



PRIs Made Easy

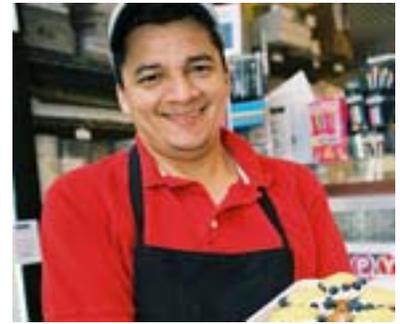
Calvert Foundation and the PRI Opportunity

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Jesse Chancellor, Director, Community Investment Partners

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Calvert Foundation



Mission: To End Poverty Through Investment

Goals:

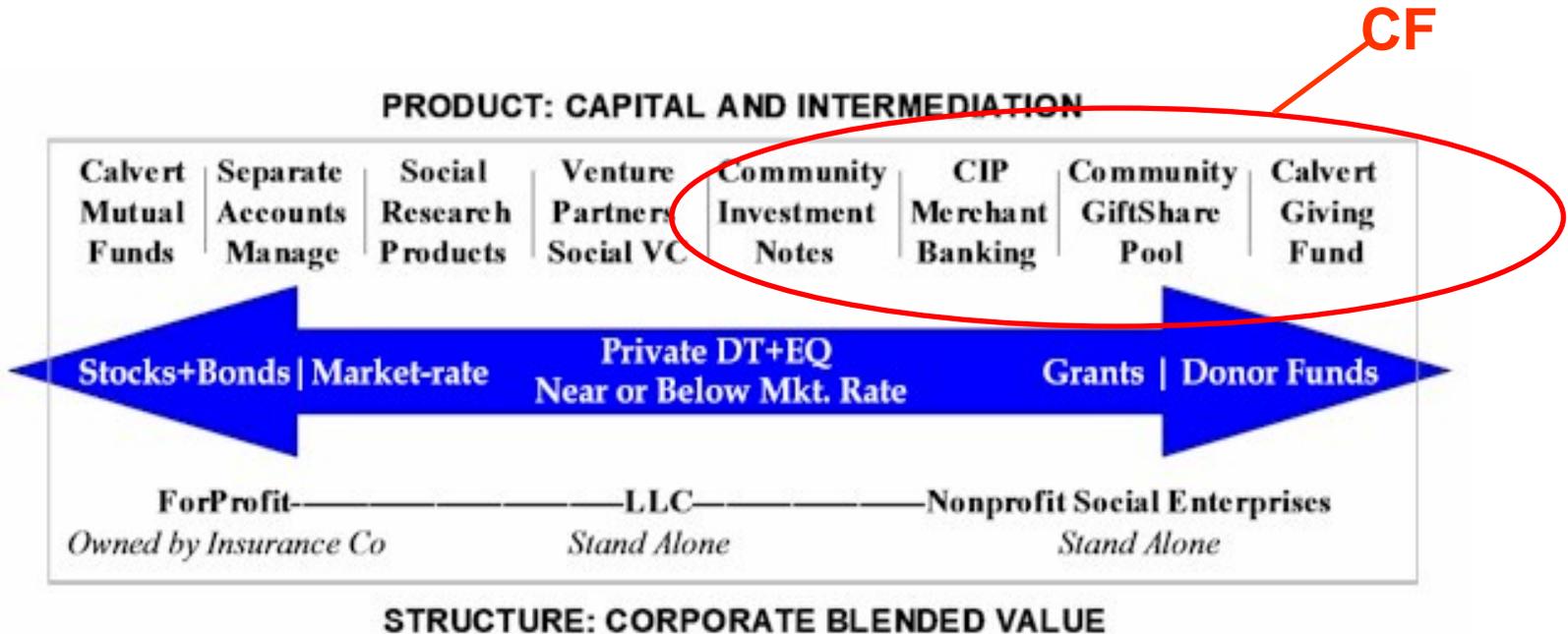
- Maximize the flow of capital to disadvantaged communities in order to foster a more equitable and sustainable society
- Establish community investment as a new asset class in the financial services industry

To meet these goals, Calvert Foundation employs a range of innovative financial products and services

The "Calvert Continuum"



- How does Calvert Foundation fit into the larger "Calvert Continuum" of enterprises and brand?



Our Three Main Programs

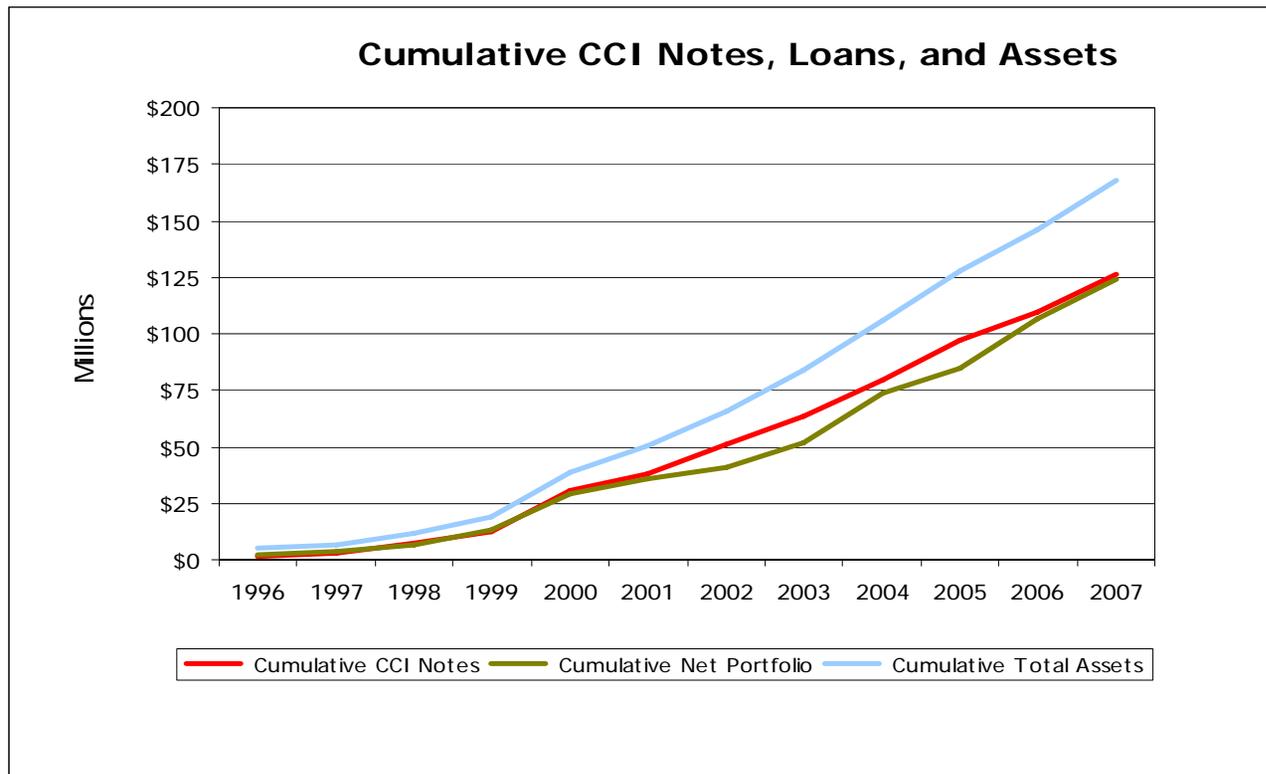


Social Enterprises	Statistics	Description
1. Community Investment Note ("CIN")	<ul style="list-style-type: none"> • 1995 launch • 3,000 investors • Assets: \$125mm 	<p><i>Low-risk, soft-return security</i>, available nationally to individuals and institutions, used to provide financing for community development intermediaries on flexible terms</p>
2. Community Investment Partners ("CIP")	<ul style="list-style-type: none"> • 1998 launch • 24 Clients • Assets: \$56mm 	<p><i>Core capabilities on fee basis:</i></p> <ul style="list-style-type: none"> • Due diligence/asset admin services • Investor note administration on behalf of other issuers • CIN-like securities registrations • Structuring/underwriting for direct investments from foundations and social investors
3. Calvert Giving Fund ("CGF") & Giving Assets	<ul style="list-style-type: none"> • 2001 Fall launch • 325 donors • Assets: \$27mm 	<p><i>Donor advised funds</i> offering mix of socially-responsible & community investment options (e.g. CIN), and providing web-based flexibility for giving and investing options</p>

Our Track Record



- Calvert Foundation has a strong track-record of growth, stability, and community impact.



PRI in a Box



- The Calvert Community Investment Note© (CCI Note) is a high-impact investment product that generates economic opportunities in underserved communities and markets.
- Notes provide affordable capital to:
 - Create jobs
 - Build affordable housing
 - Help start small and micro-businesses
 - Develop essential community facilities
 - Finance innovative social-purpose enterprises

Blended Value:

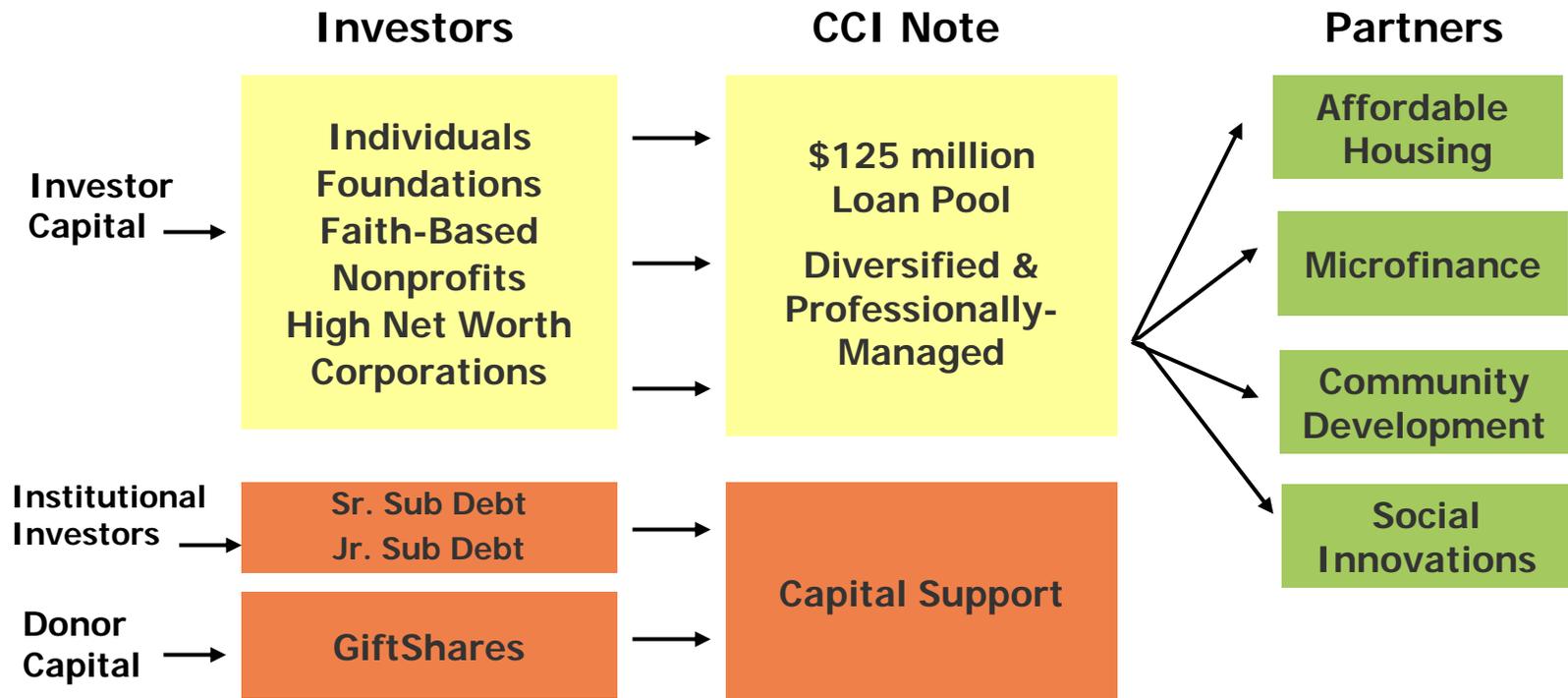


CCI Note Details



Minimum Investment:	\$1,000
Investment Term:	1-10 years; investor's choice
Interest Rates:	0-3%; investor's choice
Targeting:	8 Geographic Regions in the U.S. International Microfinance Special Initiatives: Gulf Coast Recovery, Social Enterprise Custom targeting for \$50,000+ investments
Ways to invest:	Either in a Paper Note directly through Foundation with an application, or in DTC Note through brokerage accounts using cusips

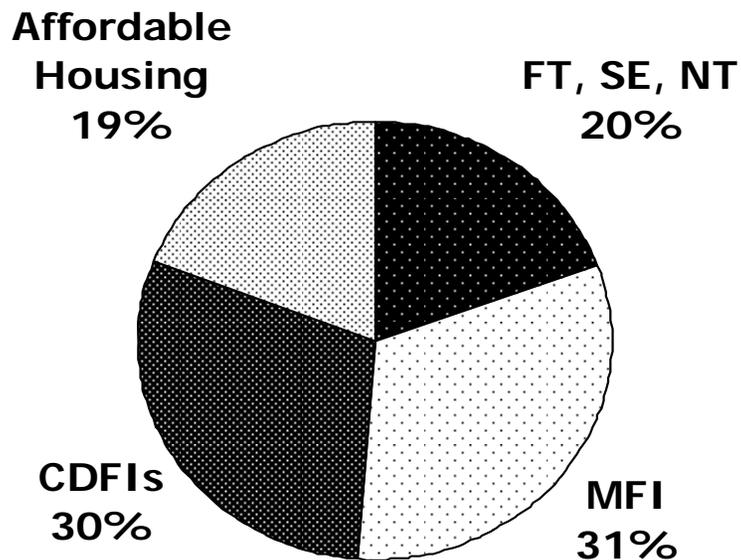
CCI Note Model



Portfolio Landscape

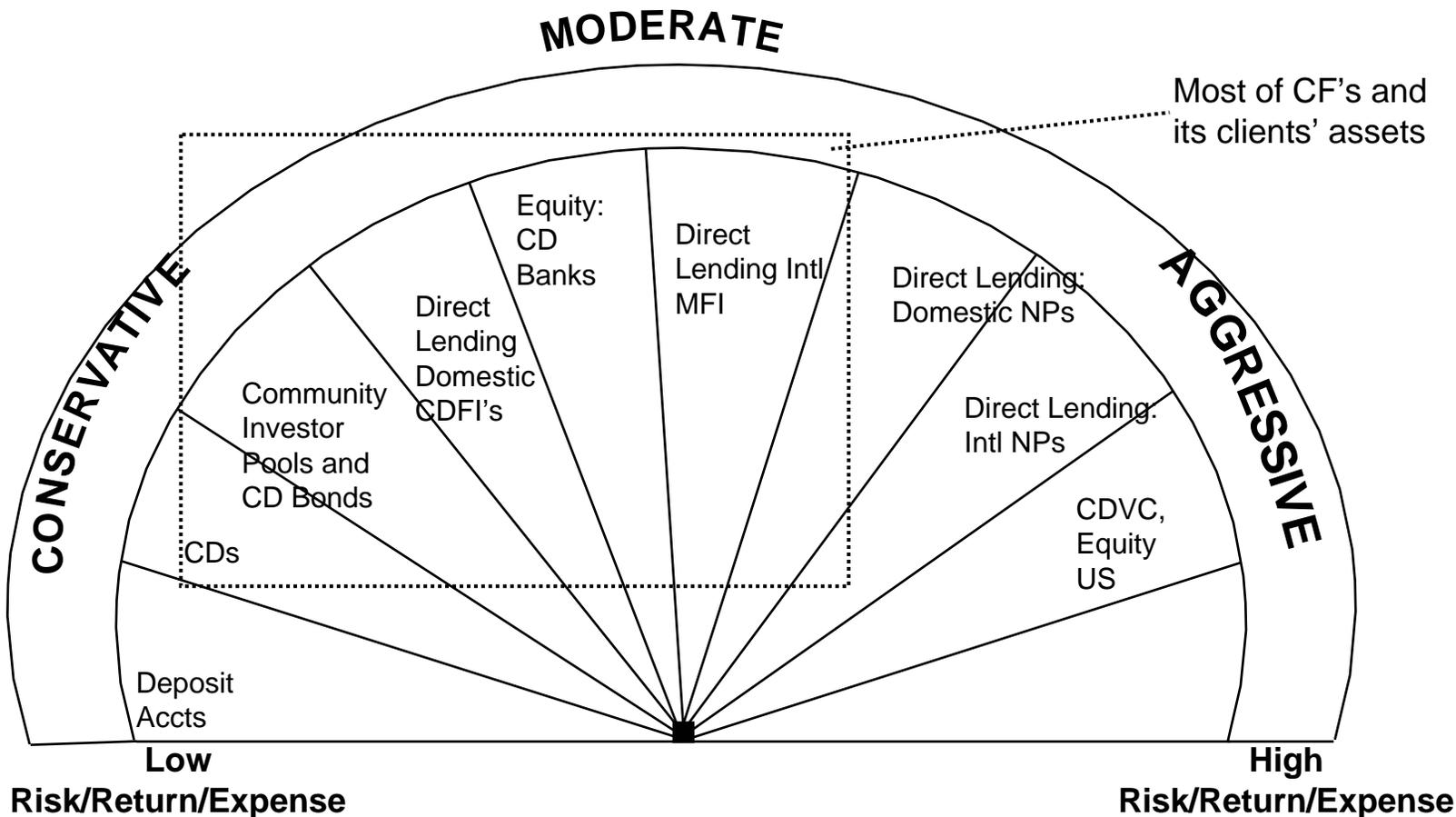


Portfolio Sectors as of 9/30/07



\$125 Million deployed in 220 leading non-profits and social enterprises.

Risk/Return Paradigm for Affordable Housing



Calvert Foundation Risk Management

- Loan product structured to minimize risk
- Professional due diligence and monitoring
- Risk score system tailored to each sector
- Appropriate loan loss reserves
- Portfolio sector limits
- High portfolio quality -- low level of delinquencies
- Vetted policies and procedures



Affordable Housing Portfolio



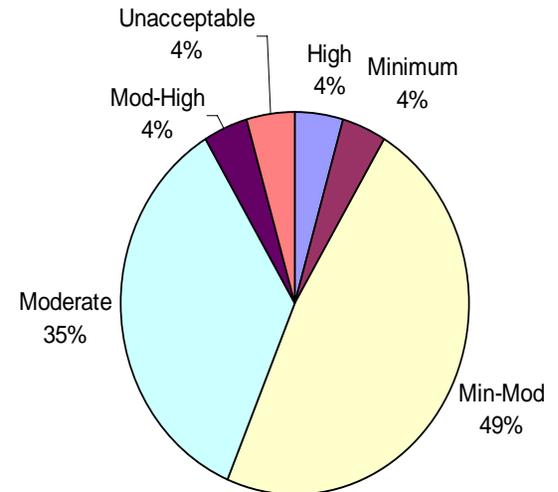
- Affordable Housing Sector includes Housing Developers and Housing Lenders (including housing focused CDFIs)
- Affordable Housing is currently 19% of total portfolio; 67% are Housing Developers and 33% are Housing Lenders
- Currently no policy on sector limit for Affordable Housing Lenders; 20% sector limit for Affordable Housing Developers
- Housing Specific
 - Due Diligence Template and Underwriting Guidelines
 - Risk-ranking Methodology
 - Standard Investment Product and Promissory Note
 - Monitoring Templates

Overview of Calvert Foundation's Affordable Housing Developers



- 23 out of 34 Affordable Housing Groups are classed as developers & are directly engaged in production of affordable housing – both multi-family and single family
- Exposures to developers are lower than average with only \$11.3 million in loans are or roughly 10% of the entire portfolio
- Financial benchmarks for affordable housing developers in 2006 showed relatively stable financial conditions during 2004-2006
- Approximately 50% of borrowers in this sector fall within the Minimum to Moderate risk range; the weighted average risk score falls within the Moderate risk range

Risk Allocation of Affordable Housing Developers



*The risk scores used in the above chart are based on the most recent due diligence reviews and do not reflect consistent year-ends (i.e. fiscal year ends vary from March 31, June 30, September 30 and December 31st)

Calvert Foundation Affordable Housing Developers



Borrower	Int Rate	Maturity	Loan Amount
1 Kansas City Neighborhood Alliance	4.50%	03/31/08	\$100,000
2 Habitat for Humanity of Montgomery County	4.50%	08/31/10	\$100,000
3 LTSC Community Development Corporation	4.00%	03/31/10	\$200,000
4 Asian Americans for Equality	4.50%	08/31/10	\$250,000
5 Greater Metropolitan Housing Corporation	4.50%	06/30/10	\$250,000
6 Mile High Housing Fund	4.50%	06/30/12	\$250,000
7 Homesight	4.50%	04/30/10	\$300,000
8 Manna Inc.	4.50%	11/01/09	\$400,000
9 St. Vincent De Paul Society of Lane County, Inc.	4.50%	10/31/09	\$400,000
10 Home Headquarters	4.50%	12/01/12	\$400,000
11 People's Self Help Housing	4.50%	08/31/08	\$450,000
12 Affordable Housing Resources, Inc.	4.50%	09/30/07	\$500,000
13 Homewise	4.50%	04/30/12	\$500,000
14 Mcallen Affordable Homes, Inc	4.50%	03/31/09	\$500,000
15 Project for Pride In Living	4.50%	11/30/09	\$500,000
16 Neighborhood Housing Trust	4.50%	09/30/10	\$500,000
17 AHC, Inc	4.50%	12/01/12	\$500,000
18 Common Ground	4.50%	09/30/08	\$675,000
19 Central Community Housing Trust	4.50%	03/31/08	\$700,000
20 Burbank Housing	4.50%	08/31/09	\$800,000
21 Century Community Development Inc.	4.50%	07/01/08	\$1,000,000
22 BRIDGE Housing	4.50%	12/31/09	\$1,000,000
23 Central City Concern	4.50%	03/01/09	\$1,000,000

Total Loans O/S	\$11,275,000
% of Total Portfolio O/S	11%
Av. Loan Size	\$490,217
Portfolio Risk Description	Moderate Risk

Calvert Foundation Affordable Housing Lenders



Borrower	Int Rate	Maturity	Loan Amount
1 Cornerstone, Inc	4.50%	10/31/2009	100,000
2 Unitarian Universalist Housing	4.25%	12/31/2007	200,000
3 Michigan Interfaith Trust Fund	4.00%	12/31/2008	400,000
4 Federation of Appalachian Housing	4.00%	06/30/2010	500,000
5 Local Initiatives Support Corp	4.00%	09/30/2011	500,000
6 Mercy Loan Fund	4.00%	10/31/2012	500,000
7 Neighborhood Capital Corp	4.50%	09/30/2010	650,000
8 Housing Assistance Council	4.50%	10/31/2011	1,000,000
9 Self Help Enterprises	4.50%	12/31/2007	1,000,000
10 Housing Partnership Network	4.50%	TBD	1,000,000
11 Clearinghouse CDFI	4.50%	TBD	1,000,000
12 Enterprise Community Partners	4.50%	10/31/2010	1,500,000
13 Low Income Investment Fund	4.50%	03/30/2010	1,500,000
		Total Loans	9,850,000
		% of Total Portfolio O/S	10%
		Av. Loan Size	757,692
		Portfolio Risk Description	Minimum to Moderate Risk

Community Investment Partners



Capital Markets

PRI Offering

- Private Capital Campaign
- Preparation of Offering Memorandum
- Sourcing and Marketing to Potential Investors
- Facilitate Investor Due Diligence
- Assist in Negotiation and Closing

Independent Offering

- Capital Campaign via Client Note
- Prospectus Preparation
- State Security Registration & Maintenance
- Note Administration
- Sales Reporting

MicroPlace Offering

- Capital Campaign via Client Note on MicroPlace
- MicroPlace Due Diligence Management
- Prospectus Preparation
- State Security Registration & Maintenance
- Daily Sales Confirmation
- Sales Analysis

Asset Management

Underwriting

- Sourcing of Potential Investments
- Due Diligence
- Risk Scoring
- Loan Agreement Preparation & Negotiation

Portfolio Management

- Payment Administration
- Portfolio Reporting

Advisory

- Program Design
- Due Diligence Reports
- Sourcing of Potential Investments

Some Current and Previous CIP Clients

F.B. Heron Foundation,
MMA Community Development Investments
TIAA CREF
Grameen Foundation USA
Public Radio Capital

THE F. B. HERON FOUNDATION



Stewardship Solutions



PUBLIC RADIO CAPITAL

Opportunities for Banks



- CCI Note – Targeted to specific geography
 - Can recommend organizations
 - Particularly attractive where you have less activity
- Equity Equivalent – Lever loan credits at least 2x value of equity equivalent investment
 - Bank puts EQ2 on our balance sheet
 - We make loans with dollars raised from note sales to the general public
- Due Diligence Services
 - We can underwrite organizations and housing developers under consideration for financing from you!

Learn More



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