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Opportunity Fund Launches Largest Small Business Impact Fund

Opportunity Fund, a leading Community Development Financial Institution, creates the largest Small Business Impact Fund in the country that lends directly to underserved entrepreneurs, helping the California-based organization expand its offerings across the country.

June 26, 2018, San Francisco—Opportunity Fund, a leading non-profit Community Development Financial Institution with the nation’s largest portfolio of small business microloans under management, today announced the launch of its Small Business Impact Fund, the country’s largest small business impact fund that directly provides loans to underserved small business owners, primarily minority and women-owned businesses in low-income communities. The fund—backed by some of Silicon Valley’s most successful business leaders, philanthropists, and venture capitalists—will continue to fuel the organization’s ambitious national expansion, giving Opportunity Fund the capacity to lend in markets that contain 80% of U.S. small businesses.

Opportunity Fund’s Small Business Impact Fund, which debuts at \$11.15 million, builds on the California-based organization’s nearly 25-year history of providing responsible and affordable small-dollar loans to underserved entrepreneurs who often don’t have access to affordable loans from conventional lenders.

“The \$11.15 million raised from these individual impact investors is only the beginning. As the country’s largest nonprofit microlender to small businesses, we want to see this level of impact at scale. This fund allows us to deepen our lending in California and continue to expand nationally, building on the solid base of institutional investors who have supported us for decades,” said Opportunity Fund CEO Luz Urrutia. “Every dollar of loan capital we’ve raised to-date is lent directly to small business owners who will create financial stability for themselves and their families and economic opportunity in their communities.”

This fund will have a significant impact on borrowers in underserved communities who struggle to attract affordable, responsible capital for their small businesses. Over five-

years, the \$11.15 million raised so far will yield more than \$38 million in loans for small businesses, create and retain more than 3,700 jobs and generate \$75 million in annual economic activity, given Opportunity Fund's impressive 95 percent repayment rate.

Minorities make up 87 percent of Opportunity Fund's borrowers, while 73 percent are low to moderate-income families and 30 percent are women.

The loans supported by the Small Business Impact Fund will go to entrepreneurs like Maurice Brewster, owner of Mosaic Global Transportation in San Jose, Calif. In 2013, like many small business owners, Brewster could not get a loan from a traditional lender even though his 12-year-old limousine, sedan and shuttle bus business had 44 employees and customers in more than 450 cities.

"Without capital, my potential for growth stalled. But I found Opportunity Fund and they made a huge difference," he said. "I hired more employees, moved into a larger facility and grew into a multi-million-dollar business. I now have a contract with Google and was the only company beside Uber offering VIP transport to Super Bowl 50. These loans help minority small business owners like me reach our potential."

The inaugural investors in the Small Business Impact Fund include lead investor John A. Sobrato, joined by Anne and Greg Avis, Rebecca and Bud Colligan, Amy and Bill Gurley, Clare McCamy and Harrison Miller, and the EWCY Foundation; along with additional investors referred by Trillium Asset Management.

"I believe deeply in the power of entrepreneurship to improve lives. Small business owners create jobs, offer valuable services and inject vitality into communities," said lead investor John A. Sobrato. "Opportunity Fund has a stellar record of financial responsibility and success in helping underserved entrepreneurs build a better life, no matter where they live. The Small Business Impact Fund will have a profound impact and I'm proud to be part of it."

Access to responsible capital is a primary obstacle facing small business owners, particularly by women and entrepreneurs of color. Every day, more than 8,000 businesses are denied credit.

"This fund is critical to helping close the socio-economic divide, and I am pleased to support the many thousands of small businesses Opportunity Fund lends to each year," said inaugural investor Amy Gurley. "As Opportunity Fund grows to serve more small business owners across the country, including in my home state of Texas, this fund expands the investor base at a critical moment of growth for Opportunity Fund, already an industry leader."

The nation's 30 million small businesses are the engine of the American economy—creating 60 percent of all new jobs and employing half of all workers. Entrepreneurship is

the second leading source of family wealth behind home ownership in the nation, making it a crucial pathway out of poverty.

“This fund serves the country’s smallest business owners, who make our neighborhoods vibrant and create stronger communities,” said inaugural investor and Opportunity Fund Board Chair Greg Avis. “This is a smart investment in an effective organization that will support families, workers, communities and business owners working toward their goal of creating a better life for themselves and their families.”

The Small Business Impact Fund’s initial round offered investors two- and five-year terms with a nominal spread over a benchmark U.S. Treasury rate. Investors also took advantage of the option to source the investment from their donor-advised funds at large institutions like Schwab Charitable and Fidelity Charitable.

“Investors in the Small Business Impact Fund can earn a modest return by doing an immense amount of good with their investment,” Urrutia said. “This is just the beginning of a new chapter for Opportunity Fund—one that will grow into a long-term tool for social and beneficial investing, not just in our current markets but across the country.”

To speak to a small business owner who has received an Opportunity Fund loan, contact Conan Knoll at conan@emcstrategies or (831) 524-6764.

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About Opportunity Fund

Opportunity Fund, the nation’s leading nonprofit small business lender, believes that small amounts of money and financial advice helps people make permanent and lasting change in their own lives, driving economic mobility and building stronger communities. Opportunity Fund’s community of donors and investors helps to fund small businesses and create vibrant neighborhoods. Our strategy combines microloans for small business owners and new markets tax credit investments in high-impact infrastructure projects that provide critical medical, housing, and education services that create jobs in underserved communities. Since 1994, the team has deployed over \$700 million and helped thousands of families earn, save and invest in their own futures.

Visit www.opportunityfund.org for more information.