



GREATER METRO  
FOUNDATION

# Portfolio Monitoring Report

## 2020 Q4

*Prepared by:*

**Avivar Capital, LLC**

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**Disclaimer:** This presentation is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Avivar Capital unless a client service agreement is in place.

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# Impact Summary I

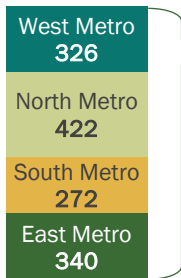
As of 12/31/2020

The Mission of the Greater Metro Foundation is to a) improve housing affordability and home ownership, b) expand job opportunities for underserved individuals, and c) reduce carbon emissions in the Metro region.

## Housing

**401 Affordable Homes**

created and renovated.



**1,360**  
Commercial and Housing Units Developed.



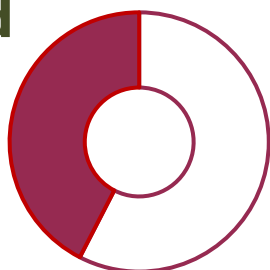
**\$38 Million**

of additional community investment catalyzed by investee projects.

## Economic Development

**301 Entrepreneurs Funded**

36% were Black or Hispanic.

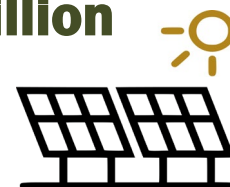


**812 JOBS**



Created at or above living wage.

**\$23 million**



Invested in Renewable Energy

## Impact Development

Housing	2017	2018	2019	2020	Trend
No. of Affordable Homes Renovated	36	41	56	98	
No. of Affordable Homes Created	40	41	32	56	
Low-Income Families Housed	150	120	180	190	

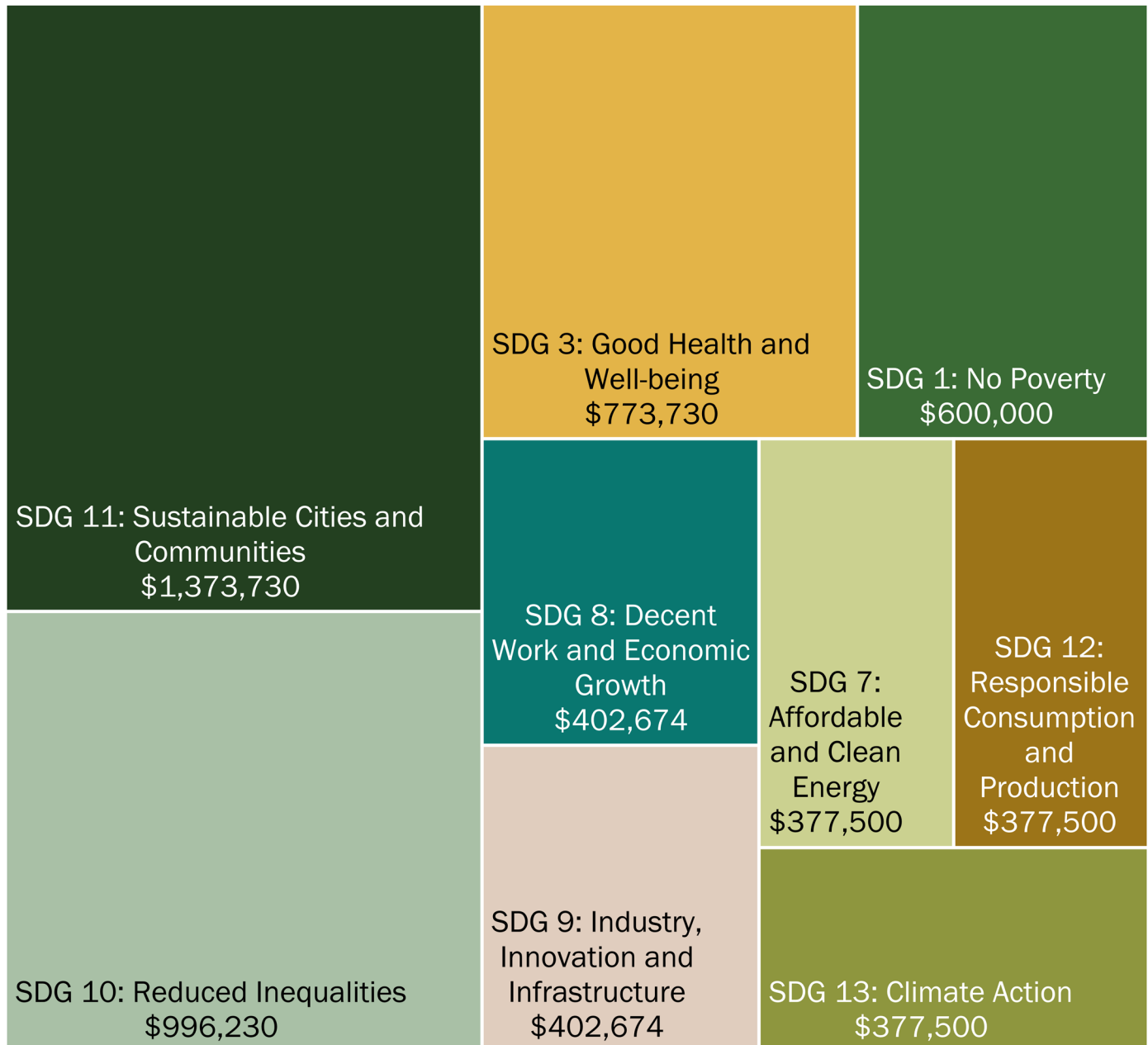
Jobs and Racial Equity	2017	2018	2019	2020	Trend
Investment into BIPOC Founders (\$millions)	\$20.7	\$22.5	\$25.1	\$18.1	
No. of BIPOC Startup Founders Funded	24	26	29	21	
No. of Jobs Created at Living Wage	188	170	202	215	

# Impact Summary II

As of 12/31/2020

The Greater Metro Foundation measures how its impact investment strategy advances the United Nations' Sustainable Development Goals (SDGs).

## Sustainable Development Goals Coverage<sup>(1)</sup>



(1) Represents the \$ value of Foundation investments that advance each Sustainable Development Goal.

# Portfolio Summary

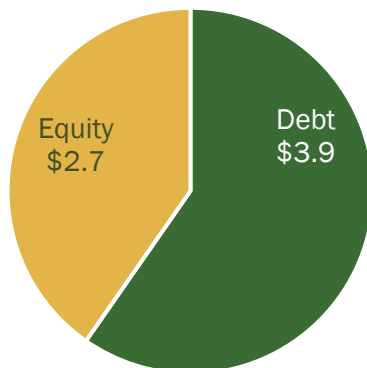
As of 12/31/2020

	Debt	Equity	Total
Total Committed	\$6,125,000	\$3,362,500	\$9,487,500
Total Funded	\$3,925,000	\$2,651,093	\$6,576,093
Unfunded Commitments	\$2,200,000	\$711,407	\$2,911,407
Proceeds Received <sup>(1)</sup>	\$1,277,598	\$1,029,881	\$2,307,478
Unrealized Value <sup>(2)</sup>	\$2,845,062	\$2,667,446	\$5,512,508
Proceeds / Funded	0.33x	0.39x	0.35x
Total Value / Funded <sup>(3)</sup>	1.05x	1.39x	1.19x
Internal Rate of Return (IRR)	3.97%	8.59%	5.83%

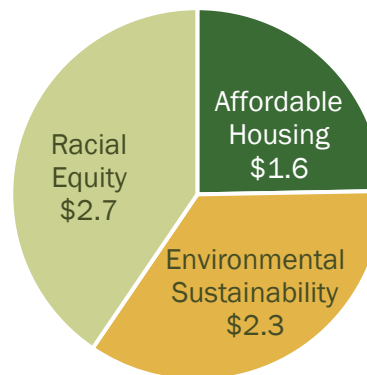
## Portfolio Distribution:

(\$ millions funded)

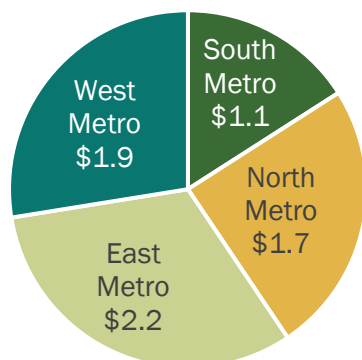
### By Investment Type:



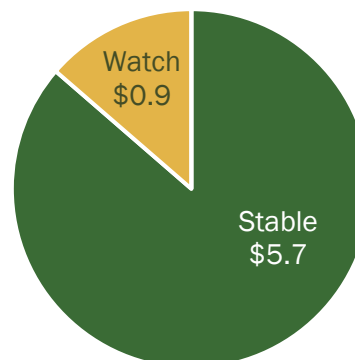
### By Impact Theme:



### By Geography:



### By Outlook:



(1) *Proceeds Received* includes all interest payments, principal payments, and fund distributions.

(2) *Unrealized Value* is the outstanding balance for debt investments and Net Asset Value for equity investments.

(3) *Total Value* includes a) all proceeds received from investments, and b) the unrealized value of investments.

# Portfolio Development

As of 12/31/2020  
(\$ thousands)

	2016	2017	2018	2019	2020
Committed	\$1,000	\$875	\$500	\$3,038	\$1,250
Funded	\$1,093	\$421	\$406	\$2,241	\$3,126
Proceeds Received	\$16	\$71	\$244	\$1,066	\$576
Unrealized Value	\$3,120	\$3,470	\$3,632	\$4,866	\$7,809

## Compliance Summary

As of 12/31/2020  
(\$ thousands)

	Remaining Value	Payment Compliance	Reporting Status	Outlook
AHDC	\$0	Compliant	Compliant	Stable
AIML II	\$49	Non-Compliant	Compliant	Stable
Broad St Housing Coalition	\$625	Compliant	Compliant	Stable
Morris Lake Development Corp	\$1,030	Compliant	Non-Compliant	Stable
Chromatic II	\$1,031	Compliant	Compliant	Stable
Chromatic III	\$389	Compliant	Compliant	Stable
Chromatic IV	\$996	Compliant	Compliant	Stable
Fresca Organics	\$1,108	Compliant	Compliant	Stable
LISC Metro	\$0	Compliant	Non-Compliant	Stable
Main Street Ventures	\$500	Compliant	Compliant	Stable
Metro Angels IV	\$61	Compliant	Compliant	Stable
Metro Development Org.	\$332	Compliant	Compliant	Watch
Metro Redevelopment	\$1,017	Compliant	Compliant	Stable
Urban Ventures I	\$266	Compliant	Compliant	Stable
Urban Ventures II	\$345	Non-Compliant	Compliant	Stable
Xponent IV	\$61	Compliant	Compliant	Watch
<b>Total</b>	<b>\$7,809</b>	<b>95%</b>	<b>87%</b>	<b>95%</b>

# Investment Schedule

As of 12/31/2020

(\$ thousands)

Debt	Vintage	Impact Theme	Committed	Funded	Proceeds Received	Total Value	Value / Funded	IRR
Metro Development Org.	2012	Environmental Sustainability	\$500	\$300	\$43	\$332	1.11x	7.00%
Broad St Housing Coalition	2014	Affordable Housing	\$625	\$625	\$80	\$625	1.00x	0.00%
Fresca Organics	2015	Racial Equity	\$1,000	\$1,000	\$1,108	\$1,108	1.11x	6.30%
Morris Lake Development Corp	2018	Affordable Housing	\$1,000	\$1,000	\$30	\$1,030	1.03x	2.40%
LISC Metro	2019	Affordable Housing	\$1,000	\$0	\$0	\$0	0.00x	nm
Metro Redevelopment	2020	Neighborhood Revitalization	\$1,000	\$1,000	\$17	\$1,017	1.02x	1.33%
AHDC	Pending	Affordable Housing	\$1,000	\$0	\$0	\$0	0.00x	nm
<b>Total Debt</b>			<b>\$6,125</b>	<b>\$3,925</b>	<b>\$1,278</b>	<b>\$4,112</b>	<b>1.05x</b>	<b>3.97%</b>
<b>Equity</b>								
Chromatic II	2010	Racial Equity	\$500	\$500	\$559	\$1,031	2.06x	14.82%
Chromatic III	2013	Environmental Sustainability	\$500	\$500	\$49	\$389	0.78x	-5.08%
Urban Ventures I	2014	Racial Equity	\$200	\$200	\$86	\$266	1.33x	7.11%
Main Street Ventures	2014	Racial Equity	\$500	\$500	\$0	\$500	1.00x	0.00%
Chromatic IV	2016	Environmental Sustainability	\$500	\$409	\$265	\$996	2.43x	39.53%
Urban Ventures II	2016	Racial Equity	\$288	\$288	\$71	\$345	1.20x	8.37%
Metro Angels IV	2016	Racial Equity	\$125	\$125	\$0	\$61	0.49x	-23.97%
Xponent IV	2017	Environmental Sustainability	\$500	\$79	\$0	\$61	0.77x	-22.11%
AIML II	2019	Racial Equity	\$250	\$50	\$0	\$49	0.98x	-3.29%
<b>Total Equity</b>			<b>\$3,363</b>	<b>\$2,651</b>	<b>\$1,030</b>	<b>\$3,697</b>	<b>1.39x</b>	<b>8.59%</b>
<b>Total Portfolio</b>			<b>\$9,488</b>	<b>\$6,576</b>	<b>\$2,307</b>	<b>\$7,809</b>	<b>1.19x</b>	<b>5.83%</b>

# MDO

## Metro Development Organization

Origination Date	Jun-12
Investment Type	Direct
Asset Type	Loan
Total Capital Raised	\$3.0 million
Impact Objective	Neighborhood Revitalization
Geographic Focus	Metro
Contacts	Davis Johnson
Outlook	Stable

Committed (\$ thousands)	\$500
Paid-in (\$ thousands)	\$300
Distributions Received (\$ thousands)	\$0
Remaining Value (\$ thousands)	\$300
Total Value (\$ thousands)	\$300
Distributions to Paid-In Capital	0.00x
Net MoIC	1.00x
Net IRR	0.0%

### Financial Update

- MDO continues to grow its portfolio, with 33 homes in the pipeline.
- Leverage ratios have remained stable as MDO has grown.
- New VP Finance brought on to assist with accounting and investor reporting.
- Ample liquidity, with >300 days operating cash available.

### Impact Update

- Two home renovations and 1 new home built during the year.
- Currently providing affordable rental housing to 22 families Metro North and 12 in Metro South).
- Actively recruiting for new board positions, with intention to fill positions with diverse candidates from the community.

### Issues to Monitor

- Lack of team and board diversity – Only 10% of staff and 1 of 8 board members are BIPOC.
- Increasing leverage – Historically, growth has been financed with increased debt. Actively seeking to shore up equity base.
- Potential for displacement – MDO is redeveloping affordable homes in the Dawes neighborhood, which is undergoing rapid gentrification.
- Succession planning – Current CEO intends to retire in two years. MDO is currently formulating a succession plan.
- Covid-19 impact – Some expected softening of rental income, but home renovations proceeding. Strong liquidity.

Summary Financials (\$thousands)	LTM		Change
	Dec-20	Dec-19	
<b>Balance Sheet:</b>			
Total Cash and Equivalents	\$49,515	\$28,948	71%
Loans Receivable, Net	\$2,511	\$1,961	28%
Total Assets	\$180,182	\$119,696	51%
Total Debt	\$150,090	\$98,416	53%
<b>Income and Cash Flow:</b>			
Contributions Revenue (LTM)	\$1,450	\$4,462	-67%
Earned Revenue (LTM)	\$8,420	\$6,856	23%
Total Revenue (LTM)	\$9,870	\$11,317	-13%
Operating Expenses (LTM)	\$8,120	\$8,056	1%
EBITDA (LTM)	\$1,200	\$2,100	-43%
Net Income (LTM)	\$986	\$1,981	-50%
<b>Financial Ratios:</b>			
Net Assets / Total Assets	11.6%	13.1%	-12%
Debt / Total Assets	83.3%	82.2%	1%
Loan Loss Reserve %	5.0%	5.1%	-2%
Days Operating Cash Available	306	286	7%

Impact Metrics	Dec-20	Dec-19	Change
<b>Inception-to-Date Impact</b>			
Units Developed	12	10	2
Capital Leveraged	\$50,000	\$30,000	\$20,000
Community Investment	\$320,000	\$110,000	\$210,000
Affordable Homes Renovated	10	8	2
Affordable Homes Created	4	3	1
New Homeowners	4	3	1
Families in Affordable Rentals	22	18	4



# Fresca

Fresca Organics, Inc.

Origination Date	Feb-15
Investment Type	Direct
Asset Type	Equity
Total Capital Raised	\$5.5 million
Impact Objective	Racial Equity
Geographic Focus	Metro
Contacts	Julia Klein
Outlook	Exited

Committed (\$ thousands)	\$1,000.0
Paid-in (\$ thousands)	\$1,000.0
Distributions Received (\$ thousands)	\$1,927.0
Remaining Value (\$ thousands)	\$0.0
Total Value (\$ thousands)	\$1,927.0
Distributions to Paid-In Capital	1.93x
Net MoIC	1.93x
Net IRR	27.2%

## Financial Update

- Fresca was sold in April 2018 to Aramark.

## Impact Update

- During its five years of operations, Fresca provided healthy meals at 265 K12 schools, 75% of which were in low-income communities.
- Over 25 million healthy meals served.

## Issues to Monitor

- Lack of team and board diversity – Fresca's senior leadership and board do not reflect the communities served.
- Operating Losses – Fresca does not yet operate at a scale where it can be profitable. Current cash burn of ~\$200k per quarter.
- Staff turnover – Fresca has struggled to retain mid-level managers, particularly at the school level.

Summary Financials (\$thousands)	LTM Dec-20	LTM Dec-19	Change
<b>Balance Sheet:</b>			
Total Cash and Equivalents	\$1,250	\$4,224	-70%
Loans Receivable, Net	\$0	\$0	nm
Total Assets	\$25,242	\$22,452	12%
Total Debt	\$8,546	\$3,455	147%
<b>Income and Cash Flow:</b>			
Total Revenue	\$20,401	\$10,567	93%
Operating Expenses	\$18,769	\$9,827	121%
Gross Profit	\$1,632	\$740	708%
EBITDA	\$202	\$25	nm
Net Income	\$54	(\$550)	nm
CF from Operating	(\$744)	(\$1,024)	nm
<b>Financial Ratios:</b>			
Net Assets / Total Assets	11.6%	13.1%	-12%
Debt / Total Assets	83.3%	82.2%	1%
Loan Loss Reserve %	5.0%	5.1%	-2%
Days Operating Cash Available	306	286	7%

Impact Metrics	Dec-20	Dec-19	Change
Schools served	265	144	84%
Low-income schools served	145	105	38%
Students served	252,810	182,152	39%
% Eligible for Free & Reduced Meals	75.1%	72.9%	3%
<b>Students served by race:</b>			
Native American	5,056	9,108	-44%
Asian	12,641	10,929	16%
Black	88,484	41,895	111%
Hispanic	63,203	38,252	65%
White	75,843	76,504	-1%
Bi/Multi-Racial	7,584	5,465	39%
Meals served (millions)	25.9	16.8	54%
At low-income schools	19.5	12.3	59%

# MSV

## Main Street Ventures Emerging Managers Fund, L.P.

Origination Date	Jun-14
Investment Type	Fund
Asset Type	Fund of Funds: Equity
Fund Size	\$150 million
Impact Objective	Racial Equity
Geographic Focus	National
Contacts	Sonia Blair
Outlook	Stable

Committed (\$ thousands)	\$500.0
Paid-in (\$ thousands)	\$500.0
Distributions Received (\$ thousands)	\$0.0
Remaining Value (\$ thousands)	\$500.0
Total Value (\$ thousands)	\$500.0
Distributions to Paid-In Capital	0.00x
Net MoIC	1.00x
Net IRR	0.0%

### Financial Update

- MSV is 41% committed as of 12/31/19 (33% invested).
- One new investment, New South III, made in Q4.
- Liquidity events at Azul II (26% of cost base) and GGP II (45%).
- Expecting muted opportunities in Q2 because of covid-19 pandemic, then accelerating in Q3/Q4 as LPs reassess PE commitments.

### Impact Update

- The Fund has invested in 10 BIPOC-managed funds to date.
- Underlying funds have invested in 68 BIPOC-led businesses.
- End investments map to several UN SDGs, concentrated most heavily in SDG #13: Climate Action, SDG #3: Good Health & Well-Being, and SDG #7: Affordable & Clean Energy.

### Issues to Monitor

- Lack of team and board diversity – Fresca's senior leadership and board do not reflect the communities served.
- Operating Losses – Fresca does not yet operate at a scale where it can be profitable. Current cash burn of ~\$200k per quarter.
- Staff turnover – Fresca has struggled to retain mid-level managers, particularly at the school level.

Investments (\$millions)	Date	Cost	Value	Gross MoIC
Syncopy II	Sep-14	\$1.3	\$2.5	1.9x
Next Wave III	Sep-15	\$4.0	\$8.5	2.1x
New South II	Oct-16	\$1.1	\$0.8	0.8x
Foster Growth I	Feb-17	\$4.4	\$5.4	1.2x
Blue Ocean III	Jun-17	\$4.9	\$5.8	1.2x
SSB I	Jul-17	\$0.6	\$2.0	3.3x
ARC Access I	Sep-17	\$2.0	\$3.5	1.8x
FJL I	Oct-17	\$3.1	\$3.3	1.1x
Quad Ventures II	Dec-17	\$0.5	\$1.4	2.6x
XSR I	Dec-17	\$0.7	\$1.3	1.9x
Urban Century II	Feb-18	\$12.4	\$16.9	1.4x
GGP II	Jun-18	\$4.4	\$5.1	1.1x
Azul Capital II	Aug-18	\$2.8	\$4.5	1.6x
Azul Entrepreneurs II	Aug-18	\$0.8	\$1.2	1.6x
Quad Ventures III	Feb-19	\$3.9	\$5.9	1.5x
New South III	Oct-19	\$19.7	\$19.6	1.0x
Other		\$0.3	\$0.9	2.9x
<b>Total</b>		<b>\$66.8</b>	<b>\$88.5</b>	<b>1.3x</b>

Impact Metrics	Dec-20	Dec-19
No. of BIPOC-managed fund investments	10	8
BIPOC senior staff at underlying funds	22	16
BIPOC junior staff at underlying funds	35	24
BIPOC-led businesses funded	68	35
BIPOC board members at portfolio cos	121	96
No. of Women-managed investments	6	5
Female senior staff at underlying funds	13	10
Female junior staff at underlying funds	10	7
Female-led businesses funded	25	20
Female board members at portfolio companies	55	42
Total employees	1752	1485
Total BIPOC employees	613	520
Total Woman employees	876	743
Average employee salary	\$63,357	\$64,322

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# Glossary

**Committed** represents the dollar value of commitments made to investee(s), both funded and unfunded.

**Funded** is the total paid-in capital.

**Unfunded** represents the balance of commitments not yet funded (i.e. committed amount less funded amount).

**Proceeds Received**, or realized value, represents the value all interest payments, principal payments, fund distributions, and other payments from investees to-date.

**Unrealized Value** is the value of the outstanding balance for debt investments and Net Asset Value for equity investments.

**Total Value** represents the sum of the Unrealized Value and Proceeds Received from investee(s).

**Proceeds Received / Funded** is equal to the realized value of investment(s) as a percentage of amount funded.

**Total Value / Funded** is equal to the total value of the investment as a percentage of amount funded.

**Internal Rate of Return** is the discount rate at which the cash inflows from investment(s) is equal to cash outflows.