Dear friends,

The Boston Impact Initiative was created to close the racial wealth gap by changing the rules about how capital flows through communities of color. Since 2013, we have demonstrated that when entrepreneurs have access to fair and friendly social and financial capital, they can build regenerative businesses that strengthen the health and resilience of their communities. In 2020, we formally applied our learning to a broader group, launching a cohort of integrated capital funds led by Black, Indigenous, and people of color (BIPOC) and women from 11 communities across the country. These leaders are working to achieve their own visions of creating opportunity for communities that have been systematically excluded from economic well-being.

But 2020 was no ordinary year. For many in the BII community, it was the hardest we’ve ever endured. The COVID-19 pandemic and economic crisis, paired with the renewed struggle for racial justice, made 2020 particularly challenging for BIPOC leaders. Despite the odds, our portfolio companies demonstrated courage and resilience by creatively pivoting business models, relentlessly pursuing relief funds, and surviving—until they can once again thrive. Amid the uprisings in their cities, cohort members demonstrated leadership and engaged new and broad-based support for investing with a racial justice lens.

We are living through a defining moment, and our collective ability to act with care, generosity and justice is being tested. At BII, we are grateful for the privilege to be of service, and we thank all of you who have joined us in rising to the challenge.

Warmly,

Deborah Frieze
President and Founder
What a year 2020 was! Here’s a short video featuring our entrepreneurs, emerging fund managers and staff.
COVID HIT HARD, AND WE WERE RESILIENT

In the early days of the pandemic, BII acted quickly to support our community of portfolio companies and their workers. In the months that followed, we disbursed grant funds, put in hundreds of hours of technical assistance and collaborated with partners to advocate for the needs of BIPOC-owned small businesses.
The People Guarantee Pool raised $142,800 to provide supplemental income to 126 laid-off portfolio company workers.

="" I received the check today. I want to thank you so much for taking your time to help others... I just buried my mom 3 hours ago in this difficult time with COVID 19 on a windy and rainy day and to come home and find this check means a lot to me. Thanks so much and God bless you and your family."

— Worker from TARTTs Day Care

The Enterprise Relief Pool raised $252,000 to support existing portfolio companies during the pandemic.

="" Thank you for this incredible demonstration of support and leadership during these challenging times. We are grateful for this debt forgiveness will help us weather this storm. Thanks for all you are doing to support your portfolio companies."

— Michele Corton-Brown

The Business Resilience Pool raised $130,000 in recoverable grant capital to support the origination of new investments into BIPOC-led organizations.

="" This capital is being used to provide guarantees against high-impact investments that other capital providers find too risky to support right now. We are still raising funds! You can learn more here.

BII joined local and national coalitions fighting for policies to support BIPOC-owned businesses and collaborated to bring technical assistance to business owners.

MACDC successfully advocated for MA Governor Baker to offer over $700 MM in small business grants that prioritized BIPOC, women and other disadvantaged business owners.

The MA Equitable PPP Access Initiative provided targeted Paycheck Protection Program loan assistance to small business owners in multiple languages, including 1-on-1 support.

Page 30 Coalition pushed a legislative agenda that ensured that businesses in underserved and rural markets were prioritized for federal COVID relief.
BII ENTREPRENEURS SURVIVED AND THRIVED

**BII Fund** makes impact investments into small businesses in Eastern Massachusetts in order to help close the racial wealth divide. We believe we can build a sustainable, inclusive and equitable economy by investing integrated capital in regenerative local enterprises that restore the productive capacity of communities of color.
AllHere’s Founder and CEO, Joanna Smith, was featured prominently on the 2020 Forbes 30 Under 30 list.

“Five Star Plating had a challenging 2020. The way things were going, I thought it was the year that this business was going to close. But I always kept my faith and I was rewarded. We got help from BII, BEI, government assistance — everyone stepped in and we stayed alive! Not only did we stay alive, but we were able to maintain jobs and support employees who were affected by COVID.”

— Fausto Garcia  
*Founder and CEO Five Star Plating*
PORTFOLIO HIGHLIGHTS

Capital Good Fund launched immigration loans for paying fees for acquiring US citizenship, securing or renewing a Green Card, applying for family members to come to the US, and other immigration steps. BII provided a grant to allow CGF to offer these loans at a lower rate.

CommonWealth Kitchen launched Common Table, a program that put small food businesses to work feeding those in need in Massachusetts. The program prepared more than 130,000 culturally relevant meals for healthcare workers and hungry families.

Meetcaregivers launched their new platform for in-home eldercare. During the pandemic, they expanded to serve nursing homes, procure PPE, coordinate with food banks to deliver free meals to seniors in need, and provide COVID testing to workplaces and schools.

CareAcademy raised $9.5 MM in Series A funding. In response to the pandemic, the company provided free training to over 100,000 caregivers on COVID safety. And CEO, Helen Adeosun was named on Fortune’s 40 under 40 Healthcare list.

MathTalk successfully raised a Convertible Note round of financing and launched its app, “Measure! Everything!” The app uses augmented reality (AR) to engage young children in practicing early math skills.

MentorWorks launched an Income Sharing Agreement fund for Boston-area community colleges & training programs that serve majority BIPOC students, in partnership with BII and ECMC Foundation.

88 Acres launched products, including their new Seed Dressings, across Whole Foods nationally. They partnered with JetBlue to offer Seed Bars on all flights.
Abel Vargas, Co-Founder of Valley Home Insulation, received royalty financing from BII to expand his team in the middle of the pandemic.

"The relationship we have with BII has allowed me to confidently communicate our struggles and successes with you. During COVID-19, I was able to call you and say 'Here's what's going on,' and get the help I needed. I really appreciate this support!"

— Carlene O'Garro

Owner of Delectable Desires Pastries
30 enterprises — including for profits, public benefit corporations, nonprofits and cooperatives — participated in a 45-question Impact Assessment to measure their effectiveness in increasing wealth and power for communities of color. Here are highlights from what we learned about our portfolio.

**PORTFOLIO IMPACT DATA**

The portfolio is majority governed, run and staffed by people of color

- 68% of founders/executives are people of color
- 64% of non-executive employees are people of color

Ownership by people of color and women is strong even after accounting for external shareholders

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIPOC</td>
<td>58%</td>
</tr>
<tr>
<td>WOMEN</td>
<td>41%</td>
</tr>
<tr>
<td>BIPOC WOMEN</td>
<td>32%</td>
</tr>
</tbody>
</table>

Note that these groups are not mutually exclusive

Total compensation in the portfolio was $28.5M, an increase of more than 50% over 2019

<table>
<thead>
<tr>
<th>Group</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIPOC</td>
<td>$15.7M</td>
</tr>
<tr>
<td>WOMEN</td>
<td>$15.3M</td>
</tr>
<tr>
<td>BIPOC WOMEN</td>
<td>$9.3M</td>
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</tbody>
</table>

Note that these groups are not mutually exclusive

The number of jobs in the portfolio was 569, a slight increase over 2019. Jobs held by:

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>BIPOC</td>
<td>64%</td>
</tr>
<tr>
<td>WOMEN</td>
<td>57%</td>
</tr>
<tr>
<td>BIPOC WOMEN</td>
<td>38%</td>
</tr>
</tbody>
</table>

Note that these groups are not mutually exclusive
The portfolio pays the vast majority of its workers well above a living wage.

Wages are equitably distributed, and there is no gender wage gap. The compensation ratio of the highest paid to lowest paid person is 2.8 to 1 compared to a national average of 320 to 1. Men and women are paid at a ratio of 1.3 to 1.

Despite the pandemic, most companies grew revenue and raised follow-on capital.

REVENUE GROWTH
Of the 22 enterprises reporting, our portfolio experienced 15% aggregate growth year-over-year.

<table>
<thead>
<tr>
<th># of companies whose revenue increased</th>
<th># of companies whose revenue decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>10</td>
</tr>
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</table>

CAPITAL RAISED
Every $1 of capital invested by BII leveraged $11 of follow-on capital.

Note: this figure is cumulative and includes exited investments.
Despite the pandemic, in 2020 we made $1.5M in new investments, matching previous years. We also raised $524,800 in emergency grant and recoverable grant capital to help our portfolio adapt to the challenges imposed by COVID-19.

As of December 2020, BII Fund:
- Sold $6.45M in Notes to over 115 community investors, high net worth individuals, foundations and faith-based institutions since inception.

INVESTMENTS BY TYPE:

- **EQUITY**: 74%
- **DEBT**: 12%
- **GRANTS**: 14%

TOTAL INVESTMENTS $5.7M

INVESTMENTS BY SECTOR:

- **Arts & Culture**: 13%
- **Education**: 12%
- **Environment & Energy**: 12%
- **Manufacturing**: 11%
- **Food & Agriculture**: 11%
- **Healthcare**: 9%
- **Impact Capacity Building**: 7%
- **Financial Services**: 7%
- **Real Estate**: 7%
- **Professional Services**: 6%
- **Basic Income**: 3%
- **Technology**: 2%

Note: Investments are cumulative since portfolio inception
VISIT OUR PORTFOLIO
The Integrated Capital Fund-Building Cohort engages existing and prospective fund managers in developing the financial rigor and multi-stakeholder engagement processes to structure, raise and manage a blended capital fund. The purpose of these funds is to build sustainable, inclusive and equitable local economies that restore the productive capacity of communities of color.
Nikishka Iyengar, Founder of The Guild, describes the process of purchasing real estate for community ownership and governance.
PORTFOLIO HIGHLIGHTS


New Mexico’s Native Women Lead, co-founded by Vanessa Roanhorse, was named a top 10 finalist for its bold solution, The Future Is Indigenous Womxn, the only Indigenous-focused finalist in the Equality Can’t Wait Challenge. The top three finalists will receive $10 million.

The Guild, founded by Nikishka Iyengar, acquired a mixed-use property in Capitol View, a Black neighborhood in southwest Atlanta. Their model includes a community investment trust, which enables community residents to purchase shares (and reap dividends) in real estate.

Founded by Jamye Wooten, CLLCTIVLY works to expand equity and economic opportunity to communities of color in Baltimore. Baltimore Ravens star Calais Campbell and pledged his support to help CLLCTIVLY reach Black-led businesses during the pandemic.

The Dallas Foundation awarded Impact Ventures the Pegasus Prize for its work to close the income and wealth gap for BIPOC and women entrepreneurs. So far, founder Benjamin Vann and team have trained more than 125 entrepreneurs, creating 46 new jobs and raising more than $458,000.

Participating in the BII cohort training has been a powerful experience of coming together with others who are committed to changing the paradigm of how communities of color—those who are marginalized-access financial capital. We are looking to create new financial systems that put people first, that use money to create regenerative, life-affirming, sustainable, community-controlled businesses, institutions and systems of shared prosperity. The training has provided the tools, philosophical alignment and a network of colleagues that is invaluable to our goal of building community wealth.”
INTEGRATED CAPITAL CARDS
The bilingual (English/Spanish) Integrated Capital Card Deck is made up of 121 cards in 8 suits that help match types of capital, transaction structures and impact criteria with small businesses and nonprofits that are contributing to building regenerative and equitable local economies. Order your decks here to learn how to deploy integrated capital to close the racial wealth divide.
THANK YOU FROM ALL OF US

In the early days of the pandemic, BII acted quickly to support our community of portfolio companies and their workers. In the months that followed, we disbursed grant funds, put in hundreds of hours of technical assistance and collaborated with partners to advocate for the needs of BIPOC-owned small businesses.
We invest in opportunity for all people specially those most oppressed or abandoned by our current economic system to lead a dignified and productive life.