

Risk Management



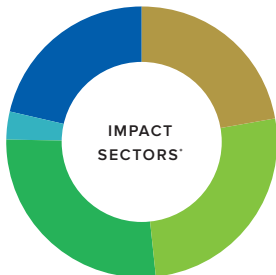
Calvert Foundation's Community Investment Note® (Note)

is designed to provide investors a convenient and risk-mitigated way to invest for social good. The Note supports a diverse portfolio of more than 140 loans and investments in high-impact nonprofits and social enterprises worldwide. Since 1995, 15,000 investors have collectively invested more than \$1 billion with Calvert Foundation, with a 100% repayment of all their principal and interest.

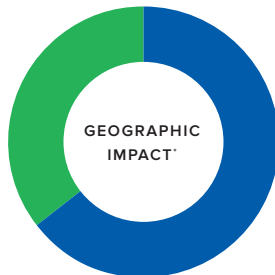
> Portfolio Diversification

Calvert Foundation's lending portfolio consists of nonprofits, social enterprises, and community development organizations. These organizations support a variety of impact areas, including affordable housing, community development, small business lending, education, and international microfinance.

Investors are able to target their investment to specific social impact and geographic areas while benefiting from a risk profile of the full, diversified portfolio.



- 22.3% Affordable Housing
- 26.1% U.S. Community Development
- 27% International Microfinance
- 3.4% Fair Trade
- 21.2% Social Enterprise



- 64.6% Domestic
- 35.4% International

*As of December 31, 2015



ABOUT CALVERT FOUNDATION

Calvert Foundation is a 501(c)(3) nonprofit that has offered investments for social good since 1995. We give investors exposure to organizations working around the globe developing affordable housing, creating jobs, protecting the environment, providing critical community services, and working in numerous other ways for social good.

> Investment Stats

- Current number of investors: 5,000+
- Total number of investors: 15,000+
- Current Note balance: \$260 million+
- Total Notes purchased: More than \$1 billion
- Investor repayment rate: 100%



> Industry-leading Due Diligence and Monitoring

Calvert Foundation makes loans to established organizations with a track record of strong management, operations, financial performance, and social impact.

PROCESS OVERVIEW



Before extending a loan, borrowers go through an extensive due diligence process to evaluate the transaction's credit quality and are presented to internal and/or external investment committees.



Once a loan is made, our investment officers monitor the health of borrowers on at least a quarterly basis, and more often if necessary.



Our process is designed to identify issues early to help the borrower work through them and/or restructure loans so borrowers can repay.



Borrowers are required to submit social impact data at least annually to ensure social performance standards are being met.



Our investments officers maintain an active presence in the field, through conferences, speaking engagements and borrower visits to keep up with industry trends and better understand borrowers' financial needs.



Our cumulative loss rate since 1995 is less than 1 percent.

> Learn More

Please contact us to learn more or view our prospectus at www.calvertfoundation.org/prospectus.

CAPITAL STRUCTURE

Calvert Foundation has more than \$50 million of loss reserves, net assets, subordinated investments, and guarantees to protect investors from potential portfolio losses. We also have a trust indenture in place to provide additional protections to investors should there ever be a time when we are not be able to meet our financial, operational, and liquidity covenants.

“Calvert Foundation’s best-in-class credit risk management practices contribute to consistently high quality client selection and due diligence, and strong portfolio performance. Since 1995 we’ve maintained a less than 1 percent loss rate, and 100 percent repayment of our investors’ principal and interest.

—LAURI MICHEL, VICE PRESIDENT,
RISK MANAGEMENT