Life-Changing Loans
A Presentation for Impact Investors
Who We Are

• Nonprofit, U.S. Treasury-certified Community Development Financial Institution (CDFI)
• Nationally recognized organization founded in 2009
• Social change “fintech” built on an advanced technology platform
• Leading innovator; only nonprofit lender of our kind

Our mission is create pathways out of poverty and advance a green economy through inclusive financial services.
Mission-Focused Consumer Loans & Financial Coaching

1,600+ families received financial & health coaching

4,700+ equitable loans

$4,000,000+ in client interest and fee savings

90+ point average credit score improvement

Lives Changed & Lives Saved

Data from January 2009 to November 2019
Client Story: Mamadou

Mamadou – Immigration Loan Client
Due to a lengthy immigration process, Mamadou and his family had been apart for over seven years. After everything was finally settled, Mamadou needed financial assistance to fly his wife and children from Africa to their new home in Rhode Island. Thanks to our loan, Mamadou was reunited with his family at last. Afterward, he told us, “My experience was excellent. You are the only ones who could resolve my problem.”
The Problem – Lack of Equitable Financial Services

• Tens of millions of Americans lack access to equitable credit and sound financial advice

• A $200 billion predatory industry takes advantage of this injustice

• 40% of adults cannot cover a $400 expense without borrowing money or selling an asset

• The average family earning $25,000 per year spends as much on financial services (interest, fees) as it does on food (10% of income)
The Opportunity – Equitable Consumer Loans

• Personal loans of $300–$25,000 that save borrowers $500–$7,000 of interest compared to a predatory product
  ▫ Massive potential for scale and impact: $1 billion loan portfolio would equal a market share of half a percentage-point

• Mission-driven loans to cover critical expenses
  ▫ Emergencies, vehicle purchase or repair, citizenship / immigration expenses, security deposit, technology purchase, energy-efficiency improvements

• Technology platform to efficiently and effectively manage high-volume small-dollar transactions

• Alternative underwriting structure to properly assess risk
Loan Products & Financial Coaching

- Emergency Loans
  Clients save $500

- Impact Loans
  Clients save $900

- Immigration Loans
  Clients save $3,000

- Car Purchase / Refinance
  Clients save $4,000

- Weatherization Loans
  Clients save $1,700

Credit Builder Program
- Increases credit scores
- Includes free coaching session

$120

Financial Coaching Plus
- Six 1-on-1 coaching sessions
- Builds credit

$180

Estimated average savings in interest + fees versus predatory alternatives
Detailed Loan Product Information

Emergency Loan • $300–$500 • 10% APR
For financial emergencies such as debt repayment, bill catch-up, utilities, unforeseen expenses, etc. $8 closing fee. No down payment. Monthly repayment over 1 year. Example Lifetime Cost: A $400 loan costs $22 of interest.

Impact Loan • $700–$2,000 • 24% APR
For any other personal purchase or expense such as security deposits, car repairs, computer purchase, etc. No closing fee or down payment. Monthly repayment over 2 years. Example Lifetime Cost: A $1,000 loan costs $269 of interest.

Immigration Loan • $2,000–$20,000 • 15.99% APR
For paying fees for acquiring U.S. citizenship, securing or renewing a Green Card, applying for family members to come to the U.S., and other immigration steps. No closing fee or down payment. Monthly repayment over 2 to 4 years. Example Lifetime Cost: A $5,000 loan costs $1,800.44 of interest.

Car Loan • $6,000–$25,000 • 7%–17.99% APR
Refinance or purchase of a new or used car for you or your family. $500 down payment, which includes a $24 closing fee. Monthly repayment over 5 years. Example Lifetime Cost: A $13,000 loan costs $3,960 of interest (with an APR of 11%).

Weatherization Loan • $500–$25,000 • 0% APR
For measure to make your home more energy efficient and safe, for example insulations, replacing light bulbs, sealing ducts, etc. No closing fee or down payment. Monthly repayment over 2 to 5 years. Example Lifetime Cost: A $5,000 loan costs $0 of interest.
Alternative to Predatory Lending

• More branches than Starbucks and McDonald’s combined
• “Win-lose” model: they make money when the borrower defaults
• Double- and triple-digit interest rates
• Target minorities, the low-income, the elderly, other vulnerable groups
• Trap clients in debt spirals, can result in bankruptcy, homelessness, draining savings, etc.
• Powerful public lobbies & commanding market presence

CAPITAL GOOD FUND PROVIDES ATTRACTIVE AND EQUITABLE TERMS

• Equitable & fixed interest rates
• Simple installment loans
• Free restructuring options
• No prepayment penalty
• Report to credit bureaus
• Easy online application
• No credit needed
• Alternative approval process
• No selling to collection agencies
• No predatory collection practices
## Payday Loan Comparison

<table>
<thead>
<tr>
<th></th>
<th>Average Payday Loan</th>
<th>Good Fund Emergency Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$400</td>
<td>$400</td>
</tr>
<tr>
<td>Term</td>
<td>14 days</td>
<td>12 months</td>
</tr>
<tr>
<td>APR</td>
<td>391%</td>
<td>10%</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>N/A, rolled over 8 times on average</td>
<td>$35.17</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$15 per $100 advanced</td>
<td>$22</td>
</tr>
<tr>
<td><strong>Total Cost of Loan</strong></td>
<td><strong>$1,200+</strong></td>
<td><strong>$422</strong></td>
</tr>
</tbody>
</table>
Example: LendUp

We believe everyone deserves access to quality credit

DECEPTIVE MARKETING

500% APR

LendUp is a socially responsible lender for the 56% of Americans shut out of mainstream banking due to low credit or volatile income.

San Francisco, California, United States

Categories: Finance, FinTech, Lending

Amount: $250
Finance Charge: $44.00
Repayment: $294.00 on Apr 15, 2019

APR: 494.35%

Good Fund
Proven Track Record

• 4,700 loans, $10 million financed
• 95% all-time repayment rate
• $5 million in loans outstanding to 1,850 borrowers, 96% on-time
• 1,600 financial coaching clients
• Lending in five states: RI, DE, FL, MA, IL; TX in 2020
• Market leader / innovator
• 33 full-time employees
• 240+ Google Reviews, 4.8 avg. rating

Data as of November 2019
**Transformational Impact**

**Building Credit**
- 100% of loans reported to all three credit bureaus
- Financial Coaching clients see 100+ FICO score increase

**Cash Savings**
- $500 to $7,000 in cash savings versus predatory alternative
- Financial Coaching clients see $113 increase in monthly income

**Lives Changed**
- Pay off high interest loan
- Security deposit for safe housing
- Citizenship, Green Cards, family reunification
- Reliable vehicle to get to work
- Efficient and safe homes
- Etc.
Serving the Underserved

- At intake — Average FICO of 580; 20% no FICO
- Emphasis on Spanish-language clients, communities of color, other marginalized populations

Demographics based on 2018 beneficiaries.

- African-American
- Hispanic or Latino
- Native American
- Pacific Islander
- Other (1)

(1) Includes Caucasian, mixed race/ethnicity and other selections.

- Female
- Male

Income level categories determined using Average Median Income (AMI) thresholds. Extremely Low ≤ 30%; Very Low > 30% ≤ 50%; Low > 50% ≤ 80%; Moderate > 80% ≤ 120%; Above Moderate > 120%.
Scaling Plan: Business Model

Launched scaling plan in 2016 with a goal of self-sufficiency by 2024

Charge an equitable interest rate

Cover 100% of operating costs with earned income

Make high-volume, low-margin, life-changing loans

Scale portfolio to $90 million by 2024
Scaling Plan: Goals

**Today**
- $5 million portfolio
- 2,000 clients
- 30% self-sufficiency through earned income
- Operating in five states

**By 2024:**
- $90 million loan portfolio
- 15,000+ clients
- 100% self-sufficiency through earned income
- Operating in six+ states
- Force competitors to lower rates or shut down

Operating investments (systems, personnel, marketing, etc.)
Our Direct Public Offering ("DPO") is issued by Social Capital Fund, a tax-exempt supporting organization

- Invest as little as $1,000
- Receive annual interest payments
- Initial investment is repaid in three to seven years
- Unique, high-impact, direct investment
Scaling Plan: Investing in Direct Public Offering

Launched Direct Public Offering in 2016 to Fund the Growth Plan

- 1,000% Increase in Assets
- 800% Increase in Loan Volume
- Expanded to four new states

### Annual Interest Rates
Based on Investment Amount and Maturity Term

<table>
<thead>
<tr>
<th>Initial Investment</th>
<th>7 years</th>
<th>5 years</th>
<th>3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 - $24,999</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.00%</td>
</tr>
<tr>
<td>$20,000 - $74,999</td>
<td>4.00%</td>
<td>4.00%</td>
<td>3.50%</td>
</tr>
<tr>
<td>$75,000 - $124,999</td>
<td>4.50%</td>
<td>4.50%</td>
<td>4.00%</td>
</tr>
<tr>
<td>$125,000 and above</td>
<td>5.50%</td>
<td>5.50%</td>
<td>5.00%</td>
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</table>
Client-Focused Leadership

Executive Team | Position
--- | ---
Andy Posner | Founder & CEO
Annie Dickson | Chief Operating Officer
Jim Mazjanis | Chief Financial Officer
Heiry Bulux | Director of Loan Origination
Aisha Bussey | Director of Marketing
Chadria Major-Thomas | Human Resources Manager
Laura Rijo | Director of Loan Servicing
Kevin Egolf | VP of Investor Relations
Angela Tosca | Director of Systems
Isabel Rodriguez | Financial Coaching Officer

Executive Team intentionally structured to serve and represent clients

Gender

- Female: 30%
- Male: 70%

Race / Ethnicity

- Minority: 50%
- Non-minority: 50%
Client Focused Operations

240+ Google Reviews, 4.8 avg. rating

I have now had two loans with capital good fun, each experience was both delightful, and easy! They’re friendly and they are there to help!

Caring and honest. Reasonable rates and terms. Fantastic company.

Very helpful. I contacted capital good fund to review and improve my credit score and I am happy to say it was a success.

As of November 2019
Financial History

Revenue

$ in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>$419</td>
</tr>
<tr>
<td>2016</td>
<td>$1,234</td>
</tr>
<tr>
<td>2017</td>
<td>$1,998</td>
</tr>
<tr>
<td>2018</td>
<td>$2,552</td>
</tr>
<tr>
<td>2019P</td>
<td>$3,400</td>
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</table>

Net Assets

$ in thousands
* Includes for EQ2s

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$33</td>
</tr>
<tr>
<td>2016</td>
<td>$91</td>
</tr>
<tr>
<td>2017</td>
<td>$1,117</td>
</tr>
<tr>
<td>2018</td>
<td>$1,660</td>
</tr>
<tr>
<td>2019P</td>
<td>$2,100</td>
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</table>

Loans Receivable

$ in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$355</td>
</tr>
<tr>
<td>2016</td>
<td>$740</td>
</tr>
<tr>
<td>2017</td>
<td>$2,136</td>
</tr>
<tr>
<td>2018</td>
<td>$3,676</td>
</tr>
<tr>
<td>2019P</td>
<td>$5,300</td>
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</table>

Self-Sufficiency Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>21.5%</td>
</tr>
<tr>
<td>2016</td>
<td>8.7%</td>
</tr>
<tr>
<td>2017</td>
<td>15.7%</td>
</tr>
<tr>
<td>2018</td>
<td>22.4%</td>
</tr>
<tr>
<td>2019P</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

As of November 2019
Financial Projections

Revenue

$ in thousands

- 2020B: $4,542
- 2021P: $5,476
- 2022P: $7,814
- 2023P: $10,577
- 2024P: $12,973

Loans Receivable

$ in thousands

- 2020B: $13,387
- 2021P: $29,112
- 2022P: $50,726
- 2023P: $72,545
- 2024P: $92,814

Net Assets

$ in thousands

- 2020B: $3,291
- 2021P: $3,745
- 2022P: $4,504
- 2023P: $4,797
- 2024P: $6,417

Self-Sufficiency Ratio

- 2020B: 35.0%
- 2021P: 55.1%
- 2022P: 74.4%
- 2023P: 87.4%
- 2024P: 103.6%

As of November 2019

* Includes EQ2s
Achieving Self-Sufficiency

• Build Equity / Net Assets
  ▫ Maintain and expand granting relationships
  ▫ Social Capital Fund Direct Public Offering

• Balance smaller loans with higher profitability larger loans

• Continual improvement of technology platform to reduce transaction costs

• Leverage fixed costs

• Expand loan volumes
  ▫ Geographic expansion
  ▫ Deeper market penetration
  ▫ New loan products
  ▫ Technology enhancements

• Maintain underwriting standards & loan performance

• Measured, prudent annual growth
  ▫ No equity investors driving hockey stick goals
Client Story: Sherlie

Sherlie – Car Loan Client
Sherlie’s old car was breaking down and becoming dangerous for Sherlie and her daughter. Good Fund gave Sherlie a Car Loan so she could afford safe, reliable transportation for her family. “I know that anything I do with Good Fund is going to be done with my best interest in mind and that the staff will treat me with respect.” After getting her Car Loan, she said, “Good Fund helped me buy a reliable car and took a very heavy load off my shoulders!”
# Key Funders, Investors, & Supporters

<table>
<thead>
<tr>
<th>DISCOVER</th>
<th>JPMorgan Chase &amp; Co.</th>
<th>Santander</th>
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</thead>
<tbody>
<tr>
<td>Citizens Bank</td>
<td>RHODE ISLAND FOUNDATION</td>
<td>Bank Newport</td>
</tr>
<tr>
<td>United Way</td>
<td>The Miami Foundation</td>
<td>CDFI</td>
</tr>
<tr>
<td>nationalgrid</td>
<td>Catholic Campaign for Human Development</td>
<td>Sisters of Charity</td>
</tr>
<tr>
<td>Gulf Coast Community Foundation</td>
<td>Alan Hassenfeld</td>
<td>Community Foundation of Tampa Bay</td>
</tr>
</tbody>
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Alan Hassenfeld
Former CEO, Hasbro Toys