Catalyzing Opportunity for All
LISC Impact Notes
Disclosures

All information in this presentation is dated as of October 15, 2021. This is not an offer to sell or a solicitation of an offer to buy any securities. Such an offer is made only by means of a current Prospectus (including any applicable Pricing Supplement) for the Local Initiatives Support Corporation Impact Notes (the “Notes”). Such offers may be directed only to investors in jurisdictions in which the Notes are eligible for sale. Investors in such states should obtain a current Prospectus by visiting www.lisc.org/invest. The Notes are subject to risks, including the loss of principal. Investors are urged to review the current Prospectus before making any investment decision. The notes will not be insured or guaranteed by the FDIC, SIPC or other governmental agency.
Disclosures

The Notes are not secured by any assets of LISC and will be subordinated to any existing or future secured indebtedness of LISC.

The interest paid or accrued on the Notes will be taxable as ordinary income to the investor in the earlier of the year it is paid or the year it is accrued, depending on the investor’s method of accounting. Investors should consult with their tax advisor regarding any tax treatment of the Notes.

No trust indenture has been or will be established, and no trustee has been or will be appointed.

No public market exists for the Notes, and the transfer of the Notes may be limited and restricted.

LISC depends on the efforts of its senior management and staff, and loss of key personnel could adversely affect its operating performance and ability to pay interest and principal and interest under the Notes when due.

The value of the Notes may be adversely affected by a decrease in the credit ratings assigned to LISC or the Notes.

In furtherance of LISC’s charitable purpose, LISC lends money to borrowers that are often unable to obtain financing at competitive market rates from conventional lenders, such as regulated retail or commercial banks. The reasons for this vary, but often relate to the creditworthiness of the borrower and the availability or value of the collateral the borrower is able to offer to support the credit risk represented by a loan to the borrower. As a result, there is a higher risk that LISC’s loans may not be repaid.
Together with residents and partners, LISC forges resilient and inclusive communities of opportunity across America — great places to live, work, visit, do business and raise families.
Since 1979

$24 Billion Invested\(^1\)

$69 Billion Leveraged

436,320 Homes
Affordable homes built and/or preserved including:
• Multifamily rental
• Supportive housing for special populations such as chronically homeless, LGBTQ, seniors and veterans
• Affordable homeownership

We also emphasize sustainability through green, healthy housing and transit-oriented development.

74.4 Million Square Feet
Square feet of commercial, retail and community space built and/or preserved, including:
• Early childhood centers
• Schools
• Fields/recreational spaces
• Healthcare centers
• Grocery stores
• Financial Opportunity Centers

S&P 'AA-' Issuer Rating*
• LISC tapped the public bond market, with a $100 million issuance in 2017
• LISC has been a certified CDFI since 1996 and an ImpactAssets 50 Fund Manager for six consecutive years
• In 2020, LISC was named the Social Bond of the Year (corporate category) by Environmental Finance for its Impact Notes issuance

\(^1\) LISC defines investments as grants, loans and tax credit equity provided to partners and projects.

*The value of the Notes may be adversely affected by a decrease in the credit ratings assigned to LISC or the Notes.
Our Impact

We create opportunities for people to thrive.*

436,320 affordable homes for more than a million people
480 schools and early childhood centers for 116,000+ students
416 fields and recreational spaces for more than 750,000 kids

120 financial opportunity centers serving 50,000+ people since 2016
194 food and health-related projects serving thousands of families

Plus 100s of other retail, creative economy and community projects

* In furtherance of LISC’s charitable purpose, LISC lends money to borrowers that are often unable to obtain financing at competitive market rates from conventional lenders, such as regulated retail or commercial banks. The reasons for this vary, but often relate to the creditworthiness of the borrower and the availability or value of the collateral the borrower is able to offer to support the credit risk represented by a loan to the borrower. As a result, there is a higher risk that LISC’s loans may not be repaid.
Our Reach

2,400 Partners

Our national network includes nonprofits, businesses and government agencies in both rural and metropolitan areas.

38 Office Locations

Atlanta, GA
Boston, MA
Buffalo, NY
Charlotte, NC
Chicago, IL
Cincinnati, OH
Cleveland, OH
Denver, CO
Detroit, MI
Duluth, MN
Flint, MI
Greenville, SC
Hartford, CT
Honolulu, HI
Houston, TX
Indianapolis, IN
Jacksonville, FL
Kalamazoo, MI
Kansas City, MO
Los Angeles, CA
Louisville, KY
Memphis, TN
Milwaukee, WI
Minneapolis/St. Paul, MN
New York, NY
Newark, NJ
Norfolk, VA
Oakland, CA
Peoria, IL
Philadelphia, PA
Phoenix, AZ
Providence, RI
Richmond, VA
San Antonio, TX
San Diego, CA
Seattle, WA
Toledo, OH
Washington, DC
Our Reach

We have made loans, grants and tax credit equity investments in all 50 states.
LISC and Our Affiliates

*LISC has thirteen consolidated affiliates, twelve of which are actively involved in community development efforts and help carry out LISC’s mission to serve low-income and disinvested communities. Three additional affiliated entities have been dissolved.*

- LISC is the sole owner of each consolidated affiliate with the exception of BFF, BFF Side Car, BEDF, and CHOIF. As such, the LISC Board of Directors (the “Board”) elects members of the board of directors or board of managers of each solely-owned consolidated affiliate.
- Oversight of each entity rests with its respective board of directors or board of managers, which includes representatives of LISC management.
- LISC management reports to the Board on the active affiliates.
- No recourse exists between LISC and affiliates, but LISC has the ability to guarantee up to $15 million in affiliate indebtedness.

**Active Consolidated Affiliates**

- **National Equity Fund, Inc.** (NEF) – Leading syndicator of Low Income Housing Tax Credits
- **New Markets Support Company** (NMSC) – Syndicator of New Market Tax Credits
- **Resilience and Recovery Network, LLC** (RRN) – SBA lender launched in September 2018
- **immito, LLC**
- **The Bay’s Future Fund LLC** (BFF) – Limited Operations
- **Charlotte Housing Opportunity Investment Fund, LLC** (CHOIF) – Dissolved
- **LISC Fund Management, LLC** – Limited Operations
- **LISC Fund Management, LLC** – Active Consolidated Affiliates
- **Southern Opportunity and Resilience Fund LLC**
- **BFF Preservation Fund Side Car LLC**
- **Black Economic Development Fund LLC**
- **Community Housing Fund LLC**
- **Detroit Affordable Housing Loan Fund-CDFI Fund, LLC**
- **Resiliency and Recovery Network, LLC**

**Limited Operations**

- **Neighborhood Properties, LLC**

**Dissolved**

- **LISC Louisiana Loan Fund, LLC**
- **Local Initiatives Managed Asset Corporation, LLC**
- **The Retail Initiative, LLC**

**Affiliate Abbreviations:**

### LISC Board of Directors

The Board is responsible for oversight of the day-to-day management of LISC and consists of 24 directors made up of representatives from the private and public sectors, including some of LISC’s major partners and stakeholders. Board members represent a variety of business sectors and geographic locations, and contribute a wide range of knowledge, skills and experience to LISC’s operations.

<table>
<thead>
<tr>
<th>Name</th>
<th>Business Title</th>
<th>Business Affiliation</th>
<th>Original Election</th>
<th>Term End</th>
<th>Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert E. Rubin (Board Chair)</td>
<td>Chairman; Former Secretary; Co-Chairman Emeritus</td>
<td>LISC; U.S. Treasury; Council on Foreign Relations</td>
<td>9/15/1999</td>
<td>3/31/2023</td>
<td>Aud (ex officio), E&amp;F (ex officio), Inv (ex officio)</td>
</tr>
<tr>
<td>Lisa Cashin (Vice Chair)</td>
<td>Vice Chair</td>
<td>LISC</td>
<td>9/1/2007</td>
<td>3/31/2024</td>
<td>E&amp;F (Chair), PRC</td>
</tr>
<tr>
<td>David Hess</td>
<td>Partner</td>
<td>Centerview Partners</td>
<td>1/17/2019</td>
<td>3/31/2024</td>
<td>Inv (Chair)</td>
</tr>
<tr>
<td>Kathryn Merchant</td>
<td>Principal</td>
<td>Kathy Merchant LLC</td>
<td>9/20/2012</td>
<td>3/31/2022</td>
<td>Aud (Chair)</td>
</tr>
<tr>
<td>Nilda Ruiz</td>
<td>President and CEO</td>
<td>Asociación PuertoRriqueños en Marcha</td>
<td>9/20/2012</td>
<td>3/31/2022</td>
<td>PRC (Chair)</td>
</tr>
<tr>
<td>Nicole Arnaboldi</td>
<td>Partner</td>
<td>Oak Hill Capital</td>
<td>6/18/2020</td>
<td>3/31/2023</td>
<td>NA*</td>
</tr>
<tr>
<td>Greg Belinfanti</td>
<td>Senior Managing Director</td>
<td>One Equity Partners</td>
<td>1/14/2010</td>
<td>3/31/2024</td>
<td>E&amp;F, Inv</td>
</tr>
<tr>
<td>Zack Boyers</td>
<td>Chairman and CEO</td>
<td>U.S. Bancorp Community Development Corp.</td>
<td>6/18/2020</td>
<td>3/31/2023</td>
<td>Inv</td>
</tr>
<tr>
<td>Alisahah J. Cole</td>
<td>System Vice President, Population Health Innovation and Policy</td>
<td>CommonSpirit Health</td>
<td>9/17/2020</td>
<td>3/31/2022</td>
<td>PRC</td>
</tr>
<tr>
<td>Audrey Choi</td>
<td>Chief Sustainability Officer</td>
<td>Morgan Stanley</td>
<td>6/16/2011</td>
<td>3/31/2022</td>
<td>E&amp;F</td>
</tr>
<tr>
<td>Michelle de la Uz</td>
<td>Executive Director</td>
<td>Fifth Avenue Committee</td>
<td>3/17/2011</td>
<td>3/31/2024</td>
<td>PRC</td>
</tr>
<tr>
<td>Sally Durdan</td>
<td>Former Executive Vice President and Head of Strategy, Consumer and Community Banking</td>
<td>JPMorgan Chase</td>
<td>3/28/2013</td>
<td>3/31/2023</td>
<td>Aud</td>
</tr>
<tr>
<td>Tom Espinoza</td>
<td>President and CEO</td>
<td>Raza Development Fund</td>
<td>9/22/2011</td>
<td>3/31/2024</td>
<td>PRC</td>
</tr>
<tr>
<td>Gregory Fairchild</td>
<td>Isidore Horween Research Associate Professor of Business</td>
<td>University of Virginia Darden School of Business</td>
<td>6/21/2018</td>
<td>3/31/2024</td>
<td>NA*</td>
</tr>
<tr>
<td>Karen Fang</td>
<td>Managing Director, Head of Global Sustainable Finance</td>
<td>Bank of America</td>
<td>12/10/2020</td>
<td>3/31/2023</td>
<td>PRC</td>
</tr>
<tr>
<td>Ellen Gilligan</td>
<td>President and CEO</td>
<td>Greater Milwaukee Foundation</td>
<td>9/12/2013</td>
<td>3/31/2023</td>
<td>PRC</td>
</tr>
<tr>
<td>Lisa Glover</td>
<td>Interim President and CEO</td>
<td>LISC</td>
<td>6/17/2010</td>
<td>3/31/2022</td>
<td>E&amp;F (ex officio), Inv (ex officio), PRC (ex officio)</td>
</tr>
<tr>
<td>Lisa Hasegawa</td>
<td>Regional Vice President, Western Region</td>
<td>NeighborWorks America</td>
<td>1/22/2015</td>
<td>3/31/2022</td>
<td>Aud, PRC</td>
</tr>
<tr>
<td>Maurice A. Jones</td>
<td>President and CEO</td>
<td>OneTen</td>
<td>9/22/2016</td>
<td>3/31/2024</td>
<td>Inv</td>
</tr>
<tr>
<td>Randy Oostra, DM, FACHE</td>
<td>President and CEO</td>
<td>ProMedica Health System</td>
<td>1/18/2018</td>
<td>3/31/2022</td>
<td>E&amp;F</td>
</tr>
<tr>
<td>Rey Ramsey</td>
<td>Managing Director</td>
<td>Lafayette Square</td>
<td>12/5/2002</td>
<td>3/31/2023</td>
<td>Inv</td>
</tr>
<tr>
<td>Rip Rapson</td>
<td>President and CEO</td>
<td>The Kresge Foundation</td>
<td>9/22/2006</td>
<td>3/31/2023</td>
<td>NA*</td>
</tr>
<tr>
<td>Jerry Rickett</td>
<td>President and CEO</td>
<td>Kentucky Highlands Investment Corporation</td>
<td>6/16/2016</td>
<td>3/31/2022</td>
<td>PRC</td>
</tr>
</tbody>
</table>

**Committee Abbreviations:**

* New Board member, not yet assigned to a Committee
Lisa Glover – Interim CEO
Lisa Glover has served as LISC’s Interim CEO since December 2021, Interim President and CEO since March 2021, and as a member of the LISC Board since 2010. Ms. Glover is the former Executive Vice President at U.S. Bank, retiring in March 2020. Ms. Glover is a certified risk professional, a chartered bank auditor, and a certified internal auditor. She is an active leader in both community and industry groups, previously served as Chair of LISC Milwaukee’s local advisory committee from 2013 to 2016, and is past Chair of the Consumer Bankers Association’s Community Reinvestment Committee. Ms. Glover holds a BBA in Corporate Finance from Iowa State University and an MLIS from University of Wisconsin.

Denise Scott – President
Denise Scott has served as LISC’s President since December 2021, having formerly served as Executive Vice President in charge of LISC’s national and local programs. With three decades of experience in community development, Ms. Scott leads LISC’s neighborhood investment efforts across its urban and rural areas. She previously managed LISC’s flagship program in New York City, focusing on affordable housing, commercial corridors, education, health, and jobs in some of the city’s toughest neighborhoods.

Annie Donovan – Executive Vice President & COO
Annie Donovan is LISC’s newest Executive Vice President and COO, joining LISC in May 2019. Ms. Donovan has spent more than 25 years driving impact investing strategies that fuel economic opportunity and stronger communities. Prior to LISC, she was the Director of the CDFI Fund where she steered innovative strategies to address local needs through programs like the New Markets Tax Credits, CDFI Bond Guarantee Program, Capital Magnet Fund and the Healthy Food Financing Initiative. She also spent over 20 years at Capital Impact Partners.

Beth Marcus – Executive Vice President for Resource Development
Beth Marcus serves as LISC’s Executive Vice President for Resource Development where she works closely with other senior leadership to mobilize philanthropic support for LISC’s ongoing work. Prior to this role, Ms. Marcus served as LISC’s Vice President and Chief Credit Officer. Ms. Marcus has over 25 years’ experience in community development and real estate finance. Ms. Marcus holds a BA from Hampshire College and an MA from Massachusetts Institute of Technology.

Constance Max – Executive Vice President for Lending
Connie Max serves as LISC’s Executive Vice President of Lending where she leads the daily operations of the Lending division including originations, closings and asset management. Ms. Max joined LISC in 2013 as Vice President and Chief Credit Officer. Prior to joining LISC, Ms. Max held a number of roles in the community and international development field, including Vice President and Chief Credit Officer for Nonprofit Finance Fund, Director of Prudential Financial’s Social Investment Division and Managing Director of Shore Bank Advisory Services. Ms. Max holds a BS in Business Administration from California Polytechnic State University, San Luis Obispo and a Master’s in International Business Administration from The American Graduate School of International Management.

Christina Travers – Executive Vice President and Chief Financial Officer
Christina Travers returns to LISC in November 2021, where she previously spent more than a decade designing innovative financial management and investment strategies. Ms. Travers was previously the CFO of Working Solutions, a CDFI micro-lender, and Vice President for Finance & Capital Strategies at Low Income Investment Fund, a CDFI loan fund. Ms. Travers serves on the board of the Opportunity Finance Network and the Brooklyn YWCA. Ms. Travers holds a BS and an MS in Urban Policy and Management, with a concentration in Community Development Finance.

*LISC depends on the efforts of its senior management and staff, and loss of key personnel could adversely affect its operating performance and ability to pay interest and principal and interest under the Notes when due.*
LISC Financials
(Parent Only)
LISC Portfolio
Parent Only – December 31, 2020

Portfolio by Product Type
LISC’s loan portfolio is diverse in loan product composition with more than 6 product types with no one product accounting for over 30% of the portfolio.

The portfolio has grown over the past several years, and its composition has evolved.

While traditionally an early-stage, short-term lender, LISC has increased the share of longer-term mini-permanent and permanent loans as the organization gained access to longer-term capital through the CDFI Bond Guarantee Program and its 2017 public Bond issuance.
LISC Portfolio
Parent Only – June 30, 2021

Portfolio by Product Type

June 30, 2021 Loan Portfolio by Product Type
($504 million)

- Acquisition: 12%
- Construction: 32%
- Mini-Permanent: 6%
- Permanent: 11%
- Bridge: 9%
- Predevelopment: 12%
- Other: 3%

LISC Portfolio
Parent Only – June 30, 2021
Portfolio by Product Type

Acquisition
Construction
Mini-Permanent
Permanent
Bridge
Predevelopment
Other
LISC Portfolio
Parent Only – December 31, 2020

Portfolio by Asset Class
LISC’s loan portfolio is diverse by asset class composition with more than 7 distinct asset classes. Historically, multifamily rental housing and charter schools have represented approximately two-thirds of the portfolio.

Multifamily rental housing growth has outpaced overall portfolio growth.
LISC Portfolio
Parent Only – June 30, 2021

Portfolio by Asset Class

June 30, 2021 Loan Portfolio by Asset Class
($504 million)

- Multifamily Rental: 17%
- Charter School: 3%
- Mixed-Use: 2%
- Commercial/Industrial: 5%
- Community Facility: 14%
- Single-Family Housing: 11%
- Economic Development: 7%
- Other: 11%
LISC Portfolio

Parent Only

Risk Management
LISC strives to mitigate its financial and programmatic risks in a number of ways. At the organizational level, LISC maintains a strong net asset position with minimal leveraging. On the project level, in addition to the approval of the local advisory committee of a local program, loans are subject to additional review by our Chief Credit Officer, Credit Committee or Board depending on dollar threshold.

Loans to individual projects are limited to 5% of adjusted net assets, and loans to individual sponsors are limited to 10% of adjusted net assets. Loans are monitored and risk-rated at least annually.
LISC Cash and Investments
Parent Only – December 31, 2020

Cash and Investments
Cash and Investments totaled $364.1 million as of December 31, 2020. 94% had liquidity of 30 days or less.

LISC investments are well diversified across asset classes.
LISC Cash and Investments
Parent Only – June 30, 2021

Cash and Investments

### Liquidity of Cash & Investments
- < 30 days: 3%
- Quarterly: 3%
- > One Year: 94%

### June 30, 2021 Investments (Fair Value: $176.3 million)
- Cash and cash equivalents held for investment: 28%
- Corporate bonds and fixed-income funds: 33%
- U.S. government agencies: 4%
- Certificates of deposit: 4%
- Alternative Investments:
  - Real estate investment trust: 6%
  - Hedge funds: 2%
  - Private Equity funds: 2%
**LISC Capitalization**

**Parent Only – December 31, 2020**

**Debt Management & Capitalization**
Throughout LISC’s 40-year history, LISC has closed over $2.0 billion in debt transactions. LISC has repaid all of its debt obligations on time and in full.

LISC’s lenders include financial institutions and other entities motivated by the Community Reinvestment Act, as well as foundations, nonprofits, insurance companies, retirement funds and public agencies.

LISC’s debt is primarily used to fund loans to community development projects throughout its national footprint.

LISC’s capitalization strategy focuses on asset-liability matching, associating specific borrowed funds with the loans made with that capital.

**Outstanding Debt 2020 ($501.6 million)**

- 51% Financial institutions and insurance companies
- 26% Sustainability Bonds and Impact Notes
- 12% Foundations
- 10% Public agencies/entities and retirement funds
- 1% Non-profit and other institutions

**$229 MILLION**
Total owed to largest lenders

LISC Taxable Bond Series 2017A
- $100 million

CDFI Bond Guarantee Program
- $44 million

LISC Impact Notes
- $32 million

US Bank
- $27 million

Prudential
- $26 million
LISC Capitalization
Parent Only – June 30, 2021
Debt Management & Capitalization

Outstanding Debt June 30, 2021 ($510.8 million)

- Financial institutions and insurance companies
- Sustainability Bonds and Impact Notes
- Foundations
- Public agencies/entities and retirement funds
- Non-profit and other institutions

Outstanding Debt: $510.8 million
LISC Financials
Parent Only

Net Asset Growth
LISC has achieved a steady growth in net assets over more than three decades through differing economic cycles while maintaining its social mission.*

At the end of 2020, LISC’s total assets were $1.1 million, its net assets were $467 million, and it had unrestricted net assets (“net worth1”) of $212 million. Since 2016, assets have increased 58%, net assets 67%.

* Past performance is no guarantee of future results.

1. Net Worth is the equivalent of nonprofit equity. LISC defines this as Total Net Assets (assets minus liabilities) without donor restrictions.
LISC Financials
Parent Only – December 31, 2020

Revenue and Expense
LISC’s lending operations have been self-sustaining over the last five years.

Mission-critical non-lending activity costs are covered by grants.
LISC Financials
Parent Only – June 30, 2021

Revenue and Expense

Support and Revenue
June 30, 2021 ($137.4 million)

- Contributions: 57%
- Government grants & contracts: 21%
- Interest income on loans to CDPs: 10%
- All other income: 3%
- Equity in earnings of affiliates: 8%

Expenses
June 30, 2021 ($132.5 million)

- Project development and other program activities: 24%
- Project grants: 15%
- Project loans: 7%
- Total supporting services: 54%
LISC Financials
(Consolidated)
LISC Portfolio
Consolidated – December 31, 2020

Portfolio by Product Type
In addition to the LISC Loan Fund, consolidated affiliates will, from time to time, engage in lending activity.

NEF predominately funds developers with predevelopment or pre-credit loans as bridge financing associated with LIHTC projects. Investments are made from NEF’s cash.

NMSC provides loans from its net assets and a line of credit from LISC to support its fund management business.

immito is authorized to provide commercial loans under the U.S. SBA 7(a) program and participated in the Paycheck Protection Program.

BFF purchases portions of loans from participating community development financial institutions, including LISC.

CHOIF makes loans to promote creation of affordable housing.

AHLF makes loans to support the preservation and production of affordable housing.
Portfolio by Asset Class
In addition to the LISC Loan Fund, consolidated affiliates will, from time to time, engage in lending activity.

NEF’s loans finance affordable and workforce multifamily rental housing.

NMSC’s lending is to finance economic development lending.

Immito’s lending is to finance commercial small business loans.

BFF’s lending is to finance mixed-income and affordable housing.

CHOIF makes loans to promote creation of affordable housing.

AHLF makes loans to support the preservation and production of affordable housing.
LISC Portfolio
Consolidated – December 31, 2020

Risk Management

Net Write-offs ($ millions) & Net Write-off Rate (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Write-Offs ($)</th>
<th>Recoveries ($)</th>
<th>Net Write-Off ($)</th>
<th>Net Write-Off Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1.7</td>
<td>$0.93</td>
<td>$(0.5)</td>
<td>0.16%</td>
</tr>
<tr>
<td>2019</td>
<td>$1.2</td>
<td>$0.22</td>
<td>$(0.01)</td>
<td>0.20%</td>
</tr>
<tr>
<td>2020</td>
<td>$4.4</td>
<td></td>
<td>$(4.4)</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

Net Write-offs ($ millions) & Net Write-off Rate (%)
LISC Cash and Investments
Consolidated – December 31, 2020

Cash and Investments
Cash and Investments on a consolidated basis totaled $448 million as of December 31, 2020. 91% had liquidity of 30 days or less.

Liquidity of Cash & Investments

- < 30 days: 91%
- Quarterly: 2%
- > One Year: 4%
- Restricted Cash: 3%

2020 Investments (Fair Value: $173.7 million)

- Cash and cash equivalents held for investment: 28%
- Corporate bonds and fixed-income funds: 34%
- U.S. government agencies: 23%
- Certificates of deposit: 3%
- Real estate investment trust: 6%
- Hedge funds: 4%
- Private Equity funds: 4%
LISC Capitalization
Consolidated – December 31, 2020

Debt Management & Capitalization
Throughout LISC’s 40-year history, LISC has closed over $2.0 billion in debt transactions. LISC has repaid all of its debt obligations on time and in full.

Relative to their amount of net assets, LISC’s consolidated affiliates carry very little debt, with the exception of CDA Partnerships (project partnerships in which one or more affiliates of NEF serves as the general partner). The CDA Partnerships act as general partners in certain affordable housing project partnerships to facilitate the promotion or rehabilitation of low-income housing.

Outstanding Debt 2020 ($592 million)
- Financial institutions and insurance companies
- Sustainability Bonds and Impact Notes
- Foundations
- Public agencies/entities and retirement funds
- Non-profit and other institutions

LISC Taxable Bond Series 2017A
$100 million

CDFI Bond Guarantee Program
$44 million

LISC Impact Notes
$32 million

US Bank
$27 million

Prudential
$26 million

$229 MILLION
Total owed to largest lenders
LISC Financials
Consolidated – December 31, 2020

Net Asset Growth
Starting in fiscal year 2016, LISC’s consolidated financial statements no longer include the Funds in which NEF and its subsidiaries serve as the general partner or managing member (as prescribed by FASB ASC 810-20).
LISC Financials
Consolidated – December 31, 2020

Revenue and Expense

Support and Revenue 2020
($514.6 million)

- Contributions: 49%
- Government grants & contracts: 28%
- Interest income on loans to CDPs: 6%
- All other income: 11%
- Equity in earnings of affiliates: 6%

Expenses 2020
($430.9 million)

- Project development and other program activities: 27%
- Project grants: 12%
- Project loans: 8%
- Total supporting services: 54%
This is not an offer to sell or a solicitation of an offer to buy any securities. Such an offer is made only by means of a current Prospectus (including any applicable Pricing Supplement) for the Local Initiatives Support Corporation Impact Notes (the “Notes”). Such offers may be directed only to investors in jurisdictions in which the Notes are eligible for sale. Investors in such states should obtain a current Prospectus by visiting www.lisc.org/invest. The Notes are subject to risks, including the loss of principal. Investors are urged to review the current Prospectus before making any investment decision. The notes will not be insured or guaranteed by the FDIC, SIPC or other governmental agency.
**Impact Notes Funding & Growth Strategy**

<table>
<thead>
<tr>
<th>Investor Engagement</th>
<th>Provides opportunity for retail and institutional investors to access a “AA-” rated fixed income investment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Leverage</td>
<td>Supports expansion of LISC’s portfolio through the ability to increase loan portfolio and social impact investments</td>
</tr>
<tr>
<td>Diversification</td>
<td>Provides diversification of capitalization and funding streams to allow for long-term portfolio sustainability</td>
</tr>
<tr>
<td>Awareness</td>
<td>Supports LISC’s marketing strategy to scale public and private sector investment in underserved communities</td>
</tr>
<tr>
<td>Flexibility</td>
<td>No geographic restrictions allow flexible capital for LISC to work across its national footprint</td>
</tr>
</tbody>
</table>

*See important disclosures on the next page*
## Impact Notes Summary

<table>
<thead>
<tr>
<th>Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Offering</strong></td>
<td>$200,000,000</td>
</tr>
<tr>
<td><strong>Financial Return</strong></td>
<td>Fixed Interest Rates; Terms of 1 – 15 years</td>
</tr>
<tr>
<td><strong>Social Return</strong></td>
<td>Delivers social impact to help revitalize underserved communities in the US across multiple sectors</td>
</tr>
<tr>
<td><strong>Minimum Investment</strong></td>
<td>$1,000</td>
</tr>
<tr>
<td>*<em>S&amp;P Credit Ratings</em></td>
<td>S&amp;P assigned a long-term credit rating of AA- to the Notes on October 29, 2021</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>General corporate purposes, including to refinance certain of LISC’s existing indebtedness and as capital for loans made by LISC and its consolidated affiliates. LISC anticipates that approximately $29.7 million of the net proceeds from this offering will be used to refinance existing indebtedness. Up to $10 million of net proceeds from this offering will be used for projects that build equity and wealth for Black, Indigenous and People of Color through Project 10X.</td>
</tr>
<tr>
<td><strong>Ranking</strong></td>
<td>Unsecured debt obligations</td>
</tr>
<tr>
<td><strong>Redemption</strong></td>
<td>Principal will be repaid at maturity. Prior to maturity, Notes are not redeemable unless provisions for redemption are included in the pricing supplement. Notes may be repurchased by the issuer through the Survivor’s Option upon the death of the beneficial owner. See Prospectus for details.</td>
</tr>
</tbody>
</table>

*S&P ratings should not be the only factor investors rely on when assessing the risk of this investment. Investors should rely on the terms as presented in the Prospectus. S&P ratings are subject to change or withdrawal at any time. The value of the Notes may be adversely affected by a decrease in the credit ratings assigned to LISC or the Notes.

DISCLOSURE: This is not an offer to sell or a solicitation of an offer to buy any securities. Such an offer is made only by means of a current Prospectus (including any applicable Pricing Supplement. Such offers may be directed only to investors in jurisdictions in which the Notes are eligible for sale. Investors in such states should obtain a current Prospectus by visiting www.lisc.org/invest. The Notes are subject to risks, including the loss of principal. Investors are urged to review the current Prospectus before making any investment decision. The notes will not be insured or guaranteed by the FDIC, SIPC or other governmental agency.
Alignment with Social Bond Principles and UN Sustainable Development Goals

What is a Social Bond and Social Bond Principles?

Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance in part or in full new and/or existing social projects and are aligned with the four core components of the International Capital Market Association’s (ICMA) Social Bond Principles as described in a Social Bond Framework. The four components are:

1) Use of Proceeds
2) Process for Project Evaluation and Selection
3) Management of Proceeds
4) Reporting

Social Project categories include: 1) affordable basic infrastructure; 2) access to essential services; 3) affordable housing; 4) employment generation; 5) food security; and 6) socioeconomic advancement and empowerment.

ICMA recommends that in connection to a Social Bond Framework, an issuer appoints an independent, external reviewer to assess alignment of the issuance with the Social Bond Principles through a Second Party Opinion, including an assessment of the issuer’s objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the projects intended for the use of proceeds.

What are the UN Sustainable Development Goals (SDGs)?

- The United Nation’s Sustainable Development Goals are a blueprint to achieve a better and more sustainable future for all.
- The 17 SDGs set targets to be achieved by 2030 addressing challenges related to poverty, inequality, climate change, environmental degradation, peace and justice.
- By reference to ICMA’s "Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals" issuers are beginning to align their Social Bond Frameworks to the SDGs. The SDGs can be used as reference for impact evaluation frameworks by investors, businesses, foundations, academics and civil groups.

LISC’s Social Bond Framework and Second Party Opinion

- LISC engaged V.E, a global rating and research agency focused on evaluating organizations’ social, environmental and governance factors, to provide a Second Party Opinion on the alignment of LISC’s Social Bond Framework to the Social Bond Principles.
- V.E expressed a reasonable level of assurance (the highest level given) on LISC’s commitments to the Social Bond Principles and the contribution of the contemplated debt issuance to social sustainability.
- V.E determined that the eligible Social Project categories were considered likely to contribute to eight of the UN SDGs, including Goal 1. No Poverty; Goal 2. Zero Hunger; Goal 3. Good Health and Well-being; Goal 4. Quality Education; Goal 8. Decent Work and Economic Growth; Goal 9. Industry, Innovation and Infrastructure; Goal 10. Reduced Inequalities; and Goal 11. Sustainable Cities and Communities.
- For more information on LISC’s Social Bond Framework and Second Party Opinion, visit lisc.org/invest.

<table>
<thead>
<tr>
<th>Eligible Project Category</th>
<th>Sub-Category</th>
<th>Impact Indicators</th>
<th>SDG Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing</td>
<td></td>
<td>- # of affordable rental and for-sale units built or preserved</td>
<td></td>
</tr>
<tr>
<td>Access to essential services</td>
<td></td>
<td>- # of student seats at full capacity</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td>- # of childcare slots at full capacity</td>
<td></td>
</tr>
<tr>
<td>Community services</td>
<td></td>
<td>- % of population eligible for free or reduced lunch;</td>
<td></td>
</tr>
<tr>
<td>Food security</td>
<td></td>
<td>- % Special Education;</td>
<td></td>
</tr>
<tr>
<td>Employment generation</td>
<td>SME financing</td>
<td>- % of population who are English Language Learners</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>- # of jobs created and retained</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Tax revenues generated</td>
<td></td>
</tr>
</tbody>
</table>
Project Examples
Astoria Co-op Relocation

Astoria, OR

Astoria Co-op is a 44 year old local, community-owned grocery store in Astoria, Oregon.

A $2.52 million LISC construction loan enabled Astoria Co-op to expand, promoting access to healthy food in an area adjacent to a USDA defined food desert. The expansion creates and retains living-wage jobs in a rural community.

More information on the project can be found here and here.
Chicago, IL

Stepping Stones Nursery School is a play-based infant and preschool daycare. Its mission is to empower children to be leaders, innovators, thinkers, creators, philosophers, and poets.

A LISC loan helped Stepping Stones acquire real estate in the Portage Park neighborhood, enabling them to expand their business and accommodate more students. The loan supported a women-owned business, and helped generate new full-time jobs.

More information on the project can be found here.
Nationwide Resident Ownership Capital, LLC (ROC USA) helps expand economic opportunities for homeowners in manufactured home communities.

LISC permanent financing will be used to fund several participations in ROC loans to resident-owned manufactured housing communities across the country. The project will support cooperatives of homeowners who own and oversee the management of their communities, which improves and stabilizes the community and allows affordable homes to become long-term assets.

More information on the project can be found here.

ROC Master Participation Loan

$2.13 million
Permanent Loan
Affordable Housing
Supported Nationwide
HealthCore Clinic

Wichita, KS

HealthCore Clinic, Inc. (HCC) provides integrated primary care, mental health, and substance abuse services to residents in northeast Wichita.

A LISC loan helped HCC renovate and expand its main clinic site. The new clinic will be equipped with green features such as low energy fluorescent lighting, HVAC units with economizers and computerized climate controls, grey water reuse, storm water capture, and use of recycled materials. The added space will also enable HCC to increase its care capacity from its current 4,266 patients to upwards of 20,000 patients.

More information on the project can be found [here](#).
CPDC Solar

Washington, DC

LISC provided financing for the installation of an extensive, 1.2 megawatt solar photovoltaic array atop 12 affordable rental properties in Washington, DC.

The properties represent 2,500 units of affordable housing, available to residents at 30-60% AMI. The project will contribute to better air quality locally and reduce greenhouse gas production globally. It also enabled borrower CPDC to free up their cash assets to continue to preserve and redevelop new projects.

Find more information on the project here.

$1.23 million
Bridge Loan
Affordable & Clean Energy
Created on 12 affordable rental properties
Los Angeles, CA

A LISC loan to The Venice Community Housing Corporation (VCH) supported the rehabilitation of two properties, totaling 27 units, with AMIs that average 28% and 18%.

Affordable housing preservation in Venice is especially crucial, with rapid gentrification in the neighborhood causing exponentially rising rent costs. In addition to providing low-income and permanent supportive housing, VCH offers resources such as job training and youth services.

More information on the project can be found here.
What Are CDFIs?

Community Development Financial Institutions (CDFIs) are mission-oriented financial institutions. They share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses.

CDFIs are certified by the Community Development Financial Institutions Fund (CDFI Fund), a program of the U.S. Department of the Treasury.

A CDFI may be a community development bank, a community development credit union, a community development loan fund, or a community development venture capital fund. LISC is a community development loan fund.

Approximately 1,200 certified CDFIs are based across the 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

CDFIs TARGET UNDERSERVED POPULATIONS

- 60% PEOPLE OF COLOR
- 84% LOW-INCOME
- 28% RURAL
- 50% WOMEN

CDFIs CREATE TANGIBLE IMPACT

- MORE THAN 1.75 million JOBS
- MORE THAN 2.14 million HOUSING UNITS
- 12,000 COMMUNITY FACILITIES
- 449,000 BUSINESSES AND MICROENTERPRISES

CDFIs ARE PERFORMANCE ORIENTED

- 1.1% DELINQUENCY RATE > 90 DAYS
- 0.5% NETCHARGE-OFFS
- 0.8% CUMULATIVE LOAN LOSS RATE

Source: Community Development Financial Institutions Fund 2021 [https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx](https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx)

# LISC’s Tax Credit Equity Affiliates

Proceeds of LISC’s note issuance will not be used for Tax Credit Equity Financing. The below information is included to inform investors on the different financing tools LISC uses to deploy capital in our target communities.

<table>
<thead>
<tr>
<th>Affiliate</th>
<th>Type of Equity</th>
<th>How it Works</th>
<th>Example Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Equity Fund</strong>&lt;br&gt;(an affiliate of LISC)</td>
<td>Low-Income Housing Tax Credit (LIHTC), an indirect federal subsidy used to finance the construction and rehabilitation of low-income rental housing.</td>
<td>The LIHTC gives investors a dollar-for-dollar reduction in their federal tax liability in exchange for providing financing. Investors’ equity contribution subsidizes low-income housing development, thus allowing some units to rent at below-market rates. In return, investors receive tax credits paid in annual allotments, generally over 10 years.</td>
<td>NEF invested $4.8 million in LIHTC equity in Epworth Apartments in Los Angeles. The new construction, 20-unit development is designed to serve transition aged youth from 18-24 years old who are homeless, at risk of becoming homeless, or have various mental health issues. Read more about the project <a href="https://www.lisc.org/new-markets-support-company/our-impact/annual-impact-report/">here</a>.</td>
</tr>
<tr>
<td><strong>New Markets Support Company</strong>&lt;br&gt;(an affiliate of LISC)</td>
<td>New Market Tax Credits (NMTC), a federal community development tax incentive used to finance new investments in eligible businesses and commercial and community projects in qualified census tracts.</td>
<td>The NMTC permits investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities. The credit totals 39 percent of the original investment amount and is claimed over a period of seven years.</td>
<td>NMSC provided Educare Arizona $6.8 million in NMTC financing to construct a 33,000 square foot early education and healthcare facility in Phoenix, AZ. Read more about the project <a href="https://www.lisc.org/new-markets-support-company/our-impact/annual-impact-report/">here</a>.</td>
</tr>
</tbody>
</table>

Contact

Christina Travers  
CFO, LISC  
ctravers@lisc.org

Courtney Branker  
Treasurer & Vice President, LISC  
cbranker@lisc.org

Anna Smukowski  
Investor Relations, LISC  
asmukowski@lisc.org

Kathleen Keefe,  
Investor Relations, LISC  
kkeefe@lisc.org

28 Liberty Street, 34th Floor  
New York, NY 10005