

Aligned Community Investment Fund



Properly designed community investment funds offer effective and efficient structures for raising capital from within a community and deploying it in community-supported ventures, with the potential for the non-wealthy to build wealth. The Aligned Community Investment Fund (ACIF) allows for an entity not primarily in the business of investing in securities to house a fund that can raise investments to be deployed in the community.

LEGAL STRATEGY

The ACIF is a structure and legal strategy through which a company that is in some primary business other than investing in securities, can have an investment fund that does invest in

securities, as long as the fund is supplemental to the company's primary business and does not become the primary business. For example, an entrepreneurial support organization (ESO) that derives most of its income from providing consulting services to early stage businesses, can raise capital publicly from its community and deploy some of that capital via investments into its client businesses. These investments would comprise its ACIF.

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HOW IT CAN BE USED

This type of fund is very versatile. For example, it can:

- Be housed within any kind of company that is primarily in a business other than securities investing, including an ESO, a co-working facility, or a grocery coop.
- Raise investments from anyone, including non-accredited and accredited investors, depending on the selected offering strategy.
- Raise capital using any securities offering strategy from any kind of investor. This includes Reg A and direct public offerings to both accredited and non-accredited investors, and possibly Reg CF depending on the company's assets; or a private offering to accredited investors.
- Make any kind of investment, including debt, equity or revenue share investments into local businesses, or more traditional investments like bonds, public equities, and mutual funds.
- Generate income from its investment portfolio (as well as from the company's primary business) and either distribute income to investors or re-invest it, or both.
- 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, go to www.nc3now.org.