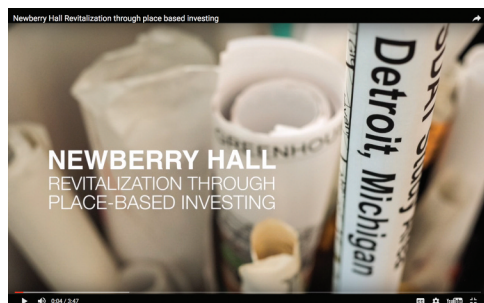


# THE IMPACT

I N V E S T O R

A Publication of Community Capital Management, Inc.

Fall 2016 Newsletter



## TWO NEW VIDEOS: Newberry Hall in Detroit & Making a Positive Impact Through U.S. Fixed Income Since 1999

We are excited to share two new videos available at [www.ccminvests.com](http://www.ccminvests.com). One is a spotlight on Newberry Hall in Detroit, Michigan showing the powerful impact of fixed income place-based investing. Newberry Hall was renewed with attention to historic detail and also updated with energy-efficient features. It is contributing to the revitalization of Detroit by making the neighborhood attractive to new residents.

The other video, Making a Positive Impact Through U.S. Fixed Income Since 1999, includes a Q&A with David Sand, CCM's chief impact investment officer and chief investment strategist. It is available on [www.ccminvests.com](http://www.ccminvests.com) and [asset.tv](http://asset.tv). We hope you enjoy both videos and welcome your feedback.

A special thank you to Ernie Zachary and Diane Van Buren of Zachary & Associates for their participation in the Newberry Hall video and for their involvement in the revitalization of the great city of Detroit.

*We are excited to present the 2016 fall issue of The Impact Investor. In an effort to promote like-minded impact investment firms, included is a Q&A with Clean Energy Advisors, a private equity firm creating investment opportunities that generate predictable income, preserve capital and have positive environmental and social impact. We are also excited to spotlight our new logo and website, two new videos (see story on the left), and a report on sustainable fixed income investing. The last two pages include three examples of sustainable fixed income investments purchased on behalf of CCM portfolios along with our fall conference schedule.*

## Q&A with CEA

Clean  
Energy  
Advisors

*Clean Energy Advisors (CEA) is a private equity firm focused on creating socially and environmentally positive investment opportunities in the renewable energy sector. CEA is the industry leader in designing and managing portfolios of utility scale solar energy projects that generate predictable, tax-advantaged income and preserve capital. The following is a Q&A with Chris Warren, CEO, of Clean Energy Advisors.*

### **1. When did CEA begin making impact investments and how was the specific investment opportunity identified?**

We have been active in the renewable energy space since 2006. As prices on solar equipment and project soft costs dropped at a rapid pace between 2010 and 2014, we identified an underserved

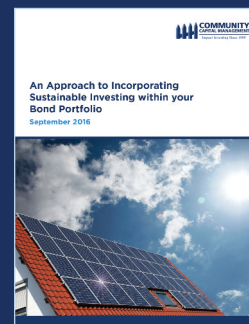
segment of the market in smaller utility scale solar assets. Concentrating our efforts in that area led us to create the first partnership available to US investors that allowed for the pass-through of both the income generated from selling electricity produced by the assets and 100% of the valuable tax attributes associated with these type of projects.

### **2. What are some of the challenges and opportunities you have faced in implementing this impact investing strategy?**

Acceptance and awareness of solar as a real alternative asset class among investors outside of the traditional institutional players in the space has been the biggest challenge. The projects *continued on page 2*

### **VISIT [WWW.CCMINVESTS.COM](http://WWW.CCMINVESTS.COM) TO:**

- See our new logo and website design
- Watch two new videos: "Newberry Hall: Revitalization Through Place-Based Investing" and "Making a Positive Impact Through U.S. Fixed Income Since 1999"
- Download a copy of our report "An Approach to Incorporating Sustainable Investing within your Bond Portfolio"



## Q&A with Clean Energy Advisors *continued from page 1*

we acquire are almost too simple to understand and, in addition, we have mitigated the risks typically found in renewable infrastructure investments through our expertise and insurance. The net result is an investment that provides known CAPEX, known energy production, known fuel costs, and known revenue from electricity sales. Simple math allows us to accurately predict investment returns before we deploy the first dollar of capital.

### 3. What are some of the attractive impact characteristics of the solar energy projects you invest in?

The positive environmental impact of solar energy projects is obvious. We can accurately measure carbon offset and harmful emission reduction for every megawatt of clean, renewable energy we bring into service. Of equal importance to us is the social impact we create through our activ-

ities. Our typical utility scale project is located in rural areas where we are making a tremendous impact on communities. Local job creation, workforce education, and tax revenues are some of the ways we measure the social impact of our investments. In fact, in the United States more people are now employed in the solar industry than in the distribution side of the oil and gas industry.

### 4. What do your clients care about most when making an impact investment?

We find that the ability to measure impact is very important to our investors and we are continuously improving the methods and refining the data we use to provide that information. While the positive environmental and social impact created from our activity in the renewable energy space drives investor interest, the financial return remains the primary factor in new clients engaging with us. We are in the fortunate

position to provide our clients with significant impact while delivering above market rates of return. It's the best of both worlds and has contributed greatly to our rapid growth.

### 5. What do you hope to achieve with your impact investment funds?

CEA stays focused on three primary things: predictable income, preservation of capital, and positive impact. Those three things direct every decision we make as investment managers. Above all we are committed to delivering results and mitigating risks. To date we have been extremely successful in doing just that. In addition, we are a team of like-minded individuals with a passion for making a positive impact on the environment for future generations. I can't think of anything more rewarding than delivering current results and leaving the world a better place for our children and grandchildren.

## New CCM Logo/Website

Earlier this summer, CCM unveiled its new corporate logo and website. The rebranding reflects both the evolution of the firm as well as its history in impact investing. CCM's new tagline, "Impact Investing Since 1999", showcases CCM's longevity and experience as well as its dedication and commitment to impact investing. While the logo has changed to better represent the firm's experience, CCM's mission remains the same – to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. Visit our new website address at [www.ccminvests.com](http://www.ccminvests.com).



## Leadership Conference of Women Religious (LCWR) – 2016 Assembly

The LCWR is the association of the leaders of congregations of Catholic women religious in the United States. The conference has about 1350 members, who represent nearly 80 percent of the approximately 49,000 women religious in the United States. Founded in 1956, the

conference assists its members to collaboratively carry out their service of leadership to further the mission of the Gospel in today's world. Earlier this summer, CCM exhibited at its LCWR Assembly. It was a wonderful event and we look forward to participating again next year.



## SPOTLIGHT ON SUSTAINABLE FIXED INCOME INVESTMENTS PURCHASED ON BEHALF OF CCM PORTFOLIOS

### Renovate America HERO® Program

Renovate America, a leading provider of residential Property Assessed Clean Energy (PACE) financing in the U.S., issued its first-ever “green bonds” securitizing PACE bonds. Proceeds are being used to finance eligible energy efficiency, renewable energy and water efficiency home improvement projects. The PACE Bonds were issued by Western Riverside County, Los Angeles County; and San Bernardino County; all of which comprise the PACE Bond Portfolio.

Nearly half the energy consumed and three quarters of the electricity generated in the United States is used to heat, cool, light, and otherwise operate our nation’s buildings. PACE financing solves the upfront cost barrier to making energy efficiency, renewable energy and or water conservation upgrades by providing 100% financing for project costs upfront and repaid for up to 20 years with an assessment added to the property’s tax bill. PACE financing stays with the building upon sale and is easy to share with tenants. State and local governments sponsor PACE financing stays with the building upon sale and easily shares with tenants.

### Toyota Motor Credit Corporation

Toyota Motor Credit Corporation issued its third asset-backed green bond which will fund green vehicle purchases. Proceeds will be used to acquire retail installment sales contracts and beneficial interests in lease contracts financing new Toyota and Lexus vehicles of the following qualified models: Avalon Hybrid, Camry Hybrid, Mirai, Prius, Prius *c* and Prius *v*; Lexus CT 200h and Lexus ES 300h. As of April 26, 2016, each qualifying model has the following environmental sustainability features:

- Gas-electric hybrid or alternative fuel powertrains;



*PACE bonds are being used to finance eligible energy efficiency, renewable energy and water efficiency home improvement projects.*

- Minimum highway and city miles per gallon (or miles-per-gallon equivalent, which represents the number of miles a vehicle can go using a quantity of fuel with the same energy content as a gallon of gasoline) of at least 35; and
- A smog rating of “8” or better (“10” being the cleanest), as determined by the United States Environmental Protection Agency for the purchase of a vehicle in California.

The Avalon Hybrid, Camry Hybrid, Prius, Prius *c*, Prius *v*, Lexus CT 200h and Lexus ES 300h are all certified Super Ultra Low Emissions Vehicle’s (SULEV), meaning each model releases a miniscule amount of byproducts of fuel combustion hydrocarbons, nitrogen oxides and carbon monoxide which are linked to various air quality issues, including smog and acid rain. The Prius and Prius *c* were both named on the American Council for an Energy Efficient Economy’s (ACEEE) “Greenest Vehicles of 2016” list. The Mirai has received numer-

ous awards across the globe and was declared the “2016 World Green Car of the Year” at the New York International Auto Show.

### Matrix Z, LLC

Matrix Z is a tile company in Ft. Lauderdale, FL providing alternatives to naturally mined stone. The company offers environmentally friendly flooring tile alternatives produced from natural sea materials.

Its two key products are SeaTile, derived from the waste of the fishing industry and processed into a natural shell laminate, and SeaStone, made of manufactured cementitious stones containing natural shells, fossils and other recycled materials. These two eco-friendly products help protect the environment by reducing the need for mining natural natural stone, which is a non-renewable resource, in addition to preventing the destruction of coral reefs. Matrix Z, LLC employs five workers and is located in a moderate-income census tract.

*The securities identified and described herein are for illustrative purposes only and their selection was based upon non-performance criteria, such as the security’s social and/or environmental attributes.*

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## Fall 2016 Conferences:

CCM will be attending the following conferences this fall:

### **SOCAP**

*September 13-16, San Francisco, CA*

### **Council of Michigan Foundations**

*September 18-20, Ypsilanti, MI*

### **FA Impact Investing Conference**

*September 18, Denver, CO*

### **Resource Center for Religious Institutes (RCRI)**

*October 11-14, Anaheim, CA*

### **High Water Women Investing for Impact Symposium**

*October 18, New York, NY*

### **Schwab Impact**

*October 25-27, San Diego, CA*

### **SRI Conference**

*November 9-11, Denver, CO*



**ENVIRONMENTAL BENEFITS STATEMENT**  
*of using post-consumer waste fiber vs. virgin fiber*

For the Period: **9/1/2015 to 9/2/2016**

**Community Capital Management**

Saved the following resources by printing on recycled content paper.

TREES	WATER	GREENHOUSE GASES	ENERGY	SOLID WASTE
<b>20</b>	<b>13,960</b>	<b>4,259</b>	<b>26,500,365</b>	<b>2,310</b>
fully grown	gallons	pounds	BTU's	pounds

Environmental impact estimates were made using the Environmental Defense Paper Calculator. Comparing virgin uncoated freesheet with the average recycled content used. For more information visit [www.papercalculator.org](http://www.papercalculator.org).

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