

Evolution of Impact and ESG Investing at CCM

CCM's Mission

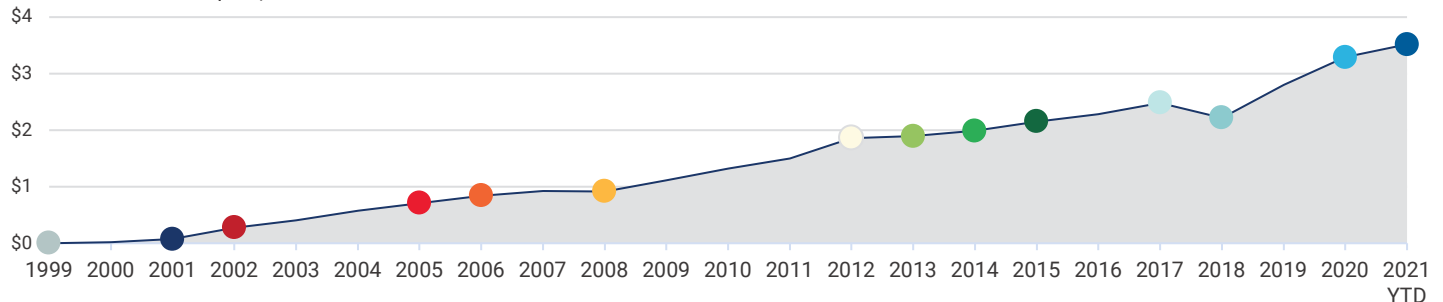
CCM's mission, which remains the same since inception, seeks to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. The firm has over two decades of experience in client customization and consistent management of its impact and ESG investment strategies.

Background

- CCM was founded in 1998, and our flagship core bond fund was launched in August 1999. The earliest investors were predominantly banks looking to meet community development investing under the requirements of the Community Reinvestment Act (CRA).
- Given the subsequent growth in demand for impact and Environmental, Social, and Governance (ESG) investments from institutions and individual investors, the firm began managing separate accounts in 2001 and launched an institutional and retail share class of its flagship fund in 2007.
- In keeping with the firm's impact and ESG investing focus, in 2013, the firm responded to investor demand for an income-driven, market neutral, impact and ESG fund and thus launched its liquid alternative mutual fund.
- In late 2017, we were appointed advisor to two impact equity mutual funds.
- In 2021, we became the sub-advisor to the Affordable Housing MBS ETF, managed by Impact Shares.

Firm and Impact Highlights Over the Years

CCM Asset Growth | In \$Billions



- **1999** • Launched the CCM Community Impact Bond Fund (f/k/a CRA Qualified Investment Fund)
- **2001** • Introduced concept of "direct impact investing"
• Large foundation approached us to manage a mission-related investment portfolio
- **2002** • Commenced our first impact initiative: \$5 million to CDFIs
• Made our first "gender lens" investment financing a business incubator for women-owned businesses
- **2005** • Launched our first disaster recovery initiative with \$100 million pledged to revitalizations in the Gulf Coast
• Launched \$100 million initiative for disaster recovery relief in the Gulf Coast (Hurricane Katrina)
- **2006** • Started our first small business initiative with \$50 million committed to enterprise development/ jobs
• Launched \$250 million impact initiative in California
- **2008** • Opened our first separate account dedicated to environmental initiatives and green programs

- **2012** • Launched \$100 million initiative for disaster recovery relief for Superstorm Sandy
- **2013** • Created the first liquid alternative income fund to incorporate impact and ESG metrics
- **2014** • Began our first sustainable agriculture initiative with \$50 million devoted to agriculturally-sustainable businesses
• Distributed CCM's first impact report
- **2015** • Formalized 14 impact themes
• Completed our 1000th bank CRA exam
- **2017** • Added 3 new impact themes
- **2018** • Began to manage two equity mutual funds
• Added "Economic Inclusion" as our 18th impact theme
- **2020** • Launched Covid-19 Relief and Minority CARES Initiatives
- **2021** • Changed name of flagship fund to CCM Community Impact Bond Fund
• Launched Affordable Housing MBS ETF (Ticker: OWNS)

Impact Innovation: Customization, Themes, and Reporting



Impact Customization >

To our knowledge, CCM is the only investment firm offering impact customization in its fixed income portfolios. Our pioneering customizable impact allows clients the opportunity to direct their capital to support specific geographies, impact themes, or impact initiatives.



Impact Themes >

Throughout our two-plus decades of work in impact and ESG investing, we have developed a series of 18 impact themes, where one or more theme is aligned with each of our investments. While the 18 themes are distinct and diverse, certain common characteristics can be found in all of them. We continually seek to advocate for greater investment product creation in support of our existing and future impact themes, and by communicating this need to the broader capital markets, we expect to play an ongoing, catalytic role in the creation of impact investment opportunities.



Impact Reporting >

Our innovative impact reporting allows clients to see specific positive impact outcomes of each investment. We accomplish this reporting through our rigorous proprietary research and tracking technology grounded in the use of bond proceeds and alignment with our impact themes.

Impact Institute

CCM's [Impact Institute](#) was launched in 2021 and is an innovative hub for in-house research and knowledge sharing on impact and ESG investing. Its mission is to propel collaboration, explore advancement in the space, and provide a forum for impact and ESG investment insights, thought leadership, and education. David Sand, CCM's chief impact strategist, and Jessica Botelho, CCM's director of impact and CRA research, co-chair the Impact Institute. We always welcome ideas for content as it relates to impact and ESG investing.

Impact at a Corporate Level

In addition to our impact through our investments, we look to implement impact initiatives at a corporate level.

Sustainability

At our offices, we encourage recycling and water filtration to avoid the use of plastic bottles. Our offices use energy-efficient lighting, and we look to minimize printed materials and paper consumption.

Social

We offer employees a Results-Only Work Environment (ROWE). ROWE is a human resource strategy promoting a culture of efficiency by focusing specifically on the work. We are committed to giving back to the communities and environment in which we live and work. We encourage employees to volunteer and provide three personal volunteer days per year to support organizations that are meaningful to them.

Diversity, Equity, and Inclusion (DEI)

CCM 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.

About CCM

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. Headquartered in Fort Lauderdale with employees in Boston, Charlotte, the New York City area, and Southern California, CCM was founded in 1998 and manages approximately \$4 billion in assets. The firm believes a fully integrated portfolio — one that includes environmental, social, and governance (ESG) factors — can deliver strong financial performance while simultaneously having positive long-term economic and sustainable impact. CCM's strategies utilize an innovative approach to fixed income and equity investing by combining the positive outcomes of impact and ESG investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. For more information, please visit: www.ccminvests.com.

Community Capital Management, LLC (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 that 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 nonperformance-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.

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