



2015 Social Impact Report



Our partner IFF made a loan to Carlo Sweeney to grow his Downtown Boxing Gym Youth Program. The program develops good citizenship in urban boys and girls through a demanding boxing program, academic support and volunteer work.

Cover photos courtesy, clockwise from top left: Envirofit, L.A. Prep, CRF USA, Intellegrow. Inside cover: IFF. WIN-WIN: Masthead courtesy of Envirofit, Lucy Vyalu courtesy of Paradigm, Ecofagon Ahorrador courtesy of Envirofit. Ours To Own: Masthead courtesy ULC, Gloria Freeman courtesy CRF USA, Jose and wife Noemi courtesy CRF USA. Age Strong: Masthead courtesy Adrian Elliott, LifeLong Medical Care courtesy Adrian Elliott, L.A. Prep courtesy L.A. Prep. India Investment Initiative: Masthead courtesy Intellegrow, Orb Energy courtesy Intellegrow. Affordable Housing: Masthead courtesy Boston Community Capital, Lauren and Phil courtesy Boston Community Capital, Makah Tribe courtesy Enterprise. Education: Masthead courtesy AHC, Inc., Ánimo Pat Brown courtesy Ánimo Pat Brown, Tutoring program courtesy AHC, Inc. Fair Trade: Masthead courtesy Alterfin, Aso Guabo courtesy Equal Exchange, Divisoria courtesy Alterfin. Microfinance: Masthead courtesy MEDA, Kong Meanleak courtesy Thaneakea Phum, Kulbar courtesy Kompanion. Small Business: Masthead courtesy Community Loan Fund, Kritique Designs courtesy Justine Petersen Inc., Jenny Gilligan courtesy Community Loan Fund.

Our impact report is fundamentally about communicating the successes of our portfolio partners during the previous year. It's *their* impact, of which we claim a part through our investment in them.

They've always done impactful work, but our partners' stories and photos this year especially illustrate how interesting and timely—and sometimes delicious—that work is. There's the gutsy group of Ecuadorian farmers who took a big chance. A barber shop rebounding from civil unrest in Ferguson, MO. An award winning, artisanal cheesemaker in Denver.

Many of these stories came from partners in the Ours To Own and WIN-WIN initiatives, which launched over the past several years. Other initiatives, like Age Strong and India, officially launched in 2015 but are already producing impact.

A key, if understated, part of Calvert Foundation's impact is creating the ability to invest in these incredible organizations. Direct investments in most of our portfolio partners are inaccessible to most investors. In fact, it would be nearly impossible to invest in such a diverse portfolio of enterprises on your own. But for 20+ years, the Community Investment Note has done just that, in a convenient and risk-mitigated way. The Note is arguably the most widely distributed high-impact investment available today, it's available in increasingly more diverse options, and it's more accessible than ever through [Vested.org](https://vested.org).

Impact by Initiatives and Sectors

Impacts are organized by initiatives and core portfolio sectors. Our initiatives intend to reach new audiences by curating opportunities from our core portfolio sectors and offering them to investors in more engaging ways. For example, the Ours To Own initiative is about place-based investing, but investor dollars create impact in small business, affordable housing and community development—traditional portfolio sectors. Ongoing portfolio curation and development of initiatives is guided by investor feedback and an understanding of where our financing can be most useful in communities. Initiatives tagged with "Launched 2015" don't have a full year of activity, and therefore don't have impact outcomes to report. Instead, we include anticipated outcomes of the initiative, or stats that demonstrate the need for the initiative.



On the following pages you'll see photos and stories from our portfolio partners. For those stories, and more, visit map.calvertfoundation.org



Empowering women in developing countries through clean energy.

\$6 million

Invested through WIN-WIN
in 2014

307

Women-owned small
businesses financed

In September 2014 we announced a second \$20 million commitment to WIN-WIN, intended to empower girls and women through access to clean energy technologies and fuels. The new commitment is guided by lessons learned from our first round of investments under WIN-WIN. By year-end 2014, we had finalized two new investments in Envirofit and the Essential Capital Consortium (ECC) fund. As one of the anchor loans for the new WIN-WIN strategy, ECC aims to build and strengthen the clean energy value chain with a gender lens. The fund will target approximately 30% of its total funds to social enterprises and microfinance institutions that address energy poverty – an issue that predominantly affects women and children in developing countries.



Working with Paradigm Project, Lucy Vyalu obtained a new cookstove that consumes less charcoal and produces less smoke than her traditional clay stove.



Envirofit recently launched its newest energy-efficient clean cookstove, the Ecofogon Ahorrador plancha stove, along with a new cookstove factory in Honduras that will employ 250 people.



Creating equitable growth and shared prosperity in America's iconic cities.

\$18 million

Invested in Denver and MSP in 2014, the first two OTO cities

178

Small businesses received financing through Ours To Own partners

3,300

Jobs created or retained by OTO financing partners

The Ours To Own initiative was launched in June 2014 to enable anyone to become an investor in their own local economy. We believe this will increase community ownership, participation, and understanding of the complex issues that face American cities today. In our first two cities, Denver and Minneapolis-St. Paul, we are working with local partners to preserve real estate for community use and invest in job-creating small businesses. Our partners, the Urban Land Conservancy, Community Reinvestment Fund, USA and Colorado Enterprise Fund are committed to investing in people and places that have not had equitable access to financing in the past. By engaging residents to invest in the success of our communities — and directly benefit from that success financially and socially — we are establishing a sustainable foundation for our neighborhoods to thrive. Building on the early momentum of the Ours To Own initiative in our first two cities, Ours To Own - Baltimore will launch in fall of 2015.



Gloria Freeman (center) worked with CRF USA to get a loan to expand her business, Olu's Home. Olu's Home is a licensed care organization in the Twin Cities that provides services to the elderly and persons with developmental disabilities or mental illness.



Jose and wife Noemi were working two jobs and raising a family when they started their small tortilla business. They began working with CRF USA in 2006 to finance their new facility and equipment and they are now employing 45 people.

LAUNCHED 2015

AGE[STRONG][™]

Partnering with AARP to help ensure more of us can age strong.

\$70 million

Investment goal for Age Strong

72 million

Number of people over 65 in 2040, double today's number

20 million

People over 50 can't meet their basic needs

We began work on the Age Strong initiative in 2014, and launched officially in July 2015. The \$70 million initiative is a collaboration between AARP, AARP Foundation, Calvert Foundation and Capital Impact Partners designed to finance proven, scalable enterprises and projects that positively benefit our older, low income population. By 2040, there will be more than 72 million people over 65 in the U.S. — double the number today. The scale of the challenge requires a source of financing that can scale alongside it and fill the shortfalls from government spending and philanthropic dollars. Organizations receiving financing will include community health centers, grocery stores offering healthy foods, and community-based housing solutions.



LifeLong Medical Care is a dynamic nonprofit community organization with nine locations in the Bay area delivering quality health services for all ages. Through their housing program, they're working with people recovering from homelessness, substance abuse, and/or mental illness.



L.A. Prep's facility opened in January 2015 and currently houses 54 tenant food companies including L.A. Kitchen, a nonprofit focused on job training and providing healthy and affordable nutrition to seniors.

INDIA INVESTMENT INITIATIVE

Improving livelihoods by investing in India's social enterprises.

680 million

Indians still struggle to meet their basic needs

\$71 billion

Demand-supply gap for debt financing for small and growing businesses

The India Investment Initiative was announced by President Obama in January 2015 in New Delhi. Social enterprises in India are driving sustainable development by creating health, education, energy and other solutions for the 680 million Indians who still struggle to meet their basic needs. But these businesses are often excluded from the mainstream financing options they need to scale. We will invest in financial intermediaries in India that provide financing to these businesses. Investment targets include Intellegrow, who makes loans to social enterprises that provide products and services to base of the pyramid populations in India.



Intellegrow, our first investment through the initiative, makes loans to businesses in India working in the fields of energy, education, water and sanitation, agriculture and health. One of their clients is Orb Energy, a growing solar company in India.



AFFORDABLE HOUSING

Increasing the supply of safe, affordable housing for people who need it most.

\$56.9 million

Portfolio balance at YE 2014

\$17.5 million

Invested in housing in 2014

5,287

Affordable housing units created or preserved by partners financed in 2014

Investments in affordable rental housing and affordable homeownership have always been a key part of our portfolio. We channel capital from our investors into affordable housing through a few different channels: lending programs like Boston Community Capital's SUN initiative; developers like Affordable Homes of South Texas; and CDFIs like New Hampshire Community Loan fund whose portfolios have large and growing affordable housing exposure. Through the Quick Strike Acquisition Line program, we also invested nearly \$2.7 million in 2014 to enable AHC, Inc. and Homes for America to quickly acquire key properties in Virginia and Maryland. In 2014, we made \$17.4 million in investments in housing organizations, which helped create or preserve 5,287 units of affordable housing. At the end of 2014, we had a total of \$56.9 million invested in affordable housing.



Through Boston Community Capital's SUN initiative, Massachusetts homeowners Lauren and Phil were able to renegotiate their mortgage to terms they could meet. "We got to keep our home and not disrupt our kid's lives. And that means everything."



Enterprise Community Loan Fund provided the Makah Tribe with predevelopment financing to create 21 permanently affordable homes for formerly homeless families and individuals on tribal land.



EDUCATION

Building schools and increasing access to the best resources for students.

\$21.3 million

Portfolio balance targeted to education
at YE 2014

\$12.8 million

Amount invested in seven public charter schools
at YE 2014

In 2014 we continued investing alongside Capital Impact Partners in the ExEd family of funds, providing financing for six public charter schools in Los Angeles. This capital is supporting 3,715 classroom seats in majority Latino neighborhoods in LA. In Baltimore, we invested \$4.9 million in the Monarch Public Charter School in Baltimore together with The Reinvestment Fund (TRF), representing our first participation loan with TRF. This investment is funding the development of a community health center and three new classrooms, as well as additional playground space. At the end of 2014 we had a total of \$21.3 million invested targeted to education.



Calvert Foundation is invested in *Ánimo Pat Brown*, a public charter high school located in the Florence-Firestone neighborhood of South Los Angeles.



As part of AHC's tutoring program, Israel is working with his tutor Steven to adjust to life in the U.S. after moving from Eritrea. AHC's afterschool program connects tutors with students to help them thrive.



FAIR TRADE

Supporting smallholder farmers in Latin America by financing fair trade cooperatives.

\$9.7 million

Invested directly and indirectly in fair trade at YE 2014

26,900

Total number of farmers in fair trade cooperatives.

At the end of 2014 we were investing nearly \$5.6 million directly in nine fair trade cooperatives in Peru and Honduras through a partnership with Alterfin. These farmer-member cooperatives, like *Cooperativa Cafetalera Capucas Limitada* and *La Cooperativa Agraria Cafetalera Divisoria*, work with a combined 26,900 smallholder farmers, playing a critical role aggregating harvests, ensuring consistent quality and facilitating connections with high value markets. We also had more than \$4 million invested in fair trade indirectly, through organizations like Equal Exchange and Cooperative Coffees, Inc. who have sourcing relationships with numerous fair trade co-ops.



Aso Guabo began in 1998 when 14 small-scale banana farmers in Ecuador took a risk by sending one container of bananas to Europe with the hope of selling it directly to a supermarket. Now an Equal Exchange sourcing partner, Aso Guabo has become a sustainable organization with access to the international market.



Divisoria, a fair trade coffee cooperative in Peru, continues to thrive.



MICROFINANCE

Putting financial tools and services within reach for people in developing countries.

\$73.4 million

Balance invested indirectly and directly in as of YE 2014

\$25.8 million

Invested in 2014 alone

77%

Percentage of clients who are female, among partners financed in 2014

Access to responsible consumer credit and other financial products enables entrepreneurship and creates economic opportunity for low income populations around the globe. Our microfinance portfolio is comprised of investments in funds managed by MicroVest, direct loans to microfinance institutions like Thaneakea Phum, and loans to microfinance networks like ProMujer, who have affiliates in multiple countries. At year end 2014, \$73.4 million of our lending portfolio was in microfinance, either indirectly or directly invested in MFIs. In 2014 we made \$25.8 million of new loans targeted to microfinance, which our partners used to make loans to their clients, 77% of whom are female. In our directly-invested microfinance portfolio, 100% of the partners are Smart Campaign signatories.



Kong Meanleak, 55, live in Koh Krous, Cambodia, about 50 kilometers away from Phnom Penh. Through financing from Thaneakea Phum, Kong has been able to grow his bicycle and motorbike repair shop.



Based in the small village of Kyzyl-Tuu in Kyrgyzstan, Kulbar and her family have turned their yurt-making business into an international successes. They have been working with Kompanion since 2009 to finance the business.



SMALL BUSINESS

Connecting small business owners with the financing they need to succeed.

\$16.9 million

Portfolio balance targeted to small business at YE 2014

\$7.9 million

Amount targeted to small business in 2014

5,154

Jobs created or preserved through organizations financed in 2014

Small and medium businesses are the engines of economic prosperity and jobs in the U.S. However, entrepreneurs often struggle to get financing from traditional sources because they lack the credit history, collateral, or are their financing needs are too small. Whether it's a barber shop, a bakery, or an animal hospital, what small businesses have in common is a need for affordable, flexible working financing. The CDFIs in our portfolio provide this type of financing, and can also quickly provide capital at critical times to help small businesses recover from shock--such as after the Ferguson unrest. At year end 2014, our CDFI partners were targeting \$16.9 million of our total investments in them to small business lending and jobs creation. We targeted \$7.9 million in loans to small business in 2014, resulting in the creation or preservation of 5,154 jobs.



Justine Petersen Inc., granted micro loans to more than 50 businesses in the past year affected by the aftermath of the Ferguson, MO riots, including Kritique Designs.



Jenny Gilligan received financing from The Community Loan Fund's Farm Food Initiative. She is one of many farmer and food producers the fund targets with financial assistance and consulting to help satisfy increasing interest in locally produced foods.

Methodology

Our goal is to accurately and effectively communicate the impact that your investments are creating in communities. We use industry-aligned indicators and best practices to collect the most relevant performance data and ease the reporting burden on our investees.

Impacts reported are estimates based on self-reported data in 2014. To learn more about our methodology for collecting and reporting our impacts, visit:

www.calvertfoundation.org/impact/measurement.



45

YEARS OLD

Median age of **Vested.org** investors

\$500

AVERAGE INVESTMENT

On **Vested.org** through December 2014

22%

OF NEW INVESTORS

in 2014 came through **Vested.org**

Vested.org is where people are making impact investments online.

One of the major stories in 2014 was the launch of Vested.org, our own online investment platform. We built Vested to enable anyone to invest for impact, facilitate more capital moving to our portfolio partners and grow the impact investment marketplace.

Vested is still in its early stages, but the response has been strong. While the \$150,000 invested through YE 2014 on Vested represents only 1% of new investment in the Community Investment Note, 22% of new investors in 2014 came through Vested.org. Those investors, totaling 170, invested \$500 on average, and had a median age of 45.

Because it serves both unaccredited and accredited investors, Vested is uniquely positioned to attract investors and channel more capital to create social good.

If you're not already, we invite you to become an investor on Vested, or share the opportunity with your friends on Facebook and Twitter with the hashtag **#Vested**.

Invest in what matters to you.

Become an investor, earn returns and create some good on **Vested.org** →



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