



BROADSTREET
Impact Services

Overview and recent
impact highlights report



NMSC IS NOW BROADSTREET!

Effective October 2023, New Markets Support Company (NMSC) changed its name to Broadstreet Impact Services! We changed our name to better reflect the scope of our business and our aspirations for the future.

We have come a long way from when NMSC was established in 2004 as an affiliate of the Local Initiatives Support Corporation (LISC) to manage its community development lending related to the New Markets Tax Credit (NMTC) program. We've been proud of our work to win and manage more than \$1.2 billion in NMTC investment authority for LISC—the most in the country—and that strong collaboration with LISC continues.

Over the years, our work has evolved and expanded significantly beyond its original mandate. Today, we leverage our extensive experience to support a diverse range of impact investors and fund managers – all toward our goal of expanding the flow of capital to under-resourced communities. We oversee 32 multi-asset funds and 91 single-asset entities, totaling over \$500 million in assets under management (AUM) and \$1.3 billion in assets under administration (AUA).

As an example of this evolution, our fund administration services business has achieved significant growth beyond the NMTC market, accounting for over 50 percent of our portfolio of multi-asset funds. This business line supports emerging impact fund managers across the country with fund mandates ranging from facilitating the development of affordable housing to advancing innovative education models to supporting small businesses. Additionally, we offer advisory services to like-minded companies and funds, offering expertise in impact measurement and management and our learnings as a longtime fund manager.

The NMSC name no longer speaks to who we are. Broadstreet, going forward, better illustrates the overarching principle that guides our business: no matter what street you live on, no matter who you are and no matter where you come from, everyone deserves a fair chance to thrive. Toward that end, we are continuing to expand our efforts to, either directly or by supporting other fund managers, invest in small businesses and quality jobs, tackle social determinants of health, and create wealth for families and communities that have not had a fair chance to do so in the past.

Rest assured, our commitment to advancing LISC's impact, our leadership in the NMTC program and our support for local partners, investors, and fund managers remains steadfast. The transition to Broadstreet allows us to convey this ongoing dedication more effectively.

Best regards,
Kevin Boes
CEO



ABOUT US

Broadstreet is a leading community impact investor and fund services provider and an affiliate of LISC, one of the nation's top CDFIs. **Across more than 100 funds, we manage or administer over \$2.0 billion in assets.** Our services are tailored to help clients optimize their impact investment strategies and increase their investment capacity. We have established a robust clientele and investor base that values our customizable platform, fund development expertise, impact focus, and collaborative approach, all supported by an extensive community investing network.

Mission

To advance equitable outcomes by developing and supporting collaborative financing solutions that bridge the gap between investors and underinvested communities.

Vision

To fuel vibrant markets that drive capital at scale to create just, healthy and prosperous communities, allowing every person the opportunity to thrive.

Report Overview

We're thrilled to share a summary of Broadstreet's recent achievements and insights. This reflection has a dual aim: to hold ourselves accountable and elevate industry standards. This report provides a summary of Broadstreet's Fund Management and Fund Administration services, coupled with our latest milestones and accomplishments. These milestones highlight our commitment to continuous improvement and innovative impact management.

As we move forward, we hope these reflections not only guide the evolution of our work to drive gains in under-resourced communities, but offer impact insights to inform the work of other impact investors as well.



OUR THEORY OF CHANGE

Our theory of change is a roadmap for our vision and mission. It maps out the anticipated impacts of our activities for a broad range of stakeholders, including our investors, clients, borrowers, their employees, and underserved communities throughout the country. It details the impact we aspire to have, and the local collaborations we hope to build, with the people and places we serve.

ACTIVITIES

Fund Management	LISC NMTC Program Management	NMTC Investing	Loan Fund Investing
	As manager of LISC New Markets, Broadstreet applies annually for NMTC awards. We work with LISC staff to select NMTC investments that align with LISC's mission to forge inclusive, resilient communities of opportunity across the US.	As a service to institutional investors, we invest in and manage NMTC projects that prioritize quality jobs, wealth-building, and healthcare access, emphasizing bridging racial wealth and health disparities.	We provide full-service fund development and management, including product creation, capital raising, and financial structuring for clients like CDFIs and mission-driven asset owners focused on community impact investing.
Fund Administration	NMTC Administration Services	Impact Fund Administration Services	Impact Advisory Services
	Broadstreet works with Community Development Entities (CDEs) and investors who make and manage NMTC investments. We offer CDE services, which include compliance, portfolio monitoring, and accounting, loan servicing and cash management.	We offer fund administration services, such as accounting and loan servicing, to community impact fund managers aiming to amplify their positive effect in underserved communities.	Broadstreet offers advisory services to help investors design, structure, and manage investments that deliver measurable, positive impact. Through research and analysis, we enable investors to understand market opportunities better and develop impact strategies.



OUTCOMES

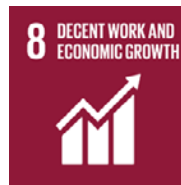
Short-term	Medium-term
<i>For Borrowers</i>	
<ul style="list-style-type: none"> • More businesses, especially those led by people of color, accessing catalytic capital and new investors • Expansion of existing facilities, creation of new ones, and the offering of previously unavailable services 	<ul style="list-style-type: none"> • Growth in asset ownership by business owners, especially in real estate • Expansion of employee-ownership opportunities, including co-operatives and stock option plans • Better business performance and resilience: more revenue, higher profitability, and fewer closures • Wealth accumulation through business growth, equity, and real estate appreciation
<i>For Workers</i>	
<ul style="list-style-type: none"> • Increase in number and quality of jobs for those facing employment barriers • More people completing programs leading to better job opportunities 	<ul style="list-style-type: none"> • Increase in income, financial stability, and job satisfaction • Opportunities for career growth and skills development • Wealth growth through wages and benefits, such as profit-sharing and retirement contributions
<i>For Under-resourced Communities & Their Residents</i>	
<ul style="list-style-type: none"> • Increase in private investments in essential services like healthcare, education, and housing, especially in historically underserved areas • Greater access to quality, affordable healthcare, especially for medically underserved individuals and people of color 	<ul style="list-style-type: none"> • New business development, improved property aesthetics, and increased local tax income • Enhanced health outcomes and reduced poverty rates • Positive perceptions among locals, business owners, and workers regarding their communities
<i>For Investors & Clients</i>	
<ul style="list-style-type: none"> • New participants in the community impact investing market • Enhanced ability to make and manage investments targeting the needs of underserved communities 	<ul style="list-style-type: none"> • Increased capital deployments in underserved areas • Evident positive impacts along with financial returns • Improved results for borrowers, workers, and underserved community residents



IMPACTS

1	2	3	4
Development of a robust and equitable community impact investing industry	Financial security for all	Health is not a barrier to opportunity	Reduction of the racial wealth, health & opportunity gaps

Our desired impacts primarily support progress toward the following United Nations Sustainable Development Goals:





FUND MANAGEMENT

We take a highly collaborative and bespoke approach to fund management, working closely with partners to design, launch and manage investment vehicles.

Our Impact Measurement and Management Approach

Broadstreet is an industry leader in integrating impact considerations throughout the investment process. Our approach is aligned to [OPIM](#), [SDG Impact](#), and [IRIS+](#) standards.

Investment Strategy

Portfolio-level impact thesis development and IMM system design

Deal Sourcing

Investment impact screening

Investment Underwriting

Investment-level impact thesis and metrics selection

Portfolio Management

Impact measurement and monitoring

Investor Reporting

Impact report development

Fund Management Key Statistics

18

multi-asset
funds managed

130

assets

32

investors

\$529 M

assets under
management

as of September 30, 2023



LISC NMTC PROGRAM

Broadstreet is an affiliate of [LISC](#) and has managed LISC New Markets since it was launched in 2004. Our current LISC NMTC portfolio includes over \$500 million of AUM. We are the largest allocatee in the history of the NMTC program at \$1.2 billion.

The primary goal of the NMTC program is to stimulate investment and economic growth in low-income communities that are traditionally underserved by private capital. This includes both urban neighborhoods and rural areas.

In 2022, using LISC's allocation of tax credits,

Broadstreet deployed \$56.2 million to projects in distressed communities across the United States. We invested in 13 projects, of which eight were projects to expand essential community services like health care and five were commercial projects to drive inclusive economic opportunities.

OVERVIEW OF LISC NMTC PROGRAM PROJECTS*

Project Name	Location	Summary
College Park	Jacksonville, Florida	Shopping center revitalization with open-air food court and affordable housing.
Toledo Innovation Center	Toledo, Ohio	Center for job training, business incubation, and technology for upskilling workers
Detroit People's Food Commons	Detroit, Michigan	Co-op grocery store, café, vendor spaces, and community event area.
A.G Rhodes	Marietta, Georgia	Skilled nursing services expansion for low-income seniors.
BUILD	Chicago, Illinois	Education space renovation for gang and violence intervention.
Goodwill of West Louisville	Louisville, Kentucky	"Opportunity Campus" with Goodwill HQ and various community services.
Crossings at Brick Church	East Orange, New Jersey	Existing shopping center redevelopment into mixed-use town center.
Child Advocacy Center	Buffalo, New York	Center for child abuse victims and their families.
Unicom Broadband	Deering and Kivalina, Alaska	Broadband access initiative for indigenous and rural Alaskan communities.
ArtWorks	Cincinnati, Ohio	Cultural arts and education center construction.
Small Business Financing	Multiple	Supported three small businesses in distressed communities across the US.

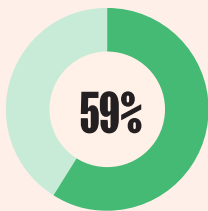
*2022 projects

PROJECTED COMMUNITY IMPACTS

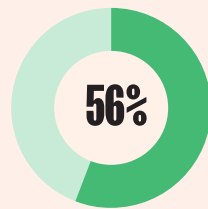
The projects listed are expected to have the following community impacts:

1,072

Projected Permanent
Jobs Supported



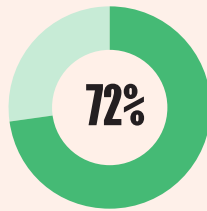
quality jobs



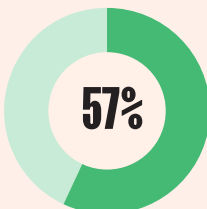
filled by low-
income persons

1,492

Projected Construction
Jobs Supported



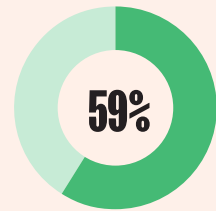
accessible jobs



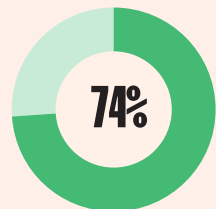
filled by people
of color

193K

People Served
by Projects



are low-income
people



are people
of color



A.G. Rhodes



ArtWorks mural "What Are the Lyrics to Your Song?"

BORROWER SPOTLIGHT

BUILD

For over 52 years, BUILD, Inc. has been a cornerstone of Chicago, making a significant impact on the lives of young people. Founded with a mission to provide a positive path for youth facing various challenges, BUILD has consistently worked towards inspiring hope and creating opportunities. Operating both within schools and on the streets, BUILD has been instrumental in helping young individuals recognize their potential. It's three-step program, focused on intervention, prevention, and education, has yielded impressive results over the years.

During 2021-2022, BUILD's efforts produced remarkable outcomes for the 3,000+ youth and family members served. For the youth in their program, 96 percent of court-involved youth did not recidivate after enrolling in BUILD's programs. This is in stark contrast to the Illinois statewide average of 27 percent. Additionally, 48 youth were detached from gangs. As far as school successes, they saw youth involved in their programs decrease school disciplinary infractions by 71 percent and 74 percent earned higher grades with education coaching.

Lastly, 84 percent of youth served reported improvements in their ability to manage emotions and 81 percent were more hopeful about their future.

Now, BUILD is embarking on a new chapter, one that promises to magnify its reach and impact. This project expansion includes adding new programs and increasing capacity, allowing the BUILD team to serve a significantly larger number of youths. The range of offerings will expand to cover areas such as physical health, nutrition, behavioral health music and arts, violence reduction, workforce training, and vocational skills.

Without access to capital from NMTCs, this project might not have been built. It would have likely taken BUILD two to three years of fundraising to move forward, all while costs continued to trend upward, further increasing the fundraising burden. With NMTC financing, BUILD was able to complete the project on schedule and on budget.



BORROWER SPOTLIGHT

UNICOM

This project aims to bring broadband access to the rural native communities of Deering and Kivalina in Alaska, which are still accessing the internet at dial-up speeds. Unicom is a subsidiary of General Communication Inc. (GCI), the largest telecommunications provider in Alaska, and it is the only provider who has publicly committed to bringing rural broadband statewide. This led to the launch of the TERRA network, which provides connectivity to some of the most remote regions in Alaska, delivering access to healthcare, educational resources, and other social services. The original network covered 56 communities. Since its completion, GCI has leveraged NMTCs in conjunction with its own capital to expand this network to 87 communities, including 45,000 Alaskans across rural Northwest Alaska and the Aleutian Island Chain.

In addition to serving the homes of the population, this project is critical in enabling greater use of and improved telehealth services, distance learning, and economic development. The total end users benefiting from this project is estimated to be 800. For

the school district, broadband access will support plans to enhance distance learning. GCI is partnering with the local school district to create a platform to provide school content online using a local network supported by GCI, so that student access to school resources does not count against their bandwidth usage. New broadband access will also support better access to health professionals through local health centers, including behavioral health professionals. Due to the scarcity of behavioral health professionals in rural Alaska, community leaders want access to these services online. The ability to have telehealth consultations with specialists will increase access to care and bring down costs.

Due to the low population density and purchasing power of these two communities, the return-on-investment time horizon is outside of what is financially feasible for service providers. The NMTC subsidy eliminates this barrier and allows the borrower to provide much needed services to these severely distressed communities.





NMTC INVESTING

Broadstreet works with institutional investors to co-develop funds addressing societal challenges and investing in projects eligible for NMTCs. With 20 years of NMTC experience, we have a seasoned investment team working exclusively in the NMTC industry and an in-house impact team with the best impact measurement and management platform in community investing.

Creating Innovative Fund Structures to Respond to Community Needs: Equitable Health Fund

In partnership with United Healthcare, Broadstreet launched the Equitable Health Fund (EHF) in 2022 and made its first investment in 2023. The \$25 million fund aims to finance the building and upgrading of health centers known as Federally Qualified Health Centers (FQHCs) and similar community-focused healthcare facilities in an effort to make quality healthcare more accessible for low-income and uninsured individuals.

Broadstreet recognizes that addressing health disparities goes beyond healthcare delivery and encompasses various social determinants of health (SDOH). To address this, the fund also established an innovate grant “sidecar” pro-

gram to support essential services addressing SDOH. These include services related to financial coaching, physical activity, health navigation, healthy food access, links to affordable housing, and other basic services and supports that are vital for patient and community-wide health and wellness.

The Equitable Health Fund’s strategy of blending investment and grant funding to support health centers and associated community organizations aims to more effectively improve health equity than using either method separately. This blended approach can be a benchmark for other investors exploring blended capital strategies.





BORROWER SPOTLIGHT

MLK COMMUNITY HEALTHCARE (MLKCH)

MLKCH opened in 2015 as a private, nonprofit, safety net hospital and health system on the MLK Medical Campus in South Los Angeles. MLKCH is a state-of-the-art facility that provides emergency, internal medicine, general surgery, heart care, infectious disease, maternity, and orthopedics services via its 131-bed hospital and doctors' offices throughout South LA. MLKCH improves health through a variety of community-based programs, ranging from mobile health screenings to nutrition and men's health programs, classes and support groups, to street medicine and in-home care visits for patients with access challenges.

South LA faces severe healthcare shortages, resulting in low life expectancies and poor health outcomes. MLKCH's Emergency Department serves over 110,000 patient visits annually, originally designed for 40,000 visits. It handles a higher volume of underserved patients than larger hospitals, with a significant homeless and Medicaid population. The ED also deals with around 10,000 psychiatric patients yearly, for whom the ED is not an ideal care environment. In addition, heart disease remains a leading cause of death in LA County. MLKCH frequently treats cardiac patients but lacks cardiac catheterization services, leading to over 180 patient transfers since January 2021, posing risks due to delays in critical care.

MLKCH serves patients with mostly public insurance or no insurance, which limits its financial sustainability as it cannot cross-subsidize with a large base of commercially insured

patients. Additionally, Medi-Cal, which covers 87 percent of the hospital's Emergency Department patients, has a low reimbursement rate of .48/\$1.00 of market cost, making it challenging for MLKCH to invest in programs and infrastructure to expand services and capacity. Public funding, such as long-term supplemental inpatient funding agreements and the New Markets Tax Credit program, has been instrumental in supporting MLKCH's growth. Our NMTC subsidy is helping construct a new Acute Psychiatric Stabilization Unit and expand its Emergency Department and Interventional Radiology and Cardiac Laboratory.

This project will address the demand for psychiatric care and reduce the strain on inpatient beds by introducing a 16-bed Observation Unit and a 12-chair Acute Psychiatric Stabilization Unit within the hospital's emergency department, offering a calming therapeutic environment separate from the Medical ED. This innovation will enhance the quality of care for patients experiencing psychiatric episodes, stabilizing them faster and reducing return visits. To minimize patient transfers for cardiac services, a dedicated Interventional Radiology suite shared with Cardiology will facilitate a higher volume of interventional procedures. MLKCH projects the suite will accommodate more than 750 procedures, thereby reducing complications in peripheral vascular disease and life-threatening bleeding situations. This project will considerably increase MLKCH's capacity to serve the residents of South LA.

BORROWER SPOTLIGHT

MLK COMMUNITY HEALTHCARE (MLKCH)

Innovative Grant Sidecar

To enhance the positive impact of our investment in MLKCH, Broadstreet provided a \$250,000 grant through the Equitable Health Fund's grant sidecar program to support the MLK Community Health Foundation's Diabetes Management Center of Excellence.

The MLK Community Health Foundation is committed to securing private support for MLKCH's comprehensive healthcare services with the backing of community, civic, and philanthropic leaders dedicated to advancing health equity. In response to disparities in diabetes outcomes among patients, it established this new program to provide coordinated care across various settings, from education to medical care. It leverages technology for patient engagement and outcomes measurement, enhancing access and integrating care for diabetic patients.

Given that preventing and treating diabetes is reducing the demand for MLKCH's emergency medical services, and considering that Broadstreet's investment is increasing the capacity, quality, and equitable access to MLKCH's emergency services, we believe our combined investment and grant will complement each other in improving health outcomes for medically underserved people in Los Angeles. This blended financing approach could serve as a model for other health equity investors and programs across the nation. We plan to report on the effectiveness of this approach in upcoming reports.





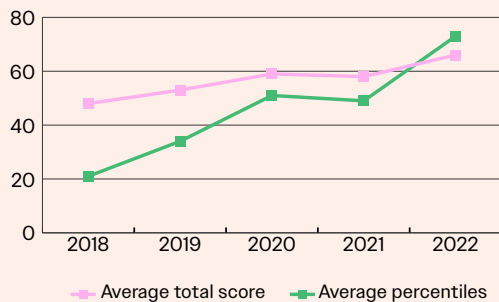
IMPROVING OUR IMPACT DILIGENCE THROUGH IMPACT RATINGS

In 2021, we reached an important milestone in our impact measurement and management journey – the operationalization of our impact rating tool for our NMTC portfolio (LISC NMTC Program and NMTC Investing Program). Our impact rating tool is designed to help us compare the expected impacts of various investments, from rural hospitals and urban charter schools to large manufacturers and small nonprofits. This tool, built on specific yet generalizable questions and indicators, allows us to conduct rigorous impact assessments, benchmark our impact performance, and advance our community development goals. We have grounded our tool in the Impact Management Project (IMP)’s Five Dimensions of Impact: What, Who, How Much, Contribution, and Risk. These dimensions are foundational concepts widely adopted in the practice of impact management and investing.

We have consistently integrated our impact rating tool into our investment decision-making process, using it as a pivotal element when prioritizing deals and shaping our portfolio. By leveraging this tool, we are not only able to compare new investments against the historical impact potential of our portfolio, but also refine our IMM approach for each deal, offering more contextually relevant insights.

Learnings

The results and learning from our tool’s utilization have been very encouraging. Since its implementation, there has been a marked improvement in our portfolio’s impact.



Notably, our 2022 portfolio projects outperformed our historical portfolio, scoring greater than 73 percent of all other investments. Impressively, our 2022 investments averaged higher scores in four of the five critical dimensions than those in 2021. This progression underscores the tool’s value in identifying impactful projects.

Future Improvements

Broadstreet is committed to continuously refining our impact rating tool. Two noteworthy areas of future analysis include:

- **Thematic Comparisons:** We are exploring how to break down comparisons by theme. This enhancement could offer more detailed comparative insights based on specific sectors or impact goals, such as improving health outcomes or creating quality jobs. This nuanced view of our impact rating will likely allow for more granular insights, enabling greater impact across our portfolio.
- **Performance Analysis by Indicator:** Another area we plan to explore further is the analysis of performance based on individual indicators. This would help us gain a clearer understanding of where we might be excelling and where there is room for growth in terms of impact. By closely examining each indicator, we hope to find ways to provide deeper insights into the strengths and weaknesses of our portfolio.

We believe that by digging deeper into our rating tool, we will amplify the depth and granularity of our analysis. These areas for improvement are a testament to our commitment to delivering the most comprehensive analysis during our impact diligence process.



LOAN FUND INVESTING

Broadstreet manages 18 loan funds ranging in size from \$2 million to \$42 million. As community investors, we co-create and develop funds addressing social challenges that impact underinvested communities and underserved people. We launch loan funds to scale positive outcomes in access to quality jobs, wealth creation, the social determinants of health, and closing the racial wealth, health, and opportunity gaps. Our loan fund investors range from global financial services companies to local banks and small community foundations to large national foundations.

Incentivizing Good Jobs

Our Good Jobs Incentive Program encourages businesses to improve job quality, particularly for individuals with employment barriers.

How it Works:

The plan offers clear post-closing expectations and an incentive: a rebate on loan fees for those who meet objectives, with an additional rebate if maintained until loan's end.



Success Story:

Ballard Consignment Store

The Broadstreet Impact Team and Ballard Consignment Store collaborated to identify key job quality enhancements that would only be possible with a financial incentive. They agreed on a rebate that would allow Ballard Consignment Store to introduce healthcare benefits to all employees or raise wages to the local living wage.

In September 2022, because of the incentive, Ballard Consignment Store implemented healthcare benefits for all employees. As of now, 52 percent of employees have enrolled in this health plan, and the company's management actively engages with employees to address any concerns.



FUND ADMINISTRATION

Broadstreet offers specialized support services to managers of impact funds and initiatives to help them achieve their goals. Our administrative offerings allow our clients to better focus on their core competencies like investment decision-making, portfolio management, and investor relations.

Impact Fund Administration Services

Broadstreet works with impact fund managers seeking to generate meaningful social or environmental impact and financial returns. Our fund administration services encompass a wide range of crucial functions that impact fund managers' need to operate smoothly. We provide end-to-end solutions designed to streamline administrative processes, allowing impact fund managers to focus on what they do best—making a difference for key stakeholders.

New Markets Tax Credits (NMTC) Administration CDE Services

Our fund administration services encompass a wide range of crucial functions that impact fund managers' need to operate smoothly.

We provide end-to-end solutions designed to streamline administrative processes, allowing impact fund managers to focus on what they do best—making a difference for key stakeholders.

Advisory Services

Broadstreet offers advisory services to help investors design, structure, and manage investments that deliver measurable, positive impact. Through research and analysis, we enable investors to understand market opportunities better and develop impact strategies. We also help fund managers with fund structuring and designing, developing, and maintaining fund financial models.

Fund Administration Key Statistics

18

funds served

27

clients

270

assets

\$1.5B

assets under
administration

as of September 30, 2023



CLIENT SPOTLIGHT

OLAMINA FUND

Olamina Fund was launched by the Candide Group in 2019 to directly address concerns about capital access in underserved communities of color. The \$40 million fund lends to mission-driven financial organizations, particularly community development financial institutions (CDFIs), and prioritizes support for organizations led by and serving people of color.

With initial support from ImpactAssets and the Pritzker family, Olamina is focused on expanding income and wealth for people that have not had an equal opportunity to do so. It bridges the gap between impact investors with an interest in racial and gender equity and CDFIs that invest in asset-building, jobs and opportunities for self-determination in low-income communities.

Olamina is managed by Candide Group, an Oakland-based registered investment advisor that works with families, foundations, and other investors interested in deploying capital for positive social and environmental impact. Candide facilitates the flow of capital from wealth holders to BIPOC communities and climate solutions—leveraging finance as a tool of empowerment rather than a weapon of extraction. It has directed in excess of \$215 million to more than 110 companies and funds.

Broadstreet provides administrative services to impact funds like Olamina, drawing on our two decades of experience as a fund manager focused on economic development, racial and gender equity, small business growth and community revitalization.



What's Next For Broadstreet?

Broadstreet is constantly striving to increase the positive impact we have on the people and communities we serve. With a mission that motivates us, we are looking forward to exploring new ways to improve our work.

Here's what's next on our impact agenda:

- We are looking to deepen our connections with borrowers, gaining insights to ensure we are meeting their needs.
- Next, we're fine-tuning our post-investment impact measurement processes, including more rigorous reporting and target setting, thus sharpening our analytics and insights.
- Lastly, we are continuing to explore new impact incentives. Our aim is to not only optimize outcomes but to also inspire borrowers to make even more significant strides as they address the needs of their stakeholders.