

Human Empowerment

Throughout our 25 years working in impact investing, we have developed a series of impact themes in which one or more themes aligns with each of our investments.¹ Themes are evaluated individually for alignment based on each investment's use of or intent of proceeds.

Common Characteristics in CCM's Impact

- Each theme strives to have positive societal outcomes because of capital provided by our investors.
- We look for high credit quality, liquid investment opportunities that contribute to the portfolio's overall risk/return and align with at least one impact theme.
- We must be able to measure, monitor, and track the expected positive outcome(s) to maintain transparency in our client impact reporting.
- We must believe that market-rate opportunities exist so that client commitments to individual themes can be fulfilled over time.

Opportunity Set and Impact Themes

Our investment opportunity set includes securities that are liquid, financially sound, and that meet our impact criteria. We have found such securities in the following fixed income sectors: asset-backed securities, agency commercial mortgage-backed securities (CMBS), agency mortgage-backed security (MBS), corporate bonds, and taxable municipals.

Impact Themes	ABS	Agency CMBS	Agency MBS	Corporate Bonds	Taxable Municipals
Affordable Health and Rehabilitation Care	●	●		●	●
Affordable Housing	●	●	●	●	●
Arts, Culture, and the Creative Economy	●	●		●	●
Disaster Recovery, Resilience, and Remediation	●	●	●	●	●
Education and Childcare	●	●		●	●
Enterprise Development and Jobs	●	●		●	●
Environmental Sustainability	●	●	●	●	●
Gender Lens	●	●	●	●	●
Human Empowerment	●	●		●	●
Minority Advancement	●	●	●	●	●
Poverty Alleviation	●	●	●	●	●
Rural Community Development	●	●	●		●
Seniors, Veterans, and People with Disabilities	●	●		●	●
Sustainable Communities	●	●	●	●	●

Impact Theme Description:

Human Empowerment

Investments aligned with this theme assist and support the process of bringing underserved groups, individuals, and communities, including immigrants, refugees, and Indigenous people, closer to the economic mainstream and capital markets. It also includes investing in initiatives and programs that help with upward mobility, greater self-sufficiency, economic advancement, community and shared ownership, and equitable access to essential services such as broadband and public transportation.

Examples of bond financing activities in alignment with this theme (this list is not exhaustive):

- Housing that provides social services or a social services coordinator.
- Housing that provides adult-centered courses such as ESOL classes, GED prep courses, and life skills classes.
- Housing that provides personal finance classes, financial counseling, or credit-building programs.
- Rent-to-own housing programs.
- Increasing access to affordable financial services.
- Programs that support bringing Indigenous people, immigrants, or refugees closer to the economic mainstream and capital markets.
- Programs or organizations providing equitable access to essential services such as broadband, education, public transportation, and healthcare.
- Loans to first-time homebuyers or small businesses.
- Homebuyer education or retention courses that are offered by state agencies, multifamily housing properties, or related organizations.

Case Studies: Human Empowerment

We believe real-world examples are one of the most powerful ways to demonstrate how a bond aligns with a specific impact theme. This perspective highlights two impact investments that exemplify the impact theme of **Human Empowerment**.

For details on our impact in this theme or to see additional examples, please email us at info@ccminvests.com.

Southfield Townhomes

Manitowoc, WI | Agency CMBS

Southfield Townhouses is an affordable rental property in Manitowoc, Wisconsin (Manitowoc County). All 100 units receive Section 8 assistance under Section 8 Contract WI39M000127, which was initiated January 1, 2022, and runs through December 31, 2041. The property is in Census Tract 0007.00, a moderate-income census tract outside of a metropolitan statistical area.

Southfield Townhouses is a community of spacious three- and four-bedroom townhomes with sidewalks, off-street parking, green spaces, a community garden, a pavilion, and a playground. Water, sewer, and trash removal are included in the rent. Each unit has washer and dryer connections.

Residents have free access to the on-site Southfield Townhouses Neighborhood Network Learning Center, which is open on weekdays until early evening. With full-time staff and resident volunteers, the learning center provides resources, classes, and activities intended to support the social and economic welfare of children and adults. For children, the center provides daily snacks and a summer meal program, tutoring, homework help, creative learning activities, play groups, reading programs, YMCA programs, 4-H clubs, and gardening activities. The center has 13 computers with internet access and a playroom for children while their parents use resources at the center. Classes and resources for adults include childcare, English for speakers of other languages, GED classes, and life skills classes covering technology, finances, healthcare, housing, and nutrition. The center also provides job training, interview skills, and support finding employment.

The Southfield Townhouses Neighborhood Network Learning Center is one of more than 800 Neighborhood Network centers around the country. This site is a collaborative effort of the U.S. Department of Housing and Urban Development (HUD), the Community Economic Redevelopment Corporation of Wisconsin, Ten South Management, Southfield Townhouses, and the University of Wisconsin-Green Bay.



Impact Themes

- Affordable Health and Rehabilitative Care
- Affordable Housing
- Education and Childcare
- Enterprise Development and Jobs
- Environmental Sustainability
- Human Empowerment
- Rural Community Development
- Sustainable Communities

Impact Designations

- Low- or Moderate-Income Census Tract

Walk, Bike, Transit Scores®

13 Walk Score

29 Bike Score

0 Transit Score

Massachusetts Housing Finance Agency (MassHousing)

Statewide | Taxable Muni

The Massachusetts Housing Finance Agency (MassHousing) will use proceeds of its Series 240 Social Bonds to finance mortgage loans and down payment assistance loans for low- and moderate-income (LMI) first-time homebuyers in the commonwealth. The proceeds will fund MassHousing's Home Ownership Program, which includes a variety of lending programs for the acquisition, construction, rehabilitation, or improvement of owner-occupied housing for LMI households.

MassHousing's Home Ownership Program places emphasis on the commonwealth's Gateway Cities, defined as "a municipality with a population greater than 35,000 and less than 250,000 with a median household income below the commonwealth's average and a rate of education attainment of a bachelor's degree or above that is below the commonwealth's average." MassHousing believes that the stability of Gateway Cities is central to generating more equitable growth, as these communities are home to immigrants and first-time homebuyers of color whose families have historically faced discrimination in Massachusetts housing markets.

The commonwealth's 26 Gateway Cities are Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester. These cities are in 10 counties: Barnstable, Berkshire, Bristol, Essex, Hampden, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester.

From 2019 to 2022, MassHousing used bond proceeds to fund 3,017 first mortgages across the commonwealth. A majority (56%) of the loans went to households with incomes below 80% of the area median income (AMI). Gateway Cities represented 50% of the lending activity, and minority households received 42% of all loans. Over those three years, MassHousing provided down payment assistance to more than 72% of borrowers with an average amount of \$11,107.

As of June 30, 2024, MassHousing had provided mortgage loans for homes purchased in 13 of the commonwealth's 14 counties. The greatest concentration of properties in the agency's active portfolio are in these six cities: Springfield (7.45% of portfolio), Worcester (4.8%), Boston (4.78%), Lynn (3.68%), Lowell (3.09%), and New Bedford (2.97%).

MassHousing offers down payment assistance (DPA) loans for income-eligible first-time homebuyers, with increased amounts available for military personnel and their families and for borrowers in Gateway Cities and the cities of Boston, Framingham, and Randolph. To ensure financial preparedness, all borrowers who receive a MassHousing mortgage loan are required to take an approved homebuyer education course.

All mortgage loans that are insured by MassHousing or its partner community banks receive MI Plus, MassHousing's proprietary mortgage insurance program, at no additional cost. MI Plus helps pay a borrower's mortgage if they lose their job, providing up to \$2,000 per month to cover principal and interest payments for up to six months.

In the year ending July 31, 2024, MassHousing supported 2,315 Massachusetts residents in buying their first home by providing \$401.9 million in first mortgage financing. It provided \$24.1 million in down payment assistance loans to help LMI households achieve homeownership and provided \$5.1 million in financing to an additional 182 homeowners to make home improvements including removing lead paint.

As part of its five-year goals for FY2022-2026, MassHousing has set a diversity and inclusion goal to provide 50% of its homeownership loans to people of color, 10% of its multifamily projects and 5% of multifamily portfolio balances to borrowers who are either minority-owned or have senior principals of color on their teams, and to have 15% of the agency's discretionary expenditures go to minority- or women-owned business enterprises.

The agency's Racial Justice Housing Agenda fosters strategies to address racial disparities in housing and advance wealth generating opportunities in communities of color, with its Racial Equity Advisory Council for Homeownership (REACH) established in 2018 to narrow the racial homeownership gap in the state. MassHousing will operate the newly created Massachusetts Community Climate Bank to promote climate-friendly affordable housing development and construction.

MassHousing is a nonprofit public institution established in 1966 and charged with providing financing for affordable housing in Massachusetts. The agency is committed to mission-driven lending; one of its objectives is to get more Massachusetts residents into homes of their own. More than 90,000 people have used a MassHousing mortgage to buy a home in Massachusetts.



Impact Themes

-  Affordable Housing
-  Gender Lens
-  Human Empowerment
-  Minority Advancement

Impact Designations

-  First-Time Homebuyer
-  Low- or Moderate-Income Census Tract

Walk, Bike, Transit Scores®

N/A

About CCM: Founded in 1998, Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. The firm's mission seeks to deliver superior risk-adjusted returns through investment strategies that contribute to positive societal outcomes. For more information, please visit: www.ccminvests.com.

¹ Impact criteria exceptions are only applicable to transitional assets that are used for portfolio management purposes.

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