

THE IMPACT INVESTOR

FALL 2021

Highlights of our fall 2021 issue of the *The Impact Investor* include a Q&A with Marvin Owens of Impact Shares on the launch of a new affordable housing MBS ETF of which CCM is the sub-adviser, our new thought leadership reports on faith and finance and place-based impact investing, an update on our 2021 affordable homeownership series, and examples of impact investments with a focus on majority-minority and/or high minority census tracts and support services. We always welcome ideas for future newsletters and like-minded organizations to spotlight. If you have suggestions or would like to be featured, please email jhorwitz@ccminvests.com.

Q&A WITH MARVIN OWENS, CHIEF ENGAGEMENT OFFICER AT IMPACT SHARES

Impact Shares helps organizations translate their social values into an investable product that is traded on the NYSE. Being a part of their ETFs means committing to an evolving set of criteria, defined by Impact Shares non-profit partners, to ensure ongoing alignment of corporate behaviors with social values. With all net profits going directly back to its non-profit partners¹, together they're making money go farther and do more.

Q: Thanks for participating in our Q&A, Marvin. We appreciate your time. Can you tell us a little bit about your background and how you got involved with Impact Shares?

A: Sure, and thank you for inviting me to participate in the Q&A. Prior to joining Impact Shares, I served as senior director of Economic Programs for the NAACP where I was responsible for its national Economic Inclusion agenda, which includes asset and wealth creation programs—with efforts that support financial education, homeownership, minority business development, franchising, workforce development, and diversity; advocacy and sustainability—with efforts around economic justice and social impact investing; and research—with ongoing efforts to track and report economic conditions as well as recommended public policy changes. Prior to that position, I was a consultant, lecturer, and technical assistance provider in the areas of community and economic development, small business development, and community organizing. I joined Impact Shares to pursue the opportunity to more fully develop the strategy of harnessing the power of the capital markets to make social change.

Q: Can you tell us more about Impact Shares current ETF offerings?

A: We currently have four ETFs:

- NAACP Minority Empowerment ETF, which is designed to provide exposure to U.S. companies with strong racial and ethnic diversity policies in place, empowering employees irrespective of their race or nationality
- YWCA Women's Empowerment ETF, which is designed to provide exposure to companies worldwide with strong policies and practices in support of women's empowerment and gender equality
- Sustainable Development Goals Global Equity ETF, which is designed to provide exposure to companies worldwide with strong policies and practices relative to the United Nations Sustainable Development Goals (SDGs), which are actively engaged in the world's poorest countries, also known as the 47 Least Developed Countries (LDCs)

IN THIS ISSUE

- | | |
|--------|---|
| Page 1 | • Q&A With Marvin Owens, Chief Engagement Officer at Impact Shares |
| Page 2 | • New Reports: Aligning Faith and Finance & Place-Based Impact Investing
• Affordable Homeownership Series
• Impact and ESG Investing Survey: 3th Edition |
| Page 3 | • Impact Investments in Majority-Minority and/or High Minority Census Tracts With a Focus on Support Services |
| Page 4 | • New Videos: Aligning Your Impact Objectives in a Mutual Fund & 5in5 Series
• The Impact Institute Launch |



Marvin Owens
Chief Engagement
Officer at
Impact Shares

- Impact Shares Affordable Housing MBS ETF, which invests in agency mortgage-backed securities (MBS) backed by pools of mortgage loans made to minority families, low- and moderate-income (LMI) families, and/or families that live in persistent poverty areas. OWNS seeks to invest in the dignity of homeownership for these traditionally underserved communities.

Q: OWNS was recently launched in July. Can you share more details on why it was created and how it is helping to bridge the racial wealth gap?

A: That's correct; OWNS is a newly created actively managed ETF designed to channel investments into agency MBS that serve minority homebuyers. Since June 2020, there has been a renewed level of interest and concern regarding the racial wealth gap in the U.S. The gap in Black/white homeownership rates, in particular, has been a stubborn constant despite efforts by many to bring about a more fair and equitable economy. Institutions are increasingly called upon to do more for racial equity but do not always find tools that fit well with overall asset allocation and investment requirements. OWNS looks to offer investors a market-rate strategy that can provide capital to historically underserved communities, thus seeking to reduce the wealth gap through affordable homeownership. We are excited to partner with CCM on OWNS as the sub-adviser.

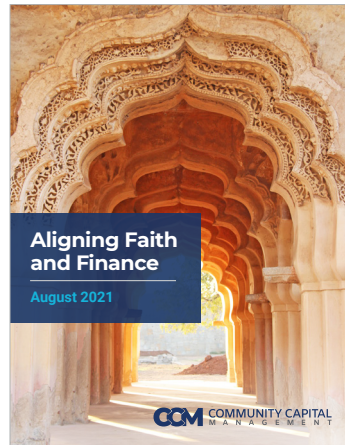
Q: Why is affordable housing so important?

A: Homeownership is the American dream, and we have a housing shortage and crisis in the U.S. It is critical to reducing poverty, creating generational wealth, and improving the economic vitality of communities. There are also many ancillary benefits to affordable housing, including reducing disruptions in education and stress, improving nutrition, and helping with mental and physical health, to name just a few. More broadly, the ability to contribute to closing the racial wealth gap is central to changing the long-term economic and social conditions of communities of color.

NEW REPORTS

Aligning Faith and Finance

The history of aligning faith and finance is vast and there are many examples of how different religions have implemented what we today broadly call impact investing. Faith-based groups have long led the way in using the power of capital to bring about change. Highlights of our new report, [“Aligning Faith and Finance,”](#) include the history of aligning faith and finance, the many definitions of impact investing and faith-based investing, religious guidelines, and faith-based investing in the 21st century. CCM works with many religious clients, and we wanted to create a report that shares the vast history of this space and how faith-based clients implement these strategies today. We have also included a section on what role CCM plays in faith-based investing and how our clients have the opportunity to align faith and finance in a positive and proactive way.



Place-Based Impact Investing

Place-based impact investing refers to the local deployment of impact capital—that is, investments made with the intent to yield both financial and social and/or environmental returns—to address the needs of marginalized communities.² Place-based impact investing focuses on communities at risk of decline and those underserved by infrastructure, jobs, education, housing, and development. The practice of place-based impact investing focuses on how investments can be structured and directed to reach these underserved communities while generating a financial return and having positive impacts. The capital markets can play a vital role in tackling many deep-rooted environmental and social problems in communities nationwide. Our latest [report](#) shares details on some of the key benefits of place-based impact investing, the lifecycle of these investments, and opportunities across asset classes.



AFFORDABLE HOMEOWNERSHIP SERIES

We continue to produce content as part of CCM's 2021 affordable homeownership series with new perspectives on a variety of topics. Recent pieces include [“The Correlation of Affordable Housing and Health”](#) and [“The Ongoing Challenges of Affordable Housing for Black and Minority Families.”](#) The gap in affordable homeownership stems from a variety of causes, and it will likely take years to correct. Investing in equity for all requires a holistic approach from the public sector to the private sector to the organizations that support the people, places, and activities making a difference. Impact investors can invest in products and strategies financing affordable housing initiatives, some of which are also specifically intended to help minority borrowers. The need for affordable housing persists across the U.S., and impact investors can seek out opportunities to help in this effort.



IMPACT AND ESG INVESTING SURVEY 3RD EDITION

Our Impact and ESG Investing Survey is now in its 3rd edition! We appreciate your participation and ask you to please join us in completing this year's [survey](#) by Friday, October 1.



IMPACT INVESTMENTS IN MAJORITY-MINORITY AND/OR HIGH MINORITY CENSUS TRACTS WITH A FOCUS ON SUPPORT SERVICES



Image Source: <https://www.creeksidevillasapthomes.com/>

Majority-minority census tracts are those where minority households represent over 50% of the population. A high minority census tract is one where minority households represent over 80% of the population.

Creekside Villas

Dallas, TX
Sector: Agency CMBS



Creekside Villas, formerly Pleasant Village Apartments, is a Low-Income Housing Tax Credit (LIHTC) property in Dallas, Texas, with 200 units. To qualify for the LIHTC allocation, the property owner agreed to reserve all 200 units for low-income residents for 30 years. Specifically, 100 units are reserved for people with incomes at or below 60% of the area median income (AMI), and 100 units are reserved for people with incomes at or below 50% of AMI. At least 10 units must be accessible for seniors or people with disabilities. The property is in a low-income, **high-minority**, and high-poverty census tract where 98% of the population are minorities and 64% lives below the poverty line.

As part of the LIHTC agreement, the property owner agreed to provide tenants with services, including childcare, youth programs, tutoring for students, basic adult education, GED prep courses, classes in English for speakers of other languages, vocational training, credit counseling, financial planning courses, homebuyer education classes, legal assistance, health and nutrition classes, counseling services, and social events. Management coordinates with state workforce development and welfare programs as well as transportation services for residents.

The 200 apartments are contained in 12 buildings; the property has full perimeter fencing and gated access for residents' security. Community amenities include a playground, barbecue grills and picnic tables, a clubhouse, a business center and computer lab, laundry facilities, and a community garden.



Image Source: <https://www.lssliving.org/affordable-housing/>

Partnerships between public housing agencies and human services providers that offer counseling, parenting skills, and other supportive services is a sound model for helping residents to become independent, according to a briefing paper from the Urban Institute.³

Centennial Plaza

St. Louis, MO
Sector: Agency CMBS



Centennial Plaza is an affordable rental property in St. Louis, Missouri. All 77 units receive Section 8 assistance, and the property is in a **majority-minority census tract** where 66% of the population are minorities. Centennial Plaza is a project of Lutheran Senior Services (LSS), a faith-based non-profit organization that provides a range of services to seniors in the St. Louis area, including affordable housing and healthcare.

Located in the beautiful and historic Central West End of St. Louis, Centennial Plaza offers 58 one-bedroom apartments and 18 efficiency apartments. Residents can enjoy community activities and events, shared gathering spaces, and a library with computer and internet access. An on-site service coordinator helps seniors connect with resources to maintain their independence.

Residents at Centennial Plaza have access to LSS Home and Community Based Services, in-home senior services designed to meet a wide range of individual needs. These include home-based medical care, professional rehabilitation and therapy services, personal caregivers, and faith-inspired end-of-life hospice care. In 2012, LSS launched a program called Project Wellness, a free service available to all residents in its affordable housing communities. Since LSS launched Project Wellness, hospitalization rates among participating seniors have decreased by more than a third and moves to higher levels of care have been reduced by 11%.

WALK SCORE:

Walk Score's mission is to promote walkable neighborhoods. Walkable neighborhoods are one of the simplest and best solutions for the environment, our health, and our economy.⁴



NEW VIDEOS: ALIGNING YOUR IMPACT OBJECTIVES IN A MUTUAL FUND & 5IN5 SERIES

Over the summer, we launched a new video on how investors can align their impact objectives in a mutual fund and a new video series, “5in5,” where 5 questions are answered in 5 minutes on relevant and timely topics on the financial markets and impact and ESG investing. Our inaugural

episode of 5in5 launched in July, featuring Andy Kaufman, CCM's chief investment officer, on the topic of inflation. Our second episode of 5in5 featured Jessica Botelho, CCM's director of impact and CRA investing, on the topic of customization. Both are available on our [website](#).



VISIT [CCMINVESTS.COM](https://ccminvests.com) TO:

- ✓ Listen to our new [5in5 video series](#)
- ✓ Read our new reports, “[Aligning Faith and Finance](#)” and “[Place-Based Impact Investing](#)”
- ✓ Check out our latest [Perspectives](#)

CCM'S IMPACT INSTITUTE

We are excited to share the launch of [CCM's impact institute](#), an innovative hub for in-house research and knowledge sharing on impact investing.

The mission of the impact institute is to propel collaboration and explore advancement in the space by providing a forum for impact investment insights, thought leadership, and education. David Sand, CCM's chief impact strategist, and Jessica Botelho, CCM's director of impact and CRA research, co-chair the impact institute.

¹ <https://www.impactetfs.org/>

² <https://www.urban.org/policy-centers/research-action-lab/projects/place-based-impact-investing>

³ <https://www.urban.org/sites/default/files/publication/65441/2000333-Building-Public-Housing-Authority-Capacity-for-Better-Resident-Services.pdf>

⁴ <https://www.walkscore.com/>

Carefully consider OWNS' investment objectives, risk factors, charges, and expenses before investing. This and additional information can be found in Impact Shares' prospectus or summary prospectus, which may be obtained by calling 844-448-3383. Read the prospectus carefully before investing.

Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Investing involves risk, including the possible loss of principal. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. Mortgage-backed securities are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities. This fund is non-diversified. As an actively managed Fund, it does not seek to replicate a specified index.

OWNS is distributed by SEI Investments Distribution Co., with is not affiliated with Impact Shares Corp., the Investment Adviser for the Fund, or Community Capital Management, LLC., the sub-adviser for the Fund.

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income and equity by combining the positive outcomes of impact and environmental, social, and governance (ESG) investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Stocks will fluctuate in response to factors that may affect a single company, industry, sector, or the market as a whole and may perform worse than the market. A sustainable investment strategy which incorporates ESG criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based upon non-performance based objective criteria, including, but not limited to, the security's social and/or environmental attributes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. Impact figures mentioned are approximate values.