



PRI Opportunity Outline

This document provides an outline of a program-related investment (PRI) that Venn Foundation (Venn) plans to make if it can attract sufficient donor support. Venn is considering this PRI primarily to advance its charitable purpose and not with the significant goal of producing income, although financial return hopefully will also result. This PRI is a high-risk, charitable investment for Venn Foundation.

Recipient: ASIYA, LLC

Recipient Leaders: Fatimah Hussein, Co-Founder & CEO; Jamie Glover, Co-founder & President

Venture Overview

ASIYA is social business with a mission to help enable more Muslim girls and women to be physically active and participate in sports while also upholding religious traditions and cultural beliefs. The company achieves its mission by creating best-in-market sports hijabs and modest active wear, sponsoring athletes, partnering with nonprofits to support Muslim girls in sport, and advocating for the value of sport and inclusion. In 2016, ASIYA was recognized by the MN Cup as the impact division winner, the top woman-led business, and the top minority-led business.

Charitable Purpose Summary

The primary purpose of this PRI is to help increase the relatively low participation rate of Muslim girls and women in sports by helping ASIYA manufacture and market new sportswear specifically designed to enable their participation in a way that also honors their religious traditions. In so doing, ASIYA is helping to eliminate prejudice and discrimination, lessen neighborhood and community tensions, and support religion.

Overview of Investment Terms

Below is an overview of the intended PRI terms, which are fully described in the formal term sheet signed by both parties. Please note that Venn does not sell securities to investors but rather provides a unique charitable investment opportunity to its donors, who make recommendations. Donors themselves will not profit from supporting this PRI. Venn will allocate any financial return that may result back into each participating donor's Venn Account for donors to recommend redeployment of those funds as new PRIs or as grants to other nonprofits.

1. \$50k - \$200k unsecured loan by Venn Foundation with warrant
2. Standard repayment terms
 - a. Year 1-2: No payments; simple interest accrues at 2% and is paid in full at end of Year 2.
 - b. Year 3-5: Annual interest-only payments; simple interest at 3%, 4%, and 5% in Years 3-5 respectively.
 - c. Principal to be repaid in three balloon payments at end of Year 5.
3. Earlier payback triggered by various events, such as but not limited to...
 - a. ASIYA earns \$1.4M in annual revenue in any given fiscal year.
 - b. Any shareholder owning more than 5% is approved to earn more than a set salary per year.
 - c. ASIYA is liquidated, sold, or acquired.
4. Other Terms
 - a. 10-year warrant for 20% of PRI principal.
 - b. No dividends to members until loan and accrued interest are repaid in full.
 - c. ASIYA will adjust its corporate documents to reflect various social business commitments.
 - d. ASIYA will meet various other syndication and closing conditions.
 - e. In addition to regular financial reports, ASIYA will report impact metrics such as the number and attributes of the sales it makes, and as practical, data about the extent to which those sales contributed to improving the sports participation rates for Muslim girls and women over time.

Small Admin Fee - Only if PRI Succeeds

Donor-advised fund sponsors usually charge donors an annual administrative fee of around 1% calculated and paid monthly on the entire account balance. However, Venn only charges donors a fee if and when the PRIs they support are successful, allowing donors to reuse their charitable dollars. For this PRI loan to Asiya, donors pay an annual 1% fee only if the PRI is succeeding. For the PRI warrant, Venn allocates the first 20% of any return to its own operations. All other PRI returns go back to donor accounts pro-rata based on their initial participation where donors can recommend redeployment as new PRIs or grants to nonprofits.

Requests for Shared Due Diligence

Venn Foundation conducts its own due diligence on every PRI opportunity before making it available for donor support so that every PRI it makes is done legally, responsibly, and with reasonable terms and conditions that will, in Venn's own judgement, increase the likelihood of success for the PRI and its primarily charitable purpose.

That said, prospective donors should not rely on Venn Foundation's internal due diligence as an endorsement that any particular PRI opportunity is appropriate for their own support or as an indication that any given PRI will ultimately succeed. Donors are responsible for independently evaluating the merits of each PRI opportunity and ultimately for making the decision to recommend that their donations be used by Venn to support a particular PRI opportunity.

As a matter of policy, Venn does not share its own internal due diligence findings with prospective donors for three main reasons.

1. Diverse Standards

Venn operates in a unique investment context in which charitable impact is a primary consideration and financial expectations are purposefully below-market. In this context, donors can have very different standards for charitable impact, for assessing risk, and for determining what makes a PRI opportunity attractive or not. What each donor expects of and concludes from a due diligence process can vary greatly.

2. Sensitive Information

Due diligence often involves reviewing sensitive and protected information. It is more appropriate that the PRI recipient retain control over which parties are seeing what information than for Venn to play this role.

3. Role Definition

Venn sees its role as making a wide variety of PRI opportunities available and known to prospective donors. Venn's role is not to persuade donors to support any one PRI opportunity over another. That role is more appropriately and effectively played by PRI recipients and by other donors who are supporting the PRI.

Venn appreciates that donors may want more information about a particular PRI and PRI recipient than is provided here before making a donation or distribution recommendation. Just as is the case when donors recommend traditional grants to nonprofit organizations from a donor-advised fund, Venn encourages donors to speak directly to the PRI recipient and to other donors already supporting the PRI to further evaluate the PRI opportunity themselves before making a donation or distribution recommendation decision.

Recipient Contact

Interested donors may reach out to Jamie Glover, Co-Founder & President, at jamie@asiyasport.com.

Next Steps

If you would like to support Venn Foundation in making this PRI, please complete the accompanying "Pledge Form" and email it to Jeff Ochs, CEO of Venn Foundation, at jeff.ochs@vennfoundation.org. Once the PRI minimum is raised and the company meets any other conditions of syndication, we will contact anchor donors and ask them to fulfill their pledges within two weeks.