This document provides an outline of a potential Program-Related Investment (PRI) that Venn Foundation (Venn) is currently contemplating. Its purpose is to help Venn explore the concept with potential partners and donors. If adequate interest is generated, Venn would proceed with formal due diligence and, based on the results, work to formally negotiate terms. If an agreement is reached, Venn would open the PRI for syndication among its donors and invite them to recommend a distribution from their Venn Accounts to fund the PRI. Please note that Venn is considering this PRI primarily to advance its charitable purpose and not with the significant goal of producing income, although some financial return may result as described below.

Prospective Recipient: Hoyo, SBC
Current Corporate Form: Minnesota Specific Benefit Corporation
Recipient Leaders: Mariam Mohamed & Matt Glover, Co-Founders
Contemplated PRI Structure: $100k-$300k unsecured loan with warrant

Venture Overview
"Hoyo", which means "mother" in Somali, is a social business founded to decrease the rate of unemployment among single parent households in underserved communities, starting with the Twin Cities Somali community, which has an overall unemployment rate of 21%. Single Somali mothers in particular struggle because they need to provide for their families in a new country without English language fluency or employment history. By hiring Somali mothers to make one of their favorite dishes, sambusa, and selling these sambusa into the general retail grocery market, Hoyo helps these women share a piece of their culture and provide for their families.

Charitable Purpose
The primary purpose of this PRI is to provide relief to the poor, distressed, and underprivileged by helping Hoyo expand. Currently, Hoyo sells over $70,000 of frozen sambusa per year in 41 retail locations in Minnesota and has employed 10 Somali women at $13/hour wages. With Venn’s PRI supporting the buildout of a new production facility, the company hopes to become a regional and then national sambusa brand with distribution around the country helping dozens more Somali women raise the standard of living for their families.

Envisioned Investment (subject to adjustment)
Below is an outline of the envisioned financial terms of the PRI. Please note that Venn Foundation does not sell securities to investors but rather seeks to provide a unique charitable investment opportunity to its donors who may make recommendations. Donors themselves will not profit from supporting this PRI. Any financial returns that may result from the PRI legally belong to Venn Foundation and are reallocated to each participating donor’s Venn Account for donors to make recommendations on how Venn Foundation should redeploy those funds to new PRIs or grants. This contemplated PRI would be a high-risk, charitable investment for Venn Foundation.

1. $100k-$300k unsecured loan with warrant
2. Seven-year term
   a. Years 1-3: Simple interest accrues at 2%, 3%, and 4% per year respectively, interest-only payments.
   b. Years 4-7: Simple interest accrues at 4% annually. Annual payments of accrued interest and one-quarter of principal.
3. Hoyo may need to meet certain “conditions of syndication” and “conditions of closing.”