



NEWS RELEASE

LISC's Black Economic Development Fund reaches \$175 million with \$50 million investment from PayPal, \$12.5 million from HubSpot

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- PayPal is the largest investor in the fund, which is set to deploy capital to Black-led banks and businesses in early 2021

The Local Initiatives Support Corporation (LISC) today announced a \$175 million close of investments into its Black Economic Development Fund following two recent investments. PayPal Holdings, Inc. (NASDAQ: PYPL), invested \$50 million into the fund becoming the fund's largest single investment to date. PayPal's investment is part of the company's previously announced **\$530 million commitment** to support Black businesses and communities. HubSpot (NYSE: HUBS), the Boston-based customer relationship management (CRM) platform, invested \$12.5 million in the fund as part of the company's **\$20 million commitment** to social impact investing.

"We strongly believe that access to capital and financial services is critical to growing and sustaining vibrant communities," said Franz Paasche, senior vice president of corporate affairs, PayPal. "LISC, with its decades-long history of expanding inclusive economic opportunity, is an important partner in our long-term commitment to close the racial wealth gap."

"At HubSpot, we believe in equality and justice, and we're committed to walking the walk when it comes to dismantling systemic racism," said Brian Halligan, co-founder and CEO of HubSpot. "Our investment in the Black Economic Development Fund is an important part of our larger focus on supporting Black-owned businesses. We're proud to stand alongside our fellow investors as we work to help close the racial wealth, health, and opportunity gap for underbanked Black communities."

PayPal and HubSpot join Netflix, Costco, Square, Dick's Sporting Goods and Aflac as investors in the fund, which was launched during the summer and at \$175 million has far exceeded initial capital projections for 2020. The fund employs an "impact treasury strategy" to meet the particular capital preservation, investment duration and risk-tolerance needs of corporate treasuries, while providing impactful access to capital for Black communities.

"These are game-changing investments that will help tackle racial injustice, build up the American consumer base and grow our economy," said George Ashton, managing director of LISC Strategic Investments, the fund management and venture capital arm of LISC. "We're seeing some of the most dynamic corporations in the country align their treasury strategies with their missions by investing a portion of their assets in this fund."

LISC expects to begin deploying capital from the fund in early 2021 in the form of bank deposits, bridge financing and other financing to Black-led businesses, financial institutions, and anchor institutions. The strategy furthers the goals of **Project 10X**, LISC's \$1 billion effort to address disparities in health, wealth and opportunity facing people of color.

For more on the BEDF visit <https://www.liscstrategicinvestments.org/black-economic-development-fund>. For investor inquiries please email StrategicInvestments@lisc.org. For those seeking investment from the fund please visit the **Black Economic Development Fund Investment Intake Form**.

About LISC

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, LISC has invested \$22 billion to build or rehab more than 419,000 affordable homes and apartments and develop 70.3 million square feet of retail, community and educational space. For more, visit www.lisc.org.

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