

Community Investment Management U.S. Private Credit Strategy

A PRIVATE DEBT STRATEGY



Photo courtesy of Community Investment Management (CIM)

SEEKING TO ACHIEVE ATTRACTIVE FINANCIAL RETURNS BY INVESTING IN CREDITWORTHY BUT UNDERSERVED U.S. COMMUNITIES

Community Investment Management (CIM)'s strategy provides strategic debt capital to small businesses (SMBs) and underserved communities in the United States. The strategy seeks to deliver attractive risk-adjusted returns and positive social impact by partnering with technology-enabled lenders that are providing responsible and transparent financial solutions to underserved communities. Since 2014, CIM has provided over \$7B in debt financing to more than eight million underserved borrowers including small businesses, low-income households, and students in the U.S. and emerging markets. As a percentage of the portfolio, CIM's U.S. strategy funds 2-3 times more woman, minority, and veteran-owned businesses than banks and financial institutions.

CIM-LLC.COM

ABOUT COMMUNITY INVESTMENT MANAGEMENT

Community Investment Management (CIM) is a global institutional impact investment manager that provides strategic debt funding to scale and demonstrate responsible innovation in lending to small businesses and underserved borrowers in the United States and emerging markets. CIM partners with technology-enabled lenders through customized transaction structures to isolate bankruptcy risk and provide credit enhancement to investors. CIM's advocacy work in the sector has centered on developing a set of responsible practices and codified behavior within fintech lending. CIM is a member of the Executive Committee of the Responsible Business Lending Coalition, MoreThanFair, Impact Capital Managers, and the Investors' Council of the Global Impact Investing Network.

Since inception, CIM has provided over \$4B in debt financing to more than 5M underserved borrowers including small businesses, low-income households and students.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets — a market leader in impact investing — VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact.

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1 NO POVERTY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



ImpactAssets		RISK RETURN MATRIX		
RISK LEVEL	HIGH RISK			
	MODERATE RISK			X
	LOW RISK			
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
RELATIVE RETURN				



ImpactAssets		FUND SUMMARY
ASSET CLASS	Private Debt	
STRATEGY SIZE	\$691MM AUM as of 1/1/24	
SECTOR	U.S. Financial Inclusion, Responsible Innovation in Lending	
TERM	Evergreen	
TARGET RETURN	6-8% net returns to investor (see summary of Manager Fees below)	
REDEMPTION	Monthly with 30 days notice and 2.5% fund level gate	
PORTFOLIO DETAILS	<ul style="list-style-type: none"> SMB Average Loan Size: \$38,014 SMB average interest rate: 17.9% (Interest rate excludes revenue-based financing with variable cost) SMB Average Loan Term: 19 months 	
INVESTMENT FEES	This recommendation will incur an additional fee of 0.40%. The fee is calculated on current asset basis.	
MANAGER FEES	<ul style="list-style-type: none"> 1% management fee annually, paid monthly 6% Preferred Return to investors, 20% of fund profits above annual preferred return with a shared catch up Expenses limited to 50 bps annually 	
GEOGRAPHY	Domestic	
INVESTMENT THESIS	<ul style="list-style-type: none"> Provides strategic debt capital for responsible innovation in lending to underserved communities including small businesses, low-income households, and students Customized transaction structures isolate bankruptcy risk and provide credit enhancement to investors 	
IMPACT THESIS	<ul style="list-style-type: none"> Commitment to responsible and transparent financing for small businesses and underserved demographic (As a percentage of the portfolio, CIM funds 2-3 times more women-, minority-, and veteran-owned businesses than banks) and provides granular borrower details Since inception, CIM has played an integral role in the development of responsible and transparent innovation in digital finance 	
ILLUSTRATIVE INVESTMENT	<p>Camino Financial is a technology-powered Community Development Financial Institution (“CDFI”) that was created to provide affordable loans to underbanked and historically underserved Latinx small businesses in the United States. Camino provides financial and credit building advisory services to help small business owners, many of whom are undocumented, unbanked or underbanked, access capital and improve their financial future.</p> <p>CIM’s partnership with Camino provides capital for innovative debt financing for these underserved borrowers and aims to create scalable impact within these underserved segments.</p>	
STRENGTHS	Attractive risk-adjusted returns for asset class (6-8%), built-in liquidity feature, robust risk management system, strong lender partnership pipeline, outsized market opportunity	
RISKS	Limited fund track record, nascent sector unproven through full credit cycle, inherent credit risk in uncollateralized loan portfolio	

The Summary of Terms is a summary and not exhaustive. The Strategy’s Offering Circular contains additional details on strategy terms, disclosures, and risks. All investing involves risk of loss. Actual returns could differ materially and adversely from those expressed or implied in any forward-looking statements as a result of various factors. Any estimated future returns set forth herein are hypothetical and do not constitute a forecast. They have estimations and assumptions about events that have not yet occurred. Such estimations and assumptions may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favorable or adverse. Targeted performance is not necessarily indicative of future results, and there can be no assurance that the applicable investment will achieve comparable results to those presented.

CIM prepared this portfolio information document and the calculations herein. None of the information in this document has been reviewed or audited by an independent accountant or other independent testing firm. CIM believes the data is correct, but does not assume any liability or obligation to update the data if such data is incorrect. The data in this document may not be inclusive of the entire portfolio. CIM uses data inputs and reporting from its portfolio companies and conducts additional research to supplement the data where available, and therefore such reporting may be incomplete.

There is no guarantee that any projection, forecast or opinion around any given investment will be realized with respect to impact, performance or liquidity. Past performance does not guarantee future results.

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