DISCLAIMER

The information below has been included for general informational purposes only, and no person should make any investment decision in reliance upon the information contained herein. The information contained herein does not constitute an offer to sell or the solicitation of an offer to buy any securities. It is not intended to be investment advice. Potential investors should read ESRF's Preliminary Official Statement to make an investment decision and/or should see a duly licensed professional for investment advice.

August 20, 2019

Our History: Equitable Facilities Fund (EFF) is a nonprofit social impact fund founded in 2017 to help proven, high-performing, high-impact public charter schools maximize their resources for students. EFF's purpose is to 1) make it easier and less expensive for charter schools to put down roots in permanent facilities, and 2) create a pooled, transparent, enhanced credit structure for high-grade investors to access charter schools. We believe all quality public schools deserve access to capital at long-term, low-yield, high-credit, transparent, and Equitable terms. EFF created Equitable School Revolving Fund (ESRF) to hold school loans in a Trust.

Credit Structure: ESRF's revolving loan program was modeled after clean water state revolving funds that receive sizable federal grants, pool these grants with hundreds of loans, and issue high-grade tax-exempt bonds to revolve the fund. In 2018, ESRF received an initial $200 million philanthropic grant. Like federal grants for state revolving funds, this initial philanthropic grant fuels ESRF's 'A' rated revolving loan fund credit structure and access to low-cost capital via the tax-exempt bond market.

Loan Product: ESRF borrows at high-grade, tax-exempt rates by providing access, pooling, transparency, and credit security to bond investors. The resulting savings transfer to our partner schools through long-term, low-cost, fixed-rate school facilities loans. Eventually, like state revolving funds, ESRF aims to provide all proven, high-quality charter schools access to a pooled, liquid, high-grade market.

The Schools: All of our partner charter schools are non-profits, have at least three years of operating experience, and have established strong academic and enrollment track records. Since October 2018, ESRF has committed ~$158 million to 11 proven charter schools nationwide.

With the commitment of our first 11 loans and the deployment of most of our initial capitalization grant, Equitable SRF is poised to recapitalize via the tax-exempt bond market with an 'A' rating. Below is a summary of the Revolving Fund and its credit structure as it advances to the tax-exempt bond market:

The Bond Issuance

Equitable SRF (ESRF) originates and holds proven, high-performing public charter school loans and offers investors an overcollateralized, reserve-funded revolving fund structure to enhance that loan portfolio. ESRF is designed to withstand ~26% loan default (assuming 0% recovery). Note that historic charter sector-wide default rate is ~4%.

EQUITABLE
SCHOOL REVOLVING FUND

Successes to Date

- Achieved an 'A' rating from S&P
  - Note: S&P's financial analysis supports a "very strong financial risk profile" at the AA level, but the rating was notched down to 'A' given ESRF's "enterprise" is new and non-governmental. Please see the attached S&P report for details.
- Received a $200 million non-recourse initial capitalization grant with the potential for additional philanthropic grants.
- Committed to funding 11 charter school loans for $158M, 6 of which earned "BBB-" or "BBB" ratings from S&P and are amongst the highest-rated charter schools nationwide.
- Held a four-city roadshow with over 50 investors in attendance.
- Changed names from "Charter Impact Fund" to "Equitable Facilities Fund" and from "Charter Impact Loans" to "Equitable School Revolving Fund" aka Equitable SRF (ESRF).

Highlights of our Credit Structure

Similar to state revolving funds, ALL of our school loans plus all reserves secure ALL of the bonds. For this 2019AB issue, ~$158 million in loans plus an $8 million reserve secure ~$110 million in bonds. This structure gives investors scalable, "A"-rated, high-default-tolerance access to quality charter school paper. The following are some concepts and numbers that illustrate the credit strength of ESRF:

I. Over-Collateral and Over-Reserve Credit Structure

- ALL school loans are pledged to all bonds.
  - This means almost $3 in charter school loans pledged for every $2 in bonds.
  - We can do this because of our $200 million in philanthropic equity.
  - For the 2019AB bonds, ~$158 million in loans is pledged to ~$110 million in bonds.
- In addition to an over-collateralized cash flow, $8 million is held in an over-funded reserve.

II. Default Tolerance

- Like a Bond Bank or SRF, bondholders get paid first.
- ESRF over-collateralized structure facilitates a ***~26% loan default tolerance (assuming 0% recovery).***
- Historically, less than 4% of charter school bonds sector-wide have defaulted. ESRF only lends to schools with very strong historical operating performance.

III. ESRF's Underlying Loans

- Our initial loan portfolio is 11 loans for $158 million to some of the nation's most well-known, long-standing schools including KIPPs, Alliance, and Rocketship.
- Underlying loan security is similar to charter school bonds with similar covenants/disclosure.
- Our average loan diligence timeframe is 6-9 months, including loan committees and tax diligence.
- 6 of 11 loans carry a "BBB-" or better rating (the highest unenhanced charter school ratings). 67% of the loan portfolio is rated investment grade (by par).
- ESRF's disclosure will detail the borrower names and key credit highlights. Our portfolio management team will handle all surveillance, disclosure, and remediation efforts.
- The Fund is planning annual "school cohort trainings" to share best practices for charter finance, academics, and operations to maintain and improve the quality of the portfolio.

Successes to Date

IV. Future Scale & Liquidity - ESRF Will Issue Additional Loans & Bonds.

- Bond #1 - Series 2019AB: ~$110M in Summer 2019; collateralized by $158M in loans.
- Bond #2: ~$150M Spring 2020 (after additional loan origination).
- "Fund 1" will ultimately consist of >$400M in bonds secured by >$600M in loans.

V. Key Covenants

- ABT of 1.15x DSC and 1.20x Asset to Debt ratio. This means ESRF needs to pledge more loans and/or more equity to issue more bonds.
- DSRF held by Master Trustee for the benefit of all Bonds.

VI. Timeline

- July 25: Post POS
- July 30: Investor Roadshow @ 2pm ET
- August 7: Bond Pricing

VII. Key Links and Documents

Borrower Website:	www.eqfund.org
Investor Relations Website:	www.eqfundinvestors.org
Preliminary Official Statement:	View Here
S&P Ratings Report:	View Here

OBLIGOR NAME	OUTSTANDING ESRF LOAN (6/30/2019)	State	S&P RATING
Alliance for College-Ready Public Schools [1]	*$28,505,677*	CA	*BBB*
James Irwin Charter Schools [1]	*$26,414,793*	CO	*BBB*
Blackstone Valley Prep	$15,987,354	RI	BB+
KIPP Bay Areas Schools	$15,943,254	CA	BBB
Arlington Classics Academy	$15,486,133	TX	BBB-
Arizona School for the Arts	$10,575,440	AZ	BB+
KIPP Nashville	$10,500,000	TN	BBB-
Soulsville Charter	$10,233,670	TN	NR
Choices in Learning	$9,134,938	FL	BBB-
Village Tech Academy	$8,385,000	TX	BB
Rocketship United Academy	$7,282,964	TN	NR
[1] Expected loan with approximate loan amount.	$158,449,224		

Loan Portfolio Summary Statistics	
Total Outstanding Loans (6/30/2019)[1]	$158,449,224
Total Bonds to be Issued [2]	$111,035,000
Number of School Obligors	11
Number of School Campuses Pledged [3]	41
Number of States	7
Percentage of Loans BBB- or Higher (by $ amount)	67%
Number of Students Enrolled (SY 2018-2019)	20,518
Obligor Total Revenue (FY 2018)	$231,774,139

[1] Includes expected loans with approximate loan amount

[2] Preliminary, Subject to Change

[3] Some obligors have pledged multiple campuses to the Bonds

(Please consider this analysis illustrative ONLY and consult the POS for any investment decisions).