

THE BLACK VISION FUND SEMI-ANNUAL MEETING

October 30, 2024



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SECTION ONE

Investment Fund Overview

BLACK VISION FUND TEAM



Brent Kuennen
Sr. Vice President
Fund Management



Mariel Kennedy
Vice President
Portfolio Management



Gralen Vereen
Sr. Analyst
Fund Management



Emmanuel Achinka
Sr. Vice President
Fund Administration



Daniella Marrone
Accounting Manager
Fund Administration



Joshua Talley
Associate
Treasury & Servicing

Loan Committee Includes:
 Mariel Kennedy, Vice President, Broadstreet (non-voting member)
 Michael Jeans, President & CEO, Growth Opportunity Partners
 Phillip Reeves, Founding Partner, Apis & Heritage
 Pat McMillan, CEO, McMillan Consulting

FUND MISSION & IMPACT

Impact Thesis

The Black Vision Fund seeks to bridge the funding gap between Black-owned businesses and traditional financing institutions.

While aiming to resolve this need, the Fund is also determined to promote wealth and job creation and debunk preconceived notions of risk to counteract systemic inequities by tracking various data points.

Fund Mission

The Black Vision Fund uses the provided capital to lend to a select group of Community Development Financial Institutions (CDFIs) with aligned missions, enabling each CDFI to increase its support to Black-owned enterprises in, serving, or benefiting low-income, distressed, or disadvantaged communities through various forms.

THE BLACK VISION FUND OVERVIEW

High-Level Details

Fund Size: \$29.5 million

Fund Portfolio Size: \$29 million

Borrower Profile: Community Development Financial Institutions

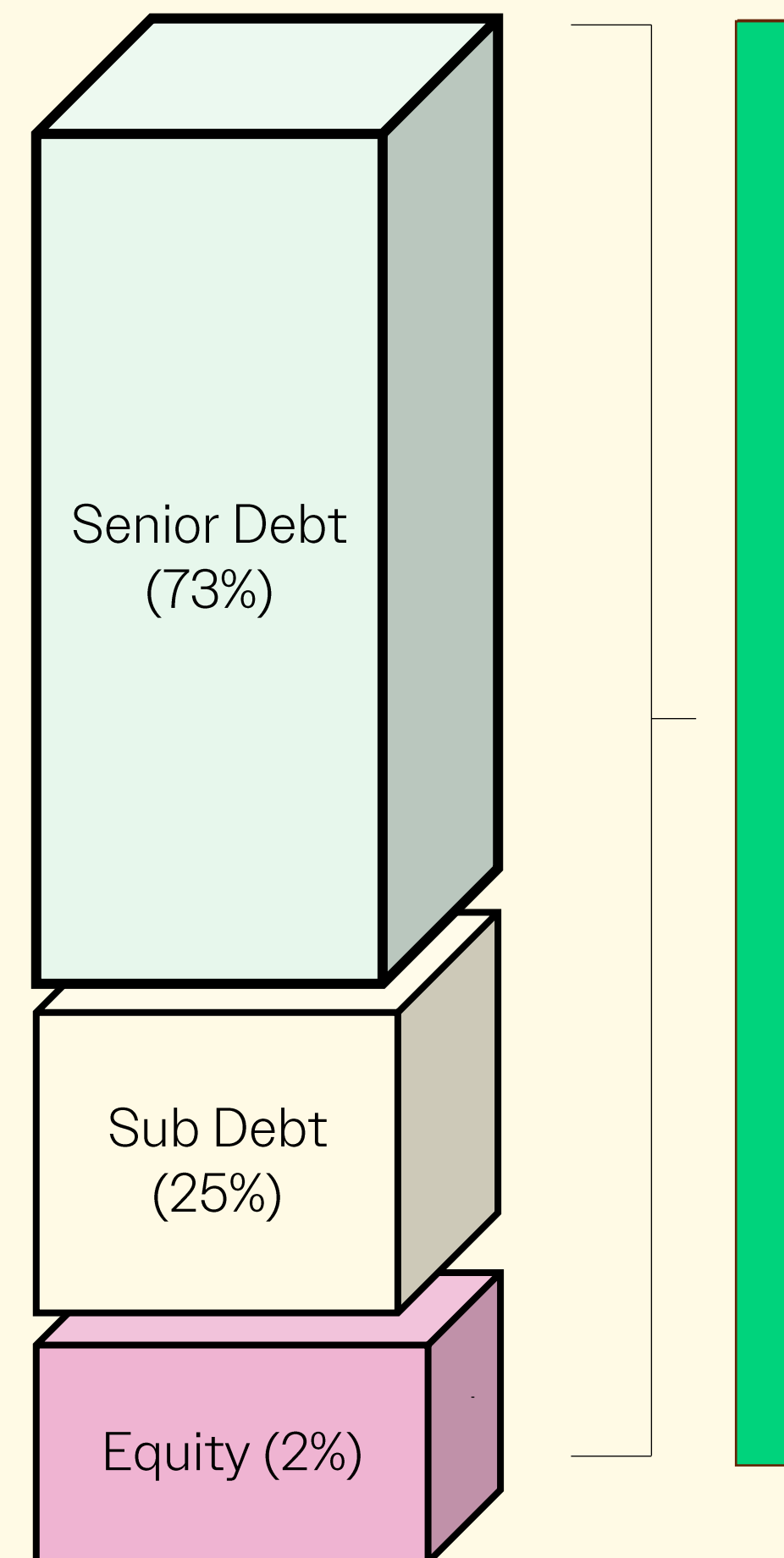
Average Loan Size: \$4.8 million

Average Interest Rate: 2.40%

Number of Portfolio Borrowers: 6

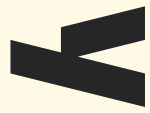
Capital Structure: See Diagram

Investment Status: 100% Deployed



SECTION TWO

Fund Operations Update



FUND OPERATIONS

Black Vision Fund

- The Fund has entered a steady operating state with the investment period closed.
- Transaction activity primarily consists of interest income and expense; When received from CDFIs, the Fund will make principal payments to the Lenders.

As of 2Q24 close:

Total Principal Repaid	\$774,202
DSCR – TTM	1.18
Interest Reserve	\$310,000
Workout Reserve	\$147,573

Focal Points

New Impact Metrics:

- The Fund has provided the CDFIs with an adjusted quarterly impact matrix for 2Q24 & 3Q24 reporting.
- BVF may request a formal amendment to the master loan agreement, fund operating agreement, and CDFI loan agreements in 1Q25.
- Changes by document:
 - Master Loan Agreement – Replace Exhibits D¹ & E²
 - Fund Operating Agreement – Replace Exhibit D²
 - CDFI Loan Agreement – Replace Exhibit E³

CDFI Partnerships:

- We continue to strengthen the Fund’s relationships with the CDFIs to:
 - Collect and deliver more robust impact metrics & highlights
 - Establish a strong, transparent line of communication
 - Promote the success of the CDFIs and the Fund

¹ See page 21 for original template of quarterly report.

² See page 22 for original template of annual report.

³ See page 23 for original template of quarterly report provided to CDFIs.



FUND OPERATIONS

Black Vision Fund

What’s Changed?

- See chart for definition and metric changes

Why Change?

- The CDFIs in the Fund’s portfolio have expressed concerns about numerous challenges with collecting information on various data points accurately.
- The new and improved metrics and definitions are aligned with the Transaction-Level Requirements (TLR) that the CDFIs must demonstrate to retain CDFI status.

¹ Reference page 24 and 2Q24 Impact Report for an example of a revised quarterly template. A revised annual template will be available soon.

Adjusted Impact Metrics¹

Phase Number	Current Impact Metric	Recommendation
Phase 1	Number of loans to Black-owned businesses	Modify metric – Number of loans to Black-owned businesses *and* Black-led nonprofits
Phase 1	Dollar amount of loans to Black-owned businesses	Modify metric – Dollar amount of loans to Black-owned businesses *and* Black-led nonprofits
Phase 1	Net-worth of Black business owners	Omit metric due to lack of personal financial data collection and availability
Phase 1	Number of Black-owned businesses with 2 or more employees	Modify metric – Collect the number of total jobs created/retained at the time of loan origination; FTE only, exclude construction; this definition is adopted from the CDFI TLR
Phase 1	Number of individuals provided services by social service organization	Omit metric, or potentially aggregate “Capacity of Facility” line items for each facility type from TLR, if available
Phase 1	Revenue of Black businesses	Modify metric – Revenue of Black-owned businesses *and* Black-led nonprofits
Phase 2	Dollar amount of investment attracted (debt or equity)	Modify metric – Collect “Total Project Cost” field in TLR -> \$ leveraged = total project cost minus loan amount
Phase 2	Number of technical assistance hours to Black-owned businesses	Keep metric but make it optional
Phase 2	Number of Black-owned business startups	Keep metric, Use TLR line item “Date Business Established”; Businesses less than 2 years old will count as startups
Phase 2	Number of profitable Black-owned businesses	Omit this metric because it is too much of an ongoing data collection burden
Phase 2	Number of quality jobs to local residents	Omit metric because we do not have a consistent or manageable way to report quality jobs, and therefore recommend a total jobs created/retained metric, as seen above



BLACK VISION FUND HOLDINGS

Borrower Name	Risk Rating ¹	Total Funded Amount	Outstanding Balance ¹	Comments
Black Business Investment Fund (BBIF)	3-Good	\$5,000,000	\$5,000,000	
City First Enterprises (CFE)	3-Good	\$4,000,000	\$4,000,000	
Community First Fund (CFF)	2-Strong	\$5,954,500	\$5,954,500	
Hope Enterprise Corporation (HEC)	4-Pass	\$4,000,000	\$4,000,000	Interest coverage waiver in place through 3Q24 given 1x item impacts
Metropolitan Economic Development Association (MEDA)	4-Pass	\$5,000,000	\$5,000,000	
National Community Investment Fund CSF (NCIF CSF)	2-Strong	\$4,999,509	\$4,225,307	Received prepayments
Total		\$28,954,009	\$28,179,807	

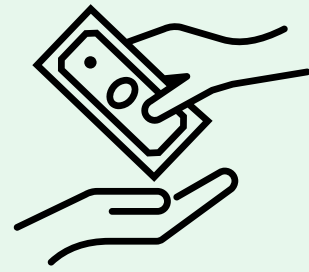
Risk Rating Scale Definitions: 1 = Excellent, 2 = Strong, 3 = Good, 4 = Pass, 5 = Special Mention, 6 = Substandard, 7 = Doubtful
¹As of 2Q 2024 Close

SECTION THREE

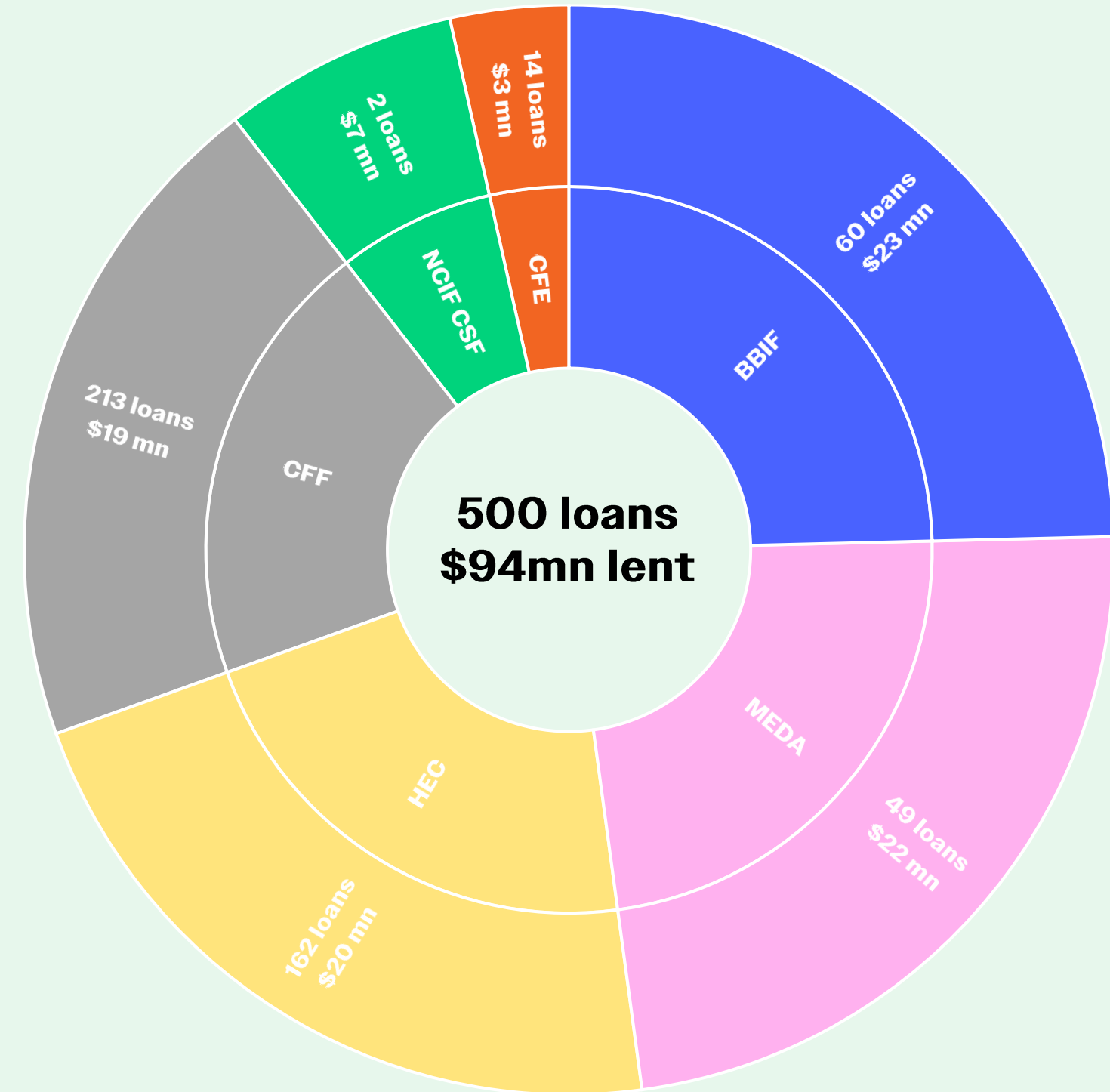
Impact Metrics

WHAT HAVE WE SEEN SINCE FUND INCEPTION?

BVF made ~\$29mn in low interest loans to CDFIs

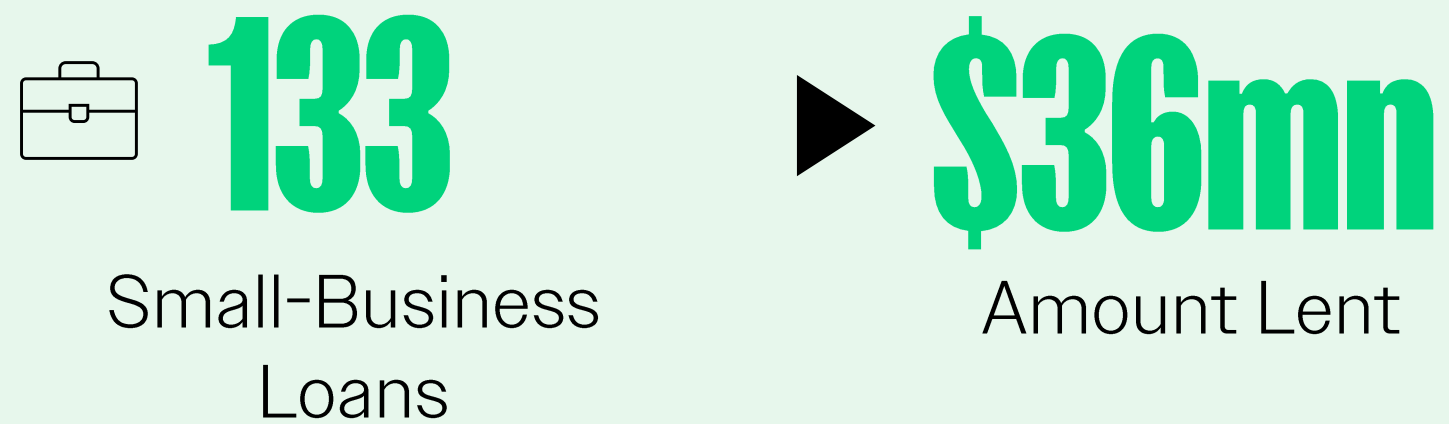


Since 2Q22, those CDFIs have made ~500 loans to Black-owned businesses resulting in \$94mn in principal lent

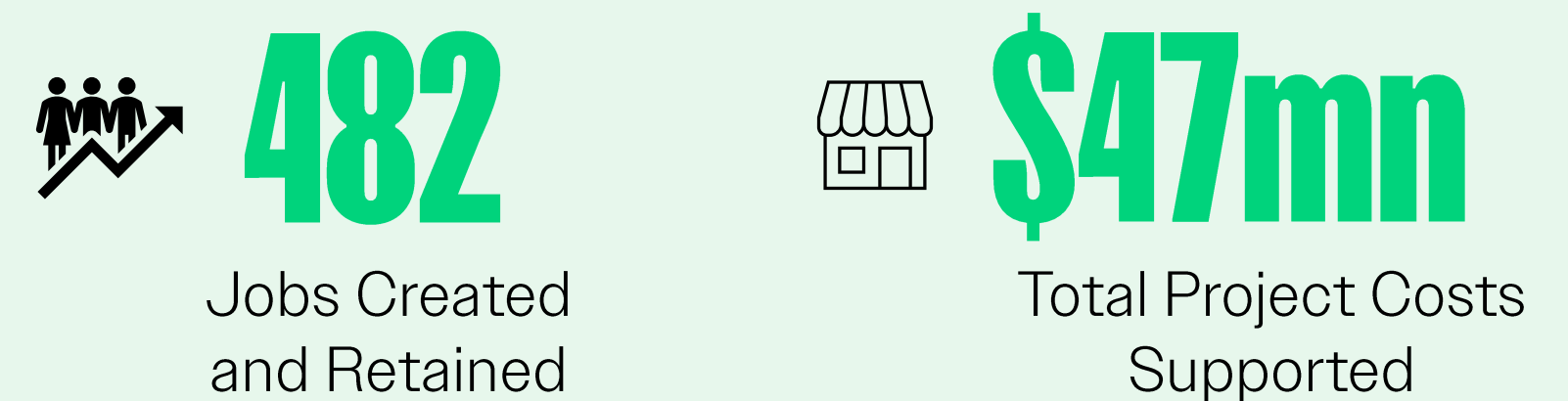
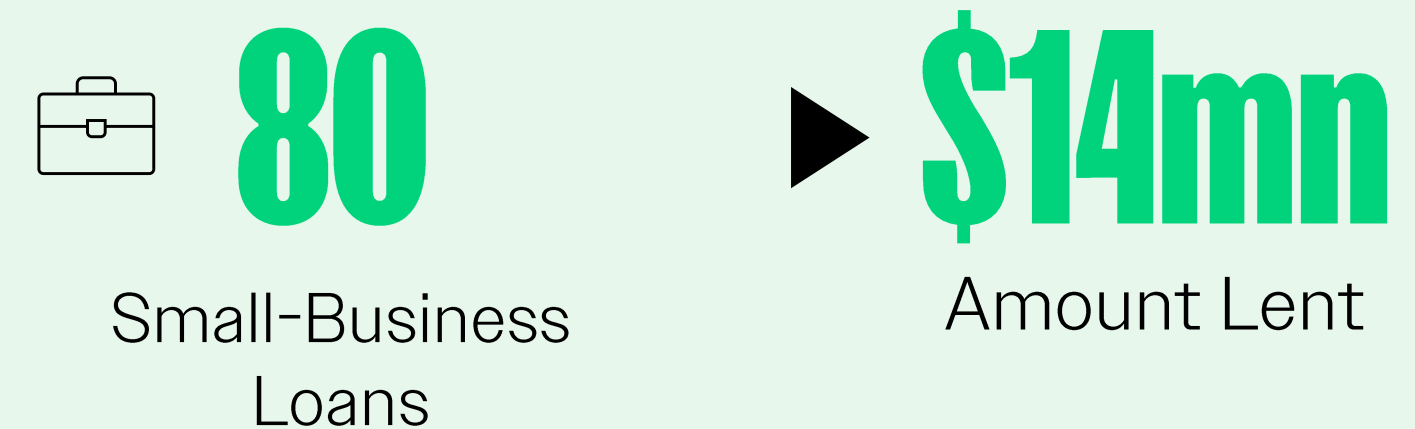


WHAT DID THE LOANS MADE IN 2Q24 LOOK LIKE?

Total Small Business Loans Made by CDFIs BVF Invested in



Black-owned Small Business Loans Made by CDFIs BVF Invested in



WHAT DID THE LOANS MADE IN 2Q24 LOOK LIKE?

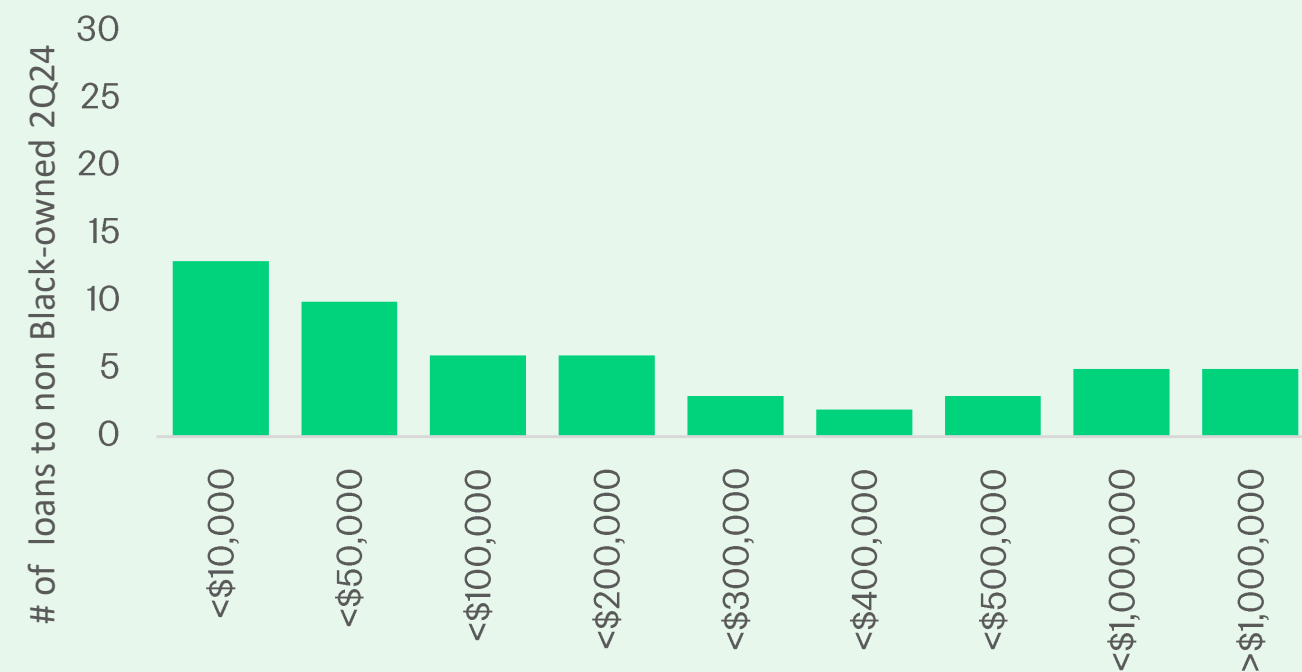
What did the loans to non Black-owned businesses look like?

\$260k

Average Loan Size

43.6%

Startups



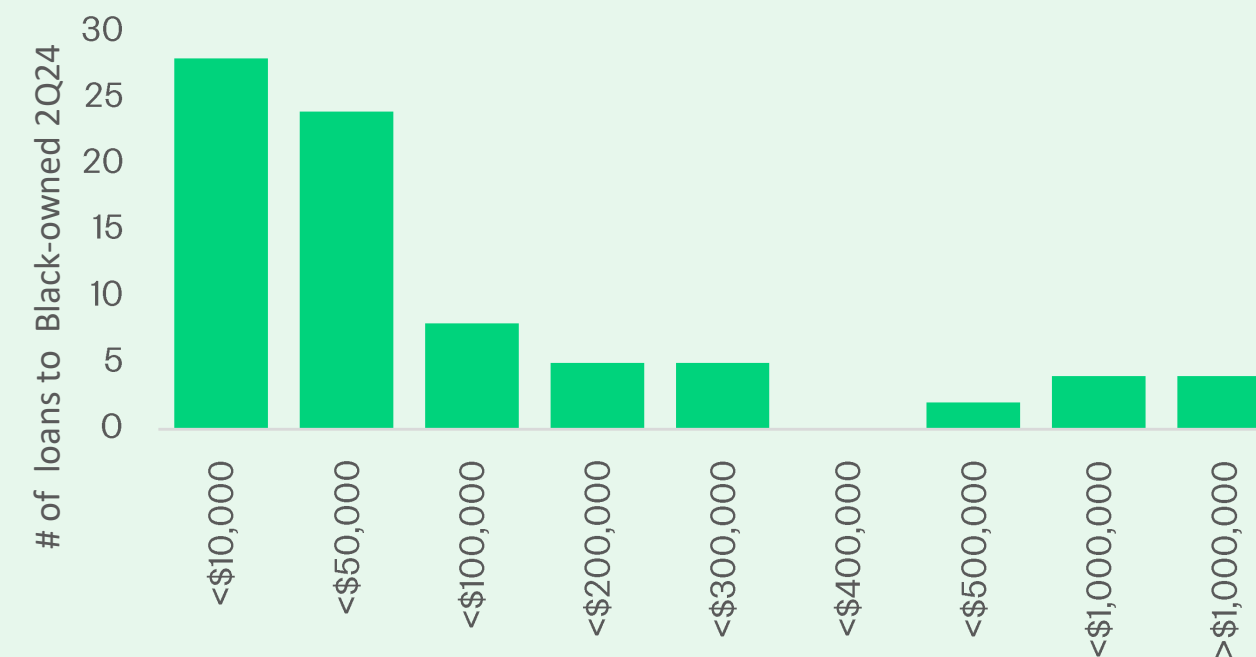
What did the loans to Black-owned businesses look like?

\$175k

Average Loan Size

45.0%

Startups



Note: Excluding >\$1mn loans made in both data sets the averages become \$167k on non black-owned businesses and \$83k for black-owned businesses. Data is influenced by the volume of lending done by CFF (70% of the loans made in 2Q24) and their participation in smaller lending and startup lending.



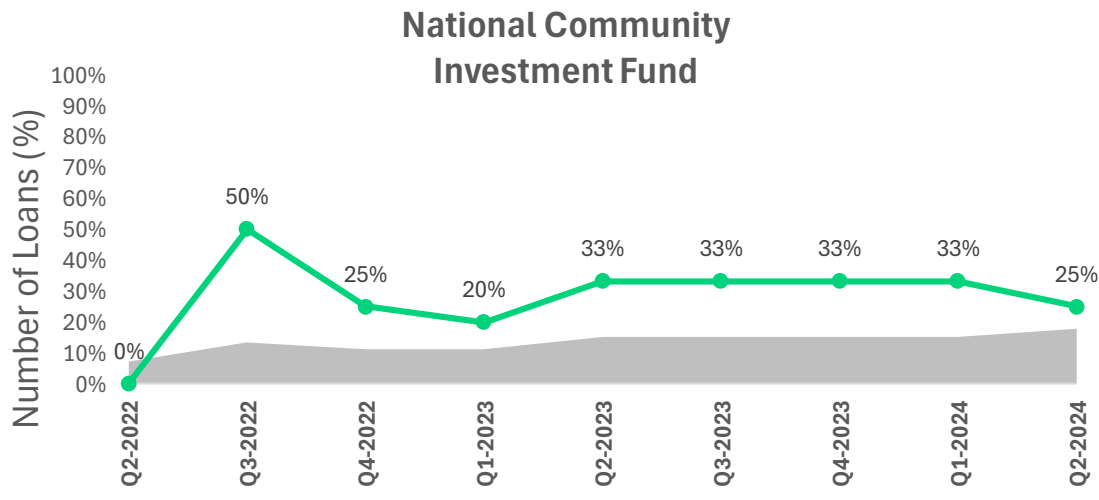
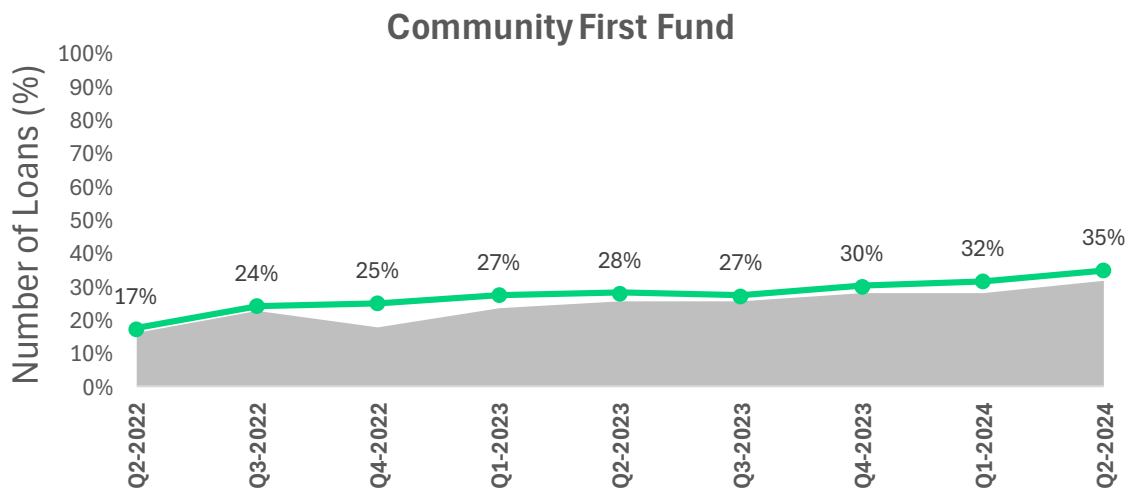
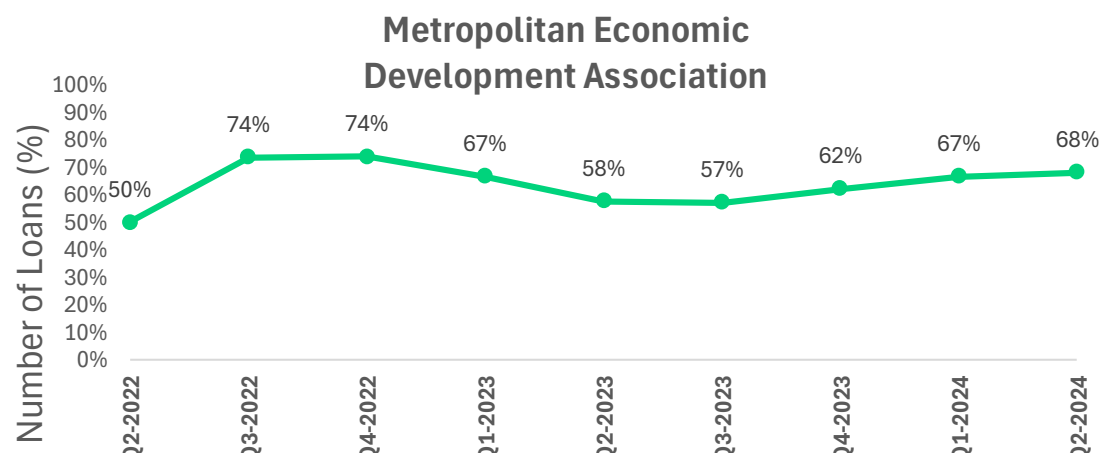
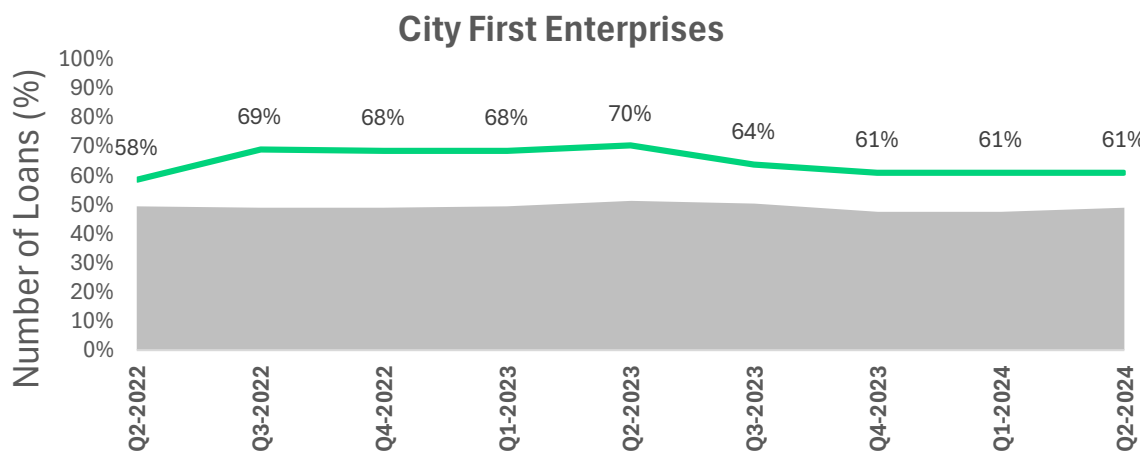
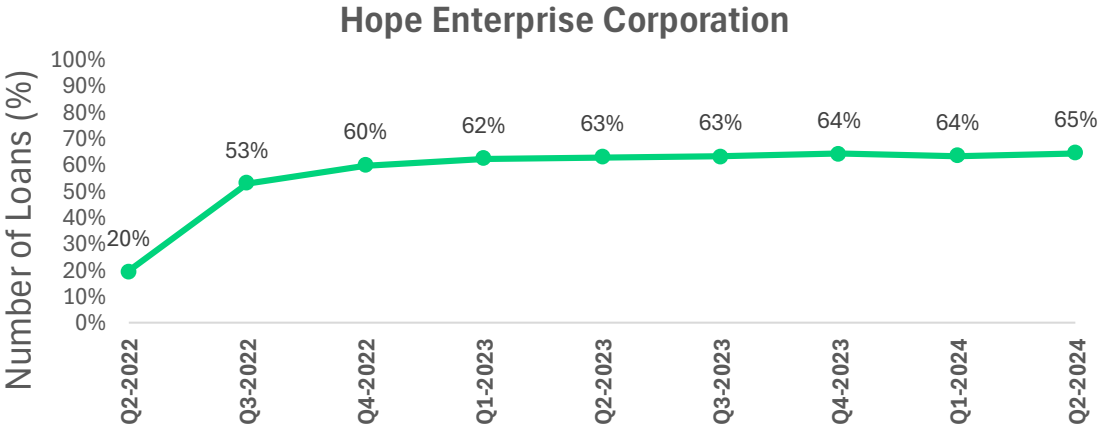
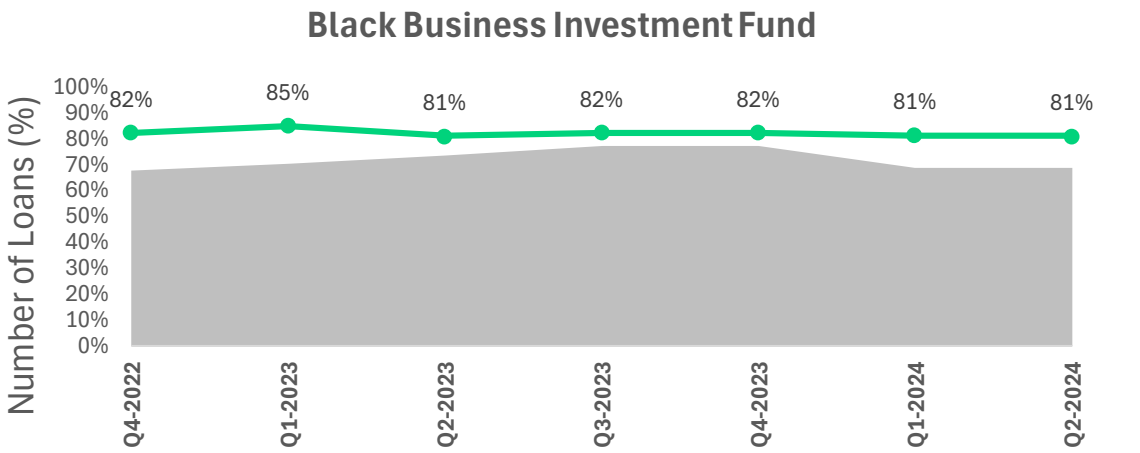
WHAT HAVE THE TRENDS BEEN BY CDFI?

Notables:

We continue to see lending activity to Black-owned businesses exceed portfolio composition at the CDFIs

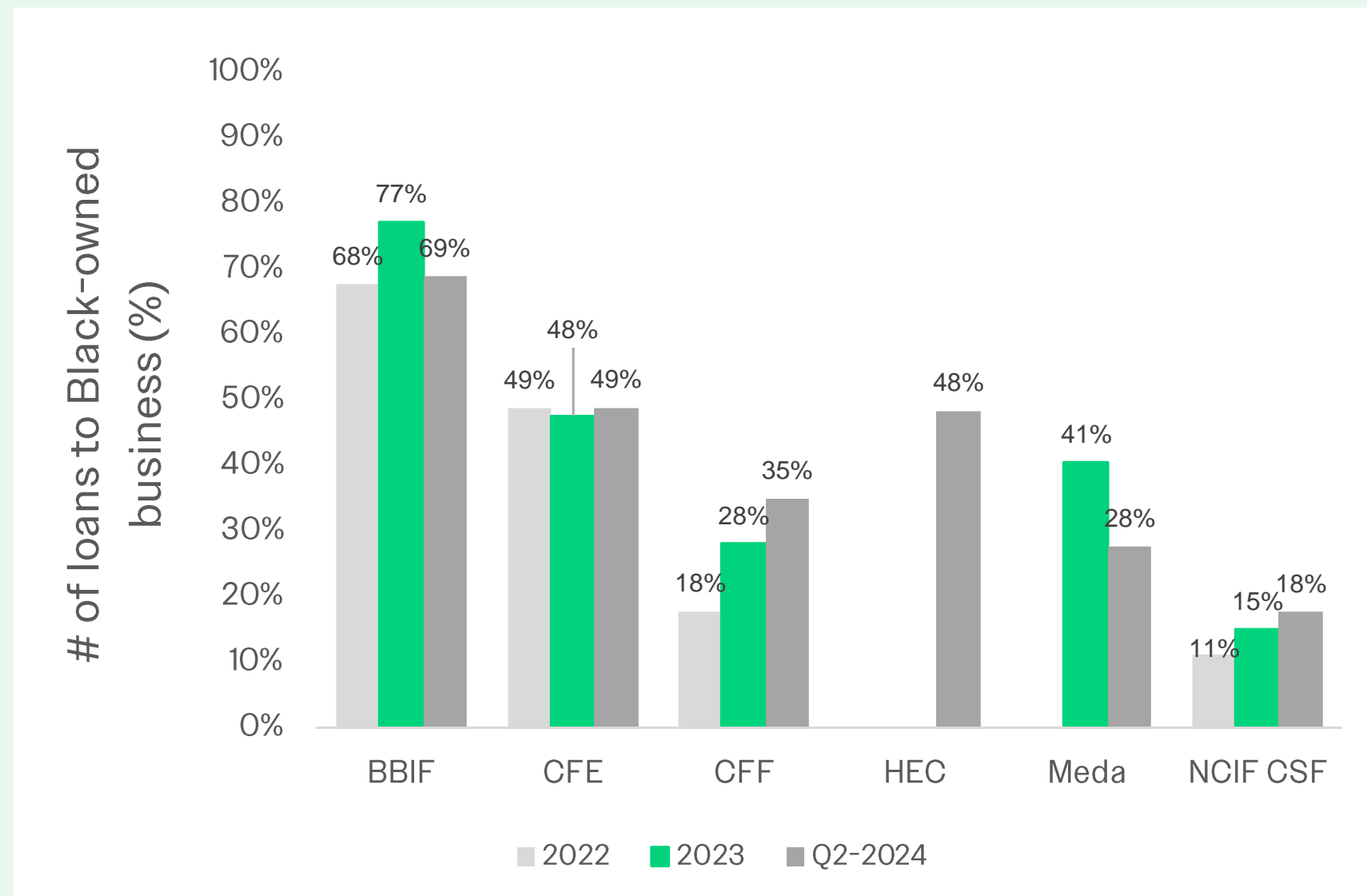
BBIF, **City First**, **NCIF CSF**, and **MEDA** have all seen average loan size for black-borrowers exceed that of other borrowers.

While average loan size for Black-borrowers remains smaller at **Community First** and **Hope**, both have seen consistent upward trends in terms of lending to Black-borrowers and dollars disbursed. Notably, Community First makes the highest % of loans to Black-owned startups in the group.

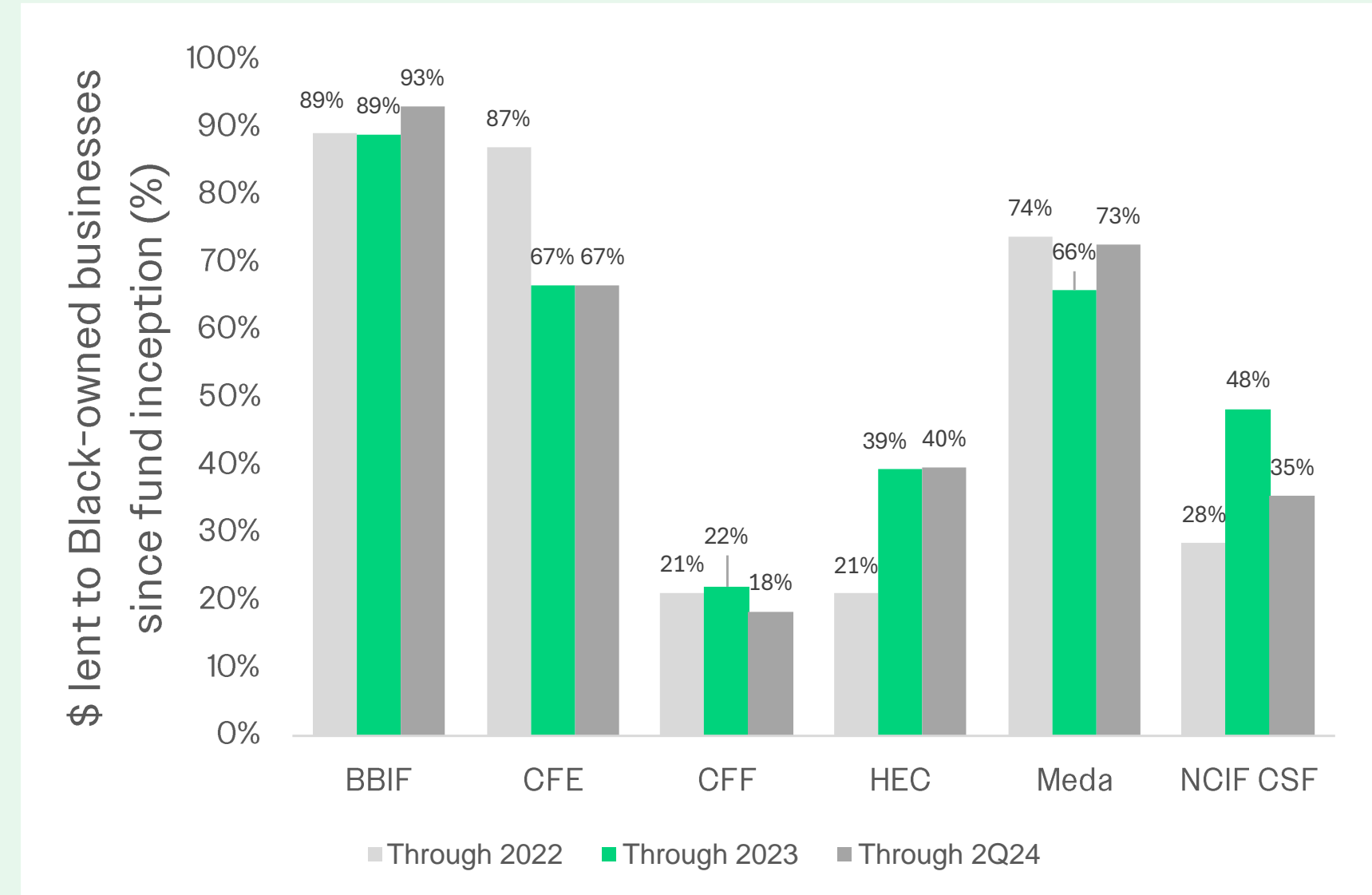


WHAT HAVE THE TRENDS BEEN?

CDFI loan portfolios have generally sustained or increased % loans to Black-owned businesses...

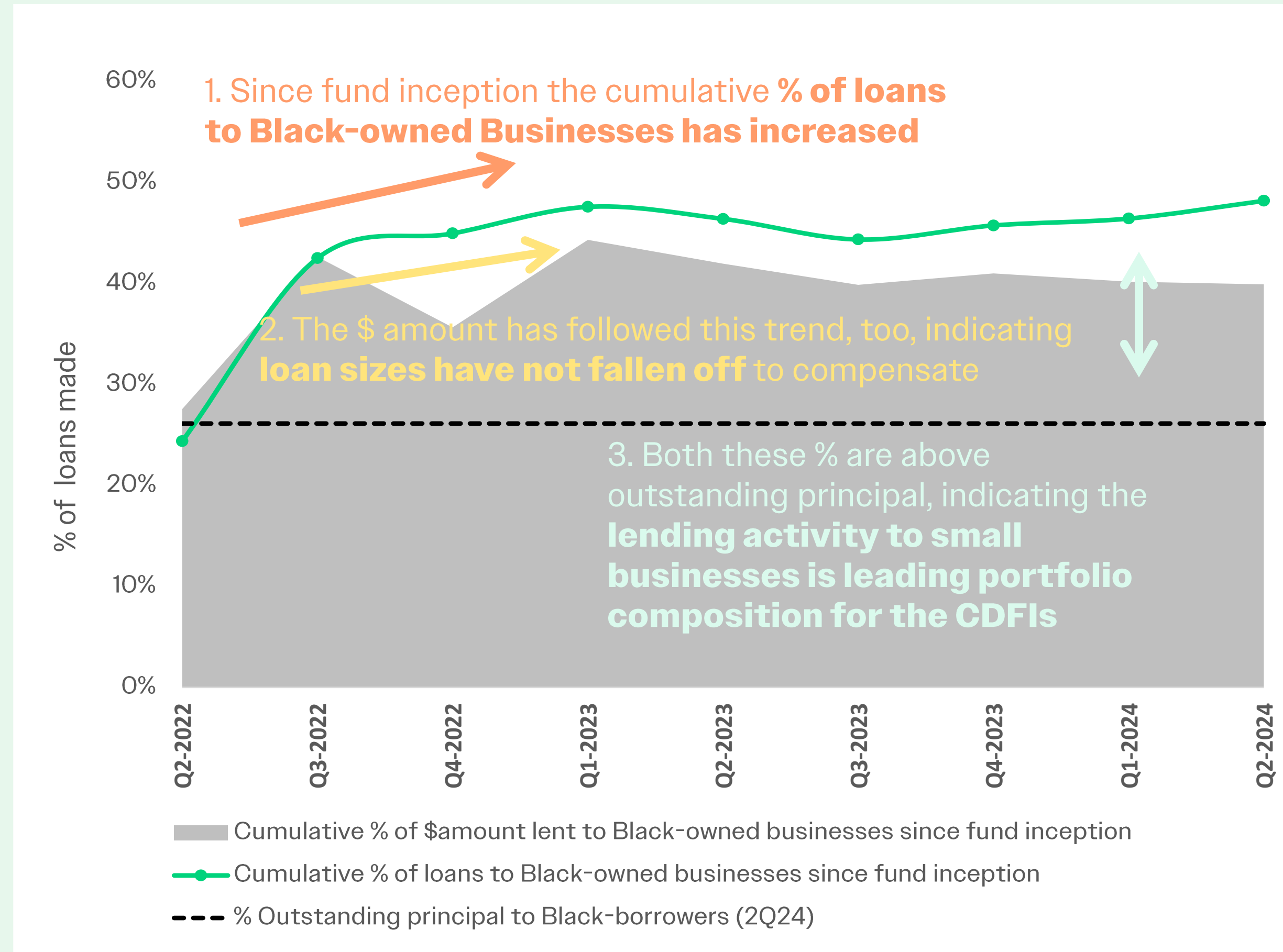


...and the % dollars lent to Black-owned businesses has remained at high levels



Note: For BBIF and MEDA, the number of loans is trending lower, but the \$ amount is higher.

HOW DOES THIS TRANSLATE TO CDFIs PORTFOLIOS?



Note: Outstanding principal is a data point just for 2Q24 and includes the total CDFI portfolios (not just small business).

SECTION FOUR

CDFI Investment Spotlights

HIGHLIGHTS

- Borrower is a Black-owned business startup
- Guarantor is a veteran
- Owner has extensive experience in the medical field and needed funding to help launch the business
- Business employs five nurses and medical staff

INVESTMENT SPOTLIGHT

Infusia IV Hydration and Medspa, LLC

LOAN SPECIFICS

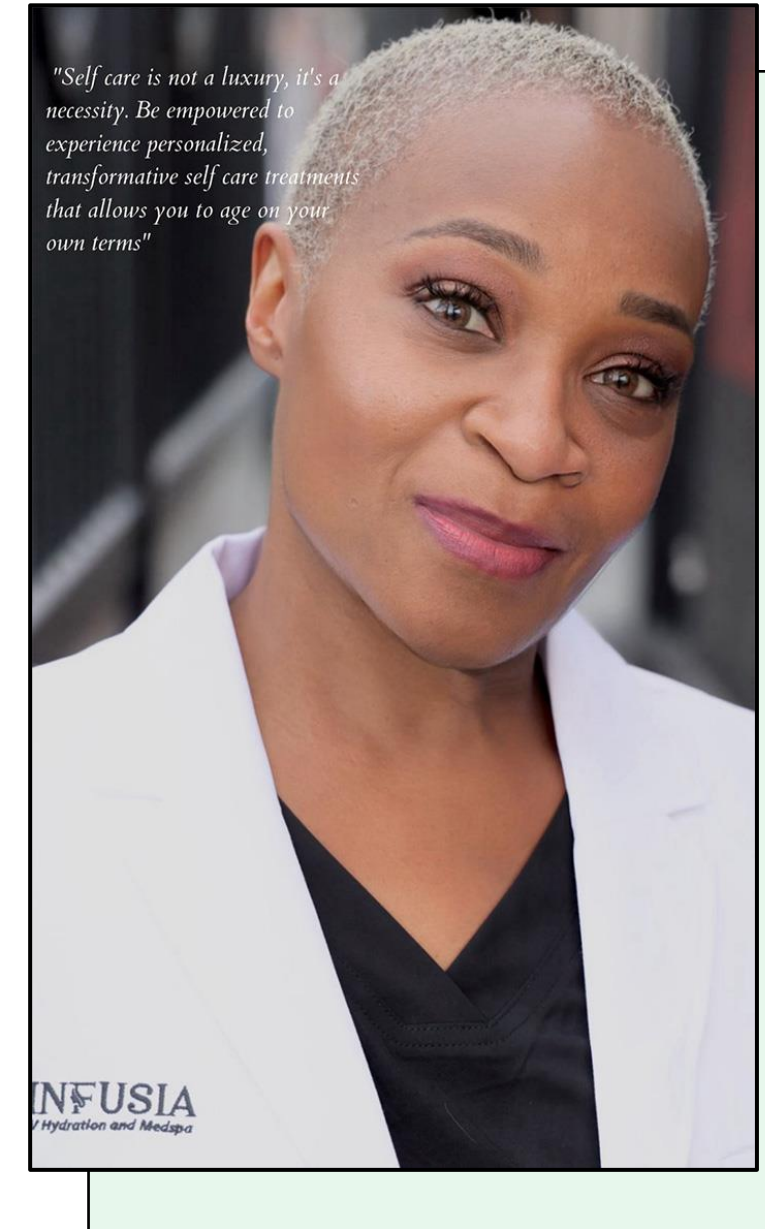
- **Loan Amount:** \$95,000
- **Location:** Jackson, MS
- **Borrower Type:** Black-owned startup
- **Business:** Health Care facility
- **Use of Proceeds:** Working Capital
- **Lender:** Hope Enterprise Corporation

About the Loan:

Infusia IV Hydration is a startup business specializing in IV hydration and vitamin therapy, advanced skincare and facial treatments. It employs five nurses and medical staff. As a startup, it struggled in its first years with operating expenses, payroll, growth, and expansion. It had maxed out all of its resources trying to maintain the business as it grew. Hope was able to lend it \$95,000 in working capital to cover payroll and add needed equipment to grow and maintain the business.

Borrower/ Business owner:

The owner, Mrs. Annie White, has 20+ years of experience in the clinical setting, providing competent care for a wide variety of patients with diverse needs. Clinical specialty in the area of the critically ill patients, Intensive Care Unit (ICU), Coronary Care Unit (CCU), Burn Intensive Care (BICU), and Cardiovascular recovery Unit (CVR). She has over 15 years in managing employees. Management duties included nursing orientation and guidelines, nursing competencies and certifications, infectious disease training, and unit productivity. Mrs. White is a Member of American Association of Critical Care Nurses and Mississippi Nurses Association. Mr. George White, guarantor, is a former U. S. Marshall and a retired Miss. State Trooper.



HIGHLIGHTS

- Borrower is a Black-owned business
- Business hosts trainings for unemployed and underemployed populations
- Project received multiple types of funding

INVESTMENT SPOTLIGHT

Constituent Services Worldwide (CSW)

LOAN SPECIFICS

- **Loan Amount:** \$920,000
- **Location:** Washington, DC
- **Borrower Type:** Black-owned business
- **Business:** Public Benefit Corporation
- **Use of Proceeds:** Commercial Real Estate
- **Lender:** City First Enterprises



About the Loan:

With a \$920,000 commercial real estate loan from CFE and subordinate financing from DC BizCAP, a program of D.C.'s Department of Insurance, Securities, and Banking, Constituent Services Worldwide (CSW) was able to acquire its new 6,500 square-foot space and make the repairs necessary to deepen and grow its impact. The newly remodeled building, dubbed "The Consortium," now houses two recording studios for media arts students, a state-of-the-art co-working space and a drug testing lab. The building's newly launched art gallery helps diversify CSW's income by providing an event venue space that can be rented out.

Borrower/ Business owner:

CSW is a Black-owned Public Benefit Corporation that hosts trainings for unemployed and underemployed populations. "This loan from CFE has allowed us to fuel the entire community," Robert Jordan, President and CEO of CSW, says. Eventually, Jordan hopes to replicate The Consortium's model up and down the East Coast, creating a network of satellite communities to continue expanding their workforce training and education programs for at-risk populations. "No one should be excluded from opportunity because of their economic situation," Jordan says. "We want to help create pathways to opportunity for everyone."

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SECTION FIVE

Appendix

EXHIBIT D

Form of Impact Report

Total Number of Loans in Portfolio:
Total Number of Loans to Black Businesses in Portfolio:

Quarterly Activity:

Loan Name	Loan Amount	Black-owned? (Y/N)	Net-worth of Business Owner	# of Employees	# of Hours of Technical Assistance Provided	# of Individuals Who Received Technical Assistance	Revenue of Business	Start-up? (Y/N)	Positive Net-Income? (Y/N)	# of Quality Jobs to Local Residents



Sample Annual Impact Metric Table for the
Black Vision Fund LLC

ORIGINAL TEMPLATE

Illustrative data shown only. This report will supplement standard Fund financial reporting on each organization.

CDFI-Level Reporting

Each cell shows data as This Year / Cumulative

	Total	BBIF	CFB	CFF	HOPE	Meda	NCIF
Number of loans to Black-owned businesses
Dollar amount of loans to Black-owned businesses
Number of technical assistance hours to Black-owned businesses
Number of Black- owned business starts
Net-worth of Black business owners
Number of Black- owned businesses with 2 or more employees
Number of individuals provided services by social service organization
Revenue of Black businesses
Number of profitable Black-owned businesses
Number of quality jobs to local residents

EXHIBIT E TO LOAN AGREEMENT

Form of Activity and Impact Report

For the calendar quarter ending: _____

Loan Name (or identifier ¹)	Loan Amount	Black-owned? (Y/N/Not Disclosed)	Business Owner Net Worth ²	Start-up? (Y/N)	# of Employees ³	Annual Revenue	Positive Net-Income? (Y/N)	# of Hours of Technical Assistance Provided	# of Individuals Receiving Technical Assistance	# of Quality Jobs to Local Residents	Additional Debt or Equity Invested in Business

Notes/Instructions:

Form to be submitted quarterly within 60 days of the end of the calendar quarter along with management prepared financials and summary portfolio report. The Black Vision Fund will provide a MS Excel template for the report submission. The data submission must be in a form substantially similar to the template provide and in a format that allows data consolidation. **PDF and MS Word files are not acceptable.**

¹ Loan name or identifier should be the unique data field used to track the loan over the entire time it is outstanding

² Business owner net worth to be reported if self-disclosed by the business owner.

³ Quality Jobs = Living-wage Jobs as defined for a single adult in the business’s location using the MIT Living Wage Calculator (<https://livingwage.mit.edu/>)



Form of Activity and Impact Report

For the calendar quarter ending:

Total Number of Loans in Portfolio:
Total Number of Loans to Black-owned / Black-led nonprofits in Portfolio:

Total Loan Amount (\$) Outstanding in Portfolio:
Total Loan Amount (\$) Outstanding in Portfolio to Black-owned / Black-led nonprofits in Portfolio:

Quarterly Activity:

Loan Name (or unique identifier)	Loan Amount	Loan Close Date	Black-owned business or Black- led nonprofit? (Y/N/Not Disclosed)	Date Business was Established	# of jobs created and retained	Annual Revenue	Toal Project Cost (total Sources)

Optional Metrics if applicable		
# of Hours of Technical Assistance Provided	# of Individuals Receiving Technical Assistance	Number of individuals provided services by social service organization

Notes/Instructions:

Grey Cells must be filled out. Add additional rows for additional loans. See Definitions tab for additional detail

Form to be submitted quarterly within 45 days of the end of the calendar quarter along with management prepared financials and summary portfolio report.

The data submission must be in a form substantially similar to the template provided and in a format that allows data consolidation. Minor formatting changes can be made. Loan name or identifier should be the unique data field used to track the loan over the entire time it is outstanding

[Link to
Definitions](#)

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