



Beneficial Returns

2020 IMPACT REPORT

31 March 2021

The resilience of our borrowers was Beneficial Returns' driving force in 2020. In a colossal understatement, 2020 was a challenging year for our borrowers and the people they serve. And yet our borrowers continued to deliver water filters, install solar systems, help farmers convert to organic agriculture and create jobs. We are pleased to share this annual report that summarizes some of their many achievements.

Our investors, borrowers, and we remain convinced that market-based solutions to poverty are our best hope to eliminate global poverty. Directing capital to these solutions is our work at Beneficial Returns.

The path toward eliminating global poverty got rougher in 2020, a year when the 50-year steady decline of poverty reversed course. Due to COVID-19, the world ended the year with 100 million more extremely poor people than at the start. This grim news is coupled with the fact that by mid-2021 only 1% of people in low-income countries had received at least one dose of the vaccine. There is clearly much more work to be done.

Thank you for investing in Beneficial Returns. A great many of you doubled down on your values in 2020 by putting more of your investments into impact or by joining our guarantee community. Many of you joined this movement this year to deploy your wealth for social impact. We are grateful to have your trust and to work together with you to push forward on ending poverty through making wise loans for maximum impact.

Ted Levinson
Founder and CEO, Beneficial Returns





2020 MILESTONES

Beneficial Returns is an impact investment fund that supports the growth of leading social enterprises that alleviate poverty and protect the natural environment in Latin America and Southeast Asia.

FOUR NEW BORROWERS

Beneficial Returns provided c. \$0.6 million equipment loans and added four new borrowers to its main portfolio: Whole Forest, Ananas Anam, Kiwa, and Chacha. The latter two further expands our footprint in South East Asia.

GROWING PARTICIPANT BASE

2020 saw us meaningfully increase participations into our existing loans, notably from investors in South East Asia. Our strategic partnership with Singapore-based impact network TBN Asia provided us opportunity to gain participants, in parallel with our growing loan portfolio in the region.

RESPONSE TO COVID

As the COVID-19 pandemic ravaged supply chains all over the world, Beneficial Returns provided all its borrowers three months of moratorium from March to May 2020 to help ease their burden as they navigate through uncertainty. We also launched the Truss Fund, in partnership with the Miller Center, to provide emergency loans to graduates of the GSBI Accelerators.

GROWING TEAM

[Addition of Alex and Koko to the team]. In our commitment to provide meaningful loans to indigenous communities, we have added a member to the team based in Peru.

2020 MILESTONES

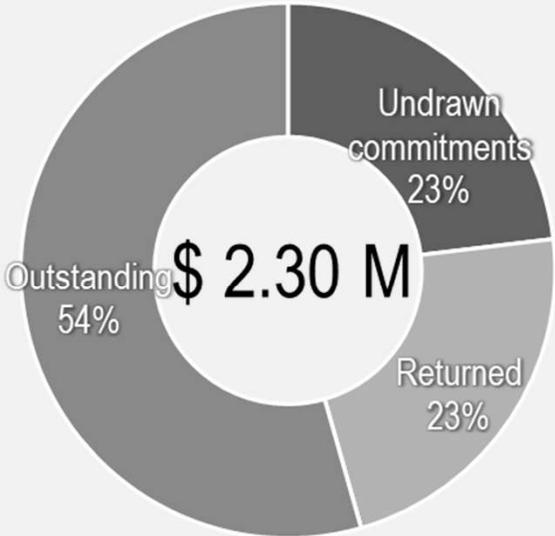


BENEFICIAL RETURNS FUND

as of 31 Mar 2021

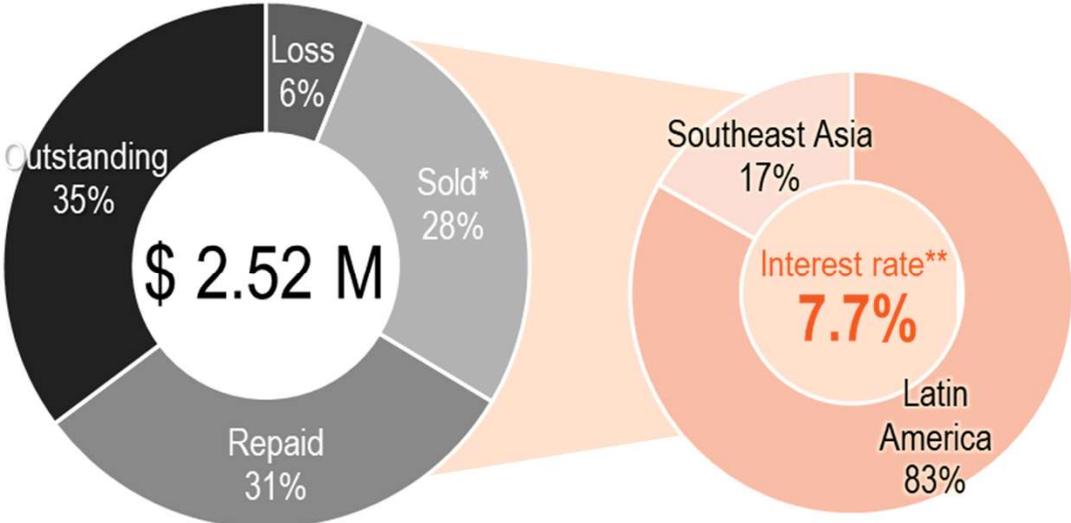
25 INVESTORS **12 BORROWERS** **8 LATIN AMERICA** **4 SOUTHEAST ASIA**

TOTAL COMMITMENTS



\$2.5M invested and loaned to borrowers, including \$0.7M investor participation on existing loans

TOTAL LOANS MADE



\$0.5M loans repaid

\$0.9M loans in the pipeline

*Participation on loan repayments sold to investors

**Calculated on a weighted average basis



700+
livelihoods provided



9,000 ha
of forest preserved



2.7 million MT
of CO₂ reduced annually



\$2,000
provided to partner families
annually to reject clearcutting



WHOLE FOREST ECUADOR

Whole Forest manufactures wood products sourced from the Chocó forest, one of the world's last remaining coastal rainforests. Their environment-first business model brings together sustainable forestry, community partners, and conscious consumers, to prevent clearcutting and illegal logging in the forest, while encouraging the financial health of surrounding communities.

**Beneficial Returns provided
Whole Forest \$150,000 in April
2020 to finance its expansion
into the hardwood business.**





CHACHA THAILAND

Chacha sells rice-based products under the Perfect Earth brand, sourcing from marginalized Thai hill tribe communities. Through its supply chain practices, it is able to restore community health as it provides stable incomes to families and staves off migration to cities out of economic necessity. Simultaneously, Chacha is able to restore planet health as it replaces conventional farming with organic practices.

Beneficial Returns provided a \$275,000 equipment loan to Chacha in September 2020 to support its product line expansion to instant noodles.



325

hilltribe families impacted



20%

Average ncrease in income of each partner family



900 MT

organic rice and chia purchased in 2020

100+
jobs created



95%
of product is renewably
sourced

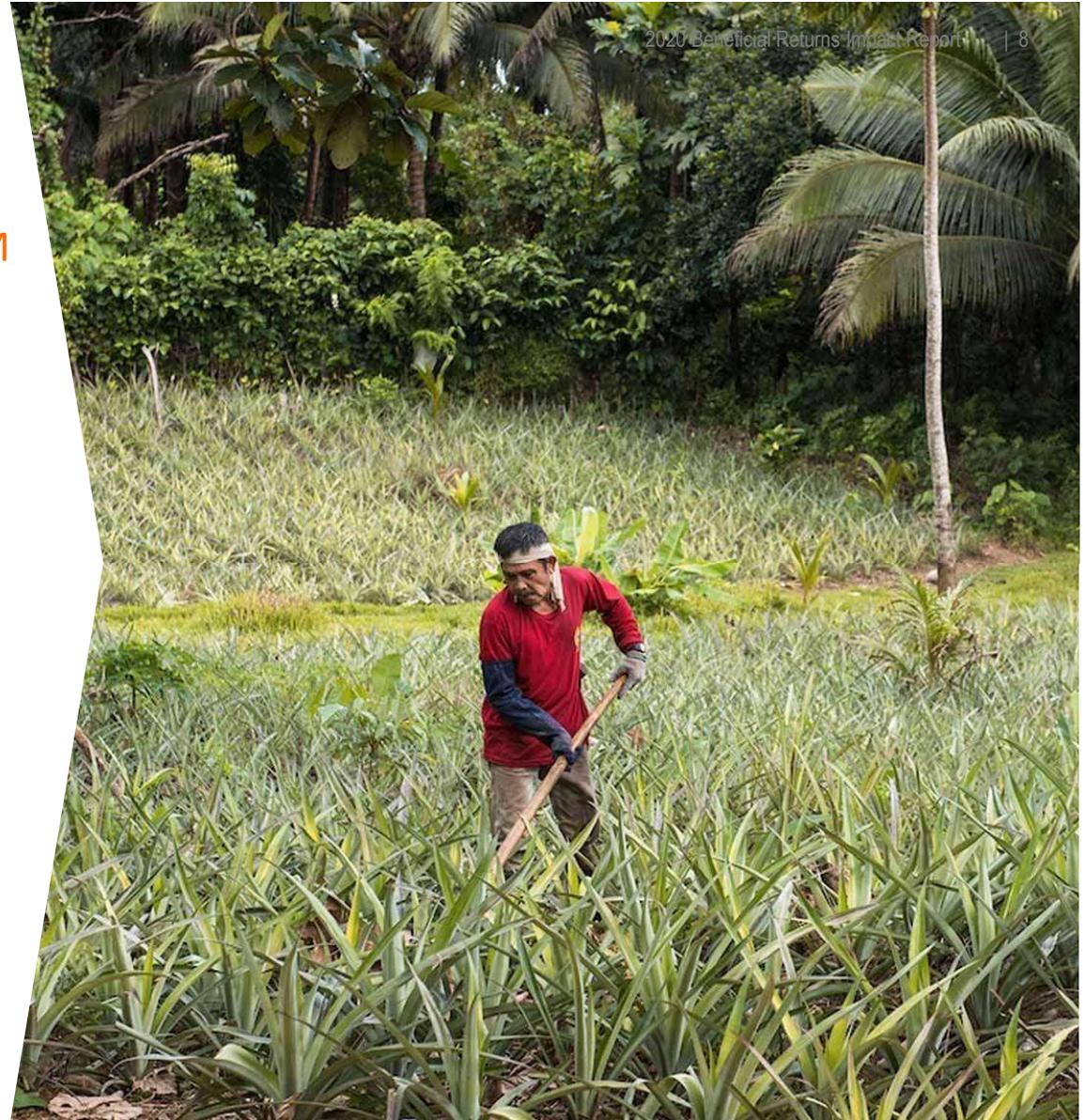


10%
increase in income of
partner farmers

ANANAS ANAM PHILIPPINES

Ananas Anam makes Piñatex, a patented leather alternative made from pineapple leaves that would have otherwise been discarded. By sourcing from smallholder farmers on the island of Luzon, Philippines, Ananas Anam is able to increase farmer income while producing an environmentally-superior textile for the fashion industry. Ananas is a certified B Corporation.

Beneficial Returns lent Ananas Anam \$36,000 in May 2020 to finance fiber extraction equipment.





KIWA
PERU

Kiwa produces branded and private label natural vegetable chips sold in over 30 countries. It aims to profitably grow its consumer-packaged goods business while building an equitable supply chain with smallholder Andean farmers in Ecuador and Peru. Kiwa works directly with approximately 100 indigenous farmers and another 200 through 11 farmer groups.

**Beneficial Returns provided
Kiwa a \$100,000 loan in July
2020 to assist with the
company's expansion.**



110+

indigenous farmer-suppliers



11%

average increase in income



220,000

kg of native potatoes
purchased in 2020



135 ha

sustainably cultivated and
managed

EXISTING BORROWER IMPACT



ATEC | CAMBODIA

2020 Sales: \$529k (↓ 31% | Outstanding loan: \$10,906

Designs and sells low-cost, patented biodigesters to small-scale farmers in Cambodia. Biodigesters use a biological process in which naturally occurring micro-organisms treat and convert organic waste to energy and fertilizer, generating significant savings in both money and time for households. It also saves preserves forests as families no longer need to rely on firewood for cooking. **Beneficial Returns provided ATEC* a \$60,000 loan in August 2019 to help expand its new Pay As You Go (PAYGO) sales model.**



NAZAVA | INDONESIA

2020 Sales: \$291k (↓ 29% | Outstanding loan: \$31,708

Sells affordable and easy-to-use water filters to Indonesian communities that do not have access to potable water. This improves health outcomes and generates significant savings in both money and time as households can now access safe drinking water without the need to boil or use electricity. Nazava also helps the environment from reduced consumption of gas and plastic bottles. **Beneficial Returns provided Nazava a \$50,000 loan in May 2019 to assist with the company's expansion.**

					
3,000+	10,200 MT	1.8 million	105,000+	\$ 22 savings	133,000 MT
biodigesters sold	forest wood conserved	hours saved annually	total filters sold	per filter annually	of CO ₂ reduced annually

EXISTING BORROWER IMPACT



ILUMEXICO | MEXICO

2020 Sales: 2019 Sales: \$4,202,000 (↓ 63%) | Outstanding loan: \$19,688

Designs, manufactures and installs solar systems in remote areas in Mexico with no grid access. Ilumexico offers financing programs so poor, rural communities can afford to replace candles, kerosene, and diesel with solar energy. Its customers and beneficiaries include households, micro businesses, and community institutions such as schools and clinics.

Beneficial Returns provided a \$50,000 equipment loan to finance 15 solar refrigerators for women-owned grocery stores.



FUNDACIÓN PARAGUAYA | PARAGUAY

2020 Net surplus: \$0.3M (↓ 58%) | Outstanding loan: \$82,229

Eliminating poverty for over 30 years in Paraguay and throughout the world by providing microfinance loans, counseling, and entrepreneurial education to small businesses. They also run four Self-Sustainable Agricultural Schools (SSAS) that aim to transform young people into rural entrepreneurs through a two-year program. The SSAS program has since been replicated in Tanzania. **Beneficial Returns provided FP a \$150,000 loan in December 2019 to finance equipment for its SSAS livelihood programs.**



24,000

solar systems installed



2,200

primarily indigenous communities electrified



61,000 women

with active business loans



91 graduates

from SSAS in 2020



100,000+

given entrepreneurial education annually

EXISTING BORROWER IMPACT



GUAYAKI | BRAZIL

2020 Sales: \$96 M (↑ 14%) | Outstanding loan: \$298,274

Sells yerba mate beverages distributed widely throughout the US. Guayaki’s suppliers harvest organic yerba mate from the Amazon through sustainable cultivation and reforestation methods. This generates a renewable income stream to forest communities that enable them to both improve their lives and restore their lands. **Beneficial Returns provided a \$800,000 loan to help finance a yerba mate drying and processing facility in Brazil.**



SISTEMA.BIO | MEXICO

2020 Sales: \$4,155,302 (↓ 6%) | Outstanding loan: \$36,652

Sells biodigesters to small-scale dairy farmers to enable them to convert cow manure into compost and energy. This improves soil health and crop yields, reduces contamination of the water table, and provides savings to farmers. Sistema.Bio has installed biodigesters in Mexico, Colombia, Nicaragua, Kenya and India. **Beneficial Returns provided a \$75,000 equipment loan to assist with the company’s expansion.**



1,190 farmers

earning fair trade prices for their crops



976,200 MT

of CO₂ reduced annually



104,000

families producing clean energy



2.4 million MT

of waste treated annually

EXISTING BORROWER IMPACT



ECOFILTRO | GUATEMALA

2020 Sales: \$4.7M (↑33%) | Outstanding loan: \$65,600

Manufactures and sells ceramic water filters in Guatemala providing its users cost-efficient drinking water with improved health outcomes. It also benefits the environment as a replacement for bottled water in urban settings and wood fire-boiled water in rural communities. **Beneficial Returns provided a \$265,000 loan to enable Ecofiltro to double the size of their factory and to acquire production equipment that will increase the consistency of their filters.**



742,000+
total filters sold



\$ 192 savings
per filter annually



200,000 MT
of CO₂ reduced annually



GROWING THE RECIPROCIDY FUND

In October 2019, Beneficial Returns launched The Reciprocity Fund (TRF) as a special mandate within its total portfolio. The Reciprocity Fund provides loans to social enterprises that **promote prosperity for indigenous communities** in Latin America and Southeast Asia.

THE RECIPROCITY FUND

Beneficial Returns received a recoverable grant of \$ 500,000 as seed capital for the fund. We have also received additional commitment of over \$200,000 from SOCAP Foundation.

as of 31 Mar 2021

NATIVE AMERICAN BANK

We invest a majority of our undeployed capital with Native American Bank (Colorado), the only American-Indian-owned community development bank in the US. It aims to provide financial services to Alaska Native and Native American communities to aid in their economic independence, development, and sustainability.

PIPELINE

\$308 k

FUND EXPENSES

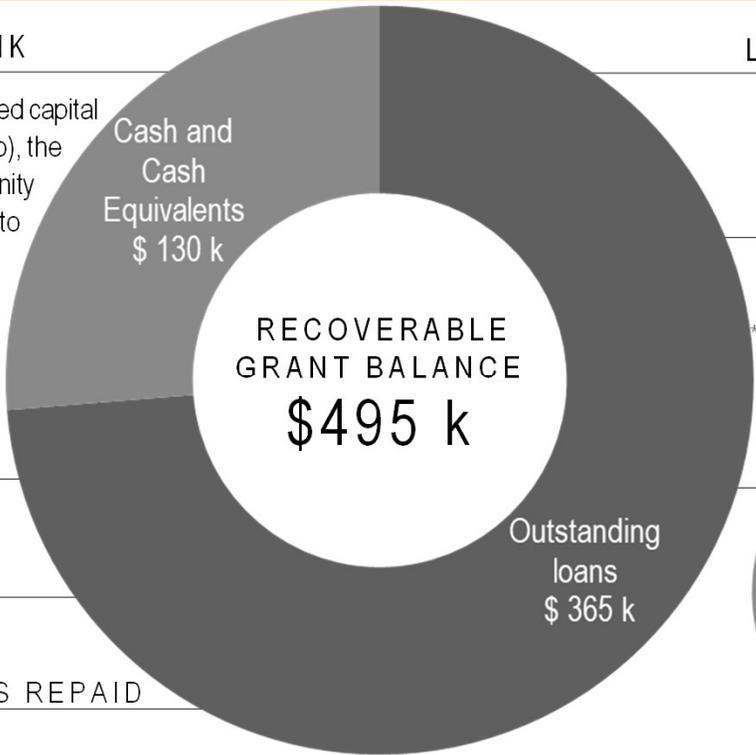
\$ 5k

30-DAY PAR

\$ 0

LOANS REPAYED

11%



LOANS PROVIDED

\$409 k

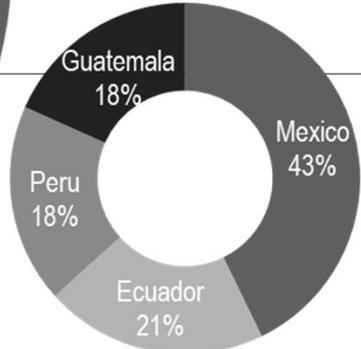
BORROWERS

6

INDIGENOUS COMMUNITIES

Kichwa, Maya*

*includes various subcommunities including K'iche', Kaqchikel, Mam, Q'eqchi', Tzeltals, Tojolabales



COUNTRY

INVESTORS

Individuals, private foundations, and faith-based organizations that work with us in activating charitable dollars for social good even before they are deployed



Beneficial Returns

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