2017 Impact Report

Calvert

CONTENTS

- 01 Message from the CEO
- 02 Methodology
- 04 Investor impact
- 06 Portfolio impact
- 09 Enterprise impact
- **13** Initiative updates
- **16** Impact capital for the future

Message from the CEO



Read more about our strategic plan and name change at calvertimpactcapital.org Dear friends,

I am pleased to present the 2017 Impact Report on behalf of Calvert Impact Capital (formerly Calvert Foundation) staff and partners. As you will read, 2016 was an eventful year for our organization. We grew our Note and portfolio balance by more than 20% to reach its highest level ever, and completed our new three-year strategy which we have implemented throughout 2017.

One of the key elements of our new strategy is to revamp our communications function. In the fall of 2017, we rebranded to Calvert Impact Capital, a name that better represents our work and our ambitions. The word "Foundation" in our name had us confused with a grant-making institution and complicated our communications. We are excited to reach our many audiences in clear, compelling, and targeted ways as Calvert Impact Capital.

We also are further developing our impact measurement work, seeking updated ways to capture and communicate the transformative nature of the investing we do. We know how our capital is supporting critical work in communities on the ground – building affordable housing units, financing more classroom seats, supporting climate change solutions – but we sought to measure our broader impact on the markets in which we operate and the investors with whom we work. The new impact measurement framework featured in this report attempts to capture these market-level dynamics and analyze our work on a more holistic level. This framework will continually evolve and we look forward to your feedback.

This Impact Report is intended for Community Investment Note® holders. Investors who purchase the Note receive financial returns – in the form of principal and interest – and generate social and environmental impact. This report provides an important moment for reflection on the power and potential of investing to create a more sustainable and equitable future. We thank you for working with us to help achieve it.

Jenn Pryce President and CEO

@JennPrycein/jennifer-pryce

Methodology

In all our impact measurement efforts we seek to understand the depth and plurality of our work, share our findings with our investors and the impact investing community, and apply lessons learned to our future work.

We say "depth and plurality" because our work has multidimensional impact that includes the end beneficiaries of our financing, the investors we work with, the borrowers we lend to, and ultimately the markets in which we work. We view our impact through three dimensions: investor, portfolio, and enterprise.

Investor impact

Goal: Increase amount of capital invested for impact by making our product accessible and efficient for a broad investor audience

Approach: We aim to grow the community of impact investors by offering our Community Investment Note® and ensuring that it is accessible to a wide range of investors through a variety of channels. We conduct investor outreach and offer investor support to ensure the investment process is easy and clear. The Note also offers exposure to a diverse range of impact sectors, markets, and geographies.

Data Source: Metrics on Note sales reflect data from our online investment platform, direct Note sales, and brokerage distributor. Due to limited individual account and financial advisor information from Note sales through brokerage firms, not all Note metrics will include brokerage channel sales data. The metrics in this report reflect investor outputs and outcomes in 2016.

Portfolio impact

Goal: Strengthen and grow markets whose needs are not met by traditional capital markets

Approach: We provide capital and services to impact-driven organizations that are overlooked or underserved by traditional capital markets. We tailor our investments to the borrowers' needs so that they can either build, grow, or sustain their operations and the impact they have on the communities they serve. We define our portfolio impact by the additionality of our investment, that is, the degree to which our support is increasing the quantity and/or quality of our borrowers' outcomes beyond what otherwise would have occurred. For example, our investments can help provide validation that attracts additional investor capital, de-risk new business models, and influence market behavior.

Data Source: Data is collected from our borrowers and Investments Team. Outputs are from 2016, and outcomes result from relationships over many years and reflect performance up to and through 2016.

Enterprise impact

Goal: Create tangible positive impact on social and environmental challenges through our investments

Approach: All our investments are approved in part because of their potential to address specific social and/or environmental challenges. We define enterprise impact as the outputs and outcomes that the borrowers in our portfolio have on the communities they serve. Outputs are reported as the products and services of the borrower and outcomes are the effects of these outputs on the end-clients being served. This impact is broken down into nine sectors, each with its own key indicators that are self-reported by our borrowers.

Data Source: Our portfolio consisted of 126 active loans with 103 borrowers as of year-end 2016. Borrowers representing 90% of our portfolio exposure reported impact metrics for their 2016 fiscal year. This report reflects the aggregate total of this data. While our investments are a crucial portion of our borrowers' financing, it is important to note that this impact was not financed solely by our capital.

Methodology



For all our data gathering, we use industry-aligned indicators and best practices to collect the most relevant performance data and alleviate the reporting burden on our borrowers.

Presented together, these three dimensions of impact – investor, portfolio, and enterprise – reflect the aggregate impact of Calvert Impact Capital's work. This impact builds upon itself, over time, across sectors, and contributes to the collective impact we have on the markets we serve.

To learn more about our methodology for measuring impact, visit: calvertimpactcapital.org/impact/measurement

Katherine St. Onge, Investor Relations Senior Officer, speaking with investors during an impact tour in Denver

Investor impact

Through our Note offering, investors gain exposure to many different organizations, sectors, and regions – all through one accessible product.

Calvert Impact Capital was founded with the intention to create a more direct and inclusive way of financing impact. We remain dedicated to this goal today and seek to increase the volume of capital invested and grow the number and diversity of participants investing that capital.

In 2016 we welcomed **749** new investors, growing our total current investor community to **3,941** and cumulative number of investors to **18,343**.

Exactly **\$152,547,902** of new capital was invested in our Note; accounting for maturities and withdrawals, our outstanding total Note balance was **\$321,871,508** at the end of the year.¹

Consistent with our track record, all Notes that matured were repaid **100%** in principal and interest, and **96%** were reinvested.²

Through our Note, investors gained exposure to:

- 103 intermediaries, projects, and funds
 - **95** of which are otherwise inaccessible to retail investors³
- 97 countries
 - 48 of which struggle with lower capital flows⁴

The diverse impact, combined with widespread availability and strong track record, has contributed to consistent growth in capital and increased commitments from investors. Our work with financial advisors and institutions has also helped promote awareness of impact investing opportunities and the growth of the broader industry. In 2016 we worked with **190** financial advisors who purchased our Note for their clients.

¹ Outstanding Note balance as of year-end 2016, not inclusive of \$15,150,000 Note held by ImpactAssets Funded Guarantee L.P.

² Percentage derived from number of Notes that have the option to reinvest

³ Defined as borrower entity that offers a retail investment product that is publicly available

⁴ Determined by number of countries where we have exposure that are rated BBB- or below according to S&P Sovereign Risk Ratings for 2016



Watch the video of Justin at calvertimpactcapital.org/invest/voices

Urban designer investing in the cities he loves

Justin Garrett Moore is a leader in urban design and planning; he is the Executive Director of the New York City Public Design Commission, adjunct professor at Columbia University, and co-founder of Urban Patch. Growing up in inner-city Indianapolis taught him the importance of capital and resources that communities need to thrive. Today Justin not only commits his work but also his investments to building better cities. "My interest and dedication to impact investing have grown over the years, and to the degree that I consider it essential and prudent to my overall financial health and sense of wellbeing." Nearly ten years ago Justin made his first investment with us online and has since increased his investments in the Note and similar initiatives that strengthen communities. He exclaims, "I am positive that I will continue to include impact investments in my financial plan indefinitely. These investments are so important given the many different types of challenges that people and places across the globe are facing."



Shari Berenbach, Calvert Foundation's first CEO

Historical relationship leads to greater commitment to impact

Since it first started, Praxis Mutual Funds has been committed to integrating faith and values with investments. As a mutual fund company, Praxis focuses largely on responsible investing in debt and equity securities. It was a chance meeting of Mark Regier, VP of Stewardship Investing for Praxis, and former Calvert Foundation CEO, Shari Berenbach, over 18 years ago that set the fund family on its journey with impact investing. Through a constantly evolving relationship with Calvert Impact Capital, Praxis and its parent organization, Everence, have continued to explore new ways to channel more capital to impact investments. This relationship has influenced the Praxis Core Values and their commitment to invest at least 1% of each fund in impact investments. Today, Everence's advisory arm seeks to make impact investing available to all their clients. Over the years, Praxis's investments with Calvert Impact Capital have grown along with the size of the funds, and now amount to nearly \$12 million. Mark says, "Calvert Impact Capital has made it easier for our staff, advisors, and clients to connect at a deeper level with the impact of their investments, helping live out their values of being a force for good in our world."



A financial advisor speaks with a small business owner

Financial advisor champions impact investing opportunities to clients

Financial advisors are key advocates for impact investing. Often they are the first to introduce such opportunities to their clients and in some cases play an influential role in getting their entire firms to include impact investing in their strategies. One of the financial advisors we have been working with since we first launched cites Calvert Impact Capital as a core instrument for bringing impact investing to her clients and company. As an investment advisor running her own firm, Kathy was already a big proponent of impact investing. Seeing the need to expand the impact conversation to a mainstream audience, she began working for one of the largest wealth managers in the world. She felt strongly that it was time for impact investments such as the Note to be on every investment platform. Through persistence and hard work, she has helped usher in over \$13 million in investments. Kathy and her clients depend on and appreciate the due diligence and expertise that Calvert Impact Capital brings to the process. She explains, "It allows my clients to feel confident that the organizations are well-vetted not only financially, but that the money they invest will have a lasting impact. I cannot say enough wonderful things about Calvert Impact Capital."

Affordable housing complex for artists in Baltimore, MD constructed with the help of our financing

Portfolio impact

We focus on serving sectors and regions whose needs are not met by traditional capital markets. We analyze local and global market trends and sector needs to identify investment opportunities that serve communities and the environment. We work closely with our borrowers to understand their unique needs and tailor our capital in response. As a result, our borrowers benefit from flexible financing, demonstrate success and scale their business models, and gain access to new markets. Ultimately, we aim to open new sources of capital for our borrowers to further their mission and impact.

At the end of 2016 our portfolio consisted of **103** financial intermediaries, projects, and funds with an outstanding balance of **\$320,275,810** representing exposure across **97** countries.⁵

These borrowers disbursed **4,965,124** loans to their clients working in their target sectors and locations. The total value of these loans was **\$7,673,945,325**.

We closed **23** new loans for a total of **\$123,699,863**. The median amount committed per unique new loan closed was **\$2,952,901**.

We continue to expand the impact sectors we serve. Of the new loans closed, **\$10,272,960** was committed to organizations working in environmental sustainability and renewable energy. We have increased our investment in these sectors over several years, as the role for our capital to strengthen and grow these markets has become very clear. Our capital also serves to scale and sustain borrowers and markets in which we've been active for many years. We have worked with these long-term borrowers for an average of **seven** years. Of our **23** new loans closed last year, **32%** were renewals to existing borrowers.





⁵ Total portfolio balance listed here for year-end 2016 includes all portfolio loans, certificates of deposit, and investments, and excludes \$1,806,745 of investments that are held for liquidity.

Portfolio impact



Client name: Central City Concern Area served: Oregon - USA Impact sectors: Affordable housing, health Cumulative capital provided^{*}: \$12,600,000 Working relationship since: 1996



Client name: MCE Social Capital Area served: Latin America, Sub-Saharan Africa, Asia, Eastern Europe, the Caucasus Impact sectors: Sustainable agriculture, small business, microfinance

Cumulative capital provided*: \$4,000,000 Working relationship since: 2005

Sustaining over two decades of growth

In the early 1970s the city of Portland struggled with one of the highest rates of alcoholism in the country. In response, the City of Portland and Multnomah County created Central City Concern (CCC) to offer alcohol recovery treatment and affordable housing and rehabilitation management. In the 1980s, recovery treatment extended to those addicted to crack cocaine and heroin, and by the 1990s CCC had grown to support those affected by all drug and alcohol addictions. From the beginning, it was clear to CCC that safe housing was paramount to recovery, and they have since focused on the acquisition and development of housing projects as a core part of their work. In 1996 we made our first loan to CCC to help finance their affordable housing work. Over time as we have grown as an organization, so too has CCC, both in capacity and financing. In 2016 CCC developed and/or preserved 1,708 affordable housing units and served 13,187 clients across the state of Oregon.

Pioneering capital raising models

MCE Social Capital, formerly known as Microcredit Enterprises, was created with the goal of channeling capital to microfinance institutions to generate economic opportunity for women and families living in poverty. MCE utilizes guarantees from high net worth individuals and foundations to attract institutional investors. This unique financing model leverages private philanthropic capital and sets MCE apart from other lenders. In support of this model, we provided MCE with their first loan in 2006 at a time when they were not able to attract other commercial lenders. Since then we have renewed and increased our support as their portfolio has grown from just under \$5 million to over \$60 million, and now includes small and growing businesses working in sustainable agriculture, clean energy, and water and sanitation. MCE still uses the same innovative guarantor model and now attracts debt capital and grants from multiple institutions such as OPIC, USAID, and New Resource Bank.



Client name: SunFunder Area served: Sub-Saharan Africa, South Asia, Pacific Islands

Impact sectors: Renewable energy, small business

Cumulative capital provided*: \$2,000,000 Working relationship since: 2015

Financing growth for solar energy projects

SunFunder is a financial intermediary that lends to solar energy companies, with a focus on reaching off-grid communities. They are one of very few financial intermediaries exclusively serving the solar energy sector in emerging economies, and as such play a pivotal role in the growth of the market. During their first three years of operation, SunFunder lent nearly \$3 million in short-term loans to early stage solar lighting producers and distributors with the goal of growing organically with them. In support of their lending strategy and to further enterprise development in this sector, we invested in SunFunder in 2015. Since then, SunFunder has grown significantly, in terms of capital raised from other investors and the financing they provide to their borrowers. In 2016 alone, SunFunder issued \$11,659,500 in loans to 20 companies, and has closed approximately \$30 million in loans in total.

*Total of capital disbursed to borrower since first loan was closed, inclusive of renewals

Portfolio impact



Client name: Medical Credit Fund Area served: Kenya, Ghana, Nigeria, Tanzania Impact sectors: Health Cumulative capital provided*: \$6,000,000 Working relationship since: 2012



Client name: DC Water Area served: Washington, DC - USA Impact sector: Environmental sustainability Cumulative capital provided^{*}: \$2,000,000 Working relationship since: 2016

Scaling health systems in Sub-Saharan Africa

In 2012 we first invested in Medical Credit Fund (MCF), a fund created to improve quality and access to finance for small clinics across Kenya, Tanzania, Ghana, and Nigeria. Their model is to lend to clinics through and with local banks to demystify and de-risk the health sector for the local banking system and thus open up the credit markets. The loans are complemented with a quality improvement program using the SafeCare standards. In early 2014, MCF experienced an increase in demand for larger loan sizes that couldn't be met due to the fund's exposure limit. In response, MCF created a launch facility called the African Health Infrastructure Fund (AHIF) while they structured a larger fund that would be responsive to the demand in their markets. To support this growth we issued a bridge loan to AHIF. In 2016 we transferred our commitment to the expanded Medical Credit Fund to help enable loan sizes up to \$2.5 million to a wider range of players in the healthcare sector. This same year MCF disbursed \$8,388,590 in loans to hundreds of healthcare facilities. In total the fund has disbursed more than \$24 million in loans, contributing to a stronger health system and greater access to quality healthcare for low income populations across Sub-Saharan Africa.

First U.S. Environmental Impact Bond

We invested in the first U.S. Environmental Impact Bond issued by DC Water to finance the construction of green infrastructure, with the goal of managing storm water runoff and improving the District's water quality. The bond is the first to tie payments to environmental outcome metrics. With roots in the pay-for-success field, the bond represents a market-driven, accessible, and scalable approach to impact investing. More than a dozen other cities have now taken interest in issuing their own environmental impact bonds, which would have the potential to usher in millions in private capital for public environmental projects.

^{*}Total of capital disbursed to borrower since first loan was closed, inclusive of renewals

Enterprise impact

The outputs and outcomes produced by our borrowers demonstrate in a tangible way how investing can contribute to a more equitable and sustainable world.



In 2016 our borrowers reported serving 42,797,343 total clients across nine sectors:

Through their work our borrowers provide access to critical services, develop communities, expand access to capital and reduce the effects of climate change.

owner who has receive financing from our borr

We invest in key pillars of resilient communities: housing, community facilities, education, and health care.

Our borrowers collectively created and/or preserved **35,864** affordable housing units across the U.S. Many of our borrowers also advise lower-income clients on how to acquire and invest in homes of their own. Last year **33,108** clients received housing counseling.

Community facilities are often the main vessels for neighborhood activity, support, and information. These facilities provide core services that communities need to flourish, such as childcare, shared working spaces, athletic centers, education, and health care. Across the U.S., our borrowers financed **162** community facilities, serving **2,326,612** children and adults. Our borrowers that work in education serve students from primary to graduate levels. They provide financing for both schools and direct student loans. Across the U.S. and India, **922** schools and education facilities were financed that served **1,651,292** enrolled students. In higher education, **4,202** students in Mexico and Central America received loans that helped them afford and pay school tuition fees.

Across the U.S. and Sub-Saharan Africa our borrowers working in health provide quality services in long-term care, preventative care, and geriatrics. These borrowers financed **72** new healthcare facilities, resulting in **2,153** health professionals employed and **4,522,066** unique patients served.



Affordable housing units in Anacostia acquired by CPDC with the help of our borrower Community Housing Capital

Affordable housing in Washington, D.C.

Anyone living in Washington, D.C. can attest to the surging housing costs; today nearly half of the city's renters spend more than 30% of their income on rent. In Anacostia, a predominantly low-income neighborhood in southeast D.C., 62% of renters spend more than 30% of their income. Developers are anticipating opportunities to gentrify the neighborhood, which has the potential to bring wealth but also risks pricing out families who have lived there for generations. To preserve and increase access to more affordable housing, our borrower Community Housing Capital made a loan to the Community Preservation and Development Corporation (CPDC) to acquire a set of apartments in the area. With this acquisition CPDC now manages 96 apartment units, with 30 units rented to residents with rental assistance vouchers, 20 units rented to residents, and the remaining market-rate apartments rented to residents with varying incomes.



Classroom in India financed by our borrower Varthana

Education for rural students in India

In rural India where access to education is limited, it is common for students to leave their homes to attend school. Mr. Raju saw this departure as a lost opportunity for students to grow and contribute to their own communities, and sought out a way to encourage students to remain in their villages. This led him to open two schools, an English school and an undergraduate college. However, his undergraduate college struggled to gain enrollment since many of the villagers could not afford tuition or did not understand the incentive to pursue higher education. With a loan from our borrower Varthana, Mr. Raju improved the infrastructure at his college and invested in teacher training. Now, close to 1,000 students are enrolled at Mr. Raju's college, and he looks forward to working with Varthana to expand his work.

Enterprise impact

To increase capital flows for small and micro-loans we invest in small business lenders and microfinance institutions that work directly with individual clients.

Last year our borrowers originated **6,310** small business loans at a total value of **\$331,579,924**. This resulted in **2,587** jobs created and **8,962** jobs retained.

Across **87** countries, **5,427,681** microloans were disbursed at a total value of **\$4,598,818,165**.

Individuals and families living in rural areas rely on agricultural production as their primary business and source of income. Our borrowers working with sustainable trade cooperatives and farms supported **104,593** smallholder farmers with capital.



Irene, founder and owner of GAEA Foods in Nairobi, Kenya financed by our borrower Grofin

Kenyan woman entrepreneur defies the odds

Women in business may be reluctant to start and grow businesses because of the challenges associated with gender. However, Irene, in Nairobi, Kenya, didn't let her gender prevent her from starting her own business, called GAEA Foods. It started as a food kiosk in Nairobi's Industrial Area, where she focused on potato processing and outsourcing to the local food service industry. Irene soon saw potential in focusing on potato processing, as potatoes are one of the most consumed products in the country. With a loan from our borrower Grofin, Irene expanded her kiosk into a full-fledged potato wholesale business. Competing in a male-dominated space, she worked to expand her brand to focus on empowering farmers in her community and employing a high proportion of women. Today, more than 50% of the staff directly employed by GAEA are women. Irene's company now supplies a competitive fast foods segment and other high-end clients. As Irene continues to reach more people, she serves as an example in her community of successful entrepreneurship and breaking gender barriers.



Atilio Garcia, speaks with Hope Credit Union staff, financed by our borrower HOPE

Providing opportunities for Latino business owners in Arkansas

Atilio Garcia is a hard-working entrepreneur in Little Rock, Arkansas, where he runs his own office cleaning service and a lively cantina named Oasis. He wanted to expand his cantina business by purchasing the property adjacent to Oasis, but he did not feel comfortable communicating in English in a business environment. He turned to his local Hope Credit Union (the regional credit union arm of our borrower HOPE) for assistance in providing him with a commercial loan to purchase the desired property, and his advisor, Mike Ramirez, communicated with him in Spanish to properly understand his needs. The employees at Hope Credit Union understand the unique challenges their Latino customers face and know that with the right support they have as much to contribute to their economies and communities as anyone else. Since Hope has approved Atilio's business loan, Oasis continues to grow and enrich the community of Little Rock.

Enterprise impact

Low-income communities are often more vulnerable to and disproportionately affected by climate change. In response, we're investing to support pioneering climate change solutions, such as solar energy products, local recycling initiatives, and sustainable business practices.

Renewable energy projects sold and replaced in 2016 by our borrowers are projected to reduce **8,391** tons of GHG emissions (in tons of CO_2 equivalent) throughout their lifetime.

These renewable energy products, including solar lights and clean cookstoves, provided improved energy access for **2,166,799** users. These products generated **629,067,201** KWh of clean energy for sale and **1,111,680** KWh of clean energy for use, and helped to conserve **48,063,340** KWh of energy.

Here in the U.S. **60,982** tons of waste were recycled and **4,121** green affordable housing units were financed.



Workers process recycled materials at our borrower Eureka's Material Recycling Facility



Our borrower Eureka Recycling is a women-led nonprofit local recycling enterprise based in Minnesota, with a mission to achieve "zero waste" in the area. As a key piece of their zero-waste strategy, Eureka provides various residential recycling services throughout the Twin Cities. Unique in the industry of recycling, they offer living wages with benefits to all employees and all their drivers are union members. In 2016 Eureka's Material Recycling Facility processed over 60,000 tons of recycled material and surpassed its one billionth pound of recycling in total. This offsets an equivalent amount of CO_2 as the growth of 28,071,109 trees over ten years. Eureka knows well the benefits of each ton recycled and focuses on maximizing the amount that can be recycled by reducing its residual rate (the amount of collected materials that can't be sold for recycling and must be thrown away). Eureka's residual rate is 5%, almost a fourth of the nation's 17% industry average.



Mariam, owner of a hair salon in the Arusha region of Tanzania, working in her salon with solar energy financed by our borrower Off Grid Electric

Renewable energy solutions in Tanzania

Mariam runs her own hair salon in the Arusha region of Tanzania where access to energy sources can be sparse. Lacking reliable electricity, Mariam struggled to provide adequate services for her customers and compete with other nearby salons. After one of her customers told her about M-Power, a solar energy home system offered by our borrower Off Grid Electric, she signed up. Mariam explains, "I am happy that my customers can watch TV or listen to the radio while waiting for my services even when there is no electricity. Now I don't have to worry about power fluctuations anymore." Access to electricity is particularly vital for women – who make up 75% of those in energy poverty – to run their businesses, manage their homes, and take care of their families. Off Grid Electric is working across Rwanda, Tanzania, and Cote D'Ivoire to provide affordable and accessible electricity to off-grid homes. With the innovative M-Power product, Off Grid Electric connected the homes of over 113,000 people last year and 500,000 since their inception.

Emilia Ortero, an entrepreneur and community leader in Oakland supported by our borrower Opportunity Fund

Initiative updates

In 2016 we launched and advanced several initiatives to connect our investors to impactful opportunities in specific places and causes.

Gender equity

Our investor community consistently cites gender equity as one of their top interests. As a women-led organization that has been deploying capital to women entrepreneurs for more than **20** years, we couldn't agree more on the importance of investing in women. In 2012, we intentionally started making loans to organizations that are empowering women through microloans, healthcare, small business financing, and clean energy access.

As of year-end 2016 we had an outstanding balance of **\$36,480,278** in loans deployed with a dedicated gender lens across **17** borrowers.

Five years later, this work remains at the top of our agenda. We have incorporated the many lessons learned across our broader portfolio while digging deeper in every sector and its direct link to gender equity. The first sector we are focusing on is renewable energy. Women make up 50% of the population, but account for almost 75% of the energy poor. Access to clean energy can improve women's health by reducing indoor air pollution and allowing more time in the evenings for education and managing businesses. At the end of 2016 our active portfolio focused on the intersection of gender equity and renewable energy amounted to **\$15,356,190** to **seven** borrowers. Of the borrowers who have reported, **949,984** women now have improved access to clean energy, either through solar panels or clean cookstoves.

In addition to our women-focused investments in the renewable energy sector, we are collecting gender metrics across our portfolio to understand our larger impact on women and identify future opportunities. As of year-end 2016, our borrowers reported serving **17,032,357** women clients last year, including **1,821** women-owned businesses in the U.S., and **1,955,709** women health patients in Sub-Saharan Africa.



Installation of a solar energy panel financed by our borrower Off Grid Electric

Initiative updates

Local investing

Our investors continually express interest in the investments we're making in their local communities. In some cities, we've worked with community leaders and borrowers to develop place-based strategies that aim to shed light on and attract investor support for specific local needs and opportunities. We started this work in 2014 in Denver and the Twin Cities and in 2016 expanded to Baltimore and Chicago.



Twin Cities

Across Minneapolis and Saint Paul our investments are helping to finance small and medium-size businesses, affordable housing developments, and community development facilities. At the end of 2016 our active portfolio balance amounted to **\$6.5 million** to the partner borrowers we work with in the Twin Cities.

Our borrower Aeon serves thousands of Twin Cities residents a year by acquiring and managing affordable housing units and helping to place those in need in these homes. In August 2016, Aeon acquired Como by the Lake, an affordable senior living complex. The property contract that designated it as an affordable living space had expired, and the owner was looking to sell to a commercial developer. With support from the community and Como by the Lake residents, Aeon purchased and now manages the property, preserving it as an affordable senior living complex.

Denver

In Denver our investments are financing small and medium-size businesses and community development facilities. At the end of 2016 our active portfolio amounted to **\$12,155,000** to the partner borrowers we work with in Denver.

In July 2016 we celebrated two years of work in Denver with a tour across the city. With our local partners, investors, and financial advisors, we visited some of the businesses and facilities that have benefited from our investments. We made one of our stops at the Social Enterprise Foundry, a **44,000** square-foot warehouse space. With the help of our capital, our borrower Urban Land Conservancy acquired the warehouse and preserved it as affordable office units for some of Denver's leading nonprofits. Our efforts were recognized at CO Impact Days as the winner of the Economic Development and Social Justice track.

Baltimore

We officially launched our local engagement in Baltimore last year and ended 2016 with an active portfolio balance of **\$8,966,011** to the partner borrowers we work with in the city. One of our investments supported the development of Remington Row, a construction project bringing workforce housing, health services, and other important community amenities to the historically underserved Remington neighborhood. When the building opened its doors later in 2016, its one hundred-plus units of workforce and affordable housing were nearly all occupied, and residents reported immediate benefits from the renewed commercial activity the mixed-use building brought to the neighborhood.

Chicago

Benefit Chicago is an innovative collaboration between MacArthur Foundation, Chicago Community Trust, and Calvert Impact Capital to mobilize **\$100 million** in investment for nonprofits and social enterprises in Chicago. MacArthur Foundation committed to invest **\$50 million**, and the Chicago Community Trust committed **\$15 million**. We aim to raise the remaining **\$35 million** from investors through our Note. In 2016 Benefit Chicago focused on hiring staff, engaging the community, and launching an application portal and support process for local organizations seeking financing. We saw strong interest and commitment from investors, as well as significant demand from Chicago-based organizations applying for loans. Learn more at benefitchicago.org

Initiative updates



Mr. Christmas, one of the residents of the Green House homes in Detroit, financed by our partnership with AARP, AARP Foundation, and Capital Impact Partners

Support for the aging

In 2016 we continued working with AARP, AARP Foundation, and Capital Impact Partners to channel capital to aging-focused organizations and services. At the end of 2016 our active portfolio amounted to **\$10,578,338** to these borrowers, a part of our goal to channel **\$70,000,000** in total to services for the aging. One of the investments under this partnership helped finance the construction of two Green House homes in Detroit's Rivertown neighborhood. The Green House model is designed to provide individualized care in an environment that looks and feels like a real home, thus returning control, dignity, and a sense of well-being to its residents and their families.



Women business owners who have benefited from support of our borrower Grameen America

Heritage and investing

The U.S. is home to the largest number of diaspora members of any country in the world. There are nearly 62 million first and second-generation immigrants in the U.S. and this diversity is an essential part of our national narrative and success. Many diaspora members are eager to support their communities of heritage through investment – both in the U.S. and abroad. In 2016 we focused on engaging investors from Indian and Latino communities.

India: At the end of 2016 our active portfolio balance with exposure in India was\$21,281,708 to borrowers that are financing small and medium-size businesses, education, affordable healthcare, agricultural supply chain, clean energy, and water and sanitation services.

Latin America: At the end of 2016 our active portfolio balance with exposure in Latin America was **\$30,594,680** across borrowers working in microfinance, small business, education, environmental sustainability, renewable energy, and sustainable agriculture sectors. We've also been working with Kiva and Latino Community Credit Union on a campaign called **#ParteDeLaSolution** to highlight the ways our work supports Latino communities in the U.S. and Latin America. The campaign, promoted with support from Univision and Fusion, aims to engage Latinos in authentic ways as investors and financial activists in their communities.



A gathering of staff and the Jubilee Assembly

Investing with your faith

Last year we launched the **Jubilee Assembly**, a community of faith-based individuals, institutions, and financial advisors committed to investing in alignment with their traditions and beliefs. While Jubilee members represent various faiths, they share a common purpose to create economic opportunity for disadvantaged people and to protect the planet. Faith-based institutions were among our first investors, and continue to invest with us today. The Jubilee Assembly gathers throughout the year to discuss and share best practices for mobilizing the faith community to channel more capital to those in need.

Impact capital for the future

As this report demonstrates, 2016 was a year of significant accomplishments for Calvert Impact Capital and the broader community of investors, borrowers, and partners we work with. As we look to the future, with our new name and strategy in place, measuring the impact of our work will continue to be vital to our success. We remain committed to evolving our models and frameworks to provide a nuanced understanding of our organizational impact and progress towards achieving our ultimate goals of transforming markets and investor behavior.

None of our work would be possible without our committed investor community, forward-thinking industry partners, and hard-working borrowers. Together our efforts prove that investment capital can make a difference in tackling our shared global challenges. We thank you for your partnership and look forward to working alongside you in the future.

Invest now at calvertimpactcapital.org 🔶



Our staff Caroline Chinhuru, Pinnapa Satitpatanapan, Caitlin Rosser, and Naomi Weiner in Baltimore visiting a borrower

Photo credits (in order of appearance): students - Boston Community Capital, Jenn Pryce - Calvert Impact Capital, Market impact - Calvert Impact Capital, Investor impact - Calvert Impact Capital, Portfolio impact - Calvert Impact Capital, Enterprise impact - Off Grid Electric, Katherine St. Onge - Calvert Impact Capital, Justin Garett Moore - Calvert Impact Capital, Shari Berenbach - Calvert Impact Capital, financial advisor - Calvert Impact Capital, City Arts - Calvert Impact Capital, Portland - Calvert Impact Capital, women working - MCE Social Capital, solar panels - SunFunder, health workers - Calvert Impact Capital, Potomac river - Calvert Impact Capital, Irma - Grameen America, housing - Community Housing Capital, school - Calvert Impact Capital, Irene - Grofin, Atilio - HOPE, recycling - Eureka, Maria - Off Grid Electric, Emilia - Calvert Impact Capital, solar panel - Off Grid Electric, community leaders - Benefit Chicago, Mr. Christmas - Calvert Impact Capital, women business owners - Grameen America, Jubilee Assembly - Calvert Impact Capital, staff - Calvert Impact Capital



7315 Wisconsin Avenue Suite 1000W Bethesda, MD 20814 Phone: 800.248.0337 calvertimpactcapital.org



@calvertimpcap

linkedin.com/company/calvert-impact-capital

facebook.com/calvertimpcap

CALVERT IMPACT CAPITAL, INC., A 501(C)(3) NONPROFIT, OFFERS THE COMMUNITY INVESTMENT NOTE, WHICH IS SUBJECT TO CERTAIN RISKS, IS NOT A MUTUAL FUND, IS NOT FDIC OR SIPC INSURED, AND SHOULD NOT BE CONFUSED WITH ANY CALVERT RESEARCH AND MANAGEMENT-SPONSORED INVESTMENT PRODUCT. ANY DECISION TO INVEST IN THESE SECURITIES SHOULD ONLY BE MADE AFTER READING THE PROSPECTUS. DUE TO BLUE SKY REGULATIONS, THE CURRENT OFFERING OF THE COMMUNITY INVESTMENT NOTE MAY NOT BE AVAILABLE IN ALL STATES.