



Measuring social performance has become an important way for us and our investors to understand the change we collectively create in poor communities. Quantifying outcomes enables investors to understand how their investment creates an impact, but also helps us communicate our theory of change. That is, the concept of alleviating poverty through investment becomes more understandable when you see evidence that it's working.

But how do you measure the impact of having a safe and affordable place to live? The 18-year-old mother who's spent the past three years on the street would tell you it goes way beyond four walls. She'd say it's in the freedom of being able to focus on a future—knowing her baby is safe. What about the impact that access to credit has on small business owners in Timbio, Colombia? They'd tell you that impact starts with increased revenue, and continues with sending a child to school and a grandfather to the doctor.

The true impact of our work is challenging to measure. But the stories that we receive from our partners describe the impact Calvert Foundation's investors make in a way that numbers cannot; they speak to the positive changes that are not as easily quantified, but just as important.

As Calvert Foundation continues to grow and reach more communities, we will continue to provide a measure of impact in the best way we know how: with tangible numbers and with stories from our partners about lives changed in ways that only the imagination can truly measure.



“We have always been challenged by the imposition of limits as we’ve built a market for which there is no precedent. But it’s in our nature to be inspired by these challenges rather than intimidated by them. Today, Calvert Foundation has one of the most comprehensive platforms in the impact investing sector for raising and deploying capital in the financial marketplace.”

**—LISA HALL, PRESIDENT AND CEO,
CALVERT FOUNDATION**

\$650 billion

Market opportunity among financial advisors and their clients for impact investments, according to Gateways for Impact.

“Having worked in international development, I understand how difficult access to capital can be in the developing world (as well as in the U.S.). I am happy to hold investments that help individuals without access to capital.”

—BRANDON TRACY, INVESTOR

investing in impact

COMMUNITY INVESTMENT NOTE*



INVESTORS

7,203



TOTAL INVESTMENT IN THE NOTE

\$214,956,699



BROKERAGE FIRMS DISTRIBUTING NOTE

More than **400**



GEOGRAPHIC DISTRIBUTION OF INVESTORS

All **50** States and **DC**

Connecting Investment and Community

For the past 17 years, Calvert Foundation has built a strong track record of delivering financial and social returns to our investors and the underserved communities that benefit from their investment. Our lending portfolio has continued to grow despite a downturn and we're constantly developing new ways to meet the specific financial needs of our partners on the ground. And, since our inception, 100 percent of our investors have received repayment at maturity.

When it was first introduced, our Community Investment Note enabled investors to support a range of worthy causes—affordable housing, jobs, education, microfinance, and more—on a global scale. Now, we're building on that foundation by offering opportunities that more closely align investment with impact. The Women INvesting in Women INitiative (WIN-WIN) and Green Strategies to Fight Poverty, featured in this report, represent the kind of targeted investing that more specifically addresses social and environmental challenges.

We're also evolving how we work with our borrowers—the organizations who benefit from our investors' commitment. From participating at the project level with some of our partners, to offering flexible financing options, Calvert Foundation is finding new ways to increase impact.

The demand for this type of capital is growing. As of December 2011, we had more than \$184 million at work with 208 partners working in 80 countries. These organizations are developing affordable housing, building community health centers, expanding access to financial services, and working in numerous other ways to reduce poverty.

As impact investors seek more effective ways to create positive change, we will continue to work closely with the organizations that are affecting that change on the ground.

\$184 million

LENDING PORTFOLIO

100% REPAYMENT OF THE

COMMUNITY INVESTMENT NOTE TO INVESTORS

INVESTING IN **80** COUNTRIES

LENDING TO **208** BORROWERS

Promoting Healthier Communities

Poverty plays a major role in the health of people living in vulnerable communities. Without access to proper health facilities and adequate nutrition, poor communities are more susceptible to disease and ill health. But poverty can also be a result of poor health. According to a report published in *The American Journal of Medicine*, medical bills are a major factor in more than 60 percent of personal bankruptcies in the United States.

Calvert Foundation makes it possible for investors to provide access to health care—because staying healthy is critical to maintaining employment, preventing bankruptcy due to medical bills, and obtaining a high quality of life and general sense of well-being. As of December 2011, Calvert Foundation had more than \$8 million invested in 19 organizations working in health care, which have logged an estimated 90,507 patient visits.

90,507 PATIENT VISITS



VIRGINIA COMMUNITY CAPITAL The mission of the Riverside Program of All-Inclusive Care for the Elderly (PACE) is to enhance life for the elderly by providing compassionate, high-quality care and services. Their newest facility in Richmond, VA—financed by Calvert Foundation partner Virginia Community Capital—allows the PACE team to better provide daily therapeutic and spiritual programming, nutritional support, medical assistance, physical therapy, and social opportunities for peer engagement.



WOODLAWN CENTER SOUTH

Built in the late 1960s to serve the low-income residents of Chicago's Woodlawn community, Grove Parc suffered from significant design flaws and concentrated poverty fueled by an unemployment rate of 14 percent. Through a combination of support from impact investors and government grants, Preservation of Affordable Housing and the City of Chicago redeveloped the site, which today serves as a vibrant, healthy, and attractive mixed-use/mixed-income urban community.

Supporting Affordable Housing

The U.S. Department of Housing and Urban Development defines affordability as a household paying no more than 30 percent of its annual income on housing. An estimated 12 million renter and homeowner households in America now spend more than 50 percent of their annual income on housing. This cost burden makes it difficult for families to afford necessities such as food, clothing, health care, and transportation, and it prevents them from saving for their future.

As the fallout from the foreclosure crisis continues to plague families and communities across the country, Calvert Foundation remains committed to providing financing that helps stabilize families, revitalize neighborhoods and strengthen communities. At year-end 2011, Calvert Foundation had nearly \$50 million invested in affordable housing and development, which has enabled our partners to develop 738 housing units and house approximately 2,022 people.

\$49,863,761

INVESTED IN AFFORDABLE HOUSING



it's a win-win

Investing in Women

Statistics about women worldwide provide a sense of the tremendous potential women have to create positive change in their communities. Women reinvest 90 percent of their income in their families and communities. Women own 40 percent of businesses in the U.S. and these businesses are growing at twice the rate of U.S. firms as a whole. Women entrepreneurs in the United States employ over 19 million workers, or one in every seven employees. Simply put, investing in women is smart economics.

Calvert Foundation launched the Women INvesting in Women INitiative (WIN-WIN) in March 2012 to connect impact investors with organizations and projects that create economic opportunities for women. Since the initiative's launch, we've deployed more than \$11 million in affordable capital to support women working in microfinance, small business, affordable housing, and community development. Through the WIN-WIN portfolio, 307 women-owned small businesses are receiving financing, and we have invested \$2.5 million in microfinance organizations that empower women and \$673,154 in women-owned small businesses.

For current and prospective investors, targeting your investment in the Community Investment Note to WIN-WIN is a great way to focus your impact on women.

We would like to thank the Citi Foundation for their generous support of WIN-WIN, which covers the costs of originating, monitoring and providing risk capital for new loans.



WORKS Before Calvert Foundation partner WORKS developed Highland Village, gang members, prostitutes, and drug dealers were the neighborhood norm. But then, emboldened by the support provided by WORKS, families in Highland Village began to work for change. Almost six years later, in addition to renovated housing, Highland Village has a Community Center that offers a variety of programs including ESL classes, after-school tutoring, and computer instruction at no cost to the residents and neighbors.

Creating Jobs in America

We invest in small businesses because they are the primary job creation engine in all communities. They reinvest profits in their communities, and are essential to healthy local economies. Last year we invested more than \$30 million in U.S. small business and jobs creation, resulting in 236 small businesses receiving financing. Our loans helped to maintain 973 jobs.

Create Jobs for USA is a partnership between Opportunity Finance Network and Starbucks that provides grants to Community Development Financial Institutions (CDFIs) like Calvert Foundation and others across the U.S. These CDFIs provide loans to community businesses, which play a critical role in creating and preserving jobs in America.

We are excited to see corporate support for CDFIs, and also grateful to the CDFI Fund of the U.S. Department of the Treasury for a \$1.45 million grant received in August 2012.



GREEN OPPORTUNITIES Green Opportunities (GO) empowers low-income neighborhoods in Asheville by preparing the residents for well-paying jobs in the green sector, completing hands-on projects that make neighborhoods safer and more sustainable, and linking the residents of these neighborhoods to jobs and other community resources that lead to greater empowerment. Through financing from the Natural Capital Investment Fund, GO has been able to serve more than 75 disadvantaged youths and adults.

\$30,114,122

INVESTED IN SMALL BUSINESS

Expanding Access to Financial Services

Small business owners and individuals in the developing world have a difficult time accessing traditional financial services that we take for granted—small business loans and savings accounts, for example. In fact, roughly 70 percent of adults in developing countries do not use formal financial services, compared to just 20 percent in developed countries.

Providing access to financial services enables poor people to pursue economic opportunities to increase their incomes. A loan as low as \$100 changes the lives of hardworking entrepreneurs—mostly women—in developing countries by giving them a way to start or expand local businesses and provide for their families. In fact, of the 48,407 end clients who our investments reached last year, over 74 percent were female. As of year-end 2011, Calvert Foundation had a total of \$66.5 million invested in more than 80 countries.

INVESTED IN MORE THAN **80** COUNTRIES

CASHPOR Going beyond providing financial services to the poor in Uttar Pradesh and Bihar, Calvert Foundation partner Cashpor and the Healing Fields Foundation recently launched a project to train 80 Community Health Leaders in the Buxar District of Bihar. The leaders will work to provide intermediary health services such as disease prevention and nutrition counseling to thousands of people in the area. Cashpor expects that the program will bring measurable health improvements to its clients, and hopes to expand the program to the other districts served by Cashpor.



Educating the Next Generation

Approximately 7,000 kids drop out of school every day, and high school dropouts are eight times more likely to go to prison. While these statistics are staggering, impact investors are helping to promote education.

Calvert Foundation allows investors to use their capital to educate our youth. Access to a quality education has been shown to be the most effective route to increasing lifelong earnings and escaping poverty. At the end of 2011, Calvert Foundation had more than \$10 million invested in education, which enabled our partners to create approximately 1,779 classroom seats.

1,779 CLASSROOM SEATS CREATED



ARTHUR ACADEMY CHARTER SCHOOLS Mastery Learning Institute operates a growing network of Arthur Academy charter schools, which aim to provide every student access to a good education, regardless of ethnicity, income, culture, or native language. They strive to create fluent readers and masters of academic and intellectual skills. Calvert Foundation's partner Craft3 helped finance Mastery Learning Institute's operations and reduce long-term operating costs.



CAPE COD FISHERIES TRUST

Created to secure fishing opportunities for struggling local fleets, the Cape Cod Fisheries Trust is a unique collaboration between Calvert Foundation partner Cape Cod Commercial Hook Fishermen's Association and the Community Development Partnership. "The Trust helps me build a more profitable business," says Tye Vecchione, a scallop fisherman from Chatham, Massachusetts. "The fact that my business is doing well means a better bottom line for everyone on board."

Promoting Environmental Responsibility

People and their natural environments are closely linked. The choices we make about our food, energy use, water consumption, and lifestyle collectively affect both our health and that of the environment. While here in the developed world people are starting to become more conscious of their "footprint," the world's poor can't always afford to make sustainable choices about the environment.

Responding to the growing demand for investments that promote environmental stewardship, Calvert Foundation launched the Green Strategies to Fight Poverty initiative in 2009. The initiative raises impact capital to invest in green businesses, sustainable farming and organic agriculture, renewable energy, and affordable "green" housing. Calvert Foundation provided a \$2.5 million loan to Via Verde, a LEED Gold certified multi-family housing development in the South Bronx. The building is estimated to be 30 percent more efficient than a standard building, and used 20 percent recycled materials in its construction. Since Green Strategies began three years ago, more than 200 investors have collectively financed \$5 million in support for organizations doing work related to environmental sustainability.

200 INVESTORS IN GREEN STRATEGIES TO FIGHT POVERTY



ROOT CAPITAL Cooperativa Agraria Cafetalera Pangoa is a Fair Trade coffee cooperative located in San Martín de Pangoa, Peru. Labeled a “red zone” for its concentration of drug production and trafficking, the region used to be inhospitable to small farmers. But through loans from Calvert Foundation partner Root Capital, and the commitment of Pangoa’s members and leadership, the cooperative is now thriving. It uses revenue from Fair Trade coffee sales to sponsor projects in reforestation, health and education.

Promoting Sustainable Trade and Agriculture

Lacking appropriate financing structures, cash-constrained small farmers and producers are often forced to sell their products to middlemen for below-market prices. Through Calvert Foundation’s Community Investment Note, you can help propel the small agriculture movement by connecting small producers with the capital they need to grow.

At year-end 2011, Calvert Foundation had over \$3.4 million invested in ten Fair Trade organizations—cooperatives and financial intermediaries—focused on building sustainable livelihoods for the rural poor.

In 2011, we invested \$1.3 million directly in three Fair Trade coffee producer cooperatives in Latin America that support approximately 5,135 farmers. In addition to providing financing to small farmers, these cooperatives provide health and educational programs to their members, and improved water sources and transportation infrastructure to the communities in which they operate.

5,135 FARMERS SUPPORTED

get involved

Now that you've seen the real impact that our work generates in underserved communities, consider investing through our Community Investment Note. You earn a return on your investment and create positive social and financial impacts for our partners.

Get started Call 800.248.0337 or visit us online at www.calvertfoundation.org/invest to learn how.

Get our e-Newsletter Sign up for our free monthly e-newsletter. You'll get the latest impact investing news and insights—no spam, we promise. Visit www.calvertfoundation.org/newsletter.

Get Social Over the past year we've ramped up our social media presence. Join our conversations with impact investors, financial advisors, media and industry professionals on Facebook at **Community Impact (Calvert Foundation)**, and Twitter [@calvert_fdn](https://twitter.com/calvert_fdn) and [@womenwinwin](https://twitter.com/womenwinwin).

Our goal is to accurately and effectively communicate the impact that your investments are creating in communities. We use industry-aligned metrics and best practices to collect the most relevant performance data and ease the reporting burden on our investees. Metrics reported are estimates based on self-reported data in 2011. To learn more about our methodology for collecting and reporting our impacts, visit www.calvertfoundation.org/impacts.



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