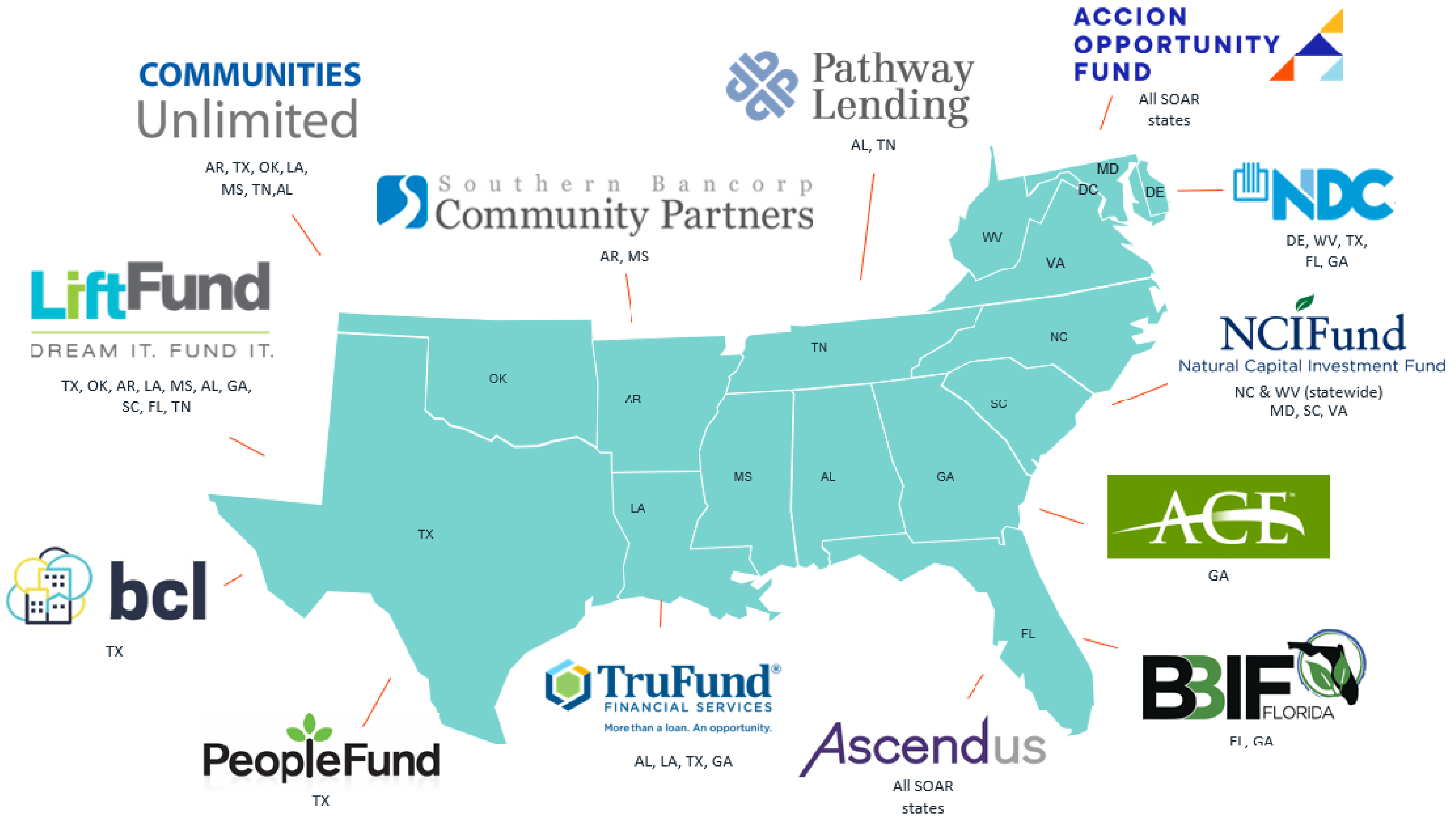
SOAR

Southern Opportunity and Resilience Fund

The Southern Opportunity and Resilience (SOAR) Fund is a mission driven conduit loan fund built to support small businesses and non-profits in the South and Southeast as they adapt, reopen safely, and recover from COVID-19



28 Investors

45+ Partnering Organizations

11 Participating CDFIs

Additional SOAR Collaborators

With Support From

Capital One
Microsoft
JPMorgan Chase & Co.
Woodforest National Bank
HERON
Heifer Foundation
CapShift
The Grove Foundation
ceniarth
Fidelity Charitable
Align Impact
Ms. Foundation for Women
North Berkeley Wealth Management
the David & Lucile Packard Foundation
Mercy Investment Services, Inc
CRF USA Capital for Communities—Opportunities for People
Calvert Impact Capital
compton foundation Ignite Change
W.K. Kellogg Foundation
Supported by JCF Jewish Community Federation & Endowment Fund
Phillips Foundation
VISA Foundation
Wood▶Next Foundation

Resources

venturize

If you need help applying for a loan, the Venturize website can help you find a local small business support organization in your community.

Find Help In Your Area

Business advisors can help you whether your goal is to get credit ready or to take your growing business to the next level. For more information, visit the online resources below.

Winrock International
Learn More

America's SBDC
Learn More

LISC Local Initiatives Support Corporation
Learn More

Fund Management

LISC Fund Management

Borrower Demand

SOAR received more than

14,909

applications requesting

$806 Million

in loans.

SOAR has supported

1,148

small businesses and nonprofits across

15

states and Washington, D.C totaling

$62.8 Million

*all numbers are inception to 12/31/22

Borrower Profile

$54,686
Average loan size

95%
have revenues < 1 million

83%
loans made to women or minority-led businesses

63%
received business coaching

*all numbers are inception to 12/31/22

Borrower Profile

75% of loans deployed went to minority-led businesses

4.4% loans made to Veteran-led businesses

41% loans made to women-led businesses

55% of loans deployed went to black-owned businesses

15.4% of loans deployed went to Latinx- owned businesses

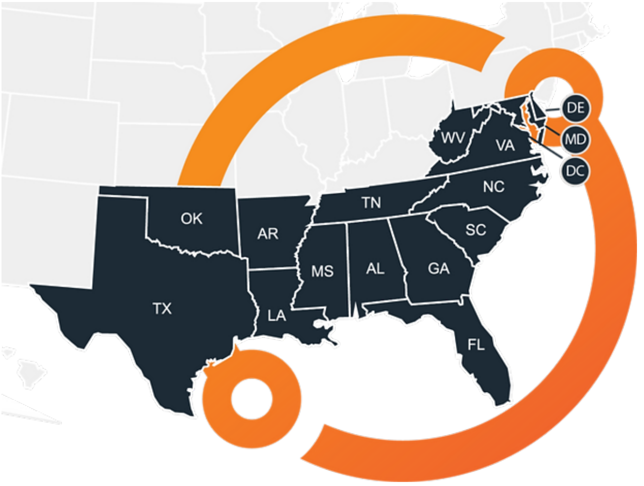
95% have revenues <$1M

88% 10 or less full-time employees

**all numbers are inception to 12/31/22*

Geographic Footprint

15 states



	Loans Originated	# of Loans Originated	% of # of Loans
Alabama	$1,142,910.40	28	2.44%
Arkansas	$154,078.32	3	0.26%
Delaware	$1,733,875.00	24	2.09%
District of Columbia	$272,410.00	5	0.44%
Florida	$32,279,005.39	587	51.13%
Georgia	$9,722,510.20	167	14.55%
Louisiana	$1,230,972.00	28	2.44%
Maryland	$681,160.08	15	1.31%
Mississippi	$284,439.00	6	0.52%
North Carolina	$4,058,295.12	62	5.40%
Oklahoma	$5,100.00	1	0.09%
South Carolina	$944,572.48	27	2.35%
Tennessee	$398,742.00	6	0.52%
Texas	$6,709,369.85	135	11.76%
Virginia	$2,901,356.68	51	4.44%
West Virginia	$260,230.00	3	0.26%

*all numbers are inception to 12/31/22

Industry Diversity

21 industries

Goshen Business Group LLC used a SOAR loan to fund management and maintenance of rental properties

Accommodation & Food Service	2.35%
Agriculture	0.52%
Business Services	13.59%
Construction	9.15%
Dentists/Physicians	0.70%
Educational Services	3.22%
Finance & Insurance	1.05%
Gas Stations & Convenience Stores	0.17%
Healthcare and Social Assistance	5.31%
Hotels	0.35%
Information Technology	1.92%
Manufacturing	3.22%
Other	14.37%
Professional Services	18.47%
Real Estate	1.48%
Restaurant	4.79%
Retail	7.84%
Transportation & Warehousing	8.36%
Utilities	0.17%
Waste Management	0.61%
Wholesale Trade	2.35%

*all numbers are inception to 12/31/22

Key Success & Insights

✓ Leveraged multiple investors to establish a capital and LLR fund that maximizes impact across U.S.

- 28 total investors
- 1,148 loans were made to small businesses & nonprofits
- 15 states and Washington, D.C
- $62.8M total deployed

✓ Reached small-businesses that are typically and disproportionately excluded from traditional financing

- 83% of $ deployed to businesses owned by woman or person of color
- 95% businesses with revenues <$1M
- 88% businesses with 10 or less full-time employees

✓ Built capacity and ecosystem of local community lenders

- 11 participating CDFIs deployed funds
- Increased liquidity for local CDFIs by purchasing up to 95% of the loan amount
- Mitigated risk with shared loan loss reserve funds

✓ Streamlined application process and portal

- Standardized application portal via Connect2Capital
- Automated referral process
- Standard loan terms and documentation

SOAR
Southern Opportunity and Resilience Fund

About the Southern Opportunity And Resiliency (SOAR) Fund

The SOAR Fund leveraged capital from 28 investors through CDFI loan purchase facility to help scale CDFI small business lending capacity. For every $1 of lending capacity on-balance sheet, CDFIs were able to offer up to $20 of new small business loans. Critical to success is the model's ability to support the full small business ecosystem from community lender to Main Street small business. The model combines loan capital with technology to support loan originations and technical assistance to support small businesses applying for credit. This holistic approach is designed to build local CDFI capacity so that these institutions can do what they do best, reaching more borrowers in underbanked and minority communities.

LISC FUND MANAGEMENT

About Local Initiatives Support Corporation & LISC Fund Management

LISC is one of the country's largest community development organizations, helping forge vibrant, resilient communities across America. LISC works with residents and partners to close systemic gaps in health, wealth and opportunity and advance racial equity so that people and local economies can thrive. Since its founding in 1979, LISC has invested $29.7 billion to create more than 489,261 affordable homes and apartments, developed 81.5 million square feet of retail, community and educational space and help tens of thousands of people find employment and improve their finances.

LISC Fund Management (LFM) is a wholly-owned subsidiary of LISC, and registered investment adviser registered with the U.S. Securities and Exchange Commission (SEC). The private funds sponsored by LISC are available only to eligible investors, are offered only pursuant to their official offering documents, and are managed by LFM. For more, visit www.lisc.org and www.liscstrategicinvestments.org.

Contact:

General Information:
soar@lisc.org

Investor & Media Inquiries:
strategicinvestments@lisc.org

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There is no assurance that the investment objective of a fund managed by the Company will be achieved or that investors will receive a return on their capital. Investors must read and understand all the risks described in a fund’s final confidential private placement memorandum and/or the related subscription documents before making a commitment. Investors also must consult their own legal, accounting and tax advisors as to the legal, business, tax and related matters concerning the information contained in this document to make an independent determination and consequences of a potential investment in a fund, including US federal, state, local and non-US tax consequences.

Past performance is not indicative of future results or a guarantee of future returns. The performance of any portfolio investments discussed in this document is not necessarily indicative of the performance of any other of the Company’s portfolio investments or any future performance, and investors should not assume that investments in the future will be profitable or will equal the performance of past portfolio investments. Investors should consider the content of this document in conjunction with investment fund quarterly reports, financial statements and other disclosures regarding the valuations and performance of the specific investments discussed herein.

The Company may not be able to achieve its investment objectives (including target returns) for various reasons, as set out in more detail elsewhere in this document and in the offering documents. Among other things, the novel coronavirus (COVID-19) outbreak throughout the world and related responses (e.g., closing of various market segments and businesses) has raised uncertainty in valuing (and making related estimates for) certain assets, including assets that the Company holds or will seek to invest in. This uncertainty could remain for a significant period of time.

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Southern Opportunity And Resilience (SOAR) Fund Insights

Credit: Calvert Impact

About 60 Decibels

We Listen to the people you are serving, so their voice can be heard.

We Measure through phone-based surveys that gather rich, nuanced data quickly and affordably.

We Benchmark your performance to show how you compare to peers,
allowing you to learn, adjust and improve.

Project Summary

Our aim was to understand the impact of the SOAR Fund, and build on insights from previous loan fund projects, by listening directly to those who have received loan capital from the Fund.

60 Decibels has partnered with CRF USA and Calvert Impact to understand the impact of loan funds across the United States. In each fund, multiple partner organizations came together, via an innovative structure and collaborative funding model, to better understand and address common challenges in accessing and deploying capital for historically underserved communities.

As more funds are set up through SSBCI, hearing directly from small business owners about their experience and outlook will support responsive decisions and supportive products to preserve businesses and jobs.

Loan Fund Insights To Date

NEW YORK STATE OF OPPORTUNITY.

New York Forward Loan Fund

California Rebuilding Fund©

SMALL BUSINESS flexFUND

SOAR

Southern Opportunity and Resilience Fund

Summary Of Data Collected

275 phone surveys completed between February and March 2023

Methodology

Survey mode	Phone
Country	United States
Language	English
Dates	February – March 2023
Sampling loan recipients	Random sample from list of 1079

Responses Collected

Loan recipient respondents	275

Accuracy

Confidence Level	95%
Margin of Error	5%

State Profile

The SOAR Fund made loans in 16 Southern states. We interviewed loan recipients from 14 of them**.

Georgia and Texas have the greatest percentage of BIPOC loan recipients (97% and 91%, respectively) while Virginia has the lowest (77%).

Florida and Georgia are the states with greatest representation of female loan recipients, with 44% and 47% female loan recipients, respectively.

42% of loan recipients we surveyed live in Florida, 15% in Georgia and 14% in Texas; this sampling is proportional to the distribution of all loan recipients.

About the Loan Recipients We Spoke With

Data relating to loan recipients' characteristics:

Location (n = 275)

State	
Florida	42%
Georgia	15%
Texas	14%
North Carolina	9%
Virginia	5%
Other*	15%

*States considered in the "Other" category include Alabama, Delaware, South Carolina, Louisiana, Maryland, Arkansas, District of Columbia, Mississippi, Tennessee. They have from 1 to 9 respondents per state, making the sample too small for relevant segmentation.

**Oklahoma and West Virginia are not considered in the 275 responses given that they represented 0.1% and 0.3%, respectively, of the total loan recipient population.

Key Questions We Set Out to Answer

Small Business Owner Profile

> State Profile

> Demographic Profile

> Business Profile

Accessing Capital

> Prior Access to Business Loans

> Availability of Alternatives

> Comparison to Online Lenders

Loan Recipient Experience

> Satisfaction

> Application Experience

Loan Recipient Impact

> Changes on Employees’ Quality of Life

> Perceived Impact

> Loan Additionality and Repayment

> Business Growth

Business Finances and Outlook

> Cash Reserves and Sources of Capital

> Additional Capital Support

> Property Ownership

> Business Goal

Four Things That Stood Out…

…about what we learned from SOAR loan recipients.

1

More than half of respondents are borrowing money for their business for the first time

2

Loan recipients are satisfied with their SOAR experience

3

The SOAR loan has had a positive impact for small businesses

4

Capital needs moving forward

Accessing Business Loans

3 in 5 respondents we spoke with are borrowing money for their business for the first time with the SOAR Fund loan.

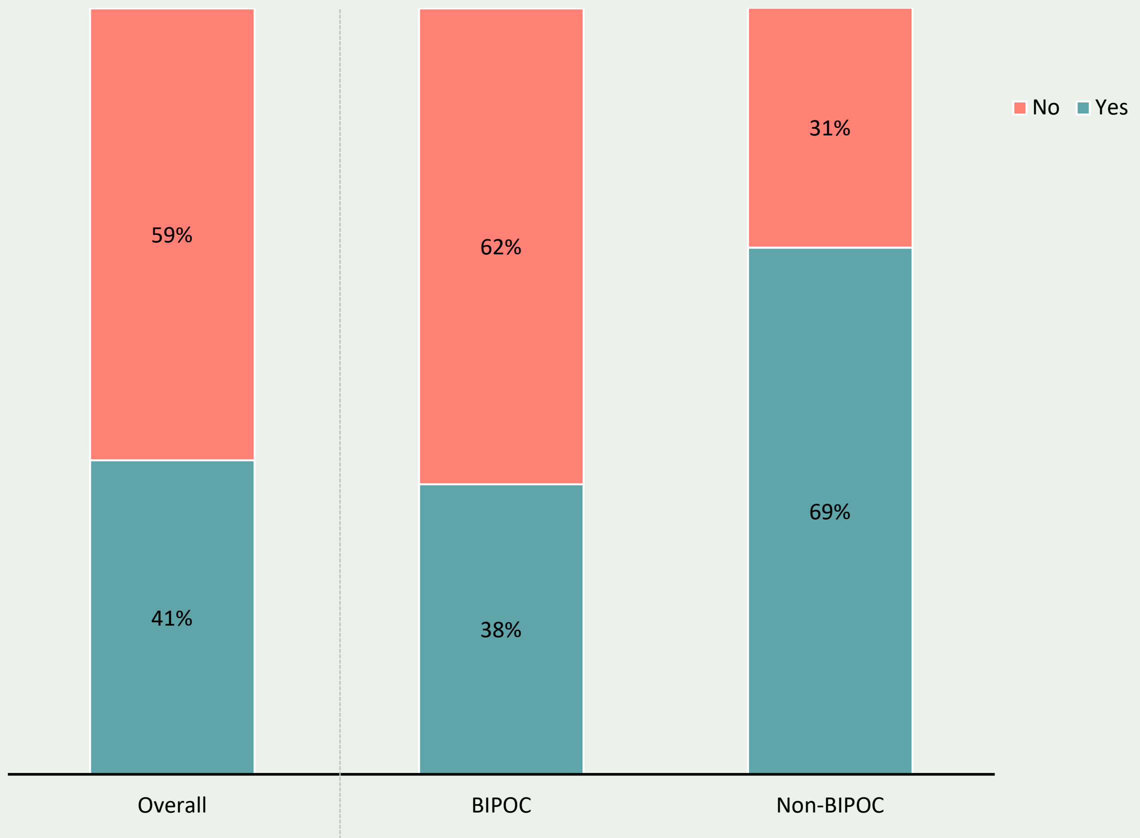
We wanted to understand the capital landscape of small business owners across the South and Southeast United States by asking if they had ever borrowed money for their business.

BIPOC loan recipients are less likely (38%) to have borrowed money previously compared to non-BIPOC loan recipients (69%).

Florida and North Carolina are the states with higher percentages of loan recipients that haven't borrowed money for their business before applying to the SOAR Fund loan, 66% and 58% respectively. Florida is also the state with the highest rate of BIPOC loan recipients that have not borrowed money for their business before.

Business Loan

Q: Have you ever borrowed money for your business before applying for this loan? (n = 273*, 214 BIPOC, 32 Non-BIPOC)



State	*n*	Yes	No
Florida	*114*	34%	66%
North Carolina	*24*	41%	58%
Virginia	*14*	43%	57%
Texas	*38*	50%	50%
Georgia	*42*	55%	45%
Other	*41*	37%	63%

*Note: Overall n value includes both BIPOC and Non-BIPOC respondents, as well as those who did not disclose their race.

Availability of Alternatives

Three quarters of respondents indicate they could not have found a good alternative to the SOAR Fund loan.

Availability of alternatives provides insight into the competitive landscape and the degree to which the SOAR Fund is providing a scarce product/service.

Georgia has the highest proportion of loan recipients (88%) who say they could not easily find a good alternative to the SOAR Fund loan. Florida has the lowest proportion (65%) mentioning they could not find a good alternative, despite having a high rate of first access; suggesting there might be more competition in that market.

For the 11%of respondents who could find an alternative, 42% would turn to another bank loan.

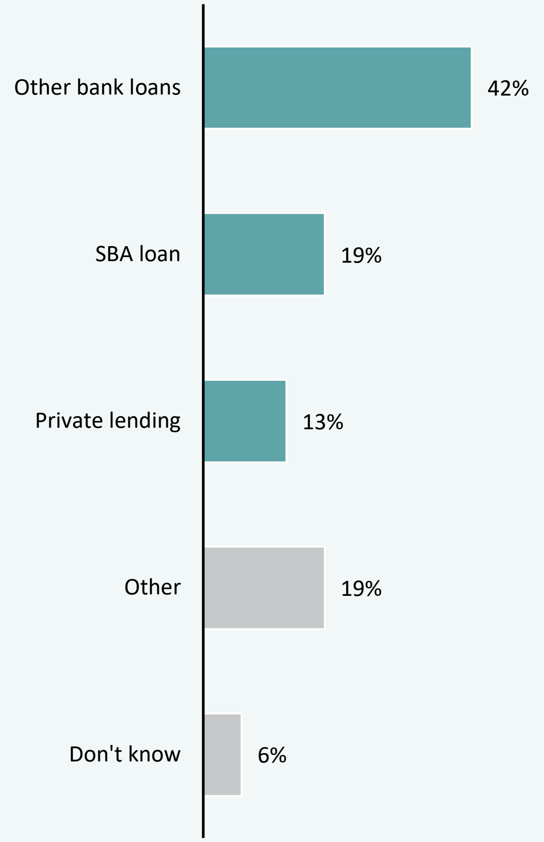
There is no significant difference regarding BIPOC and non-BIPOC respondents.

Access to Alternatives

Q: Could you easily have found a good alternative to the SOAR Fund loan? (n = 275, 214 BIPOC, 32 Non-BIPOC)

List of Alternatives

Q: What would that alternative be? (n = 32)



"Whoever came up with the SOAR program needs to know that it is very appreciated by people." – Male, Arkansas

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Satisfaction: Net Promoter Score

SOAR Fund has a Net Promoter Score® of 80 amongst loan recipients, which is higher than the 60dB US and Financial Inclusion Benchmarks and suggests high satisfaction.

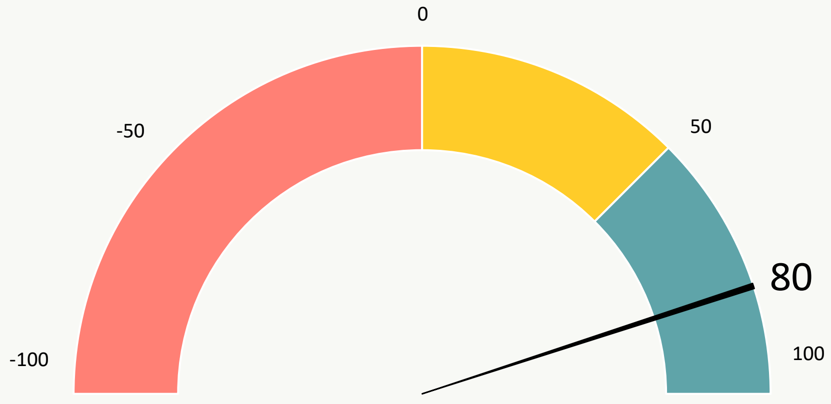
The Net Promoter Score® (NPS) is a gauge of satisfaction and loyalty. Anything above 50 is considered excellent. A negative score is considered poor.

Asking loan recipients to explain their score demonstrates what they value and what creates dissatisfaction. This follows on the next slide.

The NPS is higher for men (86) than women (77). Loan recipients in Virginia (86) and Florida (85) gave the highest NPS rating. The NPS for Texas (68) is the lowest amongst the most represented states. Nonetheless, it's still above relevant 60dB Benchmarks.

Net Promoter Score® (NPS)

Q: On a scale of 0 to 10, where 0 is very unlikely and 10 is very likely, how likely are you to recommend working with SOAR Fund to a friend or family? (n = 275)



NPS = % Promoters 9-10 likely to recommend – % Detractors 0-6 likely to recommend

60 Decibels Global Benchmark 500+ companies	**47**
United States Benchmark 19 companies	**77**
Financial Inclusion Benchmark 130 companies	**52**

Satisfaction: NPS Drivers

Promoters value loan approval processes, service experience, and interest rates. Detractors want to see clearer terms and conditions, and less cumbersome approval processes.

85% are Promoters :)

They love:

1. Loan approval process
   (45% of Promoters / 38% of all respondents)
2. Customer experience
   (20% of Promoters / 17% of all respondents)
3. Repayment terms and interest rates
   (17% of Promoters / 15% of all respondents)

"They were there when we needed funding the most. The loan was easy to complete, and the process was quick. The lender also cared about my business's success." – Female, Florida

Tip:

Highlight the above value drivers in marketing.

Promoters are powerful brand ambassadors — can you reward them?

10% are Passives : \

They like:

1. Loan approval process
   (48% of Passives / 5% of all respondents)

But complain about:

2. Communication with staff
   (45% of Passives / 4% of all respondents)

"It was a seamless process. I got the money I needed but I did have to do a little back and forth with the lending agent. The communication was not the best, but the loan terms were great, so it was overall a good experience." – Male, Virginia

Tip:

Passives won't actively refer you in the same way that Promoters will.

What would it take to convert them?

5% are Detractors : (

They want to see:

1. Clearer terms and conditions
   (31% of Detractors / 2% of all respondents)
2. Less cumbersome approvals
   (31% of Detractors / 2% of all respondents)

"The application process was fine, but they needed to be more transparent about the repayment amount. Initially, I knew it was interest-only payments, but then the payment ballooned to five times the size." – Female, Texas

Tip:

Negative word of mouth is costly.

What's fixable here?

Application Experience

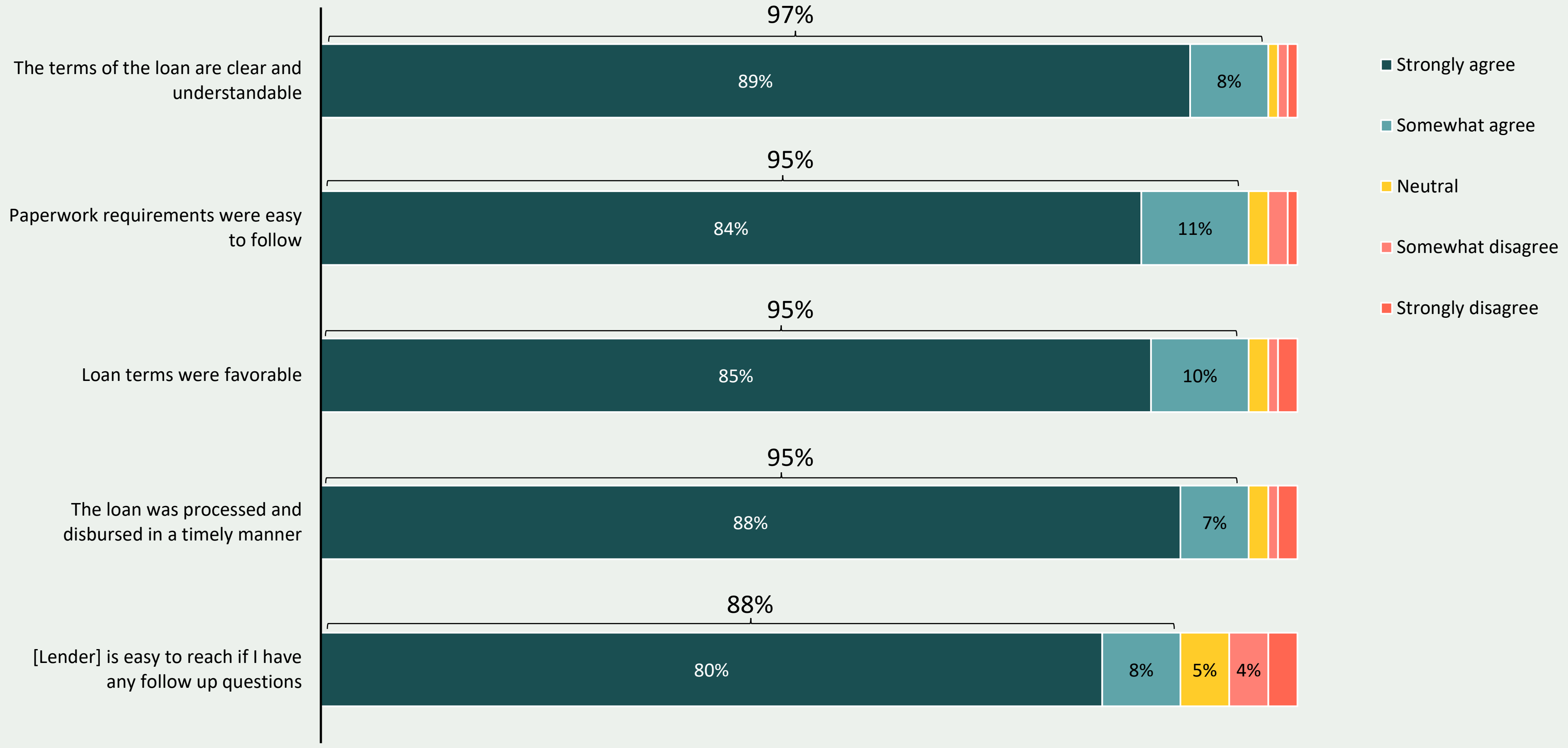
Most loan recipients had a very positive loan application experience. Almost all agree that the loan term are clear and understandable.

Loan recipients' ability to reach the CDFIs has the lowest rating amongst the application experience metrics, however 88% of loan recipients still agree that the CDFI was available for questions.

Loan recipients who disagree that the 'CDFI is easy to reach with follow up questions' have a lower NPS (27) compared to recipients who agree with the statement (88). This aligns with hypothesis that CDFI communications can be improved to increase loan recipient satisfaction.

Application Experience

Q: To what extent do you agree or disagree with the following statements: (n = 275)



Loan Application Improvements

12% of loan recipients have a suggestion for improving the online application. 33% of them mention clear information as the top suggestion.

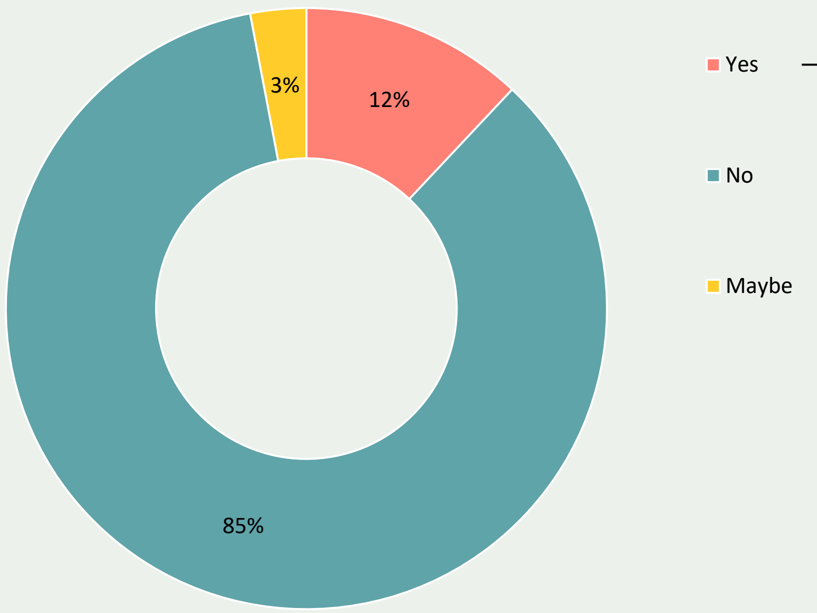
85% of loan recipients don't think there is anything about the online application that could to be improved.

Of the 12% who say the application could be improved, 33% mention they want clearer information, especially given that the application process is divided in two: on the SOAR web page and then with the different lenders.

The proportion of loan recipients that have suggestions for improving the online application increases in less representative states, such as Alabama (33%) and Delaware (22%).

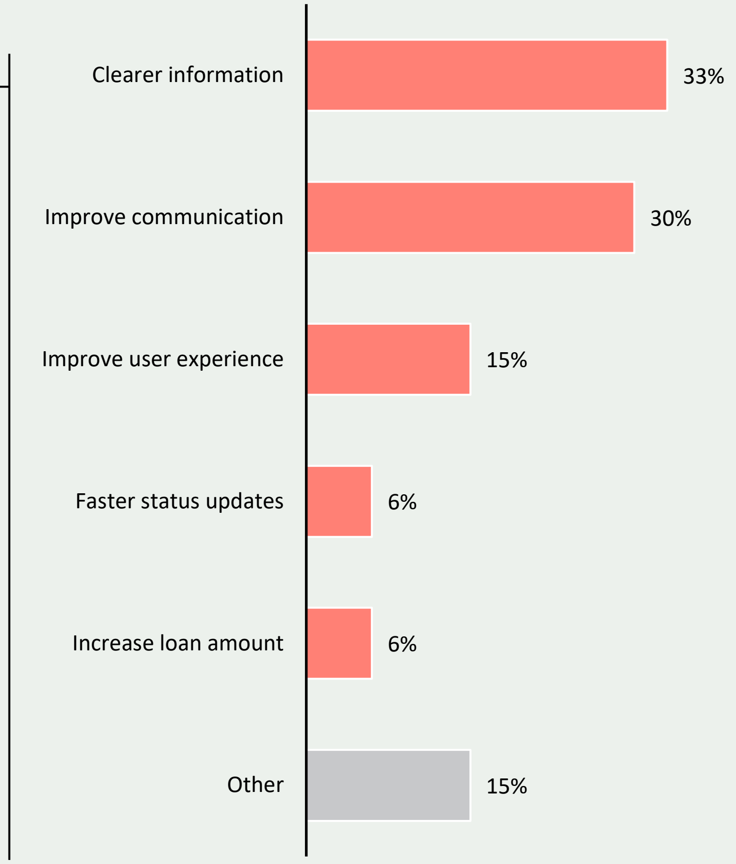
Loan Application Improvements

Q: Is there anything about the online application that you think could be improved? (n = 275)



Suggested Improvements

Q: Please explain: (n = 33), Open-ended, coded by 60 Decibels.



"The agents were helpful and friendly in their efforts to help me. They truly wanted to see my business succeed and were encouraging throughout the loan process."

- Male, Virginia

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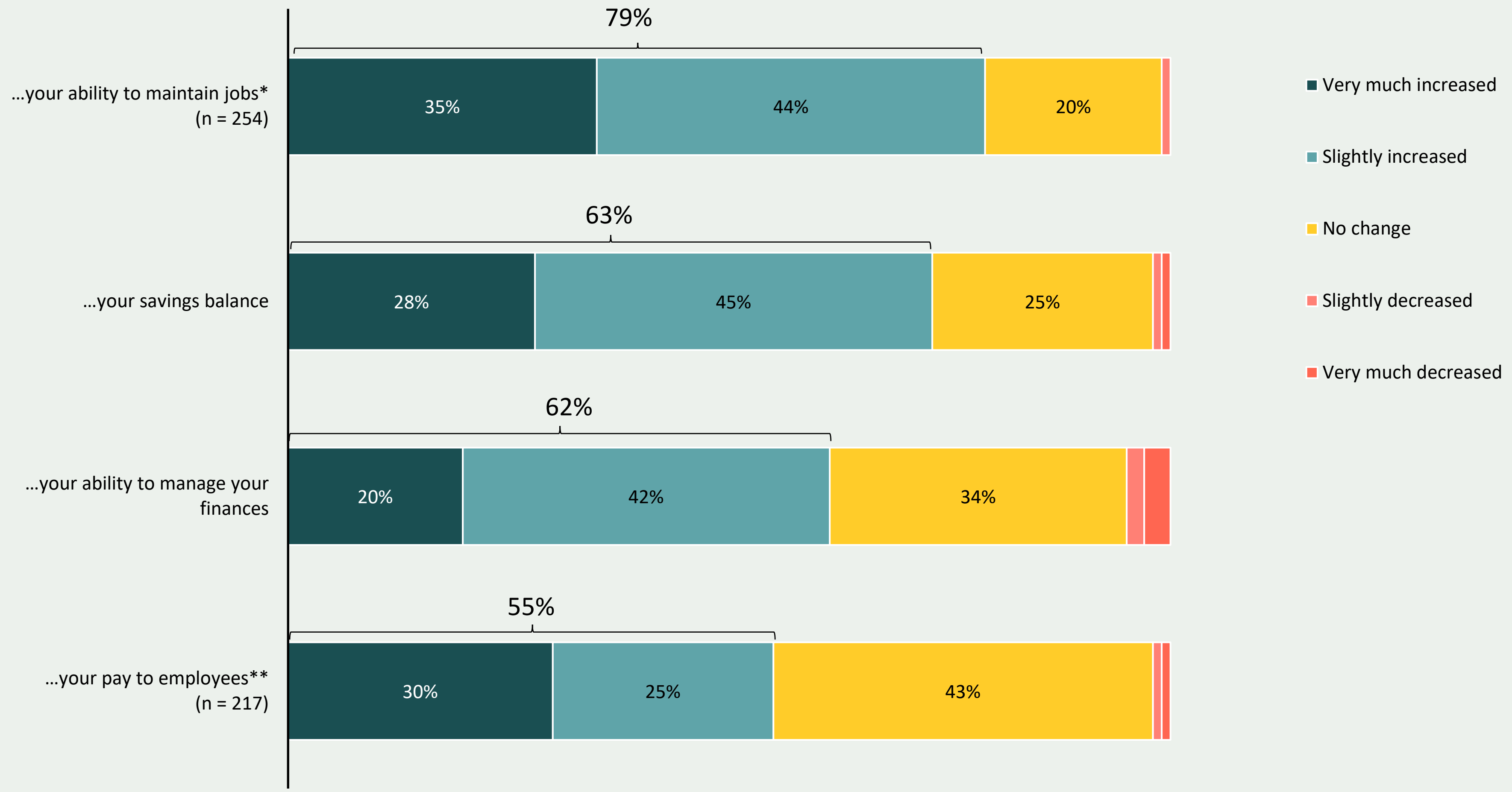
Perceived Impact

4 in 5 recipients report an increased ability to maintain jobs, 3 in 5 report an increase in savings balance.

The SOAR Fund loan has a higher impact on loan recipients' ability to maintain jobs (79%) and a lower impact on their ability to increase employee pay (55%). This is also connected to the reported increase in the number of employees from 3 to 5 between the time of application and the survey date.

Perceived Impact

Q: Has … changed because of the loan? (n = 275)



*Excluding 21 loan recipients who don't have employees
**Excluding 58 loan recipients who don't have paid employees

Impact on Stress Levels

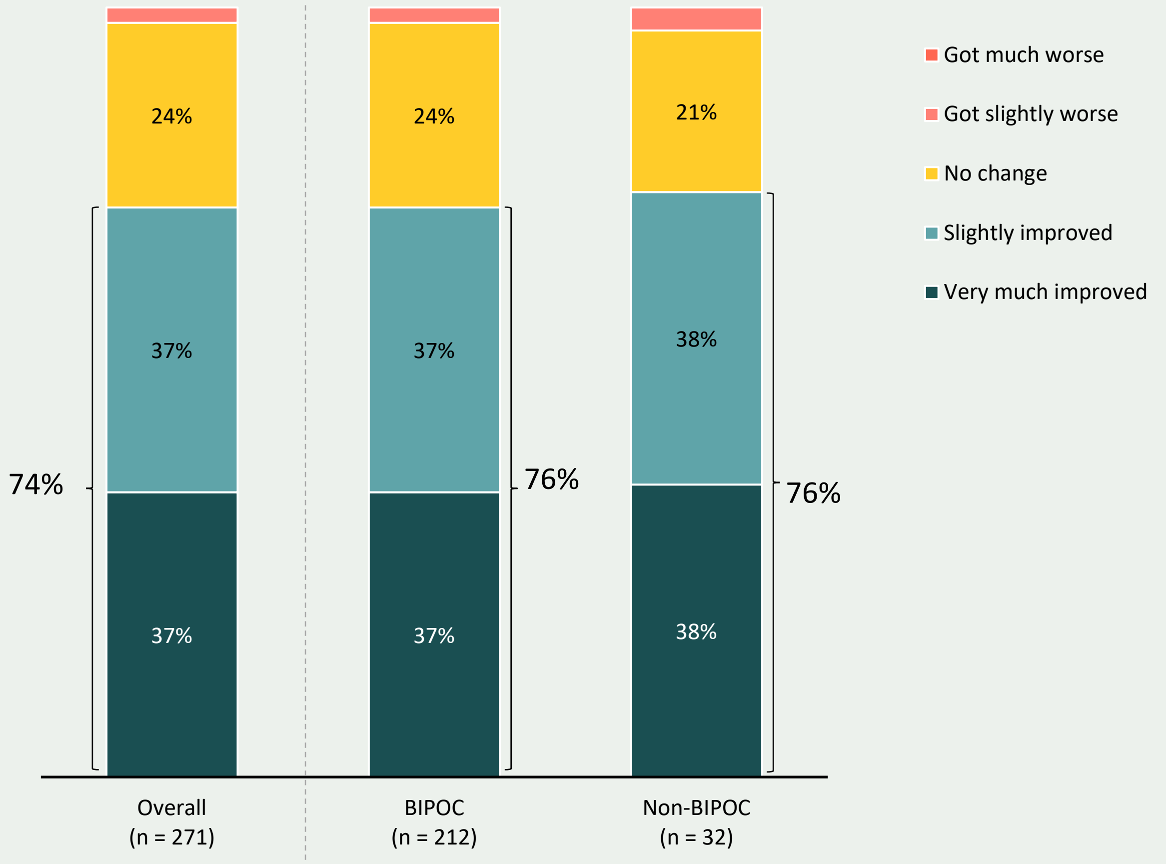
Nearly three quarters of loan recipients report improved stress levels because of the loan.

There is no significant difference in the change in stress levels by race.

Texas is the best performer, as 58% of the loan recipients say that their stress levels ‘very much improved’.

Change in Stress Level

Q: Has your stress level relating to your finances changed because of the SOAR Fund loan? (n = 271)



*Note: Overall n value includes both BIPOC and non-BIPOC respondents, as well as those who did not disclose their race.

Additionality of Loans

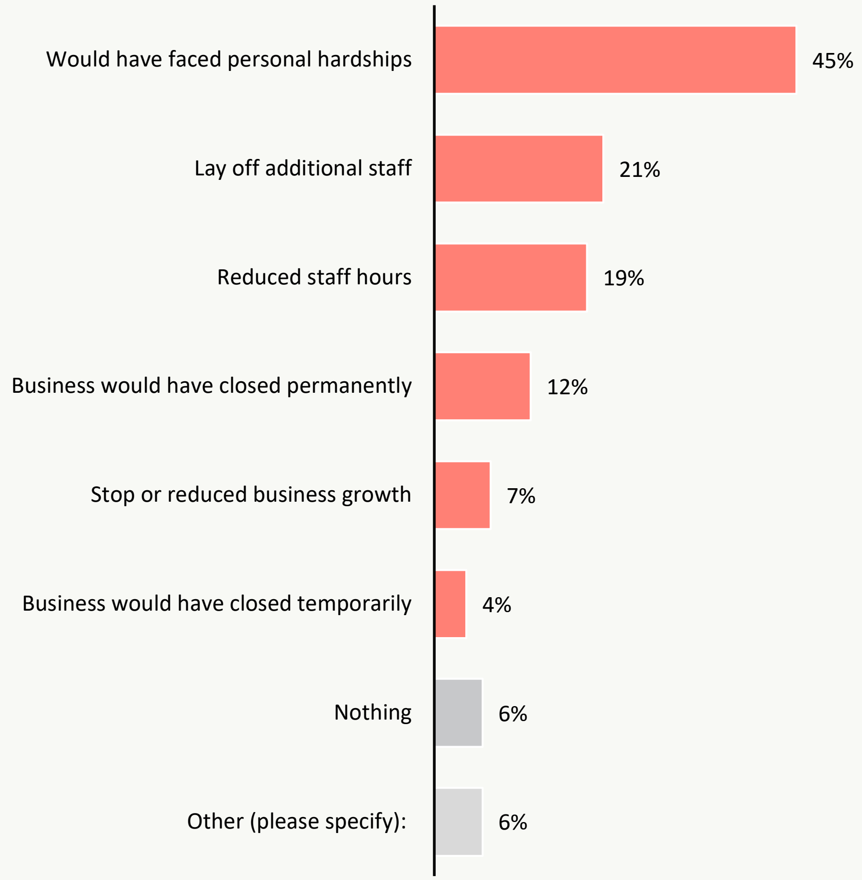
The SOAR Fund loan allowed businesses to avoid personal hardships and the laying off of additional staff.

As a way to gauge how effective the loan was at increasing small business resilience, respondents were asked what would have happened to their business if they didn't receive the loan.

45% of the businesses would have faced personal hardships, and 21% would have to lay off additional staff.

Business Outcomes Without Loan

Q: If you did not have access to the loan from the SOAR Fund, what do you think would have happened to your business? (n = 275) Open-ended, coded by 60 Decibels.



Business Growth: Impact on Income

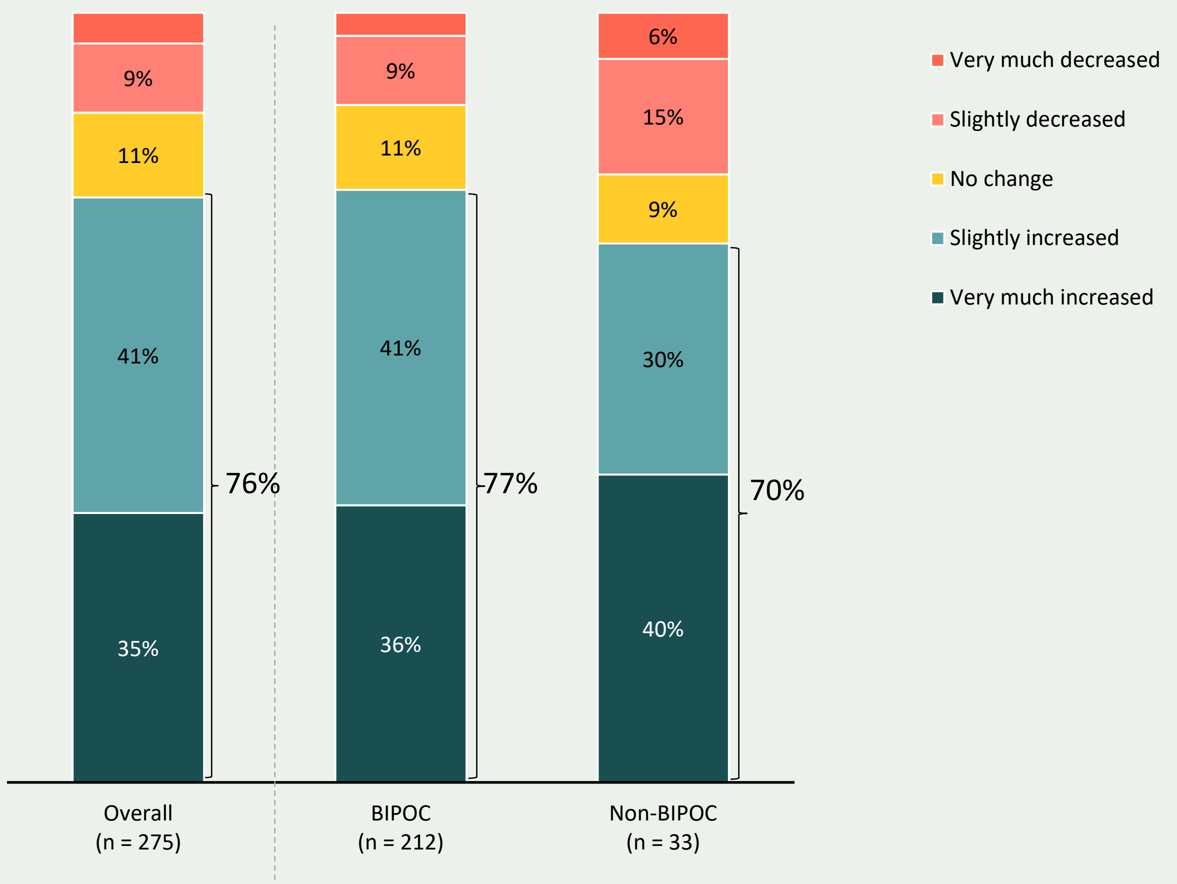
76% of loan recipients say their income has improved because of their business activity, BIPOC loan recipients report a higher improvement.

Men (80%) and BIPOC (77%) loan recipients report a higher income change than women (69%) and non-BIPOC (74%) loan recipients.

Florida loan recipients are less likely to say their business income has 'very much increased' (28%) than North Carolina (46%), Virginia (43%), Georgia (43%), and Texas loan recipients (42%).

Change in Income

Q: Has your income changed because of your business activity? (n = 275)



Business Growth: Impact on Business Assets

73% of loan recipients say their business assets have improved. Non-BIPOC loan recipients report a higher improvement than BIPOC loan recipients.

85% of male loan recipients say their business assets have increased, compared to 71% of female.

When analyzed by industry*, 42% of construction loan recipients say their business assets have 'very much increased', followed by business services (32%) and transportation (26%).

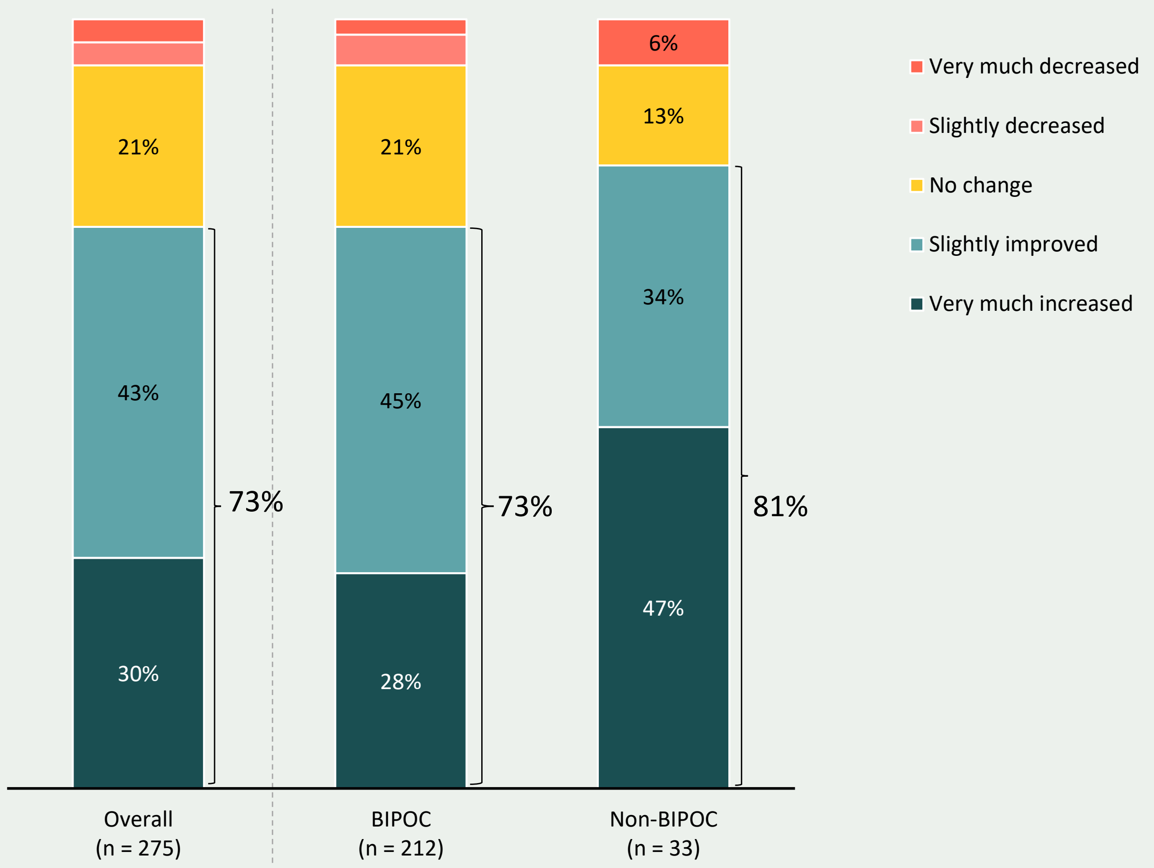
There is a strong statistical relationship between loan recipients who say their business income has increased and those who report an increase in business assets.

We found no strong differences between states.

* Considering those with more than 20 respondents

Change in Business Assets

Q: Have your business assets, such as equipment, vehicles, and properties, changed because of your business activity? (n = 275)



Business Growth: Impact on Personal Assets

53% of loan recipients report their personal assets have improved because of their business activity.

BIPOC loan recipients are less likely to report a positive change in their personal assets than non-BIPOC recipients.

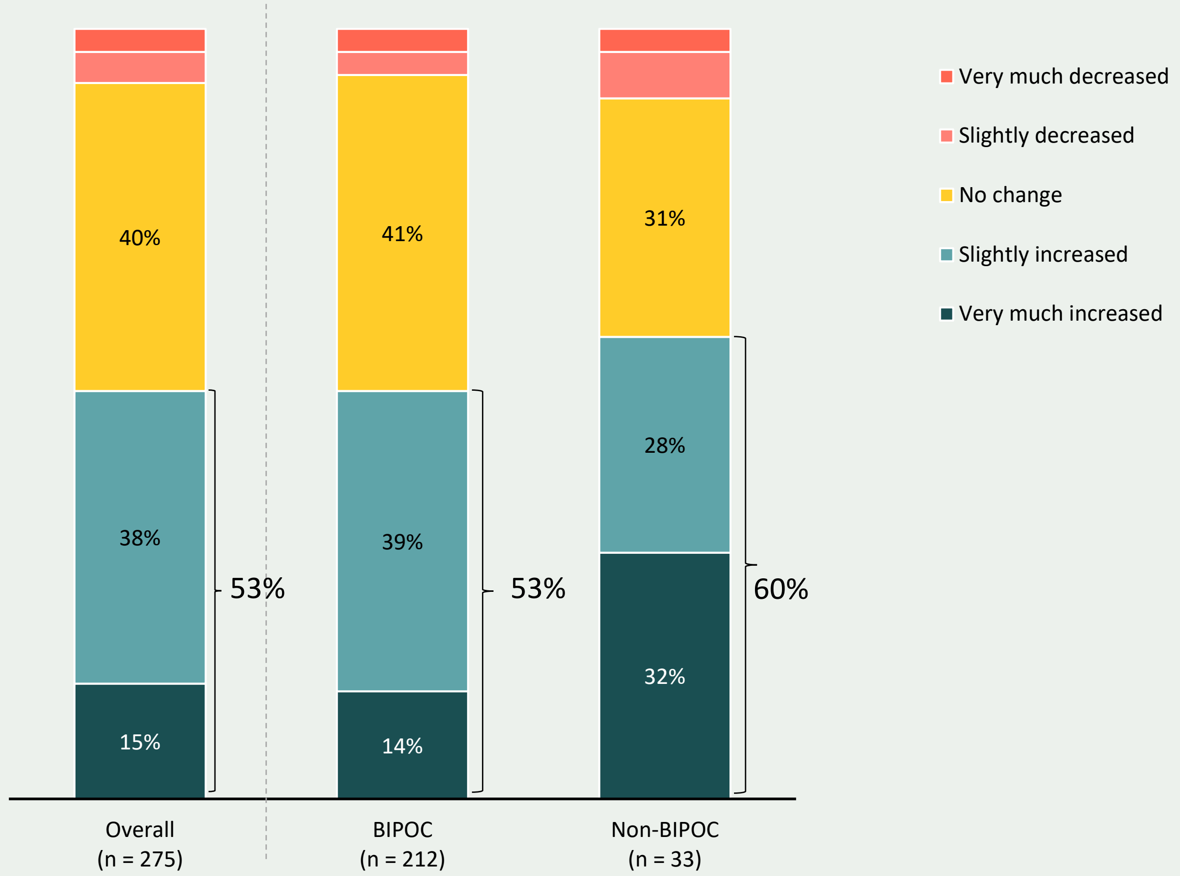
Men (61%) report a higher increase of personal assets than women (46%).

25% of North Carolina loan recipients say their personal assets have 'very much increased' followed by Georgia (19%) and Texas (18%).

While the percentage of BIPOC and non-BIPOC loan recipients that report an increase in income is similar, a higher percentage of non-BIPOC loan recipients report increases in both business and personal assets, compared to BIPOC loan recipients.

Change in Personal Assets

Q: Have your personal assets, such as vehicles, furniture, properties, and stocks, changed because of your business activity? (n = 275)



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Capital needs moving forward

Loan Repayment

Although 39% of recipients consider their loan repayment a burden, 97% are 'confident' they will be able to repay their loan.

We use these two metrics to gauge recipients' potential risk of being overindebted by their SOAR Fund loan.

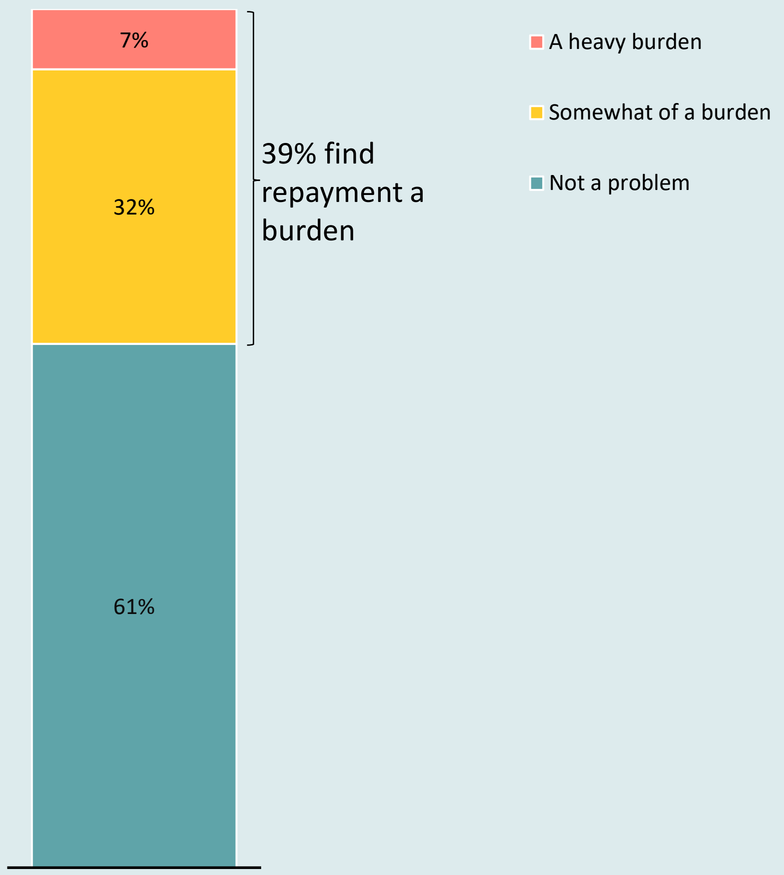
Recipients who say their loans are 'not a problem' are more likely to be 'very confident' in repaying their loan (92%) compared to those that find them to be 'somewhat of a burden' (86%) or 'a heavy burden' (37%).

The average number of employees for businesses that consider the loan a heavy repayment burden is 2.6, while the average number is 4.9 for those who consider it 'not a problem'. This suggests that loans could be perceived as a higher risk for smaller companies who have less operating capital.

42% loan recipients in North Carolina consider the loan repayment a burden, compared to 21% in Virginia.

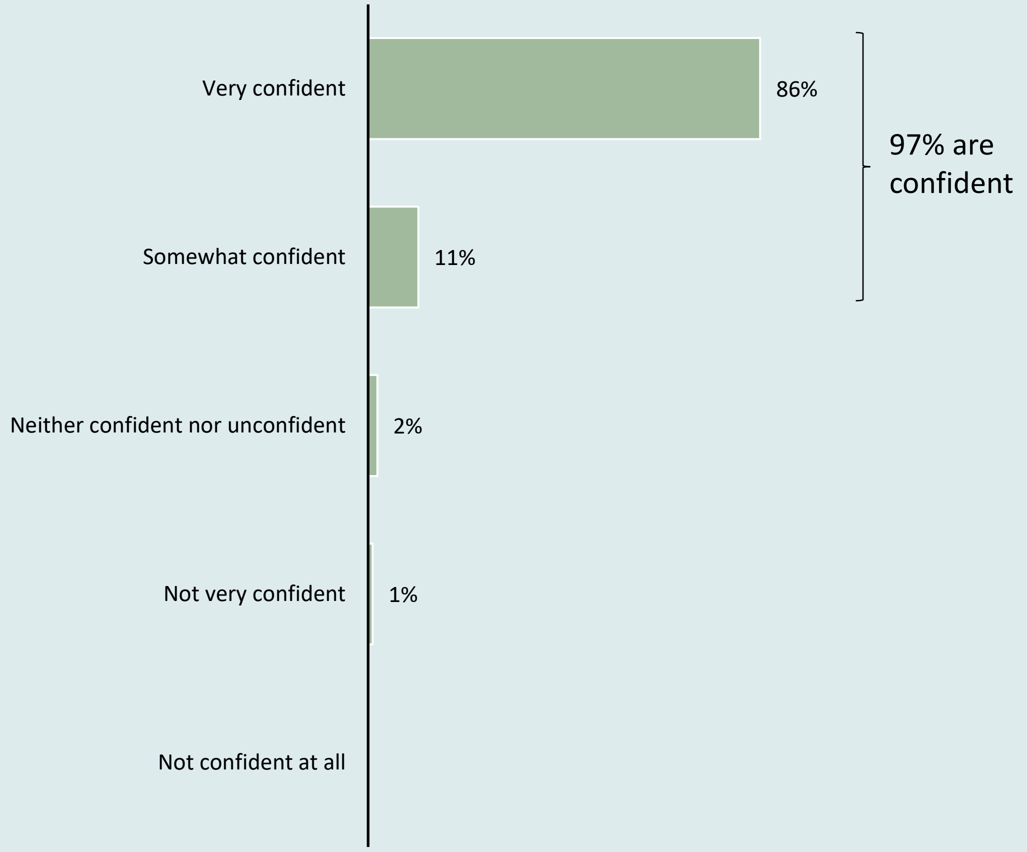
Repayment Burden

Q: Thinking about the loan repayment, are they a heavy burden, somewhat of a burden, or not a problem? (n = 272)



Repayment Confidence

Q: How confident are you that you will be able to repay the loan? (n = 275)

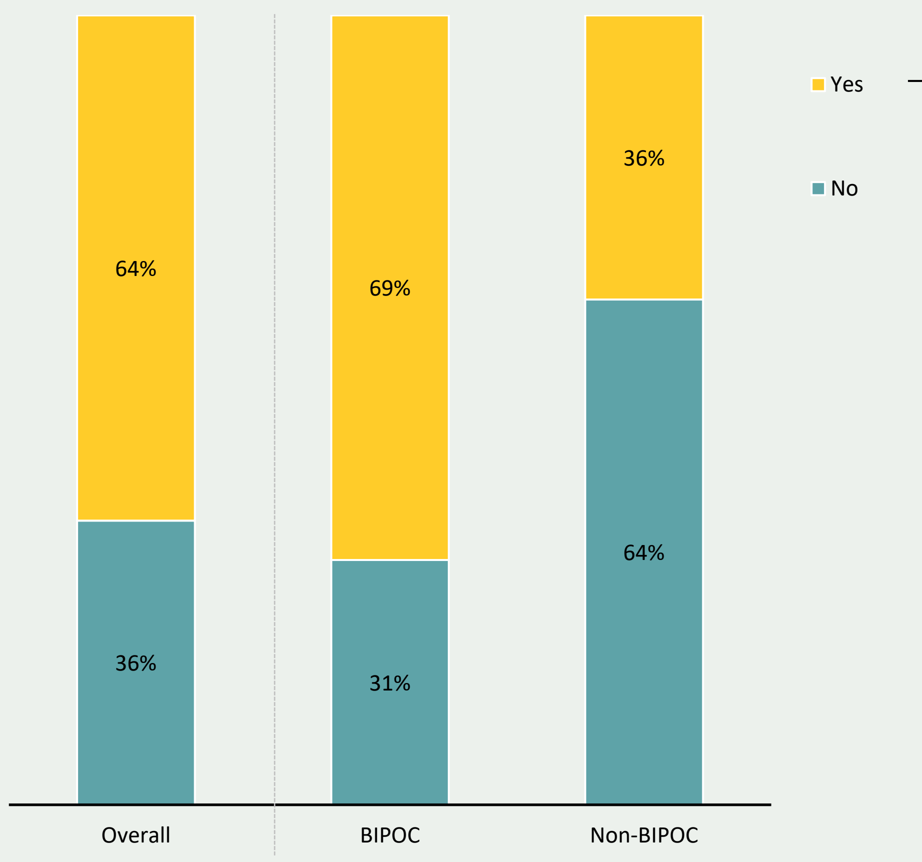


Additional Capital

64% of loan recipients say their business will require additional capital in the next 12 months. 66% would use it for marketing purposes. 17% of loan recipients would seek additional capital from an SBA loan and 14% from bank loan.

Additional Capital

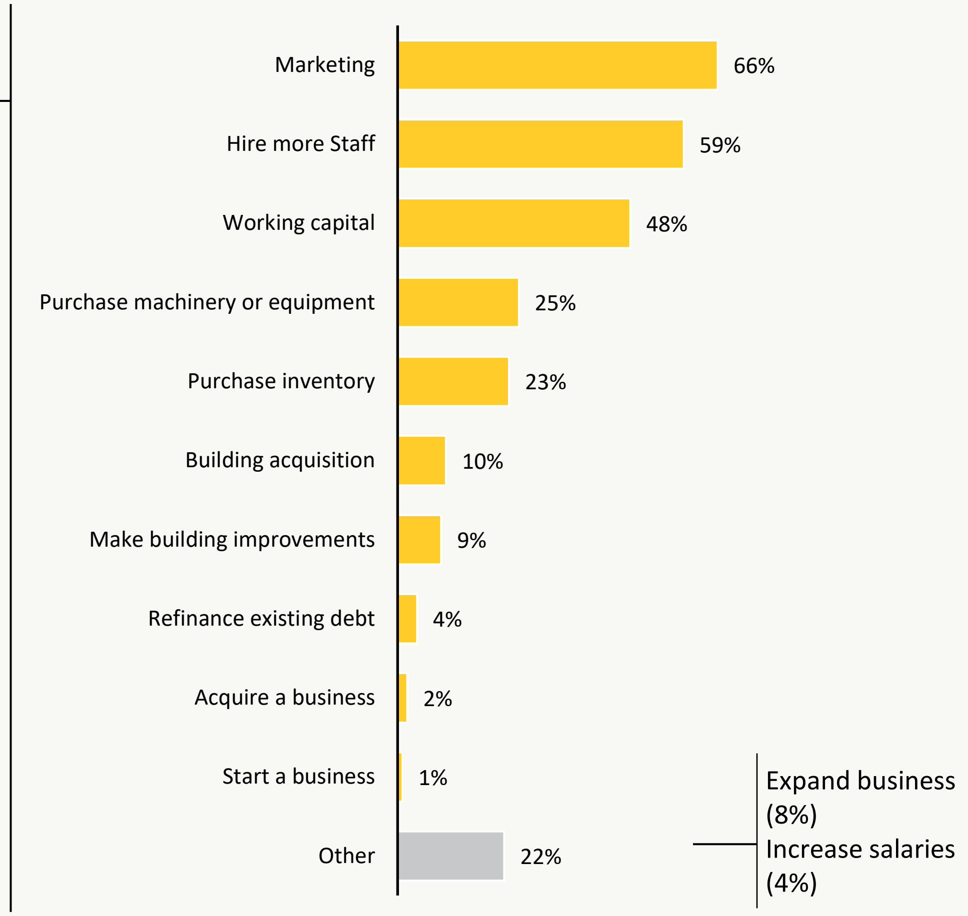
Q: In the next 12 months, will your business require additional capital? (n = 253* | BIPOC = 196, Non-BIPOC = 33)



*Excluding 22 loan recipients who mentioned 'Don't know/Can't say'

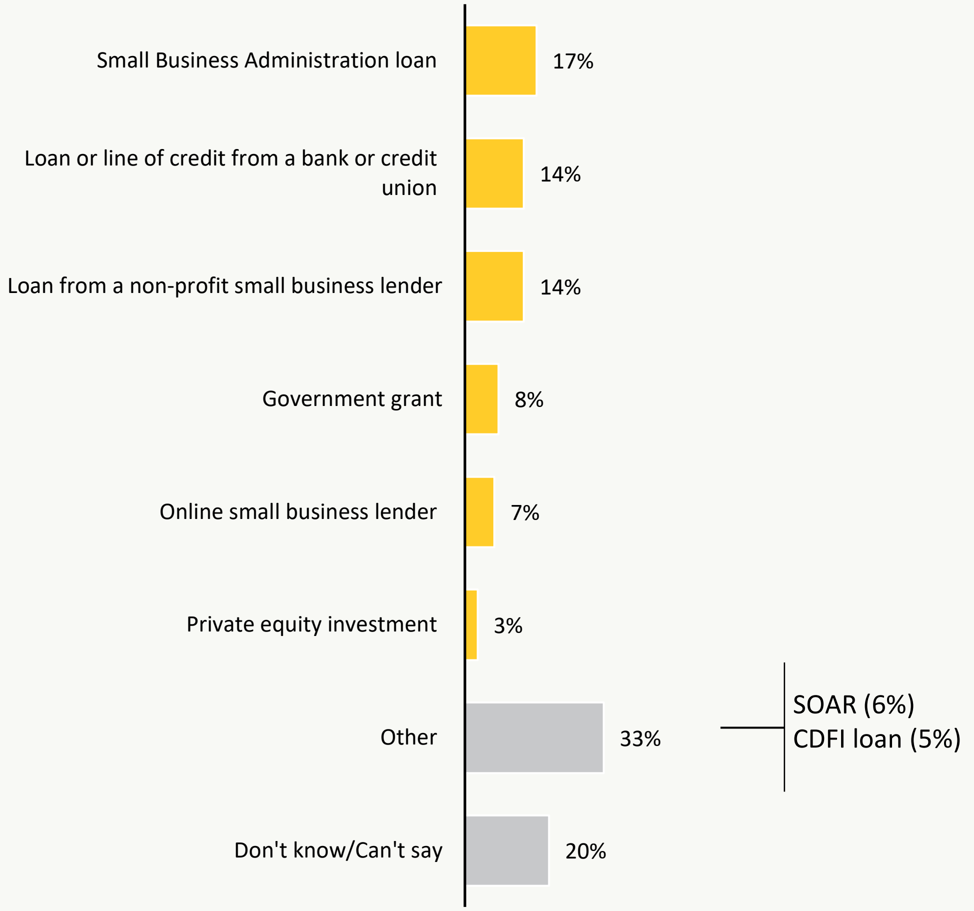
Additional Capital Usage

Q: How would you use the additional capital? (n = 163)



Funding Source

Q: Where would you be most likely to look for additional capital? (n = 163)



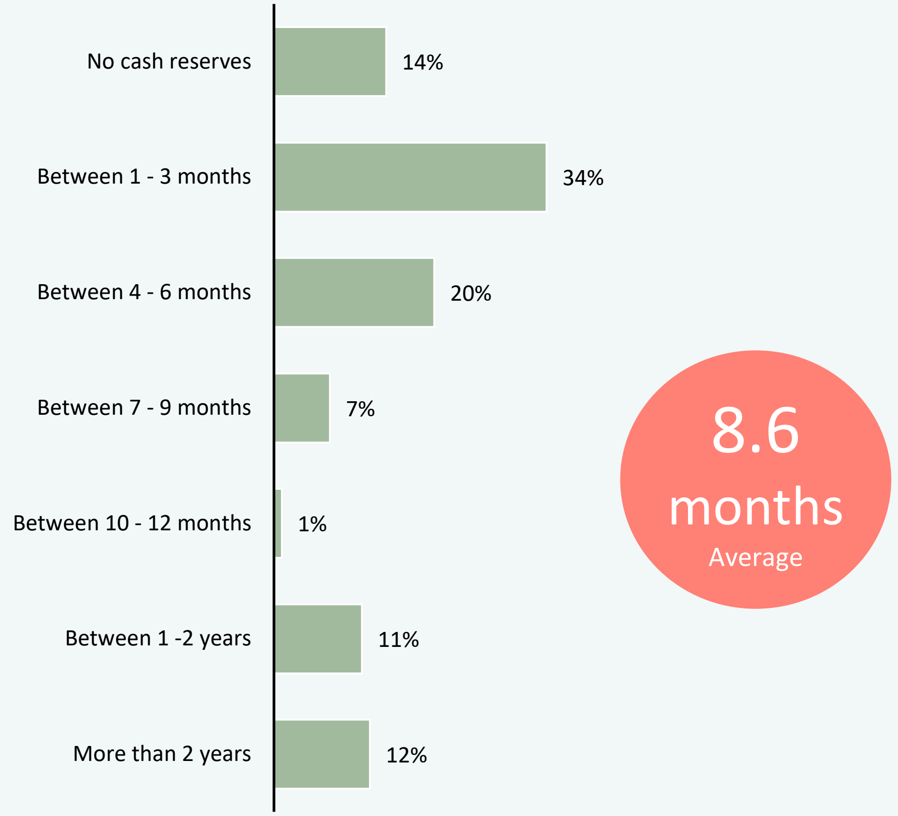
Cash Reserves

34% of businesses owners we spoke with have cash reserves to cover their normal operating expenses for 1 to 3 months, 12% have cash reserves for more than 2 years.

Interestingly, BIPOC business owners report higher cash reserves than non-BIPOC business owners. 14% of BIPOC loan recipients say they could cover operating expenses for more than 2 years, compared to 3% of
non-BIPOC loan recipients.

Months Worth of Cash Reserves

Q: Imagine your business stopped generating revenue. How long could you cover normal operating expenses with the savings / reserves you have? (n = 275).



Property Ownership

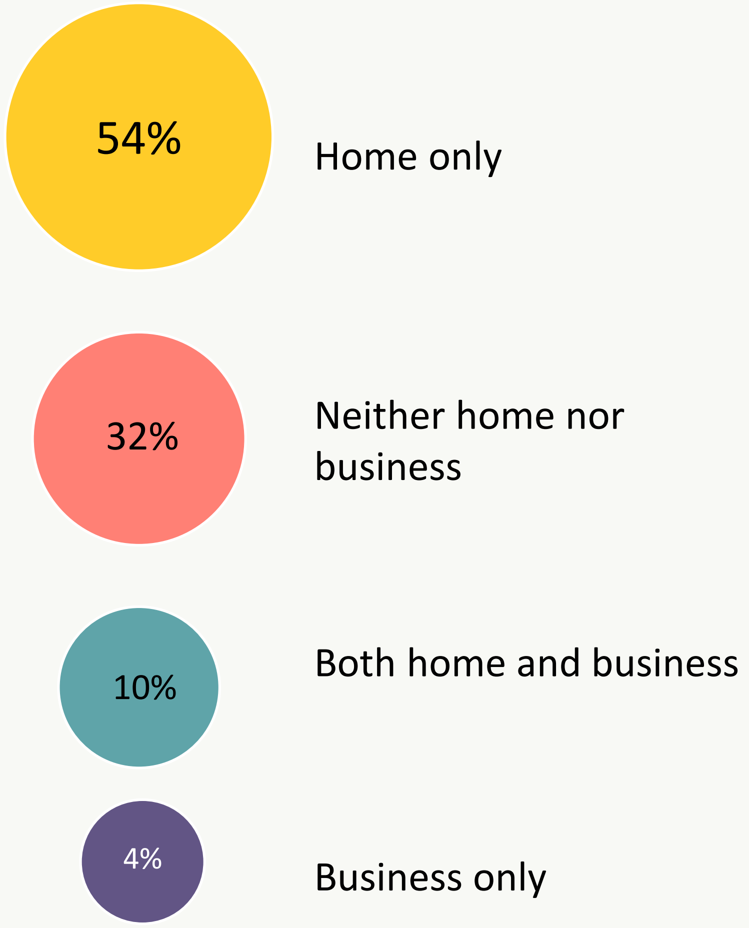
32% of loan recipients own neither home nor business; 83% of these are BIPOC loan recipients.

Lack of home or business property ownership is highest amongst Florida (45%), Virginia (43%) and Georgia (33%) loan recipients, compared to Texas (16%) and North Carolina (8%) loan recipients.

34% of BIPOC loan recipients own neither a home or business property, in comparison to 24% of their non-BIPOC counterparts.

Property Ownership

Q: Do you own your home or business property? (n = 275)



Neither Home nor Business Property Ownership by Race

(n = 88)

Race	**% Neither home nor business**
BIPOC	83%
Non-BIPOC	9%
Prefer not to disclose	8%

Loan Funds Performance Snapshot

SOAR loan recipients appear to have a better experience than loan recipients from other loan funds, a higher ability to maintain jobs, and a higher improvement in employee quality of life.

Prior Loan Access

CA	NY	WA	SOAR
54	46	47	41

Better Lending Experience Compared to Others

CA	NY	WA	SOAR
56	64	55	58

Available Cash Reserves

CA	NY	WA	SOAR
94	56	91	86

Average Number of Employees

CA	NY	WA	SOAR
7	2	3	5

Net Promoter Score

CA	NY	WA	SOAR
71	63	63	80

Increased Ability to Maintain Jobs

CA	NY	WA	SOAR
67	57	70	79

Employee Quality of Life Improved

CA	NY	WA	SOAR
69	55	64	73

Stress Levels Reduced

CA	NY	WA	SOAR
77	58	73	74

I am very grateful for the funds,

They helped my business

and made a difference.

I am also

grateful that

someone

> wanted

> my opinion

> in the matter.

Lindsay Smalling

lindsay@60decibels.com