Introduction

We are excited to share the results from CCM’s 1st Impact/ESG Investing Survey. In our inaugural report, we had 48 respondents including financial advisors, foundations, faith-based investors, family offices, non-profits, and healthcare organizations, among others.

The goal of our impact/ESG investing survey is to share data and insights on investment decisions, impact areas of focus, return expectations, challenges, trends, and of course, opportunities, in this rapidly growing space.

The results confirm our beliefs that investors are incorporating impact/ESG investments into their portfolios and that impact/ESG investments will continue to grow as more and more investors look to have a positive impact on our economy and society. While a majority of respondents reported that measurement and management is still an ongoing struggle, it is important for investors to remember that risk is inherent and due diligence is required for all investments – whether impact/ESG or conventional. Lastly, it is key to find experienced impact/ESG investment professionals with track-records of both financial and impact performance and a well-applied strategy through statistics and reporting. Otherwise, the impact/ESG-labeled strategy could simply be a characteristic applied to a prospectus or presentation but does not create or deliver the impact that the investor is being promised. We hope you enjoy the survey and find the results informative. Thank you again to everyone who participated!

Highlights of our survey include:

- The environment is where most investors want to have a positive impact with their investments
- Impact/ESG investments are performing above or in-line with conventional investments
- Reporting is still not standardized making it difficult to measure and monitor impact/ESG investments
- An overwhelming 85% of respondents believe that impact/ESG investing will become a standard in the investment industry in the next 5-10 years
- Track record/reputation/returns are the factors most important when looking at impact/ESG managers
Impact/ESG Investing Survey Results

1. Do you/your clients make conventional investments, impact investments, or both?
- Only impact investments: 4.17%
- Only conventional investments: 14.58%
- Both: 81.25%

2. If you/your clients have not incorporated impact/ESG factors into investment decisions, are you/they considering it?
- Yes: 2.94%
- No: 97.06%

3. What motivates your organization/your clients to make impact/ESG investments?
- It is central to our mission: 68.09%
- Want to be a responsible investor: 65.96%
- Competitive returns: 48.94%
- An efficient way to meet our impact goals: 40.43%
- Contribute to global agenda: 40.43%
- Other: 17.02%

4. What are you/your clients struggles with impact investing?
- Measurement and management practices: 54.17%
- Reporting: 45.83%
- Understanding the definition: 37.50%
- Risk/return profile: 22.92%
- Concessionary returns: 20.83%
- Government support for the market: 6.25%
- Other: 16.67%
- N/A: 10.42%
### 5 What impact area(s) does your overall organization invest in most?

<table>
<thead>
<tr>
<th>Impact Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable investing*</td>
<td>70.21%</td>
</tr>
<tr>
<td>Environmental</td>
<td>59.57%</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>40.43%</td>
</tr>
<tr>
<td>Healthcare/well-being</td>
<td>31.91%</td>
</tr>
<tr>
<td>Neighborhood revitalization</td>
<td>27.66%</td>
</tr>
<tr>
<td>Minority communities/immigrants/refugees</td>
<td>25.53%</td>
</tr>
<tr>
<td>Human rights</td>
<td>23.40%</td>
</tr>
<tr>
<td>Jobs</td>
<td>17.02%</td>
</tr>
<tr>
<td>No poverty</td>
<td>14.89%</td>
</tr>
<tr>
<td>Seniors/disabled</td>
<td>8.51%</td>
</tr>
<tr>
<td>Disaster recovery</td>
<td>2.13%</td>
</tr>
<tr>
<td>Other</td>
<td>14.89%</td>
</tr>
</tbody>
</table>

*Sustainable investing is used here as a broad term for investment approaches that consider environmental, social and governance (ESG) factors and their impact.

### 6 What impact area(s) do your clients want to invest in most?

<table>
<thead>
<tr>
<th>Impact Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>73.91%</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>36.96%</td>
</tr>
<tr>
<td>Minority communities/immigrants/refugees</td>
<td>36.96%</td>
</tr>
<tr>
<td>Healthcare/well-being</td>
<td>34.78%</td>
</tr>
<tr>
<td>Human Rights</td>
<td>32.61%</td>
</tr>
<tr>
<td>Neighborhood revitalization</td>
<td>28.26%</td>
</tr>
<tr>
<td>No poverty</td>
<td>28.26%</td>
</tr>
<tr>
<td>Jobs</td>
<td>19.57%</td>
</tr>
<tr>
<td>Seniors/disabled</td>
<td>13.04%</td>
</tr>
<tr>
<td>Disaster recovery</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other</td>
<td>19.57%</td>
</tr>
<tr>
<td>N/A</td>
<td>6.52%</td>
</tr>
</tbody>
</table>
Are there any concerns coming from board members/staff, or your clients directly? If so, what are they?

- Risk and returns
- Deal flow and vetting
- Liquidity
- Restricted opportunity set
- No GAAP financial data available
- Measurement of impact
- More uniformed, third-party evaluation of outcomes
- Adequate investment products
- Price and performance
- Benchmark for impact investing
- Definitions
- "Greenwashing"

How are your impact/ESG investments performing relative to your expectations?

- Above 2.08%
- In line 10.42%
- Below 22.92%
- N/A 64.58%

Do you have any challenges with impact/ESG investing staff?

- No 20.83%
- Yes 18.75%
- N/A 60.42%
- Resources 66.67%
- Limited growth 33.33%
- Not meeting qualifications 33.33%
- Compensation 0.00%
- Other 22.22%

Do you have any challenges with impact/ESG investing?

- Reporting isn't clear 34.78%
- Benchmarking is too difficult 19.57%
- Terminology is too confusing 19.57%
- Unclear value proposition 15.22%
- Lack of research 10.87%
- None 28.26%
- Other 23.91%
12. Are there any sectors in which you would like to see more impact/ESG investment offerings?

- Fixed income: 54.76%
- Infrastructure: 54.76%
- Real estate: 52.38%
- Private equity: 42.86%
- Equities: 21.43%
- Other: 9.52%

Multiple answers can be selected.

13. Do you/your clients believe there is a divide between conventional investors and impact/ESG investors?

- Yes: 60.87%
- No: 39.13%

14. What portion of your/your client’s overall investment is in impact/ESG investments?

- Below 25%: 25.53%
- 25% to 50%: 19.15%
- 50% to 75%: 14.89%
- Above 75%: 19.15%

15. What portion of your/your clients fixed income investments are impact/ESG?

- Below 25%: 57.45%
- 25% to 50%: 19.15%
- 50% to 75%: 12.77%
- Above 75%: 10.64%

16. Do you believe impact/ESG investing will become an industry standard in the next 5-10 years?

- Yes: 85.11%
- No: 14.89%
About Community Capital Management, Inc.

Community Capital Management, Inc. (CCM) is an investment adviser registered with the Securities and Exchange Commission. Headquartered in Fort Lauderdale with employees in Boston, Charlotte, the New York City area, and Southern California, CCM was founded in 1998 and manages approximately $2.6 billion in assets. The firm 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. For more information, please visit: www.ccminvests.com. A full list of regulatory disclosures for Community Capital Management, Inc. are available by visiting: https://www.ccminvests.com/regulatory-disclosures/.

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