



# COVID-19 RELIEF & RESPONSE

## RECOVERABLE GRANTS & INVESTMENTS

### MEET URGENT NEEDS AND SUPPORT RECOVERY EFFORTS

As the Covid-19 pandemic continues around the world, many are looking for ways to support those most affected. Drawing from our database of impact investments and network of partners, CapShift has created this **Covid-19 Relief & Response – Sourcing Report**. It highlights organizations raising investment and recoverable grant capital to address the healthcare and economic challenges arising from this crisis. As we continue to add and review opportunities, the report will be updated periodically.

You'll find opportunities focused on four categories that:

- 1. Improve Covid-19-related health outcomes** by funding the purchase and distribution of critical equipment to protect healthcare workers and their patients, as well as investing in innovative companies speeding up the development of a vaccine.
- 2. Provide economic support and opportunity** by offering flexible financing to families, communities, small businesses and nonprofits hardest hit by Covid-19, both in the U.S. and around the world.
- 3. Help specific localities** by providing low-cost capital to small businesses and nonprofits in the most affected U.S. cities.
- 4. Support long-term recovery** by providing patient capital to support individuals disproportionately impacted by the crisis to retrain to secure new jobs, gain access to affordable housing, build infrastructure and receive medical care.

CapShift is an impact investing platform that serves philanthropic and financial institutions, along with their clients, to mobilize capital for social and environmental change. In this time of crisis, we want to assist you, allowing you to move quickly and with confidence to help communities most in need.

Our impact investing database offers details on more than 1,000 opportunities and is supported by a suite of research services to expedite your investment and impact review. Many of the opportunities in the report are pre-approved at lower minimums by leading donor advised fund (DAF) providers that work with CapShift.

If you have questions about investing in these opportunities (including through a DAF account), or would like additional information from our research team, please reach out to us at [info@capshift.com](mailto:info@capshift.com) or visit [www.capshift.com/covid19](http://www.capshift.com/covid19).

### COVID-19-RELATED HEALTH OUTCOMES

#### ADJUVANT GLOBAL HEALTH TECHNOLOGY FUND

##### //Adjuvant Capital

###### INVESTMENT

Min. Investment: \$5M  
DAF Min. Investment: \$500,000  
Target Return: 20% net IRR  
Fees: 2% + 20% carry  
Term: 10-year +1 +1

###### DESCRIPTION

Gates Foundation-backed venture fund, investing in technologies to improve health outcomes in emerging markets; has 6 investments on platforms working to develop tests and vaccines for Covid-19.

###### IMPACT

Accelerate development of medicines and treatments for emerging countries, including Covid-19 vaccines

**Beneficiaries:** Families in developing countries, and potentially developed as well  
**Focus:** Healthcare outcomes  
**Geography:** Developing Countries

###### POTENTIAL FUNDING EXAMPLE

Investment in antibody test kits that could speed up the development of a vaccine for Covid-19 as well as test whether an individual has previously been infected.

###### RISK CONSIDERATIONS

Venture stage investing carries risk, although risk is somewhat minimized by concessionary capital from Gates Foundation and balanced investments across therapies and technologies at varying degrees of maturity.

#### UNICEF USA BRIDGE FUND



###### INVESTMENT or RECOVERABLE GRANT

Min. Investment: \$50,000  
Interest Rate: 0%  
Term: 3-year

###### DESCRIPTION

Fund providing bridge financing to accelerate UNICEF's delivery of life-saving vaccines and other medical supplies. The Fund has directed capital to the purchase of personal protective equipment for Covid-19.

###### IMPACT

Accelerate the delivery of life-saving supplies, and health, education, and emergency relief programs, to children in need

**Beneficiaries:** Children in developing countries  
**Focus:** Healthcare outcomes  
**Geography:** Developing Countries

###### POTENTIAL FUNDING EXAMPLE

Bridge financing to accelerate the delivery of life-saving personal protective equipment. The Bridge Fund has allocated over \$10M towards Covid-19 related equipment to-date.

###### RISK CONSIDERATIONS

Recoverable grants are bridging payments from large institutions such as the World Bank and World Health Organization for PPE, other medical supplies, and vaccines, and benefit from first-loss equity protection from UNICEF USA, which reduces risk of loss.

### ECONOMIC RELIEF - U.S. (NATIONAL) & DEVELOPING COUNTRIES

#### CALVERT IMPACT CAPITAL COMMUNITY INVESTMENT NOTE – COVID-TARGETED



###### INVESTMENT

Min. Investment: \$1,000  
Interest Rate: 0%  
Term: 3-year

###### DESCRIPTION

Fund channeling money through community development institutions to provide low-cost, flexible loans to orgs facing business disruption or providing essential services for Covid-19.

###### IMPACT

Allow nonprofits to maintain their staff and operations despite a sharp drop in revenue sources.

**Beneficiaries:** Small businesses, nonprofits, their employees, & communities  
**Focus:** Economic relief  
**Geography:** United States / Developing Countries

###### POTENTIAL FUNDING EXAMPLE

Calvert provides capital to the LiftFund, which provides low interest \$50,000 disaster relief loans w/ 120 day payment deferral to minority owned daycare center in Texas.

###### RISK CONSIDERATIONS

Covid-19 targeted notes will provide subordinated debt in the CRF Covid-19 Impact Fund backed fully by guarantees. Notes also benefit from equity, subordinated debt, and guarantees.

### COMMUNITY REINVESTMENT FUND – COVID-19 IMPACT FUND



#### RECOVERABLE GRANT

**Min. Investment:** \$250,000  
**Interest Rate:** 0%  
**Term:** 5-year

#### DESCRIPTION

Recoverable grant to CRF to serve as subordinated debt in a trust that will buy loans from national CDFIs lending to sustain small businesses and nonprofits impacted by Covid-19.

#### IMPACT

Crowd in bank financing and allow for increased lending to organizations impacted by Covid-19.

**Beneficiaries:** Small businesses, nonprofits, their employees, & communities  
**Focus:** Economic relief  
**Geography:** United States

#### POTENTIAL FUNDING EXAMPLE

The Covid-19 Impact Fund buys underlying loan to minority-owned community center, along with other small businesses loans originated by the local community development financial institution (CDFI).

#### RISK CONSIDERATIONS

Grants will be subordinate to senior bank financing in the trust, and thus can incur losses if loan default rates escalate in a prolonged recession.

*\*Structure and terms are being finalized*

### OPEN ROAD IMPACT FUND



#### INVESTMENT or RECOVERABLE GRANT

**Min. Investment:** \$500k; \$100k for RG  
**Interest Rate:** 2%  
**Fees:** Up to 8% up-front for RG  
**Term:** 5-year+

#### DESCRIPTION

Fund providing social enterprises and nonprofits with immediate low cost loans to counter near-term business disruption and lost revenue from Covid-19.

#### IMPACT

Help social enterprises maintain operations despite business disruption from Covid-19 pandemic.

**Beneficiaries:** Social enterprises, their employees, and their communities  
**Focus:** Economic relief  
**Geography:** United States / Developing Countries

#### POTENTIAL FUNDING EXAMPLE

18-month low-interest loan to community center in Chicago forced to shut its doors and cut staff due to state operating restrictions.

#### RISK CONSIDERATIONS

Lower risk bridge financing balanced with longer-term loans that may need restructuring or extension in prolonged downturn. Risk of loss may be increased since Open Road does not limit risk exposures to specific industries/countries.

*\*RG = Recoverable Grant*

## ECONOMIC RELIEF - U.S. (LOCAL)

### BOSTON IMPACT INITIATIVE BUSINESS RESILIENCE FUND



#### RECOVERABLE GRANT

**Min. Investment:** \$25,000  
**Interest Rate:** 0%  
**Term:** 3-year

#### DESCRIPTION

Nonprofit fund to provide low cost loans to minority-owned or serving businesses in eastern Massachusetts to sustain operations in the face of Covid-19.

#### IMPACT

Provide low-cost capital to enable minority-owned businesses to participate in the post-pandemic recovery.

**Beneficiaries:** Small businesses and their employees  
**Focus:** Economic relief  
**Geography:** Massachusetts

#### POTENTIAL FUNDING EXAMPLE

Below-market loan to minority-owned commercial laundry company that lost hotel customer base and is now supporting hospitals.

#### RISK CONSIDERATIONS

Lending to small businesses carries risks, which are amplified by the economic impact of Covid-19.

### BOSTON IMPACT INITIATIVE ENTERPRISE RELIEF FUND



#### RECOVERABLE GRANT

Min. Investment: \$10,000  
Interest Rate: 0%  
Term: <1-year (12/31/20)

#### DESCRIPTION

Nonprofit fund providing debt relief to minority owned businesses in eastern Massachusetts that have been faced significant business disruption from Covid-19.

#### IMPACT

Help minority-owned businesses in Massachusetts maintain operations despite business disruption due to Covid-19.

**Beneficiaries:** Small businesses and their employees  
**Focus:** Economic relief  
**Geography:** Massachusetts

#### POTENTIAL FUNDING EXAMPLE

Immediate principal and interest relief for local food services company serving low income communities in Boston.

#### RISK CONSIDERATIONS

By design, 100% of capital will not be returned to granters, as it will be used for interest and principal forgiveness.

### NONPROFIT FINANCE FUND NYC COVID-19 RESPONSE FUND



#### RECOVERABLE GRANT

Min. Investment: \$100,000  
Interest Rate: 0%  
Term: 5-year

#### DESCRIPTION

Nonprofit fund that will provide 12-36 month loans (\$100k-\$3M) to fill financing gaps for NYC-based nonprofits providing healthcare and other essential community services.

#### IMPACT

Keep NYC's essential nonprofits in operation so they can provide essential services to their communities.

**Beneficiaries:** Nonprofits, their employees, and communities  
**Focus:** Economic relief  
**Geography:** New York City

#### POTENTIAL FUNDING EXAMPLE

Loan to nonprofit providing services to children of incarcerated parents to fill lost revenue from delayed permitting of new facility.

#### RISK CONSIDERATIONS

Loans are provided for delayed revenue from contracts or fund-raising events; nonprofits assessed for strength of business model, do not qualify if operating in deficit in the recent past.

*\*Structure and terms are being finalized*

## LONGER TERM RECOVERY FOR COMMUNITIES MOST IMPACTED

### HABITAT MORTGAGE SOLUTIONS



#### INVESTMENT or RECOVERABLE GRANT

Min. Investment: \$100,000  
Interest Rate: 2%  
Term: 5-year

#### DESCRIPTION

Fund that provides Habitat affiliates low cost capital to fund construction and sale of affordable homes built in part by their homeowners.

#### IMPACT

Allow Habitat affiliates to complete projects nationally and offer subsidized mortgages to homeowners.

**Beneficiaries:** Low-income families  
**Focus:** Economic relief  
**Geography:** United States

#### POTENTIAL FUNDING EXAMPLE

Loan to bridge the sales from a large multi-unit development in major metro area affected by Covid-19 to begin constructing new large affordable multifamily development.

#### RISK CONSIDERATIONS

Habitat affiliates reduce risk by securing lending against the mortgages on homes built, but there is a risk of capital lost.

### SOCIAL FINANCE UP FUND



#### INVESTMENT or RECOVERABLE GRANT

**Min. Investment:** \$250,000  
**Target Return:** 3-5% net IRR  
**Fees:** 1.5%  
**Term:** 10-year

#### DESCRIPTION

Nonprofit fund that invests in upskilling and technical training programs targeted to low income individuals paid for through responsible income sharing agreements (ISAs).

#### IMPACT

Accelerate upskilling to help individuals re-train and gain technical skills for a new career after the Covid-19 pandemic.

**Beneficiaries:** Unemployed or underskilled workers  
**Focus:** Education, reskilling  
**Geography:** United States

#### POTENTIAL FUNDING EXAMPLE

Investment to fund nursing training program for candidates with a pre-program avg. wage of \$13,000/yr, providing attractive repayment terms after gaining employment

#### RISK CONSIDERATIONS

Diversification across various training programs reduces risk of capital loss. Prolonged economic downturn could result in a more delayed payback and negatively impact returns.

### WATEREQUITY GLOBAL ACCESS FUND



#### INVESTMENT or RECOVERABLE GRANT

**Min. Investment:** \$100,000  
**Target Return:** 7-8% net IRR  
**Fees:** 2%  
**Term:** 7-year +1 +1

#### DESCRIPTION

Nonprofit fund that lends to microfinance institutions to fund water and sanitation to low income communities, helping reduce the future spread of disease.

#### IMPACT

Increase water access and sanitation, crucial for reducing the long-term spread of Covid-19 and other diseases.

**Beneficiaries:** Families and communities in developing countries  
**Focus:** Healthcare outcomes  
**Geography:** Developing countries

#### POTENTIAL FUNDING EXAMPLE

Loan to microfinance institution in Indonesia running a water and sanitation lending program, which in turn provides a \$200 loan to a family to put a tap into their home.

#### RISK CONSIDERATIONS

While Water Equity has comprehensive underwriting criteria, lending to small businesses and families in emerging markets carries risk which may result in a loss of capital.

If you're interested in learning more about one of these opportunities or in learning what else might be available, please visit [www.capshift.com/covid19](http://www.capshift.com/covid19), email [info@capshift.com](mailto:info@capshift.com), or call us at 617-865-5096.

Risk considerations of opportunities outlined in this sourcing report are provided for guidance only and may change with new information. All recoverable grants and investments carry risk of capital loss, and this risk increases in a prolonged economic downturn caused by Covid-19. Please consult each issuer's detailed risk disclosures for more information on risks.

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