HOPE ENTERPRISE CORPORATION

*A private debt investment option available through the Venture Impact Program**

creating ECONOMIC MOBILITY in the DEEP SOUTH through FINANCIAL INCLUSION and SMALL BUSINESS lending

The Southern U.S. contains 8 out of the 10 states with the highest poverty rates in the country[1], and is home to 55% of the U.S.' Black population[2]. Communities in this under-resourced region have struggled to build wealth and face persistent and intergenerational poverty. Jobs are hardest to come by in the Southern U.S., and access to housing, education, health and other vital contributors to human dignity and economic mobility lag behind the rest of the nation. The solutions to these challenges are multifaceted and complex, but all require access to affordable financial tools.

Hope Enterprise Corporation (HOPE) is a Community Development Financial Institution (CDFI) that has a long track record of investing in historically under-resourced communities throughout the Deep South. From the Mississippi Delta, through the bayous and backwaters of Louisiana, and across the Black Belt of Alabama, HOPE's service area is home to a third of the counties experiencing persistent poverty in America. HOPE provides investors with the opportunity to help people in the Deep South region access non-predatory financial services and wealth-building tools.

Each day, the organization serves 40,000 members, of which one-third established their first banking relationship ever with HOPE. In addition to banking services, HOPE invests in critical community services such as schools and hospitals, and provides small business loans to entrepreneurs. For example, HOPE's mortgage program provides financing to households with credit scores 100 points below the national median credit score, of which 90% are households of color, 86% are first time homebuyers and 64% are women-headed households.

As of December 2024, HOPE's business and economic development lending has supported 6,741 people in gaining access to affordable rental units, healthcare access for over 123,000 patients annually, improved education facilities for 25,000 students and over 37,000 jobs created/retained through HOPE lending. This investment option is a compelling fit for investors primarily seeking a low-risk opportunity to support under-resourced communities in building wealth, especially in the Deep South.

ABOUT HOPE

HOPE (Hope Enterprise Corporation, Hope Credit Union and Hope Policy Institute) provides financial services; aggregates resources; and engages in advocacy to mitigate the extent to which factors such as race, gender, birthplace and wealth limit one's ability to prosper. Since 1994, HOPE has generated more than $3.9 billion in financing that has benefitted nearly 2.7 million people in Alabama, Arkansas, Louisiana, Mississippi and Tennessee.

RISK RETURN MATRIX

The Risk Return Matrix is a risk calculation determined solely by ImpactAssets.

RISK LEVEL	NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
HIGH			
MODERATE			
LOW	☑		

RELATIVE RETURN

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

[1] *Census Bureau Poverty Data*

[2] *Census Bureau Population Data*

INVESTMENT SPOTLIGHT: LOUVIS SERVICES

HOPE provided a loan to Louvis Services, Inc., a nonprofit organization that focuses on building permanent supportive housing for the City of New Orleans' homeless population.

Founder Lou Anne White, who serves as the Executive Director for Louvis Services, has had years of involvement in permanent supportive housing, an evidence-based model that combines affordable housing with flexible services. “We really want to focus on moving people off the streets,” said White. Along with the housing duplex, Louvis also offers the Edible Landscape program, where tenants can learn about gardening and grow their own fruits and vegetables. Since the completion of the first duplex, Louvis has been awarded four additional duplex properties in the Lower 9th Ward through the New Orleans Redevelopment Authority. White plans to use this housing model to create more housing for individuals who are homeless living in New Orleans' under-resourced communities.

STRATEGY SUMMARY

ASSET CLASS	Private Debt
FIRM AUM	$338MM (as of September 30, 2024)
TERM	2-5 years
TARGET RETURN	Up to 3.5% annually (dependent on loan term), with quarterly interest payments
GEOGRAPHY	U.S ., specifically economically distressed parts of the Deep South, including Alabama, Arkansas, Louisiana, Mississippi and Tennessee
IMPACT AREAS	Financial inclusion, small business lending, community development
INVESTMENT FEES	This investment recommendation will incur and additional fee of 0.40%
INVESTMENT THESIS	HOPE provides banking and credit services, invests in critical community services such as schools and hospitals, and provides small business loans to entrepreneurs in the Deep South.
IMPACT THESIS	1. The Deep South is home to 8 of the 10 poorest stat es in the U.S . and one -third of the country's Persistent Poverty Counties, defined acsounties where the poverty rate has exceeded 20% for three consecutive decades. 2. HOPE seeks to close the homeownership gap, strengthen communities, build assets, and improve lives in economically distressed areas of the Deep South by providing access to high-quality financial products and related services.
STRENGTHS	Exemplary track record of investor repayment, net write-offs of less than . 01%, demonstrated commitment to impact and excellence, resilient portfolio quality.
RISK	As a nonprofit, HOPE relies on donor support to subsidize lending services for operational sustainability, which is mitigated by HOPE' s fundraising track record and funder diversification. The industry is susceptible to macroeconomic shocks.

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.

LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering pursuant to any private placement memorandum that must be issued to qualified investors. 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. This does not constitute tax advice. Please note there are a number of factors to consider when assessing the tax implication of gifts to charity. Individuals should consult with a tax specialist before making any charitable donations. 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. No assurance can be given that investment objectives or targets/projected returns will be achieved. Actual target may vary and s hould not be considered or relied on as a performance guarantee. As applicable, Fund Managers have not approved the information contained in the respective Fund profiles, including the assignment of risk ratings contained therein. 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 "Q ualified Clients," as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.

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.

**Third party fund managers have historically included but are not limited to impact investing leaders such as Calvert Impact Capital, Community Investment Management, Kimpact Evergreen Real Estate Fund, ImpactAssets Capital Partners, Rethink Education and others.*