

Aligned Community Investment Fund (ACIF)

Frequently Asked Questions



WHERE CAN THE FUND BE LOCATED?

The fund can be housed within and is part of any kind of company that is primarily in a non-securities business, including service providers, entrepreneurial support organizations, grocery stores, coops, etc. (We will generally refer to the entire company as the ACIF, including the parent company and the fund together.)

WHO CAN INVEST IN AN ACIF?

Because the ACIF is a part of the company that is raising capital, investors will be investing in that company. Anyone can invest in a company that houses an ACIF, including non-accredited and accredited investors, depending on the selected offering strategy.

WHAT OFFERING STRATEGIES CAN BE USED TO RAISE CAPITAL INTO AN ACIF?

Reg A and DPO investments can be raised from any investors. Private offerings can be used for accredited investors. Reg CF may be available, depending on the company's asset mix (as long as investment securities don't comprise more than 40% of the ACIF's total assets, they can use Reg CF).

HOW CAN FUNDS FROM AN ACIF BE INVESTED?

Funds from the ACIF can be invested in just about anything, including securities issued by local businesses or other traditional investments such as stocks, bonds, ETFs, mutual funds, or real estate. Investments can be debt or equity or a blend of both.

HOW DOES AN ACIF EARN INCOME?

Besides operating revenues and income from its primary business, the investment side of an ACIF can earn income from debt interest payment or from a variety of equity structures such as dividends, capital gains, refinancing, or selling of shares.

HOW ARE ACIFS REGULATED?

While ACIFs are exempt from the Investment Company Act, they are still subject to a variety of regulatory requirements. Depending on the offering strategy chosen, ACIFs may be regulated by the Securities and Exchange Commission and/or by state securities regulators.

CAN RETAIL (NON-ACCREDITED) INVESTORS BUILD WEALTH WHEN INVESTING IN ACIFS?

Yes! An ACIF investment can build wealth for anyone, including non-accredited investors.

ABOUT NC3

The National Coalition for Community Capital (NC3) is a 501(c)(3) nonprofit dedicated to democratizing the economy and creating wealth-building opportunities for everyone, using the tools of community capital. For more information, visit www.nc3now.org.