

IMPACTASSETS CAPITAL PARTNERS PB LLC

**4340 East West Highway
Suite 210
Bethesda, MD 20814**

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This “**Brochure**” provides information about the qualifications and business practices of ImpactAssets Capital Partners PB LLC (hereinafter “**ImpactAssets Capital Partners**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), David Riley, at david.riley@impactassetscapital.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

ImpactAssets Capital Partners is registered with the SEC. Registration as an investment adviser does not imply that the Firm or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about the Firm is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the last annual amendment of the Firm's Form ADV Part 2A filing on March 28, 2024, the material changes to this Brochure are as follows:

- Item 5 has been revised to add information regarding the Firm's valuation policy.

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Item 4: Advisory Business

Description of the Firm

ImpactAssets Capital Partners is organized as a Delaware statutory public benefit limited liability company with a principal place of business in Bethesda, Maryland. The Firm is wholly-owned by ImpactAssets Holdings PB LLC, a Delaware public benefit limited liability company that is, in turn, wholly-owned by ImpactAssets Inc., a Maryland non-profit, non-stock 501(c)(3) corporation.

The Firm provides investment advisory services to the types of clients further described in Item 7 (each, a “**Client**,” and collectively, the “**Clients**”).

Our investment decisions and advice with respect to the Clients are subject to each Client’s investment objectives and guidelines, as set forth in their respective Client investment advisory agreements and other investment advisory and investment management-related documents (collectively, with respect to a Client, “**Advisory Documents**”). ImpactAssets Capital Partners tailors our advisory services to the individual needs of each Client.

We do not participate in any wrap fee programs.

ImpactAssets Capital Partners managed \$1,575,196,506 of Client assets under management (“**AUM**”) on a non-discretionary basis as of December 31, 2023, and managed no AUM on a discretionary basis as of such date.

Description of Advisory Services

ImpactAssets Capital Partners provides impact investing strategy and advisory services to institutional clients such as, but not limited to, family offices, corporations, foundations and other large advisory firms. These services may include, but are not limited to, investment strategy articulation, impact strategy articulation, investment sourcing, investment due diligence, portfolio construction and portfolio monitoring and reporting.

ImpactAssets Capital Partners collaborates with each Client to create or revise its individualized Investment Policy Statement/Advisory Document outlining the Client’s impact and financial goals, liquidity needs, time horizon and risk tolerance. ImpactAssets Capital Partners develops an impact investing plan or strategy that is tailored to the Client and recommends investments to the Client that fit the Client’s profile.

ImpactAssets Capital Partners specializes in impact investing and generally limits its investment recommendations to investments that meet the Client’s impact objectives as well as their financial objectives. Impact is defined more specifically by each client, and generally includes investments that offer environmental and/or social benefits in addition to a broad range of financial returns.

Our objective is to achieve customized impact and financial returns for our Clients which, depending on the Client’s goals, may be at, above or below a market rate risk and return. Our portfolios tend to focus on private placements (investments in private funds and companies), although we also advise on strategies that also include environment, social responsibility and corporate governance (“**ESG**”) focused mutual funds and exchange-traded funds (“**ETFs**”). We advise our Clients in determining their risk and return profile and in specifying their impact

goals and together we construct a portfolio that targets these impact and financial objectives. Once an impact and investment strategy has been set, ImpactAssets Capital Partners uses the methods of analysis listed in Item 8 below to source, vet and recommend investments to our Clients.

Item 5: Fees and Compensation

The fees applicable to each of the Clients are set forth in detail in the corresponding Advisory Documents. A brief summary of such fees is provided below.

Investment Advisory, Fixed, and Subscription Fees

Fees for advisory services include investment advisory fees based on a percentage of assets under management, fixed fees, and subscription fees.

ImpactAssets Capital Partners is paid an investment management fee (an “**Investment Advisory Fee**”) that is based on a percentage per annum of the net asset value of certain Clients’ attributable assets under management pursuant to the agreed upon terms of each Client’s Advisory Documents. The amount of a Client’s Investment Advisory Fee depends on factors not limited to but including:

- Level of complexity or customization of the Client’s investment strategy and the related analysis;
- Size and scope of the engagement;
- United States-based vs. International-based recommendations;
- Debt vs. equity investment recommendations; and
- Private investments vs. public company investments.

Investment Advisory Fees vary widely and could in some cases be up to 2.5% of AUM for the most complex advisory engagements.

Certain Clients are subject to a flat, fixed fee (“**Fixed Fee**”) dependent upon the type, breadth and depth of services set forth in, agreed upon, and pursuant to their Advisory Documents. When research services are provided as a standalone service, the Fixed Fee varies, depending on the scope of the engagement, and will be agreed pursuant to the terms of a Client’s Advisory Documents. ImpactAssets Capital Partners offers due diligence memorandums along with other research services, as specified in a Client’s Advisory Documents.

When research services are provided on an ongoing, platform subscription basis, Clients are subject to a flat, renewable subscription fee (“**Subscription Fee**”) dependent upon the scope of the engagement, and pursuant to a Client’s Advisory Documents.

The Firm, in its sole discretion, may waive or reduce the Investment Advisory Fee, Fixed Fee, or Subscription Fee for any Client.

In addition, the Firm may be reimbursed for certain expenses, such as legal fees associated with Clients’ investments or travel-related expenses, where appropriate.

Valuation Policy

Given the broad nature of the Firm's client base, the Firm performs valuations in accordance with each Client's own specifications. When reporting in accordance with a Client's requirements, the Firm generally uses the most recent valuation as reported by a fund manager or portfolio company. While the Firm seeks to ensure that such valuations reflect fair value, the values of Client assets may be determined inaccurately. There may also be some degree of lag between valuation dates and reporting dates. In such cases, it is possible that the value of a Client's assets could be overstated or understated, including for purposes of determining the investment advisory fees payable by a Client.

Item 6: Performance-Based Fees and Side-By-Side Management

Although this is not presently the case, in the future certain Clients may hold investments for which the Firm receives performance-based compensation upon the investments' sale or deemed realization. In such circumstances, the Firm may have an incentive to delay the realization of an investment.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

To the extent we have performance-based compensation arrangements with Clients in the future, such arrangements could create an incentive for us to favor accounts with higher compensation rates when allocating investments.

We have adopted procedures designed and implemented to ensure that all Clients are treated equitably and fairly.

Item 7: Types of Clients

ImpactAssets Capital Partners provides investment advisory services generally to institutional clients such as, but not limited to, family offices, corporations, foundations, charities, large advisory firms and other sophisticated investors. While it does not do so at present, in the future the Firm may also provide investment management and/or advisory services to pooled investment vehicles.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any investment not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Client's Advisory Documents. Some of the investment strategies specified by our Clients entail substantial risks. In these cases, Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Strategies

ImpactAssets Capital Partners specializes in impact investing: creating investment portfolios that target social and/or environmental objectives in addition to financial returns. Our objective is to achieve customized impact and financial returns for our Clients which, depending on the Client's goals, may be at, above or below market rate risk and return. Our portfolios tend to focus on private placements, although we do advise on strategies that also include ESG focused mutual funds and ETFs. We advise our Clients in determining their risk and return profile and in specifying their impact goals and together we construct a portfolio that targets these impact and financial objectives. Once an impact and investment strategy has been set, ImpactAssets Capital Partners uses the methods of analysis listed below to source, vet and recommend investments to our Clients.

Method of Analysis

Fund Manager Due Diligence - In evaluating funds, including private funds and mutual funds/ETFs, ImpactAssets Capital Partners utilizes a fairly standard and robust impact and investment due diligence process that assesses, among other factors, the stability and strength of the fund manager, the fund's investment and impact objectives, the long-term risk/return profile, the fund's size, fees and expenses, historical fund performance and fund manager track record. ESG and impact criteria are also robustly evaluated and generally required to be incorporated into the fund manager's investment decision making process. ImpactAssets Capital Partners utilizes a proprietary scoring methodology to assess and compare funds across four key categories of impact risk, impact return, financial risk and financial return.

Lending & Credit Analysis – ImpactAssets Capital Partners uses a rigorous method of evaluating a borrower's creditworthiness, based on the "Four Cs" of credit analysis (capacity, collateral, covenants and character) and the key financial ratios as relevant to the borrower's profile, industry, and sector.

Private Equity Investment Analysis – Fundamental analysis is used to evaluate private equity investments. Fundamental analysis attempts to evaluate the factors that can affect an investment's current and future value (including macroeconomic and industry conditions and outlook) and individually specific factors like the issuer's financial condition, the caliber of the issuer's executive team, the size of the addressable market and product-market fit.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in their respective Advisory Documents. There can be no assurances that we will achieve our investment objectives. An investment, whether it is a private equity investment, private fund, ETF, mutual fund or loan or other debt or credit arrangement or instrument, carries with it the inherent risks associated with the particular type of investment, as more fully described below. Each prospective Client

should carefully review its Advisory Documents and the documents referred to herein before deciding to engage with the Firm or make any particular investment.

Management Risk – Your investment returns with our Firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Diversification Risk – As discussed above, ImpactAssets Capital Partners focuses on “impact” investments and will only recommend investments deemed to provide a positive social and/or environmental impact in addition to financial returns. Client restrictions and/or objectives might limit the types of investments available for recommendation. Therefore, there is a risk that a Client’s recommended portfolio can or will be limited due to the investment strategy recommended, even as worthwhile mission-based goals are being met. As a result, the Client’s performance can be more sensitive to any single economic, business, political or regulatory occurrence than it would be as a result of a more diversified or broader investment strategy.

Market Risk – The market or the value of individual companies may go down, resulting in a decrease in the value of Client investments. This is also referred to as systemic risk. COVID-19, which originated at the end of 2019, has led to a global pandemic, and has caused unprecedented market, employment, and societal disruptions in the United States and across the world. It is unknown how long these disruptions will last, if they may become more severe, if they may lead to additional geopolitical or market risk which could negatively affect markets, liquidity and investment valuation. Other adverse events could have similar or worse negative effects on the markets or individual companies’ values.

Private Placement Investment Risks – A security exempt from registering with the SEC and state securities regulator is often referred to as a private placement or unregistered offering.

- Private placement offerings are often speculative, high-risk and illiquid investments. An investor can lose his or her entire investment in a private placement offering.
- Private placement offerings are generally not subject to the same laws and regulations, which are designed to protect investors, as registered securities offerings.
- Private placement offerings typically have not been reviewed by a regulator to make sure risks associated with the risks of private placement investment have been adequately disclosed to prospective investors.
- Private placement offerings may project higher rates of return, but this is typically because the risks of the private placement investment are also higher.
- Private placement offerings are generally illiquid, meaning there are limited opportunities to resell the underlying security of the private placement. Therefore, an investor can be forced to hold the private placement security indefinitely.
- The companies underlying private placement offerings often are not subject to a financial audit by an independent public accounting firm and therefore more susceptible to fraud.

- Investors in a private placement offering are usually provided with less disclosure information than they would receive in a public offering. Consequently, investors know much less about the private placement investment and the people behind it.
- Private placement offerings have been used by fraudsters in the past, and consequently private placement offerings are one of the most frequent sources of enforcement cases conducted by state securities regulators. It can be very difficult or impossible for an investor in a private placement offering to recover the money invested from the sponsor of the private placement offering if such offering turns out to be fraudulent.

Before investing in a private placement offering, Clients should carefully read and fully understand the subscription agreement and the offering memorandum/private placement memorandum. **Fundamental Analysis Risk** - The risk associated with Fundamental Analysis is that it is somewhat subjective. While a quantitative approach is possible, Fundamental Analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation can be wrong and could therefore lead to an unfavorable investment decision. There are risks involved in using any analysis method.

Company Risk – When investing in private equity positions, there is always a level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

Fixed-Income Risk – When investing in bond instruments or private lending, there is the risk that the issuer will default on the bond and/or the borrower will be unable to make payments under the loan. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk and principal risk.

Mutual funds and ETFs - Mutual funds and ETFs are susceptible to general securities fluctuation and market risk which can lead to volatile increases and decreases in value.

Investing and ESG Risk – Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance ("ESG") factors may underperform benchmarks which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance if the excluded sector or industry outperforms.

Cyber Security Risk – As technology becomes more engrained in businesses, information about Clients and ImpactAssets Capital Partners may be more susceptible to cyber security breaches. Cyber security breaches and risks include both intentional and unintentional events and may include, but are not limited to, third parties purposefully hacking the Firm's systems to access confidential client information; attacks designed to disrupt the Firm's normal business operations; corruption or destruction of data; or inadvertent disclosure of confidential information by the Firm. The Firm utilizes third parties for a variety of services.

Such third parties may have access to the Firm's systems or confidential information, or ImpactAssets Capital Partners may rely on the third party's systems to perform certain business functions. If the third-party suffers a cyber security event, confidential information about the Firm's clients may be exposed or the Firm may not be able to access the systems. Moreover, a security in a Client's account may decline in value if the issuer or counterparty to such security suffers a cyber security event. The Firm has adopted both business continuity plans and a program designed to reduce the risk of cyber security breaches. However, there are no guarantees that these actions will prevent cyber security breaches or foresee future threats

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, nor do we or any such person have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

The Firm has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees may also be required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy; and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees generally are required to obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments. Employees are prohibited from purchasing or selling securities for their personal accounts of companies in which they are deemed an “insider” or for which decisions are based on information obtained as a result of their employment unless that information is also available to the public.

We will provide a copy of our Code of Ethics to our Clients upon request.

Item 12: Brokerage Practices

ImpactAssets Capital Partners' advisory services consist exclusively of providing investment research, recommendations, investment management. No trading operations are conducted by the Firm.

Broker Usage

Clients are not restricted in choosing a broker dealer or custodian for their assets and investment decisions.

Soft Dollars

The Firm does not have any soft-dollar agreements with any broker dealers or other third parties.

Item 13: Review of Accounts

If a Client's Advisory Agreement specifies it, our Chief Investment Officer and other investment professionals may continuously monitor and review the transactions, positions, and investment levels of the Client to ensure that they conform with the investment objectives and guidelines that are stated in their Advisory Documents. In these reviews, the Firm pays particular attention to any changes in a fund manager's or investee company's strategy, business, operations and financial condition (including compliance by the manager or company with a Client's impact-related goals), performance of investments, risk management analysis for clients on investment-by-investment level and portfolio level and external factors such as the state of the markets and overall economic conditions.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

Currently, ImpactAssets Capital Partners does not have custody of any Client accounts or the assets therein, nor do we have authorization to deduct fees from any Client accounts.

Item 16: Investment Discretion

At this time, ImpactAssets Capital Partners provides only non-discretionary investment advisory services to Clients.

Item 17: Voting Client Securities

ImpactAssets Capital Partners does not vote proxies on behalf of Clients although it may, at the request of a Client, provide the Client with advice regarding how to vote proxies.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year nor are we aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients. We have not been the subject of a bankruptcy petition at any time during the past ten years.