

An Overview of Gender Lens Investing and CCM's Role

Gender lens investing, often referred to as GLI, is a strategy or approach to investing that considers gender-based factors across the investment process to advance gender equality for women and girls and better inform investment decisions. Gender lens investing can take place across any asset class or sector, with investors most often addressing the areas of social opportunity, employment, and economic attainment.¹

In recent years, GLI has gained traction as a powerful impact investment strategy aligning the pursuit of financial returns with the promotion of gender equality, underscoring the importance of investing in women as business owners, in leadership roles, in the workforce, and as customers. This strategy is backed by a growing body of evidence that gender inclusion is not only a driver of sustainable development; it is good for businesses and for investors, with the potential to spur market innovations.²

The Global Impact Investing Network's (GIIN) Gender and Impact Investing 2024 report shows that impact investors expressed interest in pursuing gender lens for several reasons. The report concluded that 85% of gender investors were motivated to adopt a gender lens because

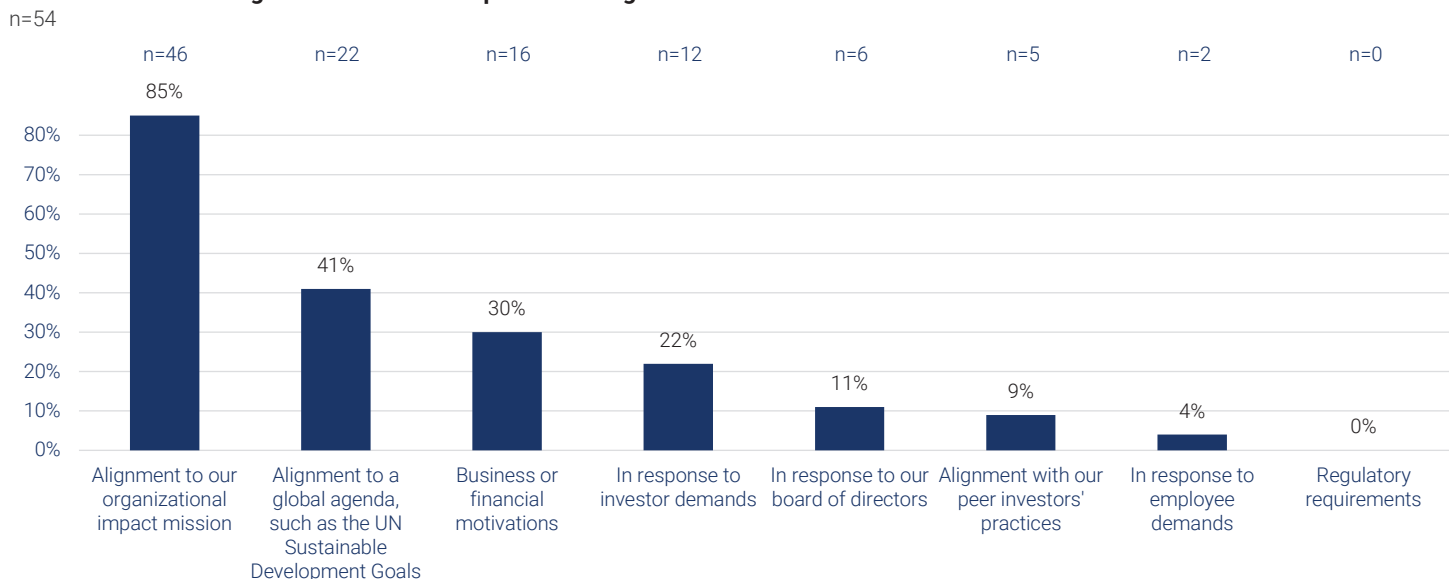
The report highlights 20% of respondents in their 2024 Impact Investor Survey who allocated 30% or more of their impact AUM towards investees that are majority owned or led by women.

it aligned with their organizational impact mission, 41% adopted gender lens investing to align with global goals such as the United Nations Sustainable Development Goals (SDGs), and 30% cited business or financial motivations. Only 22% of investors indicated that their adoption of GLI was motivated by client demands. The board of directors and employee demand were also not common motivations for GLI adoption, with just 11% and 4% of investors, respectively, reporting these as a motivating factor. Interestingly, no respondents indicated that regulatory requirements factored into their decision.⁴

The UN SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. There are 17 Goals, of which Goal 5 is Gender Equality.³



Motivation for Pursuing a Gender Lens in Impact Investing



Note: Respondents could select multiple answer options.
Source: Global Impact Investing Network (GIIN), 2024

Gender Lens Fixed Income

According to Parallele Finance’s Gender Lens Investing Q3 2024 report, total assets under management (AUM) for gender lens fixed income was \$16.5 billion as of September 30, 2024. New issuances in use-of-proceeds gender bonds totaled \$144 million for the quarter. With \$51 million in bond maturities, total AUM in the asset class ticked slightly upward for the three-month period.⁵

A use-of-proceeds bond is an issuance where the proceeds are financing women-owned businesses or for housing, health care, or other essential services for women, or to corporate entities demonstrating leadership on gender equality. There are also bonds where the issuance is tied to financing that offers ancillary services assisting women and girls.

“CCM partners with clients seeking to align their investments with gender initiatives as part of their mission, impact goals, or ministries. These clients often include foundations, nonprofits, faith-based organizations, and healthcare institutions.”

– Alyssa Greenspan, President and CEO of CCM

CCM Gender Lens Fixed Income Case Studies

Villas of Lancaster

Lancaster, TX | Agency CMBS

Villas of Lancaster is a Low-Income Housing Tax Credit (LIHTC) property for seniors in Lancaster, Texas (Dallas County). To qualify for the LIHTC allocation, the property owner agreed to reserve all 144 units for low-income residents earning no more than 60% of the area median income (AMI) for a period of 40 years. Exactly 129 units are further restricted— 57 units are reserved for tenants earning no more than 50% AMI, another 57 units are reserved for tenants earning no more than 40% AMI, and 15 units are reserved for tenants earning no more than 30% AMI. The property is in Census Tract 0167.09, a low-income, high-minority, high-poverty census tract where 93% of the population are minorities and 54% live below the poverty line. All units are accessible.

Lancaster is in the Southwest portion of Dallas County, approximately 15 minutes south of the City of Dallas. Hearthside Development Corporation, a local historically underutilized business (HUB), holds an ownership interest in Villas of Lancaster. To be considered a HUB, at least 51% of the business must be owned by an economically disadvantaged person, such as a woman, minority, and/or service service-disabled veteran. Amenities at the Villas of Lancaster include a fitness center, swimming pool, theatre room, community room, library, salon, 24-hour maintenance, laundry facilities, covered parking, and planned resident activities. The property offers supportive services to residents through its partner, American Agape Foundation, a non-profit that focuses on developing and preserving affordable housing. Offered services include health screenings, computer workshops, a women’s support group, exercise classes, and transportation coordination services.

CCM’s Role

For 25 years, CCM has been investing in bonds that support gender lens initiatives. One of our earliest investments helped finance a business incubator for women-owned businesses. Our GLI approach looks to create meaningful, multifaceted benefits for women and girls, with the goal of providing an avenue for financial empowerment, economic well-being, and human dignity. Many of these investments provide women with opportunities that drive lasting, positive change.

Our proprietary approach researches the use of bond proceeds, ensuring a comprehensive understanding of the programs being financed and their positive societal impacts. This includes assessing how investments support women and girls – integrating a gender lens into our approach.



Gender Lens

Investments aligned with this theme assist women and girls with access to educational programs, health-related services, affordable homeownership, and other supportive services. It also includes investments providing access to capital for women and girls and other opportunities to advance gender equality.



Impact Themes

- Affordable Health and Rehabilitation Care
- Affordable Housing
- Gender Lens
- Minority Advancement
- Poverty Alleviation
- Seniors, Veterans, and People with Disabilities
- Sustainable Communities

Impact Designations

- High Minority Census Tract
- High Poverty Census Tract
- Low- or Moderate-Income Census Tract
- Majority-Minority Census Tract

Walk, Bike, Transit Scores®

17 Bike Score • 41 Bike Score • 00 Transit Score

Bank of America

Nationwide | Corporate Bonds

In November 2022, Bank of America (BOA) issued its third Equality Progress Sustainability Bond (EPSB), a \$2 billion social and green bond to help advance racial and gender equality, economic opportunity, and environmental sustainability. This issuance was fueled by the success of BOA's first and second EPSB and marks its commitment to funding sustainability efforts. BOA issued its first EPSB in 2020, which was the first of its kind in the financial services industry with its dual social and environmental purpose.

Update from CCM's ongoing use of proceeds research: As of June 2023, BOA allocated 84% of the bond proceeds to 1) Affordable Housing, 2) Socioeconomic Advancement and Empowerment, and 3) Renewable Energy & Clean Transportation. Impact metrics within each of these categories are described below.

1) Affordable Housing: 3,000 units of affordable housing financed, and 1,280 mortgages provided, where 91% of borrowers are first-time homebuyers. Almost \$10 million was allocated toward Glenarden Hills, Phase III, an affordable rental property in Prince George's County, Maryland, which provides supportive services to residents, including educational programming, workshops for family needs, and employment training. Over \$7 million was allocated toward Kimball Highland Apartments, an affordable rental property for families and seniors in National City, California (San Diego County). The plan features a federally qualified health center and PACE (Program of All All-inclusive Care for the Elderly) in a transit transit-oriented village close to a senior nutrition center, shopping, cultural institutions, and a refurbished public park connected by bikeway to the San Diego Bay. Amenities include a computer lab, an activity room, and resident service programs.

2) Socioeconomic Advancement and Empowerment: \$67 million in loans to medical professionals in predominantly minority communities, \$34 million in business banking loans to minority minority-and/or women women-owned business enterprises, \$20 million in supply chain finance loans to minority minority-owned business enterprises, and \$6 million in equity investments to minority minority-or women-owned or operated funds that invest in minority- or women-owned businesses. Completed equity investments include BBG Ventures IV, Exposition Ventures Fund, KCRise Fund II, Medoza Ventures Growth Fund III, Red Bike Capital, and Plain Sight Capital. BBG Ventures IV targets investments in minority and women owned enterprises. Medoza Ventures Growth Fund III is an early growth venture fund that invests in AI, Cybersecurity, and Fintech. Ninety percent of its portfolio comprises startups led by immigrants, people of color, and women.

3) Renewable Energy & Clean Transportation: \$963 million in solar and wind, totaling 1.3 billion metric tons of CO2 equivalent emissions avoided, and \$33 million in clean transportation, totaling 1,907 metric tons of CO2 equivalent emissions avoided. The remaining bond proceeds will be allocated toward the same categories described above or other eligible categories, including carbon capture, energy efficiency, and sustainable water and wastewater management. BOA will not knowingly allocate any proceeds to projects related to the exploration, production, or transportation of oil and gas, coal mining or coal fired power generation, or the production or marketing of tobacco.


From 2013 to 2023, BOA issued 11 sustainable bonds totaling \$14.93 billion. In 2021, the bank announced a \$1.5 trillion, 10 year sustainable finance goal, including an expanded goal to deploy \$1 trillion by 2030 in its Environmental Business Initiative to accelerate the transition to a low carbon economy and socially inclusive development, spanning business activities worldwide.



Impact Themes

-  Affordable Health and Rehabilitation Care
-  Affordable Housing
-  Enterprise Development and Jobs
-  Environmental Sustainability
-  Gender Lens
-  Human Empowerment
-  Minority Advancement
-  Seniors, Veterans, and People with Disabilities

Impact Designations

-  First-Time Homebuyer

Walk, Bike, Transit Scores®

N/A

About CCM

Founded in 1998, Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. The firm's mission seeks to deliver superior risk-adjusted returns through investment strategies that contribute to positive societal outcomes. For more information, please visit: www.ccminvests.com.

¹ <https://thegiin.org/gender-lens-investing-initiative/>

² <https://www.unescap.org/story/closer-look-gender-lens-investment-paving-way-women-led-businesses-innovate-and-thrive>

³ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

⁴ <https://s3.amazonaws.com/giin-web-assets/giin/assets/publication/2024-giin-gender-lens-investing-report.pdf>

⁵ https://parallelefinance.com/wp-content/uploads/2024/12/GLIQ324-Full_0212224.pdf

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