

# FREQUENTLY ASKED QUESTIONS



## ABOUT IMPACT INVESTING

### **WHAT IS IMPACT INVESTING?**

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. For donor advised fund holders at the Trust, impact investments offer the opportunity to support important causes and amplify the impact of charitable dollars prior to recommending a grant.

The range of expected financial returns depends on several factors including asset type, risk, and targeted social and environmental outcomes. As with any investment, there is a risk that capital may not be returned.

### **HOW DOES RECOMMENDING AN IMPACT INVESTMENT DIFFER FROM RECOMMENDING A GRANT TO A CHARITY?**

Charitable grants differ from impact investments in that they are distributions out of your donor advised fund (DAF) to qualified charities, with no expectation of return. They are philanthropic in structure and nature. Meanwhile, impact investments typically have an expectation that the invested capital will be returned, often in addition to a financial return, plus provide a positive social return. Impact investments, therefore, target both a social return while also offering an opportunity to grow the DAF assets available for future grantmaking.

### **WHAT ARE SOME EXAMPLES OF IMPACT INVESTMENTS?**

Impact investments include both public and private opportunities. Some examples of impact investing approaches include:

#### *For public investments*

Negative screening – avoids investments in specific industries that the investor views as causing harm, such as fossil fuels or weapons.

Positive screening – incorporates Environmental, Social and Governance (ESG) criteria into investment decision-making.

#### *For private investments*

Companies that improve the lives of people in their communities and beyond through strategic investment or intentional management.

Funds that invest in companies, nonprofits and organizations with missions and business activities offering solutions to social and environmental challenges.

### **WHY WOULD I CONSIDER IMPACT INVESTMENTS IN MY DAF?**

By aligning investable assets – i.e., those not yet allocated for specific grants – with your philanthropic goals, you can create catalytic change while you determine where to recommend grants. A number of opportunities available through the Trust focus on building wealth and equity in the greater Chicago area.

# FREQUENTLY ASKED QUESTIONS



## **WHAT TYPE OF IMPACT INVESTMENTS CAN I RECOMMEND THROUGH MY DAF?**

The Trust currently offers donors a curated list of loan funds and public equity funds available through a technology platform powered by CapShift. Additional offerings are always in review and may be periodically added to the curated list.

## **WHAT ADDITIONAL FEES ARE ASSESSED TO ACCESS IMPACT INVESTMENTS?**

Donor advised funds participating in the program are not charged an additional fee. Impact investments offered on the platform may charge management fees; these are disclosed on the offering profile for each investment option.

## **QUESTIONS ABOUT CAPSHIFT**

### **WHAT IS CAPSHIFT?**

CapShift is an impact investing platform whose mission is to put philanthropic capital to work for communities and the planet. They do this by providing rigorously researched, easy to access, and cost-effective impact investing opportunities to donor advised fund holders, family offices, and foundations.

### **HOW DOES THE CHICAGO COMMUNITY TRUST (“THE TRUST”) WORK WITH CAPSHIFT?**

In response to requests from donors, the Trust has partnered with CapShift to provide a curated shortlist of impact investments for donor advised fund account holders at the Trust. CapShift works with the Trust to identify, conduct due diligence on, and provide ongoing impact reporting for each impact investment on the shortlist.

### **HOW DO I LOG INTO THE CAPSHIFT PLATFORM?**

If you already have an account with CapShift, you can log in [here](#). To request access to the CapShift platform, please fill out a [brief online form](#) or reach out to your Philanthropic Advisor.

*Advisory services are provided by CapShift Advisors LLC, an SEC-registered investment advisor. Investments in securities are not FDIC insured, are not bank guaranteed and may lose value. Investing in securities involves risks, and there is always the potential of losing money when you invest in securities. Before investing, consider your investment objectives and CapShift Advisors LLC's charges and expenses. CapShift Advisors LLC's advisory services are designed to assist clients in achieving discrete financial goals. They are not intended to provide financial planning with respect to every aspect of a client's financial situation, they do not incorporate investments that clients hold elsewhere, and they do not provide tax advice. For more details, see our Form ADV Part 1, Part 2 Brochure, and Part 3 CRS, available at <https://adviserinfo.sec.gov/>*

*Past performance does not guarantee future results, and the likelihood of investment outcomes are hypothetical in nature. Nothing on this website constitutes an offer, solicitation of an offer, or advice to buy or sell securities in jurisdictions where CapShift Advisors LLC is not registered.*