

Fixed Income Customization



COMMUNITY CAPITAL
MANAGEMENT

Fixed Income Customization

Community Capital Management's (CCM) market-rate core fixed income impact 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 align their impact investing objectives within the liquid fixed income segment of their portfolios. These clients include religious organizations, foundations, nonprofits, endowments, insurance companies, healthcare organizations, and high net worth investors. Clients have the opportunity to customize their investment in the CCM Community Impact Bond (CIB) Fund Institutional Shares (Ticker: CRANX) or in a separately managed account.

Investment Vehicles

- **Mutual Fund (CRANX):** 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 and Impact Reporting

As a pioneer in impact investing, CCM has created a proprietary impact reporting system where we track and monitor the positive environmental and societal impact attributes of our investments. Separate account clients meeting minimum customization requirements receive quarterly impact and financial reports. CRANX shareholders meeting minimum customization requirements receive quarterly impact reports, only when new investments are earmarked on their behalf. Our impact reports include a mix of quantitative data and qualitative details, known as impact stories. Sharing such stories can be a powerful way to showcase the broader benefits of financial investments and their contributions to positive outcomes.

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



or

Impact by Theme

Investments can target one or more of the firm's 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 themes, click [here](#).

or

Impact by Initiative

Investments can target one or both of our impact initiatives: Minority CARES or First-Time Homebuyer. These investments can be anywhere in the U.S.







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

Impact Customization Targeted Investment Examples

Impact Customization

Impact Customization: **Geography**
Client: **Healthcare Organization**
Geography Target: **Several Florida Counties**

Impact Themes

-  Affordable Housing
-  Education and Childcare
-  Environmental Sustainability
-  Human Empowerment

The development's amenities include an exercise room, clubhouse, swimming pool, children's play area, care car area, volleyball court, library, gated access to the property with carded entry or a security guard, and two or more parking spaces per unit. Additionally, the following energy conservation features are in all buildings of the development: wall insulation of R-13 or better for frame-built construction, ceiling fans in bedrooms and living areas, heat traps on hot and cold pipes of water heaters, double-pane glass in windows, attic insulation of R-30 or better, and air conditioning with SEER rating of 11 or better. The property provides several resident programs at no cost to all residents, including the Homeownership Opportunity Program, first time homebuyer seminars, weekly literacy training through on-site literacy tutors, resident activities, financial counseling, and a computer lab. The Homeownership Opportunity Program is a program that sets aside 5% of a resident's gross rent towards a down payment for that resident when the resident moves from the property into homeownership. Financial counseling includes regularly scheduled tax preparation assistance and educational workshops.

Impact Customization by Geography

Hampton Point Apartments





Location: **Port Charlotte, FL** | Sector: **Agency CMBS**

Hampton Point Apartments is a Low-Income Housing Tax Credit (LIHTC) property in Port Charlotte, Florida (Charlotte County) with 284 units. To qualify for the LIHTC allocation, the property owner agreed to reserve all 284 units for residents with incomes at or below 60% of the area median income for a period of 30 years. The Florida Housing Finance Corporation allocated low-income housing tax credits to the owner of the Hampton Point Apartments in connection with the construction of this multifamily residential rental housing development. As a part of the extended low-income housing agreement for this project, all units are equipped with air-conditioning, full-sized appliances, cable hook-ups, at least two full bathrooms in all three bedroom or larger units, exterior lighting, and laundry hook-ups. All new construction units were constructed with new dishwashers, at least one and a half bathrooms in all two-bedroom units, exterior finish, bathtubs in at least one bathroom, and 30 year expected life roofing on buildings.

Impact Customization

Impact Customization: **Initiative**
Client: **Foundation**
Initiative Target: **Minority CARES**

Impact Themes

-  Affordable Housing
-  Disaster Recovery, Resilience, and Remediation
-  Environmental Sustainability
-  Human Empowerment
-  Minority Advancement
-  Poverty Alleviation
-  Seniors, Veterans, and People with Disabilities
-  Sustainable Communities

Impact Designations

- ✓ Persistent Poverty Country
- ✓ Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)

Walk, Bike, Transit Scores®

70 **67** **33**
Walk Score Bike Score Transit Score

Impact Customization by Initiative

Garden Oaks Tower

Location: **New Orleans, LA** | Sector: **Agency CMBS**

Garden Oaks Tower is an affordable housing property in New Orleans, Louisiana (Orleans Parish). All 98 units must be reserved for very-low- and extremely-low-income households and receive Section 8 assistance. The property is in a low-income, high-minority, and high-poverty census tract where 92% of the population are minorities and 46% lives below the poverty line. Amenities at this gated community include a community center, indoor and outdoor gathering areas, and a laundry facility. Resident services are provided weekly, and utilities are included in the rent. Some units are accessible for people with disabilities. According to the property's tenant selection plan, preference will be given to applicants with disabilities who need an accessible unit and to applicants who are displaced due to government action or a presidentially declared disaster. Additionally, 40% of vacant units must be made available to applicants whose household income does not exceed 30% of the area median income (AMI). The property is managed by Envolve, an affordable property management company with over 33,000 units under management. Envolve is continuously developing better ways to serve its residents, with particular focus on the following five key areas: Community Engagement, Education & Training, Health & Wellness, Character & Leadership, and Environmental Stewardship. Depending on the need, community managers independently manage programs that fall under these categories at Envolve properties.

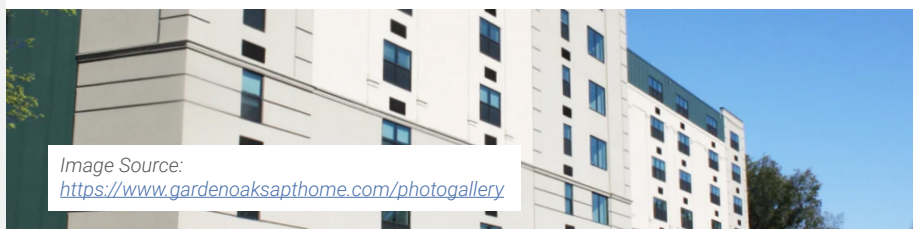


Image Source:
<https://www.gardenoaksapthome.com/photogallery>

Impact Customization

Impact Customization: **Theme**

Client: **Faith-Based**

Theme Target: **Environmental Sustainability, Sustainable Communities**

Impact Themes

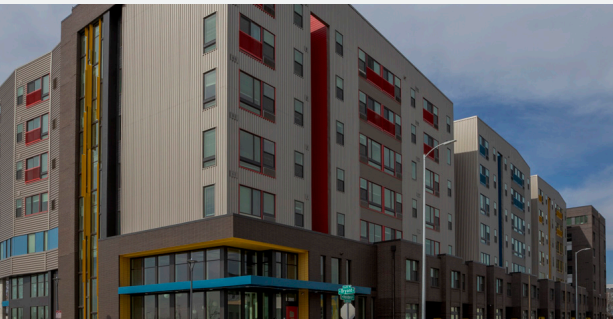
-  Affordable Health and Rehabilitation Care
-  Affordable Housing
-  Disaster Recovery, Resilience, and Remediation
-  Education and Childcare
-  Enterprise Development and Jobs
-  Environmental Sustainability
-  Human Empowerment
-  Minority Advancement
-  Poverty Alleviation
-  Sustainable Communities

Impact Designations

- ✓ Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)

Walk, Bike, Transit Scores®

64 Walk Score **81** Bike Score **62** Transit Score



Images Source:
<https://www.denverhousing.org/denver-d3-program/>

Impact Customization by Theme

Housing Authority of the City and County of Denver, CO Sustainability Bonds

Location: **Denver, CO** | Sector: **Taxable Municipals**

The Housing Authority of the City and County of Denver, Colorado (DHA), used the proceeds of the Taxable Multifamily Housing Revenue Bonds to make a Low-Income Housing Tax Credit (LIHTC) loan to Thrive Housing Partners LLLP to construct and equip Thrive Apartments, a 105-unit affordable residential housing project in the city of Denver. DHA owns Thrive Housing Partners, which was created to own and operate Thrive Apartments. The construction of Thrive Apartments is part of the Sun Valley Neighborhood Transformation Project, which is transforming DHA's largest public housing site into a mixed-income community. The 35-acre project will include at least 932 units of new affordable and market-rate rental housing. Thrive Apartments is a component in a segment of the project called Thrive at Sun Valley, which also includes 30 market-rate condos. The two rental communities making up Thrive at Sun Valley – the LIHTC project and the market-rate project – are contained within one seven-story building. The land on which this building was constructed is owned by DHA and has been leased to the development for a period of 99 years. DHA believes that the notes qualify as Sustainability Bonds as defined by the International Capital Market Association (ICMA). Sustainability Bonds are those whose proceeds will be exclusively used to finance a combination of green and social projects. DHA provided a second-party opinion from Kestrel Verifiers confirming that the notes qualify as Sustainability Bonds according to the standards of ICMA.

Thrive Apartments immediate neighborhood includes residential and commercial areas, predominantly single-family homes and well-maintained small independent stores that opened within the last 50 years. The site is in a redevelopment area and has been attracting development guided by the Sun Valley Neighborhood Transformation Plan. The Thrive Project will meet Enterprise Green Community Standards. Construction was completed in 2022 and leasing is expected to begin in early 2023.

Thrive Apartments is in Census Tract 0008.00, a low-income, high-minority, high-poverty census tract where 87% of the population are minorities and 78% lives below the poverty line. The site is within a block of a bus stop and a light rail station and is within walking distance of a park, a system of walking trails, a community center, and a new market offering culturally relevant affordable fresh foods and produce. Planned infrastructure improvements will provide additional bike and walking paths. DHA will provide resident services for Thrive Apartments including employment assistance and job training, health and services navigation, resources and referrals, community engagement and cohesion, youth services, transportation assistance, and educational enrichment opportunities. The building will include on-site management offices, a community room, a media room, a common kitchen, as well as bike storage and maintenance space. The third story of the building will feature a large shared outdoor amenity deck for residents with a variety of activities including a community garden, a play area with a basketball hoop, a climbing area for young children, and an outdoor community kitchen with grills and a lounge.

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income by combining the positive societal outcomes of impact and environmental, social, and governance (ESG) investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. A sustainable investment strategy that incorporates ESG criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Impact figures mentioned are approximate values. Opinions, estimates, forecasts, and statements of market trends are based on current market conditions and are subject to change without notice. Third party links, trademarks, service marks, logos and trade names included in this content are the property of their respective owners. The inclusion of a third party link is provided for reference and does not imply an endorsement or, association with, or adoption of the site or party by us. Acceptance of this material constitutes your acknowledgement and agreement that the Advisor does not make any express or implied representation or warranty as to the accuracy or completeness of the information contained herein and shall have no liability to the recipient or its representatives relating to or arising from the use of the information contained herein or any omissions there from. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based upon nonperformance-based objective criteria, including, but not limited to, 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. For a full list of relevant disclosures, please visit <https://www.ccminvests.com/regulatory-disclosures/>

Copyright © 2024 Community Capital Management. All Rights Reserved.

