

CNote®



ANNUAL IMPACT REPORT 2024

IMPACT SPOTLIGHT

CNOTE SPOTLIGHT

Empowering Change: HOPE's Clean Energy Path for the Deep South

In the Deep South, hotter summers, frequent power outages, and stronger storms strain communities already facing economic challenges. Community-centered financial institution Hope Credit Union is responding with innovative, sustainable solutions tailored to its members' needs.

As a certified Community Development Financial Institution (CDFI), HOPE has spent decades supporting rural and low-income communities across Alabama, Arkansas, Louisiana, Mississippi, and Tennessee. By financing affordable housing, enhancing community facilities, and building strategic partnerships, HOPE empowers families to build financial health and stability.

Now, HOPE is tackling environmental risks head-on. Inspired by member feedback, the credit union is helping families adopt clean energy technologies like solar panels, heat pumps, and electric vehicles (EVs). These clean technologies are designed to help low-income households in Arkansas and Mississippi reduce utility bills by at least 20% while cutting greenhouse gas emissions.

HOPE is also developing energy efficiency loans and an EV-lending program. "EVs are massive batteries on wheels," explains Vice President Tyler Archie, noting their role in enhancing resilience during power outages and emergencies. For HOPE, sustainability isn't just environmental—it's a pathway to community empowerment, ensuring that as challenges intensify, members are equipped to thrive in a changing world.



GENERATING IMPACT

CNote has the purpose of advancing economic and social justice by unlocking access to impactful financial products. We increase opportunity and decrease environmental risk by changing the way responsive, flexible capital flows to communities. We accomplish this work with impact-driven community financial institutions that are focused on the local needs of those they serve.

CNote builds solutions to make sustainable change by:

- more efficiently allocating capital to advance economic opportunity,
- assisting community financial institutions to become financially sustainable and thriving, and
- incorporating community voice and the values of co-creation into all aspects of our work.

CNote Impact Statistics 2024:¹

\$379.8M

Deployed to
Mission-Driven
Community Financial
Institutions

166

Mission-Driven
Community Financial
Institutions with Deposits
or Investments

A Team Built for Impact and Scale

CNote's team hosts a combined 100+ years of community finance and financial technology experience. Our executives hail from the following institutions:



2024 CNote Team Overview:²

CNote's team brings varied perspectives and deep and entrepreneurial experience to the crucial work of assisting communities.

- **90%** of team have prior experience working for mission-driven organizations or start-ups
- **76%** of team members have started a business



Tamra Thetford takes a rigorous, outcomes-first approach to impact evaluation. She guides community finance institutions by helping them identify what they

offer, who they're serving, and how their work makes a difference to articulate the impact they achieve. This process, which increases engagement and understanding among stakeholders, drives her work as vice president of impact evaluation at CNote.

A community finance industry veteran with more than 25 years of experience, Tamra previously led impact data analysis and research at The Aspen Institute's Economic Opportunity Program and Justine Petersen Housing and Reinvestment Corporation.



Aimeelene Gaspar is a fintech leader, entrepreneur, and product strategist with over 20 years of experience driving innovation at the

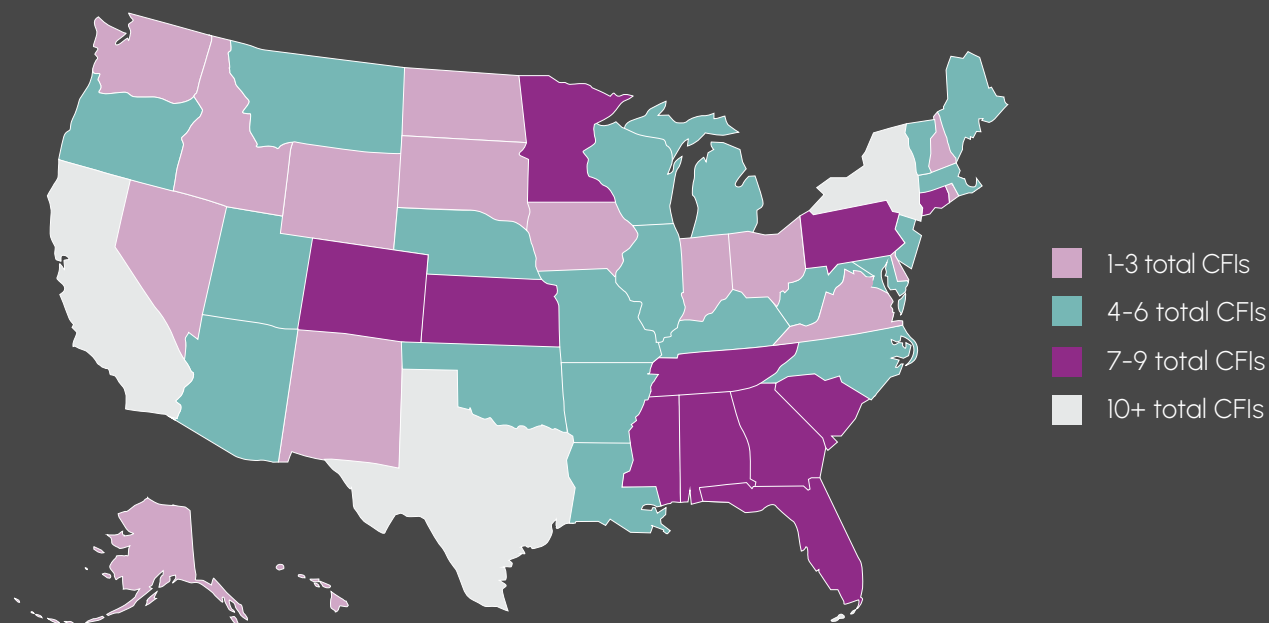
intersection of financial services and technology. As Chief Product Officer at CNote, she helps scale impact-driven financial solutions that promote financial inclusion and community investment. Previously, she co-founded LionX, a consumer privacy technology platform, and held leadership roles at Sindeo, Yodlee, and Broadridge.

Recognized as one of NYC Fintech Women's Inspiring Fintech Females in 2020 and nominated again in 2024. Today, she also serves on the Advisory Board to ViCap's US Women In Tech program. Aimeelene holds a Bachelor of Science in Finance from the University of Illinois at Urbana-Champaign and a Master of Science in Integrated Design, Business, and Technology from the University of Southern California.

CNote's Network of Impact-Driven Community Financial Institution Partners

CNote supports the full community finance ecosystem by making fixed income investments in CDFI Loan Funds and partnering with community-focused banks and credit unions through the Impact Cash® program.

CNote's Community Financial Institution Partner Network



Aligning Financial Goals with Purpose

CNote's approach aligns investors' financial objectives with purposeful investment and cash management goals. We achieve this through three core tenets.

1. Integrating Financial Objectives with Measurable Change

At CNote, we believe you shouldn't have to choose between financial growth and creating meaningful change. That's why our investment and cash management products are designed to deliver both—whether you prioritize impact-first, yield-first, or a blended approach. Every dollar is invested or deposited in mission-driven financial institutions that support small businesses, finance affordable housing, and build local resilience. Whether you choose one of CNote's investment opportunities or cash management solutions, you're unlocking financial opportunities for communities that need it most while pursuing your financial goals.

2. Invest in What Matters Most to You

Your priorities are unique, and your financial choices should reflect that. Whether you're driven by a commitment to local change, to creating more affordable housing, a desire to address disaster recovery or a passion for supporting small business owners, CNote connects your goals with tangible action. Our nationwide network of mission-driven financial institutions work diligently to create financial opportunity, channeling your investment into meaningful, measurable impact. With CNote, your capital becomes a powerful tool for change, aligning with the causes and communities you care about with financial products.

3. Solutions Tailored to Every Type of Investor

Community investing isn't one-size-fits-all—it's as diverse as the investors who drive it. From retail investors seeking accessible and meaningful ways to make a difference, to corporate treasurers managing multimillion-dollar portfolios, to foundation officers putting investment dollars to work locally and aligning capital with mission, CNote offers solutions designed to meet your unique goals.

Whatever your priorities, CNote is here to help you align your financial strategy with measurable impact.

CNOTE CLIENT INVESTOR SPOTLIGHT

Xylem and CNote: Investing in Disaster Relief for Resilient Communities

Xylem is a leading global water solutions partner that empowers customers and communities to build a more water-secure world. From advancing water infrastructure to supporting disaster recovery, Xylem's work is inherently tied to strengthening communities and ensuring water security.

That work extends to the company's financial decisions. Xylem previously placed deposits in CNote's Impact Cash® offering, leveraging its treasury capital to support mission-driven financial institutions that strengthen local economies. When catastrophic flooding struck North Carolina—a region where Xylem has deep ties—the company saw an opportunity to do more.

From Impact Cash to Disaster Relief: A Natural Evolution

When CNote introduced its disaster relief investment product, Xylem saw it as a natural extension of its work. "Xylem's work is all about creating water-secure communities. The North Carolina flooding affected areas where we have people and operations. We saw a way to have a direct and positive impact," said Aaron Johnston, a member of Xylem's treasury team.

Xylem needed to ensure that any investment—no matter how mission-aligned—was also strategically sound. "We have to be responsible stewards of our funds," Johnston explained. "Our capital decisions need to balance social impact with financial sustainability."

CNote's disaster relief investment provided impact and financial security with full FDIC/NCUA insurance. Xylem could deploy capital to help communities rebuild while ensuring treasury funds are accessible and low-risk. It was a "win-win"—a way to uphold both fiscal responsibility and corporate values.



A Call to Action for Corporate Leaders

For Xylem, this investment is more than just a financial decision—it's a blueprint for how businesses can drive impact through treasury management.

As Johnston put it, "we've been investing in green financial products for years. Finding an opportunity to invest in 'blue'—in water-related impact—felt like the perfect fit."



The Xylem logo, consisting of the word 'xylem' in a lowercase, blue, sans-serif font.

florrent and CNote: A Mission-Driven Partnership for Impactful Treasury Management

When florrent, a minority-led energy startup, secured new strategic funding, they saw an opportunity to align their financial decisions with their mission.



"After our seed round closed, I knew we had our first opportunity to be intentional about where we placed our strategic capital," says co-founder Joe Hastry. "I reached out to advisors I trusted, and the Treasurer of Patagonia and the Controller of Boston Impact Initiative both pointed to CNote. After doing my own diligence, I found that it was the right fit for us – mission without financial compromise."

[Read more](#)

FIXED INCOME SOLUTIONS

CNote's fixed income solutions allow both institutional and individual investors to fund targeted impact initiatives while diversifying their portfolios. Investments in CNote's Flagship Fund and ImpactFlex Notes support CDFI loan funds that offer affordable and accessible financial products. These products help entrepreneurs start and grow small businesses, provide families with affordable housing options, and expand access to healthcare, education, and other community resources.

CNOTE BORROWER SPOTLIGHT

Rapid Response: How PCAP Helped Western NC Recover from Hurricane Helene

When Hurricane Helene struck Western North Carolina in late 2024, the devastation was immediate—flooded homes, businesses, and municipal water systems left communities struggling. While FEMA and SBA Disaster Relief provide critical support, delays meant businesses needed urgent assistance.

As a mission-driven lender, Partner Community Capital (PCAP) stepped in swiftly. With 36% of its portfolio in the region, PCAP prioritized its borrowers' recovery. Within 48 hours, they offered two months of forbearance, helped clients navigate relief programs, and launched a microsite consolidating critical resources.

Beyond financial relief, PCAP borrowers supported each other in the recovery. Asheville-based Mother Earth Food adapted quickly, working with local partners to maintain cold storage and deliver over 1,000 meals daily to impacted residents. Breweries shared potable water, food hubs distributed medical supplies, and small businesses found ways to assist one another despite their own struggles. PCAP's network became a foundation for resilience, proving that mission-driven finance is more than just funding—it's about community.

Beyond individual support, PCAP collaborated with CDFIs and local organizations to coordinate regional recovery efforts. "Asking 'How can we help?' was our first step," said Spencer Blevins, PCAP Business Lender. "We aimed to create stability in chaos." But recovery doesn't happen overnight. When disaster strikes, mission-driven lenders don't just rebuild—they help communities emerge stronger.



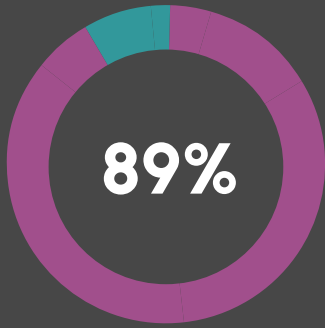
Julia Phipps is an impact investing professional with a decade of experience in financial services, specializing in credit risk, capital markets, and structured

impact investments. She currently serves as Vice President of Investments at CNote, where she leads the company's fixed-income lending program, overseeing CDFI investments from origination through portfolio management.

After earning a degree in Economics from the University of Chicago, Julia began her career in credit risk management at Citigroup and Deutsche Bank. She later focused on capital markets and financing strategies at an institutional hedge fund. Most recently, as Vice President of the Strategic Investments Group at the New York City Economic Development Corporation (NYCEDC), she structured impact investments aimed at expanding financial access for underserved communities.



CDFI loan funds used fixed income capital from CNote investors to support the following lending activity in 2024:



of loans originated to low- to moderate-income (LMI) communities

Loans originated since 2017 have resulted in:

10,007

jobs created/retained

7,257

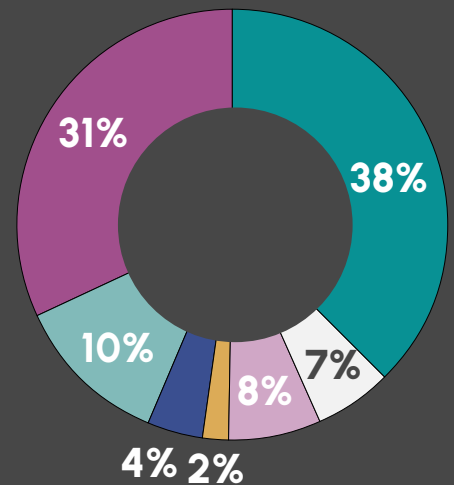
affordable housing units created

CNote CDFI Loan Funds report data on the amount of loans they originate and the associated jobs created and retained. In 2024, this data revealed that CNote CDFI Loan Funds reported an average cost of \$15,429 per job created and/or retained. This compares favorably to data from the Small Business Administration that estimated that one job is created or retained for every \$26,000 in 7(a) loan value.³

CNote's Fixed Income Deployments

CNote's Fixed Income investments provide steady interest to investors and reliable capital to CDFI Loan Funds. At the end of 2024, 92% of existing fixed income capital remained with CDFI Loan Funds allowing these funds to continue supporting community economic development across the country.

- Affordable Housing
- Comm. Real Estate
- Comm. Facilities
- Intermediary Relending
- Consumer
- Microenterprise
- Small Business



ImpactFlex Investments

ImpactFlex™ Investing is a fixed-income investment solution that empowers investors to direct their capital toward projects that support poverty alleviation, financial education, economic opportunity, small business development, job creation, access to healthcare, and affordable housing. Access to capital is the catalyst for economic mobility, but not every community has seen the same level of investment. By tailoring financial products and services to the unique needs of their local communities, mission-driven financial institutions create pathways to economic mobility and long-term financial stability.



Supporting Underserved Communities:

Focus on low-income and rural communities that face systemic barriers to financing.



Small Business Support:

Provide capital to small businesses and startups that may not qualify for traditional bank loans, fostering entrepreneurship and job creation.



Affordable Housing Financing:

Finance the development and preservation of affordable housing, ensuring more people have access to stable living conditions.

IMPACT CASH[®]

Impact Cash is a cash management tool designed to help clients achieve their impact objectives through secure, FDIC/NCUA-insured deposits. It offers a strategic alignment with yield and liquidity goals for clients while advancing positive societal change. The platform facilitates deposit placement across a network of community-focused banks and credit unions that lead in areas like environmental risk mitigation, small business development, access to healthcare, and affordable housing via their supportive lending and innovative programs.

Impact Cash Program institutions used deposits to support their overall lending activity. In 2024, institutions reported:

\$12B

toward lending to
LMI communities

72%

of assets deployed in
community as loans

Impact Cash Program's Financial Performance as of Q4 2024:⁴

Capitalization Rate	13.68%
Net Charge Off Rate	0.71%
Insured Deposits Ratio	90.72%



Matt Royles is an external relations professional with nearly two decades of experience in community and impact finance. As Director

of Partner Development at CNote, he helps expand mission-driven investments that create economic opportunities in underserved communities. Over his career, he has facilitated tens of millions of dollars in impact investments, leveraging capital to drive meaningful change.

Before joining CNote in 2023, Royles was Marketing and Development Director at Aeris Insight, the CDFI rating agency and investor information service. Previously, he served as Vice President of Development at Opportunity Finance Network (OFN) and led institutional resource development for Accion U.S., part of the pioneering global microfinance organization. He began his career in community finance at the Community Development Venture Capital Alliance in New York City. Royles holds a B.A. from Bates College and an M.B.A. from Temple University's Fox School of Business. He has expertise in community investing, digital marketing, and management information systems.

Impact Cash Channels Needed Deposits to Strong and Stable Community Banks and Credit Unions

Community banks and credit unions continue to report a strong need for deposits in order to meet the demand for lending in the communities they serve. CNote's Impact Cash program meets this need while allowing clients to put their FDIC/NCUA insured cash deposits to work in a strong and stable community bank and credit union sector. As of Q4 2024, CNote's network of Impact Cash Banks and Credit Unions reported **72%** of their total assets were deployed as loans— meeting community lending needs. Additionally, analysis from CNote's recently released [Community Banking Research Paper](#) advances the case for the stability of the community bank and credit union sector.

"Net interest margin (NIM) stands as a key indicator of the community bank and credit union sector's business model. NIM measures the difference between interest earned on loans and securities and the interest paid on deposits and borrowings, expressed as a percentage of average earning assets. The community bank revenue model has been driven by higher NIM, combined with higher credit quality and lower defaults, to generate stable revenue from core lending operations. As of June 2024, credit unions recorded a NIM of 3.05%, compared to 3.30% for community banks and 3.15% for non-community banks."

CNOTE BORROWER SPOTLIGHT

Expanding Access to Pediatric Care: How Sam Rodgers and CBKC Are Building a Healthier Future



For families in Kansas City's most low-income communities, access to primary healthcare is a growing challenge—especially for children on Medicaid. Samuel U. Rodgers Health Center (Sam Rodgers) has been a trusted provider for decades, ensuring that individuals, regardless of income or insurance status, receive the care they need. In 2024 alone, Sam Rodgers served 23,000 patients, offering critical services in 52 different languages to reflect the city's diverse population.

Despite its reach, the demand for pediatric care has surged. In 2023, Missouri Medicaid assigned 8,800 children to Sam Rodgers, yet only 3,100 were actively receiving care. This means 5,700 children lacked a primary provider, leaving many to rely on emergency rooms or urgent care for acute medical needs—or go without essential preventive care, screenings, and immunizations altogether.

To help address this gap, Central Bank of Kansas City (CBKC) provided a \$15 million New Markets Tax Credit (NMTC) allocation and additional financing for the construction of a 40-room pediatric wing at Sam Rodgers' existing health center. Located in a severely distressed census tract, the 65,000-square-foot expansion will allow the center to serve 4,500 additional children each year while also increasing capacity for adult and women's health services.



As a Federally Qualified Health Center (FQHC), Sam Rodgers ensures that cost is never a barrier to care. The project will also create 37 full-time jobs, with over half accessible to low-income individuals.

With CBKC's support, Sam Rodgers is closing the gap in pediatric care, ensuring more children receive the preventive and ongoing medical services they need for a healthier future.

A LETTER FROM OUR CEO AND CO-FOUNDER

As we enter 2025, we recognize that this is a year to go deeper—to refine, to accelerate, and to meet the moment. The need for financial security, inclusive economic growth, and responsive capital has never been greater. At CNote, we are committed to ensuring that capital flows to the places and people that need it most.

In uncertain times like these, we are reminded of the value of our experience. We know how to weather rocky waters, and we understand how to help investors continue to support their values, even when those values are challenged, renamed, or feel harder to achieve. This year, more than ever, we need to stand behind our community finance and CDFI partners, who are on the frontlines of this work.

To deepen our impact, we're focused on making it easier for corporate investors to deploy capital and easier for individual investors to bring their deposits back to support their own community. By building on our experience connecting capital to high-impact opportunities, we're introducing streamlined deposit solutions that simplify the process of supporting small businesses, affordable housing, healthcare, and education—while providing the flexibility to move larger insured sums seamlessly and efficiently.

We're also expanding how investors can engage with our work. From launching a cash option that gives individuals both full FDIC/NCUA insurance and the knowledge that their deposits are delivering meaningful impact, to ramping up our Disaster Resilience and Recovery initiatives, we are addressing the increasing demand for investment opportunities that provide targeted funding for specific initiatives—all while remaining transparent. These efforts will channel more capital into community-led solutions aligned with custom impact themes, ensuring resilience in the face of both economic uncertainty and environmental risks.

At the same time, we're committed to enhancing the experience for our growing community of investors and clients, recognizing that making this easy to do is equally important. This year, we've overhauled CNote's website, launched a new depository institution portal to streamline collaboration, and improved our Impact Cash client portal to make it even easier to track, measure, and scale commitments. Sustained partnerships with investors and institutions are what will fuel lasting change—and we're proud to strengthen those relationships every day.

2025 is about going further—deepening our commitment to scalable tools, simplifying engagement, and directing investments toward long-term community outcomes.



Thank you for being part of this journey with us.

Catherine Berman

Catherine Berman
CEO & Co-Founder, CNote



Click here to view the [CNote Impact Glossary](#)
For more information email info@mycnote.com

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1 Data is as of 12/31/24.

2 This information was gathered through a voluntary survey of CNote's team in February 2025 which includes both employees as well as contractors.

3 [Small Business Administration](#)

4 CNote tracks and monitors institutional and financial metrics (for internal purposes only) as reported on a quarterly basis in Impact Cash participating bank and credit union call report data, published by the FDIC and NCUA respectively.

Capitalization: This calculation measures an institution's core capital against its total assets to reflect the bank or credit union's ability to safeguard against potential losses and protect depositor's interests.

Net Charge Off Rate: This metric assesses the proportion of outstanding loans that a bank or credit union deems uncollectible compared to its total loan portfolio, providing insights into the quality of its lending practices and its resilience to loan defaults.

Insured Deposits Ratio: Provided only for credit unions. This indicator measures the portion of an institution's deposits covered under NCUA insurance, reflecting the institution's financial stability and reliability in safeguarding depositor funds.