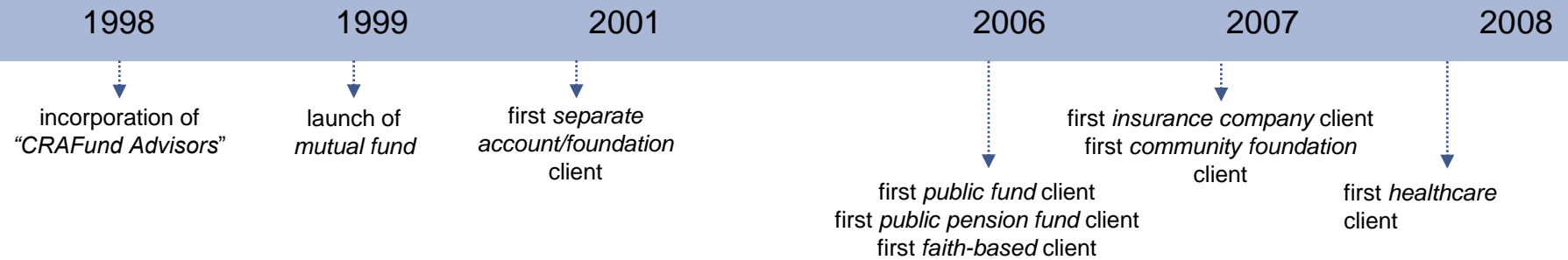


# Non-Traditional Core Fixed Income Management Utilizing “Community Development” Bonds to Support Environmental Sustainability

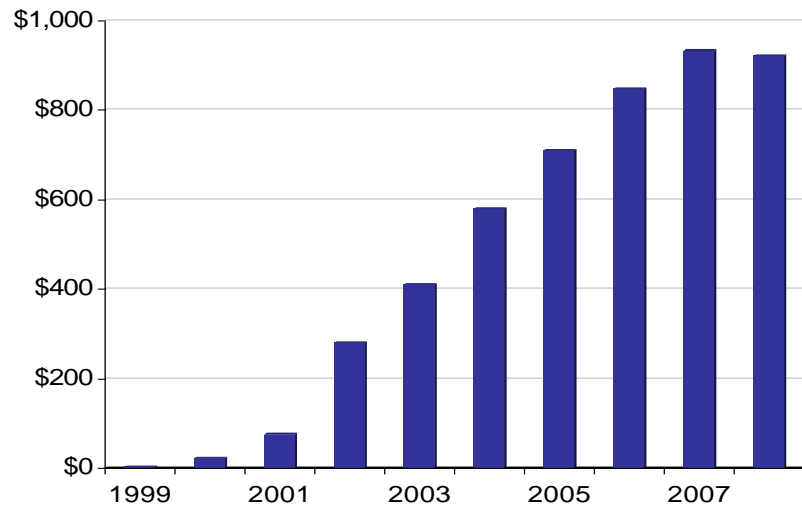
**Barbara VanScoy**

Executive Vice President & Co-  
founder  
Senior Portfolio Manager/Director of  
Research

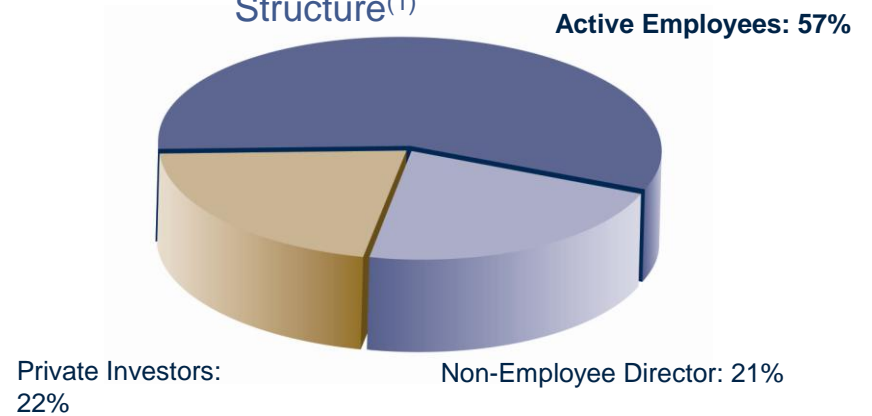
# Firm History



Firmwide Assets (in millions)



Ownership Structure<sup>(1)</sup>



<sup>(1)</sup> Numbers shown are on a fully diluted basis.

# Contrasting Approaches to “Core” Bond Management

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## Traditional “Core” Bond Management

Most Common Benchmark Index:  
Barclays Capital Aggregate Bond Index  
Average Credit Quality: AA+  
Duration: 3.7 years (as of December 31, 2008)

## Sector Exposures

- U.S. Treasury Securities
- U.S. Agency Debentures
- Corporate Bonds
- Single Family (Agency) Mortgage Backed Securities (“MBS”)
- Commercial MBS
- **Asset Backed Securities**
  - Auto Loans
  - Credit Card Receivables
  - Home Equity Loans

## Core Bond Management Utilizing “Community Development” Securities

Available Benchmark Index:  
Barclays Capital Aggregate Bond Index  
Credit Quality Target: at or above AA+  
Duration: +/- 15% vis-a-vis benchmark

## Sector Exposures

- Taxable Municipal Bonds
- U.S. Agency Debentures (HUD Notes, SBA PC)
- *Not-for-Profit* Corporate Bonds (Salvation Army)
- *Targeted* Single Family (Agency) MBS
- Multifamily (Agency) MBS
- **Asset Backed Securities**
  - Securitized Pools of SBA & USDA Loans
  - Habitat for Humanity

# Investment Supporting Renewable Energy

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## Ohio Enterprise Bond Fund, Series 2008-6 (Xunlight Corporation)

### Financial

1. Taxable Municipal Bond
2. Coupon: 7.75%
3. Maturity: December 1, 2015
4. Credit Rating: AA/AA-e



### Impact

1. Xunlight Corporation will use the proceeds of the bonds to finance the development, engineering and construction of a new facility located within a moderate-income area that will produce cutting-edge thin-film flexible photovoltaic modules that convert sunlight into electricity.
2. Xunlight was recently featured on ABC World News as a leading, renewable energy company, creating jobs in Toledo. This venture will not only create jobs and fuel the region's economy, but will also contribute to environmental sustainability by expanding the universe of solar energy-harnessing technology.
3. Due to manufacturing declines in recent years Toledo has lost tens of thousands of jobs. But due to dozens of new green technology companies springing up across the city such as Xunlight, Toledo is preparing to shift from representing the "rust belt" to the "renewable energy belt."

# Investment Supporting Brownfield Redevelopment

## County of Cuyahoga, Ohio

### Taxable Economic Development Revenue Bonds Refunding Bonds, Series 2004C (Brownfield Redevelopment Fund Project)

#### Financial

1. Taxable Municipal Bond
2. Coupon: 5.10%
3. Maturity: June 1, 2018
4. Credit Rating: Aa2/AA



#### Impact

1. The Cuyahoga County Brownfield Redevelopment Fund Program was developed to overcome environmental barriers for the reuse and full utilization of underused and abandoned commercial and industrial properties within the County.
2. A 1996 USEPA-funded study indicated there were approximately 4,623 acres of brownfields in Cuyahoga County with the majority of that land located in the City of Cleveland and its surrounding inner ring suburbs. Cleveland, alone, has approximately 350 brownfields and an estimated 1,000 to 2,000 condemned structures.
3. Many of the brownfields that do exist in the County are quite sizable, blighted, obsolete, and/or have no prospect of redevelopment without public support and intervention because of the environmental and financial risks and liabilities inherent in their redevelopment.

# Investment Supporting Hydroponics Farming

## Small Business Administration Loan (Rabbit Run Farm, LLC)

### Financial

1. Small Business Administration Loan
2. Maturity: January 31, 2024
3. Credit Rating: AAA

### Impact

1. Loan proceeds will be used to purchase land, fund business start-up expenses, and operating capital for an urban farm, Rabbit Run Farm, LLC. Rabbit Run will be a new entrant to the local farming industry, distinctive due to its status as a hydroponics farm specializing in pesticide free fruits, herbs and heirloom vegetables.
2. Rabbit Run Farm is a specialty hydroponics farm whose footprint is ½ an acre. Plants sprout in trays stacked vertically and need 1/10<sup>th</sup> of the amount of water of produce planted in the ground.
3. A member of Slow Food USA, Rabbit Run is positively positioned in the niche market of specialized produce. There is a growing interest and demand for locally grown pesticide-free produce by consumers and chefs. The Farm will employ one employee outside the Farm's owners.
4. Financed under SBA 7(a) Program which is the primary vehicle for providing small businesses with access to credit.



# Investment Supporting Water Conservation

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## **New Mexico Mortgage Finance Authority Multifamily Housing Revenue Bonds, Series 2007B (Saint Anthony Plaza Apartments)**

### Financial

1. Taxable Municipal Bond
2. Coupon: 5.60%
3. Maturity: March 1, 2011
4. Credit Rating: Aaa

### Impact

1. Proceeds from the bonds are helping to finance the rehabilitation of St. Anthony Plaza Apartments, a 160-unit multifamily residential housing project in Albuquerque, New Mexico.
2. The complex will be equipped with new water conservation fixtures and will undergo landscaping modifications specifically intended to assist the city's conservation plan.
3. The plaza also has a Neighborhood Networks community learning center. Neighborhood Networks was created by HUD in 1995 and, through innovative private/public partnerships, establishes multiservice community learning centers that bring computer access and lifelong learning to low- and moderate-income residents living in HUD multifamily insured and assisted housing.



# Investment Supporting Environmental Sustainability

## Community Redevelopment Agency of Los Angeles, CA Wilshire Center/Koreatown Recovery Redevelopment

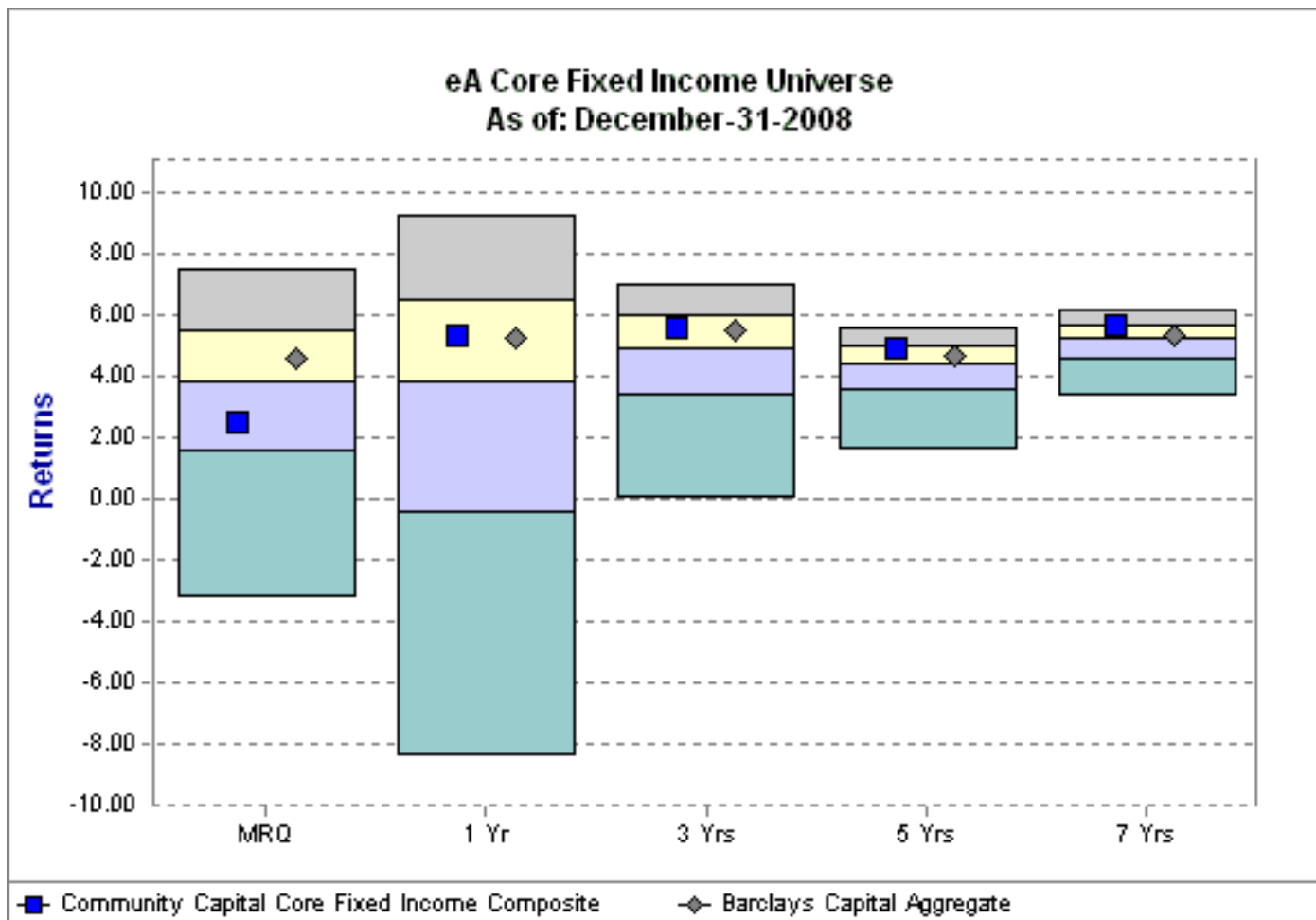
### Financial

1. Taxable Municipal Bond
2. Coupon: 6.25%
3. Maturity: September 1, 2017
4. Credit Rating: AAA/Aaa

### Impact

1. Funds from the security help finance the redevelopment of the Wilshire Center/Koreatown Project Area in L.A. Prior to Community Capital's investment, the area suffered from physical deterioration, economic stagnation, and high levels of crime.
2. The funds financed the construction of 113 units of affordable housing, including 97 units for large families.
3. The funds also made possible the development of a park and public green space, funded a grant program for commercial property owners for exterior improvements to their businesses, and supported a social services program providing counseling and child care services.

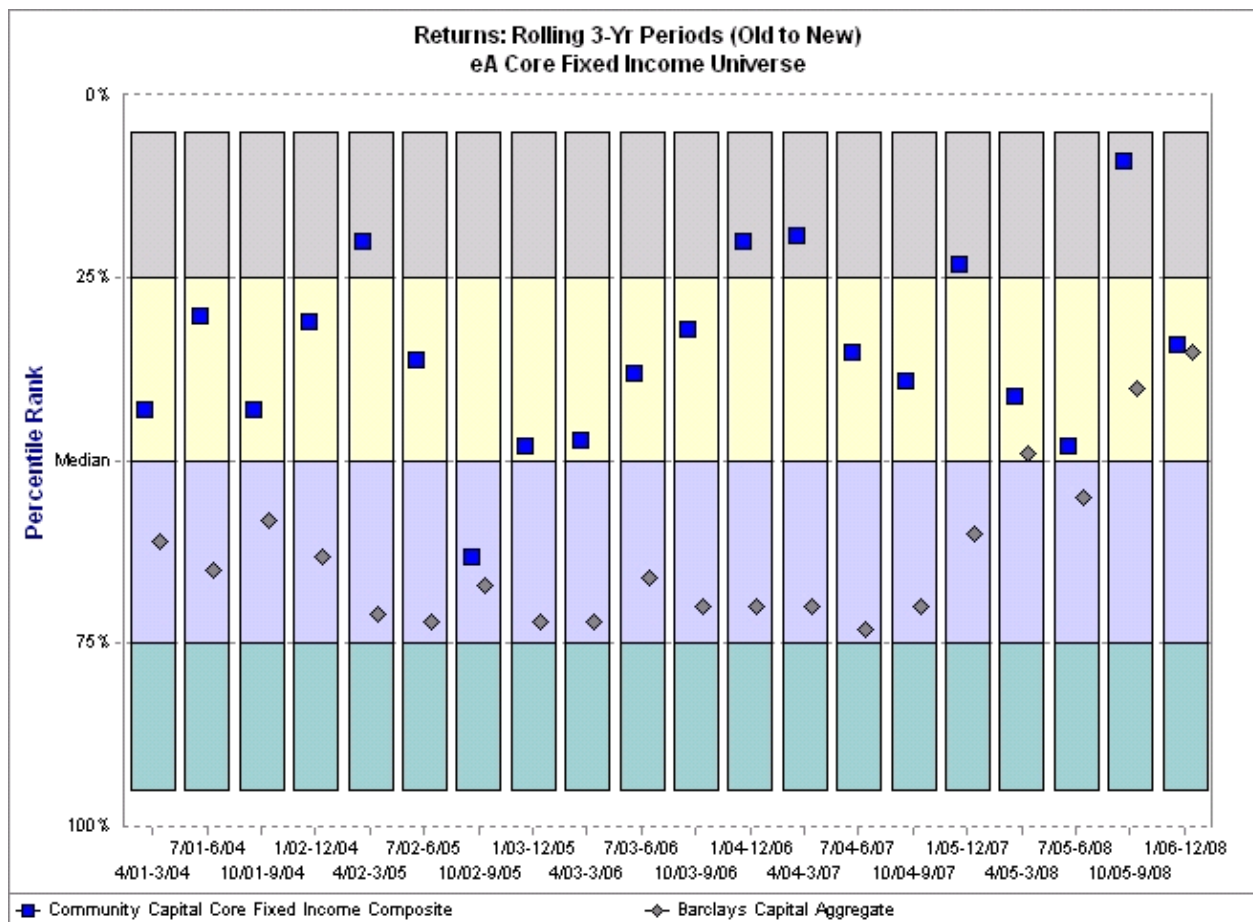




Annualized Returns*	eA Core Fixed Income				
	MRQ	1 Yr	3 Yrs	5 Yrs	7 Yrs
5th Percentile	7.49	9.22	7.02	5.60	6.17
25th Percentile	5.53	6.54	6.03	4.98	5.66
Median	3.82	3.82	4.90	4.40	5.26
75th Percentile	1.55	-0.39	3.40	3.56	4.62
95th Percentile	-3.15	-8.50	0.06	1.63	3.41
# of Observations	222	222	218	214	206

Annualized Returns*	eA Core Fixed Income									
	MRQ	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank
Community Capital Core Fixed Income Composite	2.54	67	5.30	35	5.56	35	4.92	29	5.68	23
Barclays Capital Aggregate Bond Index	4.58	38	5.24	36	5.51	36	4.65	39	5.36	41

\* Data obtained from eVestment Alliance (80% populated as of 1/26/09; Rankings subject to change)



**Rolling Three Year Returns with Percentile Rankings**

	4/01-3/04	7/01-6/04	10/01-9/04	1/02-12/04	4/02-3/05	7/02-6/05	10/02-9/05	1/03-12/05	4/03-3/06	7/03-6/06										
Median	7.6	6.57	6.04	6.4	6.32	6.08	4.17	3.88	3.14	2.23										
# of Observations	302	302	302	297	290	284	281	280	278	278										
CCM Core Fixed Income	7.70	42	6.86	29	6.15	42	6.67	30	6.79	19	6.28	35	4.00	63	3.89	48	3.18	47	2.36	39
Barclays Capital Aggregate Bond Index	7.44	61	6.36	65	5.88	57	6.2	62	5.99	69	5.76	72	3.96	66	3.62	71	2.92	70	2.05	66
	10/03-9/06	1/04-12/06	4/04-3/07	7/04-6/07	10/04-9/07	1/05-12/07	4/05-3/08	7/05-6/08	10/05-9/08	1/06-12/08										
Median	3.57	3.9	3.51	4.16	4.01	4.67	5.48	4.16	3.94	5.03										
# of Observations	277	276	271	268	266	265	260	255	249	151										
CCM Core Fixed Income	3.73	32	4.17	20	3.81	18	4.24	35	4.09	35	4.82	23	5.59	41	4.16	48	4.92	9	5.56	34
Barclays Capital Aggregate Bond Index	3.38	69	3.70	69	3.31	69	3.98	72	3.86	70	4.56	61	5.48	49	4.09	56	4.15	41	5.51	36

Data obtained from eVestment Alliance (80% populated as of 1/26/09; last rolling quarter subject to change)

# GIPS® Compliance Verification Statement

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Benchmark Return %	Number of Portfolios	Dispersion %	Total Composite Assets End of Period (\$ millions)	Total Firm Assets End of Period (\$ millions)	Percentage of Firm Assets %
8/30/1999-12/31/1999	0.17	0.00	0.97	1	N/A	3.6	3.6	100
2000	11.77	11.23	11.63	1	N/A	22.3	22.3	100
2001	7.18	6.62	8.44	2	N/A	75.5	75.5	100
2002	11.64	11.07	10.26	2	0.07	279.8	279.7	100
2003	3.70	3.20	4.10	2	0.30	411.4	411.4	100
2004	4.84	4.35	4.34	2	0.09	580.3	580.3	100
2005	3.12	2.62	2.43	3	0.07	685.6	710.6	96.5
2006	4.55	4.05	4.33	7	0.04	844.2	846.0	99.8
2007	6.83	6.41	6.97	8	0.09	923.9	931.4	99.2
2008	5.30	4.95	5.24	10	0.62	844.4	920.5	91.7

**Community Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®)**

**Firm Information:** Community Capital Management (CCM) is a Florida-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm specializes in constructing portfolios tailored to clients' preferences and constraints with a focus on fixed-income, community development investments. Portfolios typically include fixed income securities. The firm's fee schedule is as follows: 0.40% for first \$25 million, 0.30% for the next \$25 million, 0.25% for the next \$50 million and 0.20% on the balance. Fees may be subject to discounts where special circumstances warrant.

**Composite Characteristics:** The Core Fixed Income Composite was created in June 2004 and is comprised of all actively managed fixed income accounts that invest mainly in investment grade securities with community development as the primary purpose. A complete list and description of all firm composites is available upon request. The composite benchmark is the Lehman Brothers U.S. Aggregate Bond Index. New accounts that fit the composite definition are added at the beginning of the first full calendar quarter for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias.

**Calculation Methodology:** Valuations and returns are computed and stated in U.S. dollars, and individual portfolios are revalued monthly. Pricing information is supplied by FT Interactive Data Corp. The firm used the Daily Valuation method to calculate monthly returns and links these returns geometrically to produce to produce an accurate time-weighted rate of return. Composite returns are asset-weighted. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated net of management fees, gross of custodian fees and any other fees, and net of transaction costs. Accruals for fixed income are included in calculations. The dispersion of the firm's returns is calculated as the standard deviation of the returns for the composite for the same year. The Lehman Brothers U.S. Aggregate Bond Index was used to calculate the one of the individual account's performance results prior to November 2004. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. Additional information regarding policies for calculating and reporting returns is available upon request. The Community Investment Composite was renamed the Core Fixed Income Composite in March 2008.



# Disclaimers

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Community Capital Management, Inc. is a Florida-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The Core Fixed Income Composite is comprised of all actively managed fixed-income accounts managed by Community Capital Management that invest mainly in investment grade securities with community development as the primary purpose. The Core Fixed Income Composite assets as of December 31, 2008 were \$844.4 million which represented 91.7% of the firm's total assets. Returns are calculated in U.S. dollars. Community Capital Management has received a Firm-wide GIPS® Verification for the period August 30, 1999 through September 30, 2008. In addition, the Core Fixed Income Composite has received a Performance Examination for the same time period.

Community Capital Management has prepared and presented this report in compliance with the Global Investment Performance standards (GIPS®).

To receive a complete list and description of Community Capital Management composites and/or a presentation that adheres to GIPS®, contact Alyssa Greenspan, CFA at (877) 272-1977 or [agreenspan@ccmfixedincome.com](mailto:agreenspan@ccmfixedincome.com), or write Community Capital Management: 2500 Weston Road, Suite 101, Weston, FL 33331.

Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. The results portrayed included the reinvestment of dividends, interest and other earnings.

*The CRA Qualified Investment Fund is distributed by SEI Investments Distribution Co., which is unaffiliated with Community Capital Management. Investing involves risk, including possible loss of principal. Bond and bond funds are subject to interest rate risk and will decline in value as interest rates rise. Carefully consider the risks, investment objectives, charges, and expenses of the Fund before investing. The prospectus contains this and other information. Call 877-272-1977 for a prospectus. Please read it carefully before investing.*

# Contact Information

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