



SOCIAL CAPITAL

Impact Report

2017



MicroEnergy Credits (MEC) is a clean energy marketing and distribution company that makes it possible for women like the one pictured here to access clean, affordable energy. MEC is a part of MCE's Small and Growing Business (SGB) portfolio.

PHOTOGRAPHER: MIRANDA GRANT / MICROENERGY CREDITS INDIA

COVER: Juanita, a smallholder cocoa farmer in Peru, received input financing made possible by a loan guarantee issued by USAID's Development Credit Authority (DCA), a key strategic partner of MCE.

PHOTOGRAPHER: BOBBY NEPTUNE / USAID PERU

DESIGN:
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MCE Communications and Development Associate

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NKDY Design



table of contents

04	Letter from Gary Ford, CEO	24	OUR IMPACT
06	2017 Highlights	26	By the Numbers
08	OUR MISSION	28	Stories from the Field
10	The Global Context	30	OUR COMMUNITY
10	Why Women	32	Our Guarantors
10	Why Rural	34	Our Team
11	U.N. Sustainable Development Goals	35	Our Institutional Partners
12	OUR MODEL	36	FINANCIALS
14	How It Works	38	Revenues
15	The Power of a Guarantee	39	Key Financial Ratios
16	OUR PORTFOLIO		
18	Portfolio Map		
20	Microfinance Institutions		
22	Small and Growing Businesses		

Dear Friends of MCE,

I am often asked, “What exactly does MCE Social Capital do?” I usually tell people about our unique loan guarantee model and our focus on rural women living in poverty in the developing world. I talk about our diverse lending strategies, our modest default rate and our low overhead. I brag about our exceptional staff. . .

But when you get right down to it, the most important thing I can say is that we provide hope and possibilities.

In our 12 years of operations, MCE Social Capital has provided hope and possibilities to over 400,000 women and rural families by lending to microfinance institutions (MFIs) and small and growing businesses (SGBs) in over 45 developing countries. The average beneficiary of the organizations in our portfolio supports five family members, which means that we have positively impacted the lives of over two million people, many of whom are often considered “unbankable” and “unemployable.”

We have a different view. We think they are unstoppable. We believe that with sufficient access to credit, savings, employment, and basic products and services, they are capable of transforming their lives and the lives of their families.

We work in some of the toughest areas in the world—Mali, El Salvador, Zimbabwe, Myanmar—yet our default rate is less than 2%. And the cost of our defaults is shared equally among our Guarantors—a cost per Guarantor that has averaged well under \$10,000 per year. On average, every dollar contributed has enabled MCE to put about \$80 into the developing world. Now that’s real impact.

I strongly believe that with governments pulling back from funding the developing world, private capital is more important, and more potent, than ever. Our model unlocks the potential of this capital to drive social change.

If you are not yet part of the MCE community, I hope you will consider joining us. If you are already a member of our community, on behalf of all the women and families you have helped, thank you for providing hope and possibilities.

Warm regards,



Gary Ford, CEO



Solange Nyirarukundo, Chantal Nyirampozayo, and Suzanne Mukabahizi are smallholder farmers in Rwanda and clients of One Acre Fund, a knowledge and service provider for farmers throughout East Africa. One Acre Fund is a part of MCE’s Small and Growing Business (SGB) portfolio.

PHOTOGRAPHER: HAILEY TUCKER / ONE ACRE FUND
RWANDA

2017 highlights

FORMALLY LAUNCHED OUR SMALL AND GROWING BUSINESS PORTFOLIO

MCE formally launched our Small and Growing Business (SGB) Portfolio in March 2017, aided by a \$1 million grant from USAID's Partnering to Accelerate Entrepreneurship (PACE) Initiative. The SGB Portfolio is backed by a pool of loan guarantees (currently \$10 million) that is separate from the guarantee pool backing our Microfinance Institution (MFI) Portfolio. Previously, MCE had been making loans to SGBs since 2013 using its own retained earnings and donations.

\$17.6M GUARANTEE FROM USAID'S DEVELOPMENT CREDIT AUTHORITY

In October 2017, the United States Agency for International Development (USAID)'s Development Credit Authority (DCA) provided a \$17.6 million blanket guarantee to MCE. The guarantee will support our loans in two key sectors: food security and agriculture, and water and sanitation. This represents an important expansion of our partnership with USAID.

GUARANTOR COMMUNITY SURPASSED 100 GUARANTORS

MCE's Guarantor community grew substantially in 2017, with 12 new MFI Guarantors and 16 new SGB Guarantors. Collectively, MCE's Guarantor community represented \$129M in loan guarantees as of the end of 2017, and continues to grow.

STRONG PORTFOLIO GROWTH

MCE ended 2017 with an outstanding portfolio of \$56.4M, a 25% increase from the end of 2016. In 2017, MCE disbursed \$25.5M to 28 clients, ending the year with 60 active clients across 36 countries.



An employee of Tolaro Global, a cashew nut processing business in Northern Benin. Tolaro is in MCE's Small and Growing Business (SGB) portfolio.
PHOTOGRAPHER: FABRIZIO COMETTO / MCE SOCIAL CAPITAL
BENIN

our mission

“As a woman and a pediatrician, I am inspired by the care MCE takes in choosing investments that will really make a difference in the lives of poor women and families in rural areas, who are often overlooked because of gender, status or geography. Although there are many programs to support with charitable donations, I support MCE because I believe strongly in its unique mission and the impact of its model.”

Cary Hart, MCE Guarantor since 2007, Board Member
Retired Pediatrician, Kaiser Permanente



Robai Wanyonyi, a smallholder farmer with her jembe in Bungoma South, Kenya. Client of One Acre Fund.
PHOTOGRAPHER: HAILEY TUCKER / ONE ACRE FUND KENYA

Our mission is to mobilize capital to generate economic opportunities for women and rural families living in poverty throughout the developing world.

The Global Context

There has been significant progress in reducing global poverty in recent decades; since 1990, about 1.1 billion people have lifted themselves out of extreme poverty, cutting the global poverty rate in half.¹ But there is still much work to be done.

The World Bank estimates that more than 760 million people—approximately 10.7% of the world’s population—live in extreme poverty, defined as living on an income of less than US\$1.90 per day.

In 2015, the United Nations established the Sustainable Development Goals (SDGs), the first of which is to “end poverty in all its forms everywhere” by 2030. Between US\$5 - \$7 trillion in annual investment is needed to achieve the SDGs by 2030, and there’s an annual investment gap of about US\$2.5 trillion in developing countries.²

Private sector capital is essential to closing this gap, and MCE works to mobilize this capital on behalf of the most underserved and underrepresented populations around the world.

Why Women

Despite their immense contributions to their families, communities, and society, women have less access than men to financial services and economic opportunities, education and healthcare, legal and political representation, property

and inheritance rights—the list goes on. Gender equality is not only a fundamental human right, it is a necessary condition for a sustainable and prosperous world.

Investing in the potential of women is one of the most effective means of advancing global development.

For example, women in emerging markets re-invest up to 90% of their earned income into their families’ education, health, and nutrition, compared to only 30-40% for men.³

Why Rural

A vast majority of the world’s poor live in rural areas, where they lack access to basic products and services like safe water, reliable electricity, education, healthcare, and financial services. Formal employment opportunities are rare.

Rural economic development is necessary for an inclusive, sustainable future.

Rural economic activity can be just as effective at reducing poverty as urban economic activity. With a global population currently projected to surpass nine billion people by 2050,⁴ agricultural demand is expected to increase by approximately 50% in the coming decades.⁵ Investment in rural areas—where agriculture is a primary source of income—is essential to meet this growing demand in a way that is sustainable for both smallholder farmers and the environment.

¹ [Poverty - Overview](#), World Bank Group, October 2016.

² [“Impact investment to close the SDG funding gap.”](#) United Nations Development Programme, July 2017.

³ [“The Global Rise of Female Entrepreneurs.”](#) Harvard Business Review, September 2013.

U.N. sustainable development goals

In 2015, the United Nations established the Sustainable Development Goals (SDGs), a set of goals to end poverty, protect the planet, and ensure prosperity for all by 2030.⁶

MCE strongly believes that microfinance is a key enabler of many of these goals. SDG 1—to end extreme poverty—explicitly mentions equal rights and access to financial services, including microfinance. Financial inclusion has a direct or indirect impact on nearly all aspects of development, including gender equality, health, education, and economic growth. This is confirmed by a working paper published in April 2016 by the World Bank’s Consultative Group to Assist the Poor (CGAP), which describes the links between access to financial services and SDGs 1 - 10 and 16.⁷

In addition, the Small and Growing Businesses (SGBs) in MCE’s portfolio work in the agriculture value chain, water & sanitation, and renewable energy sectors, directly contributing to SDGs 2, 6, 7, 8, and 13.

These goals are ambitious and interconnected in nature, and achieving them will require immense collaboration. MCE believes that our work directly contributes toward achieving the following, highlighted set of SDGs:



⁴ [“The Earth’s population is going to reach 9.8 billion by 2050.”](#) World Economic Forum, August 2017.

⁵ [“Global Demand for Food is Rising. Can We Meet It?”](#) Harvard Business Review, April 2016.

⁶ [“Sustainable Development Goals.”](#) United Nations.

⁷ [“Achieving the Sustainable Development Goals: The Role of Financial Inclusion.”](#) CGAP and UNSGSA, April 2016.

our model

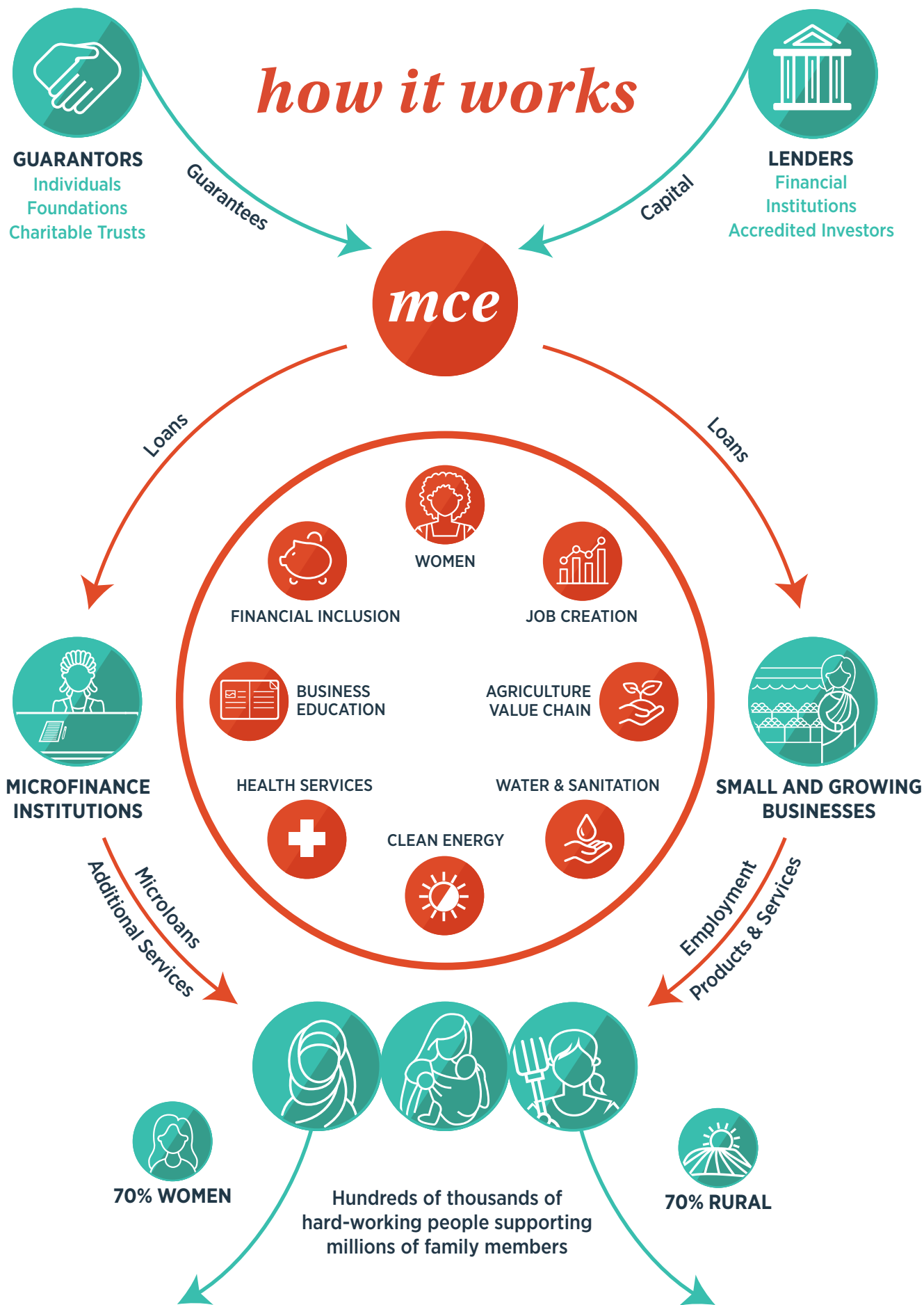


A smallholder rice farmer and client of Vision Fund International in his field. Vision Fund Cambodia and Vision Fund Sri Lanka are both part of MCE's Microfinance Institution (MFI) portfolio.

PHOTOGRAPHER: VISION FUND INTERNATIONAL

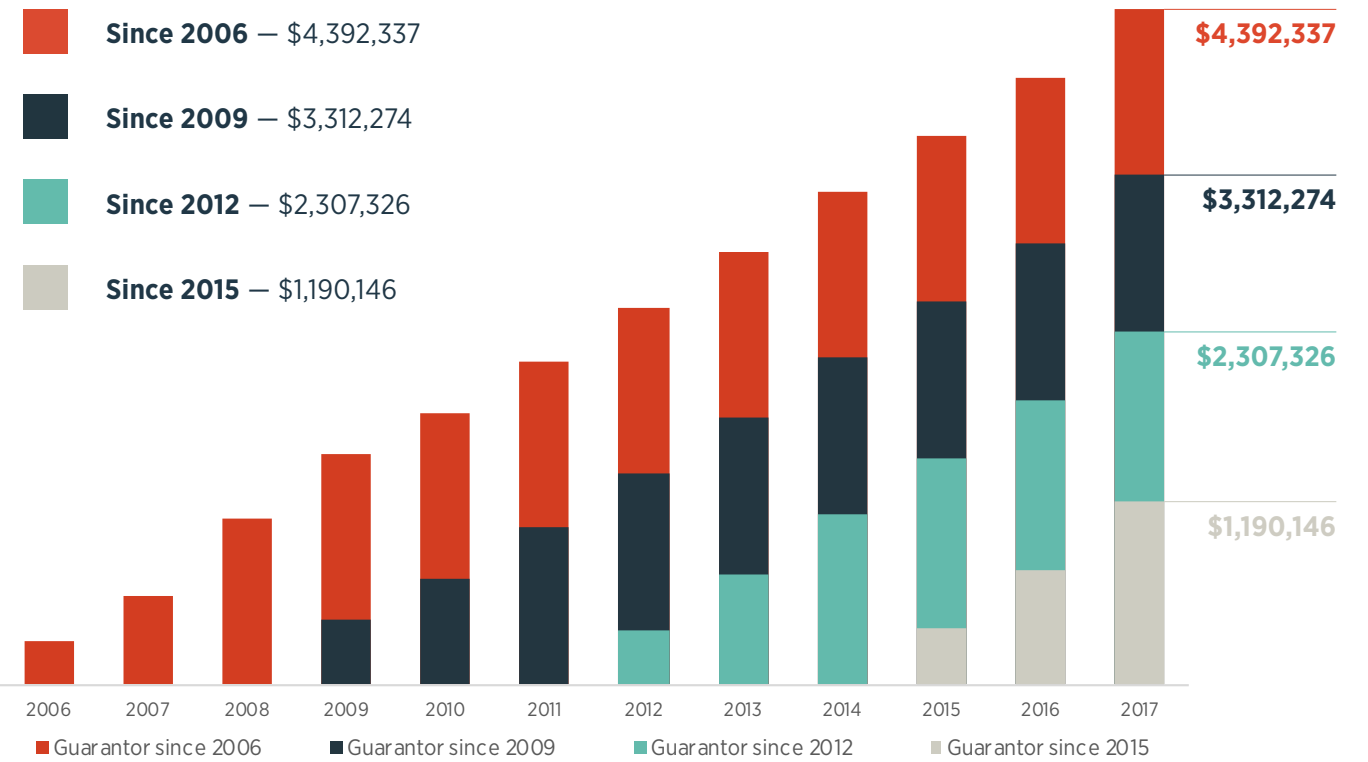
“MCE’s guarantor model enables me to use my assets to help some of the poorest people in the world, while retaining and managing my portfolio. I am fortunate to be a part of this unique group of individuals, whose generosity reaches so many people with such impact.”

Gregory S. Ledford, MCE Guarantor since 2007,
Managing Director, The Carlyle Group



the power of a guarantee

Cumulative Amount Disbursed per Guarantee



Philanthropic guarantees enable MCE to leverage the excellent credit of high net worth individuals and foundations (our Guarantors) to borrow capital from U.S. and European financial institutions and accredited investors. MCE then strategically deploys this capital to two types of organizations:

- **Microfinance Institutions (MFIs)** that help people living in rural areas gain access to credit, savings accounts, insurance, healthcare and health education, business education, and technical assistance.
- **Small and Growing Businesses (SGBs)** in the agriculture value chain, water & sanitation, and renewable energy sectors,

to create reliable jobs in rural economies, raise smallholder farmers' incomes, and address basic needs in underserved areas.

An MFI Guarantor who joined in 2006 has personally enabled \$4,392,337 in disbursements to MFIs across the developing world. Compared to the total charitable gifts that same Guarantor has made to MCE since 2006 of \$38,500, the multiplier effect is huge. For that Guarantor, every \$1 gifted to MCE has enabled \$114 of impact! In addition, the capital has supported over 13,000 loans from MFIs to end borrowers, positively impacting the lives of more than 40,000 people.





our portfolio

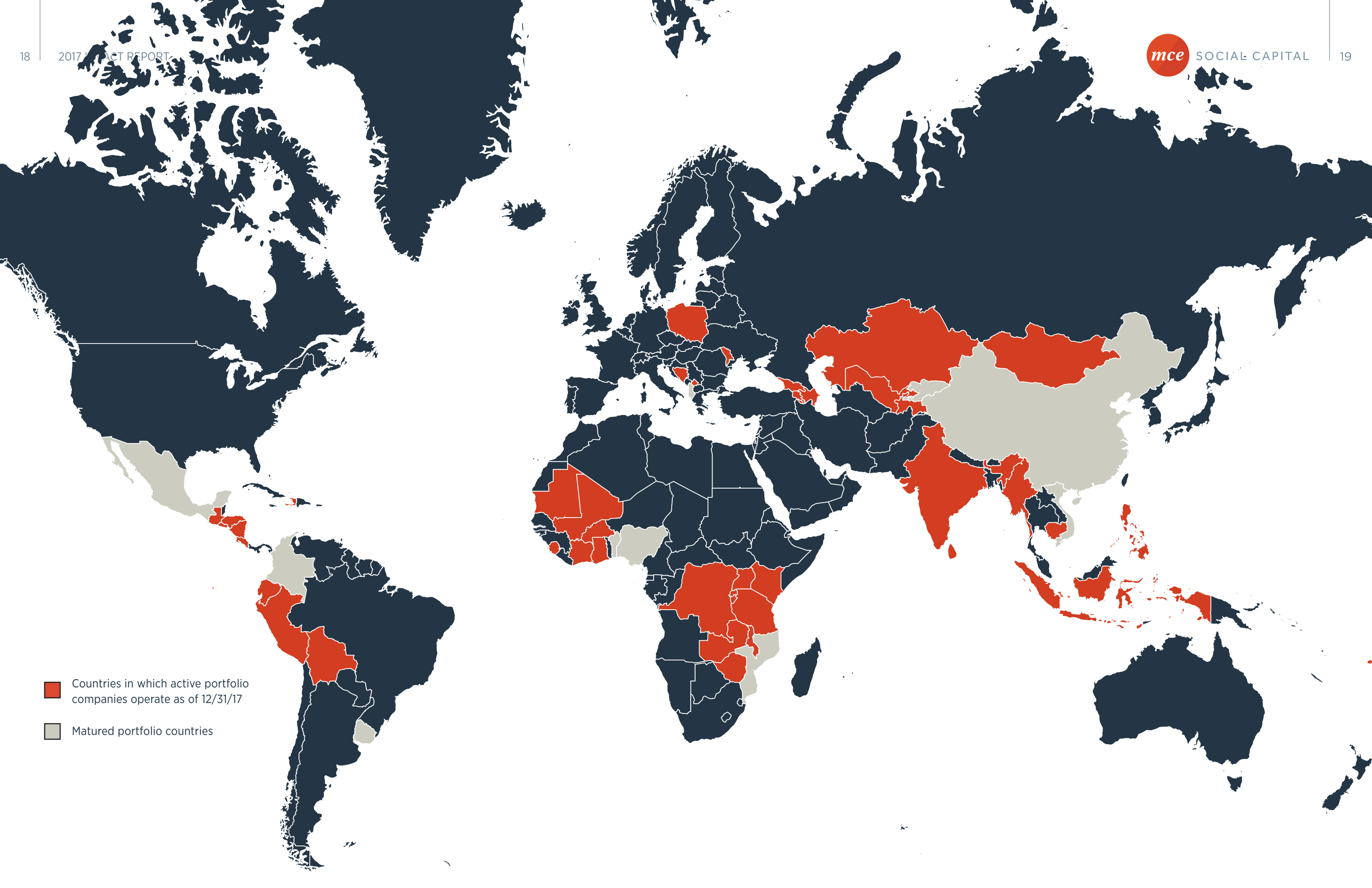
“MCE’s portfolio consists of an incredible array of organizations dedicated to reaching the most underserved populations around the world. I am proud of the MCE team and the organizations that we support, whose track records clearly demonstrate that there are financially viable, market-driven solutions to poverty.”

Dan Brunner, MCE Guarantor since 2005, Board Member and Loan Committee Chair
Former Executive Vice President, First Health; Former CEO, Affordable Health Care Concepts



Herminia Catarina Ramos Hernandez, President of Ixoc Aj Keem, a traditional textile cooperative located in San Juan La Laguna, Guatemala. Herminia is a client of Friendship Bridge, an MFI dedicated to empowering Guatemalan women through microcredit, education, and health services. Friendship Bridge is a part of MCE’s MFI portfolio.
PHOTOGRAPHER: HARRISON PHARAMOND / MCE SOCIAL CAPITAL
GUATEMALA

-  Countries in which active portfolio companies operate as of 12/31/17
-  Matured portfolio countries



microfinance institutions

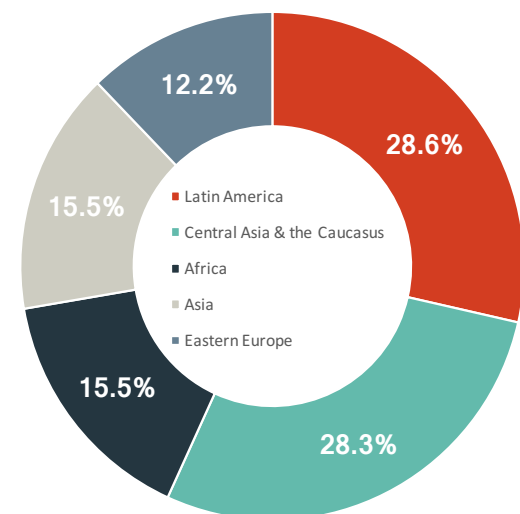
Since 2006, MCE has been providing debt capital to Microfinance Institutions (MFIs) that help people living in rural areas gain access to credit, savings accounts, insurance, healthcare and health education, business education, and technical assistance.

More than two billion people in the world, especially women and families in rural areas, lack access to formal financial services and consequently must contend with financial insecurity on a daily basis.¹ Although the provision of microcredit alone will not alleviate poverty, it is a critical and powerful mechanism that helps people build assets, manage risks and unpredictable income, and gain the freedom to decide how to make

and spend money. When combined with other non-financial services, microfinance can promote sustainable growth across the developing world by improving livelihoods, strengthening institutions, promoting gender equality, and providing economic opportunity and security. MCE lends to MFIs that serve predominantly women and rural borrowers and provide important services along with microcredit—services necessary to generate transformative, sustainable impact.

As of December 31, 2017, MCE’s MFI portfolio consisted of \$53.7M outstanding in 52 MFIs across 31 countries, backed by \$119M in loan guarantees from over 100 MFI Guarantors. 81% of the MFIs in MCE’s portfolio provide at least one or more of the additional services described below.

Geographic Diversification



Additional Services Provided by MFIs in MCE’s Portfolio

- 62%** provide Savings, Insurance, Remittance Services, or Mobile Banking
- 60%** provide Business Education & Financial Literacy Training
- 38%** provide Health Education & Services
- 35%** provide Energy Efficiency Products & Services
- 31%** provide Technical Assistance & Skills Training
- 23%** provide Social Services

¹ "Financial Inclusion Overview," World Bank Group. April 2017.



Fundación Espoir (Espoir) is a socially focused microfinance institution (MFI) in Ecuador with a loan portfolio of over US\$45M and over 48,000 borrowers, 80% of whom are women and 74% of whom live in rural areas. The MFI maintains a strong commitment to its social mission—as part of Espoir’s village banking program, group members receive health and life insurance, access to a network of medical centers, and bi-weekly education sessions from loan officers on topics ranging from financial literacy to healthy living. In November 2017, MCE approved a 36-month loan of \$1,200,000 for Espoir, MCE’s sixth loan to Espoir since 2006.



Espoir helped clients like Esther rebuild their lives after the devastating earthquake in Ecuador in April 2016.
PHOTOGRAPHER: KIVA
ECUADOR



FINCA Microfinance Bank Limited (FINCA TZ) is a leading MFI in Tanzania with a loan portfolio of over \$31M and more than 50,000 borrowers, 54% of whom are women and 65% of whom live in rural areas. FINCA TZ is one of only three deposit-taking banks in the country, dedicated to helping low-income entrepreneurs build assets, create jobs, and improve their standard of living. FINCA TZ offers a variety of savings and lending products, ranging from village banking and small enterprise loans to individual and small group loans. FINCA TZ also offers financial literacy training programs and partners with outside organizations to administer other social services. In July 2017, MCE made a 36-month loan of \$2,000,000 to FINCA TZ.



IMON International (IMON) is a prominent MFI in Tajikistan with a loan portfolio of over \$81M and over 100,000 borrowers. IMON was one of MCE’s first loan recipients, and maintains its strong commitment to alleviating poverty by serving the country’s most vulnerable populations through a variety of financial products and services, including traditional loans, education and green loans, savings accounts, remittance transfers, and mobile banking. IMON complements these offerings with non-financial services as well, including financial literacy training, technical assistance, and energy efficiency consultation. In October 2017, MCE approved a 36-month loan of \$500,000 for IMON, its seventh loan since 2006. The loan was disbursed in February 2018.

small & growing businesses

MCE's Small and Growing Business (SGB) portfolio provides catalytic debt capital to SGBs in the agriculture value chain, water & sanitation, and renewable energy sectors, to create reliable jobs in rural economies, raise smallholder farmers' incomes, and address basic needs in underserved areas throughout the developing world.

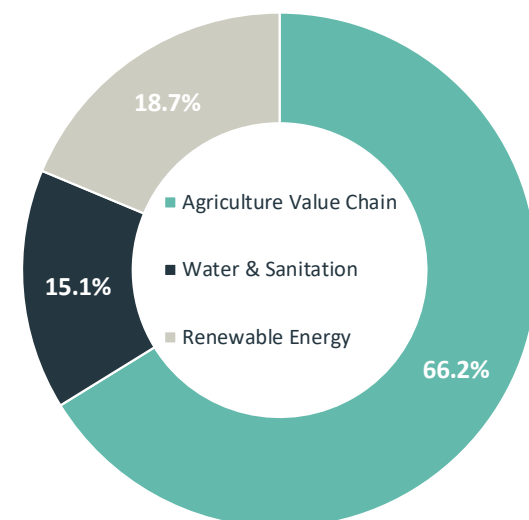
MCE formally launched its Small and Growing Business (SGB) Portfolio in March 2017, aided by a \$1 million grant from USAID's Partnering to Accelerate Entrepreneurship (PACE) Initiative. Previously, MCE had been making loans to SGBs since 2013 using its own retained earnings and donations.

As the dominant form of entrepreneurial activity in emerging markets, SGBs hold

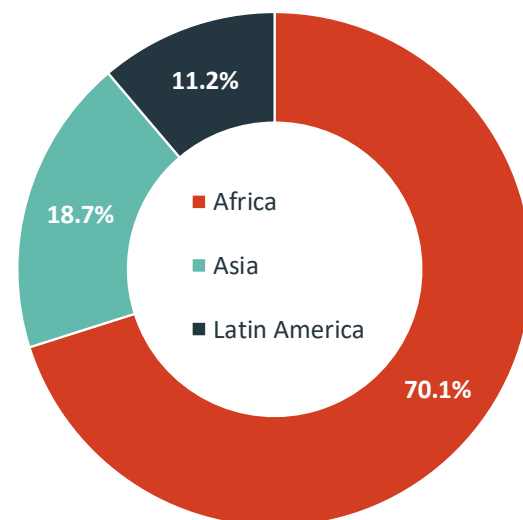
the potential to transform communities and alleviate poverty through the jobs they create and the products and services they offer to improve the livelihoods of their beneficiaries. However, SGBs often lack access to sufficient, appropriately structured growth capital. When informal SGBs are taken into account, the total credit gap is estimated between \$2.1 - \$2.6 trillion. This gap is even more pronounced for women-owned SGBs, 70% of which are unserved or underserved—an additional \$285 billion credit gap.¹ MCE's SGB portfolio aims to address these market gaps and maximize the potential of SGBs to alleviate poverty throughout the developing world.

As of December 31, 2017, MCE's SGB portfolio consists of \$2.7M outstanding in eight SGBs across seven countries. The SGB portfolio is backed by \$10M in loan guarantees from 16 SGB Guarantors.

Sector Diversification



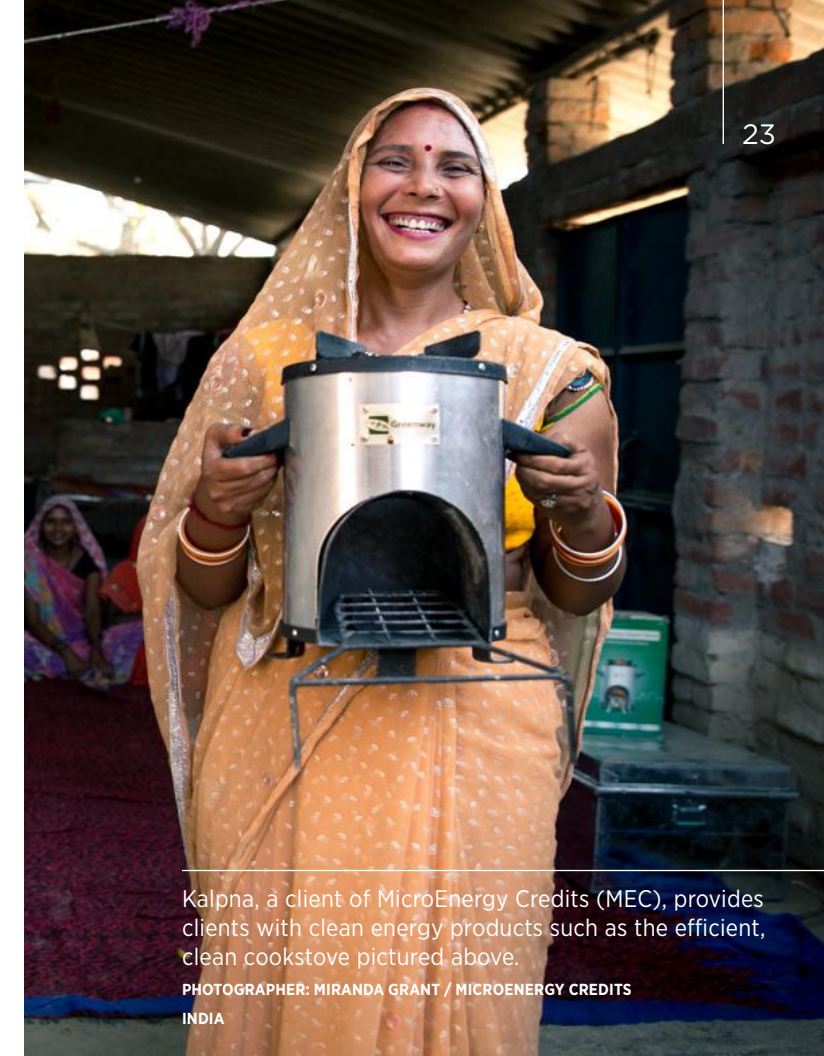
Geographic Diversification



¹ "What's Happening in the Missing Middle? Lessons from Financing SMEs," World Bank Group, March 2017.



MicroEnergy Credits (MEC) is a clean energy marketing and distribution company founded in 2007 that partners with financial institutions and suppliers to provide low-income households and microentrepreneurs in India, Kenya, and Mongolia with access to affordable, clean energy products like solar lights, efficient cookstoves, and water purifiers. MEC addresses the energy poverty that drastically impedes social and economic growth in the developing world, particularly for women and children in rural areas. MEC's work also reduces carbon emissions and deforestation while promoting better health and education. Since 2007, MEC has reached over 3.5 million people. In February 2017, MCE made a 24-month loan of \$500,000 to MEC.



Kalpana, a client of MicroEnergy Credits (MEC), provides clients with clean energy products such as the efficient, clean cookstove pictured above.
PHOTOGRAPHER: MIRANDA GRANT / MICROENERGY CREDITS
INDIA



Naasakle International LLC (Naasakle) is a family-owned, vertically integrated shea processing and marketing business founded in 2000 that operates in Ghana and the United States, utilizing a direct "picker to consumer" model to connect Ghanaian women shea pickers with global consumer markets. Naasakle sources from more than 1,500 women in the Damongo region of Northern Ghana, providing financial training, technical assistance, savings programs, and local warehousing facilities for women to store their shea nuts until market prices are higher. Naasakle currently employs 45 people, 35 of whom are in Damongo where job opportunities are scarce. In December 2017, MCE made a \$300,000 loan to Naasakle.



DLO Haiti, Inc. (DLO) is an innovative water purification and distribution business founded in 2013 that provides safe, affordable drinking water to low-income neighborhoods across Haiti. DLO operates local, community-scale water treatment centers in rural and peri-urban areas, distributing more than 14,000 gallons of clean drinking water to over 35,000 consumers per day, at a price well below the lowest priced alternative. DLO's centers also act as distribution points for a variety of essential consumer goods, which are often unavailable in underserved areas. The company currently employs more than 100 local staff in Haiti, most of them in isolated communities where kiosks are operated. In September 2017, MCE made a 24-month loan of \$300,000 to DLO.

our impact

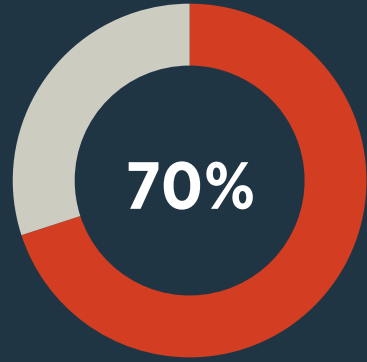
U Sein Khine was the first customer of products created by Proximity Designs in his town of Dedaye in the Ayeyarwady Delta region of Lower Myanmar. Thanks to Proximity, he feels that farming can be profitable again, and plans on saving money for his child to go to university. Proximity Finance, the business unit of Proximity Designs, is an agriculturally focused microfinance provider and part of MCE's MFI portfolio.
**PHOTOGRAPHER: PROXIMITY DESIGNS
MYANMAR**

“MCE gets involved early, often being a strong catalyst for enabling scale and amplifying impact. I’m particularly excited by MCE’s move into the hugely underserved segment of small- and medium-sized enterprise finance through the new SGB portfolio.”

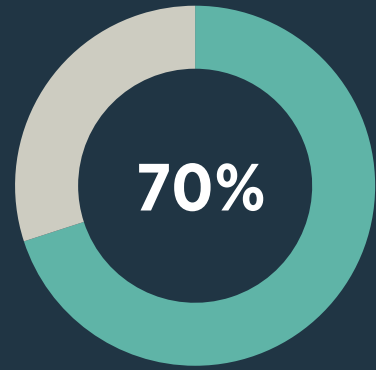
John Ayliffe, MCE Guarantor since 2011, Board Member and Loan Committee Member
Co-founder and Chairman, 1to4 Foundation



by the numbers



Direct Female Beneficiaries



Direct Rural Beneficiaries



\$154M+
DISBURSED



100+
INSTITUTIONS



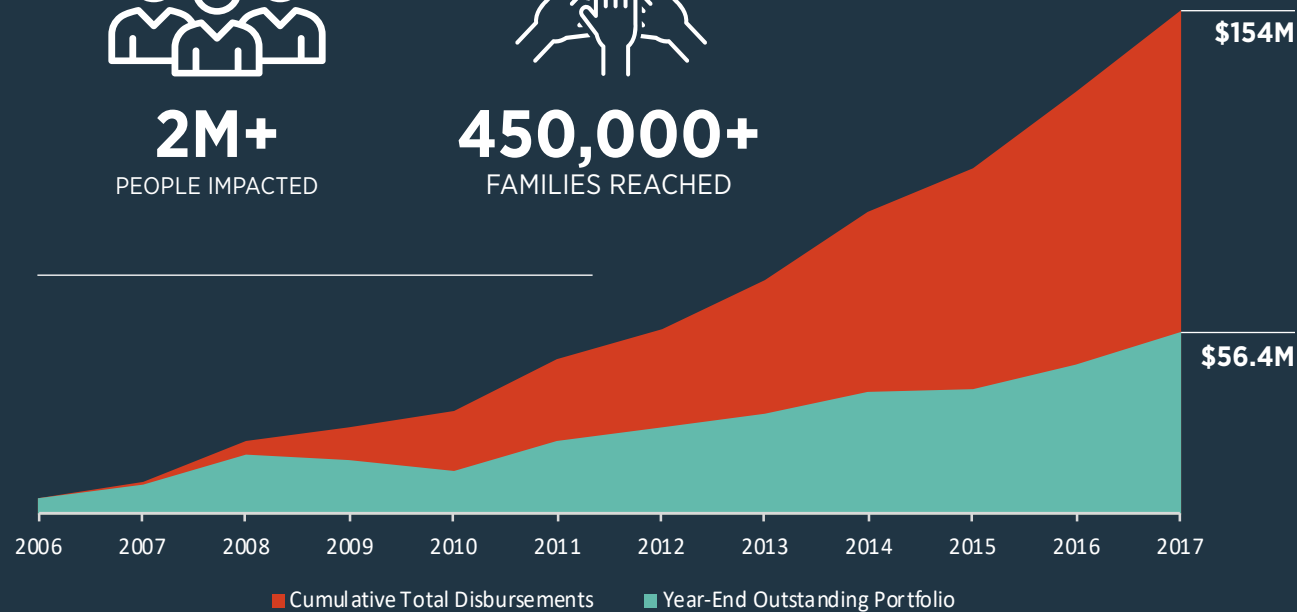
45+
COUNTRIES



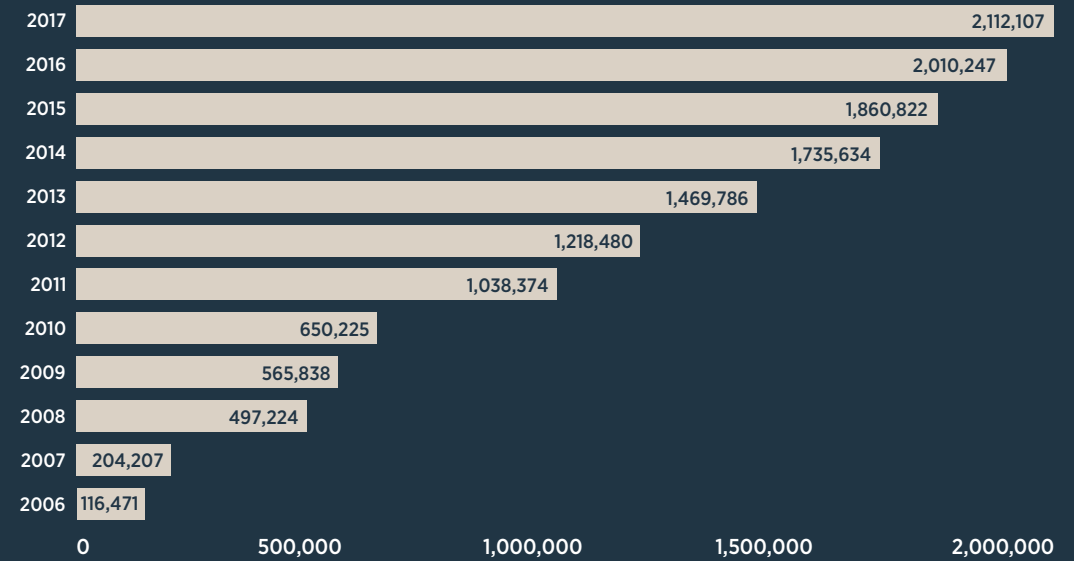
2M+
PEOPLE IMPACTED



450,000+
FAMILIES REACHED



Cumulative Number of People Impacted by MCE Lending Activity*



Microfinance Institution (MFI) Portfolio

\$150M+
DISBURSED TO

90+
MFIs

40
COUNTRIES SINCE 2006

\$260M+
DISBURSED FROM MFIs TO

450,000+
LOAN RECIPIENTS

Small and Growing Business (SGB) Portfolio

\$4M+
DISBURSED TO

11
SGBs

8
COUNTRIES SINCE 2013

5,200+
JOBS SUPPORTED BY SGBs

16,000+
OUTGROWERS SUPPORTED BY SGBs

*MFI portfolio only. MFI clients receiving multiple loans may be double counted because of loan timing across years and other factors.

stories from the field

Daw Lei Lei

Smallholder Farmer
Client of Proximity Finance, Myanmar

Daw Lei Lei is a duck farmer and mother of two in the village of Hmaw Bi, in the Delta Region of Myanmar. Every morning, she wakes up to the sound of her 100 ducks nestled alongside one another in the shed outside her house. After she sets them free, Daw Lei Lei follows the ducks on a small wooden boat as they roam through the nearby pond, careful not to lose track of any of them.

Accessing quality feed for her ducks is crucial to the success of Daw Lei Lei's business and her wellbeing, since egg production can vary greatly depending on the food that her ducks eat.

She needs the food the most in July, because rice farming is in full force and duck farmers have to limit the movement of their flocks. Production can drop to as little as one or two eggs a day for every ten ducks.

Proximity Finance has supported over 2,200 duck farmers in Myanmar with microloans that are specifically designed to help them purchase quality feed during this period. Daw Lei Lei is one of the first Proximity customers to benefit from this unique loan program. With a \$200 micro-loan, she was able to purchase more ducks and quality feed, which helped to stabilize her income. Prior to the loan, her village



was gravely affected by Cyclone Nargis in 2008, and the family lost a daughter as well as their seven-acre farm. Since then, the family survived by farming ducks, but their business was precarious at best.

With the increased profits from her duck farming business, Daw Lei Lei's husband purchased a boat to start his own transportation business, which in turn yields enough profit to cover their two children's school fees.

Proximity Finance's unique human-centered design approach to microfinance allows it to maximize impact and cater its products to the specific needs of farmers like Daw Lei Lei, who need financing at certain times of the year more than others.

Proximity has been a part of MCE's portfolio in September 2017.
Daw Lei Lei's story courtesy of Proximity Finance.
Photographer: Proximity Finance

Winrose Wachiye

Smallholder Farmer
Client of One Acre Fund, Kenya

Winrose, a 43-year-old smallholder farmer from Kapchai Muyayi village in Western Kenya, grows six different kinds of crops on her two acres of land. She learned about the importance of crop diversity from One Acre Fund. Last season, she attended training sessions about how to improve her soil's fertility by using compost and an intercropping planting method, in which maize and beans are sown in alternating rows in the same field.

Both her maize and bean crops were growing strongly until late in the season, when a heat wave compounded the effects of drought. Most of her maize withered, but the beans kept on growing. She ended up having the biggest bean harvest she'd ever seen.

"I've never harvested so many beans as I did last year. If the rains had been normal, I would have gotten even more."

Winrose expects that her family will have enough food to eat this year, in spite of her maize losses, because she didn't rely on a single crop. Many farmers across Eastern and Southern Africa weren't as lucky. The drought led to short supplies of food and increasing prices in a number of countries, worsening the effects of the annual hunger season.

Extreme weather does not discriminate – both farmers enrolled with One Acre Fund and those who aren't were affected by last year's drought. However, One Acre Fund farmers in many cases were able to outperform their neighbors because they used better inputs and



more efficient farming practices.

In addition to her beans, Winrose also harvested a big crop of millet, a grain that's more drought-resistant than other crops.

Without income from selling maize, Winrose expects that finances will be a little tighter around her house this year. But the family should still be able to afford school fees for their five children, including two who are in a more expensive private school, she said. Winrose is also convinced that the return of rains will bring a better harvest this season.

"Just because we had drought last year doesn't mean it will be the same again this year. Last year was a challenge, but every year is different."

One Acre Fund has been a part of MCE's portfolio since May 2016.
Winrose's story courtesy of Hailey Tucker | One Acre Fund.
Photographer: Hailey Tucker

our community

A group of MCE staff, Guarantors, Board and Loan Committee members, and advisors gathered in San Francisco in February 2018 for an annual MCE retreat.

PHOTOGRAPHER: MCE SOCIAL CAPITAL

“MCE has fostered a unique and diverse community of impact investors, foundations, philanthropists, and other international actors dedicated to the same mission: to empower women and rural families living in poverty. The Linked Foundation is proud to be a part of such a strong, mission-driven community whose assets are actively changing lives around the world.”

Nancy Swanson, Executive Director, Linked Foundation, MCE Guarantor since 2007 and Board Member

our guarantors

As of the end of 2017, MCE's Guarantor community consisted of more than 100 individuals and foundations representing \$129M in loan guarantees, backing MCE's MFI and SGB portfolios with \$119M and \$10M respectively.

These inspiring, accomplished global citizens are bound together by their commitment to improving the lives of people living in poverty, particularly women and families in rural and underserved areas. Their collective partnership with MCE powers our innovative model and allows us to reach some of the most challenging regions of the world where other lenders often won't go. MCE would like to thank each and every Guarantor for advancing our mission.

MFI Guarantors

2005

Dan & Rhea Brunner
Eric McCallum & Robin Smith
Janet A. McKinley

2006

Douglas W. Ell
Oswald Family Foundation
Arthur Rock
Tom & Meg Stallard
Swift Foundation**
Bill & Mary Way

2007

Kevin & Laurie Carnahan
The Clara Fund
James Davidson
Kevin Dolan
Gary Ford & Nancy Ebb
Gary & Cary Hart
Alan & Teri Hoops
Greg & Nancy Ledford**
Meyer Family Enterprises**
Sangeeth & Sindhu Peruri
Thomas R. & Marla E. Williams

2008

Joseph Brescia
Maggie Kaplan**
Sheila Leatherman
Linked Foundation
Sarah Marie Martin
& Nicholas Brophy

2009

Jonathan C. Lewis
Peggy Rawls

2010

Karen Ansara
David & Gay Campbell
Sky Carver
Lori & Aaron Contorer
Benito and Frances C.
Gaguine Foundation**
David Hills & Catherine
McLaughlin-Hills
Jonathan Rubini**
Carolyn Workman
& Kurt Wacker
Anonymous

2011

1to4 Foundation[†]/John
& Cathy Ayliffe
1to4 Foundation/2nd Unit
1to4 Foundation/3rd Unit
Wendy Adams
Kenneth Ansin
Ron & Marlys Boehm
Darlene Daggett
James & Kathleen Deeringer
G.D.S. Legacy Foundation**
KL Felicitas Foundation
Joshua Mailman
McNamara Family Foundation
Doug & Carol Steenland
Paul & Dana Zalkauskas
Anonymous

2012

Bob Acree
Michael & Margherita Baldwin
Ellen & Karl Breyer
Kathleen Cronen
The Eucalyptus Foundation
Harry R. Halloran, Jr.
Leonard Hyde
Kerry Olson & David Katz

Steve & Rita Moya
Katharine Thompson
Anonymous
Anonymous

2013

1to4 Foundation/4th Unit
Ronald Ansin
Armeane Choksi
Eileen Fisher
Mike & Diane Moxness
Angela & Anthony Ocone
Douglas Spencer
Levi Strauss Foundation
Adam J. Weissman
Foundation
Anonymous

2014

John Coleman
Peter & Sharon Fiekowsky
Justin & Lindsay Morales
Richard & Regina Roney

2015

1to4 Foundation/
Antonis Schwarz**
1to4 Foundation/7th Unit

1to4 Foundation/8th Unit
Kenneth Carson & Sally Foster
Neal & Florence Cohen
Cordes Foundation
Jerry Hirsch
Dennis Houghton
& Janet Healy
Clark Mitchel
Jeff Perlis
Natalie Rekstad
Anonymous
Anonymous

2016

Tom & Betsy Balderston
Sara S. Hall
Eva & Yoel Haller
Scott Kiere
Rick & Cathy Osgood
Theodore Petroulas
Scott Satterwhite

2017

1to4 Foundation/9th Unit
James J. Chu
Laura DeVere
Jon Freeman
Elizabeth Funk

A group of MCE Guarantors visited Haiti in January 2017 to see firsthand the impact of MCE's portfolio companies as well as other Haitian social enterprises.
PHOTOGRAPHER: MCE SOCIAL CAPITAL
HAITI

Galloway Family
Foundation Trust
Matthew W. Patsky
David Sonnenberg
Sunrise Foundation
Tara Health Foundation**
SJ Wilson Enterprises, LLC
Anonymous

SGB Guarantors

2017

Kenneth Ansin
John & Cathy Ayliffe
Ron & Marlys Boehm**
Dan & Rhea Brunner
Kevin & Laurie Carnahan
Darlene Daggett
James Davidson**
Gary Ford & Nancy Ebb
Elizabeth Funk
Alan & Teri Hoops
Greg & Nancy Ledford
Linked Foundation
Eric McCallum & Robin Smith**
Scott Satterwhite**
Antonis Schwarz
Bill & Mary Way

Note: Guarantors listed under year in which they originally signed.

**Indicates a Guarantor who has signed for two units as of the end of 2017.

[†]1to4 Foundation is MCE's European partner through which European Guarantors can sign up directly.



our team

Our Board of Directors

Karen Ansara

Co-founder and Chair, New England International Donors Essex, Massachusetts

John Ayliffe

Co-founder and Chairman, 1to4 Foundation Lignières, Switzerland

Dan Brunner

Former CEO, Affordable Health Care Concepts Sacramento, California

Kevin Carnahan

Former Senior Managing Director, Accenture San Francisco, California

Armeane Choksi

Former Vice President of the World Bank Chairman, Option3 Ventures Washington, D.C.

Kathleen Cronen

Health Care Consultant and Impact Investor Girdwood, Alaska

Darlene Daggett

Former President, U.S. Commerce, QVC Devon, Pennsylvania

Jim Davidson

Co-founder and President, PeakChange Denver, Colorado

Gary Ford

CEO, President and Chairman, MCE Social Capital Washington, D.C.

Cary Hart

Retired Pediatrician, Kaiser Permanente Sacramento, California

Eric McCallum

Founder and President, Arctic Wire Rope & Supply Anchorage, Alaska

Justin Morales

Real Estate Investor and Author Fort Collins, Colorado

Nancy Swanson

Executive Director, Linked Foundation Santa Barbara, California

William Way

Former Managing Director, Accenture Phoenix, Arizona

Our Staff

Tala Abbasi

Portfolio Manager

Pierre Berard

Managing Director and Chief Investment Officer

Kevin Carnahan

Senior Advisor and Treasurer

Gary Carrier

Portfolio Analyst

Elisabeth Chasia

Portfolio Manager

Fabrizio Cometto

Portfolio Manager

Catherine Covington

Managing Director and Business Development Officer

Gary Ford

President and Chief Executive Officer

Mary Hedahl

Senior Advisor, Business Development

Tracie Hudgins

Operations Manager

Harrison Pharamond

Communications and Development Associate

Elena Pons

Portfolio Manager

Robert Taylor

General Counsel

Jackie Torriente

Loan and Accounts Manager

Wendy Turman

Managing Director and Chief Financial Officer

our institutional partners

MCE's impact is amplified by our partnership with a number of international organizations, financial institutions, foundations, and other entities dedicated to fostering better livelihoods for people living in poverty around the world. These institutions include:



financials

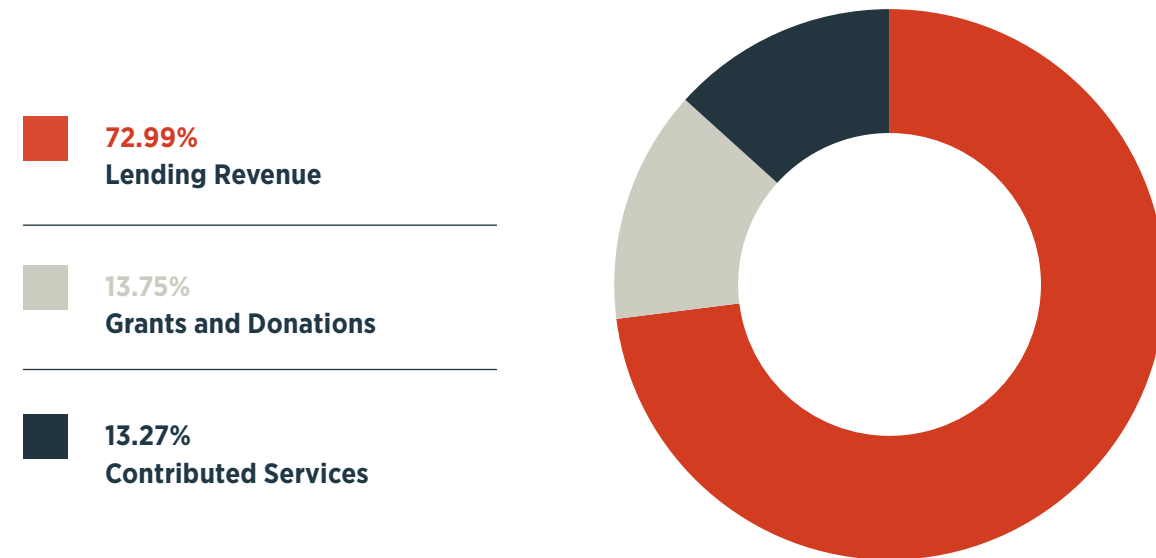
“OPIC first provided financing to MCE Social Capital in 2012 and, based on MCE’s strong performance, expanded our support in 2016. This partnership has been invaluable in helping us reach underserved populations such as women who are particularly challenged to access financial services. By empowering more women, we’ve empowered their families and their communities.”

Richard Greenberg, OPIC Managing Director, Social Enterprise Finance

Alimova Bibifotima (pictured here) is an employee of Ms. Saida Gadoeva’s sewing business in Tajikistan. Saida has been a client of IMON International since 2007. IMON is a prominent MFI in Tajikistan and one of MCE’s first loan recipients. MCE has had an active relationship with IMON since 2006. PHOTOGRAPHER: NICOLAS VILLAUME / IMON TAJIKISTAN

revenues

In 2017, MCE's total revenues were \$2,596,998, a 26.86% increase over 2016.

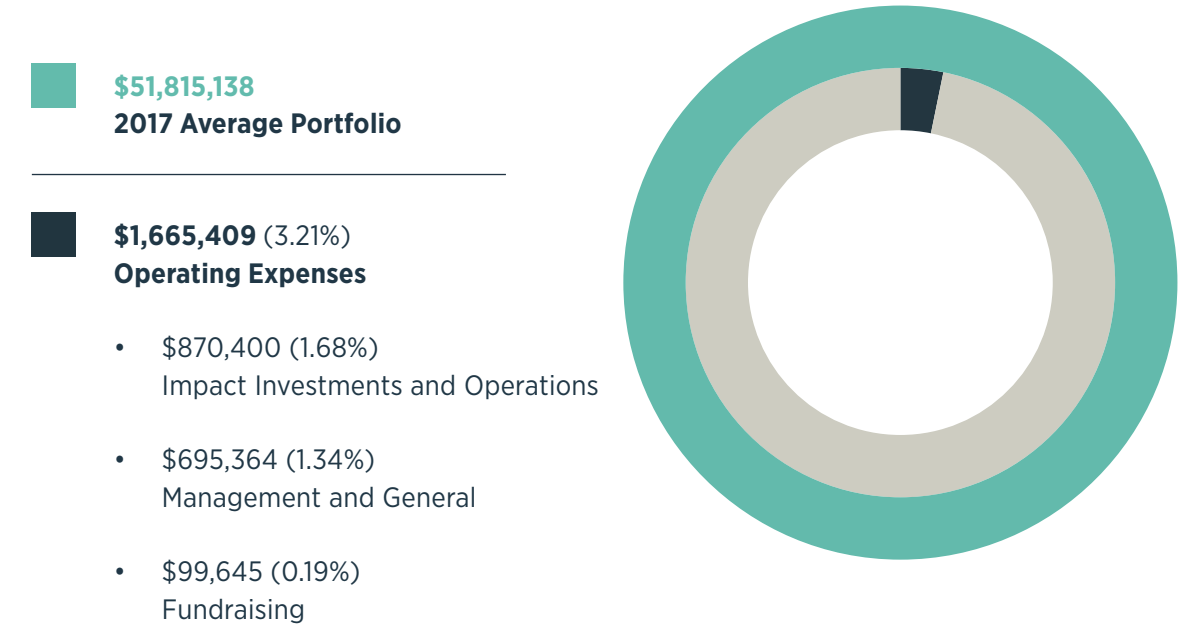


	2017 Unaudited	2016 Audited	% Change
Lending Revenue	\$1,895,437	\$1,432,959	32.27%
Grants and Donations	\$357,006	\$305,057	17.03%
Contributed Services	\$344,555	\$309,067	11.48%
Total Revenue Before Guarantor Call*	\$2,596,998	\$2,047,083	26.86%
Guarantor Call	-	\$1,115,373	-

*All guarantor calls cover default amounts and are shared pro rata across the responsible guarantee units.

key financial ratios

In 2017, MCE's operating expense ratio was 3.21%, compared to the average portfolio.



	2017	2016	Difference Basis Points
Portfolio Yield	7.67%	7.70%	(3)
Cost of Funds	4.01%	4.17%	(16)
Gross Portfolio Margin	3.66%	3.53%	13
Operating Expense Ratio	3.21%	3.32%	(11)
Net Margin	0.44%	0.21%	23

BACK COVER: Nory was able to access the health care she needed from a newly constructed hospital financed by a loan guaranteed by USAID's Development Credit Authority (DCA), a key strategic partner of MCE.
PHOTOGRAPHER: BOBBY NEPTUNE / USAID PHILIPPINES



*impact.
guaranteed.*

Visit our website www.mcesocap.org or
contact us at info@mcesocap.org
for more information.