

# Impact Shares

## Impact Shares NAACP Minority Empowerment ETF



### Fund Objective

NACP tracks the Morningstar Minority Empowerment Index, which is designed to provide exposure to US companies with strong racial and ethnic diversity policies in place, empowering employees irrespective of their race or nationality.

- **Broad equity market exposure; racial justice and equality.** NACP is designed to provide broad equity market exposure to U.S. Large and Mid-Cap companies that fit the NAACP's vision of good corporate citizens. With NACP, investors may achieve market returns while investing in a way that is consistent with their values.
- **A Nonprofit ETF.** Impact Shares is a 501(c)(3) nonprofit organization, and as such the net advisory proceeds are not passed on to a traditional asset management firm in the form of profits. Instead, Impact Shares gifts the net advisory proceeds back to the NAACP to engage with the private sector to: encourage more racial diversity on boards, eliminate discriminatory hiring pay and promotion practices, increase the use of minority owned suppliers, break down the digital divide, strengthen community development programs and improve workplace health and safety standards.
- **Support the NAACP.** Founded in 1909, the historic power of the NAACP in advancing human rights has been transformative, impacting an expansive range of issues within American society from the eradication of lynch mobs, to ensuring equal education (*Brown v. Board of Education*), and ushering in the Civil Rights movement. In the 21st century, the NAACP sees corporate America as the "third act" for the equity movement, with racial and ethnic equity, empowerment, and inclusion the next frontier for the private sector.
- **Rigorous, transparent, measurable standards.** The fund's index indicators are in alignment with the NAACP's vision of equality before the law and fair play everywhere. They build on research from Sustainalytics and informed by the NAACP's Racial Equity Industry Report Cards. Screening criteria includes:
  - > Board Diversity
  - > Discrimination Policies
  - > Diversity Programs
  - > Freedom of Association Policies
  - > Supplier Diversity Standards
  - > Community Development Programs
  - > Health & Safety Management Programs
  - > Conflict Minerals Programs
  - > Media Ethics
  - > Human Rights Programs
  - > Editorial Guidelines
  - > Advertising Ethics
  - > Human Capital Development
  - > Responsible Product Offerings
  - > Responsible Marketing Policies
  - > Human Rights Policies
  - > Gender Pay Equality Programs
  - > Gender Pay Disclosure

### Impact Shares

We're committed to changing the world of impact investing, one socially conscious ETF at a time. At Impact Shares, we help individuals and organizations align their values with an investable product that generates both financial and social returns. With all net profits\* going directly back to trusted non-profit partners, we're creating an impact that is both reflected in portfolios and felt in the world all around us. For more information about Impact Shares, visit [impactetfs.org](https://www.impactetfs.org).

*\*Net Profit is the excess, if any, of Impact Shares' Fund fees after the deduction of operating expenses and a reserve for working capital. Due to the relatively small size of the Fund, Impact Shares' Fund fees have not yet exceeded its related operating expenses. Accordingly, Impact Shares has not yet made any charitable contributions from such fees. There can be no assurance that Impact Shares' Fund fees will exceed operating expenses in the future.*

# NACP



Morningstar Rating™

The Overall Morningstar rating for the period ending 4/30/23 is against 1,251 in the US Fund Large Blend Funds category and is based on risk-adjusted returns.

### Fund Details

|                        |  |
|------------------------|--|
| Inception Date         | 7/18/2018                                    |
| No. of Holdings        | 201  |
| Expense Ratio          | 0.49%  |
| Distribution Frequency | Income: Quarterly<br>Capital Gains: Annually |

### Trading Details

|              |           |
|--------------|-----------|
| Ticker       | NACP      |
| CUSIP        | 45259A209 |
| Exchange     | NYSE Arca |
| Index Ticker | MSEGMPEU  |

As of May 31, 2023

### Top 10 Holdings\*

as of 5/31/2023

| Company                     | Ticker | Weight |
|-----------------------------|--------|--------|
| Apple Inc.                  | AAPL   | 9.20%  |
| Nvidia Corp.                | NVDA   | 5.53%  |
| Meta Platforms Inc. Class A | FB     | 3.30%  |
| Amazon.com Inc.             | AMZN   | 3.26%  |
| Alphabet Inc Class A        | GOOGL  | 3.05%  |
| Alphabet Inc Class C        | GOOG   | 2.72%  |
| Tesla Inc.                  | TSLA   | 2.38%  |
| UnitedHealth Group          | UNH    | 2.08%  |
| Salesforce.com Inc.         | CRM    | 2.05%  |
| Exxon Mobil Corp            | XOM    | 2.00%  |

**Percentage of Portfolio for Top Ten 35.57%**

Holdings are subject to change. \* Holdings exclude cash and cash equivalents. Weighting percentages of the holdings displayed here reflect this exclusion. For full current holdings please visit [www.impactetfs.org](https://www.impactetfs.org).

## Returns

Quarter End as of March 31, 2023

|  | 1 Month | 3 Month | YTD   | 1 Year | 3 Year | Since Inception<br>(Annualized) |
|--|---------|---------|-------|--------|--------|---------------------------------|
| Fund NAV                                 | 4.15%   | 9.64%   | 9.64% | -9.76% | 17.19% | 10.84%                          |
| Market Price                             | 4.44%   | 9.92%   | 9.92% | -9.85% | 18.28% | 10.97%                          |
| Morningstar® US Large-Mid Cap Index      | 3.39%   | 7.57%   | 7.57% | -8.58% | 18.23% | n/a                             |
| Morningstar® US Large Cap Blend Category | 2.42%   | 5.67%   | 5.67% | -7.36% | 17.68% | n/a                             |

Source: Morningstar &amp; SEI, March 31 2023

**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 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.**

**MARKET PRICE:** Beginning 12/17/2020, 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, and do not represent the returns you would receive if you traded shares at other times. Prior to 12/17/2020, market price returns were based on the midpoint between the Bid and Ask price. NAVs are calculated using prices as of (4:00 PM Eastern Time).

**NAV:** The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

## Sector Breakdown

As of May 31, 2023

|          | CYCLICAL           |                      |                       |                | SENSITIVE                 |        |             |            | DEFENSIVE             |            |           |
|----------|--------------------|----------------------|-----------------------|----------------|---------------------------|--------|-------------|------------|-----------------------|------------|-----------|
|          | Basic<br>Materials | Consumer<br>Cyclical | Financial<br>Services | Real<br>Estate | Communication<br>Services | Energy | Industrials | Technology | Consumer<br>Defensive | Healthcare | Utilities |
| NACP     | 2.12%              | 7.80%                | 13.27%                | 1.61%          | 9.33%                     | 7.10%  | 9.11%       | 22.26%     | 5.58%                 | 17.70%     | 4.13%     |
| Category | 2.87%              | 9.83%                | 13.27%                | 2.28%          | 7.45%                     | 4.22%  | 10.26%      | 24.99%     | 7.29%                 | 14.98%     | 2.57%     |

## Disclosure

**Carefully consider the Fund's investment objective, risk factors, and expenses before investing. This and additional information can be found in the Impact Shares statutory and summary prospectus, which may be obtained by calling 844-448-3383, or by visiting ImpactETFs.org. Read the prospectus carefully before investing.**

Investing involves risk, including the possible loss of principal. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. Investments in commodities are subject to higher volatility than more traditional investments. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. The Fund is non-diversified.

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 traditionally redeemed from the Fund. Brokerage commissions will reduce returns.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales load. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The Impact Shares NAACP Minority Empowerment ETF was rated against the following numbers of U.S.-domiciled US Fund Large Blend funds over the following time periods: 1,251 funds in the last three years. With respect to these US Fund Large Blend funds, the Impact Shares NAACP Minority Empowerment ETF received a Morningstar Rating of 3 stars for the three year period. Past performance is no guarantee of future results.

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