

LISC IMPACT NOTES

*A Fixed Income Investment Option Available through the VIP Program**

Economic opportunity gaps – reflected in disparities in health and well-being, employment, wealth and financial security, business ownership and overall quality of life – are increasingly dividing America. Access to capital, as well as technical assistance and training, are some of the many meaningful ways that can help fuel economic opportunity for local communities, bolster success for small businesses and support income growth for individuals.

forging VIBRANT, RESILIENT and
INCLUSIVE COMMUNITIES of
opportunity ACROSS AMERICA

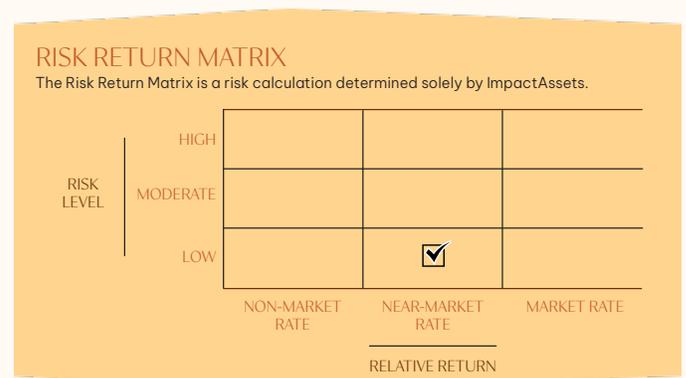
Local Initiatives Support Corporation (“LISC”) is a nonprofit community development financial institution (CDFI) that advances systems promoting economic empowerment and resilience and is committed to this work as a deeply embedded part of its mission. In November 2020, LISC launched a social bond offering called the Impact Notes program. The proceeds of the offering are used to support neighborhood and community development organizations to (i) foster improvement of economic conditions, (ii) develop housing and other physical facilities, and (iii) provide services and activities that help to revitalize under-resourced communities.

LISC’s Impact Notes program is differentiated from other opportunities in the capital markets as it is one of few debt offerings from a CDFI that is investment grade-rated (AA- by S&P as of November 2025), publicly available and aligned with the UN Sustainable Development Goals (UN SDGs). Historical notes have ranged from 1 to 20 years with the interest rate depending on the term of the note. LISC typically issues notes on a monthly basis, and the current pricing supplement can be found at the [LISC Impact Notes website](#).

The investment is a compelling fit for investors seeking a low-risk U.S.-based opportunity to generate moderate fixed returns while supporting community development and economic opportunity.

ABOUT LOCAL INITIATIVES SUPPORT CORPORATION (LISC)

LISC is a New York nonprofit organization and is certified as a CDFI by the U.S. Department of the Treasury’s CDFI Fund. The heart of LISC’s work in community development involves housing, retail and commercial development, and revitalization of community facilities. In addition to housing, LISC also seeks to catalyze opportunities in other ways: through strengthening local businesses, increasing financial opportunities for low- to moderate-income individuals, providing access to education, and crafting environments that promote safe communities. Since 1979, LISC has invested \$35B into communities in the areas of affordable housing, health, education, community development, public safety, and employment, advancing lives and outcomes for underserved communities. These investments have leveraged an additional \$93B to support the creation of over 530,000 affordable homes for more than one million people, 296 early childhood centers for over 29,000 children, 245 schools for over 101,000 children and 83 million square feet of retail and community facilities.



*Investment options covered in this fact sheet are only available through the ImpactAssets Donor Advised Fund Investment Platform.

**For direct investment opportunities based on more recent note issuances, please contact the Client Engagement team. The latest terms can be found in LISC’s current pricing supplement, linked here.

ILLUSTRATIVE INVESTMENT: LEGACY CUTZ

LISC's funding often sets off a chain of events that deliver impact in direct and indirect ways. Financing from LISC enables businesses to expand their operations, grow their staff – often from communities proximate to the ones they serve – and benefit underserved communities. Legacy Cutz is a family-friendly, traditional barbershop founded in 2013 offering a broad range of services to the south-side Chicago neighborhood. LISC provided Legacy Cutz with a loan to purchase a second commercial building and expand its operations, currently located at a leased site. The transaction supports an African American-owned business located in a low-to-moderate income area that is helping to create jobs and serve the local community.



Read more on LISC's support of Legacy Cutz [here](#).

STRATEGY SUMMARY

ASSET CLASS Fixed Income

TOTAL OFFERING \$310MM (as of 10/15/25)

TERMS 1-5 Years | Baseline of 3.75% fixed annual rate, paid quarterly.**
As new notes are typically issued on a monthly basis, the rate, term, and whether it can be called early are expected to vary for each note offering. ImpactAssets will execute investments on notes equal to or greater than 3.75%. If the current rate is lower or if there are material changes to the 1-5-year term, ImpactAssets will reach out to confirm that the client would like to move forward before executing the investment.

REDEMPTION Principal is repaid at maturity, no redemptions prior

GEOGRAPHY United States

IMPACT AREAS Economic Opportunity, Community Development, Financial Inclusion, Affordable Housing, Small Business Lending

INVESTMENT FEES This investment recommendation will incur an additional fee of 0.40%.

INVESTMENT THESIS Help catalyze community and economic development projects in support of underserved communities in the U.S.

IMPACT THESIS

- LISC seeks to uplift communities by addressing the unique challenges they face in accessing affordable housing, childcare, creative placemaking, economic development, education, health, safety and justice.
- LISC's approach to community development lending is intersectional and local-first – funding opportunities for social determinants of health that can improve quality of life for all individuals, particularly underserved communities.
- Amongst LISC's beneficiaries served are: low- and moderate-income people, people of color, children and youth, homeless people, veterans, women and rural communities.

STRENGTHS

- Long track record: Successful 45-year track record of community development lending and providing technical assistance to organizations supporting healthy communities.
- Innovation at scale: LISC is known for its disposition and capacity to launch pilot programs – leveraging its network of community-based partners to test new strategies locally and then adapt them nationally for scale.
- Communities in need: LISC focuses on underserved communities, integrating a commitment to financial inclusion across its lending practices to eliminate gaps in wealth, health and opportunities.
- Strong performance: LISC's loan portfolio has demonstrated strong performance over the last few years as evidenced by low to moderate delinquency rates and net write-offs and sustained portfolio quality during and following the onset of the COVID-19 pandemic. Further, the underlying portfolio from the Impact Notes program has yielded performance of 100% loans repaid.

RISKS

- Although the organization has recently experienced material management changes and transitions, the current members of the executive leadership team have long tenures (10+ years) and governance at the board level is strong with multidisciplinary directors.
- Macro risks including interest rate sensitivity and a potentially declining economy may have material adverse impacts on the financial condition of LISC's borrowers. However, LISC recently updated its underwriting guidelines to help mitigate risks in uncertain economic environments and will prioritize transactions that are less sensitive to increases in interest rates and that reduce loan portfolio turnover.

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. For further information, contact Safia Kryger-Nelson at MCF, 415.464.2515 or skryger-nelson@marincf.org.

IMPACTASSETS LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use in its donor advised fund asset base. It is only for use by its donors. Any allocation to private debt and equity investment options may result in losses and illiquidity that will be borne solely by each donor advised fund account with investment in these options, as will associated program fees. Investment minimums apply. Grant making from the principal value will not be possible until distributions are returned to The ImpactAssets Donor Advised Fund.

There is no guarantee of any recovery of capital. The Fund Manager has not approved the information contained in this Fund profile, including the assignment of risk ratings contained herein. The Units may be offered solely to, and subscriptions will be accepted only from “Accredited Investors,” as defined in Rule 501(a) of Regulation D promulgated under the authority of the Act, who are also “Qualified Clients,” as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.

