

RACIAL EQUITY IMPACT FUND

An ImpactAssets Thematic Impact Fund available through the Venture Impact Program

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Photos courtesy of ImpactAssets portfolio investments (from left): Enterprise Community Loan Fund, Collide Capital and Community Investment Management

ADVANCING EQUITY FOR COMMUNITIES OF COLOR IN THE U.S. AND CANADA

Race and ethnicity are often key predictors of opportunities and outcomes, and unfortunately, racial and ethnic disparities are deeply embedded and persistent across all aspects of life — particularly for Black, Indigenous and Hispanic people. The compounding effect of these inequities is apparent in the \$10 trillion racial wealth gap¹, as illustrated by the fact that the net wealth of a typical white family is nearly 8x that of a typical Black family in the U.S.

Public funding and traditional private markets alone cannot close this gap. Impact investors and philanthropists have a critical role to play in advancing racial equity by channeling capital to the organizations that are focused on closing the racial wealth gap, improving lives and outcomes for individuals and communities of color, and advancing more inclusive ecosystems.

ImpactAssets Racial Equity Impact Fund* channels dollars to where they can have outsized impact, such as scaling inclusive financial products, and investing in affordable housing, education and workforce programs specifically focused on needs in communities of color, and increasing access to capital for underrepresented founders and fund managers.

The Fund aims to reduce systemic racial inequities that exist in the U.S. and Canada today through a multi-asset class approach: investing different types of capital that are best suited for specific solutions, including a mix of private debt and venture capital that allow entrepreneurs and fund managers to support individuals and communities of color across the country.

This investment opportunity may be attractive for investors who would like periodic opportunities for redemptions and are interested in advancing an intentional and diversified portfolio of racial equity solutions.

SUSTAINABLE DEVELOPMENT



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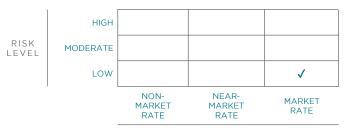
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STRATEGY SUMMARY

ASSET CLASS	Multi-Asset strategy, including Private Debt, Private Equity and Real Estate
TERM	Open-ended with quarterly liquidity at fair value with at least 90 days advance notice. One year lockup period. Redemptions subject to a 10% gate at the fund level.
TARGET RETURN	3-6% net return to investors, dependent on interest rate environment
FEES & EXPENSES	Fund operating expense is .35%. Third party investment management fees range from .75% to 2.0%, and may include carried interest, as appropriate for the asset class.**
FUND MINIMUM	\$25,000
INVESTMENT THESIS	The Fund takes a multi-asset class approach that includes private debt, private equity and real estate investments in both funds and companies that seek to advance racial equity. A multi-asset class approach provides for a diversified portfolio and expands the investable universe of mission-aligned opportunities.
GEOGRAPHY	U.S. and Canada
IMPACT THESIS	The Fund seeks to close the racial wealth gap and improve socio-economic outcomes for communities of color (with a focus on Black, Hispanic, and Indigenous/Native communities) in the U.S. and Canada.

RISK RETURN MATRIX

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



RELATIVE RETURN





IMPACTASSETS RACIAL EQUITY IMPACT FUND: KEY FOCUS AREAS

CLOSE THE RACIAL WEALTH GAP

Closing the \$10 trillion racial wealth gap in the U.S. could increase GDP by 4-6% over the next decade². The Fund will make investments that advance racial equity by scaling financial products and services focused on people of color, and ensure equitable flows of capital to businesses, funds and ventures owned by people of color.

ILLUSTRATIVE INVESTMENT: COMMUNITY INVESTMENT MANAGEMENT

Black, Hispanic and Indigenous people comprise about one-third of the U.S. population, but account for less than 10% of business owners — a disparity exacerbated by inequitable access to capital. Community Investment Management (CIM)'s U.S. strategy provides strategic debt capital to small businesses (SMBs) and underserved communities in the U.S. Since 2014, CIM has provided over \$2 billion in debt financing to more than 500,000 underserved borrowers including small businesses, low-income households and students.

IMPROVE LIVES AND OUTCOMES

People of color often have access to fewer opportunities and face discrimination in pursuing them, resulting in statistically worse outcomes in terms of economic prosperity, access to resources and other measures. The Fund will invest in products and services that directly impact and improve opportunities and outcomes for these individuals—including safe and affordable housing, appropriate and accessible healthcare, education programs, workforce development and more.

ILLUSTRATIVE INVESTMENT: KIMPACT EVERGREEN REAL ESTATE INVESTMENT FUND

The U.S. is facing an affordable housing crisis, with low-income families, many of whom are part of communities of color, struggling to afford a home that is safe, healthy, and connected to the resources they need: good schools, jobs that pay living wages, reliable transportation, and high-quality health care. Kimpact purchases, owns, and manages affordable housing properties in desirable neighborhoods, while also promoting positive social and community impact through tailored resident and community programs. To date, Kimpact has invested in 26 properties, manages 5,054 affordable units and has reduced energy usage in its properties by over 1,850 MWh.

ADVANCE INCLUSIVE ECOSYSTEMS

To advance racial equity, communities and individuals who have historically been marginalized need resources and decision-making authority. The Fund will make investments that advance inclusive ecosystems and focus not just on increasing diverse representation in leadership, but also on ways that support positive business practices, scale alternative models of ownership and elevate underrepresented voices.

¹Brookings Institution ²Mckinsey & Company

ILLUSTRATIVE INVESTMENT: OWEESTA

Oweesta is the longest-standing Native CDFI intermediary offering financial products and development services exclusively to Native CDFIs and Native Communities. Specifically, Oweesta provides training, technical assistance, investments, research and policy advocacy to help Native communities develop an integrated range of asset-building products and services, including financial education and financial products. Oweesta's partners have financed more than 15,000 Native individuals and funded more than 3,800 Native businesses.

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.

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. 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. ImpactAssets will make best efforts to facilitate client redemption requests, but grant making from the principal value will not be possible until distributions are returned to ImpactAssets. Redemption requests that exceed 10% of the balance of the overall Racial Equity Impact Fund may be subject to a redemption gate requiring 90 days' notice. There is no guarantee of any recovery of capital. Past performance may not be indicative of future results.

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.



^{*}The Racial Equity Impact Fund is an investment opportunity made available by The ImpactAssets Donor Advised Fund.

^{**}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.