



Fixed Income Customization

June 2021

Fixed Income Customization

Community Capital Management's (CCM) market-rate core fixed income impact and environmental, social, and governance (ESG) investment strategy has provided client customization for over two decades. The strategy launched in 1999, initially for banks looking for CRA-qualifying investments in their geographic regions and has grown over time to help other types of investors looking to further their impact and ESG investing objectives within the liquid fixed income segment of their portfolios. These clients include religious organizations, foundations, nonprofits, endowments, pension funds, healthcare companies, and high net worth investors. Clients have the opportunity to customize their investment in the CCM Community Impact Bond Fund (Ticker: CRANX) or in a separate account to focus on specific geographies, impact themes, or impact initiatives.



Watch our new video to learn more about how customization works in our CCM Community Impact Bond Fund

Impact Customization

Impact by Geography

Investments can target geographic regions down to the county level. Investors can choose multiple geographies within different counties, states, and/or regions with the investments supporting a variety of CCM's 18 impact themes.



Investments by geography will support a variety of our 18 impact themes.

or

Impact by Theme

Investments can target one or more of 18 impact themes. When a client selects this option, each investment will align with at least one of those specified impact themes. These investments can be anywhere in the U.S.



Target One Impact Theme

or Multiple Impact Themes



For full descriptions of all 18 impact themes, click [here](#).

or

Impact by Initiative

Investments can target one or both of our impact initiatives: COVID-19 Relief or Minority CARES. These investments can be anywhere in the U.S.



For more information on our initiatives, click [here](#).

Investment Vehicles

- **Mutual Fund (CCM Community Impact Bond Fund):** Clients invested in the Fund complete an impact customization form specifying their impact theme(s), initiative(s), or geographic region(s).
- **Separate Account:** Clients invested in a separate account complete an investment management agreement, which includes specifying their impact theme(s), initiative(s), or geographic region(s).

Investment Reporting

As a pioneer in impact and ESG investing, CCM has created a proprietary impact tracking and reporting system where we track and monitor the positive impact and ESG attributes of every investment. Clients who choose to customize, whether in the mutual fund or in a separate account, will receive quarterly impact reports detailing a variety of impact metrics and outcomes. Our impact reports include a mix of quantitative data and qualitative details, also known as “impact stories.” These impact reports also aggregate the value of the individual investments to illustrate the cumulative impact that the client’s investments have had over time.

Impact Customization Case Studies

Impact Customization by Geography



Image Source: firstcommunityhousing.org

Impact Customization: Geography	Targeted Investment Example: El Paseo Studios
Client: Foundation	Location: San Jose, CA
Geography Target: California Statewide	Sector: Agency CMBS

El Paseo Studios is a Low-Income Housing Tax Credit (LIHTC) property for low - and moderate-income people in San Jose, California. To qualify for the LIHTC allocation, the borrower agrees to reserve all 97 residential units for residents with incomes at or below 60% of the area median income for a period of 30 years. The property is in a majority-minority census tract where 58% of the population are minorities.

El Paseo Studios is owned and managed by First Community Housing, a nonprofit corporation created to develop, construct, and manage affordable housing for San Jose and the greater San Francisco Bay Area. Its mission is to build high quality, affordable housing that responds to the needs of diverse communities and embraces environmental sustainability.

As part of the LIHTC agreement for this property, First Community Housing agreed to provide educational classes and assistance with daily living activities. Building amenities include an on-site manager and maintenance staff, resident services, a laundry facility, a computer lab, and free Wi-Fi.

Environmental features include paints, finishes, adhesives, carpets, and resilient linoleum flooring that have low volatile compound makeup and low off-gassing properties along with energy efficient insulation, water use, and electrical fixtures.

This property is close to local retail, entertainment, and transit options that make the site ideal for workforce housing. In addition, First Community Housing purchases local transit passes for each resident to allow them to commute throughout Santa Clara County.

WALK SCORES
Walk Score **89** Bike Score **82**
Walk Score's mission is to promote walkable neighborhoods. Walkable neighborhoods are one of the simplest and best solutions for the environment, our health, and our economy.

IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:

Affordable Housing

Environmental Sustainability

Healthy Communities

Minority Advancement

Seniors and the Disabled

Impact Customization by Theme

Impact Customization: Theme	Targeted Investment Example: 1330 7th Street Apartments
Client: Non-Profit	Location: Washington, DC
Theme Target: Affordable Housing, Education and Childcare, Gender Lens	Sector: Taxable Municipals

1330 7th Street Apartments is an affordable rental property for families. The property consists of 136 one-, two-, and three- bedroom units, 134 of which receive Section 8 assistance. 1330 7th Street Apartments is in a moderate-income and majority minority census tract and features a community center, computer room, laundry room, and senior center.

1330 7th Street Apartments is a CPDC property. CPDC provides residents with high-quality, tailored, site-based programs and resources for children, youth, and adults. CPDC's Community Impact Strategies team works with residents, private sector institutions, other non-profit organizations, and local and federal government agencies to create strategic alliances that result in increased programs, services, resources, and networks that offer residents and those in the immediately surrounding communities with the foundation they need to bring about dynamic change at both the personal and community level.

In collaboration with several non-profit organizations, CPDC offers educational and youth development programs based on residents' interests and abilities. Through initiatives such as Backpack Buddies Mentoring Program, CPDC is bringing a range of age-appropriate resources directly to its communities. Backpack



Image Source: google.com/maps

WALK SCORES
Walk Score **95** Bike Score **96** Transit Score **97**

Buddies is a summer mentoring program offered at multiple community sites. The program is devoted to addressing the educational needs of children by focusing on increasing reading and writing skills, exposing children to cultural, educational, and recreational events.

Providing access to technology and training residents on software applications allows CPDC to build upon its conventional job training program and tackle the “digital divide” that has affected so many individuals earning very low wages. Adult programs include job skill training and college courses while youth programs range from homework assistance, athletics, and mentoring. CPDC’s targeted approach to education was so effective that the average income of 125 adult residents who completed the 18-week career training program almost tripled. CPDC’s community building model consists of five impact areas that serve as the basis for all Community Impact Strategies:

Economic Development: providing access to job placement and training, financial literacy workshops, transportation, and technology access

Education: focusing on early school readiness, youth development, and adult literacy

Environment: promoting energy efficiency, recycling, and water conservation

Health and Wellness: encouraging health education and awareness; providing nutrition and fitness classes; and supporting access to social and human services

Resident Engagement: supporting civic involvement, volunteerism, neighborhood leadership, community participation, and cultural exchange

IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:

Affordable Health and Rehabilitation Care



Affordable Housing



Education and Childcare



Enterprise Development and Jobs



Environmental Sustainability



Healthy Communities



Human Empowerment



Minority Advancement



Neighborhood Revitalization



Impact Customization by Initiative

Impact Customization: Initiative	Targeted Investment Example: Howard University
Client: Faith Based	Location: Washington, DC
Initiative Target: Minority CARES	Sector: Corporates



Howard University is a private university founded in 1867 with campuses in Washington, D.C., and Maryland. It is one of 101 Historically Black Colleges and Universities (HBCUs) in the U.S. and is consistently ranked as one of the top universities in this category by U.S. News & World Report.

On July 15, 2020, Howard University issued a taxable bond to refinance debt from a previous bond issuance whose proceeds are being used toward general upgrades, renovations, and construction of facilities on the university’s Main Campus, East Campus, and West Campus. These included heating, air conditioning, and sprinkler/fire systems, modernization of classrooms, upgrading laboratories for research, roof replacement and repairs, and renovating buildings for safety and access. It also funded the installation of modern instructional and clinical equipment and the equipping of classrooms, teaching laboratories, and other building learning spaces with enhanced multimedia technology, improved information systems, fiber optic wiring, camera surveillance, and entry access systems as well as new construction of a science, technology, engineering, and mathematics building, and an interdisciplinary building. The upgrades may have helped smooth the university’s transition to remote learning in response to the COVID-19 pandemic. Because it had recently completed IT network upgrades and many faculty members were already trained in online teaching platforms, the transition was successful and required only modest additional investments in software licenses and laptops for faculty and student use.

IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:

Education and Childcare



Minority Advancement



In 2020, more than 100 U.S. universities issued \$27 billion in bonds. Howard University was the only HBCU to join this trend, issuing two bonds in 2020. Even as the market continues to favor borrowers, most HBCUs simply do not have the financial profile to enter the bond market and take advantage of low-interest financing as can wealthier universities. Supporting investments in HBCUs plays an important role in working toward economic equality and racial justice.

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