

# Impact investing annual report





## Letter from Chief Strategist, Impact Investing

Over the past few years our impact investment team has steadily increased its efforts to work with Community Development Financial Institutions (CDFIs) and other mission-driven lenders focused on serving low- and moderate-income communities and individuals. We believe that these institutions are important intermediaries that can play a critical role in facilitating the flow of capital to underserved groups and areas.

Our partnership with Momentus Securities that is detailed in this annual report is an example of our effort to encourage and enable CDFIs to utilize new and existing secondary market solutions to sustain and expand the capacity to serve their targeted communities.



**Ron Homer**  
Chief Strategist, Impact Investing

<https://institutional.rbcgam.com/en/us/about-us/profile/ron-homer-i/detail/>

In 2025, mission-driven lenders face increased challenges given the economic uncertainties surrounding interest rates, inflation, federal funding, and the possibility of an overall economic contraction. CDFIs and the communities they serve will most likely be the hardest hit if these uncertainties develop into realities with certain negative impacts.

Given this, we intend to redouble our efforts to work with CDFIs to implement collaborative strategies that will enable them to be resilient and effective in serving their constituencies through a difficult and uncertain time. We are hopeful that we will be joined by new and existing clients in this endeavor.

# Supporting CDFIs in scaling lending

In 2024, RBC Global Asset Management (RBC GAM) continued to prioritize our support of Community Development Financial Institutions (CDFIs) in scaling their lending operations, recognizing the critical role these organizations play in fostering economic resilience at the local level. CDFIs serve as essential catalysts for entrepreneurship, expanding access to capital, providing technical assistance and mentorship, and strengthening local communities.

Despite the important role they play, mission-driven lenders such as CDFIs, Community Development Corporations (CDCs), Minority Depository Institutions (MDIs), and community banks, have historically faced barriers to efficient integration into capital markets. Reasons for this include limited scale, high transaction costs, constrained resources, and an uncertain growth trajectory. However, by selling more of their loans, CDFIs can enhance capital efficiency – recycling and redeploying assets to reach more borrowers and strengthening their economic influence within local communities.

This is where impact investors play a critical role, offering the liquidity needed to unlock the full potential of CDFIs to scale their impact. In doing so, investors gain exposure to high-quality, high-impact investment opportunities with solid risk-adjusted return potential – aligning performance with meaningful, scalable social outcomes.

## Introducing Momentus Securities

Based in New York City, Momentus Securities (Momentus) is a non-profit-owned broker/dealer that aims to develop social impact as an investable asset class for institutional investors. Focusing on five social sectors – affordable housing, healthcare, education, small business, and food accessibility – Momentus acts as an intermediary to aggregate and sell various impact asset classes to create a stronger secondary market.

As one of the few mission-driven investment banks and a Small Business Administration (SBA) loan pool assembler, We believe Momentus is uniquely positioned to enhance liquidity and deliver more favorable economics to loan originators focused on community development. Their specialized expertise enables them to bridge the gap between impact-driven lenders and institutional capital, creating scalable solutions that support sustainable economic growth in underserved communities.

## The partnership

In September 2024, RBC GAM partnered with Momentus Securities to launch an impact investment initiative focused on raising dedicated capital for the purchase of government-guaranteed assets originated by mission-driven lenders, with a primary goal to provide them with liquidity. By increasing liquidity, these lenders can scale their loan origination efforts, expand market reach, and provide necessary financial support to underserved communities.

This initiative underscores our shared commitment to driving economic growth and financial inclusion in underserved communities, while simultaneously enhancing liquidity for CDFIs and other mission-oriented lenders. Momentus, in its role as an SBA loan pool assembler, specializes in aggregating pools of SBA loans that are 100% originated by CDFIs and CDCs.

This partnership creates a dedicated channel to direct more capital to the lenders that serve their communities – aligning institutional investor capital with sustainable, high-impact economic growth within their own communities.

## Partnership benefits

This initiative addresses a critical gap in the market – enabling CDFIs to scale their lending operations more effectively. While mission-driven lenders are the primary beneficiaries of this initiative, the impact extends beyond them. Institutional impact investors also stand to gain, as this initiative creates a direct bridge between capital providers and high-quality, socially impactful loan originators. By fostering these connections, we seek to help investors deploy capital more efficiently while driving meaningful economic and social outcomes in underserved communities.

## Results of the Momentum/RBC initiative through the end of 2024 include:

The purchase of

**325** loans from  
**9** different CDFIs



Total value purchased

**\$39.5 million**



Average loan size

**\$120,000**



Loans went into



**2** mutual funds



**12** separate  
account client  
portfolios



“At Momentum Securities we are taking action to close gaps in access to capital and empower underserved communities. By linking institutional investors with community lenders, we are helping to drive tangible, lasting change. Our partnership with RBC GAM strengthens our ability to mobilize resources, apply our market expertise, and deliver real impact where it’s needed most.”

– Jaime Aldama, President of Momentum Securities



# Case study



**Andrew Poulos**  
Managing Director - Financial Advisor,  
Senior Portfolio Director Group,  
Institutional Consulting Group  
RBC Wealth Management

The RBC Institutional Consulting Group is a select group of financial advisors within RBC Wealth Management that provide thought leadership in the assessment, monitoring, and evaluation of investment funds, managers, and plans. The Group is comprised of qualified financial advisors with in-depth knowledge of administration, compliance, and regulations, and extensive experience working with those responsible for significant assets.

Andrew Poulos is a Managing Director at Institutional Consulting Group and has been in the financial services industry for over 30 years. As a financial advisor, Andrew's fiduciary responsibility is to help his clients make the best decisions possible to achieve their financial goals. During his time at RBC, Andrew has interacted with impact investing and has benefited from the impact investing partnerships that the company has been fostering over the years.

According to Andrew, he has seen a growing interest in impact investing among a diverse range of clients, including institutional investors, family offices, and non-profits. Many clients are drawn to the dual benefits of achieving financial returns while positively impacting communities. While some clients are hands-off, others actively seek investments aligned

with environmental, social, and governance (ESG) principles or community-focused outcomes. The tangible nature of impact investing, such as funding housing, businesses, or healthcare in underserved areas, makes it easier to explain and more compelling to many investors than traditional ESG strategies. RBC GAM has been instrumental in demonstrating how fixed income impact investments can deliver measurable social benefits alongside competitive financial returns, fostering client satisfaction and trust.

Clients often choose impact investing for its ability to combine financial performance with meaningful social contributions. High-net-worth individuals, for instance, appreciate the alignment of these investments with their philanthropic goals, while institutional clients value the potential for returns comparable to or exceeding traditional fixed income benchmarks. A notable example shared was a dental practice in a low-income area that received funding through impact investing, providing critical healthcare access to underserved populations. Overall, clients report high satisfaction when they see tangible outcomes, reinforcing the appeal of impact investing as a strategy that delivers both financial and societal value.

# Impact investing examples



## NorthHaven Apartments Brookhaven, MS

NorthHaven Apartments is an affordable housing community located in Brookhaven, Mississippi within Lincoln County. Designed for low-income renters and families, the complex offers 80 units, including one- and two-bedroom apartments with spacious living areas. Residents benefit from on-site laundry facilities, free parking, and proximity to downtown Brookhaven's shopping centers, restaurants, hospital, and boutiques. The property participates in HUD's Section 8 Project-Based Rental Assistance program, ensuring that eligible tenants pay no more than 30% of their adjusted gross income towards rent.

- Multi-family complex where 100% of the 80 units are subject to two separate Section 8 housing contracts at 60% of Area Median Income (AMI) or less
- 89% of tenants are considered "extremely low income" (30% or less than AMI)\*
- 90% of tenants are Black and 86% of tenants are women-headed households\*
- Resident average monthly rent is \$166/mo and household annual income is \$7,094\*
- Located in a 72% BIPOC/68% Black moderate-income neighborhood

\*Source: HUD Housing Picture 2022



## Christian drug treatment center San Diego, CA

This ministry in southern California is dedicated to helping Christians overcome addiction by equipping ministry leaders with the tools and resources they need to provide compassionate, effective support. By connecting churches with trusted addiction treatment options, they empower ministry leaders to guide individuals and families through the challenges of addiction with grace and understanding. Rooted in a biblical view of addiction, this ministry emphasizes the transformative power of religion, teaching that true freedom and healing can be found through religious intent. Their work not only supports those who are struggling but also strengthens the broader Christian community's response to addiction.

- Christian drug addiction treatment center dedicated to providing life-saving addiction resources to ministry leaders
- Believes that ministry leaders should have resources available for alcohol, opioid, methamphetamine, benzodiazepine, and polydrug addictions
- Addresses and instructs on the five stages of change, including precontemplation – sensitive to topic of addiction; contemplation – addiction awareness; preparation – plan for recovery; action – detox and treatment program; and maintenance – continuation of action phase.
- Located in a 53% BIPOC neighborhood
- Originated by CDC Small Business Finance and pooled by Momentus Securities





## Real estate development Washington, DC

This award-winning community development organization is dedicated to innovation, equity, and holistic real estate development in low-income communities. Led by its founder, a Black woman with over 27 years of experience, the company has managed \$2 billion in projects, including over 8,000 multifamily housing units and 600,000 square feet of mixed-use spaces. Focused on economic empowerment, the company collaborates with local businesses and residents to foster sustainable growth through education, entrepreneurship, and strategic partnerships. Recognized for transformative projects across multiple cities, the company continues to drive inclusive, community-centered development with millions of dollars in upcoming initiatives.

- Female, Black-owned full-service community development organization
- Real estate advisory services include financial modeling, development strategy, contract negotiation, and deal structuring
- Developer services include planning, structuring financing, and overall transaction execution
- Also offers construction management, flooring material and installation, HVAC/plumbing supplies, and project labor
- Located in a 70% BIPOC low-income neighborhood
- Loan originated by CDC Small Business Finance and pooled by Momentus Securities



## Welding company San Francisco, CA

Established in 2021, this welding company is the result of a lifelong passion for metalwork that began when its owner created his first metal project – a bicycle fork for his BMX bike – at age 16 in San Francisco's Excelsior district. With deep roots in fabrication and an unwavering commitment to precision, the company is recognized for its robust welding expertise and high standards of craftsmanship. The owner's journey includes years of hands-on expertise as a boilermaker, where he mastered a range of welding applications including ship fitting, production welding, and structural steel. In 2021, he became a certified welding contractor, officially launching his company as a trusted name in the industry.

- Latinx-owned metal fabricator and structural steel contractor
- The company aspires to be known for their fabrication experience, welding knowledge, and standards of perfection
- Located in an 91% BIPOC moderate-income neighborhood
- Main Street Launch originated loan pooled by Momentus Securities

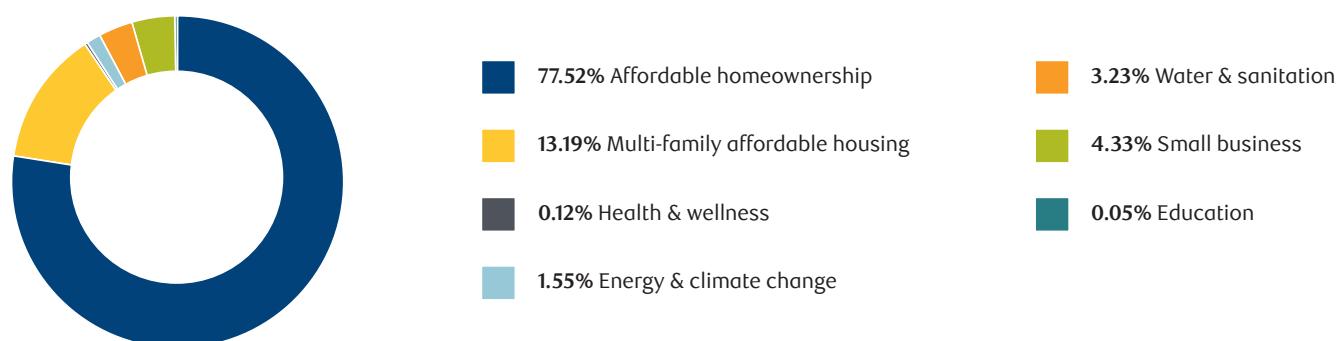


# Impact results: Investments across our impact strategies

Real world impact <sup>1</sup>			
22,087	Low- and moderate-income homebuyers	101	Rural enterprise
106,632	Affordable rental	1,335	Small business loans
6,071	Nursing home beds	149	Community economic development projects
27	Rural housing	17	Community not for profits

<sup>1</sup>Real World impact of BlueBay Access Capital Community Investment strategy as of 12.31.2024

## Investments by theme (strategies combined)



BlueBay U.S. Impact Bond strategy			
23.33%	Affordable homeownership	10.58%	Water & sanitation
25.74%	Health & wellness	11.60%	Multi-family affordable housing
12.75%	Energy & climate change	15.98%	Other

BlueBay U.S. Access Capital strategy			
83.56%	Affordable homeownership	4.26%	Small business
12.16%	Multi-family affordable housing	0.02%	Other

# Affordable housing profile across strategies

Tenant profile <sup>1</sup>	Multi-family mortgage loan detail <sup>2</sup>
<b>\$21.7K</b> Average annual income	<b>\$112M</b> Total invested
<b>\$412</b> Average monthly rent	<b>237</b> Properties financed
<b>67%</b> of tenants are BIPOC	<b>28,708</b> Units financed
<b>50%</b> of households are headed by a senior (62+)	
<b>21%</b> of households have a family member disabled	

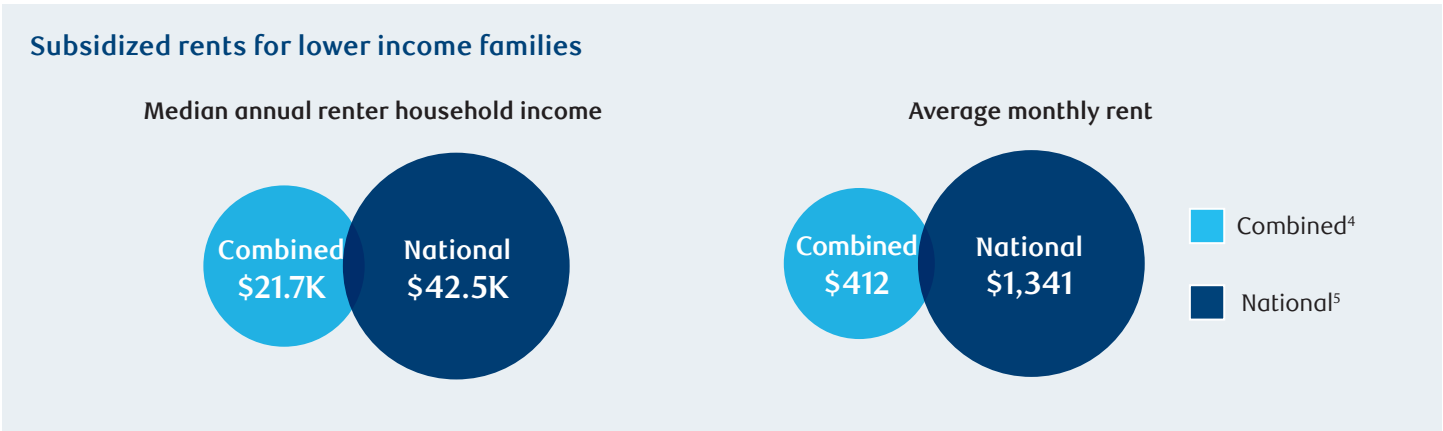
<sup>1</sup>Based on 164 properties where data is available. For combined strategies as of 12.31.2024.

<sup>2</sup>For combined strategies as of 12.31.2024

## Project detail<sup>3</sup>



<sup>3</sup>For combined strategies as of 12.31.2024



<sup>4</sup>RBC GAM, US Census Bureau and Department of Housing and Urban Development, Open Data sets “Multi-Family Properties – Assisted” and “HUD Insured Multi-family Properties”, 2021. Note: subsidized housing resident data is only available for assisted housing subsidies under the following HUD programs, public housing, tenant-based, and privately owned, project based. Investors may have the ability to focus their investments on particular areas of the U.S. as their designated target region, depending on the amount invested. The strategy’s investments may include BIPOC, low and moderate income communities, affordable housing, support of small business and access to health and education. Investments in each of these communities will be dependent on the investors’ election and the strategy may or may not at any given time be invested in each of these preferred geographic focus or target regions.

<sup>5</sup>iProperty Management Research, Renter Statistics, Average Rent by Year, 2022

Data as of 12.31.2024. Data presented is the most current data available and is believed to still accurately represent current conditions. RBC annually checks for updated stats.

# Affordable home ownership profile across strategies

## Mortgage loan detail



**\$656M** Total invested  
**7,225** Loans financed  
**\$195K** Average home loan size  
**4.31%** Average interest rate  
**802** new low-to-moderate income home buyers

For combined strategies as of 12.31.2024

## Borrower profile

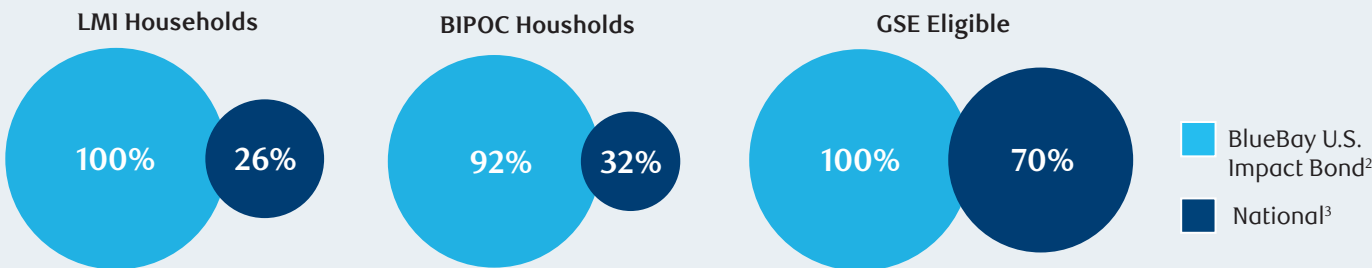


**100%** Low-to-moderate income  
**\$60K** Average borrower income  
**65%** Average borrower income as a % of AMI  
**51%** of borrowers are in BIPOC neighborhood<sup>1</sup>  
**44%** of borrowers are first time home-buyers<sup>1</sup>

For combined strategies as of 12.31.2024

<sup>1</sup>RBC GAM, U.S. Census Bureau

## Homeownership profile comparison



LMI – Low-to-Moderate Income; BIPOC- Black, Indigenous, and People of Color; GSE – Government-Sponsored Enterprise

<sup>2</sup>Consumer Financial Protection Bureau, “Data Point: 2023 Mortgage Market Activity Trends Report”, Dec 2024

<sup>3</sup>RBC GAM, U.S. Census Bureau



# What's next - 2025 & beyond

Over the coming year, we expect the impact investing space to focus on several key themes which will be shaped by macroeconomic trends, regulatory and political developments, and investor demand for measurable environmental and social outcomes. It is highly likely that the effort toward broader impact measurement standardization will continue to be a focus in the industry, and we welcome any added transparency these efforts can generate. It remains an area where we feel committed to deepening our knowledge and capabilities.

We are living and working in a time of significant social change, political uncertainty and economic transformation. However, our impact focus remains steady and unwavering in seeking ways to foster social, environmental and economic sustainability. In the face of widening inequalities, we strongly believe that providing fair and inclusive opportunities is essential for the wellbeing of society and the long term success of communities. Our impact investment strategies are designed to find ways to turn ideas into actions that help our clients thrive and their communities prosper. As long-term participants in this space, we know that while different challenges come and go, our clients' commitment to investing in ways that can help create a more prosperous, sustainable and equitable world will persevere, and even in volatile environments, new investment opportunities will emerge.



Learn more about our Responsible Investment initiatives:

<https://institutional.rbcgam.com/en/us/responsible-investment/other-links/responsible-investment-initiatives>



# Impact investing team biographies



**Ronald A. Homer**  
**Chief Strategist, US Impact Investing**

Ron is chief strategist, U.S. Impact Investing, on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focused on U.S. fixed income. His background and extensive experience in community investing enables him to identify a broad range of solutions for clients. Ron is often sought to consult with leading government officials on a variety of community impact issues. Prior to joining the organization in 2008, he was the co-founder and chief executive officer of the investment adviser specializing in community investments that was acquired by RBC GAM in 2008. Previously, Ron worked for 13 years as the president and chief executive officer of a large bank in Boston. He started his career in the investment industry in 1969.



**Eric Hathaway, CFA**  
**Senior Portfolio Manager, U.S. Fixed Income**

Eric is a senior portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc. focused on U.S. fixed income and managing impact investing strategies. In this role, he oversees the asset-backed securities effort and supports mortgage-backed mandates. Eric joined RBC GAM in 2006 as an analyst researching all areas of the rates market. Prior to joining the organization, Eric had held various positions in treasury and risk management at a large U.S. investment management company. He started his career in the investment industry in 2001.



**Teri Savage**  
**Senior Trader, U.S. Fixed Income**

Teri is a senior trader on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focused on U.S. fixed income. She plays a key role in trading securitized products with a focus on mortgage-backed securities and asset-backed securities. Prior to joining RBC GAM in 2021, Teri worked with global investment managers in New York City, where she was responsible for managing and trading securitized products for multi-sector portfolios. She began her career in the investment industry in 1998.



**Karen Ly**  
**Assistant Portfolio Manager, U.S. Fixed Income**

Karen is an assistant portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focusing on U.S. fixed income and serving a dual role of both a data analyst and a money market trader. As part of her role, she provides insight into markets, portfolios, and impact investment using data science to analyze and interpret large data sets. Karen assumed this role in June 2023 after working as a fixed income analyst for nearly five years and as a junior fixed income analyst since joining the firm in 2017, which is when she started her career in the investment industry.



**Brian Svendahl, CFA**  
**Managing Director & Senior Portfolio Manager, U.S. Fixed Income**

Brian is a managing director and a senior portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (U.S.) Inc. He has had a leadership role within the Minneapolis-based fixed income group since 2012 and has been the lead portfolio manager for the firm's impact investing strategies since 2006. He also managed many government and mortgage strategies. Brian joined the organization in 2005, having held risk management, research, and trading positions with a large American multinational financial services company since 1992. Brian holds an MBA, a BBA in Finance, and a Bachelor of Science in Economics from the University of Minnesota. He is also a CFA® charterholder and a Financial Risk Manager (FRM®).



**Mindy Frye**  
**Institutional Portfolio Manager**

Mindy is an institutional portfolio manager at RBC Global Asset Management (US) Inc. specializing in impact investing within the fixed income market. In this role, she leads product management efforts for the firm's impact investing strategies while providing product expertise for our sales and client service engagement teams. Mindy works closely with the portfolio management team to help ensure the integrity of the investment philosophy and process and adherence to client objectives. She also supports the initiatives of chief strategist of Impact Investing, producing thought leadership and educating investors about impact investing opportunities. Before joining RBC GAM in 2017, Mindy was a senior manager at a global, U.S.-based asset management firm, where she led a team responsible for performance and asset reporting, having earlier worked as a senior investment analyst at a private investment firm and as a manager of client service for a registered investment advisory. Mindy started her career in the financial industry in 2002.



**Valinie A. Dayaljee**  
**Assistant Portfolio Manager**

Valinie is an assistant portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc. In this role, she focuses on U.S. fixed income, primarily municipal bonds, and government and money market instruments. Valinie also provides implementation and portfolio management support for the government and impact strategies. Valinie assumed her current role in 2022, having earlier worked as a fixed income analyst for about three years and as junior fixed income analyst for nearly the same duration. Prior to joining the organization in 2015, she worked on the funding desk of a Minneapolis-based bank holding company as an operations funding associate. Valinie started her career in the investment industry in 2014.

The US Fixed Income Team is additionally supported by the global Responsible Investing team.

Visit [www.rbcgam.com/impactinvesting](http://www.rbcgam.com/impactinvesting) to learn more.

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