

The Solomon Hess SBA Loan Fund

Fact Sheet 2Q 2024

INVESTMENT DETAILS

as of June 30, 2024

Inception Date	December 2004
Assets	\$822 million
Investors	Over 125 nationwide
Min. Investment	\$2,000,000
Liquidity	Monthly with 30 days' notice
Asset Class	Primarily the federally guaranteed portion of floating-rate SBA 7(a) loans
Preferred Return Q3 2024	5.95% annualized net of all fees and expenses
Management Fee	0.60%
Target Region Fee	0.10%

PORTFOLIO CHARACTERISTICS

as of June 30, 2024

# Bond Issues	1,565
Weighted Average Coupon	8.28%
Weighted Average Maturity (years)	14.92
Effective Duration (years)	0.44
Weighted Average Life (years, at 12 CPR)	4.7
Average Loan Size	499,410

PORTFOLIO COMPOSITION

as of June 30, 2024

Interest-Only Securities	5.3%
SBA 7(a) Pools	41.5%
SBA & USDA Guaranteed Loans	49.4%
Cash and Other	3.8%

PORTFOLIO MANAGER

Mike Fallon
Chief Investment Officer
Since 2012

The **SBA Loan Fund** is a Community Reinvestment Act (CRA)-eligible open-ended Community Development investment fund. The Fund seeks to provide current income consistent with the returns available in adjustable-rate government guaranteed financial products by investing in Community Development loans guaranteed by the Small Business Administration (SBA). Community Development loans are loans to small businesses located in low- and moderate-income areas or that employ low- and moderate-income persons.



Why Invest?

HIGH, TARGETED CRA-ELIGIBLE IMPACT

Investors are able to identify specific target areas. Investment in the Fund can be counted for either **Community Development Lending Test or Investment Test Credit for CRA**.

“SHOW ME” INSTEAD OF “TRUST ME”

CRA-qualified loans in targeted assessment areas shown to investors **before capital is called**.

HIGH CREDIT QUALITY ASSETS

Primary asset class is **explicitly guaranteed** by the SBA and variable rate. The Fund comprises over 1,000 Community Development loans in 47 states.

CUSTOMIZED REPORTING

Customized impact report detailing jobs and Community Development loans supported by investor capital provided “on demand” basis. Also provided are quarterly reports on the financial performance of the Fund.

Fund Impact as of June 30, 2024

85,922 Total jobs created/ retained since inception	5,798 Total small business loans invested in since inception	\$3.5B Total amount invested since inception	19,602 Total jobs created/ retained in current portfolio	1,303 Total small business loans invested in current portfolio
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Loans in Current Portfolio as of June 30, 2024



1,150
Located in
LMI and/
or distressed
communities



230
Businesses
that are
minority
owned



320
Businesses
that are
woman
owned



118
Originated
by mission-
driven lenders
or CDFIs

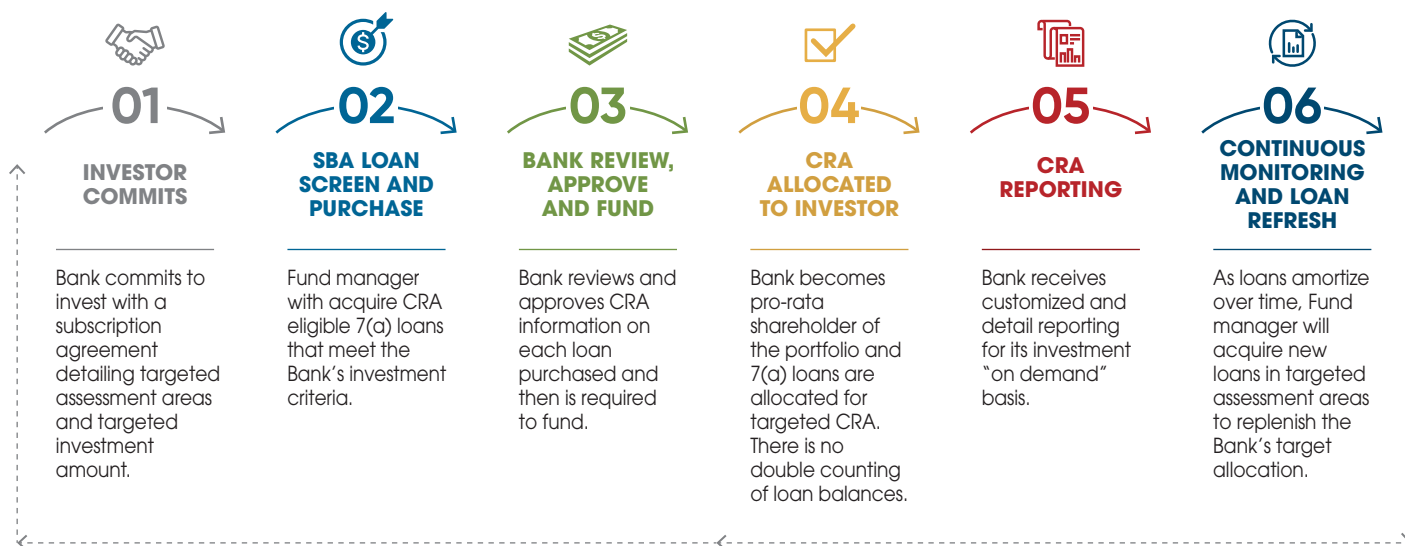


23
Businesses
that are
Veteran-
owned

HISTORICAL PREFERRED RETURN (Annualized and NET of all fees and expenses)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Q1	2.00%	1.50%	1.75%	1.25%	1.25%	1.75%	2.35%	3.00%	2.40%	1.00%	1.00%	5.25%	5.95%
Q2	1.75%	1.50%	1.75%	1.25%	1.375%	2.00%	2.50%	3.00%	0.90%	1.00%	1.25%	5.65%	5.95%
Q3	1.75%	1.50%	1.25%	1.25%	1.50%	2.25%	2.65%	3.00%	0.90%	1.00%	2.50%	5.80%	5.95%
Q4	1.75%	1.75%	1.25%	1.25%	1.50%	2.25%	2.75%	2.65%	0.90%	1.00%	4.00%	5.95%	

INVESTMENT PROCESS



ABOUT SOLOMON HESS

Solomon Hess Capital Management (Solomon Hess) is an alternative asset manager specializing in fixed income investing. Our mission is to provide investors with community and economic development-focused investment funds that generate both risk-adjusted returns and positive, quantifiable impact. Founded in 2004 and located in Falls Church, Virginia, Solomon Hess has over \$900 million of assets under management. Solomon Hess is Fund Manager to the SBA Loan Fund. Other investment opportunities with Solomon Hess include investing in our Absolute Return strategy fund. We offer our strategies as funds or separate accounts.

CONTACT

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The Moody’s rating is current and assesses only the credit quality of Solomon Hess SBA Loan Fund LLC, but not other market risks. This rating is subject to change at any time. For more information about Moody’s rating methodology used in this rating/analysis please visit www.moodys.com for a copy of this methodology. Solomon Hess directly compensated Moody’s for this third-party rating. The AERIS Impact Assessment Certification was released in August 2019 and has an assessment date of December 31, 2019. For a copy of this report, please visit www.solomonhess.com.

The opinions expressed in this fact sheet are those of the Fund Manager. The Fund is only available to “Qualified Purchasers” as defined for the purposes of Section 2(a) (51) of the Investment Company Act of 1940. The Fund has not been approved by any regulatory agency. Past Performance is no guarantee of future results and future returns are not guaranteed. While every investor has earned positive CRA consideration from their regulator thus far, this is no guarantee of future results and future exam results are not guaranteed. Prospective investors should consult with their respective regulator and counsel prior to investing.