



## INVESTOR VALUE PROPOSITION

### **Aeris explains CDFIs to investors**

- Illiquid debt investments -> investors have to underwrite investments
- We provide detailed due diligence to facilitate investors' own underwriting and monitoring
- Increased standardization and transparency in the community finance sector
- Rated > 110 CDFIs / 85 current
- Used by > 120 investors / 65 current



## FINANCIAL RATING METHODOLOGY

### Evaluates “CAMEL” : Capitalization, Asset Quality, Management, Earnings, and Liquidity

- Organization level financial strength and risk
- In the context of the community finance sector
- **Do not** use statistically-generated benchmarks
- Why not?
  - Community Finance sector’s limited size
  - Wide variety of business models
  - Wide variety operating environments



## IMPACT RATING METHODOLOGY

### Evaluates the pursuit and achievement of social mission

- Can be applied to any mission-driven entity
- Alignment: Strategies, Products and Programs
- Effective Use of Resources: On and Off B/S
- Outputs, Outcomes and Impact:
  - Metrics in relation to mission goals
  - Rigor of measurement systems
  - Use of data to improve effectiveness



## IMPACT STANDARD METRICS

TARGET BENEFICIARIES		IMPACT AREAS	Sub-Impact Areas	# of Metrics
Standard	Loan to Low Income Household	Economic Security	Consumer Finance	4
	Loan to Moderate Income Household		Income Generation	4
	Loans to People of Color	Education	Voluntary	4
	Loans to Women	Environment	N/A	2
	Children and Youth		Energy Efficiency & Fossil Fuel Reduction	6
	Rural Loans	Health & Healthy Foods	Improvement of Physical Environment	6
Voluntary	Veterans	Health & Healthy Foods	Food access	6
	Disabled People		Health	5
	LGBTQ	Housing	Voluntary	1
	Immigrants & Refugees		Home Ownership Lending (to Individuals)	3
	Homeless People		Lending to Housing Developers	3
		Voluntary	2	

- Importance of unique and standard metrics
- Aeris, The GIIN (IRIS), OFN, CDFI Fund, Aspen Field, NeighborWorks America, 36 CDFIs
- Standard metric reporting launches early 2017

