



2018 IMPACT REPORT

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LETTER FROM THE PRESIDENT

It's hard to believe another year of impact has come and gone. Almost 20 years ago, we launched one mutual fund to capitalize on the belief that portfolios of government-related securities could produce competitive returns while also promoting community development.



In hindsight, we never imagined how far the field would advance and that what we had called “direct impact investing” back in the early 2000s would later be coined by The Rockefeller Foundation in 2007 as “impact investing,” putting a name to investments made with the intention of

generating both financial return and social and/or environmental impact. While the trend might be familiar to those of us in the field, we believe it is still only the beginning and that investors and managers alike have only scratched the surface on how some of the world's biggest problems can be solved through finance.

We are extremely proud of our many contributions to the field, including investing approximately \$9.2 billion since inception in impact/ESG initiatives on behalf of clients into vital economic development initiatives

such as affordable housing, disaster recovery, environmental sustainability, healthy communities, neighborhood revitalization, and transit-oriented development, to name just a few.

Looking back on 2018, there were many noteworthy events that took place at our firm. We added one new impact theme, “economic inclusion,” bringing our total impact themes to 18. Economic inclusion consists of providing economic opportunities to under-served social groups. This theme came about in response to client requests, trends in the impact investing space, and new investments financing loans that are “banking the unbanked.” Within our impact themes, we incorporated Walk and Bike Scores. Leveraging data such as Walk and Bike Scores into our analysis is just one of many ways in which we continue to expand our research methodology for reporting of impact metrics. With these scores, we recognize the positive environmental and social value of communities where access to daily activities can be easily accomplished by walking and/or biking. We continue to enhance and upgrade our technology to provide better impact reporting and improved data on the environmental and social outcomes of our investments.

We are excited to share that in 2018, our CCM Alternative Income Fund celebrated its five-year anniversary. Additionally, we were hired to be the investment advisor to two equity funds in the Quaker Investment Trust. Building on our existing research and impact analysis, we are

now able to offer clients even more investment strategies across asset classes.

In 2018, CCM, a proud partner of the Clean Portfolio Project, was included in the Divest-Invest Clean 15, a fossil-free model portfolio delivering high-impact solutions to climate change. Developed by Croatan Institute and selected by an independent consortium of experts, the portfolio includes 15 investment strategies across five major asset classes, focusing on integrated climate solutions ranging from renewable energy to sustainable infrastructure to regenerative agriculture and resilient community development.

Our second annual impact awards competition, held annually and given to a CCM investee determined by votes we received from all of you, was another success, with Hawthorne Eco Village Apartments in Minneapolis receiving the most votes. Hawthorne Eco Village is a wonderful representation of the many positive impacts our investments support and we are so pleased to be able to donate \$10,000 to Project for Pride in Living, which built and manages the property.

We are proud yet humbled by the attention we received during the year. Our white papers, webinars, and other impact initiatives gathered the notice of both investors and the media. We were pleased to be featured in Barron's, Financial Advisor, Bloomberg, and the Financial Times.

Now in its sixth year of publication, we are thrilled to make our 2018 Annual Impact Report available, demonstrating our commitment to, and the ongoing advancement of, the impact/ESG investing arena.

All the best,

A handwritten signature in dark ink, appearing to read 'Alyssa Greenspan', with a stylized, flowing script.

Alyssa Greenspan, CFA

President and COO



IMPACT / ESG INVESTING



CCM manages over \$2 billion in four mutual funds as well as in separately managed accounts. Our strategies utilize an innovative bottom-up approach to fixed income and equity investing, combining the positive impacts of impact/ESG investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. We provide impact investing solutions coupled with hands-on client service and report to clients quarterly on the positive impact outcomes of their investments.

Investment Strategies

Flagship Core Fixed Income Impact Investing Strategy

Our flagship and fossil fuel free core fixed income strategy was launched in 1999 and looks to provide a high level of current income consistent with the preservation of capital by investing in bonds that support environmental and social initiatives. The strategy is available in a separate account and in a mutual fund (CRA Qualified Investment Fund) and primarily invests in taxable municipals, agency mortgage-backed securities (MBS), agency commercial mortgage-backed securities (CMBS), and asset-backed securities (ABS). The strategy also invests in corporate bonds that have clear intended use of proceeds. This past year, we saw an increase in corporate issuance where we can measure, monitor, and track bond proceeds meeting many of our impact themes. We also saw a substantial increase in deal flow for ABS with a focus on environmental and social outcomes. We anticipate seeing even more activity in impact-oriented structured finance in the coming years.

STRATEGY OVERVIEW

INCOME

Seeks a high level of current income consistent with the preservation of capital

CREDIT QUALITY

Invests in high credit quality securities

CORRELATION

Pursues low correlation to the broad equity markets (as measured by the S&P 500)

TOTAL RETURN

Looks to deliver superior risk-adjusted returns while incorporating the environmental and social aspects of ESG investing and is fossil fuel free

IMPACT TARGETING

Enables investors to direct investment dollars to target specific geographies or impact themes

IMPACT REPORTING

Customized impact reporting tracks the positive outcomes of the portfolio using quantitative metrics and qualitative monitoring



Liquid Alternative Strategy

Our liquid alternative strategy was launched in 2013 and looks to provide a high level of current income consistent with the preservation of capital and reduced correlation to conventional stock and bond markets while considering environmental, social and governance (ESG) factors. The strategy is available in a separate account and in a mutual fund (CCM Alternative Income Fund).

The strategy was launched to fill a market need for investors seeking:

- Absolute return generated primarily from income followed by price change
- Low volatility
- Low correlation to stocks and bonds

The investment grade (or core) segment invests in the same types of securities found in our flagship core fixed income impact investing strategy, with all investments going through our extensive research and ongoing monitoring process from a financial and impact/ESG perspective. From an impact/ESG standpoint for high yield and equities, we review every proxy associated with stock holdings and vote to express our satisfaction or dissatisfaction with an individual company's practices. Impact/ESG factors are incorporated into the decision-making process all along the way.

Equity Strategies

In 2018, we were appointed as the investment advisor to the Quaker Investment Trust and now manage two equity funds – the Quaker Impact Growth Fund and the Quaker Small/Mid-Cap Impact Value Fund. We look forward to sharing more details on these new funds in 2019.

Our Opportunity Set and Impact Themes

		Agency CMBS	Agency MBS	Taxable Municipals	ABS	Corporate Bonds	Equities
Affordable Health/Rehab Care		●		●	●	●	●
Affordable Housing		●	●	●	●	●	●
Arts & Culture		●		●			●
Disaster Recovery		●	●	●		●	●
Economic Inclusion					●		●
Education/Childcare		●		●	●	●	●
Enterprise Development/Jobs		●		●	●	●	●
Environmental Sustainability		●	●	●	●	●	●
Gender Lens		●	●	●	●	●	●
Government Supported Communities		●		●	●		
Healthy Communities		●	●	●	●	●	●
Human Empowerment		●		●			●
Minority Advancement		●	●	●	●	●	●
Neighborhood Revitalization		●		●	●	●	●
Rural Community Development		●	●	●	●		
Seniors/Disabled		●		●	●	●	●
Sustainable Agriculture		●		●	●	●	●
Transit-Oriented Development (TOD)		●		●		●	●

Fixed Income Customization

CCM offers bespoke fixed income impact/ESG portfolios within separate accounts and via our flagship mutual fund (CRA Qualified Investment Fund) where investors can choose to target specific geographies or one or more of our 18 impact themes. Many of our assets come from investors looking for their fixed income dollars to have a positive impact who do not have a preference as to a geography or impact theme. Customization is an option and a value add for investors; it's not required.

Clients that choose to target receive customized quarterly impact reports for every investment purchased or earmarked on their behalf. We identify, record, and track the underlying environmental and social outcomes of every bond in our portfolio and show the impact themes each investment helps support.

IMPACT THEMES

OR



Q&A WITH ALYSSA GREENSPAN, CFA PRESIDENT/COO ON CCM'S TARGETING PROCESS

What is targeting/earmarking?

The earmarking process, which might sound complicated, is actually fairly simple for investors. The first part of the earmarking process is the ability for investors to customize their investment. But what does that mean? It means that investors can have their investments benefitting specific geographies within the United States or specific impact themes. Many investors ask us, *"How narrow can you customize a particular geography?"* The answer is that we can narrow down to the county level. Another common question is, *"Can I choose multiple counties, regions, or states?"* The answer is yes, we can absolutely target multiple regions. In fact, we do this for a large percent of our clients. Finally, it's important to keep in mind that investors can choose to target by geography or by impact themes, but not both. In the case of investors opting to customize by impact themes, we've expanded this over time and currently offer 18 impact themes. Many of them resonate with investors – for example, affordable housing, environmental sustainability, gender lens, and neighborhood revitalization.

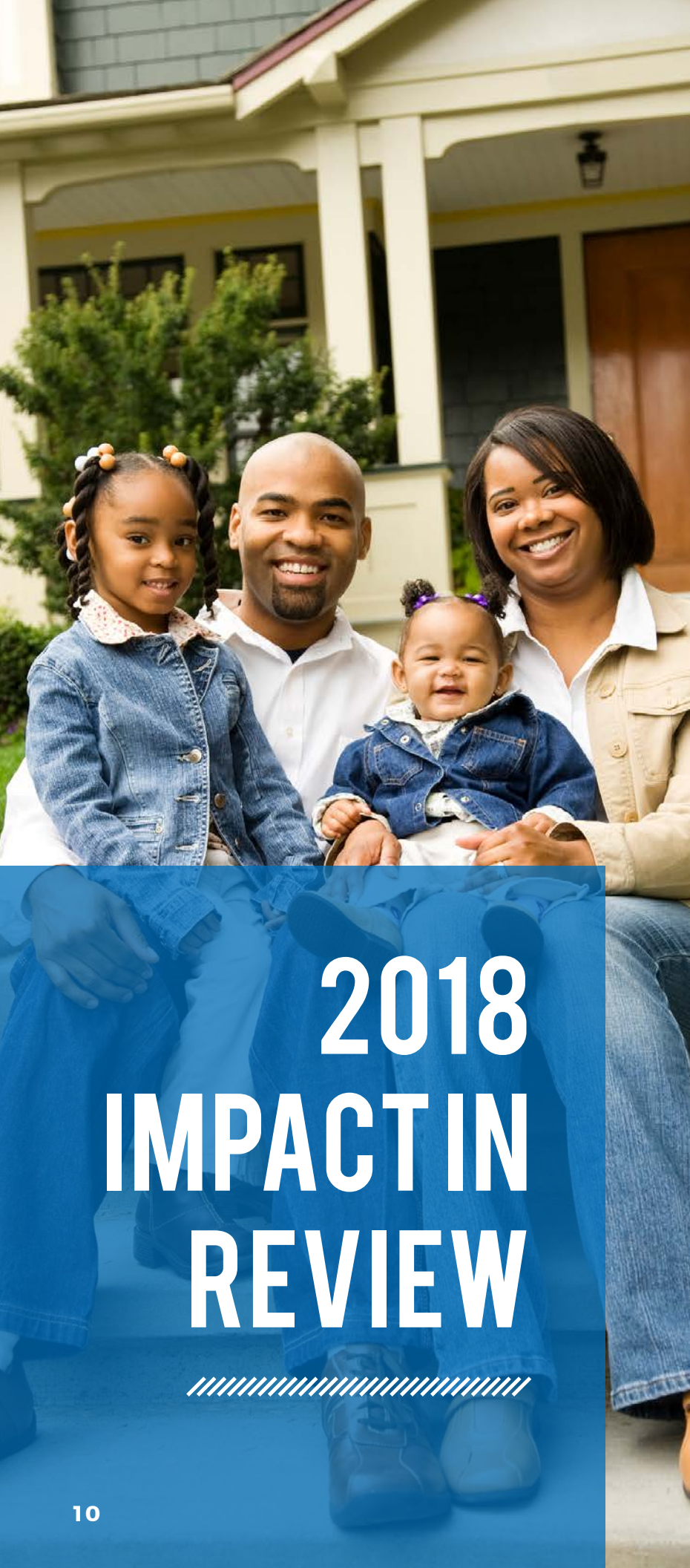
How do you target investments within a mutual fund to specific geographies or impact themes?

Each client is provided a targeting form which is used to memorialize the targeting choices of our clients. After we receive the targeting form, we track and manage the implementation process using our proprietary earmarking technology. The investment team then uses this system to find bonds that meet our clients' customized options.

It's key to point out here that financial performance is of equal importance in our management and oversight. As a fiduciary, our primary objective is to choose and manage investments prudently. If we see an investment that has an amazing story from an impact perspective, but the financial aspects do not meet our standards, we will not purchase the bond. It is also important to note that shareholders own a pro-rata share of the mutual fund. The customized or earmarked securities are done behind the scenes in our system – we are basically creating customized mini-portfolios within the larger mutual fund on their behalf. From an impact perspective, each client has a customized portfolio of the earmarked securities. From a financial perspective, the client owns a core bond portfolio.

What type of reporting do investors receive?

Investors receive two different types of reports. First, impact reports detailing the positive impact of the investor's dollars, which includes a mix of quantitative metrics and qualitative details, or stories, to understand what each bond is financing and its positive outcomes. Second, financial reports which include quarterly performance updates and commentaries. We believe our detailed impact and financial reporting is a primary component and benefit of our process with the goal to be as transparent as possible and illustrate how investors' investment dollars are having a positive environmental and/or social impact within communities and on a broader scale.



2018 IMPACT IN REVIEW



CCM launched many exciting initiatives in 2018, including expanding our impact tracking metrics, growing our total number of impact themes to 18, increasing awareness of impact/ESG investing through social media and blogs, and finding new ways to gain portfolio exposure to our impact themes, particularly gender lens. We have included below highlights on many of these initiatives and look forward to advancing and expanding upon these ideas in 2019.

Impact Metrics, Outcomes, and Stories

We have multiple impact metrics and outcomes that we gauge and track for our investments and are constantly looking at ways to improve and capture even greater amounts of impact measurement. In our fixed income strategy, we look at numerous metrics. For example, we start with an “impact overview” that includes specific quantitative data points such as the number of affordable mortgages among others noted to the right. This data can be adjusted based on time frames.

2018 IMPACT: \$850 MILLION

Since inception, CCM has invested approximately **\$9.2 billion** in impact/ESG initiatives nationwide that includes over **\$850 million in 2018** with the following impact:



Affordable Rental Housing Units

\$216M

Financing over 24,000 affordable rental housing units



Affordable Mortgages

\$457M

Financing over 2,900 affordable mortgages



Enterprise Development/ Job Creation

\$1.2M

In job creation opportunities, access to capital, and small business development



Economic Development

\$154M

In environmental sustainability, neighborhood revitalization, healthy communities, and general community development



Statewide Homeownership and Down Payment Assistance

\$23M

In financing for affordable homeownership, assistance with down payments, and first-time homebuyer programs



Affordable Healthcare and Rehabilitation Facilities

\$2.3M

In affordable healthcare, rehabilitation care, and opportunities that promote wellness

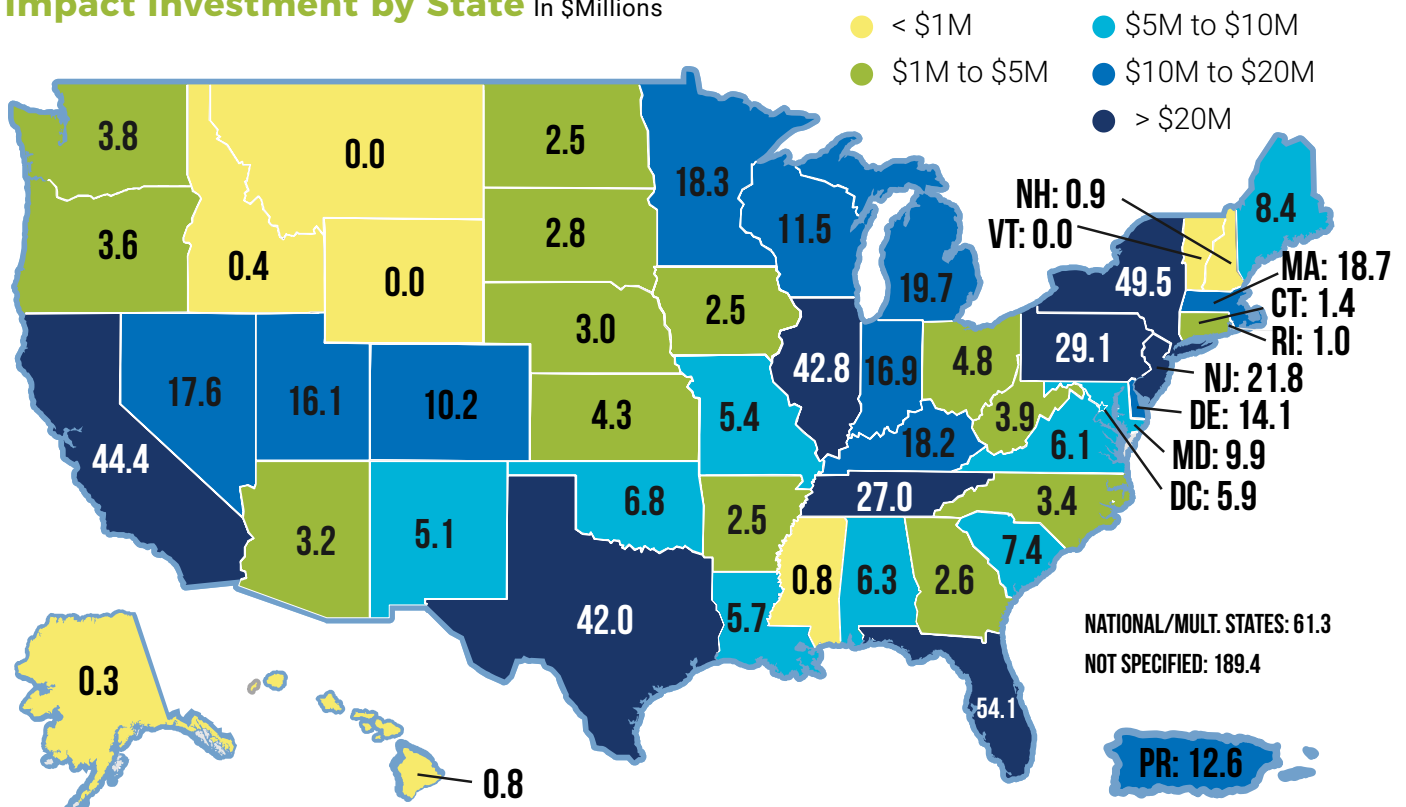
2018 IMPACT IN REVIEW

We then narrow down this data based on our targeting options which include geographies and impact themes. These can also be adjusted by time frames. For purposes of this report, we have included impact metrics below by geography and by themes for the 2018 calendar year. Please feel free to contact us for data on other time frames.

Impact by Geography

In 2018, on behalf of clients, CCM invested in 47 states, the District of Columbia, and Puerto Rico as shown below (not included is an additional \$189 million invested with no specific geographic assignment). A significant percentage of clients target by geography and we saw the largest increase in investments from 2017 to 2018 in Tennessee, Puerto Rico, and Michigan.

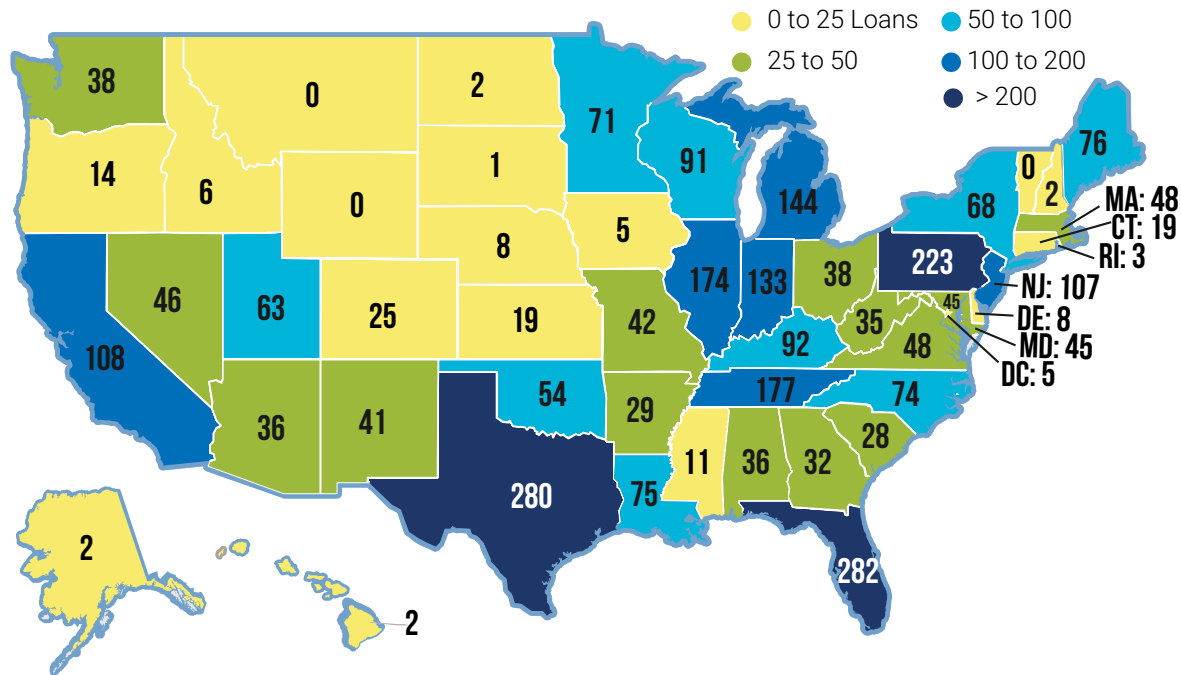
Impact Investment by State In \$Millions



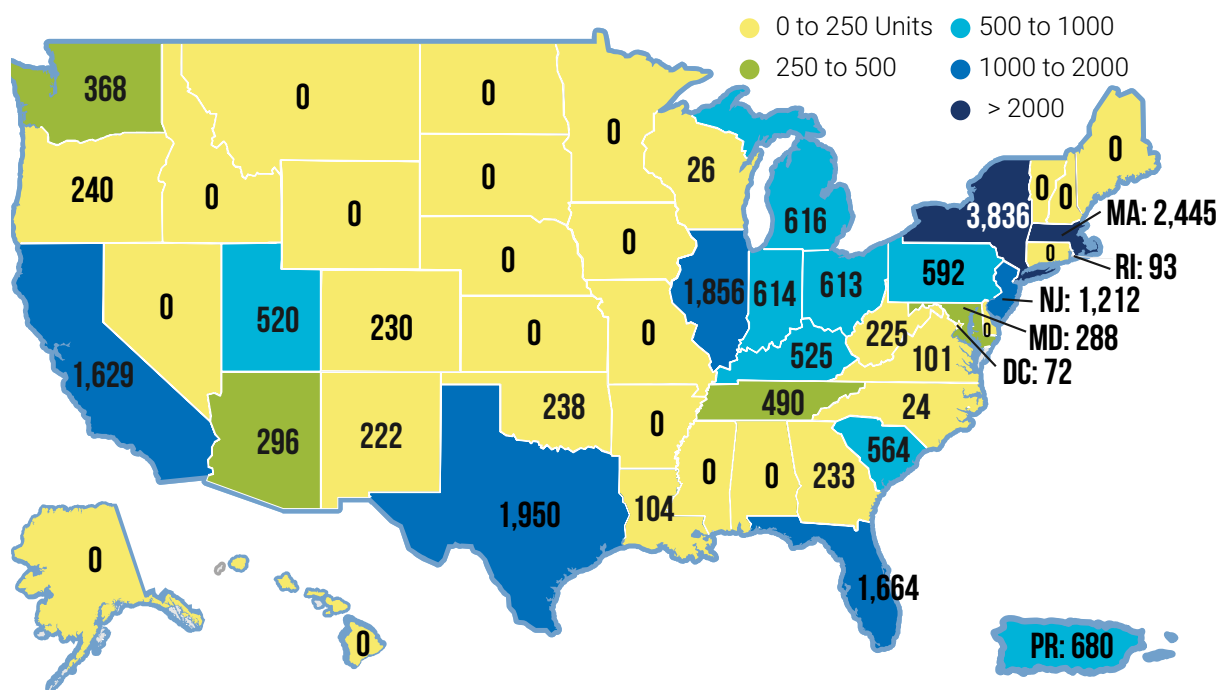
IMPACT METRICS, OUTCOMES, AND STORIES

In 2018, we worked with our development team to dive further into the details of the number of affordable mortgages and affordable rental housing units by state for the year. The outcomes are below.

Affordable Mortgages by State

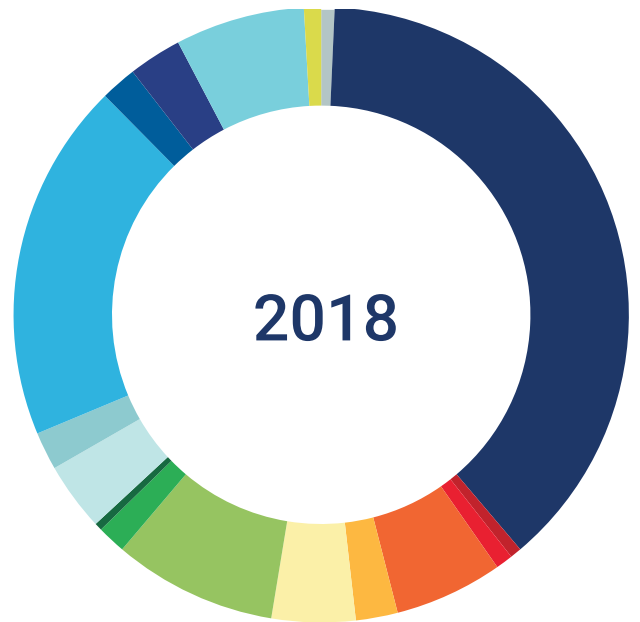


Affordable Rental Housing Units by State



Impact by Themes

Looking at our 2018 impact themes, the largest percentage increase from 2017 was in environmental sustainability. Other impact themes where we saw notable increases were in enterprise development/jobs and arts & culture. We had several investments in 2018 that incorporated artist loft space or gave rental preference to artists as well as many that incorporated job creation opportunities. As mentioned earlier, we added economic inclusion as one of CCM's impact themes as a way for our clients to address income inequality through their investments. We hope that gathering investor commitments for this theme will give us more leverage in our dialogues with issuers and underwriters. We are excited by the interest in economic inclusion and anticipate additional growth in 2019.



Affordable Health/Rehab Care	0.7%
Affordable Housing	38.1%
Arts & Culture	0.6%
Disaster Recovery	0.9%
Economic Inclusion	5.7%
Education/Childcare	2.2%
Enterprise Development/Jobs	4.4%
Environmental Sustainability	8.6%
Gender Lens	1.5%
Government Supported Communities	0.4%
Healthy Communities	3.6%
Human Empowerment	2.0%
Minority Advancement	18.9%
Neighborhood Revitalization	1.9%
Rural Community Development	2.8%
Seniors/Disabled	6.8%
Sustainable Agriculture	0.0%
Transit-Oriented Development	0.9%

Impact Stories

In 2018, we purchased over 250 securities. Every investment has a corresponding impact story. It's always difficult to narrow down which investments to spotlight since each has a wonderful and impactful story. We selected the following four investments to share as examples in our 2018 Annual Impact Report for their multiple community benefits, innovativeness, ability to help solve and/or address a chronic issue or crisis, and geographic diversity.

City and County of San Francisco¹

San Francisco, CA

Sector: Fixed Income/Taxable Municipal

Homeownership opportunities are out of reach for the vast majority of San Francisco households, including low-, moderate-, and middle-income residents. Only households earning well above 175% of area median income (AMI) can afford the average purchase price of a home in San Francisco. These high regional housing costs force individuals and families to

leave the city and take on longer employment commutes. The housing affordability gap throughout the city makes it a challenge to ensure that economic diversity is maintained.

In an effort to relieve some of this pressure, the City and County of San Francisco Taxable Bond proceeds are being used to finance projects and programs providing affordable housing to low-, moderate-, and middle-income households. The majority (75%) of the proceeds will help individuals with incomes at or below 80% of AMI. The housing programs will serve vulnerable San Francisco residents with priority to populations that include low-income working families, veterans, homeless individuals and families, seniors, disabled individuals, and transitional-aged municipal youth. Some of the projects also include neighborhood artist work space, child care space, and resident common areas. In addition, the new housing is within transit-oriented locations so that low- and moderate-income households' combined housing/transit expenses can be minimized.

IMPACT THEMES



Arts & Culture



Environmental Sustainability



Affordable Housing



Seniors/Disabled



Education/Childcare



Transit-Oriented Development (TOD)

¹ <https://sfmohcd.org/sites/default/files/Documents/MOH/Prop%20A%20General%20Obligation%20Bond/General%20Obligation%20Bond%20Report.pdf>

IMPACT METRICS, OUTCOMES, AND STORIES



More specifically, proceeds will be used to:

- Finance the construction, development, acquisition, and preservation of housing affordable to low-, moderate-, and middle-income households through programs that will prioritize vulnerable populations such as San Francisco's working families, veterans, seniors, and disabled persons
- Assist in the acquisition, rehabilitation, and preservation of affordable rental apartment buildings to prevent the eviction of long-term residents
- Repair and reconstruct dilapidated public housing
- Fund a middle-income rental program
- Provide homeownership down payment assistance opportunities for educators and middle-income households

Lawndale Terrace²

Chicago, IL

Sector: Fixed Income/Agency CMBS

North Lawndale, a neighborhood in Chicago, IL which has seen population loss and under-investment, has been targeted for redevelopment and revitalization assistance by the City of Chicago. According to the North Lawndale Neighborhood Plan published in June 2017 by the North Lawndale Community Coordinating Council, residents of the community need safe and decent affordable housing. The community's historic architecture, proximity to downtown Chicago, and high level of transit availability expose the community to the potential for rapid higher-end redevelopment over time, which causes concerns about the future affordability for existing residents.

In an effort to provide safe and decent affordable housing in this community, the Lawndale Terrace Apartments project renovated and consolidated two aging Section 8 developments (Lawndale Terrace and Plaza Court), originally built in the 1980s, into one property. The remodeled apartments consist of one property with 198 affordable units for families. The Lawndale Terrace Apartments are in a low-income, high-minority, and high-poverty census tract. Given that 98 percent of the population residing in this census tract are minority households and 62 percent of the population lives below the poverty line, the preservation of affordable housing is critical. In addition, the on-site renovation work was performed under collective bargaining agreements with local building and construction trade unions, creating an estimated 90 union construction jobs.

IMPACT THEMES



Affordable Housing



Minority Advancement



Enterprise Development/
Jobs



Neighborhood Revitalization

IMPACT THEME



Environmental
Sustainability

Mosaic Solar Loans

Multi-State

Sector: Fixed Income/ABS

Headquartered in Oakland, California, Mosaic operates a financial services platform that is primarily focused on the residential clean energy space. The company was founded in 2010 to offer innovative solutions for financing the purchase and installation of Solar Energy Systems. Like marketplace leaders in other sectors, Mosaic started with a crowdfunding model for raising capital. It initially originated loans primarily for small commercial and industrial solar projects and relied upon crowdfunding to raise funds invested in various solar projects.³

Mosaic believes the more people who benefit and prosper from the clean energy movement,

the faster humanity will make the transition to 100% clean energy for all. Whether that's from saving money going solar, working in the clean energy economy, or investing in this rapidly growing market, that's the idea that drives Mosaic and that's the vision they hope to achieve.⁴

Mosaic originates residential Solar Loans that enable customers to afford to purchase and own their own solar energy system. The Loans enables approved installers to offer potential means of financing for the homeowner's purchase and installation of a solar energy system. The installer surveys the home for solar resource quality, builds a preliminary system design, and models the solar energy expected for a full year.⁵

² http://www.lisc.org/media/filer_public/2c/80/2c802df0-7fd6-43bb-aefd-25c2c2393bd2/102218_chicago_quality_of_life_planning_qlp_north_lawndale_plan.pdf

³ <https://joinmosaic.com/>

⁴ <https://joinmosaic.com/about-us/mosaic>

⁵ https://www.sustainalytics.com/wp-content/uploads/2017/10/Mosaic-Solar_Framework_Second-Opinion_Loans_10052017.pdf

Enviva Partners⁶

Maryland

Sector: Equities

Enviva Partners is a Master Limited Partnership (MLP) involved in the procurement and processing of woody biomass into wood pellets for use in power generation. The company is the largest supplier by production capacity in the world. Its operations are based out of the Southeast United States because of the large inventory of wood fiber in the region. Wood pellets as a source of fuel is a concept that has been around for a significant period of time in the United States. It is commonly known for its use in the northeast to heat homes in the winter time. Enviva was one of the first companies to produce wood pellets on an industrial scale. The company operates very similarly to a traditional MLP with the major difference being that the raw materials are renewable wood fiber as opposed to fossil fuels.

The wood pellet industry provides significant benefits from an environmental perspective. The main use of wood pellets is as a drop-in replacement for coal. This has been an effective way for utilities and governments to make significant headway towards achieving environmental policy goals. Studies have shown that switching from coal to biomass reduces emissions of carbon dioxide by between 74 percent and 90 percent on a life cycle basis.

Enviva provides jobs in rural areas of the country that have struggled as a result of overseas manufacturing and the declining coal industry. Enviva has a strong growth trajectory as it plans to acquire two new plants as well as an export terminal over the next few years. As the company expands, it will provide more higher quality jobs to the rural communities where its plants will be located.

⁶<https://www.envivapartners.com/>

IMPACT THEMES



Environmental
Stability



Enterprise
Development/
Jobs



Impact Themes

As we continue to adapt and improve our impact metrics and outcomes, we also look to expand our impact themes. At the beginning of each year, our impact/ESG team meets to evaluate opportunities to find additional impact themes that contribute to positive environmental and social outcomes. New themes arise from client feedback, internal research, and tracking capabilities for data points on that theme. In 2018, we added one new impact theme, **economic inclusion**, bringing our total to 18. This theme came about in response to client requests and trends in the impact investing space.

In 2018, we also incorporated Walk and Bike Scores into our impact themes. Walk Score's mission is to promote walkable neighborhoods, which is one of the simplest and best solutions for the environment, our health, and our economy.⁷ Bike Score service measures whether a location is good for biking on a scale from 0 - 100 based on four equally weighted components: bike lanes, hills, destinations and road connectivity, and bike commuting mode share.⁸ Like Walk Scores, the goal with Bike Score is to provide an easy way to evaluate bikeability at a specific location. Bike Score can be used by people looking for a bikeable place to live or urban planners looking to do research on bikeability. Leveraging data such as Walk and Bike Scores is just one way in which CCM has evolved our methodology to heighten potential environmental and social outcomes through our impact themes.

We have included a comprehensive list of our 18 impact themes on the next two pages.



Economic inclusion is assisting and supporting the process of bringing targeted groups, individuals, and communities closer to the economic mainstream and capital markets. Financial literacy training, loans to first-time homebuyers, small business loans, rent-to-own housing programs, and “banking the unbanked” initiatives are all examples of economic inclusion opportunities.

⁷ <https://www.walkscore.com/about.shtml>

⁸ <https://www.walkscore.com/bike-score-methodology.shtml>



Affordable Health/Rehab Care

Creating and retaining affordable healthcare services and rehabilitation facilities for low- and moderate-income and medically underserved persons⁹ and investing in opportunities that promote wellness and access to high-quality health care for everyone.



Affordable Housing

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



Arts & Culture

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



Disaster Recovery

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



Economic Inclusion

Assisting and supporting the process of bringing targeted groups, individuals, and communities closer to the economic mainstream and capital markets. Financial literacy training, loans to first-time homebuyers, small business loans, rent-to-own housing programs, and “banking the unbanked” initiatives are all examples of economic inclusion opportunities.



Education/Childcare

Providing education and/or childcare services primarily in low- and moderate-income communities, improving the quality of educational services and facilities, and offering broad-based youth development programs that look to have a beneficial impact to children.



Enterprise Development/ Jobs

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



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; brownfield development; and Walk Scores⁵.



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. Investing in opportunities with women leadership, workplace equity, products and services beneficial to women and girls, and related shareholder engagement and policy work.



Government Supported Communities

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



Healthy Communities

Establishing and maintaining effective strategies to achieve healthy equity in neighborhoods such as multi-use trails, high Walk Scores, high Bike Scores,¹⁰ community parks, access to nutritious foods, and investing in opportunities that promote health and wellness.



Human Empowerment

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



Minority Advancement

Supporting communities with a high minority population (over 50%), programs offering equal access to jobs, economic development, and affordable housing. Investing in opportunities with minority leadership, workplace equity, services beneficial to minorities, and related shareholder engagement and policy work.



Neighborhood Revitalization

Transforming blighted neighborhoods into areas of opportunity and vibrant, safe places to live by assisting in the revitalization of neighborhood facilities.



Rural Community Development

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



Seniors/Disabled

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



Sustainable Agriculture

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



Transit-Oriented Development (TOD)

Creating vibrant, livable, and sustainable communities through the integration of compact, walkable, pedestrian-oriented, mixed-use communities centered around high-quality train systems.¹¹

⁹ "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.

¹⁰ <https://www.walkscore.com/>

¹¹ <http://www.tod.org/>

Alignment to the United Nations' Sustainable Development Goals

There continued to be a great deal of discussion in 2018 about the Sustainable Development Goals (SDGs), a collection of 17 global goals adopted by the United Nations in late 2015.¹² In 2017, we conducted an analysis to see how our impact themes align with the SDGs. In 2018, we revisited our study with our new impact theme of economic inclusion. The table on the next page illustrates the outcome of our research. While we can't directly map all of our impact themes to all of the SDGs, we always look for ways to support our clients' impact goals with meaningful and lasting change.



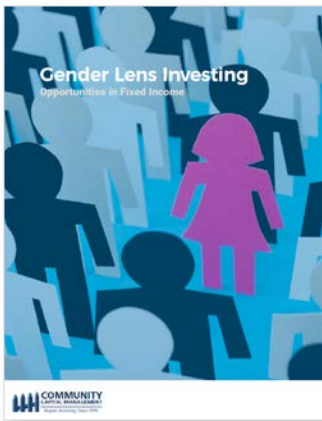
¹² <https://sustainabledevelopment.un.org/sdgs>

UN SDG		CCM'S IMPACT THEMES			
<div><div>1</div><div>NO POVERTY</div><div></div></div>	Goal 1: No Poverty	<div><div></div>Affordable Health/Rehab Care</div>	<div><div></div>Affordable Housing</div>	<div><div></div>Disaster Recovery</div>	<div><div></div>Human Empowerment</div>
<div><div>2</div><div>ZERO HUNGER</div><div></div></div>	Goal 2: Zero Hunger	<div><div></div>Sustainable Agriculture</div>			
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div>	Goal 3: Good Health and Well Being	<div><div></div>Affordable Health/Rehab Care</div>	<div><div></div>Healthy Communities</div>		
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	Goal 4: Quality Education	<div><div></div>Education/Childcare</div>	<div><div></div>Gender Lens</div>		
<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	Goal 5: Gender Equality	<div><div></div>Gender Lens</div>			
<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div>	Goal 6: Clean Water and Sanitation	<div><div></div>Environmental Sustainability</div>			
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	Goal 7: Affordable and Clean Energy	<div><div></div>Environmental Sustainability</div>			
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	Goal 8: Decent Work and Economic Growth	<div><div></div>Enterprise Development/Jobs</div>			
<div><div>9</div><div>INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div></div></div>	Goal 9: Industry, Innovation, and Infrastructure	<div><div></div>Neighborhood Revitalization</div>	<div><div></div>Transit-Oriented Development</div>		
<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>	Goal 10: Reduced Inequalities	<div><div></div>Economic Inclusion</div>			
<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	Goal 11: Sustainable Cities and Communities	<div><div></div>Affordable Housing</div>	<div><div></div>Transit-Oriented Development</div>		
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	Goal 13: Climate Action	<div><div></div>Environmental Sustainability</div>			

Initiatives

As a pioneer in the impact/ESG investing industry, we often find new ways to put our expertise to work. In 2018, we took advantage of a number of opportunities to embark on new initiatives that align with both our investment skills and our reporting capabilities.

White Papers/ Reports/Blogs



In 2018, CCM published two new white papers/reports – 2017 Annual Impact Report and Gender Lens Investing: Opportunities in Fixed Income Investing. Our 2017 Annual Impact Report highlighted many initiatives during that year including trends and opportunities, as well as our proprietary research process. In the gender lens report, we took a closer look into gender lens investing, including how CCM looks at and evaluates fixed income gender lens investments, case studies in fixed income, and interviews with experts. During the

year, we also increased our blog posts, writing 37, up from 19 in 2017. We covered a variety of topics from gender lens to green bonds to racial equity to the adoption of impact/ESG strategies in 401(k) plans.

Opportunity Zones

Opportunity Zones were created in the Tax Cuts and Jobs Act of 2017.¹³ An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation authority to the Internal Revenue Service. Opportunity Zones were created to encourage investors to help revitalize low-income communities, boost affordable housing, reduce poverty, increase employment, and spur growth. However, as with all investments, risk is inherent and due diligence is required. As the first new community

development tax incentive enacted since the 2000s, we are optimistic that Opportunity Zones will do what they were intended to do, and we are excited to see the outcomes. In 2018, we began working on a new product to accomplish the goals of Opportunity Zones and we will continue to keep investors updated on details as it unfolds.

2nd Annual CCM Impact Awards

CCM launched its 2nd Annual Impact Awards in November featuring five fixed income impact investments purchased during the year. The contest recognizes fixed income impact investments and their multiple positive environmental and social outcomes. **This year's winner was Hawthorne Eco Village Apartments in Minneapolis, Minnesota.**

¹³ <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

Winner of CCM's 2nd Annual Impact Awards: Hawthorne Eco Village Apartments¹⁴

Minneapolis, MN

Sector: Agency CMBS

Built on what was once a set of vacant lots, home to drug crime, foreclosures, and crumbling houses, Hawthorne Eco Village Apartments is a new affordable rental property in Minneapolis, Minnesota. Located in a low-income, majority-minority, and high-poverty census tract, Hawthorne Eco Village is anticipated to help revitalize the Lyndale and Lowry intersection and be a catalyst for additional housing development in the area. The development of Hawthorne Eco Village Apartments used best practices in community-based development, neighborhood revitalization, and sustainable green development to create a model for healthier and more stable, livable communities.

Project for Pride in Living (PPL) built and manages the property. The 75 units at Hawthorne Eco Village are part of over 1,300 units of safe, quality, affordable housing built and managed by PPL throughout the Twin Cities available to households making less than 60 percent of the area median income. In addition to affordable housing, PPL also provides no cost employment readiness services for residents and the greater community.

Other property features and amenities include:

- Green elements including a state-of-the-art system to treat and infiltrate rainwater, a green roof on a portion of the main apartment building, and a bike storage room to encourage use of alternative transportation modes.
- Playground for children, public art, a patio with grills, underground heated parking, a community room, and a fitness room.
- Up to four of the apartments will be set aside for those experiencing long-term homelessness and earning at or below 30 percent of the area median income.
- A community garden adjacent to the Hawthorne Eco Village Apartments that residents of the property may access.

IMPACT THEMES



Affordable Housing



Education/Childcare



Enterprise Development/Jobs



Environmental Stability



Government Supported Communities



Healthy Communities



Human Empowerment



Minority Advancement



Neighborhood Revitalization



Transit-Oriented Development (TOD)



Photo credit: Project for Pride in Living

¹⁴ <https://www.mwmo.org/projects/hawthorne-ecovillage-apartments/>
<https://www.ppl-inc.org/>
<https://www.camdennews.org/2016/07/hawthorne-ecovillage-brings-75-units-of-affordable-housing/>

On-Site Visits

In 2018, we continued our initiative to share the stories of our investments by conducting on-site visits. We always enjoy seeing first-hand the properties or small businesses that our clients' investments are financing and how they are helping to create positive impact. At many of our visits, we are able to meet with residents, employees, and supportive staff, as well as receive a tour of the property and neighborhood. We have highlighted below three on-site visits that took place in 2018.

Jack Satter House¹⁵

Revere, Massachusetts

Sector: Fixed Income/Agency CMBS

In July, Jamie Horwitz, chief marketing officer, and Jessica Botelho, director of CRA and impact research, visited the Jack Satter House. Jack Satter House is an affordable rental property for seniors and the disabled in Revere, Massachusetts, offering independent, non-denominational apartment-style living

with on-site supportive services. The property consists of 266 units, including 47 efficiencies, 202 one-bedroom units, and 17 two-bedroom units, all of which receive Section 8 assistance. All apartments are designed for access by handicapped individuals and each has a 24-hour emergency call and check-in system.

The property has an active Tenants Association that allows residents to organize social and educational activities, cultural events, and holiday celebrations. Residents have access to a state-of-the-art fitness center, which is staffed by a health and fitness specialist who provides group classes and personalized fitness programs including instruction on strength



ON SITE VISITS

training and cardiovascular equipment. The property offers the Vitalize360 program which helps residents make lifestyle changes that lead to improved health and a richer quality of life. With the help of a Vitalize360 coach, residents look at the 360 degree view – health, nutrition, physical and mental fitness, community links, lifelong learning, and spirituality – and develop new life goals. The property has several religious services groups including Congregation 420, led by Jewish residents and the community Rabbi, the Rosary Group for Catholic residents, and a weekly Bible study class.

Special programs available to residents include a computer center, newsletter, lunch and coffee shop, and volunteer opportunities. The property offers resident participation in several multigenerational programs with local public and private schools. The diversity of programs includes music, writing, history, culture, and community outreach. The Jack Satter House has a Pen-Pal Program with a local elementary school where letters are exchanged every other week exploring a common theme together and developing young students' writing skills.

Property staff monitors the building 24 hours a day and responds quickly to medical and mechanical emergencies. A full-service dining program is available on-site. Residents requiring part-time nursing; home health aides; occupational, speech, or physical therapy; counseling; or homemaker services can coordinate travel services through the network of care offered by Hebrew SeniorLife or other

regional agencies. The Jack Satter House is located directly across the boulevard from Revere Beach, allowing for panoramic Atlantic Ocean views from almost every apartment.



¹⁵ <http://www.hebrewseniorlife.org/jack-satter-house>

East Harlem Center for Living & Learning¹⁶

New York, New York

Sector: Fixed Income/Taxable Municipal

In July, Jamie Horwitz, chief marketing officer, visited the East Harlem Center for Living & Learning. The East Harlem Center for Living & Learning is an approximately 143,000 square foot multifamily mixed-use building that consists of 89 affordable housing units in Yomo Toro Apartments, a K-8 charter school for DREAM Charter School, a public rehabilitated park, and office space for DREAM. The Center is located in a low-income census tract.

Yomo Toro Apartments is an affordable multifamily rental property with 88 affordable units, 18 of which are restricted to residents with incomes at or below 40 percent of the area median income, and 70 of which are restricted to residents with incomes at or below 60 percent of the area median income. The apartment building includes an exercise room, bike storage room, computer room, social service office, laundry facilities, and a landscaped terrace.

DREAM Charter School is the first new school building constructed in East Harlem in almost 50 years and represents a significant investment in neighborhood youths. The school's mission is to prepare students for high-performing high

schools, colleges, and beyond through a rigorous academic program that develops critical thinkers who demonstrate a love of learning, strong character, and a commitment to wellness and active citizenship. The School Promise includes 1) high expectations for all students; 2) individualized attention, with two teachers in every classroom; 3) an extended school day and a 12-month school year; and 4) a focus on physical education, nutrition, and health along with arts, music, and dance for all students. The school offers students a variety of amenities including a rooftop garden for harvesting fruits and vegetables and exercise classes. Lululemon donated yoga mats to the school and teaches complimentary weekly yoga classes. A school garden is a powerful environmental education tool offering students the opportunity to become responsible caretakers, learn about healthy eating, and take responsibility for their environment. Children derive enormous benefits from yoga, from physical strength and coordination to self-health, relaxation, and improved self-esteem.

DREAM, formerly Harlem RBI, is a 501(c)3 non-profit organization which began in 1991 when a group of volunteers transformed an abandoned, garbage-strewn lot into two baseball diamonds for the youth of East Harlem. Since then, DREAM has grown to serve more than 2,500 boys and girls with year-round academic, sports, and enrichment programs. DREAM's

¹⁶ http://www.perkinseastman.com/project_3406933_the_east_harlem_center_for_living_and_learning
<http://www.rosecompanies.com/projects/east-harlem-center-living-learning/>
<https://www.wearedream.org/>

ON SITE VISITS

comprehensive approach to youth development replaces the barriers inner city youth typically face with concrete opportunities to build the skills and confidence needed to graduate high school, matriculate to college, and break the cycle of poverty.



2018 IMPACT IN REVIEW

Harlem River Point¹⁷

New York, New York

Sector: Fixed Income/Taxable Municipal

In October, David Sand, chief impact strategist, and Andy Kaufman, chief investment officer, visited Harlem River Point in New York City. Harlem River Point, built in 2012, is a mixed-use property and 100 percent affordable housing complex in a moderate-income census tract. The building's connectivity to the neighborhood and

its surroundings, with an aspect of the bridges and gateways, anchor it to this point on the Harlem River. This concept is carried through in the building design as seen in the integration of the community space with residential space, orientation of the building, entry points to the building, and vibrant open spaces for public and private use. Building amenities include a gym, laundry, bike storage, and playground. We were honored to have the site visit covered in Barron's in a story titled "Investing for Profit and Social Benefits."

Some of the units are set aside for eligible households that include persons with mobility impairments; eligible households that include persons with visual and/or hearing impairments; eligible Veterans; and applicants that have been displaced by Hurricane Sandy and/or its related storms.

The complex has over 300,000 square feet of residences from studios to three bedroom units at three affordable housing incomes. It also has 1,800 square feet of commercial space and 10,300 square feet of community facility space that is currently occupied by an Early Life daycare. Early Life is a branch of the Lutheran Social Services of New York. Early Life Early Childhood Education program has a commitment to provide superior early childhood education experiences in its center-based and home-based environments within the New York City area. Early Life offers traditional child-care, Early Head Start, and Head Start and Universal Pre-Kindergarten programs. Head Start is a program of the United States Department of Health and Human Services that provides comprehensive early childhood education, health, nutrition, and parent involvement services to low-income children and their families.



¹⁷ <http://gf55.com/projects/residential/harlem-river-point/>
<https://ccmanagers.com/properties/1951-park-avenue/>

Hot Topics

There were many hot topics in 2018 that were frequently mentioned at conferences, in meetings, in the media, and with our clients. We have highlighted three that stood out to us in 2018.

Gender Lens Investing

First, gender lens investing continued to be a hot topic in 2018. It made an appearance in our 2017 annual impact report and we have highlighted it again given the vast amount of media attention, conference panel discussions, and new products created in this increasing area of interest. Barron's wrote a story in early 2018 on gender lens investing calling it one of the fastest growing parts of sustainable investing and calling on readers to expect more investment product introductions around the world. Along with other publications writing about gender lens investing, a story by Financial Times in December mentioned how funds that help women are finding widespread support and that advocates say it is a way to assess investment risks, rather than to set limitations. Veris Wealth Partners released their fifth survey of gender lens investing products finding that in just four years, assets under management have jumped from \$100 million to \$2.4 billion today and that the number of investment strategies has more than quadrupled, going from eight options to 35.¹⁸ Given the ongoing level of interest and demand for gender lens investment opportunities, we wrote a report on this topic in 2018, "Gender Lens Investing: Opportunities in Fixed Income." The paper reveals how gender lens investing can take place in the asset class of fixed income –

specifically, how a bond can generate both a positive financial return and have a positive impact on the lives of women and girls – and that it doesn't have to be limited to avoiding exposure in companies with poor gender diversity records or a minimum number of women on the board. We are proud to play a catalytic role in prompting the capital markets to structure and offer more investment opportunities that relate to issues of need and concern to women and girls and believe this area will continue to grow into 2019 and beyond.

Impact Measurement

Our second hot topic of 2018 is impact measurement. This was covered at numerous events we attended and the discussion will likely be ongoing for years to come. Whereas evaluating the financial performance of an investment is straightforward, measuring social impact is more difficult. There are some indicators or tools that have been created to assist investors such as the Global Impact Investing Network's (GIIN) Impact Reporting and Investment Standards (IRIS); Aeris' CDFI Assessment and Ratings System and more recently, their expansion into mutual fund ratings; the SDGs; and others that vary by sector (i.e., microfinance or early-stage enterprises). However, there still isn't one benchmark or rating that covers all asset classes and all types of impact/ESG investments. We do not believe one mechanism will ever be able to truly capture and measure all impact, just as asset classes – and strategies within those asset classes – have different benchmarks. Unlike a private equity investment, it is difficult to classify and track impact metrics and outcomes for public

¹⁸ <https://www.veriswp.com/research/gli-bending-arc-of-finance-women/>

equity holdings. An investor's ability to measure impact depends on the type of investment and if it aligns with their mission or impact/ESG goals. While there may never be one global answer to impact measurement, the impact/ESG community seems to agree that any impact measurement can aid in decision-making, provide transparency and accountability, further the field, and improve our society, among many other positive attributes. A March 2018 article published by the Network for Business Sustainability summed up impact measurement well – "Impacts sought are diverse, so measures are as well."

Going "All-In"

Last but not least, our third hot topic of 2018 is the movement to go "all-in" with impact/ESG investments – i.e., moving 100 percent of an investment portfolio to investments that create positive social and environmental impact. Toniic, a global action community for impact investors, created a network geared toward this effort called "The 100% Impact Network;"¹⁹ they currently have more than 130 individuals representing 85 members globally with cumulative committed capital of approximately \$4.5 billion. The movement seems to be spearheaded by foundations, since under U.S. tax law, they are mandated to pay out 5 percent of their assets each year in line with their charitable mission. But what about the other 95 percent? Going "all-in" aligns the remaining 95 percent with their charitable mission by leveraging all of their assets to drive positive social and environmental outcomes. Many of the institutions we work with – foundations and others – have made this commitment and we are excited to hear about even more investors looking to go "all-in" in the coming years.

¹⁹ <https://www.toniic.com/100-impact-network/>

Education

In 2018, we participated in over 30 conferences/events, many of which included speaking engagements by our executive and investment teams. We have included a representative listing below and on the next page.

EVENTS ATTENDED BY CCM

Wealth Management

Morgan Stanley Impact Champions **(A)**
US Sustainable Investing Forum **(B)**
Gitterman Conference at the United Nations **(C)**

Foundation

Mission Investors Exchange **(D)**
Confluence Philanthropy

Faith Based

Leadership Conference Women Religious (LCWR)
Resource Center for Religious Institutes (RCRI) **(E)**
Kingdom Advisors

Bank

National Interagency Community Reinvestment Conference
CRA & Fair Lending Colloquium
NAAHL

Research/Platforms

Investnet
Morningstar Investment Conference
Schwab Impact

EDUCATION

In 2018, CCM also hosted several of our own webinars and events.

CCM HOSTED EVENTS

Webinars

CCM 2017 Annual Impact Report
How Advisors Can Enhance Their Practices Through Impact/ESG Investing
Portfolio Rebalancing Challenges in a Rising Rate Environment

Bank Events

Reception at the National Interagency Conference in Miami (F)
CRA Luncheon Panel in New York City (G)
Reception at the CRA & Fair Lending Colloquium in Hollywood (H)

Impact/ESG Events

Impact Luncheon in Boston
Holiday Happy Hour in New York City



A



B



C



D



G



E



F



H

Volunteering/Corporate Activities

CCM participated in many volunteer and corporate activities throughout the year. We have highlighted a few below.

2018 Ft. Lauderdale Mercedes-Benz Corporate Run

In April, CCM, along with 8,469 participants from 275 companies, participated in the Ft. Lauderdale Mercedes-Benz Corporate Run. The Mercedes-Benz Corporate Run is an annual tradition in South Florida and is one of the largest 5K races in the nation. It began in 1985 as part of the Manufacturers Hanover Corporate Challenge race series, drawing in local runners who were hooked on the benefits of running and keeping fit. Back then, there were just a few people that ran 5Ks or marathons and you could count on one hand the companies that had health and wellness programs for their employees. Today, thousands of companies have health and wellness programs and the Corporate Run keeps getting bigger and better each and every year.²⁰



Sheridan House

In July, CCM collected school supplies including loose-leaf paper, composition books, glue sticks, folders, highlighters, colored pencils, and colored markers. All the supplies were sorted out by our team and dropped off at Sheridan House, a local non-profit organization dedicated to helping children and families in need. They offer a variety of resources including residential programs for kids, counseling center, single mom ministry, and parenting on purpose. Our donation of school supplies was directed to their back-to-school supply drive. The supplies are sorted out into backpacks and given to children in the single mom ministry. The program helps 200 single moms and focuses on education through classes on finance, parenting, resumes and interviews, meal planning, budget management, and dressing for success.²¹



²⁰ http://www.mercedesbenzcorporaterun.com/about_the_event.php

²¹ <https://www.sheridanhouse.org/web/>

VOLUNTEERING / CORPORATE ACTIVITIES

Feeding South Florida

In July, CCM team members volunteered at Feeding South Florida where they helped sort food products and prepare boxes for distribution. Feeding South Florida is a non-profit food bank that distributes 46 million pounds of food per year helping our firm headquarters' local communities of Palm Beach, Broward, Miami-Dade, and Monroe Counties. The organization aims to end hunger in the region by providing access to nutritious food, transforming lives through programming and education, and raising awareness about the impact of hunger. Through food and monetary donations from retail stores, farmers, companies, and corporations, Feeding South Florida assists 248,080 children, 120,00 elderly community members as well as single parents, and the working poor and veterans, reaching a total of 785,000 individuals. Moreover, for every one-dollar donation, the organization can provide six meals, and with the help of volunteers, the food is inspected and sorted. The process is finalized once the food is re-distributed to 400 non-profit partner agencies that direct the supplies to those in need.²²



Broward Smiles

In October, CCM collected new toothbrushes, toothpaste, and dental floss for Broward Smiles which donates the much-needed dental supplies to local South Florida low-income kids and teaches them about the importance of dental hygiene. Broward Smiles is organized through the United Way of Broward County.²³ According to the Centers for Disease Control, tooth decay is among the most common chronic conditions of childhood. One in five children, aged 5 to 11, and one in seven children, aged 12 to 19, have at least one untreated cavity. These numbers are higher for children from minority and low-income families. African-American and Hispanic children are more likely than white children to have cavities in their primary (baby) teeth and are twice as likely as white children to have untreated cavities. The disparity in untreated cavities continues into the teen years.²⁴



²² <https://feedingsouthflorida.org/>

²³ <https://www.unitedwaybroward.org/>

²⁴ <https://www.usnews.com/opinion/policy-dose/articles/2016-11-09/low-income-children-deserve-better-access-to-dental-care>



2018 IMPACT IN REVIEW

Hurricane Michael

In October, CCM participated in Hurricane Michael relief efforts by donating supplies to the Rotary Club of Weston, Florida to be taken directly to those affected by the hurricane in the Florida Panhandle. Hurricane Michael was the third most

intense Atlantic hurricane to hit the United States in terms of pressure. It was also the strongest storm in terms of maximum sustained wind speed to strike the contiguous United States since Andrew in 1992. In addition, it was the strongest storm on record in the Florida Panhandle, and was the fourth strongest landfalling hurricane in the contiguous United States, in terms of wind speed.

November

In November, we held our 3rd annual Movember competition – which entails growing the most creative mustache during the month. All proceeds from the competition benefit the Movember Foundation, the only charity tackling men's health on a global scale, addressing year-round some of the biggest health issues faced by men.²⁵ We are proud to have raised over \$2,000 supporting Movember.



Kids in Distress of Broward and Palm Beach counties (KID)

In December, CCM collected toys for kids from infants to teens and wrapped them as part of the Kids in Distress of Broward and Palm Beach Counties (KID) 2018 Holiday Wish List. KID is a licensed nationally accredited agency working for



²⁵ <https://us.movember.com/>

VOLUNTEERING / CORPORATE ACTIVITIES

the prevention of child abuse, preservation of the family, and the treatment of abused and neglected children. KID programs have expanded into a comprehensive continuum of care that fills the gaps and meets the needs of at-risk children and families in the community. KID programs are routinely recognized and serve as best practice models of care by bringing innovative ideas to life, strengthening relationships with partner organizations, and expanding services through collaborative efforts.²⁶



United Way of Broward County's Day of Caring

In December, CCM participated in the United Way of Broward County's 27th annual Day of Caring.²⁷ CCM team members packed 55 boxes, or 1,980 meals, for our neighbors in need. With our other community partners, the event packaged over 300,000 meals in total. The United Way of Broward County will distribute these meals to local food pantries to be served to their constituents throughout 2019. CCM was honored to participate as both volunteers and a sponsor.



²⁶ <https://www.kidinc.org/>

²⁷ <https://www.unitedwaybroward.org/>



CCM TEAM



CCM is proud of its team and their many professional accomplishments inside and outside of the office. The firm encourages employees to engage and participate in organizations involved in impact investing and the investment industry, as well as training opportunities. Highlights of some of these activities that took place in 2018 are included below.

- In March, Alyssa Greenspan, CFA, president and COO, joined the board of Impact Shares Trust, which offers a suite of exchange-traded funds aligned with various non-profit organizations. Alyssa was impressed with the organization's vision for investment vehicles that would complement and further the missions of affinity groups, such as the YWCA and the NAACP, while seeking market-rate returns.
- In March, students from the University of Michigan Ross Business School's impact investing group invited Kristin Fafard, CFA, chief investment strategist, to speak on a series about impact investing's role in the capital markets.
- In June, Andy Kaufman, chief investment officer, participated in Penn State University's "A Day on Impact Investing." Andy Kaufman is a Penn State alum and donated his time and expertise by talking with and mentoring Penn State students in the Nittany Lion Fund and those in Smeal's MBA program. He also met with faculty about the development of a gender lens fund including Smeal's Director of Sustainability, Erik Foley, and Penn State's Chief Sustainability Officer, Paul Shrivastava.
- In November, Andy Shafter, senior client portfolio manager, was invited to join the Board of Trustees for Pine Manor College (PMC). PMC was until recently an all-women's college and serves a significant majority of first-generation and low-income students. PMC is a private four-year liberal arts college in Brookline, Massachusetts. For over 100 years, PMC has provided a student-focused education and tailored mentoring grounded in the liberal arts tradition.

CCM team members also volunteer their time on many Boards, including Alyssa Greenspan serving on the Board for US SIF, The Forum for Sustainable and Responsible Investment, and as an interested trustee of the Quaker Investment Trust; Todd Cohen serving on the Board of the Jason Taylor Foundation; James Malone serving on the Board for the Sawgrass Adventist School and the Board of Education for the Florida Conference of SDA Churches; David Sand serving on the Board of Directors of AERIS, the New York Advisory Committee for Enterprise Community Partners, and the Advisory Board of the Croatan Institute; Julie Egan serving on the Board of the National Federation of Municipal Analysts; and Andy Shafter serving on the Northwestern University Leadership Council - Boston.

In addition to our talented team, CCM is always looking for bright and energetic students interested in financial services to join us as summer interns. In the summer of 2018, we had two interns – one working with the investment team and the other working with sales and marketing.

CCM Interns: In Their Own Words



Izabela Daguila

My name is Izabela Daguila, a Brazilian that resides in Weston, Florida and studies in Vancouver, Canada. I am an incoming senior at the University of British Columbia majoring in Political Science and minoring in International Relations.

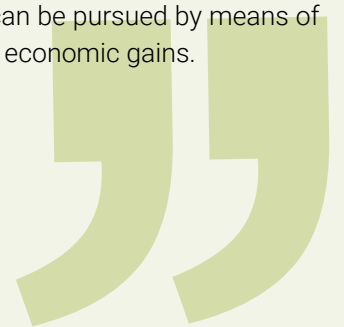
At CCM, I learned how investors can make a positive impact in their community while seeking strong financial returns. As a sales and marketing intern, I learned about our new CRM, HubSpot, and helped guide and train the team along with organizing and updating our database of contacts. I also assisted the sales team on creating reports on new impact/ESG initiatives. Lastly, I was responsible for coordinating our volunteer activities throughout the summer. I organized two main activities, a back-to-school project collecting school supplies that were donated to Sheridan House and a volunteer event at Feeding South Florida, an organization that helps end hunger in the region. This internship was a wonderful experience that has broadened my knowledge on impact/ESG investing.



Drew Siskind

My name is Drew Siskind and I am attending the University of Michigan as a freshman in the Fall of 2018; I plan on majoring in Philosophy, Politics, and Economics. Here at CCM, I had the privilege of watching and helping the investment team by retrieving municipal spreads, researching potential investments,

and assisting with ad-hoc projects. Along the way, I learned a lot about how CCM makes a positive impact in communities around the country. This experience showed me that with the right analysis, moral objectives can be pursued by means of the economy, without sacrificing economic gains.



Investment Team



Andy Kaufman
Chief Investment
Officer



Kristin Fafard, CFA
Chief Investment
Strategist



David Sand
Chief Impact
Strategist



Elliot Gilfarb, CFA
Head of Fixed Income



Andrew Cowen
Head of Equities



Julie Egan
Director of Municipal
Research/PM



Jessica Botelho
Director of CRA &
Impact Research



Thomas Lott
Portfolio Manager



Cayce Shawn
Trader



Ricky Fernandez, CFA
Jr. Portfolio Manager



Alex Alario
Sr. Investment
Analyst



Ivan Cassuto
Jr. Investment
Analyst



Isha Naidu
Jr. Investment
Analyst

Executive Administration



Todd Cohen
Founder, CEO



**Alyssa
Greenspan, CFA**
President & Chief
Operating Officer



David Downes
Chair of the Board



Stefanie J. Little
Chief Compliance
Officer

Operations and Financial



James Malone,
CFA
Chief Financial
Officer



William
Simmonds
Operations Analyst



Melodie Dinkins
Office Coordinator

Sales, Marketing, and Client Services



Jamie Horwitz
Chief Marketing Officer



Andy Shafter
Sr. Client Portfolio
Manager



Michelle Delacruz
Client Portfolio
Manager



Barbara Seaman
Sales & Marketing
Associate



Maria Leon
Client Services
Associate



Allison Glansberg
Client Services
Associate

LOOKING FORWARD



We look ahead to 2019 with the U.S. facing more than the usual mix of challenges and opportunities. We saw 2018 end with extraordinary financial and political volatility and both seem likely to continue. Each of our investment strategies play a distinctive role within a portfolio, requiring us to remain disciplined and focused, while also attentive to evolving economic conditions. Finding solutions to the challenges of financial market volatility and growing societal issues make executing our roles as stewards of capital and advocates for social change that much more fulfilling. We believe our approach will find favor with investors looking for a bit of calm in potentially stormy markets.

The bright spot is that the growth of impact/ESG investing across asset classes continues as investors see the benefits and positive outcomes of tackling important societal issues through the capital markets. We thank our clients and potential clients who have helped shape this industry and look forward to another year of translating your visions into investable opportunities and crafting new definitions and categories for impact measurement and reporting.

Our business combines service, advocacy, and performance. Our service enables clients to make investments that are aligned with their goals, values, and beliefs. Our advocacy puts us front and center with other capital market participants as we call for more embedded impact within investment opportunities that are brought to market. Our performance goal is to deliver upon our dual mandates of financial returns and impact. We look forward to the continuing pursuit of all three avenues in 2019.

We hope you have enjoyed reading our 2018 Annual Impact Report. We are proud of the work we do and the transparency we offer clients through our reporting. We welcome and very much appreciate any and all feedback. Cheers to a successful 2019!



COMMUNITY CAPITAL



About CCM

Headquartered in South Florida with employees in Boston, Charlotte, and the New York City area, Community Capital Management, Inc. (CCM) is a majority employee owned asset management firm that specializes in market-rate impact/ESG investing. The firm provides investment management services to institutions and individuals through mutual funds and separate accounts. Clients include banks, endowments and foundations, faith-based organizations, pension funds, high net worth investors, non-profits, and healthcare organizations.

CCM believes a fully integrated portfolio — one that includes environmental, social, and governance (ESG) factors — can deliver strong financial performance while simultaneously having positive long-term economic and sustainable impact. The firm's strategies utilize an innovative bottom-up approach to fixed income and equity investing combining the positive impacts of impact/ESG investing with rigorous financial analysis, an inherent focus on risk management, and transparent research.

The firm was started in 1998 and began managing assets in 1999. It was initially created to assist banks and financial institutions to meet the qualified investment test requirement of the Community Reinvestment Act (CRA).²⁸ In 2001, a foundation approached CCM inquiring if the firm could manage a portfolio of market-rate, fixed income securities while also supporting their mission — i.e., impact investing. The term had yet to be coined back in the early 2000s. From that day on, CCM has expanded its investor base to include all types of impact/ESG investors. Today, the firm manages over \$2 billion in assets across fixed income, equity, and liquid alternative strategies. On behalf of its clients, the firm has invested approximately \$9.2 billion in impact/ESG initiatives nationwide since inception. For more information, please visit www.ccminvests.com.

²⁸ The CRA Act of 1977 is intended to encourage depository institutions to help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, and CRA regulators encourage institutions to make sustainable, responsible and impactful investments.

Community Capital Management, Inc. is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based upon non-performance objective criteria, such as the security's social and/or environmental attributes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. Impact figures mentioned 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.

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