Disciplined Deployment
Strategic decisions and daily practices

Deployment Strategies

- Focused capital = Loans\(^2\)
  - Capital is a tool, loan-making is not the goal
- Growth = Deployment\(^2\)
  - Our strategic plans are all about growth to increase deployment
  - Now the primary lender (was 31% in 2007, now 95%)
- Deployment = Impacts
  - We measure jobs created
- Market positioning
  - We focus in one major industry where few others tread
  - Focus makes us memorable
  - Try to be best resource for tourism loans and advice
  - Specialization made us an expert
Deployment Tactics - Daily Practices

- No loan products - ask what they need
- Say "no thanks" **FAST**
- Identify and approach successful businesses
  - Ask what they need or hope to do
  - Encourage them to expand
- Get press coverage for new borrowers (*and us*)
- Work to keep best borrowers
- Pamper referral sources
- Benefit from specialization
  - More deep knowledge = less portfolio risk
  - Fewer problems = more time for deployment,
  - Greater investor confidence = more capital
- Willing to wait
  - Focus meant less deployment early, but more in the long-run

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**Ups and downs**

![Graph showing the ups and downs of dollar amounts of loans closed per year.](chart.png)
<table>
<thead>
<tr>
<th>Year</th>
<th>Loans Closed</th>
<th>Loans Approved</th>
<th>$ of Loans Closed</th>
<th>$ of Loans Approved</th>
<th>% of Dollars Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>19</td>
<td>20</td>
<td>$2,866,551</td>
<td>$3,051,551</td>
<td>94%</td>
</tr>
<tr>
<td>2010</td>
<td>24</td>
<td>26</td>
<td>$4,105,538</td>
<td>$4,425,538</td>
<td>93%</td>
</tr>
<tr>
<td>2011</td>
<td>27</td>
<td>32</td>
<td>$4,362,500</td>
<td>$5,831,500</td>
<td>74%</td>
</tr>
<tr>
<td>2012</td>
<td>25</td>
<td>33</td>
<td>$4,523,920</td>
<td>$6,343,820</td>
<td>71%</td>
</tr>
<tr>
<td>Totals</td>
<td>95</td>
<td>111</td>
<td>$15,858,509</td>
<td>$19,652,409</td>
<td>81%</td>
</tr>
</tbody>
</table>

Thank you

The Progress Fund
Strategies for Increasing Deployment

Tim Hatfield | 6/10/2013

Strategic Decisions

- Balancing Risk
  - Growth stage metrics
  - Industry concentration
- Scale
  - $$ and # in context
- Self-Assessment
  - Competitive landscape
  - Staff and organizational capacity
  - Mission
The how- “Touchpoints”

- Gain market recognition with borrower base

Target Market

- Banks
- Gov'T Trade Orgs.
- Vendors
- Client Referrals

Target Industries

- Trucking and Dry Cleaning
  - Gov't emissions control- “green”
    - Macro effect of the industry
    - Dealers already seeing volume
    - High interest competition
    - Tight Network
- Retooling- Restaurants, Auto Shops
Results

Fiscal Year July to June

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>7</td>
<td>$455,000</td>
</tr>
<tr>
<td>2011</td>
<td>16</td>
<td>$1,372,316</td>
</tr>
<tr>
<td>2012</td>
<td>26</td>
<td>$1,648,293</td>
</tr>
<tr>
<td>2013 YTD (May 15)</td>
<td>50</td>
<td>$3,043,319</td>
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