

CRA Investor Spotlight: BMO Bank N.A.'s Commitment to Community Impact

We are proud to feature BMO Bank N.A. in a CRA Investor Spotlight. With a strong commitment to meeting the credit needs of low- and moderate-income (LMI) communities, BMO Bank N.A. is making impactful investments that support affordable housing, small business development, and essential community services. Their dedication demonstrates how Community Reinvestment Act (CRA) investing can deliver meaningful outcomes for both banks and the communities they serve.

Interview with Carl Jenkins, Managing Director and Group Head of Community Capital Solutions for BMO Bank N.A.

Carl Jenkins is Managing Director and Group Head of Community Capital Solutions for BMO Bank N.A. The commercial banking unit provides construction debt for affordable housing and invests equity in private funds that provide capital to community-centric real estate and lower middle market companies. Both debt and equity commitments support the Community Reinvestment Act (CRA) objectives of BMO in the central and western United States.

Additionally, Carl chairs the board of directors for BMO Private Equity (U.S.), Inc., the BMO subsidiary that originates mezzanine debt and impact equity investments directly to operating companies. He earned his bachelor's degree in architecture from Washington University in St. Louis and holds an MBA from the Kenan-Flagler School of Business at the University of North Carolina. He serves on the board of directors for several organizations, including the Disability Opportunity Fund, Enterprise Community Investment, The Alden Foundation, and the Goodman Theatre of Chicago. Carl also serves on the advisory board of multiple lower middle market private equity funds.



Carl Jenkins
BMO Bank N.A.

Can you share background on your tenure and role at the bank?

Jenkins: I first joined BMO just over 25 years ago as a community development lender responsible for originating construction and acquisition loans for affordable, multifamily housing and loans for special purpose real estate (charter schools, churches, etc.) serving LMI communities throughout greater Chicago. In 2007, my mandate expanded to focus on launching and building a line of business dedicated to investing our balance sheet exclusively for the purpose of meeting our goals under the CRA investment test. In the beginning, our average annual deployment was approximately \$30 million. Today, for the investment business, that annual commitment figure has grown to \$500 million due to BMO's substantial growth and geographic expansion in the United States.

What responsibilities does the Community Capital Solutions group oversee?

Jenkins: The Community Capital Solutions (CCS) group is a debt and equity business stemming from the merger of the affordable lending business that I belonged to when I joined BMO in 2000, and the separate equity investment business that I launched almost 20 years ago. More specifically, the lending team originates and manages construction loans for the construction of affordable housing supported by Low Income

Housing Tax Credit equity. The investment team invests our equity into community development real estate and small businesses across our CRA Assessment Areas (AAs). Our investments are primarily indirect, through private closed-end, commingled funds.

How does your bank define its CRA investment strategy, and how does it align with your broader mission and business objectives?

Jenkins: Our operating and deployment model for the investment business is an evergreen fund of funds. The investment strategy is the same as it was on day 1—To construct a resilient portfolio of assets that can deliver the qualitative and quantitative goals for CRA while also earning an appropriate risk-return yield that is accretive to BMO's financial performance.

Your team has a multi-pronged strategy for investing capital to support the communities in which BMO U.S. operates. Can you share examples of several recently closed investments?

Jenkins: The first rule of risk management in portfolio construction, as you know, is diversification. We currently allocate our capital across

four primary asset classes: private equity and credit funds licensed as Small Business Investment Companies by the SBA, Low-income Housing tax Credits, conventional equity real estate funds with strong Public Welfare Investment characteristics, and Community Development Financial Institutions. The risk-sharing and concentration limits that come with investing in commingled funds is a central part of our allocation strategy. On a very select basis, we will make direct conventional equity investments in cash-flowing affordable multifamily communities, often as a co-investment alongside real estate fund investment managers with whom we have an LP/GP relationship. Outside of these asset classes, we occasionally find unique vehicles that offer an efficient structure for targeting multiple CRA Assessment Areas—such as CCM's CRA mutual fund. Recent examples include:

- Our \$73 million commitment to **Community Capital Management, LLC's mutual fund**
- Our \$50 million commitment to the Los Angeles, CA-based **Turner Impact Capital's Turner Multifamily Impact Fund III**
- Our \$50 million commitment to **The Vistria Group's inaugural real estate fund, Vistria Housing Fund**
- Our \$25 million commitment to Los Angeles, CA-based **Avante Capital Partner's SBIC IV fund**

- Our \$25 million commitment to the **CDFI Community Investment Corporation of Chicago**
- Our \$10 million commitment to **Brightwood Capital's Specialized SBIC fund**
- Our \$5 million commitment to **Blue Highway Growth Capital Fund II**—a fund with a Rural Business Investment Company license
- Our \$5 million commitment to **The 22 Fund**—a California-based Public Welfare Investment fund.

We are excited to partner with the bank on one of its CRA investments through our CCM Community Impact Bond Fund CRA Shares (ticker: CRAIX). What specific assessment areas and community development initiatives are you looking to support through this investment?

Jenkins: We have 25 AAs earmarked for our investment in CRAIX. These geographies range from large legacy AAs such as Chicago to many of our newer, and smaller, AAs in BMO's expanded markets in the Western and Central United States, including Colorado, California, Wyoming, Oregon, and Nebraska.

*Community Capital Management, LLC is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. A full list of regulatory disclosures for Community Capital Management, LLC are available by visiting: <https://www.ccminvests.com/regulatory-disclosures/> | Mutual fund investing involves risk including the loss of principal. Bond and bond funds are subject to interest rate risk and will decline in value as interest rates rise. The Fund is non-diversified. There is no guarantee the objective of the Fund will be achieved. This fund involves impact risk. The Adviser may select or exclude securities for reasons other than performance and, as a result, the Fund may underperform other funds that do not use an impact screening process. Impact investing is qualitative and subjective by nature. There is no guarantee that impact criteria used by the Adviser will reflect beliefs or values of any particular investor. | **Carefully consider the risks, investment objectives, charges and expenses of the Fund before investing. The prospectus contains this and other important information. Please read the prospectus carefully before investing. The prospectus is available by calling 877-272-1977 or by visiting www.ccminvests.com.** The CCM Community Impact Bond Fund is distributed by SEI Investments Distribution Co. (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with Community Capital Management or any other affiliate.*