

THE **IMPACT** INVESTOR

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Our spring 2018 issue of The Impact Investor newsletter includes many exciting updates including the recent launch of our 2017 annual impact report; a Q&A with CCM's new Chief Investment Strategist, Kristin Fafard, CFA; highlights of our video on customization; and a spotlight on our impact theme of seniors and the disabled.

CCM RELEASES 2017 ANNUAL IMPACT REPORT

WEBINAR REPLAY AVAILABLE



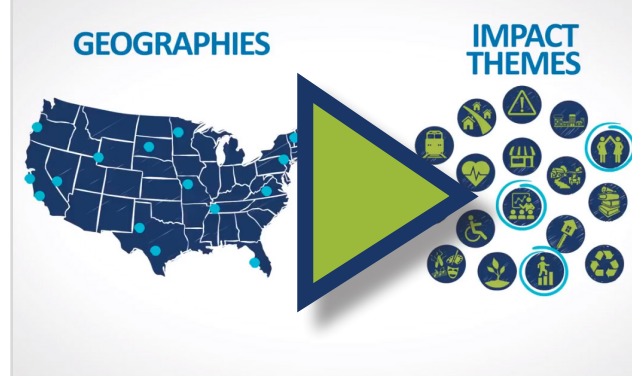
We are excited to release our 2017 Annual Impact Report which includes detailed information on our impact initiatives and trends that took place in 2017, how clients can customize their impact investments to support specific geographies or impact themes, and case studies of impact investments including onsite visits.

The impact team at CCM including David Sand, chief impact strategist, and Jessica Botelho, director of CRA & impact research, led a recent webinar on the report, discussing CCM's impact methodology in fixed income and equities, how we report on these investments' impact outcomes, and what differentiates CCM from other impact investing managers. A copy of our 2017 Annual Impact Report and a replay of the webinar is available by visiting www.ccminvests.com.

WATCH OUR NEW VIDEO: HOW TO CUSTOMIZE IMPACT INVESTMENT PORTFOLIOS

Many impact investors often ask the team at CCM, "How are you able to customize impact portfolios? How does it work?" It's a great question, and our latest 2-minute video walks investors through the process from beginning to end. It was created to illustrate how investors can target specific geographies or impact themes, the customized quarterly impact reports investors receive, and what makes CCM's impact targeting process so unique and impactful. The video highlights our pioneering fixed income impact investing strategy from two perspectives – impact and financial.

Watch the video at www.ccminvests.com.



Q&A WITH KRISTIN FAFARD, CFA, CCM'S CHIEF INVESTMENT STRATEGIST

As chief investment strategist, Kristin is responsible for strengthening strategic relationships with national and regional consultants, communicating CCM's value-added market and investment insights, and serving as an investment product specialist. Kristin has been a gatekeeper and client-trusted fiduciary for over 25 years, making her well-versed in the unique needs of consultants and large institutional

investors. As a member of the investment team, she sits on the Investment Management and Trading Committee which is responsible for overseeing the implementation of the Firm's investment management policies and procedures. Kristin joined CCM in January 2018 from Pathstone Federal Street, a \$9 billion wealth manager in Boston.

How did you get into impact/ESG investing and what led you to continue in its path working at CCM?

I have always been an impact/ESG "thinker"—looking at how actions can translate into long-term impacts to the world around us—for good or for bad. As a result, it makes sense that it has become a required way of thinking in my daily work. Finding an organization like CCM, whose people share this long-term perspective, not only with the impact

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CCM IMPACT THEME FOCUS: SENIORS AND THE DISABLED



Swartzberg House: Chicago, IL

Swartzberg House is an affordable rental property for seniors in Chicago, Illinois offering one- and two-bedroom apartments. The property consists of 100 units, all of which receive Section 8 assistance. Swartzberg House is a CJE SeniorLife property. CJE SeniorLife has been helping older adults pursue lives of meaning, independence, and good health for over 40 years. CJE SeniorLife property residents have access to service coordinators that help to arrange for the necessary services needed for residents to successfully age in place.



Swartzberg House Sitting Area

Service coordinators mediate, educate, and advocate on behalf of the residents. Activity staff organize festive holiday events and a variety of activities including visits to museums, lectures and occasionally trips to Cubs games. CJE SeniorLife provides community-based services such as transportation, home delivered meals, and consumer assistance to many building residents.



Exterior of Swartzberg House

Villa Encino: Santa Fe, NM

Encino Villa is an affordable rental property for seniors in Santa Fe, New Mexico where 100% of the 48 units receive Section 8 assistance. Encino Villa includes a Neighborhood Network Center. The U.S. Department of Housing and Urban Development (HUD) created Neighborhood Networks in 1995 "to encourage properties to establish multi-service community learning centers in HUD insured and assisted properties."

The Neighborhood Networks Centers at Encino Villa offers high-speed internet access, new computers, operating systems, and software. Neighborhood Networks Centers help:

- Improve computer access;
- Advance literacy;
- Provide access to healthcare information and other social services;
- Encourage a sense of community and social interaction;
- Provide access to email to keep in touch with friends and family all over the world; and
- Foster residents' interests and hobbies, such as the arts, music, history and health.



Neighborhood Networks Centers help improve computer access and advance literacy.

Rose Hill Apartments: Bronx, NY

Rose Hill Apartments is an affordable rental property for seniors and the disabled in the Bronx where 100% of the 118 studio and one-bedroom residential units receive Section 8 assistance. The building has 14 units that are handicapped accessible and one unit reserved for the building super. The property is in a low-income and high-poverty census tract with 44% of the population living below the poverty line.



Outdoor Area of Rose Hill Apartments



Exterior of Rose Hill Apartments

Rose Hill Apartments is located near the botanical gardens, the Bronx Zoo, the botanical gardens metro north train station, bus stops, and subway rails. Residents have access to a laundry room, community room, activity room, monthly and special occasion community programming, computer classes, exercise classes, arts and crafts programs, monthly trips for shopping and special events, individual gardens, private off-street parking, and outdoor patios.

Q&A: KRISTIN FAFARD, CFA, CCM'S CHIEF INVESTMENT STRATEGIST



investments we make, but also in the way we operate, makes my daily work feel less like a job and more like a shared adventure.

Impact/ESG investing doesn't have a one-size-fits-all approach. What different strategies are clients asking for and how is CCM developing solutions to meet demand?

One of the aspects of impact/ESG investing that I truly enjoy is the fact that it is not commoditized. Its application is values-based, and because we live in a world where we each prioritize our values differently from one another, there is much demand for creativity and customization. The challenge when converting those personal values to investments is when off-the-shelf investment products don't feel personal enough, but experimenting with customized, unproven investment solutions may be too risky. We believe we have found a way to meet the need for personalization without compromising investment quality through our targeting process. When clients invest in our flagship fixed income impact investing strategy, they can direct their capital—either into one or more of our 17 impact themes and/or a geography. This feels very personal to them because, through our customized reporting, they can "see" what the investments are financing and how they are positively impacting a community. As it relates to developing new solutions to meet demand, we are excited about impact investing equity strategies and how our liquid alternative solution can play an important role in looking to generate a measurable environmental and/or social impact alongside a financial return. There is more to come later this year on additional equity offerings where we will bring our same bottom-up, impact-focused approach.

What should consultants and investors be looking at when searching for an impact/ESG investing manager?

This is simple. The investment manager has to have proven investment skill, the impact/ESG approach has to be real, and these two concepts cannot operate independently. By performing impact analysis, which in our case, allows us to thoroughly understand the intended use of investment proceeds, the financial risks and rewards can be better understood. Likewise, by conducting rigorous financial analysis, the investment manager can gain a better understanding of any potential issue which could reduce the likelihood of the intended positive outcomes. Consultants and investors should look for impact/ESG managers with this type of integrated approach.

What changes do you expect to see in impact/ESG investing in the next five to ten years?

I expect that impact/ESG factors will become incorporated into stock and bond analysis for every investment manager, whether stated as an impact/ESG-focused strategy or not. With higher education focusing more on the importance of this longer-term investment approach, and the daily reminders of the penalties associated with poor stewardship, I expect that investors will no longer need to be pushed to consider these issues, but will instead adopt them willingly.

HONORING BLACK HISTORY & INTERNATIONAL WOMEN'S DAY

In February, in honor of Black History Month, the team at CCM wrote two blogs on racial equality. The first blog looked at impact investing and racial equality, specifically the employment gap between black workers and white workers, which has reached historic lows. The impact team at CCM is optimistic about the forward progress toward racial equality in America. The second blog focused on making home equity equitable for African-Americans as racial inequalities in the housing market are still quite deep. In the decade from 2006 - 2016, African-American homeownership declined nearly 6 percentage points which is more than any other racial group and is double the decline among whites. At CCM, we are committed to doing our part to bring more equality to the imbalances in minority homeownership through the capital markets.



In March, in honor of International Women's Day, we were excited to announce the addition of yet another positive gender lens

component to our fixed income impact investing strategy through customized mortgage pools that are providing capital exclusively to low- and moderate-income women and minority borrowers. The fourteen loans span 11 states allowing minority women the opportunity for affordable homeownership. Access to capital, specifically the financial markets, is a vital catalyst toward promoting positive change for minority women and their ability to purchase a home. We are thrilled to help further these endeavors and will continue to find new and innovative ways to advance affordable homeownership for minority women.

Record-Small Gap

The divide between the black and white employment-to-population ratio is the smallest ever

■ Black EPOP ■ White EPOP



Source: St. Louis FRED, Bureau of Labor Statistics

Bloomberg

CCM SPRING/ SUMMER 2018 CONFERENCE SCHEDULE

CCM will be at the following conferences this spring and summer:

Confluence Philanthropy

March 13-15
Berkeley, CA

NEAFP Conference

April 18-19
Boston, MA

Sustainable Investing Solutions

April 19
Austin, TX

Mission Investors Exchange

May 14-16
Chicago, IL

US SIF 8th Annual Conference

May 30-June 1
Washington DC

Morningstar Conference

June 11-14
Chicago, IL

Sustainable Investing Solutions

July 18
Minneapolis, MN



VISIT [CCMINVESTS.COM](https://ccminvests.com) TO:

- ✓ Download our new *2017 Annual Impact Report*
- ✓ Read our latest press releases
- ✓ View our blog with recent content on green bonds and racial equality

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