

2017

ANNUAL IMPACT REPORT



COMMUNITY
CAPITAL MANAGEMENT

Impact Investing Since 1999

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Community Capital Management, Inc. is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes. Impact figures mentioned in this report are approximate values. Past performance does not guarantee future results. Market conditions can vary widely over time and can result in a loss of portfolio value.

Since the time this piece was printed, the holding described as the Atlanta Development Authority Homeless Opportunity was liquidated from the portfolio and is no longer a current holding. The securities listed were selected based on objective, non-performance-based criteria with respect to their social impact which standard is consistently applied from period to period. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities in this list.

MESSAGE FROM THE PRESIDENT



Friends,

We are excited to share Community Capital Management's 5th Annual Impact Report showcasing our firm's 18-year commitment to impact investing, fossil fuel free bond portfolios, and the ongoing positive outcomes we have achieved for our clients. As of the end of 2017, we have invested over \$8.3 billion in cumulative impact initiatives nationwide. Our pioneering impact investing research and analysis combines a quantitative assessment and qualitative review for each security purchased, identifying environmental and social outcomes. This process provides an added layer of investment transparency and enables us to report to clients on the multiple positive-based impact outcomes of their investments. We continuously look for ways to improve our impact metrics and are pleased to share some of our recent endeavors in this report.

Community Capital Management (CCM) undertook many exciting impact initiatives in 2017, including our efforts to customize mortgage pools specifically for female low- and moderate-income borrowers and the addition of three new impact themes. We launched our first annual impact awards, where we donated \$10,000 to the winning organization, Barrier Free Living in the Bronx. Domestic violence is the number one issue for women with disabilities nationwide, and Barrier Free Living is the largest provider in the nation of domestic violence intervention services for people with disabilities. Over the course of the year, we mapped our impact themes with the United Nation's Sustainable Development Goals (SDGs), which aim to end all forms of poverty, fight inequalities, and tackle climate change. While it is only by happenstance that there are 17 SDGs and that we, too, currently offer clients 17 thematic impact initiatives, it is no coincidence that all of our themes parallel the mission of the SDGs. Lastly, in 2017, our enhanced earmarking and reporting technology allowed us to produce nearly 2,000 impact reports for our clients and provide quantitative details for each of our 17 impact themes.

Our marketing and communications team was hard at work writing and creating new thought leadership. In July, we launched our new website, www.ccminvests.com, which combines all three of our previous sites into one domain. In September,

we created a new report, *The Underlying Benefits of Affordable Housing Through Fixed Income Impact Investments*, and in December, we released our first whiteboard animation video demonstrating how investors can customize impact investments within our flagship mutual fund. We were featured in many media outlets in 2017, including *Financial Advisor*, *The Bond Buyer*, *Bloomberg Sustainable Finance Brief*, *TheStreet*, *CRAIN's*, and *ImpactAlpha*, to name a few.

Among our other external engagements, last year CCM became a signatory to the United Nations-Supported Principles for Responsible Investment, demonstrating the alignment of our impact investment goals with those of the global impact community. As one of the largest U.S.-based fixed income impact investing managers, we were excited to participate and expand our many commitments to partnerships with like-minded impact investing organizations. We also joined the Interfaith Center for Corporate Responsibility (ICCR) as an affiliate member as we continue to work with religious organizations connecting faith and finance. Despite the dismal announcement of our country's plan to withdraw from the Paris Agreement on climate change, we remain optimistic that investors will continue to play a pivotal role in our country's sustainable efforts. As a firm, we joined over 280 long-term institutional investors representing more than \$17 trillion in assets urging governments of the G7 and G20 nations to continue supporting the Agreement.

Lastly, I would like to recognize all CCM employees and their dedication to our firm and impact investing. Our close-knit culture is of the utmost importance. We hope you enjoy this year's report and as always, encourage any questions and/or comments that come to mind.

Cheers to another year of investing for impact.

All the best,

Alyssa Greenspan

Alyssa Greenspan
President and COO



Methodology

CCM manages \$2.5 billion in impact investments. Our mission is to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. Our investment philosophy identifies opportunities with a focus on capital preservation, current income, diversification, volatility control, total return, and risk minimization. We provide impact investing solutions coupled with hands-on client services to a broad range of investors through fossil fuel free fixed income and liquid alternative strategies. We report to clients on the multiple positive-based outcomes of their investments and offer institutional clients the opportunity to customize their bond portfolios by geographies or impact themes.

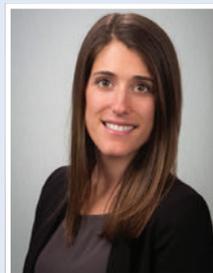
David Sand, CCM's chief impact strategist, and Jessica Botelho, CCM's director of CRA and impact research, oversee the firm's impact investing committee, which meets weekly to discuss investment ideas and review the impact of fixed income and equity holdings. The committee is also responsible for working with clients to develop impact strategies and includes members of our investment, marketing, and operations teams. Like a double helix, financial and impact considerations are intertwined in every aspect of our portfolio management process.

All securities are evaluated from a quantitative and qualitative approach using both financial metrics and impact guidelines we've developed throughout our 18 years of impact investment management. During CCM's early years – when the firm invested solely in bonds – each investment was placed in one of six categories (affordable rental housing, home mortgages for low- and moderate-income borrowers, enterprise development/job creation, economic development, statewide homeownership and down payment assistance, and affordable healthcare/rehabilitation facilities). In 2015, we re-evaluated our impact metrics and outcomes and decided we needed to better capture the full scope of each security's impact – whether for bonds or equities – as most of our investments included more than one "impact theme." As a result, we added 14 impact themes so that all securities could be tagged comprehensively.

In 2017, after frequent discussions internally and with clients, along with our enhanced ability to track new data points, we added three new impact themes – Arts & Culture, Minority Neighborhoods, and Transit-Oriented Development (TOD) – bringing our total to 17. We will continue to add new impact themes down the road using the same methodology.



David Sand has more than 35 years of investment management experience and is a trailblazer in the impact investing arena. As chief impact strategist, he is responsible for furthering the scope of the firm's impact reporting and outcomes metrics, business development, and creating new impact investing products to meet the needs of existing and future clients. He is also involved in developing the macro-economic and impact investing outlook applied in the construction of the firm's investment strategies. David is a well-regarded and sought-after speaker on the topic of impact investing and represents the firm in client meetings and media requests. He is a frequent guest lecturer on impact investing at college campuses around the country. David is chair of CCM's Investment Strategy Committee and is a member of the firm's Management Committee, Investment Management and Trading Committee, and Valuation Committee.



As director of CRA and impact research, Jessica Botelho is responsible for overseeing and gathering all impact and CRA research as well as impact investment reporting. She provides clients with comprehensive information on the positive impact of their investment portfolios and how it is furthering their specified impact investment goals. She additionally manages all facets of CRA Investment Test needs including CRA documentation and fulfillment, proactive summary earmarking letters prior to a bank's CRA exam, and maintaining relationships with federal regulators.

Impact Themes



AFFORDABLE HEALTH/REHAB CARE

Creating and retaining affordable healthcare services and rehabilitation facilities for low- and moderate-income and medically underserved¹ persons and investing in companies that promote wellness and access to high-quality health care for everyone.



EDUCATION/CHILDCARE

Providing education and/or childcare services primarily in low- and moderate-income communities.



AFFORDABLE HOUSING

Financing for affordable homeownership to low- and moderate-income borrowers and renters and investing in companies that promote affordable homeownership and access to quality living.



ENTERPRISE DEVELOPMENT/JOBS

Providing small businesses and companies with access to capital and helping them in creating jobs, retaining jobs, and offering job training programs.



ARTS & CULTURE

Supporting educational programs, businesses, organizations, and the development of properties involved with visual, performing, design, literary, and other art related-works.



ENVIRONMENTAL SUSTAINABILITY

Supporting properties, projects, companies, and small businesses implementing sustainable initiatives such as rehabilitation of existing buildings/adaptive reuse; meeting energy codes; LEED certification; using renewable energy, reused, or recycled materials for construction; water conservation efforts; and brownfield development.



DISASTER RECOVERY

Supporting disaster-prevention initiatives and community development activities in federally-designated disaster areas and disaster-prone areas to enable the recovery and continuation of daily life.



GENDER LENS

Benefiting women and girls, primarily those that are low- and moderate-income, such as women-owned businesses, educational programs, health-related services, and affordable homeownership and investing in companies with women leadership, workplace equity, products and services beneficial to women and girls, and related shareholder engagement and policy work.

¹ "Medically Underserved" are areas or populations designated by HRSA (U.S. Department of Health and Human Services, Health Resources and Services Administration) as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population.



GOVERNMENT SUPPORTED COMMUNITIES

Assisting communities in need of economic and community development as designated by U.S. Government and federal agencies.



NEIGHBORHOOD REVITALIZATION

Transforming blighted neighborhoods into areas of opportunity by assisting in the revitalization of neighborhood facilities.



HEALTHY COMMUNITIES

Establishing and maintaining effective strategies to achieve healthy equity in low- and moderate-income neighborhoods such as multi-use trails, bike paths, and neighborhood parks as well as access to nutritious foods within a community and investing in companies that promote wellness, health, and support the communities they serve



RURAL COMMUNITY DEVELOPMENT

Investing in small businesses and other economic opportunities in rural communities.



HUMAN EMPOWERMENT

Assisting individuals and families through resources and programs designed to achieve personal goals, greater self-sufficiency, and upward mobility.



SENIORS/DISABLED

Offering affordable living for seniors and/or disabled individuals including physical, social, and psychological services.



MINORITY NEIGHBORHOODS

Supporting communities with a high minority population (over 50%) and/or organizations/ programs helping to ensure equal access to jobs, economic development, and affordable housing for minorities thus improving their quality of life and investing in companies with minority leadership, workplace equity, products and services beneficial to minorities, and related shareholder engagement and policy work.



SUSTAINABLE AGRICULTURE

Supporting agriculturally-sustainable businesses such as those that engage in pesticide-free agriculture, hydroponics, aquaponics, and vertical farming.



TRANSIT-ORIENTED DEVELOPMENT (TOD)

Integrating transit-oriented infrastructure within a half-mile of a walkable community that typically includes a mixture of housing, office, and retail.

Fixed Income

Our fixed income impact investing strategies incorporate the environmental and social aspects of Environmental, Social, and Governance (ESG) investing into our investment philosophy by proactively seeking market-rate, fossil fuel free bonds that positively contribute to economic and sustainable impact. This proprietary approach provides an added layer of investment transparency by detailing the use of bond proceeds and ensuring a full understanding of the programs being financed.

We report to clients quarterly on the multiple positive-based outcomes of their bond investments. Our unique customization process is an option and a value-add for investors; it is not required. Many of our assets come from investors that just want their fixed income dollars to have a positive impact and do not prefer to customize their investments to support specific geographies or impact themes.

For those clients that do want their investments to support specific geographies or impact themes, this can be done in a separate account or through our flagship mutual fund – the CRA Qualified Investment Fund. Clients have the option to choose one target – either by geography or by impact theme(s).

IMPACT RESEARCH

- Who will this benefit?
- What is the underlying objective of the project?
- Where is the property/project located?
- When will it be completed?
- Why is this an impact investment?
- How will it positively benefit communities and the environment?

FINANCIAL RESEARCH

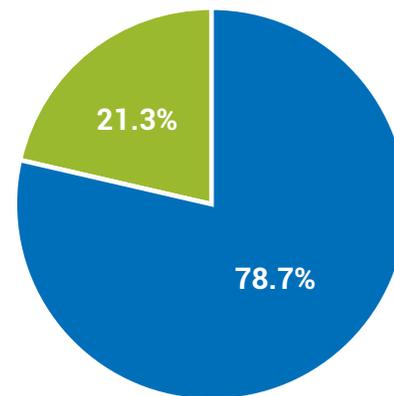
- Bond issuer
- Source of repayment
- Credit research
- Prepayment analysis
- Issuer exposure
- Duration and yield curve
- Sector allocation
- What if scenarios
- Liquidity
- Client guidelines

INVESTMENT TRANSPARENCY

- Impact reporting
- Financial reporting

The chart to the right shows the breakdown of institutional investors (non-banks) that have selected to target either by geography or impact themes. The three most popular impact themes selected in 2017 were:

- gender lens;
- environmental sustainability; and
- healthy communities.



■ Geographic Targeting ■ Impact Theme Targeting

Equities

CCM began 18 years ago as a fixed income boutique and more recently expanded to other asset classes following client requests. Our impact investing equity strategies also play an important role in looking to generate a measurable environmental and/or social impact alongside a finance return. Like fixed income, we evaluate an equity security from an impact and financial perspective. We bring the same bottom-up, impact-focused approach to all asset classes.

Many of our clients categorize their investments with us as ESG, and we generally avoid debt or equity positions in companies that have poor performance in the ESG arenas. In building portfolios, we do much more than screen out names – we look to build affirmative-focused portfolios that are mission-aligned with our clients' impact interests. Using a blend of proprietary and industry research, we invest in companies that we deem to have good financial and impact credentials. Our 17 impact themes – discussed throughout this report – serve as a guide for our approach to equities and allow us to find companies that may be making positive contributions that are not widely recognized.

While this is a relatively newer asset class for us, having launched our liquid alternative strategy in 2013, we will soon expand our product offerings further, providing clients a full suite of impact investing solutions.

Impact Outcomes



IMPACT OUTCOMES

When capturing impact for fixed income securities, we employ a proprietary quantitative and qualitative approach to understand what each bond is financing and to report on its multiple positive-based outcomes. Quantitative data can include the number of jobs created or the number of affordable housing units as well as dollar amounts invested in impact themes. Qualitative research is the “story,” so to speak, which includes detailed explanations of what the bond is financing. This data and research is primarily focused on four subsectors of the bond market – single family agency mortgage-backed securities (MBS), agency commercial mortgage-backed securities (CMBS), taxable municipals, and asset-backed securities (ABS) – where we can identify, record, and track the environmental and social activity that each transaction supports. We have historically excluded corporate bonds in our fixed income impact investing strategy because their use of proceeds is difficult to pinpoint. However, in the last few years, we have seen a handful of corporate bond deals come to market where there is a clear intended use of proceeds along with impact reporting from the issuing company.

Single Family Agency MBS: The single family residential mortgage market consists of a primary mortgage market in which lenders make loans to homebuyers and a secondary mortgage market in which mortgage lenders exchange loans for MBS.² We invest in U.S. single family agency MBS pools backed by Fannie Mae, Freddie Mac, and Ginnie Mae.

Impact: Agency MBS pools are customized to low- and moderate-income borrowers. Pools can additionally be looked at for walkability, rural neighborhoods, and homes located in federally declared disaster areas. In 2017, we added a new component – the ability to customize mortgage pools specifically for female low- and moderate-income borrowers.

Agency CMBS: The Agency CMBS market includes various MBS where the underlying assets are commercial real estate, predominantly multifamily properties.³ They can also include assisted living facilities and mental health complexes. We invest in agency CMBS issued by Fannie Mae and Ginnie Mae.

Impact: Agency CMBS can have multiple positive impact outcomes such as: affordable health/rehab care, affordable housing, education/childcare, environmental sustainability, gender lens, government supported communities, healthy communities, human empowerment, neighborhood revitalization, seniors/disabled, and more. In 2017, we added agency CMBS issued by Freddie Mac to our portfolios after collaborating to obtain customized earmarking letters for our clients.

Taxable Municipals: Taxable municipals are taxable debt obligations of a state or local government entity and are subject to federal taxes.⁴ They can finance a variety of projects benefiting communities and the environment.

Impact: Taxable municipals finance a range of environmental and social projects and initiatives such as affordable housing, disaster recovery, education/childcare, enterprise development/ jobs, environmental sustainability, gender lens, neighborhood revitalization, rural community development, transit-oriented development, and more. In 2017, we began tracking taxable municipals, along with single family agency MBS, agency CMBS, and ABS, for those located in a high minority population census tract (over 50%).

ABS: ABS are financial securities backed by a loan, lease, or receivables against assets other than real estate and MBS.

Impact: ABS finance affordable loans, enterprise development/jobs, environmental sustainability, and more. This includes Small Business Administration (SBA) loans which can finance enterprise development for small businesses helping to create and retain jobs, provide access to capital, and assist with capital for expansion, or other business-related activities. In 2017, we participated in our first solar asset backed notes deal sponsored by Tesla, following its acquisition of SolarCity Corporation.

² <http://www.fanniemae.com/resources/file/mbs/pdf/basics-sf-mbs.pdf>

³ https://research-doc.credit-suisse.com/docView?language=ENG&format=PDF&document_id=1010463361

⁴ [&source_id=emrna&serialid=pjkFwu3lJg7xDpg2pSJG8ljXLPliA0jghLQhrDyjlgE%3D](https://www.msrb.org/msrb1/pdfs/About-Taxable-Municipal-Bonds.pdf)

⁴ <http://www.msrb.org/msrb1/pdfs/About-Taxable-Municipal-Bonds.pdf>

Corporate Bonds: A corporate bond is a debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.⁵

Impact: As mentioned above, we have historically excluded corporate bonds in our fixed income impact investing strategy because their use of proceeds is difficult to pinpoint. Nevertheless, we have recently seen a few deals where we can measure, monitor, and track the positive-based impact outcomes. In 2017, we invested in one of these bonds, issued by Apple, included in the "Impact Stories" section.

As mentioned in our methodology, each bond goes through our rigorous research process which

includes impact and financial analysis and is "tagged" by geography and with one or more of our 17 impact themes. This is all done through our proprietary and patent-pending tracking software system.

For equities, we employ a similar approach by conducting detailed research and analysis so that we may tag each investment with one or more of our 17 impact themes. Each company is additionally evaluated for its positive impact using quantitative data (for example, number of women on boards or percentage of energy savings) and qualitative research (for example, how the company is positively impacting ESG activities) – the "story" behind the stock. The table below highlights the type of investments we purchase and the impact themes that those securities can help support.

	AFFORDABLE HEALTHCARE	AFFORDABLE HOUSING	ARTS & CULTURE	DISASTER RECOVERY	EDUCATION/CHILDCARE	ENTERPRISE DEVELOPMENT/SUSTAINABILITY	ENVIRONMENTAL SUSTAINABILITY	GOVERNMENT SUPPORTED JOBS	HEALTHY COMMUNITIES	GENDER LENS	HUMAN EMPowerMENT	MINORITY NEIGHBORHOODS	RURAL COMMUNITY DEVELOPMENT	NEIGHBORHOOD REVITALIZATION	TRANSIT-ORIENTED DEVELOPMENT	SUSTAINABLE AGRICULTURE	SENIORS/DISABLED
CCM's SECTORS																	
AGENCY CMBS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
SINGLE FAMILY AGENCY CMBS		•						•	•			•			•		
TAXABLE MUNICIPALS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ABS	•						•	•	•	•			•	•	•	•	•
U.S. CREDIT	•	•		•	•	•	•	•			•		•	•		•	•
EQUITIES	•	•		•	•	•	•	•			•		•	•		•	•

Our Clients' Positive Impact

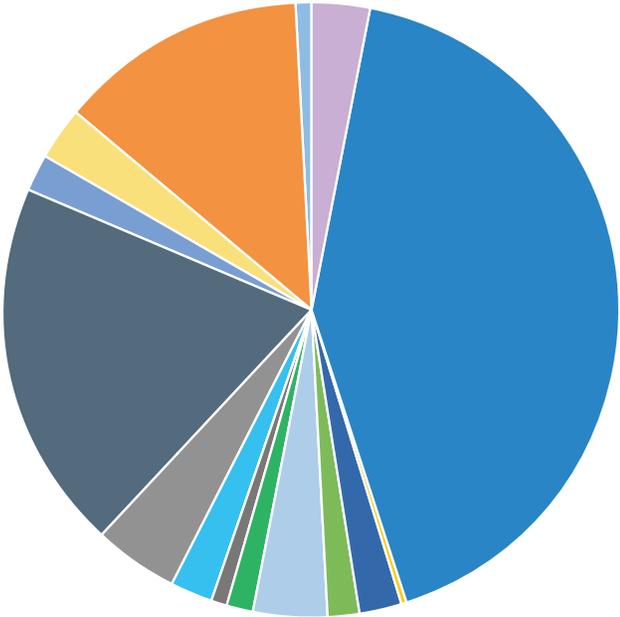
As a firm, CCM has invested over \$8.3 billion in impact initiatives nationwide on behalf of our clients since inception with the following quantitative metrics:

- **385,000** affordable rental housing units
- **\$337 million** in enterprise development and job creation
- **\$895 million** in statewide homeownership and down payment assistance
- **17,600** home mortgages for low- and moderate-income borrowers
- **\$445 million** in economic development and healthy communities
- **\$33 million** in affordable healthcare and rehabilitation facilities

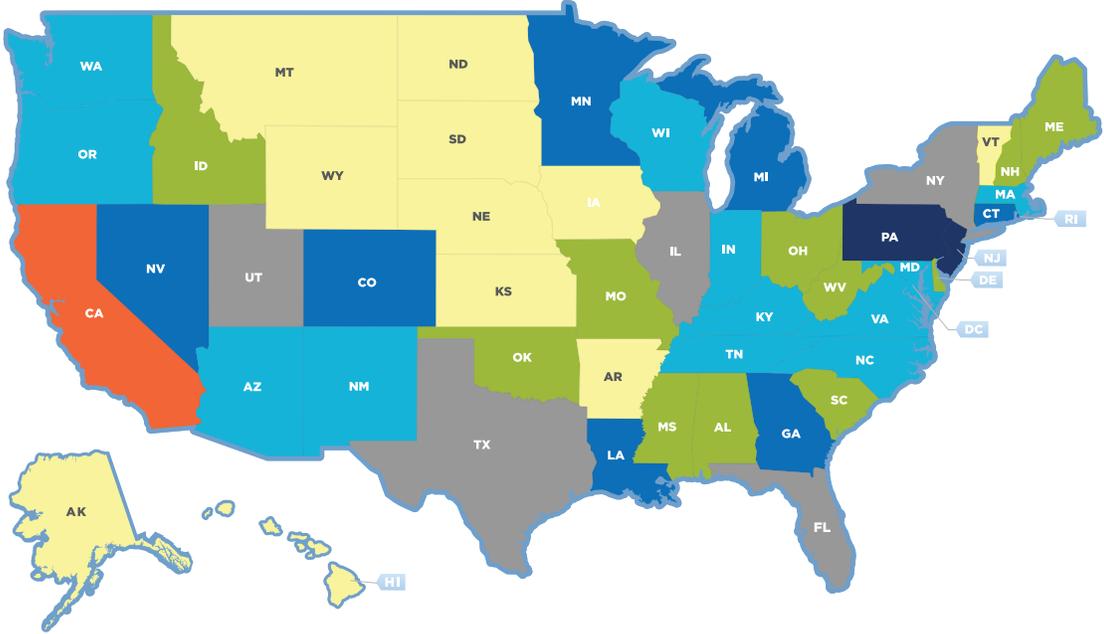
⁵ <https://www.investopedia.com/terms/c/corporatebond.asp>

2017 Impact by Theme

- Affordable Health/Rehab Care (3.2%)
- Affordable Housing (41.8%)
- Arts & Culture (0.0%)
- Disaster Recovery (0.4%)
- Education/Childcare (2.3%)
- Enterprise Development/Jobs (1.7%)
- Environmental Sustainability (3.9%)
- Gender Lens (1.4%)
- Government Supported Communities (0.8%)
- Healthy Communities (2.0%)
- Human Empowerment (4.5%)
- Minority Neighborhoods (19.6%)
- Neighborhood Revitalization (1.8%)
- Rural Community Development (2.8%)
- Seniors/Disabled (13.2%)
- Sustainable Agriculture (0.0%)
- Transit-Oriented Development (0.6%)



2017 Impact by Geography



- Invested < \$1MM
- Invested \$1MM - \$5MM
- Invested \$5MM - \$10MM
- Invested \$10MM - \$25MM
- Invested \$25MM - \$50MM
- Invested \$50MM - \$100MM
- Invested > \$100MM

Dollars invested in each state for 2017 only. Approximately 12 percent of CCM's investments in 2017 benefited multiple states. This is not represented on the map.



Impact Stories

The real heart of the story is the qualitative research and detailed explanations of what our investments are financing and their multiple positive-based outcomes. The “impact stories” below highlight some of the investments we made in 2017.

Apple, Inc.

About: Apple Inc. (Apple), incorporated on January 3, 1977, designs, manufactures, and markets mobile communication, media devices, personal computers, and portable digital music players. Apple sells a range of related software, services, accessories, networking solutions, and third-party digital content and applications across the Americas, Europe, Greater China, Japan, and rest of Asia Pacific. The company's products and services include iPhone, iPad, Mac, iPod, Apple Watch, Apple TV, a portfolio of consumer and professional software applications, iPhone OS (iOS), OS X and watchOS operating systems, iCloud, Apple Pay, and a range of accessory, service, and support offerings.⁶

Impact: Investment proceeds will finance projects across Apple's business divisions and operations focused on environmental sustainability such as energy and water efficiency including renewable energy, green buildings, and a closed-loop supply chain using environmentally friendly materials in Apple products. Apple's Environment, Policy, and Social Initiatives (EPSI) Team will assess and determine project eligibility and recommend an allocation of proceeds to eligible projects. Apple expects to spend most green investment proceeds within two years of the date of issuance and commits to publishing annual updates of the proceeds and impact of the projects that have received allocations. As one of its environmental priorities, Apple has identified renewable energy use as a key strategy to reduce its climate change impacts. The company has committed to powering all its facilities fully with renewable energy. In 2016, 96 percent of the electricity used at Apple's global facilities came from renewable energy, reducing the corporation's carbon emissions by nearly 585,000 metric tons. Apple's new corporate campus, Apple Park, located in Cupertino, California, is already fully powered by renewable energy and is on track to be the largest LEED Platinum-certified building in North America.



BENNY MARTY / SHUTTERSTOCK.COM

Impact Themes:



ENVIRONMENTAL SUSTAINABILITY

⁶<https://www.reuters.com/finance/stocks/company-profile/AAPL.O>

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Bon Secours Hollins Terrace

About: The Sisters of Bon Secours were founded in 1824 to respond to the needs of those who were sick and dying in Paris by providing healthcare to them in their homes. Through their care, they believed that they were bringing God's healing, compassion, and liberation to those in need by helping to alleviate their suffering and bringing a message of hope and assurance that there is a God who loves them.

The first three Sisters of Bon Secours arrived in Baltimore, Maryland, in 1881, and established their first hospital in 1919. By 1980, the Sisters had established or assumed responsibility for several Catholic hospitals, long-term care facilities, and other healthcare services. The Sisters formed Bon Secours Health System in 1983 to provide skilled, unified management and professional resources for all their healthcare operations while preserving their Catholic tradition of providing quality care to all, especially to those who are poor, sick, and dying.



Bon Secours Baltimore Health System offers several rent-subsidized independent living options for seniors and people with disabilities. There are six properties in West Baltimore with over 500 apartment units. Each property is designed for people who want to enjoy a lifestyle filled with recreational, educational, and social activities. One of their community housing properties is Bon Secours Hollins Terrace, an affordable independent living facility for seniors (62 and over) and people living with disabilities (55 and over) in Baltimore, Maryland.

Impact: Bon Secours Hollins Terrace consists of 84 units in a three-story building, all of which receive Section 8 assistance. The property is in a low-income, majority-minority, and high-poverty census tract. 71 percent of the population residing in this census tract are minority households and 34 percent of the population lives below the poverty line. The property is designed for residents who can live independently but desire the security and conveniences of community living. Residents have access to community and activity rooms, on-site laundry facilities, resident gardens, and resident services including trips and social activities.

Impact Themes:



**AFFORDABLE
HOUSING**



**AFFORDABLE HEALTH/
REHAB CARE**



**MINORITY
NEIGHBORHOODS**



**SENIORS/
DISABLED**

The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes.

Atlanta Development Authority Homeless Opportunity

About: On July 18, 2017, the Atlanta City Council unanimously approved an ordinance to address homelessness over the next three years. Invest Atlanta, the city's economic development authority, issued a \$26 million investment offering in an effort to make homelessness "rare, brief, and non-recurring." This legislation culminates four years of work by the United Way of Greater Atlanta, Partners for Home, and the City of Atlanta.

Impact: Proceeds will be targeted to homeless families and youth, chronically homeless individuals, and families at risk of homelessness. The project will include the acquisition and construction or rehabilitation of one to two homeless emergency shelters providing 250 beds; the acquisition and construction or rehabilitation costs of over 500 permanent supportive housing units; the acquisition of four accessible vans; and allocations for initial administrative, operating, and social services costs.

The Regional Commission on Homelessness at the United Way has offered a philanthropic match to the bonds of up to \$25 million. The Homeless Commission will collect contributions and pledges from businesses and other philanthropic institutions to fulfill this commitment. Approximately \$18.5 million has been pledged as of September 2017.

The \$50 million public-private partnership is expected to leverage an additional \$66 million in public resources for a total investment of \$115.6 million. Over the next three years, the investment plans to:

- Place 500 chronically homeless individuals in permanent supportive housing;
- Secure housing for 300 homeless families who will be rapidly rehoused in permanent units;
- Prevent 100 families from entering homelessness;
- Create 264 new emergency shelter beds; and
- Create 254 new housing interventions for homeless youth.



Impact Themes:



**AFFORDABLE
HOUSING**



**HUMAN
EMPOWERMENT**



**NEIGHBORHOOD
REVITALIZATION**

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Impact Investing Trends



IMPACT INVESTING TRENDS

The impact investing sector continued to grow in 2017 with \$114 billion worth of impact investing assets under management, according to a survey of 209 organizations by the Global Impact Investing Network (GIIN).⁷ Affordable housing programs were the most popular, followed by energy projects and microfinance. This does not surprise us given the many products available that seek to improve affordable housing outcomes and the environment. Our team at CCM noted several trends throughout the year and deemed these to be the most popular:

Gender Lens Investing: In its simplest form, gender lens investing is the practice of investing for financial return while also considering the benefits to women. While gender lens investing is becoming increasingly popular among investors, many still think it is limited to avoiding exposure to companies with poor gender diversity records or seeking companies in which women are represented at the executive and board levels. While all of this is important, CCM's gender lens approach invests more from a proactive standpoint whereby investments positively benefit women through empowerment programs for girls and by providing capital to low- and moderate-income women in the U.S.

In 2017, our Fall newsletter focused on gender lens and included a Q&A with Jackie VanderBrug, Managing Director and Investment Strategist at U.S. Trust. When asked what opportunities exist to invest in gender equality and how her firm evaluates them from a financial and impact perspective, she mentioned that the landscape of gender lens investment opportunities continues to expand in number, diversity of approach, and structure. Three approaches (or lenses) dominate: capital to women entrepreneurs and fund managers, equality in the workplace and value chain, and products and services. The full Q&A is available on our website. This year, we added another positive gender lens component to our fixed income impact investing strategy through our customized mortgage pools that provide capital exclusively to low- and moderate-income female borrowers. The \$3.5 million

pool included 26 loans to low- and moderate-income women borrowers from 22 states with the average loan size at \$131,000. The average borrower income was less than \$44,000 and 17 of the borrowers were first-time homebuyers. This was a sector that was previously omitted from having a gender "lens," but now can be included. To date, CCM has invested over \$50 million in investments with gender lens as an impact theme. We continuously look for new ways to integrate gender lens investing in our strategy and product offerings. We see continued growth and momentum for gender lens investing into 2018 and beyond.

Sustainable Development Goals: There was a lot of discussion and heightened interest in 2017 by institutional investors looking to align their investments with the Sustainable Development Goals (SDGs), a collection of 17 global goals adopted by the United Nations in late 2015. The broad goals are interrelated, covering a range of social and economic development issues, though each has its own targets to achieve by 2030. Objectives include targeting poverty, hunger, health, education, climate change, gender equality, water sanitation, energy, environment, and social justice.⁸ Many of our impact themes at CCM align with the SDG themes. The pie chart and table on the next page depict the mapping of CCM's impact themes with those of the SDGs. While we can't directly map to every SDG given our impact investing focus, we continuously look for ways to align our clients' impact goals for meaningful and lasting change.

⁷ https://thegiin.org/assets/GIIN_AnnualImpactInvestorSurvey_2017_Web_Final.pdf

⁸ <https://sustainabledevelopment.un.org/content/documents/4538pressowg13.pdf>



United Nation's Sustainable Development Goals	CCM's Impact Theme
Goal 1: No Poverty	<ul style="list-style-type: none"> • Affordable Housing • Disaster Recovery • Human Empowerment • Affordable Health/Rehab Care
Goal 3: Good Health and Well Being	<ul style="list-style-type: none"> • Healthy Communities • Education/Childcare
Goal 4: Quality Education	<ul style="list-style-type: none"> • Gender Lens
Goal 5: Gender Equality	<ul style="list-style-type: none"> • Gender Lens
Goal 6: Clean Water and Sanitation	<ul style="list-style-type: none"> • Environmental Sustainability
Goal 7: Affordable and Clean Energy	<ul style="list-style-type: none"> • Environmental Sustainability
Goal 8: Decent Work and Economic Growth	<ul style="list-style-type: none"> • Enterprise Development/Jobs
Goal 9: Industry, Innovation, and Infrastructure	<ul style="list-style-type: none"> • Transit-Oriented Development • Neighborhood Revitalization
Goal 11: Sustainable Cities and Communities	<ul style="list-style-type: none"> • Transit-Oriented Development
Goal 13: Climate Action	<ul style="list-style-type: none"> • Environmental Sustainability

Faith-Based Investing: Aligning faith and finance was a popular topic in 2017. In May, Merrill Lynch hosted a two-day meeting, the Faith Consistent Investing Forum, to bring together “practitioners” in the field – members of faith-based organizations charged with implementing an investment portfolio that reflects an organization’s faith or values – as well as financial professionals who wanted to learn more about the growing socially responsible investing sector. In October, more than 40 Catholic institutions announced the largest ever faith-based divestment from fossil fuels, on the anniversary of the death of St. Francis of Assisi. And in December, JLens Investor Network hosted its first impact investing summit for Jewish communal leadership. The rise of religious ETFs and other niche faith-based investment strategies was in the news along with Pope Francis’ ongoing praise of impact investments that respond to social and/or environmental challenges.

We’ve seen an increase in faith-based investors looking to deploy capital for social good. This includes active investment in companies advocating for climate change, divestment from fossil fuels, and investment in bonds where investors can see tangible positive-based outcomes and community impact. We anticipate this trend continuing into the new year.

Disaster Recovery: The 2017 Atlantic hurricane season was one of the most destructive seasons in recent history. From Harvey’s historic flooding of southeastern Texas to the Irma-battered Florida Keys and Maria’s widespread devastation in Puerto Rico, the fallout from a series of major hurricanes was dramatic and will be felt for years.⁹ Meanwhile, 2017 was unprecedented for California in terms of structures lost and the overall severity of the wildfires, where five of the 20 most destructive fires in recorded history ravaged the state.¹⁰

While altruistic efforts and aid are critical for all disasters, they typically take place immediately following the destruction, but most recovery efforts can take years, if not decades, to complete.

Investing can offer a perfect complement to charitable giving in the aftermath of disasters.

As one of our 17 impact themes, disaster recovery supports various community development activities in federally-designated disaster areas and disaster-prone areas to enable the recovery, prevention, or continuation of daily life associated with natural or human-induced disasters. Leveraging the capital markets to help disaster recovery efforts can be a great way to help make a positive long-term impact. To date, we have invested approximately \$160 million in investments with disaster recovery as an impact theme.

Fossil Fuel Free: Divestment is the opposite of an investment – it means getting rid of stocks, bonds, or investment funds that are unethical or morally ambiguous. The global movement for fossil fuel divestment is asking institutions to move their money out of oil, coal, and gas companies for both moral and financial reasons.¹¹ Global commitments to divest have already reached 813 institutions representing well over \$5.5 trillion USD in assets under management.¹²

Many initially think of equities and fossil fuel stocks with divestment, but it is important for investors to look across all their investments to see what types of holdings may be linked to fossil fuel programs or projects. Our fixed income impact investing strategy is fossil fuel free. We only invest in corporate debt where we can measure, monitor, and track the positive-based sustainable outcomes and where the issuer has clear intended use of proceeds benefiting the environment. This is a small percentage of the strategy. Our portfolios primarily invest in agency mortgage-backed securities, taxable municipals, and asset-backed securities – all of which support environmental and social initiatives in the United States. We believe that a focus on re-investment and support for local communities is an important part of the growing movement for fossil fuel free investments. We only see this movement continuing to grow as more and more investors look to divest/invest.

⁹ <https://www.accuweather.com/en/weather-news/why-the-2017-atlantic-hurricane-season-ranks-among-the-top-7-most-intense-ever-recorded/70003277>

¹⁰ <https://www.reuters.com/article/us-usa-wildfires/thousands-flee-as-wildfire-beast-grows-to-californias-third-largest-idUSKBN1EA097>

¹¹ <https://www.theguardian.com/environment/2015/jun/23/a-beginners-guide-to-fossil-fuel-divestment>

¹² <https://gofossilfree.org/divestment/commitments/>

A conceptual image featuring a circle of diverse hands of various skin tones (light, medium, and dark brown) reaching in from the edges of the frame to hold a glowing lightbulb in the center. The lightbulb is a standard incandescent style with a visible filament. The background is a soft, light gray gradient.

Impact Initiatives



We take a leadership role in creating and identifying impact initiatives that we believe will positively impact our clients and their communities. There were many exciting impact initiatives that took place in 2017, with three highlighted below.

1. Three New Impact Themes

At the beginning of each year, our impact committee meets as a group to discuss the addition of any new impact themes. New themes arise from client feedback, internal research, and our ability to track data points. Many new themes were discussed, with three new impact themes added to our roster in 2017:



ARTS & CULTURE

Supporting educational programs, businesses, organizations, and the development of properties involved with visual, performing, design, literary, and other art related-works.

Why it's important: Arts and culture plays a fundamental role in human development, especially for youth living in impoverished communities. Students engaged in arts tend to have higher test scores and lower drop-out rates. Arts as therapy can be a benefit to all people, including youth hospital patients and those with disabilities, helping in learning to manage behavior, develop social skills, reduce anxiety, and increase self-esteem. In addition to human development and academic benefits, arts and culture can play an important role in strengthening local economies through job creation, revenue growth, and tourism.



MINORITY NEIGHBORHOODS

Supporting communities with a minority population (over 50%) and/or organizations/programs helping to ensure equal access to jobs, economic development, and affordable housing for minorities, thus improving their quality of life.

Why it's important: Low-income working families are often more likely to be headed by a minority parent. Financially supporting communities with a high minority population can help diminish the effects of poverty faced disproportionately by those minorities.



TRANSIT-ORIENTED DEVELOPMENT (TOD)

Integrating transit-oriented infrastructure within a half-mile of a walkable community that typically includes a mixture of housing, office, and retail.

Why it's important: TOD positively enhances mobility, quality of life, and access to capital and often includes sustainable components. It has been shown to boost transit ridership, spur economic development, limit urban sprawl, encourage healthy living, and minimize the impacts of traffic congestion.

2. On-Site Visits

In 2017, we continued our initiative to share the stories of our investments by conducting on-site visits. This is always a very rewarding and positive experience as we get to see first-hand the properties or small businesses that our clients' investments are financing and how they are helping to create positive impact. Many of our visits include meeting residents and on-site supportive staff, as well as getting a tour of the neighborhood and its amenities. We have highlighted below three on-site visits that took place in 2017. One additional on-site visit is included in our section on CCM's 2017 Impact Awards.

ROSEDALE APARTMENTS Charlotte, North Carolina

In August, Jessica Botelho, CCM's director of CRA & impact research, visited Rosedale Apartments, a Low-Income Housing Tax Credit Property in Charlotte, North Carolina. The apartments were constructed in two phases with a total of 106 one-, two-, and three-bedroom energy-efficient units with private patios and balconies. Residents have access to community amenities including a new outdoor workout park, newly renovated playground, and clubhouse. The property also features a community center where regularly scheduled resident activities and programs are held. An on-site resident services coordinator arranges community programs and activities based on specific resident requests and needs. Regularly scheduled credit workshops are held to help residents advance financially towards homeownership. The property offers no penalty to break a lease when a resident is ready to purchase a home.

Phase two of the project was completed in partnership with Hope Haven Inc., a substance-abuse rehabilitation center located adjacent to the property. Rosedale gives priority to Hope Haven clients that have completed its program, giving those that have graduated increased stability. Hope Haven's campus consists of 11.6 acres, which includes 206 housing units, a chapel, commercial greenhouse,



an on-site commercial laundry, and community rooms. Hope Haven's innovative model of residential services allows for outreach to an increased number of homeless and at-risk individuals and families and has grown to an average of more than 300 adults per year.

Impact Themes:



**AFFORDABLE
HOUSING**



**EDUCATION/
CHILDCARE**



**HUMAN
EMPOWERMENT**



**MINORITY
NEIGHBORHOODS**



**NEIGHBORHOOD
REVITALIZATION**

The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes.

MANHATTAN PLAZA New York, New York

In June, Jamie Horwitz, CCM's chief marketing officer, and David Sand, CCM's chief impact strategist, visited Manhattan Plaza, an affordable rental property in New York City with over 1,600 units, 90 percent of which receive Section 8 assistance. Manhattan Plaza, located two blocks west of New York City's theater district on West 43rd Street, was completed in 1977 and has been dubbed "Broadway's Bedroom" as a large portion of the building's units are occupied by performing artists.

Property amenities include a playground (sponsored by former football player Tiki Barber), tennis courts, and a health club with an enclosed swimming pool. On site is The Rodney Kirk Center, a social services program with a special focus on providing support for older residents to help maintain their independence and maximize their quality of life. Services include workshops and seminars, wellness activities, health screenings, and advocacy for community services and benefits such as Medicaid and food stamps. The apartment's development was conceived as part of an effort to revitalize the rapidly declining neighborhood. Since opening in 1977, it has become the anchor of a community that has been transformed into a thriving neighborhood of shops, restaurants, theaters, and new housing.



Impact Themes:



**AFFORDABLE
HOUSING**



**HUMAN
EMPOWERMENT**



**NEIGHBORHOOD
REVITALIZATION**



**SENIORS/
DISABLED**

The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes.

THE PEARL Miami, Florida

In December, Maria Leon, client services associate, visited the Pearl Apartments, a Low-Income Housing Tax Credit Property for seniors and the disabled in a high minority (96%) and high poverty (46%) census tract in Miami-Dade County, Florida. In connection with the Low-Income Housing Tax Credit allocation, the Borrower executed an Extended Low-Income Use Agreement requiring that 100 percent of the residential units in the property be reserved for persons or households whose incomes are 60 percent or less of the area median for an additional 35 years beyond the initial 15-year compliance period, for a total of 50 years. Further, 10 percent of the units are restricted to residents with incomes at or below 28 percent of the area income. Five units are reserved for residents with special needs.

The following on-site programs are available to residents:

- Literacy training programs held weekly with live tutors;
- A resident assurance check-in program;
- Computer training and internet training classes held weekly with live instruction;
- Health and nutrition classes;
- Resident activities including holiday and special occasion parties, community picnics, and newsletters;
- Financial counseling courses with live instruction held at minimum once per quarter; and
- A resident assistance referral program to provide information about services such as crisis intervention, individual and family needs assessments, problem solving and planning, and appropriate information and referral to community resources and services.



The property was built to the National Association of Home Builder's National Green Building Standard Certification requirements with environmentally sustainable features including: Low-VOC paint, water sense faucets, toilets and shower heads, air conditioning units with a minimum SEER rating of 14, Energy Star qualified appliances, and Energy Star qualified ceiling fans and lighting fixtures.

Impact Themes:



**AFFORDABLE
HOUSING**



**ENVIRONMENTAL
SUSTAINABILITY**



**HUMAN
EMPOWERMENT**



**MINORITY
NEIGHBORHOODS**



**SENIORS/
DISABLED**

The securities identified and described herein are current holdings and for illustrative purposes. Their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes.

3. CCM 2017 Impact Awards

In 2017, CCM launched its first “Impact Awards” competition for the best impact investment story of the year, with the winner receiving a \$10,000 donation. The “Impact Awards” included five impactful investment stories during the year with participants voting for their favorite in November. The contest recognizes fixed income impact investments and their multiple positive environmental and social outcomes. The winner was Barrier Free Living Apartments in the Bronx. James Malone, CCM’s chief financial officer, had the privilege of getting a tour of the property by Paul Feuerstein, president and CEO, of Barrier Free Living.

The other four nominees had equally impactful stories which included a green affordable housing development in Queens that had undergone substantial renovation after Hurricane Sandy, a sustainable urban design development in San Francisco, an affordable housing program for historically underserved communities in Oregon, and a day camp for children with cancer. We are incredibly proud of our pioneering impact research that allows us to identify, record, and track the underlying environmental and social outcomes of every bond in our fixed income portfolios and enables us to share these stories. CCM’s Impact Awards will now be an annual contest to continue supporting the work that we do on behalf of our clients and the many wonderful organizations and properties that our investments help finance.

Winner of CCM’s First Annual Impact Awards 2017 **BARRIER FREE LIVING APARTMENTS Bronx, New York**

Barrier Free Living Apartments was designed and built for 50 families with a disabled head of household who is a victim or survivor of domestic violence and 70 studios primarily for individuals with disabilities who have been victims of intimate partner violence. The agency has an on-site team of social workers, occupational therapists, a nurse practitioner, and childcare specialists that address activities of daily living training, vocational support, assistance with navigating health and social support systems, childcare, community building events, and more. Domestic violence is the number one issue for women with disabilities nationwide and Barrier Free Living is the largest provider in the nation of domestic violence intervention services for people with disabilities.



Impact Themes:



**AFFORDABLE
HOUSING**



**EDUCATION/
CHILDCARE**



**GENDER
LENS**



**HUMAN
EMPOWERMENT**



**NEIGHBORHOOD
REVITALIZATION**



**SENIORS/
DISABLED**

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

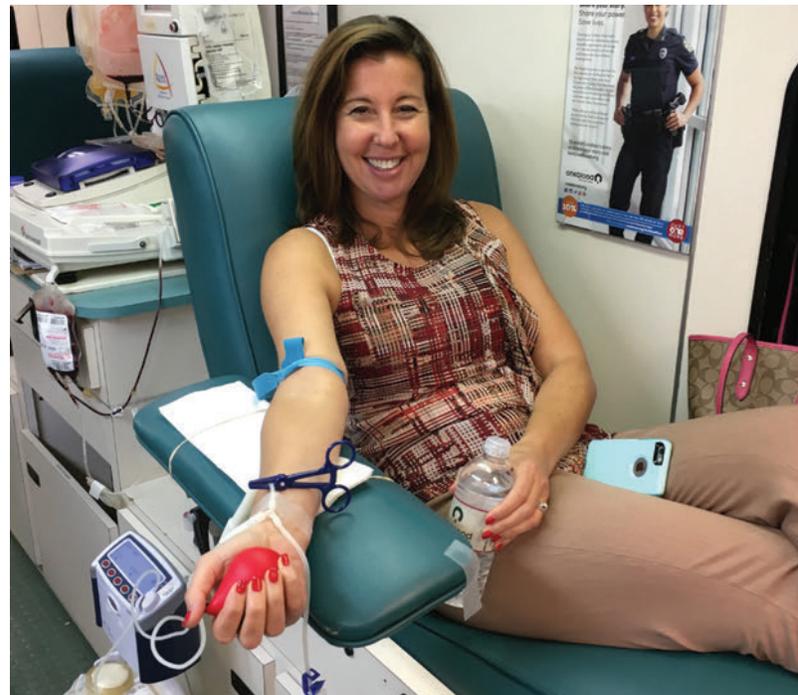
Giving Back



Charitable giving and community service are key attributes of CCM's culture. We believe these efforts strengthen our dedication to positive impact and outcomes. Throughout the year, we share these endeavors on social media. In 2017, we participated in a variety of community service activities including blood drives, reading to low-income children, collecting disaster recovery supplies, granting wish lists for children at a nearby foster facility, and sorting items at a local food shelter. This section is dedicated to spotlighting these acts of services and to stay consistent with our impact themes, we've grouped our initiatives in the same manner.

Disaster Recovery

The most recent hurricane season marked by hurricanes Harvey, Irma, and Maria devastated many U.S. communities in unprecedented ways. Thousands of residents were left without daily essentials such as water, hot food, and electricity. In fact, as we write this, approximately 50 percent of Puerto Rico is still without power. During these moments of disaster recovery relief, the myriad ways the community gives back at all levels is remarkable, ranging from millions of dollars donated by single foundations to small businesses distributing fresh food and water. CCM participated in the recovery by supporting local food and supply collections. The dollar amount CCM donated to our local South Florida victims translated to over 4,000 meals. In 2017, we participated in two blood drives, one of which was hosted after Hurricane Irma because the One Blood organization experienced a blood shortage due to closed days from the hurricane.



Education/Childcare

This past holiday season, we supported the Jewish Adoption and Family Care Options (JAFCO) Children's Ability Center through the fulfillment of wish-lists. JAFCO's mission is to care for abused and neglected children and those with developmental disabilities in the Jewish community and to work in partnership with families and the entire community. JAFCO provides a full continuum of high-quality services including foster care, adoption, family preservation, mentoring, independent living, and developmental disability programs. JAFCO's Children's Village, consisting of an Emergency Shelter and six Group Homes, is one of the most unique and innovative programs in the nation. In December, we visited the Center to drop off wish-list items.

In addition to JAFCO, many of our employees engage in community service outside of work benefiting children. Todd Cohen, CCM's chief executive



officer and chief investment officer, is on the board of the Jason Taylor Foundation, whose mission is to support and create programs that facilitate the personal growth and empowerment of South Florida's children in need by focusing on improved healthcare, education, and quality of life. Allison Glansberg, client services associate, volunteers with the United Way of Broward County's Reading Pal programs; James Malone, chief financial officer, serves on the board of the Sawgrass Adventist School, helping to further their mission of providing quality Christian-based education; Andy Shafter, senior client portfolio manager, volunteers with the Catholic Charities Archdiocese of Boston at their Sunset Point Camp and their Teen Center at St. Peter's and also serves as the President of Hingham Flag Football serving children in grades K-8th; and Cayce Shawn, trader, coaches football for young kids in low- to moderate-income communities. Most of the kids Cayce coaches struggle to afford the costs of registering for a spot on the team, so Cayce helps by gaining sponsors and engaging in fundraising events so that the kids can play the sport they love.



Human Empowerment

We define human empowerment as assisting individuals and families through resources and programs designed to achieve personal goals, greater self-sufficiency, and upward mobility. In 2017, we participated in volunteer shifts for Feeding South Florida, the leading domestic hunger-relief organization in South Florida serving 25 percent of the state's food insecure population. Through direct-service programs and a network of non-profit partner agencies, including soup kitchens, food pantries, homeless shelters, and day cares, Feeding South Florida rescues 44 million pounds of food per year, as well as leading hunger and poverty advocacy efforts and providing innovative programming and education.



Healthy Communities

In April, CCM participated as a team in the Mercedes-Benz Corporate Run Series (charity partner: United Way) in Ft. Lauderdale, Florida. This event was created to promote running and walking to achieve a fit, healthy lifestyle for people from all walks of corporate life. Studies show that workers who exercise have fewer sick days and maintain a higher level of energy during the day, making them more productive in their work. Perhaps no other single event has aroused the health consciousness of South Florida's corporate executives as much as the Mercedes-Benz Corporate Run Series - a healthy employee makes a healthy company!¹³

In November, we held our 2nd annual Movember competition – an event that involves the growing of moustaches – and at CCM, the winner is the one who grows the most creative mustache. All proceeds benefit the Movember Foundation, the only charity tackling men's health on a global scale, year-round addressing some of the biggest health issues faced by men including prostate cancer, testicular cancer, and mental health and suicide prevention. By 2030, their goal is to reduce the number of men dying prematurely by 25 percent.¹⁴

¹³ http://www.mercedesbenzcorporaterun.com/about_the_event.php

¹⁴ <https://us.movember.com/about/foundation>

Communications



Last year was an especially busy year at CCM in the marketing department. We continually look to produce relevant thought leadership, timely press releases, interesting blogs, educational webinars, and creative videos.

Highlights of our Communications Initiatives in 2017

19 blog posts covering a variety of impact investing topics including gender lens investing, the U.N. sustainable development goals, disaster recovery, faith-based investing, and much more

6 press releases including CCM joining the United Nations Principles for Responsible Investment, the addition of a gender lens criterion to our customized mortgage pools, and our new 2-minute video on customizing impact investments in a mutual fund

3 thought leadership reports including our annual impact report, CRA investing survey, and report on affordable housing

2 webinars, one on CCM 's impact investing strategies, and the other on how we earmark CRA investments for banks within our flagship mutual fund

1 video explaining how we customize impact investing portfolios within our flagship mutual fund



In 2017, we created a 2-minute whiteboard animation video to help investors better understand this process and how it takes place in a mutual fund. We encourage you to watch and share the video; it is available on our website at www.ccminvests.com.



We encourage employees to engage and participate in networks and organizations involved in impact investing, the investment industry, and training opportunities.

External Engagements

In 2017, Andy Kaufman, a senior portfolio manager, participated in the Mortgage Bankers Association (MBA) Education Commercial/Multifamily (CMF) Future Leaders Program, an executive leadership development program that delivers a comprehensive curriculum for selected middle- and senior-level managers who have shown leadership interests and high potential. Participants enhance their skills through three hands-on sessions, which take place around the country, geared toward customized assessment of leadership skills and their strategic application; business analysis and problem solving; and experiential learning through collaboration, networking, and peer group interaction, culminating in a group project presentation.

David Sand, chief impact strategist, continued his roles in many industry-leading external positions including:

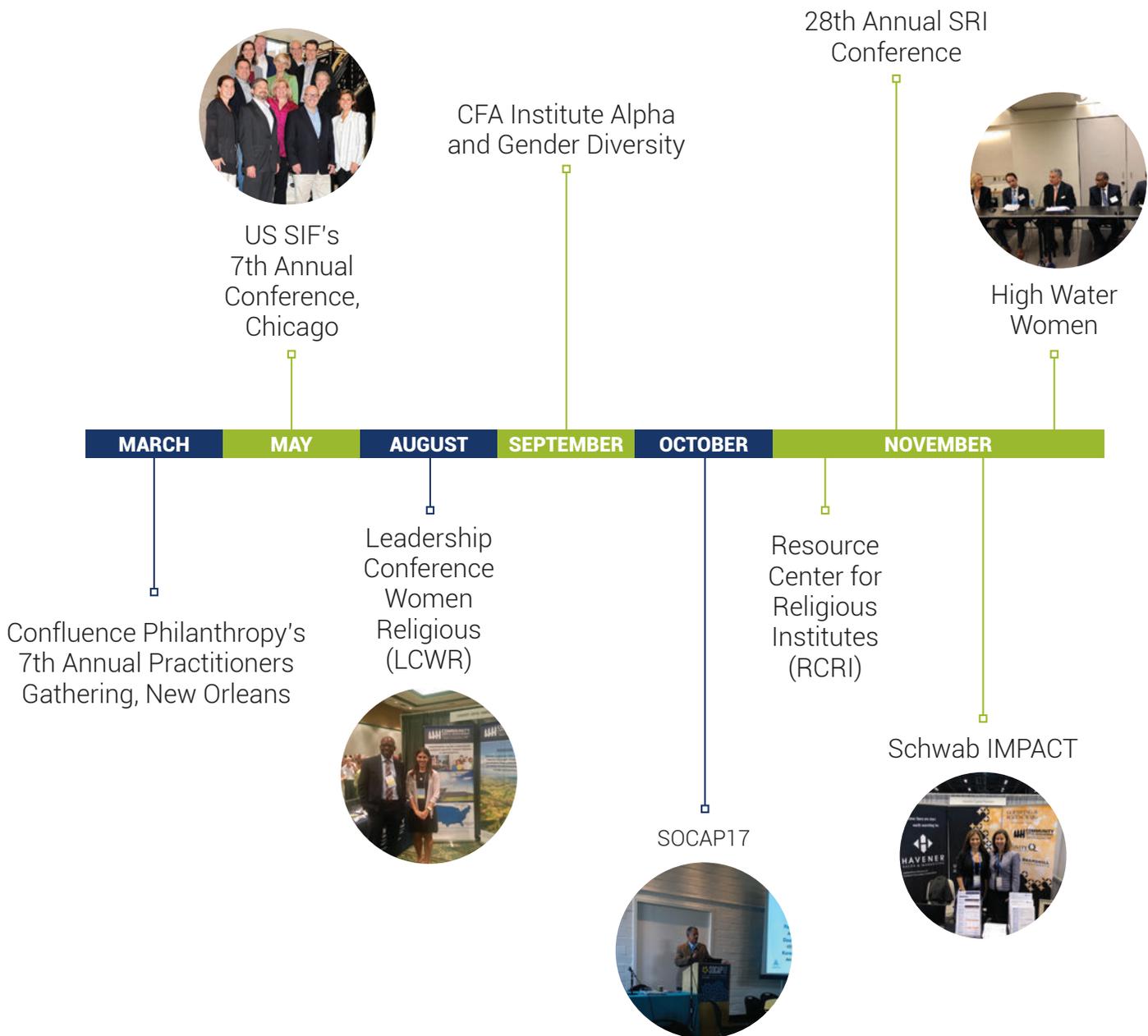
- Serving on the New York Advisory Committee for Enterprise Community Partners, where he has Chaired or Co-Chaired the Loan Committee for many years. In this role, he works closely with lenders, non-profits, and community groups looking to finance and support affordable housing in the New York market.

- Serving on the board of Aeris, a ratings and information service for the community development financial institution (CDFI) industry. He has played a part in the recent efforts to extend the Aeris rating methodology to the broader impact investing field.
- Serving on the Advisory Board for the Croatan Institute, a North Carolina-based research entity that is furthering the national dialogue on investing and impact upon society. Recent work has focused upon climate change and sustainable agriculture.

Alyssa Greenspan, president/COO, served her 4th year as a board member of US SIF, The Forum for Sustainable and Responsible Investment, whose mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts. In late 2017, Alyssa was elected to the Executive Committee and serves as Treasurer for the organization. Alyssa is also involved with Women United of Broward County, an integral part of United Way that advocates for the health, education, and financial stability of every person in our community.

In 2017, CCM team members attended over 30 conferences (highlights below), many of which included speaking engagements by our executive team. We are proud to support these organizations and their ongoing commitment to impact investing.

Conferences



An hourglass is shown with sand flowing from the top bulb to the bottom bulb. The top bulb contains the year '2017' and the bottom bulb contains the year '2018'. The hourglass is centered in the frame against a light blue background.

Looking Forward

Looking ahead to 2018, we are excited about the prospects for the impact investing industry. CCM has a deep reservoir of impact investment experience and client history. As the field continues to grow, we expect to work more closely with clients who are looking to sharpen the focus of their investments. In this regard, we think a concentration on climate change, gender lens, enhanced impact metrics, and geographic impact will continue to be hot topics in 2018.

Our work with clients who have experience in impact investing will continue, but we also look forward to welcoming new entrants into the expanding universe of investors looking to make and measure the impact of their investments. Our goal at CCM is to be a trusted manager for the rookies and the veterans of impact investing alike. Our flagship bond fund can be a great first step for new investors looking to add impact to their portfolios and our ever-growing strategies allow us to partner with clients who are continually looking to broaden and deepen the impact of their portfolios.

The 17 impact themes discussed in this report are a testament to the benefits gained from our commitment to impact investing. By developing and articulating the areas of overlap between client values, quality investments, and reportable impacts, CCM is always working to define and expand the frontiers of our field. We have long believed that impact investing is here to stay. Whether you are a long-time client or are new to impact, we invite you to contact us with your thoughts, ideas, and reactions.



About CCM

CCM is an investment advisor registered with the Securities and Exchange Commission. Headquartered in Fort Lauderdale with satellite offices in Charlotte, Boston, and the greater New York City area, the firm was founded in 1998 and manages approximately \$2.5 billion in assets. Since its inception, CCM has invested more than \$8.3 billion in its flagship fixed income impact investing strategy, available as a separate account or via a mutual fund (CRA Qualified Investment Fund). Other products managed by CCM include a liquid alternative income fund and customized separate account strategies.

For more information, please visit www.ccminvests.com or call 877-272-1977.

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