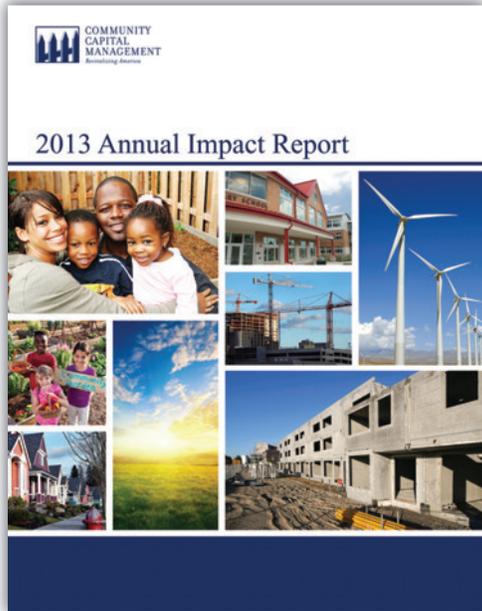


THE MISSION-BASED

I N V E S T O R

A Publication of Community Capital Management, Inc.

Spring 2014 Newsletter



New Report Available: 2013 Annual Impact Report

We are pleased to announce our new annual impact report which takes a closer look at some of the impact investment metrics used by Community Capital Management (CCM), highlights fixed income impact investments made throughout the year, and provides readers an update on some of the evolving themes we are seeing in the fixed income impact investing space.

We are excited that CCM continues to demonstrate success in this universe, having invested over \$6.1 billion cumulatively (since inception) in community development investment initiatives nationwide on behalf of our clients.

To receive a hard copy or to make suggestions for the 2014 annual impact report, please email jhorwitz@ccmfixedincome.com. To download a PDF copy, please visit www.ccmfixedincome.com.

We are excited to present the Spring 2014 issue of *The Mission-Based Investor* featuring an article on Community Capital Management's (CCM) recently launched mutual fund, the CCM Alternative Income Fund (Ticker: CCMNX), as well as an article on the firm's new annual impact report. Also included is an informational piece on CCM's online impact questionnaire and recent participation in an *asest.tv* impact investing masterclass along with a spotlight on three recent fixed income impact investments.

Community Capital Management Launches New Liquid, Alternative Income Fund

In March 2014, Community Capital Management, Inc. (CCM) announced the availability of its new open-end, mutual fund, the CCM Alternative Income Fund (Ticker: CCMNX), a multi-strategy fund combining absolute-return-oriented and income-producing strategies. The Fund was launched in May, 2013 in an effort to meet conservative yield conscious investors' demands. As of March 31, 2014, the 30-day SEC Yield for CCMNX was 3.67% and as of 3/31/14, its correlation (monthly since inception: 5/31/13) was negative to the S&P 500 and Barclays Aggregate Bond Index at negative 0.06 and negative 0.13, respectively.

In keeping with CCM's expertise in impact and environmental, social and governance (ESG) investing, CCMNX also incorporates these features and publishes a quarterly ESG report for investors. For long positions in equity securities, CCM examines holdings quarterly for their standing in areas of corporate ESG risk and performance. For fixed income, a significant portion of the Fund's holdings provide financing for a variety of



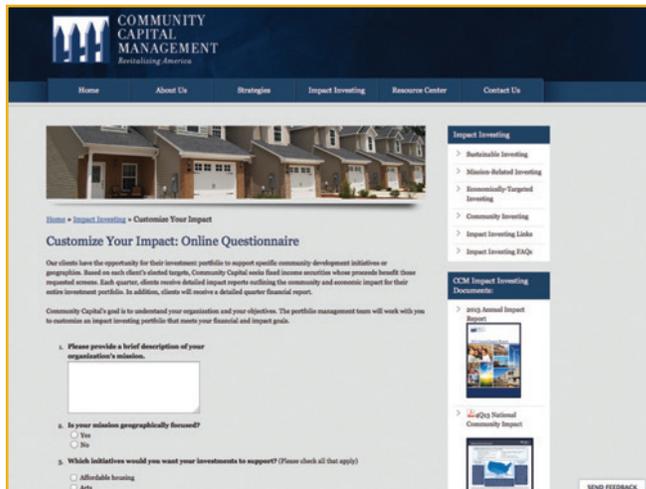
projects meeting ESG criteria.

While researching the space, CCM found there were plenty of long only bond, dividend and balanced funds that do not hedge; however, the selection of absolute-return, income-oriented funds was much smaller. CCMNX was created specifically for investors seeking a potential income source that actively hedges equity and fixed income market exposure.

CCMNX is the second fund managed by CCM. The first is the CRA Qualified Investment Fund. CCMNX is currently available on a variety of platforms including Charles Schwab, NFS/ Fidelity, Envestnet, Pershing, FolioFN, and *continued on page 2*

As of 3/31/14, the CCM Alternative Income Fund returned 4.18% (since inception: 5/31/13). Performance quoted is past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. An investor's investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than your initial cost. To obtain the most recent month-end standardized performance, call 877-272-1977. The unsubsidized 30-day SEC yield is 3.67% (3/31/14). The total annual operating expenses are 1.99%. The net expense ratio is 1.60%. Waivers are contractual and in effect until 9/30/14.

Customize Your Impact: Online Questionnaire



Wondering what types of investments CCM makes, what impact they have and how they can be customized to your organization's objectives? Visit our online questionnaire at www.ccmfixedincome.com/impact_questionnaire.php to complete a few brief questions about your organization's mission and we will provide you

sample fixed income impact investment profiles customized to those objectives. Questions include what types of initiatives your organization may be interested in having your investments support and if your organization has a geographic focus.

One of the benefits of CCM's approach is that our portfolio management team works with each client in customizing a portfolio – whether in a separate account or in a mutual fund – that meets their financial and impact goals. Additionally, clients have the opportunity to direct their investment dollars to target specific impact themes or geographies. Each quarter, clients receive detailed impact reports along with financial reports.

Impact Investing Masterclass on asset.tv

CCM's Chief Investment Strategist, David Sand, recently participated on an impact investing masterclass panel hosted by asset.tv. asset.tv was founded in 2003 and is a digital media company providing webcast, filming, production services, and fund manager videos to the global investment management industry.

Other panelists included Mary Jane McQuillen, Managing Director, Head of ESG Investment at ClearBridge Investments and Steve Schueth, President of First Affirmative Financial Network. The panelists discussed how making investments can make an impact and that by doing good and doing right, however defined, investors can make profitable choices.

A link to the video can be found on CCM's homepage: www.ccmfixedincome.com.

Community Capital Management Launches New Liquid, Alternative Income Fund *continued from page 1*

TD Ameritrade. The minimum investment is \$100,000, which may be waived in certain circumstances.

To learn more about CCMNX, please visit www.ccmalternativeincome.com or contact James Malone, CFA, at jmalone@ccmfixedincome.com or 954-217-7999.

Also, earlier this year, CCM held a webinar, "An Introduction to the CCM Alternative Income Fund" that is now available for replay. Highlights include:

- Why CCMNX was created;
- The goals and benefits sought of the strategy;
- What makes CCMNX different;
- What role CCMNX can play in a portfolio; and
- The positive ESG attributes of CCMNX.

To listen to the replay, please visit www.ccmalternativeincome.com/feb_webinar1.php

Spring/Summer 2014 Conferences:

CCM will be at the following conferences and hope to see you there.

GIIN Annual Investor's Meeting, April 29 – May 1, Glen Cove, NY

Mission Investors Exchange, May 13 - 15, Minneapolis, MN

Community Capital Management will be participating in an "Investment Opportunity Forum" at the conference. On Wednesday, May 14, Barbara VanScoy will be participating in a workshop discussion "Transformational Moments in a City's Lifecycle". For more information, please visit www.missioninvestors.org.

US SIF Annual Conference, May 19 – 21, Chicago, IL

Join CCM's Chief Operating Officer, Alyssa Greenspan (US SIF Board Member), and CCM's Chief Investment Strategist, David Sand, at the US SIF Annual Conference in May. David will be speaking on a panel "Opportunities and Challenges in the Fixed Income Impact Investing Arena: the Managers' Perspectives". For more information, please visit www.ussif.org.

Clinton Global Initiative America, June 23-25, Denver, CO

Join CCM for a World Food and Wine Tasting reception on Tuesday, May 13 in Minneapolis featuring speakers from organizations whose properties were financed partly by bonds Community Capital purchased on behalf of our clients. An onsite community service project will take place benefiting families in these communities. Please contact Jamie Horwitz at jhorwitz@ccmfixedincome.com if you are located in the Minneapolis/St. Paul area and would like to attend. You do not need to be part of the conference to attend the reception.

the Managers' Perspectives". For more information, please visit www.ussif.org.

SPOTLIGHT ON RECENT CRA FUND COMMUNITY INVESTMENTS

Canyon Crossing at Riverwalk, Midvale, UT

Canyon Crossing is an affordable rental property in a low income census tract of Salt Lake County where 100% of the units will be restricted to residents with incomes at or below 60% of area median income.

The property will have 180 units, when complete, and is expected to be finished by the middle of 2015. The project will be certified compliant to Energy Star 3.0 and En-

ENERGY STAR certified new homes are designed and built to standards well above most other homes on the market today, delivering energy efficiency savings of up to 30 percent when compared to typical new homes. The 2011 Enterprise Green Communities Criteria are a framework for comprehensive green building practices, which are applicable for all affordable housing development types, in any location in the country.

terprise Green Communities, including a geothermal heating and cooling system to lower the utility costs for the tenants. Property amenities will include a community center, exercise facility, computer room, and presentation room. There will also be a central grass park, a community garden, dog park, pavilion, sports court and walking track through the community.

Valley Recycling San Jose, CA

Valley Recycling is a small business located in a moderate-income census tract in San

Jose, California that employs ten workers. Valley Recycling's goal is simple: help recover precious materials for reuse in today's workforce, instead of ending up forever stuck in landfills. The company offers a drop-off disposal site located conveniently within downtown San Jose.

Future plans include a similar drop-off disposal site across the greater Bay Area. The business is located in a Historically Underutilized Business Zone (HUBZone).

The HUBZone program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities.

Suncoast Hospice Project Florida

The Hospice of the Florida Suncoast, Inc. and the Hospice Foundation of the Florida Suncoast, Inc. are Florida non-

profit corporations. The Hospice of the Florida Suncoast, Inc. (the Hospice) provides a comprehensive range of interdisciplinary and volunteer services. The Hospice provides a full range of health, human and community services including palliative care and emotional, psychological, spiritual, functional and bereavement support for those living with an advanced, chronic or terminal illness, their families or caregivers. The Hospice Foundation of the Florida Suncoast, Inc. (the Foundation) has a mission to advance understanding, participation and support of the Hospice and its family of programs.

Bond proceeds helped finance the construction, equipping, renovating and refurbishing of health facilities in four locations. As a community hospice, all those in the community who need hospice care are eligible to receive it. Services are covered by Medicare, Medicaid, managed care, private health insurance and private pay.



Recycling is one of the best ways to have a positive impact on the world in which we live. Valley Recycling offers a large range of recycling services, including drop-off disposal and roll-off yard containers. They strive to efficiently recycle and process materials dropped off at their facility, minimizing waste that ends up in landfills.

The securities identified and described herein are for illustrative purposes only and their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes. As of 3/31/14, Canyon Crossing, the SBA pool that included a loan to Valley Recycling and Suncoast Hospice Project represented 1.19%, 0.20% and 0.02%, respectively, of the CRA Fund's assets.



**COMMUNITY
CAPITAL
MANAGEMENT**

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Community Capital Management, Inc. is a Florida-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

The CCM Alternative Income Fund (formerly the CCM Active Income Fund) and the CRA Qualified Investment Fund are distributed by SEI Investments Distribution Co. (SIDCo), 1 Freedom Valley Dr., Oaks, PA 19456. SIDCo is not affiliated with Community Capital Management.

Investing involves risk, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. In addition, the CCM Alternative Income Fund is also subject to additional risks as high yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. The Fund uses investment techniques that are different from the risks ordinarily associated with equity investments. Such techniques and strategies include hedging risks, merger arbitrage risks, derivative risks, short sale risks, leverage risks, commodities risk, and foreign investment risks, which may increase volatility and may increase costs and lower performance. Commodities can be highly volatile and the use of leverage may accelerate the velocity of potential losses.

Carefully consider the Funds' investment objectives, risks, charges, and expenses. This and other information can be found in the prospectuses which can be obtained by calling 866-202-3573. Please read them carefully before investing.



ENVIRONMENTAL BENEFITS STATEMENT
of using post-consumer waste fiber vs. virgin fiber

For the Period: **4/1/2013 to 4/1/2014**

Community Capital Management

Saved the following resources by printing on recycled content paper.

TREES	WATER	GREENHOUSE GASES	ENERGY	SOLID WASTE
12	4,271	1,303	8,107,131	707
fully grown	gallons	pounds	BTU's	pounds

Environmental impact estimates were made using the Environmental Defense Paper Calculator. Comparing virgin uncoated freesheet with the average recycled content used. For more information visit www.papercalculator.org.

greenink.com

You can make a difference.



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