



### **Do you Need CRA Relief?**

The purpose of this introduction is to propose an investment solution that allows financial institutions to satisfy their Community Investment Act (CRA) requirements while earning an attractive yield and low volatility return in a diversified security. This solution is available through an investment in the Bluestone Community Development Fund "BLUCX".

**Fund Overview** – BLUCX is a closed-end mutual fund public security. BLUCX's investments primarily consist of 504 first lien loans secured by owner occupied commercial real estate, which represents the non-guaranteed portion of a US small business administration "SBA" Section 504 Transaction. The Fund seeks to provide current income from loan interest and the preservation of capital by investing in low loan-to-value first lien loans. BLUCX enables investors subject to regulatory examination for CRA compliance to claim favorable regulatory consideration for their investment under the community reinvestment act of 1977, both in the investment and lending test credit areas.

### **Fund Highlights (as of 10/31/19):**

- Fund Advisor – Bluestone Capital Partners (SEC Registered)
- Inception date – 12/16/13
- Fund NAV – \$9.83 (publicly available, updated weekly)
- Total assets – \$45 million
- 30 Day SEC Yield: 3.68%
- Last 12-month return: 6.10%
- Effective Duration: 1.79 years
- Target Loan LTV at Origination: 50-55%
- No Loan losses, or delinquencies > 30 days since inception

### **Fund Attributes:**

- Continuously offered registered mutual fund public security
- The Fund's portfolio primarily consists of new production SBA First Lien Loans
  - Must be > 80% 504 first lien with any remainder in government guaranteed investments
- The investment carries a 100 percent risk weight and is a permitted bank investment under the 'Volker Rule'
- Subject to CRA rules, investments in the Fund can qualify for either 'Lending' or 'Investment' test credit through assignment by the Fund to the investor
- Minimum investment of \$10,000
- The Fund offers complete transparency:
  - All audits, prospectus, fund financials and SEC regulatory documents publicly available
  - Loan list available as part of the investor due diligence packet
  - CRA Side Letters examples are available

We would be happy to schedule a brief introductory call for you with the Fund's managers. For more information, and to see the Fund's prospectus, please visit [www.blucx.com](http://www.blucx.com).

*Past performance does not guarantee future results. The performance data quoted represent past performance and current returns may be lower or higher. Share prices and investment returns fluctuate, and an investor's shares may be worth more or less than original cost upon redemption. For periods more than one year, performance is annualized. For performance data as of the most recent month-end please call 1-855-386-3504. The Adviser has contractually agreed to waive or reduce its management fees and/or reimburse expenses of the Fund to ensure that total expenses (excluding interest, leverage interest (i.e. any expense incurred in connection with borrowings made by the Fund), taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses (collectively, "Excluded Expenses") and including organizational and offering costs) do not exceed 1.75% of the Fund's average net assets. May be subject to a 1% sales charge. Performance data quoted represents total return which assumes reinvestment of dividends and capital gain distributions. The quoted performance reflects fee waivers and/or expense reimbursements in effect during those periods. Returns would have been lower without the waivers and reimbursements. An investor should read the Fund's prospectus and consider the Fund's objectives, risks, charges and expenses carefully before investing or sending money. This and other important information can be found in the Fund's prospectus. For more information, please call 484-588-2887. Please read the prospectus carefully before investing. The Fund's name changed from "The 504 Fund" to "Bluestone Community Development Fund" effective May 1st, 2019. NOT FDIC INSURED - MAY LOSE VALUE - NO BANK GUARANTEE*