

# Impact Shares Affordable Housing MBS ETF

## OWNS Fact Sheet as of December 31, 2023

Ticker Symbol: OWNS

Please note: Effective 3/18/24, the Impact Shares Affordable Housing MBS ETF is now the CCM Affordable Housing MBS ETF.

### Investment Objective

The primary investment objective of the Impact Shares Affordable Housing MBS ETF (the "Fund") is to generate current income.

### Why OWNS?

- Enables investors to provide capital to historically underserved communities, thus seeking to reduce the racial wealth gap through affordable homeownership.
- Facilitates the flow of capital to minority families via custom-created pools of single-family mortgages.
- At least 51% of the loans underlying the mortgage-backed securities (MBS) in which the Fund invests will have been made to low- and moderate-income (LMI) borrowers.

### Average Annualized Total Returns %

	1 Month	4Q23	YTD	1 Year	Since Inception <sup>3</sup>
NAV	4.07	6.76	4.43	4.43	-3.53
Market Price	4.07	6.82	4.12	4.12	-3.49
Benchmark	4.31	7.48	5.05	5.05	-3.38

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed or sold, may be worth more or less than the original cost. Current performance may be lower or higher than the original cost. Returns for periods of less than one year are not annualized. Market price returns does not represent the returns you would receive if you traded shares at other times. For performance data current to the most recent month end, please call 844-448-3383.

### Maturity %

Fixed Rate – 10 YR	0.7
Fixed Rate – 15 YR	6.3
Fixed Rate – 20 YR	0.1
Fixed Rate – 30 YR	91.5
Hybrid Arms	-
Money Markets	1.1
Other	-

### Credit Quality<sup>5</sup> %

Gov't/Agency	98.9
Money Markets	1.1

### Key Facts

Inception Date	7/26/2021
CUSIP	45259R103
Exchange	NYSE Arca
Benchmark	Bloomberg U.S. MBS Index
Net Assets	\$120 million
NAV	\$17.22
Duration <sup>1</sup>	5.71
Yield to Worst	4.80
30-day SEC Yield	3.28%
Unsubsidized 30-day Yield	3.28%
Number of Holdings	219
Net Expense Ratio <sup>2</sup>	0.30%
Gross Expense Ratio <sup>2</sup>	0.53%

### Top Holdings<sup>4</sup> %

FN BT7259 2% 09/01/51	3.53
FR RA7091 2.5% 03/01/52	2.91
FN CB7019 4.5% 09/01/53	2.44
FN BT7190 2.5% 08/01/51	2.20
FN CB7613 5% 12/01/52	2.13
FN FS2040 2% 02/01/52	2.11
FR RA3838 3% 10/01/50	1.98
FN CB7459 5% 09/01/53	1.85
FN CB7018 4% 09/01/53	1.83
FN CB7612 6% 12/01/53	1.77
<b>TOTAL</b>	<b>22.75</b>

<sup>1</sup>Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. <sup>2</sup>Gross Expense Ratio reflects contractual waivers that are in effect until 10/31/24. <sup>3</sup>Performance starts as of OWNS inception date July 26, 2021. <sup>4</sup>Top Holdings based on total market value and excludes money markets <sup>5</sup>Government/Agency includes mortgage-backed securities issued by the U.S. Government and government agencies. Ratings are typically measured from AAA (highest) to D (lowest). CCM utilizes the median rating of Moody's, S&P, and Fitch ("primary agencies") to determine a security's credit classification. If one of the primary agencies does not rate a security, the lowest rating is used. If none of the primary agencies rate a security, CCM uses the median of all other available nationally recognized statistical rating organization ("other NRSROs"). If less than three other NRSROs do not rate a security, the lowest rating is used. NRSRO's are registered with the SEC.

**This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money.**

Investing involves risk, including the possible loss of principal. 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. The market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share. NAVs are calculated using prices as of (4:00 PM Eastern Time).

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., which is not affiliated with Impact Shares Corp., the Investment Adviser for the Fund, or Community Capital Management LLC, the Sub-adviser for the Fund.

# Impact Shares Affordable Housing MBS ETF

Ticker Symbol: OWNS

## OWNS Overview as of December 31, 2023

The Impact Shares Affordable Housing MBS ETF (Ticker: OWNS) is the first<sup>1</sup> publicly traded ETF seeking to provide investors the opportunity to invest in LMI and minority families and communities that have been historically underserved. Impact Shares, a 501(c)(3) non-profit RIA funded by the Rockefeller Foundation, launched OWNS to offer investors the opportunity to generate current income while unleashing the power of the capital markets to try to reduce the racial wealth gap in the United States via affordable homeownership.

### Investment Opportunity

The Impact Shares Affordable Housing MBS ETF offers investors the opportunity to provide capital in an innovative, new, and multifaceted investment vehicle. Investors may receive detailed impact reporting down to the loan level. This can include the number of LMI loans as well as details on majority-minority census tracts and areas of persistent poverty, among other impact metrics. Nationwide and statewide summary reporting will be provided. It may be possible for investors to target capital geographically, depending on geographic diversification limits and minimums.

### The Importance of Affordable Housing

Affordable housing is important to the economic vitality of communities. Decent, affordable housing is important to families. Studies show that children in stable housing do better in school and are less likely to experience disruption in their education due to unwanted moves. Decent, affordable housing reduces stress, toxins, and infectious disease, which leads to improvement in both physical and mental health. Affordable housing also frees up funds within families' tight budgets to spend on health care and food. For parents, living in decent, affordable housing also means reduced stress due to a lessening of concerns that high housing costs will lead to foreclosure and eviction; this in turn leads to fewer physical and mental health problems and reduced absenteeism on the job.<sup>2</sup>

### How Affordable Housing Qualifies for CRA Consideration

Per CRA regulations, MBS designed primarily to finance community development generally are qualified investments.<sup>3</sup> Affordable housing is a core component of community development under the CRA regulations. National banks and federal savings associations (collectively, banks) may receive CRA consideration for loans, qualified investments, and community development services with a primary purpose of providing affordable housing for LMI borrowers.

*“Affordable housing is not only a roof over somebody’s head. It allows kids to do better in school, for families to stay healthier, for workers to have shorter commutes.”*

*- Garth Rieman, Director, Housing Advocacy and Strategic Initiatives at National Council of State Housing Agencies (NCSHA)*

<sup>1</sup> To our knowledge, none of the currently available open-end MBS Funds/ETFs focus on agency MBS and providing capital to minority and distressed communities

<sup>2</sup> <https://housingforwardva.org/toolkits/affordable-housing-101/why-is-affordable-housing-important-is-rental-or-homeownership-more-important/#:~:text=Decent%2C%20affordable%20housing%20is%20important%20to%20families.&text=Decent%2C%20affordable%20housing%20reduces%20stress,on%20health%20care%20and%20food,as%20of%20January%204,%202021>

<sup>3</sup> <https://www.fdic.gov/regulations/compliance/manual/11/XI-12.1.pdf>

### About the Advisor/Sub-Advisor

**Advisor:** Impact Shares invests in change and its committed to changing the world of impact investing, one socially conscious ETF at a time. 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 their non-profit partners, to ensure ongoing alignment of corporate behaviors with social values.

**Sub-Advisor:** Community Capital Management, LLC (CCM) began managing assets for banks in 1999 as a result of the CRA, which was enacted in 1977 to eliminate racial discrimination in the form of redlining and then revised in the late 1990s to include investments. Since its inception, the firm has specialized in purchasing MBS providing affordable homeownership to LMI borrowers. The sector has historically comprised at least 25% of the firm's flagship core fixed income strategy. CCM also manages MBS-only separate accounts.