



# Living Cities

## Blended Catalyst Fund

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### Final Report 2025



# Disclosures

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# Letter from the Living Cities President & CEO

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Dear Friends and Partners,

This report marks the culmination of a decade of work through the Living Cities Blended Catalyst Fund—a bold experiment in impact investing, born from a belief that capital, when aligned with values, can be a powerful tool for economic justice.

When I stepped into the role of President and CEO in 2021, our country was in the throes of a pandemic and a racial reckoning. The urgency of that moment demanded more than words—it demanded action. Living Cities responded by deepening our commitment to closing racial income and wealth gaps, not just through philanthropy, but through capital deployed to challenge the status quo. Informed by the success of BCF, our current strategy centers capital access and investment as the key driver for equitable and inclusive economic opportunity.

Over the past ten years, BCF helped redefine how risk can be analyzed, what partnership looks like, and what inclusive investment can achieve. From the support of our investors to the joint venture with Known, we built structures that center community, mitigate risk, and unlock innovation. We also matched products to purpose, showing that narrative change and capital deployment must go hand in hand.

This work has never been easy. Today, we face a coordinated backlash against equity and inclusion—nearly 400 pieces of anti-DEI legislation have been introduced across the country. But history reminds us: progress is always met with resistance. The prospect of a national economy that grows from the fair and just contribution of all of its people should be a matter of good business, common sense, and not a source of tension.

Living Cities remains steadfast. We believe in the power of cities to organize, govern, and foster economic environments that build wealth. We believe that social, knowledge and financial capital are essential ingredients for an inclusive economy. And we believe that the lessons of BCF—its successes, challenges, and stories—point the way forward.

As we approach the maturity of the fund, we do so with gratitude. Your support—financial and strategic—made this possible. You helped us prove that inclusive investment isn't just possible. It's necessary.

We look forward to continuing this journey with you.

With appreciation,

Joe Scantlebury

President & CEO, Living Cities



Joe Scantlebury, President & CEO,  
Living Cities

# Letter from the Fund Manager

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Launched in 2015, the Blended Catalyst Fund was designed to further the mission of Living Cities and its predecessor fund, centered around serving low-income communities. In 2018, as part of a broader strategic pivot of Living Cities, the fund underwent a thesis shift to focus on the closure of the wealth gap in U.S. cities. This led us to find creative investments that would help test this thesis, some more successful than others.

As I sat to pen this closing letter, I thought of the various dynamics and tensions the fund experienced alongside its accomplishments and learnings. I reflected on my perspective having served as both an investment manager and later the fund's portfolio manager. Approaching the maturity of the fund, I wanted to share a handful of final thoughts from some of the deep questions we challenged ourselves with and brief lessons learned as we seek to meaningfully contribute to the broader impact investing field.

## **"A Brief History of Time":**

In the grand scheme of things, 10 years is simultaneously a long time from an investment standpoint yet, from most others, a microcosm. During its lifecycle from 2015 to 2025, the fund saw multiple election cycles with three different sitting presidents, each with varying socio-economic platforms. Civil unrest in 2020 would lead to a groundswell of support for diversity, equity, and inclusion initiatives and investments with a focus on addressing the wealth gap, followed by a retrenchment of support for the same. Simultaneously, a global pandemic created pressures on the U.S. economy and its globalized supply chains causing hyper-localized effects and aftershocks to be felt in small business lending and local real estate markets. The following influx of federal dollars and historically low interest rates would combine to exert downward pressure on potential investments, only to be followed by rapid inflationary rate increases which would lead to challenges relating to portfolio duration. Each of the above represent inflection points, externalities, and risk factors which were neither predictable nor hedgeable at the time the fund was envisioned. Moreover, in all of this, current data suggest that we've also watched the wealth gap widen, leaving our impact north star seemingly further out of reach.

As we managed the fund during the various phases of its life cycle, one theme remained paramount: the role of a fiduciary is both an honor and a privilege, not a right, and its responsibility is to be held in the highest regard. Plainly, how could we continue to stay true to our impact thesis whilst operating the fund in a manner that was congruous with successfully navigating multiple externalities and upholding our responsibility to our investors?

## **In brief, what did we learn?**

- 1. Structure saves:** Structure and underwrite investments well on the front end but stay nimble and informed enough to react responsibly to unforeseen risk dynamics. As our originations pace grew, we increasingly began to more tightly align structural elements of our investments towards flexibility while maximizing risk mitigation in service to both our investors and investees.
- 2. Partnership goes beyond just capital:** Access to capital is only part of the solution. The biggest wins from the fund came when we were able to position ourselves as support systems for portfolio investments after the money was wired. Our investees grew to

know us as trusted partners through both capital and thought leadership. This enabled us to gain greater insight, which allowed us to solve for potential problems often proactively and certainly during work out scenarios. We believe this was also a key point of risk mitigation as we managed portfolio investments to maturity.

- 3. Redefining risk. What “skin in the game” really means:** Investing to aid in closing the wealth gap also means re-evaluating “tried and true” commercialized structures and themes. Whilst the point of skin in the game is to ensure proper alignment of interests among investors and investees, rigidity in underwriting criteria has the potential to compress or compromise impact returns while unintentionally amplifying financial and impact risks. We learned that there are other ways to promote and ensure investor/investee alignment beyond just an arbitrary minimum sponsor participation requirement, something we will look to expand upon in future field building endeavors.

#### **Closing one chapter, opening others:**

As we continue our journey as impact investors, we seek to further the notion that all impact investing need not position impact and financial returns in mutual exclusivity. That it is indeed possible to both “do well and do good”. Furthermore, we believe that all investments have impact: either factored in and evaluated ex-ante or ex-post. We look forward to continuing to help push the industry forward through future endeavors. We remain intellectually curious as we continue harvesting lessons learned from our investments. We are excited about sharing and learning with our peers and partners. We are encouraged to watch many of our investees grow and flourish. We remain steadfastly committed to our north star of seeing all people in U.S. cities economically secure, building wealth and maintaining health, and in pursuit of happiness with self-determination; yet we acknowledge and embrace the immense work still needed in its pursuit.

To those who collectively worked in management of the Blended Catalyst Fund over the years, I thank you for your contributions. For the investees we were honored to support, we look forward to continuing to aid in and follow your progress. To the investors who joined us in the journey, it has been an honor to serve as stewards of your capital, and we look forward to continued partnership.

Yours in impact and beyond,

Thaddeus Fair

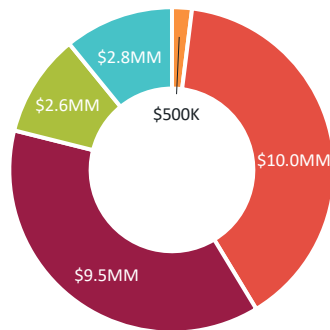
Managing Director, Private Alternative Investments, Known  
Fund Manager, Blended Catalyst Fund



# Living Cities Blended Catalyst Fund

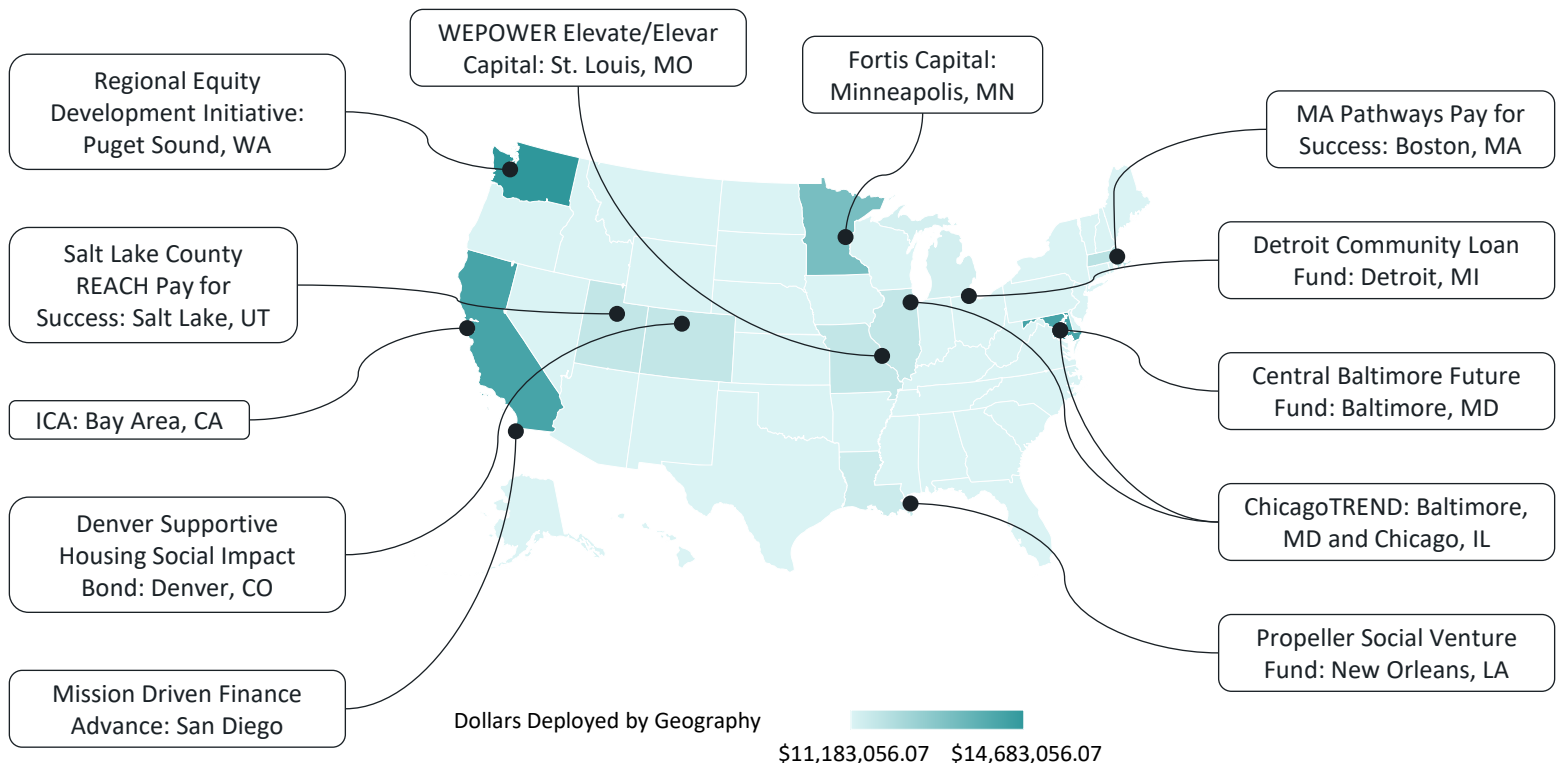
| FUND STRUCTURE       | FUND SIZE | COMMITTED CAPITAL                       | DEPLOYED CAPITAL |
|----------------------|-----------|-----------------------------------------|------------------|
| Structured Debt Fund | \$36.9MM  | \$33.5MM                                | \$25.3MM         |
| VINTAGE YEAR         | GEOGRAPHY | PURPOSE                                 |                  |
| 2015                 | National  | To further the mission of Living Cities |                  |

**16 LOANS +  
5 EQUITY  
INVESTMENTS  
DEPLOYED**



- Small Business (\$10.0MM)
- Real Estate/Housing (\$9.5MM)
- Pay for Success (\$2.6MM)
- Private Equity/Venture Capital (\$2.8MM)
- Employee Ownership (\$500K)

**56%** of dollars deployed into investments focused on specific geographic areas (cities or regions)





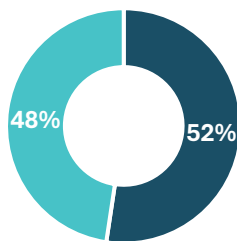
2025 Living Cities Board Meeting in Buffalo, New York



Our \$25.3MM of investment dollars deployed has leveraged 18.4x in additional capital, or

**\$489.7 million**

**52%** of investments committed to BIPOC fund managers or BIPOC led organizations



**67%** of AUM of investments deployed by borrowers to BIPOC founded/led companies or into BIPOC communities

**14** years consecutively named to Impact Assets IA50



Metrics reported are based on internal analysis and borrower reporting. These metrics reflect performance as of 6/30/2025. Qualitative data was collected from borrower reporting and from borrowers themselves. While our investments are a crucial portion of our borrowers' financing, it is important to note that this impact was not financed solely by our capital, and we do not take credit for the full impact reported in this report. As part of our data collection process, we include a request for demographic data. The categories included in BIPOC include: Asian or Asian American, Black or African American, Hispanic/Latinx American, Middle Eastern/North African, Native American/American Indian/Alaskan Native, Native Hawaiian/Pacific Islander, and Multi-racial or multi-ethnic. We acknowledge and reinforce that race, ethnicity, and gender are singular elements of identity, and not all people of the same race, ethnicity, or gender have the same lived experiences.



**410+**

UNDERLYING INVESTMENTS



**6,600+**

JOBS CREATED



**3,950+**

SOCIAL SERVICES PROVIDED

# 1863 Venture Fund I, LP

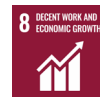
| INVESTMENT TYPE       | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|-----------------------|-------------|--------------------|-----------|
| Senior unsecured loan | \$1,000,000 | 2020               | 4.9 Years |

## PURPOSE

Provide growth capital to high-growth, early-stage businesses founded by New Majority entrepreneurs

## REPAYMENT STATUS

Repaid in full in 2025



## OVERVIEW

Melissa Bradley founded the nonprofit 1863 Ventures, bringing with her the expertise of a tri-sector leader with more than 20 years of entrepreneurship, investment, and leadership experience. Throughout her career, Bradley has developed a deep understanding of the negative impacts of barriers to capital for New Majority founders (i.e., individuals who have been historically underestimated, including Black and Latiné men and women).

Driven by 1863's research, the 1863 Venture Fund I seeks to close the "friends and family" financing gap for high-growth, early-stage businesses founded by New Majority entrepreneurs by providing flexible, non-extractive capital. The revenue-based financing model employed by 1863 Venture Fund I uses an investment structure that they see as a promising substitute for venture capital and bank loans.

Revenue-based finance is a non-dilutive model that mixes aspects of debt and equity. It is structured as a loan, but returns are tied directly to the company's performance, resembling equity. There is no dilution of ownership and control, and the structure of the loan incentivizes investors to help the company grow.

## IMPACT

1863 Venture Fund I made 24 portfolio investments throughout the U.S. across sectors, including retail, service, software as a service, marketplace, and creator brands.

Bradley's work reinforces the belief that overcoming the barriers presented to New Majority founders will not only unlock increased economic activity and investment into communities but also help support our country to thrive for years into the future. Bradley has been an active member of the Living Cities ecosystem, participating in the Builders and Benefactors community,

24

investments  
made

100%

of investments in  
BIPOC  
entrepreneurs

~80%

of investments in  
female-identifying  
entrepreneurs

a network of private equity investors, venture capitalists, and founders of color who are intentionally investing to close racial wealth and income gaps, and partnering with the Living Cities Closing the Gaps team on the Beyond 5 study.

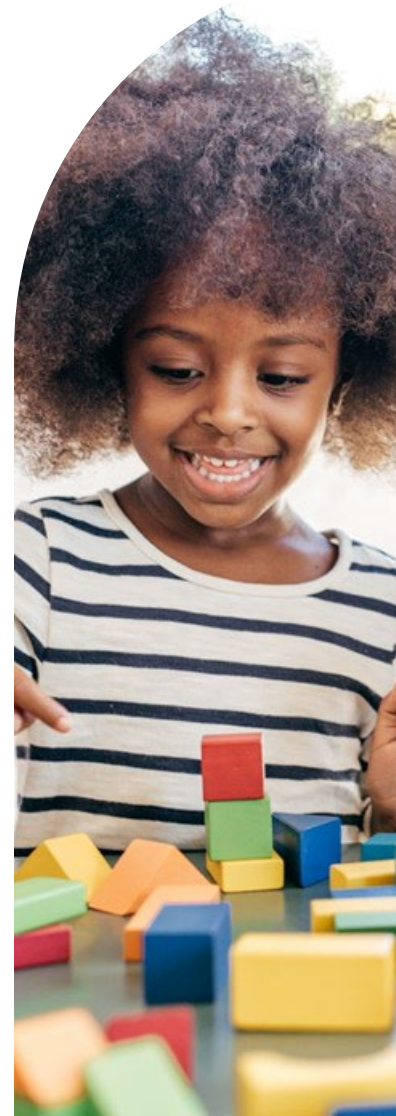
In December 2024, Bradley announced that the nonprofit organization would close and become a for-profit entity called New Majority Ventures, and the affiliate funds have continued to be operated as separate LLC entities. Exploring alternative investment structures to find the investment product best suited for the challenges facing New Majority entrepreneurs through funds such as 1863 Ventures exemplifies how financial systems can be adapted to hopefully better serve economic growth.

The combination of capital and trust [from Living Cities] provided a much-needed boost to our fundraising efforts and allowed us to initiate key early investments to demonstrate our investment thesis in New Majority entrepreneurs.

MELISSA BRADLEY, MANAGING PARTNER, 1863

### ILLUSTRATIVE INVESTMENT

Founded by Terri-Nichelle Bradley, Brown Toy Box is a purpose-driven toy brand and manufacturer that seeks to eliminate generational poverty through play by designing STEAM kits, puzzles, books, and games that reflect diverse cultures, build confidence, and inspire curiosity. Growing from filling subscription boxes at the dining room table in her Atlanta home to now selling in stores like Target and Walmart, Terri-Nichelle Bradley raised capital from a range of impact-oriented funders, including 1863 Ventures, to be able to fulfill purchase orders from Target and continue growing the business.



# Blackstar Stability Distressed Debt Fund

| INVESTMENT TYPE     | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|---------------------|-------------|--------------------|-----------|
| Senior secured loan | \$3,000,000 | 2020               | 5.0 Years |

## PURPOSE

Homeownership financing to counteract predatory lending

## REPAYMENT STATUS

Repaid in full in 2025



## OVERVIEW

Homeownership remains one of the most effective ways to build wealth in the U.S., though for countless families, it continues to be out of reach. By Blackstar’s research, traditional mortgage financing remains elusive for the most affordable tier of homes, driving more than 36 million families to a mortgage alternative like a contract-for-deed in their dream of homeownership. The dearth of available mortgages is an issue that extends into rural, urban, and suburban markets while disproportionately affecting working-class, low to moderate-income communities.

Blackstar Stability Distressed Debt Fund is committed to helping historically overlooked communities obtain access to fair and equitable homeownership by converting contract-for-deeds and similar products into traditional mortgages. The restructuring allows the individual homeowner to equitably participate in the

residential mortgage market in a manner that promotes wealth creation. Blackstar seeks not only to achieve risk-adjusted returns but also to stabilize families and neighborhoods by facilitating the ownership of affordable single-family housing, keeping families in their homes, and attacking predatory lending practices.

## IMPACT

At repayment of the BCF loan in 2025, Blackstar had acquired 1,029 contract-for-deeds, lease-to-own assets, and mortgages in 31 states. Of these properties, 756 were acquired in Q1 2025. The properties in Blackstar’s portfolio are primarily located in the Midwest and South U.S. Blackstar has converted 103 contract-for-deeds and lease-to-own assets, sold 43 vacant properties, and received full payoffs of 31 contract-for-deeds.

An average equity balance of approximately \$66,000 has been transferred to 162 families via the origination of new mortgages and

162

families supported

31.7x

average increase  
on net assets of  
families

\$10.8MM

of equity  
transferred



facilitation of refinancing to residents. More than half of the conversions have benefited people at or below 60% Area Median Income, while more than 78% have benefited those at or below 80% Area Median Income.

BCF invested in Blackstar as its first institutional investor, providing the capital for Blackstar to purchase the first two pools of assets. Blackstar went on to raise over \$110MM in additional equity and debt to support their investment thesis.

As the Fund's initial investor, Living Cities has served as the catalyst to Fund's growth. Living Cities' investment provided financing for the Fund's first investment which has been the key to the Fund attracting more [...] LP investment commitments.

JOHN GREEN, MANAGING PRINCIPAL,  
BLACKSTAR STABILITY

## ILLUSTRATIVE INVESTMENT

One of the families that has successfully transitioned to a mortgage is a borrower who executed her contract-for-deed agreement in 2013. While maintaining her stable employment as a nurse and working to pay off a student loan from self-financing her education, she was discouraged to learn that she did not have title to the home after eight years of payments on the contract. In 2021, Blackstar converted her contract-for-deed to a mortgage that decreased her monthly payment by \$273 a month and transferred \$29,500 in equity.

The home has appreciated an estimated \$52,000 in additional value since securing the mortgage. She has reported that she is making progress on paying off her student loan and is able to “sleep better” knowing that the home equity belongs to her.

# Central Baltimore Future Fund

| INVESTMENT TYPE       | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|-----------------------|-------------|--------------------|-----------|
| Senior unsecured loan | \$2,500,000 | 2017               | 8.4 Years |

## PURPOSE

Commercial real estate investments aimed at eliminating blight and stimulating growth in Central Baltimore

## REPAYMENT STATUS

Repaid in full in 2025

## OVERVIEW

Sponsored by Reinvestment Fund, Central Baltimore Future Fund originates loans that advance revitalization projects in ten Baltimore neighborhoods near Johns Hopkins' Homewood Campus. Born out of the work of Living Cities' Baltimore Integration Initiative and the Baltimore Homewood Community Partners Initiative Development Fund, Central Baltimore Future Fund and the Baltimore Integration Partnership connect low-income Baltimore residents to economic opportunity and incorporate inclusive hiring in projects funded.

The fund targets small commercial and non-profit use real estate projects including single-family housing and mixed-use commercial spaces for arts, mental health services, and co-working.

The projects supported by the Central Baltimore Future Fund have totaled over \$51.0MM in project costs. These projects have supported a total of 15 home-ownership units, 208 rental units, 45,370 square feet of retail space, and 218,464 square feet of other mixed-use space.

The fund has been able to provide flexible, patient capital to support the Central Baltimore neighborhood. The explicit focus on Central Baltimore also helped Reinvestment Fund deepen relationships in the area and build strong partnerships with other local institutions.

## IMPACT

Over the tenure of the BCF investment, Central Baltimore Future Fund made 12 loans totaling \$14.98MM. Three loans remained outstanding at the time of repayment.



12

loans made

\$15MM

dollars deployed  
into Baltimore

263,000+

ft<sup>2</sup> of real estate  
developed

## ILLUSTRATIVE INVESTMENT

The former Sherman's liquor store was identified as a major blighting influence by the Greenmount West community. In addition to the liquor store, above it were two levels of vacant residential space and a three-story vacant apartment building next door.

For more than two decades Reinvestment Fund has invested in Baltimore with the support of the many partners and funders who make our work possible in the region.

CHRISTINA SZCZEPANSKI, PRESIDENT, LENDING AND INVESTMENTS, REINVESTMENT FUND

A community-engaged process selected developers to gut-rehab these two properties into a community resource, three apartments, and a single-family home. Central Baltimore Future Fund along with the State of Maryland Department of Housing and Community Development provided essential funds to finance the renovation of these properties.



Sherman's Peace & Wellness Center,  
Greenmount West, Baltimore,  
Maryland

# ChicagoTREND

## INVESTMENT TYPE

Senior secured loan

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2021

## TERM

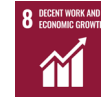
4.2 Years

## PURPOSE

Support in the acquisition of community shopping centers

## REPAYMENT STATUS

Repaid in full in 2025



## OVERVIEW

ChicagoTREND is a social enterprise with a mission to catalyze and accelerate strategic commercial development that strengthens urban neighborhoods, with a focus on low-and moderate-income communities. ChicagoTREND invests in commercial real estate projects to strengthen communities and drive inclusive growth by working with investors, developers, and local leaders to identify and facilitate developments that move overlooked and undervalued neighborhoods forward.

stakeholders to understand the challenges, opportunities, and priorities of the community.

After investing in five properties on a deal-by-deal basis, ChicagoTREND launched a fundraiser for its first investment fund, closing with commitments from several foundations. ChicagoTREND has made two additional investments through the fund and continues to explore ways to scale and replicate its work in other cities across the country.

## ILLUSTRATIVE INVESTMENT

ChicagoTREND purchased the Walbrook Junction Shopping Center using a unique capital structure that was partially financed by allowing 123 small-dollar individual investors to have a collective 49% ownership interest. The shared ownership creates pride in the community and the opportunity for local investors to financially benefit through stewardship of the property.

## IMPACT

The BCF loan to ChicagoTREND supported the acquisition of two community shopping centers – a mixed-use property in Chicago, IL and a shopping center in Baltimore, MD. These investments exemplify ChicagoTREND's thesis to invest primarily in strategic real estate investments in underserved communities where the firm could partner with community

2

properties acquired

123

small-dollar investors engaged

100%

invested in underserved communities

The Walbrook Junction Shopping Center has received improvements to the façade and security upgrades as part of the ChicagoTREND investment and funded by Baltimore City and Baltimore Development Corporation. The space formerly occupied by Rite-Aid is being rebuilt into smaller storefronts to attract local tenants.

When was the last time that lower- and middle-income Baltimore residents, intentionally Black residents, were given an opportunity to own a shopping center? Neighbors can own it and make the shopping center better over time. We hope they will take pride in it, protect it and patronize the shopping center in a way maybe they wouldn't if they didn't have an ownership in it.

LYNEIR RICHARDSON, CEO, ChicagoTREND

ChicagoTREND employs a leasing strategy focusing on cultivating tenants that provide neighborhood services. In the Walbrook Junction Shopping Center, this has meant new leases with a Black-owned laundromat and a local restaurateur.

Walbrook Junction, Baltimore, Maryland



# CNote Wisdom Fund

## INVESTMENT TYPE

Senior unsecured loan

## COMMITMENT

\$2,500,000

## YEAR OF INVESTMENT

2020

## TERM

5.0 Years

## PURPOSE

Provide flexible, affordable debt to CDFIs financing women-owned and/or led small businesses

## REPAYMENT STATUS

Repaid in full in 2021



## OVERVIEW

CNote is a women-led, B Corporation with a mission to close the wealth gap through financial innovation. Founded in 2016 by Cat Berman and Yuliya Tarasava, CNote builds solutions to make sustainable change by incorporating community voice and the values of co-creation into every aspect of their work.

CNote's Wisdom Fund is a fixed-income vehicle that increases capital access and lending for businesses owned by women of color. This fund was co-created with CNote's Community Development Financial Institution lending partners to support CDFIs in regions with the fastest-growing number of women-led businesses and include organizations such as TruFund, LIFT Fund, Carolina Small Business Development Fund, and CDC Small Business Finance.

The Wisdom Fund provides member CDFIs with an opportunity to aggregate data across multiple entities identifying gaps and

collectively working to solve for the fact that less than 5% of small business lending dollars flow to women.

## IMPACT

Through a 10-year look back analysis in partnership with ICA and Impact Experience, CNote sought to explore women of color borrowers' experience with lending and found three major takeaways:

1. Women of color are not riskier borrowers than other demographics.
2. Women are, on average, a lower credit risk than men.
3. Women of color typically receive lower loan amounts than other borrowing groups but are sometimes charged higher interest rates.

CNote's fintech platform and ability to aggregate capital, particularly from non-accredited retail investors, have made it a unique firm and capital source in the market. In June 2021, PayPal announced a \$135MM deposit into mission-driven

financial institutions and management funds that help underserved communities of color fight barriers to economic equity, including CNote's Wisdom Fund. With this influx of capital, the BCF loan was repaid early.

# 100%

of capital deployed to small businesses led by women of color

# 225

jobs created or maintained

# \$47K

average loan size

# Denver Supportive Housing Social Impact Bond

## INVESTMENT TYPE

Pay for success project

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2016

## TERM

5.4 Years

## PURPOSE

Provide wrap-around services to at least 250 chronically homeless individuals

## REPAYMENT STATUS

Repaid in full in 2021



## OVERVIEW

The Denver Supportive Housing Social Impact Bond Initiative is a pay for success project that aims to break the pernicious homelessness-jail cycle by providing permanent affordable housing and intensive case management to chronically homeless individuals. The project targeted “high utilizers” of court, jail, detox, and emergency room services and provided intensive wrap-around services from two experienced supportive housing providers to reduce days using these services. The success metrics for this project were the length of housing stability and the magnitude of the reduction in days in jail by the participants.

During project development, analysis of city data demonstrated that numerous chronically homeless individuals in Denver were getting arrested eight or more times each year and engaged in a perpetual homelessness-jail cycle. The City of Denver

estimated that it spends approximately \$7.3MM a year on serving individuals caught in the homelessness-jail cycle without helping them achieve a better quality of life.

## IMPACT

The Denver Supportive Housing Social Impact Bond Initiative was the first pay for success transaction in the U.S. structured without any subordination, which was interpreted as the market’s increasing comfort with the pay for success structure. The City of Denver ultimately paid out \$9.64MM in success payments in 2021, representing a \$1.04MM return on investment in addition to return of principal. This included a \$5.10MM payment for the jail days tranche, in which BCF was invested.

In 2018, the City of Denver finalized a contract to scale the project’s efforts to house an additional 75 participants. This is particularly notable because it is the first project domestically to be taken up directly by the government

partner. The purpose of a pay for success project is often to mitigate risk to the government by providing proof of concept for a specific intervention. The fact that the City of Denver was willing to pay directly for the wrap-around services needed to implement permanent supportive housing, prior to final outcomes being evaluated, is noteworthy, and provides a model for others involved with pay for success to follow.

38%

difference in mean days in jail for participants vs. control group

77%

of participants maintained stable housing at three years

75

more participants through the City of Denver contract

# Detroit Community Loan Fund

## INVESTMENT TYPE

Senior unsecured loan

## COMMITMENT

\$1,000,000

## YEAR OF INVESTMENT

2017

## TERM

8.3 Years

## PURPOSE

Small business lending

## REPAYMENT STATUS

Repaid in full in 2021



## OVERVIEW

BCF's investment in the Detroit Community Loan Fund builds on Living Cities' past Integration Initiative in Detroit, attempting to provide capital to entrepreneurs, small businesses, and social ventures deemed "high-risk". Managed by the Detroit Development Fund, a nonprofit CDFI established in 1996, the Detroit Community Loan Fund lends to small and growing businesses whose owners have traditionally faced obstacles to obtaining financing.

The fund provides microloans, between \$5,000 and \$50,000, to enterprises in underserved neighborhoods that typically do not have access to capital. The target enterprise has operated for less than three years and is a startup with less than \$100,000 in annual revenue.

In addition to capital, borrowers also receive mentoring and technical assistance from the fund or other community lenders

and technical assistance providers to aid in assessing the true risk level associated with these borrowers, which the fund believes is lower than what is perceived.

## IMPACT

During the COVID-19 pandemic, the fund focused its efforts on building microbusiness capacity and infrastructure to support long-term business sustainability. This shift to deeper technical assistance meant an increased concentration on the current lending portfolio and a reduction in deployment pace. The Detroit Community Loan Fund provided over 260 hours of in-house pre-application assistance to over 50 entrepreneurs and over 60 hours of direct in-house post-loan coaching to 28 borrowers. As the fund adjusted to meet the needs of its borrowers coming out of the pandemic, the BCF loan was repaid.

# \$850K

of loan activity to small businesses

# 98%

of loans to BIPOC-owned borrowers

# 70%

of loans to women-of-color owned businesses

# Domestic Small Cap Pay for Success Fund I

## INVESTMENT TYPE

Subordinate loan

## COMMITMENT

\$2,000,000

## YEAR OF INVESTMENT

2017

## TERM

7.6 Years

## PURPOSE

Social services, recidivism, and chronic homelessness

## REPAYMENT STATUS

Partially repaid in 2025

## OVERVIEW

Domestic Small Cap Pay for Success Fund was a proof-of-concept fund to help Reinvestment Fund establish a track record investing in pay for success projects and demonstrate demand. The fund invested in “small cap” pay for success projects across the US.

The fund was the first of its kind for the pay for success market seeking to create efficiencies and potential scale. Prior to this fund’s creation, pay for success transactions were sourced on a deal-by-deal, investor-by-investor basis, creating protracted capital raises and high transaction costs.

## IMPACT

Investing in five pay for success projects, the fund committed over \$7MM across projects.

**Alameda County Justice Restoration Project** focused on reducing recidivism, providing resources such as individualized peer coaching and case management. The program served 257

individuals. Low enrollment led to difficulty interpreting the success metrics, however the reduction in recidivism for participants by 27% led to a maximum success payment.

**Bridge House Ready to Work** provided housing and workforce training to 73 individuals experiencing homelessness in Colorado. Due in part to the Covid-19 pandemic, the program’s success payments around obtaining and maintaining housing and employment were insufficient to constitute a full repayment.

**ReHarvest Soil and Water Outcomes Fund** is a sustainable agricultural project in which farmers receive payments for implementing conservation practices such as water quality improvement, soil carbon sequestration, and biodiversity and habitat protection. The carbon and nutrients captured in these practices are verified and

then the credits were sold to private and public customers.

**Santa Clara Project Welcome Home**, California’s first pay for success project, provided community-based clinical services and permanent supportive housing for 199 chronically homeless individuals in Santa Clara. In the program, 86% of participants were successfully housed, of which 93% remained housed while in the study.

**Social Finance Ventura County Project to Support Reentry** worked to reduce recidivism, improve public safety, and promote economic stability in Ventura County. Serving 346 adult probationers, the project measured the extent to which program participants were not rearrested across 90-day periods and the reduction in total arrests.



5

pay for success  
transactions  
funded

800+

people served  
through social  
service programs

450K+

metric tons of  
greenhouse gases  
sequestered

# Fortis Capital

| INVESTMENT TYPE        | COMMITMENT  | YEAR OF INVESTMENT      | TERM      |
|------------------------|-------------|-------------------------|-----------|
| Senior unsecured loan  | \$2,000,000 | 2020                    | 4.9 Years |
| <b>PURPOSE</b>         |             | <b>REPAYMENT STATUS</b> |           |
| Small business lending |             | Repaid in full in 2025  |           |



## OVERVIEW

Fortis Capital is a non-profit lender founded in 2019 to increase access to debt at reasonable terms for small and growing businesses in systemically underserved communities in Minneapolis. Fortis Capital purchases syndicated positions in loans originated by local banks, CDFIs, and other lenders.

Created in conjunction with the City of Minneapolis, Fortis Capital builds off the work of the “2% Loan Program”, which is administered through the City of Minneapolis’s Department of Community Planning and Economic Development. Operating under broader eligibility standards than the “2% Loan Program”, Fortis Capital expands the credit box to reach those not served well by existing capital programs.

In addition to serving as a participant in loans, Fortis Capital aspires to work with bank underwriters as they gain expertise underwriting in underserved communities and provide reference points for expanding underwriting

approaches at larger institutions.

## IMPACT

Established to increase capital access to small businesses in Minneapolis, Fortis Capital focuses on low-income, high-poverty areas of the city, including the federally designated Promise Zone in North Minneapolis and Opportunity Zone-designated tracts.

Fortis Capital has built a portfolio of 23 loans deployed in the Minneapolis area, of which 96% have gone to BIPOC-owned businesses and 43% to women-owned businesses. During BCF’s investment, Fortis Capital supported several commercial developments, helping provide communities with restaurants, laundry services, and renovated commercial space.

## ILLUSTRATIVE INVESTMENT

In early 2025, Fortis Capital worked with Sunrise Banks to provide a loan package to North American Indigenous

Traditional Food Systems (NATIFS). NATIFS, founded by James Beard award winner Sean Sherman of The Sioux Chef, works to address the economic and health crises affecting Native communities by re-establishing Native foodways. The property, purchased and renovated as part of the loan package, will feature an indigenous barbecue restaurant, commissary kitchen, and central hub for expanding the work of Indigenous food systems and community development.

23

businesses  
financed

\$4MM+

issued in loans to  
businesses

300+

jobs created

# Founders First Capital Partners

## INVESTMENT TYPE

Equity investment

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2021

## TERM

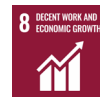
n/a

## PURPOSE

Growth capital investment in management company

## REPAYMENT STATUS

Actively invested



## OVERVIEW

Founders First is a San Diego-based business accelerator and investment firm co-founded and led by Kim Folsom. Its mission is to empower underrepresented founders to become leading premium-wage job creators within their communities. The investment platform offers revenue-based financing alongside advisory services and educational programming through the affiliated nonprofit.

Founders First's revenue-based financing provides flexible, non-dilutive growth capital in three-to five-year notes with a capped payback of principal plus 5% royalties until the cap is achieved.

Founders First raised a Series A, which BCF invested in, to support the growth of the investment firm with a focus on operational expansion.

## IMPACT

Founders First has grown since BCF's investment, receiving recognition in 2023 on Impact Assets' annual IA50 list as an Emerging

Impact Manager. The team has continued to evolve its strategy to best suit the needs of underrepresented founders. This has meant growing its debt products and spending more time than originally anticipated preparing borrowers to be investment-ready.

As of June 2025, Founders First had disbursed over \$16.4MM in revenue-based financing, with an average deal size of \$280K. On average, portfolio businesses have increased revenues by 26% post-investment.

## ILLUSTRATIVE INVESTMENT

OnShore Technology Group is a Chicago-based Independent Validation and Verification firm that provides life sciences companies validation solutions, part of a regulatory mandate. When the COVID-19 pandemic hit, many of OnShore's clients, including Moderna, were in

a race to bring COVID therapies to market which required getting their systems validated, a service OnShore provides. Onshore's founder, Valarie King-Bailey, participated in the accelerator program and secured a \$500K revenue-based financing investment as well as two subsequent investments from Founders First.

OnShore saw a revenue-based financing product as ideal because payments increase during stronger revenue months, helping pay down the debt faster as the company grows. Since working with Founder First, OnShore saw revenues grow upward of 90% in 12 months. OnShore has been recognized on the Inc. 5,000 list three years in a row.

**\$16.4MM**

disbursed in  
revenue-based  
financing

**\$280K**

average deal size

**26%**

average increase in  
revenue post-  
investment

# ICA (fka Inner-City Advisors)

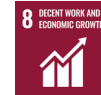
| INVESTMENT TYPE       | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|-----------------------|-------------|--------------------|-----------|
| Senior unsecured loan | \$1,000,000 | 2020               | 4.9 Years |

## PURPOSE

Investing in small businesses

## REPAYMENT STATUS

Repaid in full in 2025



## OVERVIEW

ICA is a CDFI that uses the tools of venture capital funding to provide flexible financing to systemically underinvested small businesses in the San Francisco Bay Area. Founded in 1996, ICA operates an impact investment fund alongside business acceleration. Business acceleration provides capital readiness workshops, and the investing practice invests convertible debt and equity financing to early and growth-stage businesses. It then provides deep operating expertise to help support those growing businesses overcome challenges they face in scaling. ICA launched its fund in 2019 with BCF as the first major investor and went on to raise over \$15MM for the fund.

ICA invests in Bay Area-based businesses with annual revenues of at least \$500K, serving undercapitalized communities with strong potential for profit and growth. ICA looks for

demonstrated intention to provide fair and equitable compensation, benefits, and wealth-sharing opportunities for employees when evaluating investment opportunities.

## IMPACT

ICA has deployed over \$15MM in equity and equity-like financing to over 69 companies, including 36 ICA Impact Notes, an investment vehicle that returns equity percentages to founders as they achieve employee wealth-building metrics. ICA has made 76% of its investments to people of color-led businesses and 53% to women-led businesses. The portfolio of companies ICA has built has created and sustained 500+ jobs through investment activity.

The businesses ICA works with are typically looking to ICA as a community-focused investor who is able to work holistically with small businesses to foster sustainable growth and durable economic gains in the community.

ICA has been the first source of external capital for 67% of portfolio companies, and the portfolio companies have been able to raise external financing at a rate of 7:1 on dollars invested by ICA.

**76%**

of investment capital to people of color-led businesses

**67%**

of investments were the first source of external capital raised

**53%**

of investment capital to women-led businesses

## ILLUSTRATIVE INVESTMENT

Founded by Victor Diaz, Renegade Running is an athletic equipment shop and social running club based in Oakland, California. Diaz participated in the ICA Fund's business accelerator program in 2022 and then applied for growth funding, receiving a SAFE Note. Renegade Running then leveraged that initial investment to double its capital with an investment from REI Co-op. Diaz sees the company, and especially the run club, as a place to build community and represent the diversity of Oakland in the activities that were happening in Oakland.

The long-term sustainability and viability of our model relies on patient capital from partners like Living Cities. When our investors allow ICA to have a longer runway, we can pass that benefit onto the high-potential businesses that we serve.

ALLISON KELLY, CEO, ICA

In 2024, Renegade Running expanded to Los Angeles, creating significant new demand for Renegade Running's goods. ICA provided Renegade Running with a working capital loan in 2024 to help fulfill purchase orders associated with these new inventory needs. Diaz continues to grow his business and generate economic and social impact for his community.



# Impact Ventures III (City Light)

| INVESTMENT TYPE        | COMMITMENT  | YEAR OF INVESTMENT | TERM       |
|------------------------|-------------|--------------------|------------|
| LP interest in VC fund | \$2,000,000 | 2016               | 10.0 Years |

## PURPOSE

Invest in early-stage social enterprises

## REPAYMENT STATUS

Actively invested



## OVERVIEW

Impact Ventures III is a \$57.4MM venture capital impact investment fund that invests in early-stage social enterprises addressing climate change, mental health and addiction, health and wellness, and education. This is the third fund managed by City Light Capital, a New York-based firm led by Managing Partner Josh Cohen and dedicated to generating strong financial returns and measurable social impact.

Across its sector-specific investments, Impact Ventures III prioritizes underserved populations, technology as a driver of cost-effective scaling, data-driven strategies, and quantitative impact measurement to drive better business- and mission-oriented results. Investing since 2015, Impact Ventures III has made 17 seed and 11 series A investments.

## IMPACT

Impact Ventures III invests in businesses with impact embedded into the core of

how they operate, providing services that directly address critical social and environmental challenges. For each portfolio company, the fund measures outputs, outcomes, and impact, and when possible, totals those numbers across the portfolio providing impacts across their intended sectors such as:

**Care** – \$6.3 billion reduced in costs to the health care system and patients by Impact Ventures III's portfolio companies. The fund is tracking this against the approximately \$5 trillion that the U.S. spends annually on healthcare, much of which goes to treating preventable conditions and avoidable complications.

**Climate** – 1.2 million metric tons of CO<sub>2</sub> have been reduced, avoided, or offset by the fund's portfolio companies. The U.S. emits over 6 billion tons of CO<sub>2</sub> and CO<sub>2</sub> equivalents annually. Greenhouse gas emissions are driving climate change, fueling extreme weather, rising sea levels, and public health risks.

# 10.7MM

mental health patients served

# 81.6MM

kWh of renewable energy produced

# 5.9MM

learners served



**Education** – Over 3.5 million learners were provided with retention support, job training, and job-seeking tools by the fund’s portfolio companies. Only 64% of students who enroll in college complete a degree within six years, and many struggle to connect that education to meaningful employment, especially adult learners balancing classes, work, and caregiving.

### **ILLUSTRATIVE INVESTMENT**

In 2019, Impact Ventures III made a Series A investment into Ginger. Ginger was founded in 2011 by a team of entrepreneurs and data scientists who were passionate about building the world’s first digital mental health platform. By combining human care with data science and the latest technologies, Ginger became renowned for delivering cost-effective mental healthcare, direct from the privacy of a smartphone.

In 2021, Headspace and Ginger announced they were merging into a single platform committed to democratizing mental healthcare by providing affordable, comprehensive support from a single platform. A year after the merger, Headspace Health rolled out a unified enterprise mental health and well-being offering that includes Ginger’s on-demand coaching, therapy, and psychiatric services as well as Headspace’s meditation and mindfulness offerings.

Headspace Health reported more than 714,000 monthly active users and over 100 million lives covered in 2024. Per Headspace, 59% of users report seeing significant improvement in anxiety symptoms.

# Jacmel Growth Partners

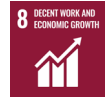
| INVESTMENT TYPE       | COMMITMENT | YEAR OF INVESTMENT | TERM      |
|-----------------------|------------|--------------------|-----------|
| Senior unsecured loan | \$750,000  | 2020               | 3.1 Years |

## PURPOSE

Working capital for a BIPOC-led fund focused on equity investments into mid-sized companies

## REPAYMENT STATUS

Repaid in full in 2022



## OVERVIEW

Jacmel Growth Partners is a BIPOC-owned private investment firm that partners with middle-market private companies that strengthen the nation's infrastructure. The firm promotes employee empowerment by ensuring fair pay, enhancing employee benefits, and providing professional development opportunities at portfolio companies. Founded in 2015, Jacmel began making investments on a project-by-project basis, with each transaction capitalized by varying equity and debt sources. Nick Jean-Baptiste, co-Founder and co-Managing Partner of Jacmel, became interested in exploring launching Jacmel's first formal investment fund, building on his experience.

Launching a private equity fund takes significant upfront capital and Jacmel offered an opportunity to explore providing working capital in support of an underrepresented fund manager working to raise a fund. In addition to

associated difficulties attributed to the wealth gap, underrepresented fund managers have experienced difficulty in traditional capital markets despite having professional experience and credentials equal to those of their non-diverse peers.

## IMPACT

In the fall of 2021, Jacmel received an investment from a leading global asset management firm. BCF's loan worked to catalyze Jacmel's fundraising, providing capital to support the next phase of growth for the firm. As of mid-2025, Jacmel has deployed a total of \$360MM into six platform investments and created over 8,000 jobs as it continues to build as a private equity firm. Jacmel ultimately chose to continue on a project-by-project basis for investments rather than raising a fund. The investment by BCF provided the capital to build internal infrastructure and systems to prepare Jacmel for its growth trajectory.

In May 2025, Jacmel announced it would invest in the redevelopment and management of LaGuardia Airport Terminal B, taking a minority stake in the project.

# \$360MM

total capital deployed by Jacmel

# 8,000+

jobs created through the portfolio investments

# MA Pathways Pay for Success

| INVESTMENT TYPE         | COMMITMENT | YEAR OF INVESTMENT | TERM      |
|-------------------------|------------|--------------------|-----------|
| Pay for Success project | \$650,000  | 2017               | 6.2 Years |

## PURPOSE

Scale services to improve economic security for immigrants and refugees in the Greater Boston area

## REPAYMENT STATUS

Repaid in full in 2020



## OVERVIEW

Massachusetts Pathways to Economic Advancement Pay for Success was the first pay for success initiative in the nation to be focused exclusively on workforce development. The project was designed to improve economic outcomes and provide a better quality of life for a diverse population of approximately 2,000 English language learners living in low-income neighborhoods in the greater Boston area.

Jewish Vocational Services provided program participants with increased access to vocational English classes, skills training, and better jobs through a tiered intervention program. The program consisted of four tracks: Rapid Employment, Occupational Skills Training, English for Advancement, and Bridges to College. The multi-track approach made it possible to serve more people than past pay for success projects while still providing targeted support.

The project raised \$12.43MM from 40 investors: 80% in Class A Preferred interest and 20% in Common Class interests, which BCF anchored. Of the 40 investors, 16 participated via Donor Advised Fund making this the first pay for success project to bring in investors through DAFs.

## IMPACT

The Massachusetts Pathways to Economic Advancement Pay for Success project made its maximum outcomes payment. Over the course of five years, the project served nearly 2,000 immigrants and refugees across the four tracks. Each track had separately defined success metrics, and the program was evaluated for retention. The English for Advancement track provided adult English-language learners with employment-focused language instruction, career coaching, and job placement assistance to help them

obtain employment and increase their earnings.

The English for Advancement participants increased their earnings by 7% in contrast to the control group, and 13% increase for those unaffected by the early pandemic labor market.

Jewish Vocational Services signed an outcomes-based contract with the Massachusetts Department of Elementary and Secondary Education to continue the project and Massachusetts allocated \$10MM more in grant funding to Jewish Vocational Services in the Supplemental Budget passed in November 2022.

~2,000

immigrants and  
refugees served

7%

increase in  
participant wages  
after two years

\$10MM+

in additional  
follow-on funding  
from the state

# Mission Driven Finance Advance

| INVESTMENT TYPE       | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|-----------------------|-------------|--------------------|-----------|
| Senior unsecured loan | \$2,000,000 | 2020               | 4.7 Years |

### PURPOSE

Lending to small businesses, non-profits, and social enterprises in the San Diego region

### REPAYMENT STATUS

Repaid in full in 2025



### OVERVIEW

Mission Driven Finance was launched in 2016 by David Lynn and Lauren Grattan to fill the gap between philanthropy and conventional investments by working with local and national investors to provide businesses and community partners with the capital needed to operate. Mission Driven Finance created the Advance strategy to address inequities in access to capital for entrepreneurs in the San Diego area.

Advance strives to deploy transformative capital to small businesses, nonprofits, and social enterprises that benefit the community and empower the community through economic opportunity.

With a focus on advancing economic opportunity, Advance invests in small businesses, social enterprises, and nonprofits delivering critical services, creating paths to quality jobs, and leading inclusive economic development. The fund has developed underwriting methodologies

that seek to be more equitable in assessing entrepreneurs who have historically been denied access to capital. Focusing on business leadership, expected financial performance, and impact, Advance employs a character-based lending approach in place of FICO scores and assets.

### IMPACT

Mission Driven Finance Advance made a total of 69 loans to 58 borrowers during its investment period, totaling \$14.8MM in disbursed principal since inception. The loan portfolio includes nonprofits, social enterprises, and small businesses across the San Diego region.

The Advance portfolio includes businesses ranging from a nonprofit serving foster families to a technology platform for non-emergency medical transportation services, from a support organization for refugees and immigrants to overcome barriers to social and economic self-reliance to a vocational school

offering a coding boot camp expanding into San Diego.

Mission Driven Finance continues to build on the work of Advance launching Advance California, expanding from the San Diego area to serve the whole state.

69

loans into the San Diego community

66%

of loans to businesses owned or led by people of color

29%

of loans to nonprofits

# Native Community Capital

| INVESTMENT TYPE       | COMMITMENT | YEAR OF INVESTMENT | TERM      |
|-----------------------|------------|--------------------|-----------|
| Senior unsecured loan | \$500,000  | 2021               | 4.4 Years |

## PURPOSE

On-lending in small business, commercial real estate, and homeownership in Native communities

## REPAYMENT STATUS

Unfunded commitment



## OVERVIEW

Native Community Capital is a Native-led Community Development Financial Institution helping to meet the housing, community, and economic development as well as small-business financing needs of American Indian communities primarily, but not exclusively, in the Southwest U.S. The mission of Native Community Capital is to advance tribal self-determination by working as a lender and “honest broker” for unlocking capital resources necessary to build tribal economies.

Native Community Capital was formed through a corporate merger of three separate organizations as a strategy to make more significant investments in tribal economies. With offices in New Mexico and Arizona, Native Community Capital serves tribes and individuals primarily in the Western U.S.

## IMPACT

Through its lending, Native Community Capital aims to help provide individuals with access to affordable, culturally competent loans allowing borrowers to start or scale businesses, buy homes on non-tribal land, or rehabilitate existing homes on tribal land, which can help build wealth and stability.

Due to unforeseen delays following the 2019 merger and BCF’s deployment timeline, the commitment to Native Community Capital went unfunded.

# NewCorp BuildNOLA Mobilization Fund

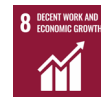
| INVESTMENT TYPE       | COMMITMENT  | YEAR OF INVESTMENT | TERM      |
|-----------------------|-------------|--------------------|-----------|
| Senior unsecured loan | \$2,000,000 | 2020               | 5.2 Years |

## PURPOSE

Lending capital for loans to contractors qualified as disadvantaged business enterprises

## REPAYMENT STATUS

Unfunded commitment



## OVERVIEW

NewCorp, a New Orleans-based Community Development Financial Institution, provides capital, counseling, technical assistance, and training to small-to-moderate, BIPOC and women-owned businesses that have difficulty accessing funds from traditional sources.

NewCorp launched the BuildNOLA Mobilization Fund to catalyze the ability of Disadvantaged Business Enterprises to participate in government infrastructure projects. BuildNOLA lends to contracting businesses that have been awarded contracts by the City of New Orleans but have difficulty accessing the capital required to fulfill the contracts.

Government infrastructure projects, typically focusing on major storm repairs and infrastructure improvements, often require contracts to fund project costs upfront prior to payment at contract completion. BuildNOLA provides financing tied to

receivables to bridge to the receipt of project fees, allowing disadvantaged business enterprises to more meaningfully participate in the city's major infrastructure projects.

## IMPACT

Given the recycling nature of the capital for BuildNOLA, in early 2022, NewCorp determined that drawing the BCF loan, a fixed-rate non-revolving loan, was not necessary. As such, the BCF commitment went unfunded.

Up to that point in early 2022, BuildNOLA had worked with 27 Disadvantaged Business Enterprise subcontractors. These investments were outstanding to the subcontractors for less than the expected time horizon, making it so that over the course of two years of operations, BuildNOLA had recycled its capital nearly 2x with no payment defaults. NewCorp has been exploring expanding this program across Louisiana to support the success of highly capable disadvantaged business

enterprises who would otherwise be held back because of inadequate access to capital.

# Passbook Ventures (fka Aux21 Capital Partners)

## INVESTMENT TYPE

Senior secured loan

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2020

## TERM

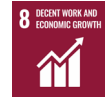
5.0 Years

## PURPOSE

Working capital for an early-stage venture fund

## REPAYMENT STATUS

Unfunded commitment



## OVERVIEW

Passbook Ventures is a Washington, DC-based early-stage venture capital firm that seeks to invest in tools for borderless commerce. Passbook's investment thesis centers around the belief that companies must have a global strategy embedded in their DNA to maintain a competitive advantage. Passbook seeks to support companies that are founded and led by immigrants and people from underrepresented communities whose lived experience informs their work.

Chinedu Enekwe and Mark Fleming founded Passbook Ventures in 2020 and began fundraising for their first fund. Founding the firm and launching their fund required upfront capital, and Passbook provided an opportunity to explore providing working capital in support of an underrepresented fund manager working to raise a venture capital fund. In addition to associated difficulties attributed to the

wealth gap, underrepresented fund managers have experienced difficulty in traditional capital markets despite having professional experience and credentials equal to those of their non-diverse peers.

## IMPACT

Backed by BCF's working capital commitment, Passbook generated \$2.3 million of investor commitments in its initial fundraising round. While Passbook continues to raise capital for its venture studio and adapts to the evolving venture capital market, the BCF commitment went unfunded due to unforeseen fundraising delays for Passbook.

# Project Equity Fund II

| INVESTMENT TYPE                                                          | COMMITMENT              | YEAR OF INVESTMENT | TERM                                                                                |
|--------------------------------------------------------------------------|-------------------------|--------------------|-------------------------------------------------------------------------------------|
| Senior-senior unsecured loan                                             | \$500,000               | 2021               | 4.4 Years                                                                           |
| <b>PURPOSE</b>                                                           | <b>REPAYMENT STATUS</b> |                    |  |
| To provide financing to transition businesses to employee-owned vehicles | Repaid in full in 2024  |                    |                                                                                     |

## OVERVIEW

Project Equity is a national leader in the movement to harness employee ownership to maintain thriving local business communities and to address income and wealth inequity. Project Equity Fund II, the Employee Ownership Catalyst Fund, provides capital to businesses transitioning to employee ownership.

Employee ownership is a mergers and acquisitions strategy that Project Equity believes fortifies businesses, makes local economies more resilient, and allows more people to build economic stability for generations to come. As the baby boomer generation ages into retirement, it is expected that there will be a large and growing opportunity to transfer businesses to employee ownership structures. Nearly half of all privately held businesses with employees have owners over the age of 55 in the U.S., and the vast majority don't have a succession plan in place.

The Employee Ownership Catalyst Fund is a pool of capital for financing employee ownership conversion transactions, which can be structured in numerous ways, such as an Employee Stock Ownership Plan, an Employee Ownership Trust, or a worker-owned cooperative.

## IMPACT

The Employee Ownership Catalyst Fund has financed seven employee ownership transitions, one a partial transition, with four worker-owned cooperatives, two Employee Ownership Trusts, and one Employee Stock Ownership Plan. The portfolio estimates that 85% of employees in transitioned companies are considered low or moderate income, and an estimated 43% are people of color.

## ILLUSTRATIVE INVESTMENT

Local Ocean Seafood in a Newport, Oregon-based grill and fish market. Laura Anderson, the founder and owner at the time, had been interested in employee ownership from the



beginning. When she began to consider opportunities to exit the business, Anderson found Project Equity.

After a feasibility study, Anderson determined the best fit for her business was to transition ownership to her employees through an Employee Ownership Trust, and Local Ocean Seafood began the transition in 2022. As a legacy business in the Newport community, Local Ocean Seafood wanted to ensure continued operations, the focus on supporting the fishing community and ocean, and the care for the employees would remain. These goals made employee ownership and working with Project Equity attractive to Anderson, and these focus areas were incorporated in the trust agreement.

It's not just a job. I'm now an owner. My son is so proud that his mom has something that she owns [...]. We sat down together when I received our first profit sharing check and talked about what we might do with it, and how meaningful it is to our family.

SARAH VEGAS, EMPLOYEE-OWNER,  
NILES PIE COMPANY

At the time of transition, 100% of the employees of Local Ocean Seafood were considered low- to moderate-income earners based on local indexes. Since the transition in 2022, the business has held revenues and profits steady and completed its first-ever profit sharing in 2023. In 2024, employee turnover had reduced from 40% to 23%. Since transitioning to employee ownership, Local Ocean Seafood has instituted flexible paid time off for employees, increased community collaborations, and increased employee participation.

7

employee  
ownership  
transitions  
financed

85%

of transitioned  
employees are low  
to moderate  
income

~43%

of transitioned  
employees are  
people of color

# Propeller Social Venture Fund

## INVESTMENT TYPE

Senior secured loan

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2017

## TERM

7.4 Years

## PURPOSE

Small business lending

## REPAYMENT STATUS

Repaid in full in 2023



## OVERVIEW

Propeller is a New Orleans-based incubator and accelerator founded in 2009, that works to grow and support entrepreneurs tackling New Orleans' most pressing social and environmental disparities. Propeller co-created the Social Venture Fund with the Foundation for Louisiana to fill a financing gap in the New Orleans capital ecosystem by providing loans and technical assistance to entrepreneurs of color who are seeking to grow their early-stage businesses. Propeller led pipeline generation, underwriting, and provided technical assistance to the Social Venture Fund borrowers, while Foundation for Louisiana served as the asset and fund manager.

The goal of the Social Venture Fund was to prepare entrepreneurs and emerging small businesses to graduate into the formal banking system through services such as training, mentoring, and access to networks for funding, customer

acquisition, and government programs.

## IMPACT

The Social Venture Fund made 12 loans to 10 borrowers over the course of the BCF investment including to an educational services provider serving over 1,500 local students annually, a construction-related business, and food and beverage producers. These loans brought new retail amenities and local food products to market in New Orleans neighborhoods. All of the loans were made to BIPOC-owned businesses, of which 38% were women-owned businesses.

On August 29, 2021, Hurricane Ida struck Louisiana, impacting all of the Social Venture Fund's borrowers due to severe damage in the area. The hurricane is estimated to have cost around \$75B in damages across the U.S. Propeller allowed many borrowers to defer payments while they worked to reopen their businesses, or in some cases where damage was too severe,

helped to unwind operations with as little harm to the business principals as possible.

The BCF loan was repaid early to give the Social Venture Fund the structural flexibility to allow borrowers in the fund additional grace and time to rebuild in the wake of Hurricane Ida.

12

loans made in the New Orleans community

100%

to BIPOC-owned businesses

38%

to women-owned businesses

# Regional Equity Development Initiative (REDI)

## INVESTMENT TYPE

Subordinate loan

## COMMITMENT

\$3,500,000

## YEAR OF INVESTMENT

2016

## TERM

8.9 Years

## PURPOSE

Equitable transit-oriented development

## REPAYMENT STATUS

Repaid in full in 2025



## OVERVIEW

The Regional Equitable Development Initiative was a \$21MM project established to support the development and preservation of affordable housing around transit sites in the Puget Sound region in Washington State. Enterprise developed REDI to address a gap in the market for affordable housing developers in the area who were having trouble competing for the acquisition and/or development of sites, especially given the region's Sound Transit 3 plan that caused an increase in land values around transit centers. Qualified developers were able to access longer-term, flexible financing through REDI.

The initiative brought together multiple public agencies, including the State of Washington; the City of Seattle; King, Pierce, and Snohomish Counties; ARCH (A Regional Coalition for Housing, a partnership of 16 member governments in East King County); and the Puget Sound Regional

Commission, all of which contributed staff time and financial resources toward development of the Fund. Limited public resources were used to attract private capital to ultimately leverage five private dollars to every one public dollar.

## IMPACT

REDI financed eight mixed-use and affordable housing projects with loans totaling approximately \$21.9MM. These loans are expected to finance the creation of 1,201 units of housing, ~88% of which is expected to be affordable to households earning 80% of Area Median Income or less, as well as the creation of at least 22,000 square feet of space for organizations serving community needs.

In addition to affordability based on Area Median Income, these projects produced permanent supportive housing for people with disabilities or formerly

homeless residents, family-friendly affordable housing units with on-site affordable childcare, and housing utilized by a non-profit supporting homeless women.

5:1

private capital to  
public capital into  
projects

1,200+

affordable housing  
units for 80% AMI  
or less households

22,000

ft<sup>2</sup> of space for  
community  
organizations

# Salt Lake County REACH Pay for Success

## INVESTMENT TYPE

Subordinate loan

## COMMITMENT

\$500,000

## YEAR OF INVESTMENT

2016

## TERM

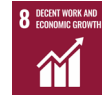
6.5 Years

## PURPOSE

Reduction in recidivism and improvement in employment

## REPAYMENT STATUS

Partially repaid in 2023



## OVERVIEW

The Salt Lake County REACH Pay for Success Project was a \$6.05MM initiative to address the revolving door of the criminal justice system by providing comprehensive services to reduce recidivism for those most likely to re-enter prison in the Salt Lake City area. Of high-risk offenders in Salt Lake County, 74% find themselves back in the criminal justice system within four years of their release. At the outset of the project, this issue was being further compounded the Salt Lake County jail consistently operated at full capacity and Utah's prison population having grown by 18% over the past decade. As Mayor Ben McAdams said, "That not only is a human tragedy, but it costs the taxpayers a lot of money."

The REACH program, Recovery, Engagement, Assessment, Career, and Housing, is a community-based treatment model led by the First Step House, a local Salt Lake City nonprofit. REACH incorporates services and treatments to address

criminogenic needs such as substance abuse, treatment and employment support, and non-criminogenic needs, like short-term housing and ongoing case management.

The project was structured as one of the first pay for success projects to share success fees earned, if targets were met, with the service provider. The project set success metrics for the treatment group around a decrease in recidivism and an increase in employment.

## IMPACT

The project issued the final outcomes report in 2023 and its success payments were insufficient to constitute a full repayment of principal. The project's 30-month mark coincided with the beginning of the COVID-19 pandemic playing a significant role in the underperformance of the engagement metric. Other metrics with success payments based on engagement numbers were

impacted as well despite the impact revealed by significance testing.

In the Final Year Outcome Report, the project reported the following:

- Statewide arrests: the comparison group was found to have a rate of arrests 1.3x greater than the treatment group
- Number of days incarcerated: the comparison group had a rate of incarceration days 1.7x greater than the treatment group
- Number of quarters employed: the treatment group was employed at a rate 1.2x greater than the comparison group
- Treatment engagement: of the 252 cases randomized to treatment, 164 enrolled

This project helped individuals with a criminal history get jobs, obtain housing and treatment, and enjoy life while not returning to incarceration.

22%

significant decrease in arrest rates

50%

significant reduction in days incarcerated

22%

non-significant increase in employed quarters

# UP Community Fund

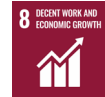
| INVESTMENT TYPE                                       | COMMITMENT                                    | YEAR OF INVESTMENT | TERM      |
|-------------------------------------------------------|-----------------------------------------------|--------------------|-----------|
| Senior unsecured loan &<br>Subordinate unsecured loan | \$1.6MM Senior loan<br>\$1MM Subordinate loan | 2019               | 5.5 Years |

## PURPOSE

On-lending to small and medium-sized enterprises

## REPAYMENT STATUS

Unfunded  
Commitment



## OVERVIEW

UP Community Fund is a structured debt fund that provides loans to small and medium-sized businesses that are primarily owned by people of color and women in the Southeast United States. The fund seeks to provide flexible loan capital supplemented with technical assistance to increase the borrower's business capacity and mitigate credit risk. Focused on the Southeast, the fund is working in a region with some of the most pronounced social and economic disparities and low economic mobility.

UP Community Fund is a wholly owned subsidiary of Urban Advisors, a Charlotte, NC-based impact investment consulting firm focused on solving economic inequality.

fund's second close, which included BCF.

UP Community Fund continues to deploy capital to small and medium-sized businesses in the Southeast seeking to create economic and societal impact.

## IMPACT

Due to the unforeseen impacts of COVID-19 on small business capital needs and supporting the Fund's current loan portfolio through the pandemic, UP Community did not draw the commitments from the lenders that invested in the

# Urban Innovation Fund

| INVESTMENT TYPE          | COMMITMENT | YEAR OF INVESTMENT | TERM       |
|--------------------------|------------|--------------------|------------|
| LP investment in VC fund | \$500,000  | 2016               | 10.0 Years |

## PURPOSE

Invest in early-stage businesses solving challenges in urban areas

## REPAYMENT STATUS

Actively invested

## OVERVIEW

Urban Innovation Fund is a venture capital firm that invests in startups shaping the future of cities. The firm provides seed capital and regulatory support to entrepreneurs tackling urban problems and helps them grow. The firm invests across three focus areas – economic vitality, livability, and sustainability.

BCF invested in Urban Innovation Fund I as the then first-time managers launched their firm after co-founding Tumml, a startup hub for urban tech. Urban Innovation Fund I raised \$24.5MM and the firm has gone on to raise two successor funds and an opportunity vehicle managing over \$200MM in assets.

## IMPACT

Urban Innovation Fund I deployed \$21.5MM in seed and pre-seed funding to 23 early-stage companies. Across the three funds, Urban Innovation Fund has

invested in 64 portfolio companies headquartered in twenty-four cities across twelve U.S. states and eight countries. The firm's portfolio companies have created \$5.3B in enterprise value and raised over \$1.1B in capital. Of the portfolio companies, 75% have a woman or person of color on the founding team, 72% have a woman or person of color on the board, and 58% have an immigrant on the founding team.

## ILLUSTRATIVE INVESTMENT

Ethic is a sustainable, tech-driven asset management platform with over \$5B in assets. It partners with over 200 institutional clients to reimagine their investment experience. Urban Innovation Fund invested in Ethic's Seed round and has continued investing in every round through its \$50MM Series C. Ethic raised a Series D in January 2025 led by State Street.

Ethic connects clients with sustainable investment opportunities, providing advisors and wealth managers with the ability to automate the creation of sustainably focused, passive equity investment portfolios. Ethic has reported that it has helped clients reduce the carbon footprint of their investment portfolios by nearly 300K metric tons.



74%

of founding teams in Fund I have a woman or person of color

70%

of Fund I company boards have a woman or person of color

30%

of founding teams in Fund I have an immigrant

# WEPOWER Elevate/Elevar Capital

| INVESTMENT TYPE       | COMMITMENT | YEAR OF INVESTMENT | TERM      |
|-----------------------|------------|--------------------|-----------|
| Senior unsecured loan | \$500,000  | 2021               | 4.4 Years |

## PURPOSE

Investing in small businesses

## REPAYMENT STATUS

Repaid in full in 2022



## OVERVIEW

WEPOWER is a community empowerment organization and accelerator based in St. Louis, Missouri, with a mission to activate community power to redesign education, economic, health, and justice systems to be equitable for all. WEPOWER launched the Elevate/Elevar Growth Fund to provide revenue-based financing investment products to St. Louis-area businesses, increasing access to capital for startup and growth-phase ventures with uncertain cash flows.

In addition to capital investments, WEPOWER provides coaching and advisory services to its borrowers striving to strengthen the capital landscape for underrepresented entrepreneurs, especially in North St. Louis. By working to support local businesses in St. Louis, WEPOWER works with the community to build a tax base and disrupt generational disinvestment by accelerating shared wealth.

## IMPACT

Over the course of BCF's investment in WEPOWER Elevate/Elevar Fund, the fund made one investment in an e-commerce platform curated to promote products from Black-owned brands. In addition to the fund's investment activity, WEPOWER convened two coaching and advisory cohorts supporting 16 businesses.

WEPOWER repaid BCF after successfully raising additional capital from BJC HealthCare, the region's largest employer. At repayment, the fund had a pipeline of over \$1.1MM of potential investments spanning the manufacturing, retail, restaurant, transportation, technology, and educational services industries.

## ILLUSTRATIVE INVESTMENT

Bold Xchange, an e-commerce platform that curates a collection of products from Black-owned brands, received the first investment from WEPOWER's Elevate/Elevar Fund. Bold Xchange is a

Minority Business Enterprise, certified through the National Minority Supplier Development Council, that relocated to St. Louis in 2020. Bold Xchange has worked with major global companies such as Home Depot, Spotify, and Advance Auto Parts, as well as local St. Louis companies including two members of the WEPOWER Accelerator Program.

100%

of portfolio companies are BIPOC-owned

100%

of portfolio companies are St. Louis-based



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