



Impact and ESG Investing Survey

4th Edition | December 2022



COMMUNITY CAPITAL
MANAGEMENT

Impact and ESG Investing Survey

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Thank you to everyone who participated in our 4th Impact and ESG Investing Survey. The results are always informative and we very much appreciate your time and efforts in completing the survey.

Introduction

We are pleased to share the results of CCM's 4th annual impact and ESG investing survey. Our goal for the survey is to share data and insights in impact and ESG investing, and we appreciate and thank those that participated. This year's survey had 34 participants and we have included the number of responses for each question as all are not required to be answered. We have highlighted below some data points that stood out to us in this year's survey.



Most Popular Impact Areas of Focus

The top three most popular impact areas of focus this year were affordable housing, the environment, and minority communities. Affordable housing and minority communities increased significantly from last year (affordable housing went from 57.4% to 85.3% and minority communities went from 37.7% to 64.7%). Other notable increases year-over-year include healthcare/wellbeing, no poverty, and human rights, while disaster recovery and Covid-19 relief efforts moved down in popularity.



Challenging Issues within Impact Investing

Most investors found the 'lack of standardize reporting' followed by 'greenwashing' to be the biggest areas needing improvement in the impact investing space. Although media backlash towards the impact and ESG industry has been prevalent in 2022, over 90% of investors agreed that the attention has not caused reconsideration towards impact investing.



Important Factors in Impact and ESG Managers

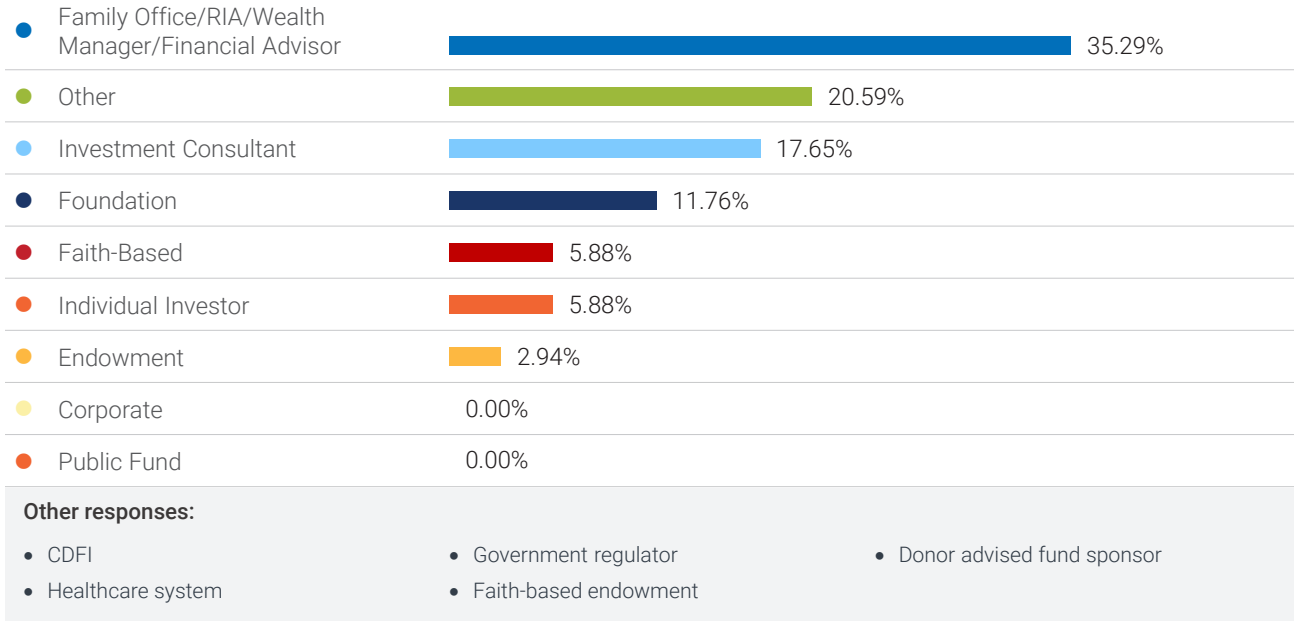
Similar to last year, "track record/reputation/returns" continued to be the most important factor when looking at impact and ESG investing managers, but 'transparent reporting' moved up to become the second most important factor. We agree these two factors are extremely important especially with the increase of managers in the space.

Impact and ESG Investing Survey Results

1

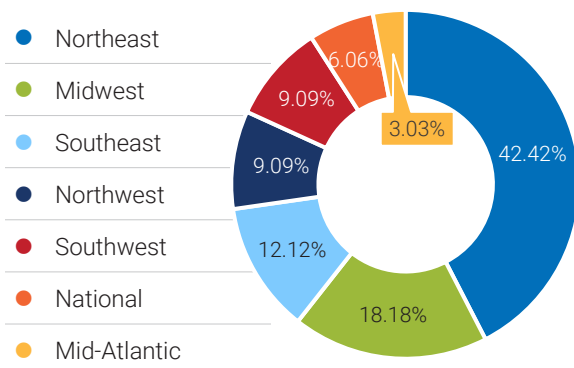
Type of Investor

Results ordered high-to-low



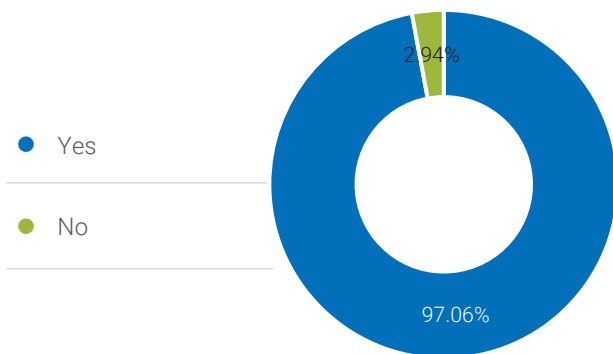
2

Where are you located in the U.S.?



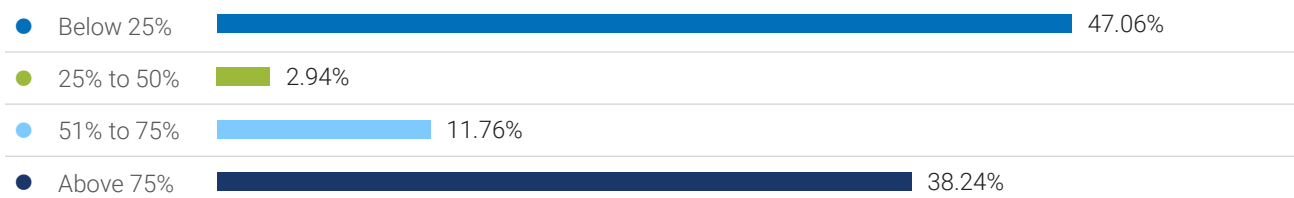
3

Do you/your clients make impact investments?



4

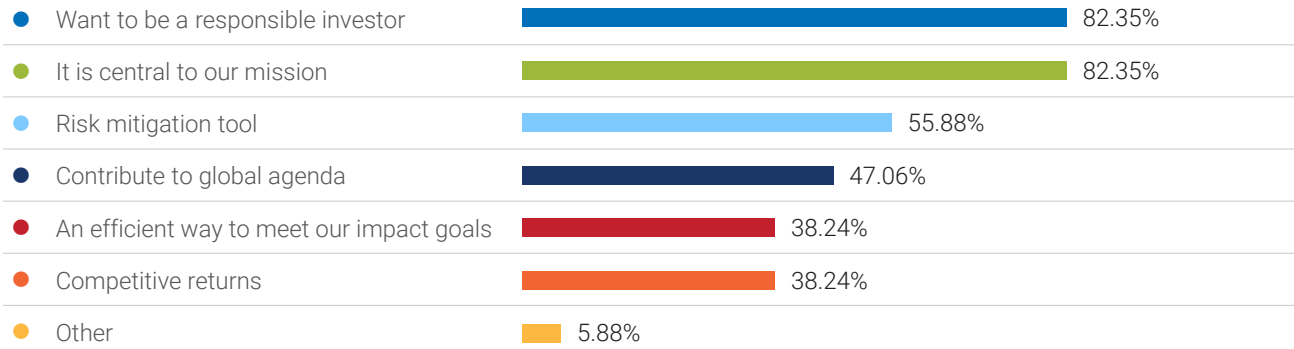
What portion of your/your client's overall investment is in impact investments?



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What motivates your organization/your clients to make impact and ESG investments? (Check all that apply)

Results ordered high-to-low



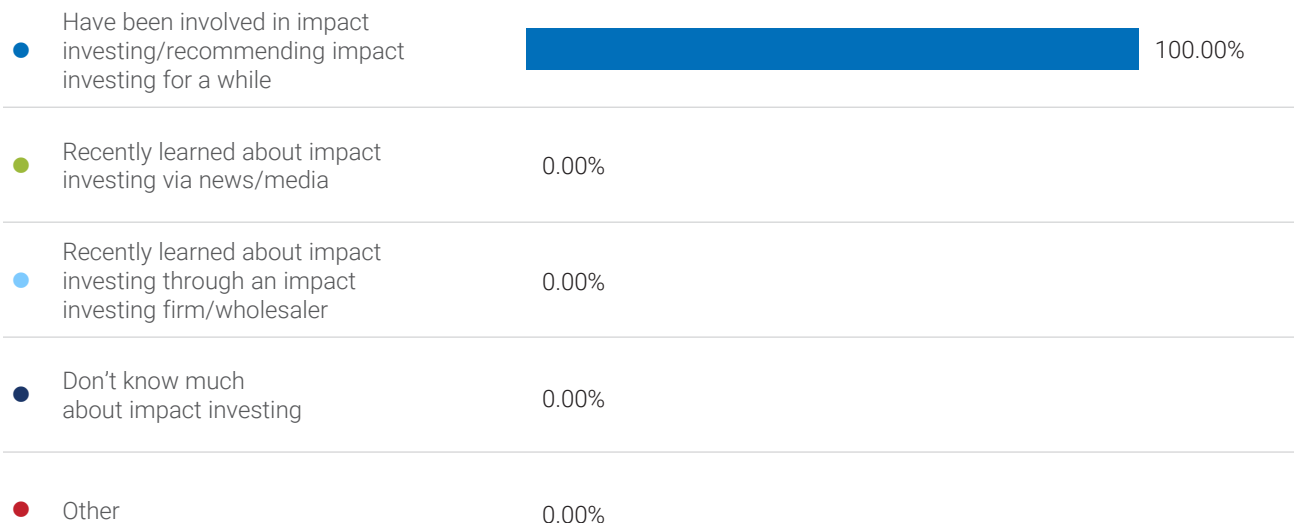
Other responses:

- Faith-based motivations

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How did you/your clients find out about impact investing? (Check all that apply)

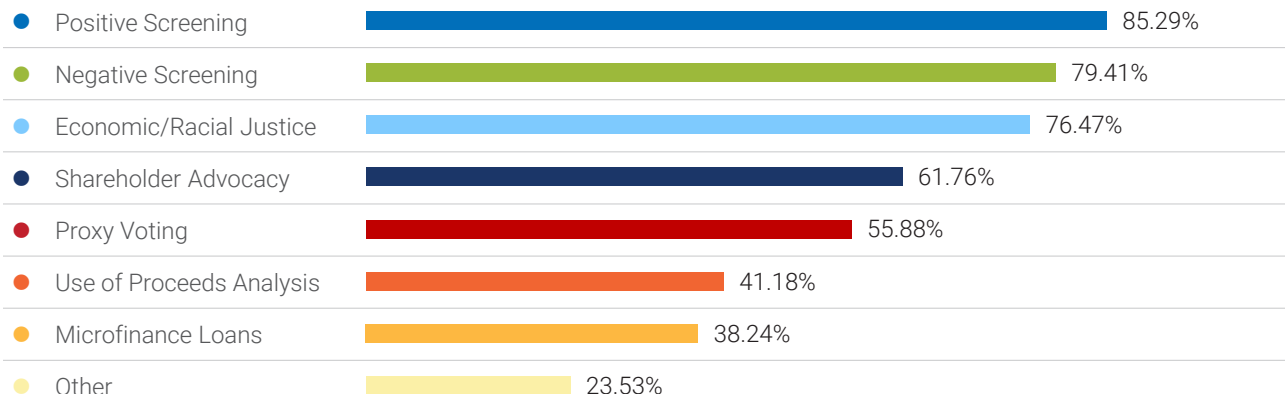
Results ordered high-to-low



7

What type of impact investing are you/your client's making? (Check all that apply)

Results ordered high-to-low



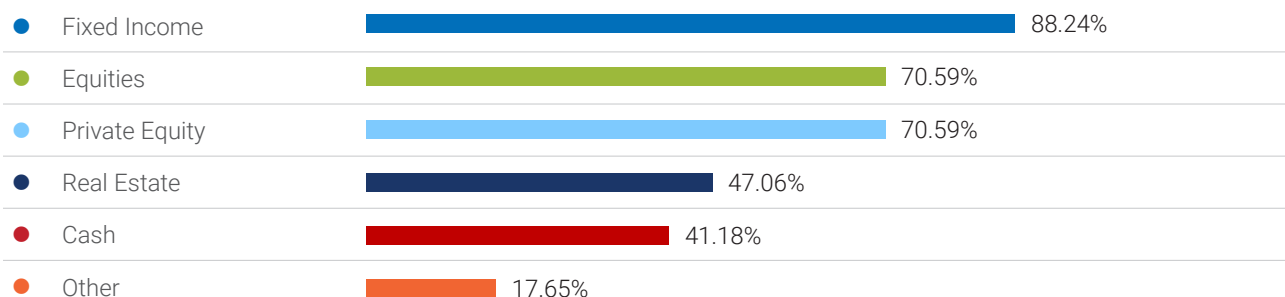
Other responses:

- Direct investment in local community

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What asset classes are you/your client's making impact investments? (Check all that apply)

Results ordered high-to-low



Other responses:

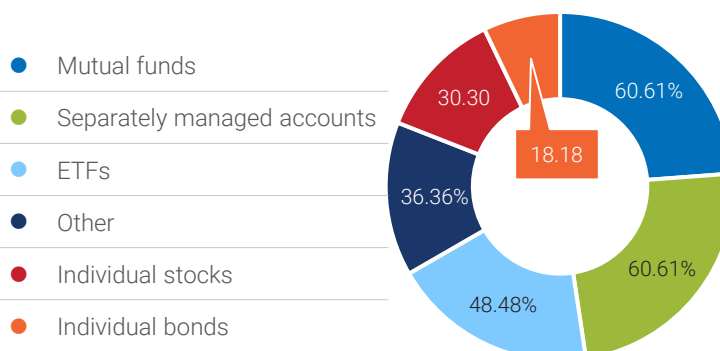
- Other alternatives
- Private debt
- Private real assets
- Loan guarantees
- CDFI
- SAFE notes
- Convertible debt

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What vehicle type are you/your client's most interested in making impact investments? (Check all that apply)

Other responses:

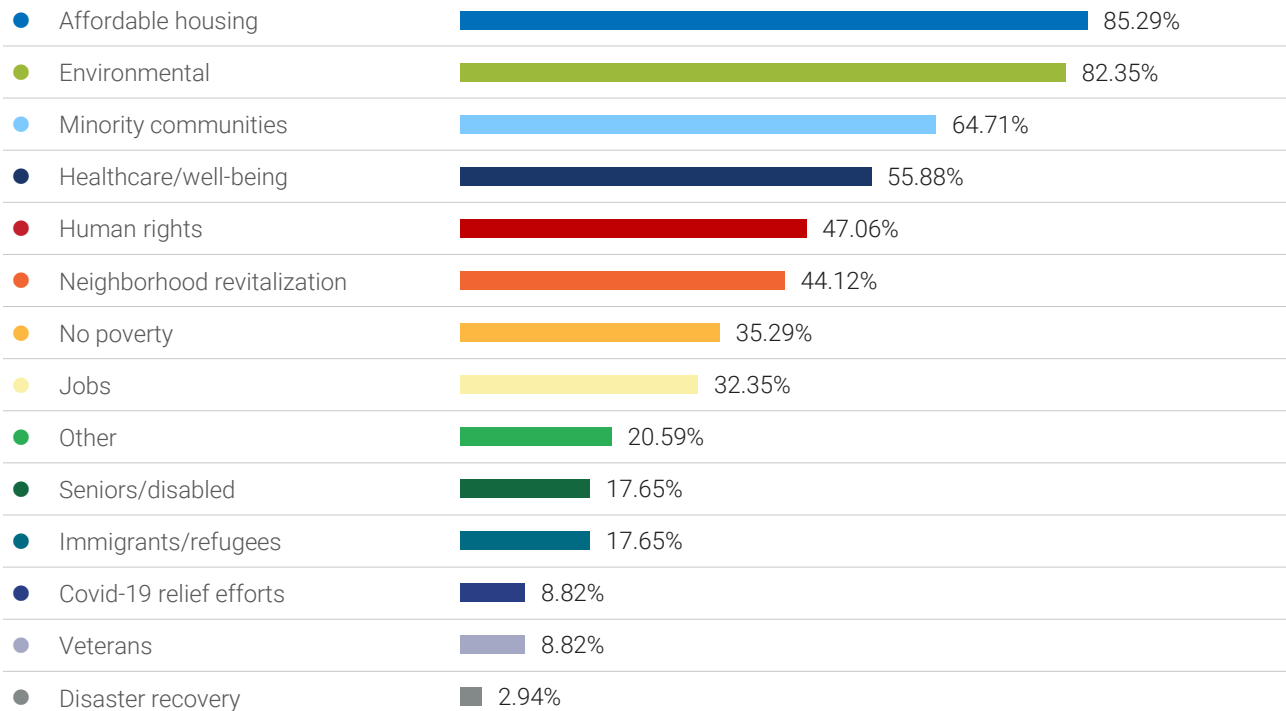
- Private vehicles
- Private debt
- Managed DAFs
- LP structures



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What impact area(s) does your overall organization invest in most?
(Check all that apply)

Results ordered high-to-low



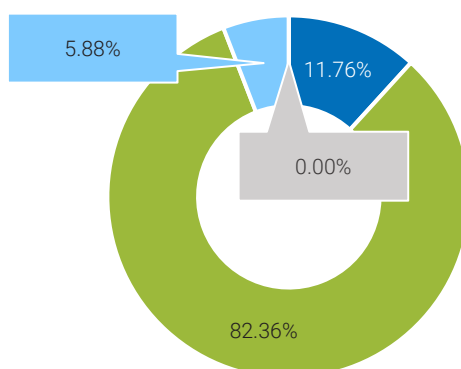
Other responses:

- Gender lens
- Financial inclusion
- Sustainable agriculture
- Early childhood education
- Racial justice
- LGBTQ

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How are your impact and ESG investments performing relative to your expectations?

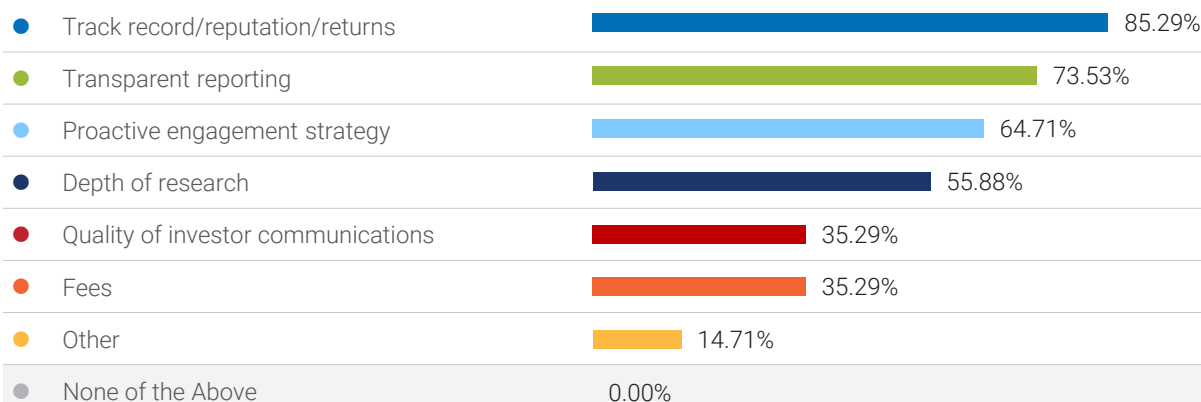
- Above
- In line
- Below
- N/A



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What factors do you/your clients think are most important in your impact and ESG manager? (Check all that apply)

Results ordered high-to-low



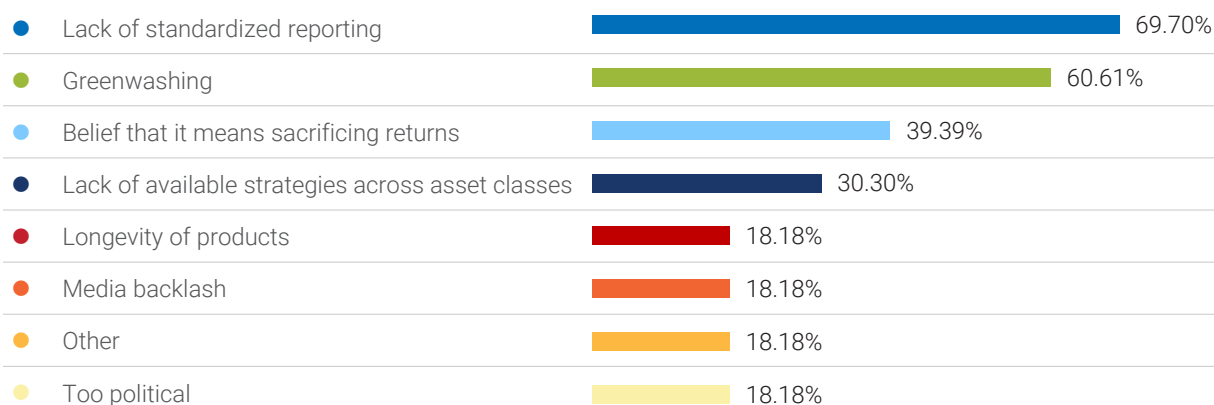
Other responses:

- Authentic impact
- Customized portfolio of alternative impact investments
- Intentionality
- Community engagement through charity and good works

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What are the challenging issues with regards to impact investing? (Check all that apply)

Results ordered high-to-low



Other responses:

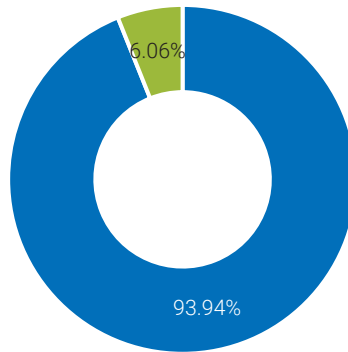
- Impact investments are not challenging if they produce superior risk adjusted rates of return – which they can do
- Lack of clarity around the different approaches to impact investing (the term ESG applying to all sorts of investment styles results in confusion within the market)

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Do you/your clients think that impact investing can help narrow economic and social disparities for minority communities?

● Yes

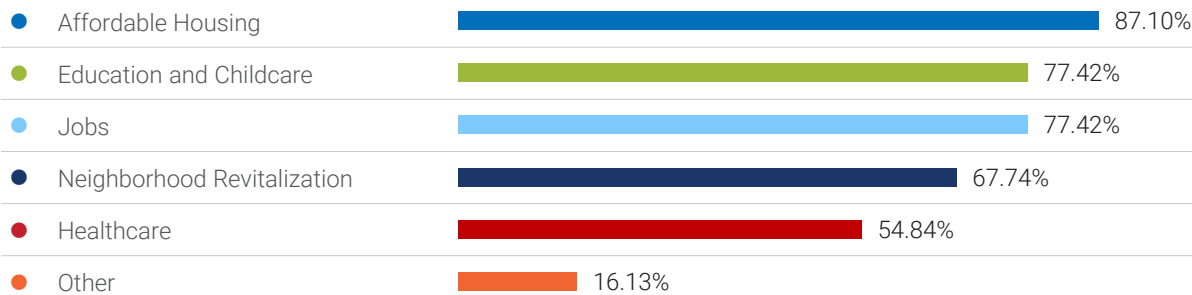
● No



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Are there specific impact areas you/your clients would like to see an investment focus on as it relates to minority advancement?
(Select all that apply)

Results ordered high-to-low



Other responses:

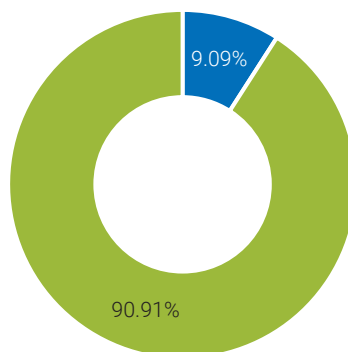
- Address wealth inequality
- Wildfire risk reduction, air quality, water quality, consumer solar
- More racial equity-focused investments
- Entrepreneurship
- Access to health food
- BIPOC founded businesses

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Has recent media backlash caused you/your clients to reconsider impact investing?

● Yes

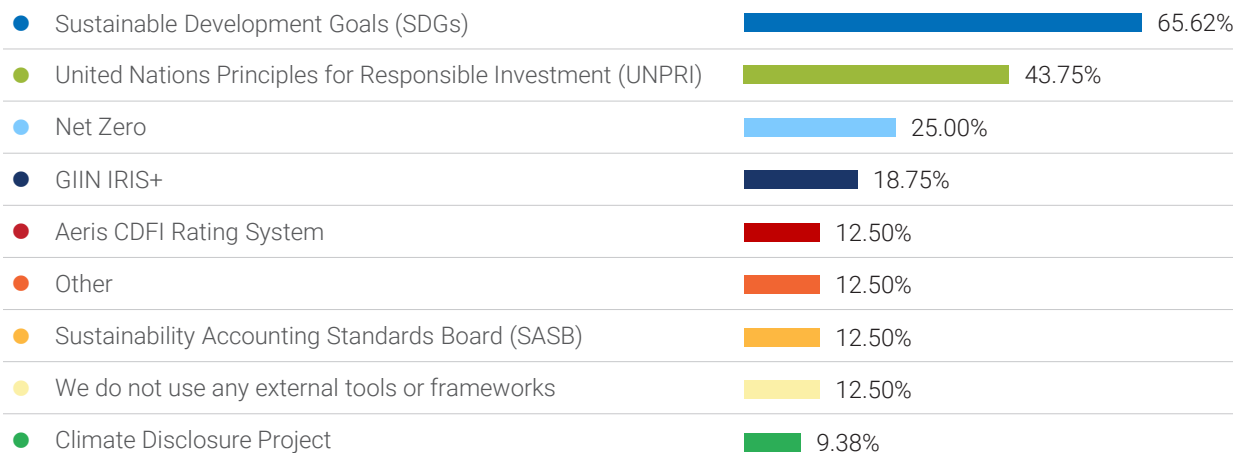
● No



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Does your organization/your client's organization align its impact investments with any of the following? (Select all that apply)

Results ordered high-to-low



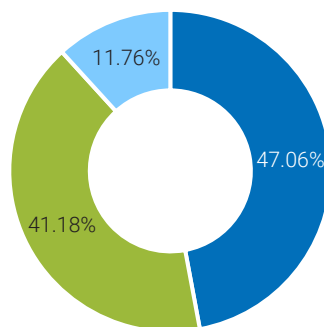
Other responses:

- We use individual categories/impact areas and then evaluate funds against those and select funds that do well balancing almost 30 individual criteria (with the help of YourStake)
- IMP
- IFRS
- B Corp

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Are you/your clients looking to make fossil fuel free investments?

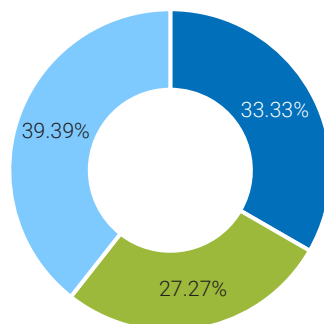
- Yes
- Sometimes - case by case basis
- No



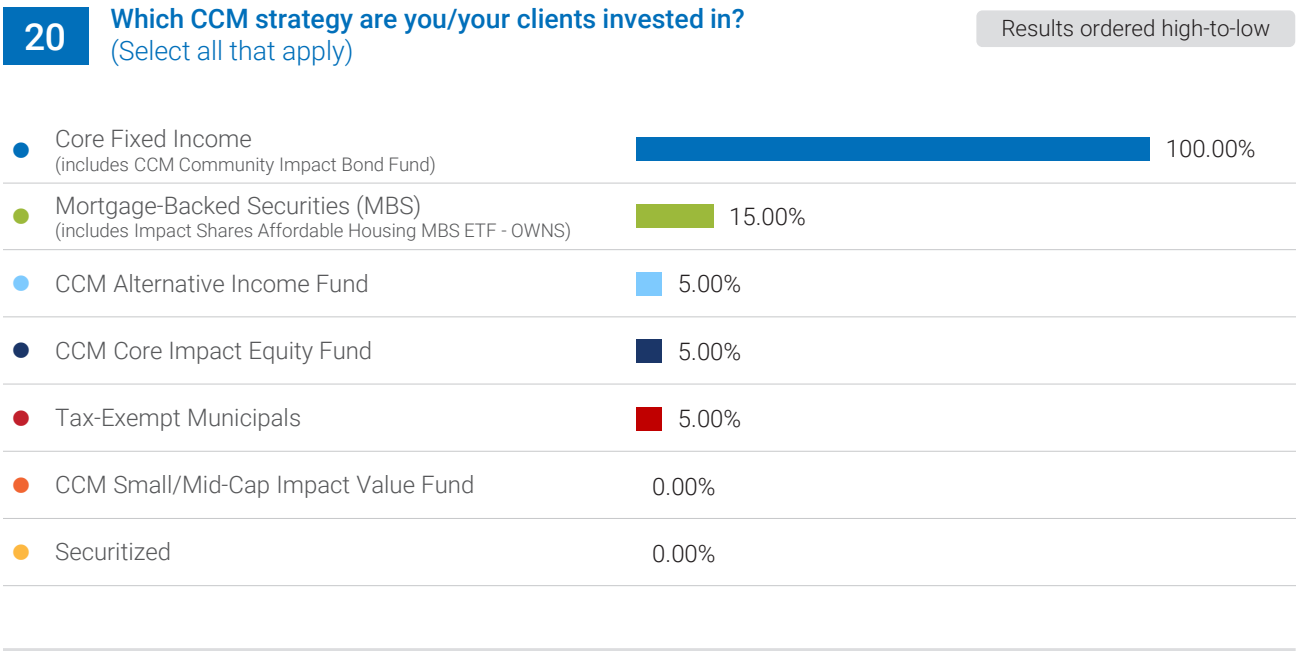
19

Would you/your clients invest in a bond whose proceeds finance nuclear energy projects?

- Yes
- No
- Do not know enough about nuclear energy



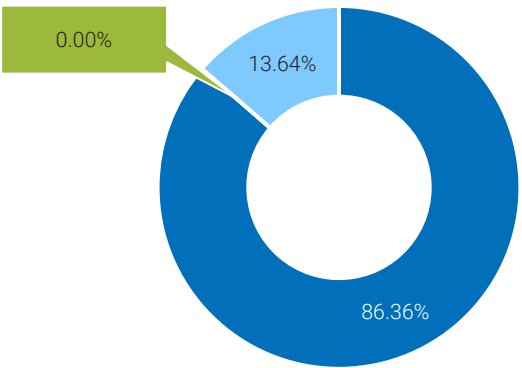
The following questions were written for CCM clients only and 23 respondents answered:



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If applicable, are you pleased with CCM's customization capabilities?

- Yes
- No
- I do not know about CCM's customization capabilities



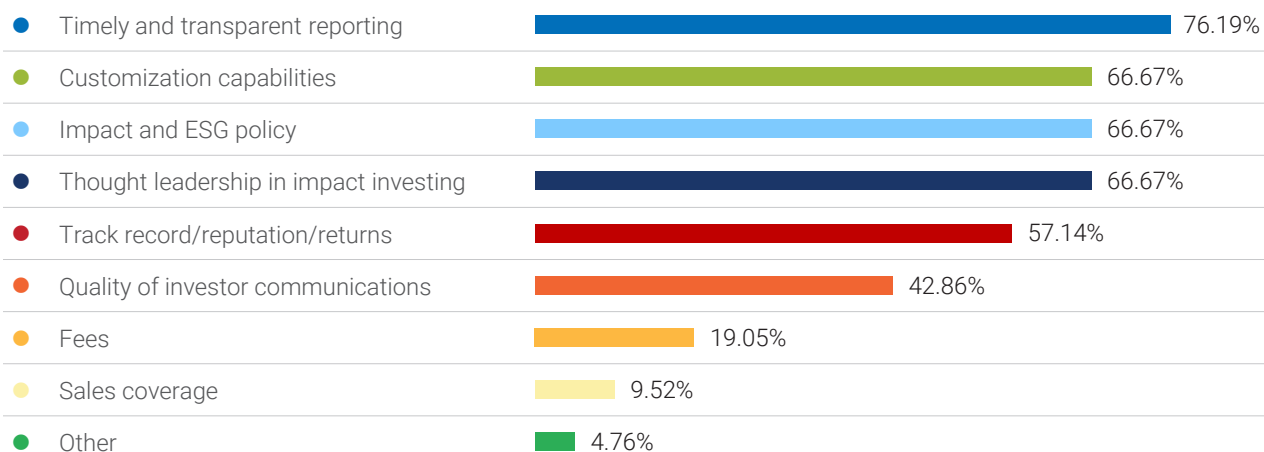
Within our fixed income portfolios, customization allows investors to direct their capital to support specific geographies (also known as place-based impact investing), impact themes, or impact initiatives. [Learn more about this feature here.](#)



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What area(s) of CCM do you/your clients feel are most helpful in achieving your impact investing goals? (Select all that apply)

Results ordered high-to-low



Other responses:

- Authentic impact achieved

About Community Capital Management, LLC

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. 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 outcomes. 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.

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