectives, blogs, videos, webinars, and newsletters.

### Perspectives



CDFIs and How they Address Economic Inequality



How CCM Aligns with the UN SDGs



CRANX: What Worked and Why Amidst a Volatile First Quarter

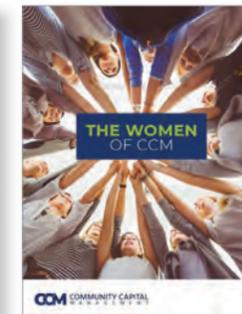


The Rebalancing Conundrum

### White Papers / Reports



2019 Impact Report



The Women of CCM



Connecting the Dots: The Intersection of Economic Equality, Racial Justice, and Sustainable Investing

### Surveys



CRA Investing Survey

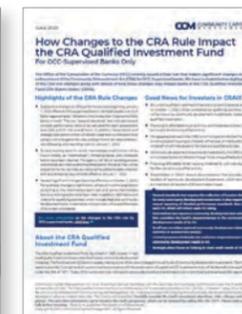


Impact and ESG Investing Survey

### CRA-Related



Overview of Changes to the CRA Rule for OCC-Supervised Banks



How Changes to the CRA Rule Impact the CRA Qualified Investment Fund

### Newsletters



Community Investor



Impact Investor

### Videos



CCM's Minority CARES



CCM's Community Outreach Supporting COVID-19 Relief Efforts

## Giving Back

CCM is committed to giving back to our communities and those we serve. Each year, we donate one percent of the firm's annual net income to charitable causes and offer employees paid time off for volunteering and mentoring. In 2020, we tripled our standard charitable contributions to approximately 3% of net income to support COVID-19 relief efforts and economic equality initiatives. Amidst the challenging times of last year, our employees continued participating in projects and volunteer activities supporting our local communities. In June, we created a video on the firm's community outreach supporting COVID-19 relief efforts and some of the organizations where our employees volunteered their time. Below we also have highlighted some of our efforts in giving back that took place throughout the year.



CCM's Community Outreach Supporting COVID-19 Relief Efforts

## Donations

CCM donated to a variety of non-profit organizations, including World Central Kitchen for earthquake disaster recovery in Puerto Rico, Feeding South Florida's COVID-19 Response Fund, Gleaners Community Food Bank in Detroit, Food Bank for NYC, and The Jeremiah Program in NYC, which offers services for families headed by low-income single mothers and is helping with emergency COVID-19 related needs. We also donated to one of our partner organizations, Senior Housing Crime Prevention Foundation, to support senior housing facilities with COVID-19 relief efforts in South Florida, Boston, and Bergen County, NJ. In November, CCM along with its employees, donated to Movember. And in lieu of holiday gifts in 2020, CCM contributed to the Urban League of Broward County and the YWCA of Metro Chicago to support their efforts to eradicate racial injustice.



**Movember** is an annual event involving the growing of moustaches during the month of November to raise awareness of men's health issues, such as prostate cancer, testicular cancer, and men's suicide.

### Highlights of some of the organizations that CCM supported through donations:



## Volunteering

### Charlotte MEDI<sup>21</sup>

Charlotte MEDI was created in March 2020 as a response to COVID-19 and the shortage of face shields and cloth masks for healthcare workers in the community. Since its inception, Charlotte MEDI has delivered over 100,000 shields. Julie Egan, CCM's director of municipal research, is a volunteer lead at Charlotte MEDI and has recruited neighborhood families to help with making masks. This effort involves cutting thousands of yards of elastic into smaller pieces and then cutting those into 14-inch strips for headbands.



### We Finish Together<sup>22</sup>

We Finish Together is a non-profit that collects and donates personalized medals with a message of hope and support to those who would benefit from some kindness. Jamie Horwitz, CCM's chief marketing officer, and her daughters, decorated medals for members of the Florida National Guard and employees of Memorial Healthcare System in Hollywood, FL, for their work in the fight against COVID-19.



### The Greater Boston Food Bank<sup>23</sup>

The Greater Boston Food Bank (GBFB) is the largest hunger-relief organization in New England, distributing over 68 million pounds of food in 2019. With COVID-19 posing an even bigger health threat to its community's most vulnerable populations – low-income individuals and senior citizens – GBFB remains committed to its mission of providing healthy food to those in need. The food bank is helping its 500+ partners in 190 towns and cities in Eastern Massachusetts. Andy Shafter, a senior client portfolio manager at CCM, and his daughter, volunteer weekly, sorting and boxing nutritious food for families affected by COVID-19.

<sup>21</sup> <https://www.charlottemedi.org/>

<sup>22</sup> <https://wefinishtogether.org/>

<sup>23</sup> <https://www.gbfb.org/>



### The Food Now Initiative

The Food Now Initiative has a goal of providing fresh food to families in the Roxbury and Dorchester communities of Massachusetts. The Initiative sorted boxes of food containing one full meal per person, per day for seven days. In just four days, the Initiative delivered 1,539 boxes (11,000 meals) to over 700 families. In addition to his time volunteering at GBFB, Andy Shafter volunteered for this initiative, helping to pack 300 of the 1,539 boxes.

### Plantation Seventh-Day Adventist Church<sup>24</sup>

The Plantation Seventh-Day Adventist Church, in partnership with the City of Plantation, Aetna, and Farm Share, provided free groceries on a first-come, first-serve food drive to those in need in the community. James Malone, chief diversity and financial officer; Alyssa Greenspan, president and chief operating officer; Shonali Pal, investment analyst; and Danny Caballero, investment analyst, volunteered at several of the church's food distributions helping serve 500 local families.



<sup>24</sup> <https://www.plantationsda.org/>

### Goodman Jewish Family Services (JFS) of Broward County<sup>25</sup>

Goodman JFS is dedicated to empowering individuals, strengthening families, protecting the vulnerable, and helping seniors age safely and with dignity in their homes by providing innovative social services and programs to the Broward community. Its work is based on Jewish values to improve quality of life regardless of race, religion, ethnic background, or sexual orientation. Jamie Horwitz, chief marketing officer, and Iza Daguila, sales and marketing assistant, volunteered at the Goodman JFS COVID-19 relief food drive, helping to distribute food to those in-need in the community. They also visited the food pantry to learn more about the organization's services and drop off food donations from CCM.



<sup>25</sup> <https://www.jfsbroward.org/>



# Looking Forward

## Looking Forward

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In our 2019 annual impact report, we predicted that 2020 would be a breakout year, a “tipping point,” for increased client adoption of impact and ESG strategies. We were proven correct as CCM’s client base and assets grew significantly during the year.

We did not, of course, foresee or imagine COVID-19 or the deep harm it would cause to the health of our nation and our most vulnerable communities and citizens. We also could not have predicted the many instances of racial injustice that took place, sparking nationwide protests and raising awareness across the nation. As we look ahead to 2021, while the prospect of widespread vaccinations gives us hope, we are not yet out of the woods, and it seems highly likely that we will be dealing with the ongoing health and economic consequences of the coronavirus for the foreseeable future.

This past year saw the continuation of a multi-year trend toward increasing standards for impact metrics and reporting. As the universe of impact and ESG investors continues to grow, so too has the availability of impact taxonomies and protocols. While our pioneering impact reporting began over 20 years ago, we are always on the lookout for new metrics and forms of presentation for impact inputs and outcomes. We continuously look to refine our proprietary impact database to ensure we can provide clients with state-of-the-art impact reporting.

One thing we know that will continue to be true in 2021 is our unique and valued relationship with our clients. Each year, we get better at our work because of the ongoing dialogue we have with our clients, partners, and industry colleagues. Whether you are a new client or one who has been with us for decades, we value and appreciate your feedback and ongoing support. We are hopeful that 2021 will be a more prosperous and healthy year than 2020, and one where impact and ESG investing will continue to gain recognition for its dual contributions to investor performance and to positive societal outcomes.



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