

MISSION INVEST

Impact Report - June 2022



A Presence Made Real in 2021

Things change. Some say that the only constant in life is change. And then there's the French expression, that the more things change the more they stay the same. Indeed, Pope Francis has warned against this latter form of artificial change where things look different on the surface but underneath the status quo holds and the usual powerbrokers are still pulling all the strings.

There are things about me that have changed over the years. For sure I know that I had no taste for raw onions when I was growing up. The idea of biting into one would make me wince. It was only recently I came to know the joy of the fresh raw red onion, even very lightly salted. Delish!

Missio Invest represents something of a radical change in the way the Church acts and organizes itself. The most appealing part of Missio Invest is not that we ask others to change, but we try and show how reforming ourselves as a Church is the surest way to be prophets of a better future. Yes, Missio Invest promotes sustainable agriculture, education, and health care among underserved communities like the Church has done for eons. It relies on the ingenuity and bottomless generosity of sisters and brothers and priests and their collaborators. But the way that they carry out these traditional activities is wholly new, at least for those in the developing world. Missio Invest promotes excellence in management and business practices without apology or hindrance to the Church's pastoral practices. It creates vital bonds of solidarity between investors and borrowers

that endure for the long term. More than moving financial resources from the North to the South, Missio Invest spreads the risks inherent in highly developmental investment activities operated by the Church from the South to the North. This risk-shift is perhaps the most radical of all the changes Missio Invest promotes and sets it apart from other financial support programs that we may be familiar with.

Missio Invest is the fresh raw onion that you were reluctant to take a bite out of. Missio Invest may not be to everyone's taste. But just sample the stories and the lives highlighted in these pages and hear about people who are finding a whole new level of dignity and mutuality; of self-esteem and long-lasting security for their way of life.

Missio Invest takes a daring and transformative path to global solidarity while adopting a "whole economy" approach to both people and planet meaning it offers a real alternative to the fiduciary absolutism prevalent in current investment philosophies that aims to maximize financial returns at all costs.

Sure, biting into raw onion might be off-putting at first and sure it might make your eyes water a little. But reading through this Impact Report may work up the appetite necessary to take a bite out of impact investing and find out what many know already: Missio Invest is simply delicious!

Father Andrew Small, OMI
CEO Missio Invest



From left to right:

Keith Polo,
Managing Director Missio Invest








Sr. Bridgita Samba, SSJ
Kenya, Secretary General of
ACWECA (Association of
Consecrated Women in Eastern
& Central Africa)

Sr. Rosalia Sakayombo, RSHS
Zambia, President of ACWECA

Fr. Andrew Small, OMI
CEO Missio Invest



2021 IN NUMBERS

3	new countries	
12	new borrowers	
45	active borrowers in	8 countries
160	hospitals and healthcare facilities run by borrowers	
1,555	schools supported	
16,119	households provided with clean water	
16,426	acres under management	
17,672	smallholder farmers trained	
19,866	jobs created & maintained	
91,140	trees planted	
565,041	children educated	
\$2,658,583	USD injected into local economies	
3,444,860	patients treated	
\$6,034,313	USD in active loans at the end of 2021	

A year of milestones

2021 marked a number of key milestones for Missio Invest – our first loans in healthcare and education, our first projects in Ghana and Rwanda, and our first borrowers to fully repay their loans. Over the course of the year, five loans were fully repaid, including three of Missio Invest’s pilot projects from 2016, as well as two projects from 2018-2019 who repaid ahead of schedule. And these five projects were not alone – Missio Invest received over \$600,000 in principal payments in 2021, despite having less than \$3 million in loans outstanding at the beginning of the year. We can at last say with confidence that the model is working.

Having visited the farms of two of the 2016 borrowers during my early days at Missio Invest, it was particularly rewarding to see their projects come to fruition. When I met Father Douglas Mwiga, Rector of St. Mathias Mulumba Senior Seminary, on his farm in 2017, he already had plans for using the farm’s increased income to renovate the seminary. As you saw in our case study on page 16, he has now realized those visions and then some. St. Mathias is one example of what we hope to achieve at Missio Invest – to equip driven entrepreneurs like Father Douglas with the training, advisory and capital they need to take their businesses to the next level, expanding their impact on the community and improving the long-term sustainability of their enterprises.

It is a model that we hope will pay dividends for the Sisters, priests, and Brothers we work with, along

with those they serve, and one that may even become an example for other faith communities. The U.S. International Development Finance Corporation (“DFC”) recognized the potential for this demonstration effect and endowed MISIF LLC (Missio Invest’s social impact fund) with a \$20 million debt facility in September 2021 to further expand our work.

In parallel to our Finance Agreement with the DFC, we have committed to increasing our lending to women borrowers as part of the DFC’s 2X Women’s Initiative. You’ll see examples of strong Sister borrowers in our education and healthcare case studies.

We’re looking forward to even further expansion in the coming year– new countries, new borrowers, and new milestones ahead!

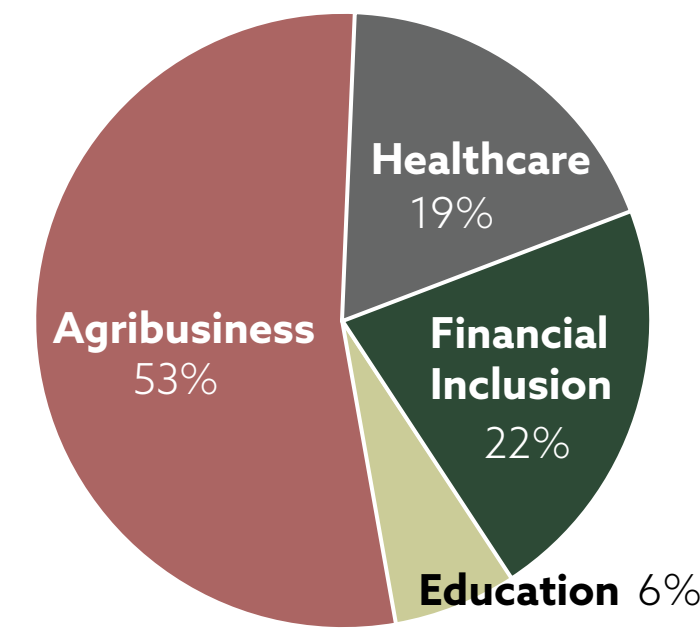
Joelle Birge
VP of Lending



4 AREAS OF FOCUS

The year 2021 saw Missio Invest rapidly expand in **3 sectors: Healthcare, Education and Financial Inclusion.**

While these sectors are new for Missio Invest, they have been a core part of our borrowers' work for decades. Nearly all of the Church entities Missio Invest lends to operate at least one school, clinic or hospital, and many serve as the primary provider of affordable healthcare and education services in their locality.



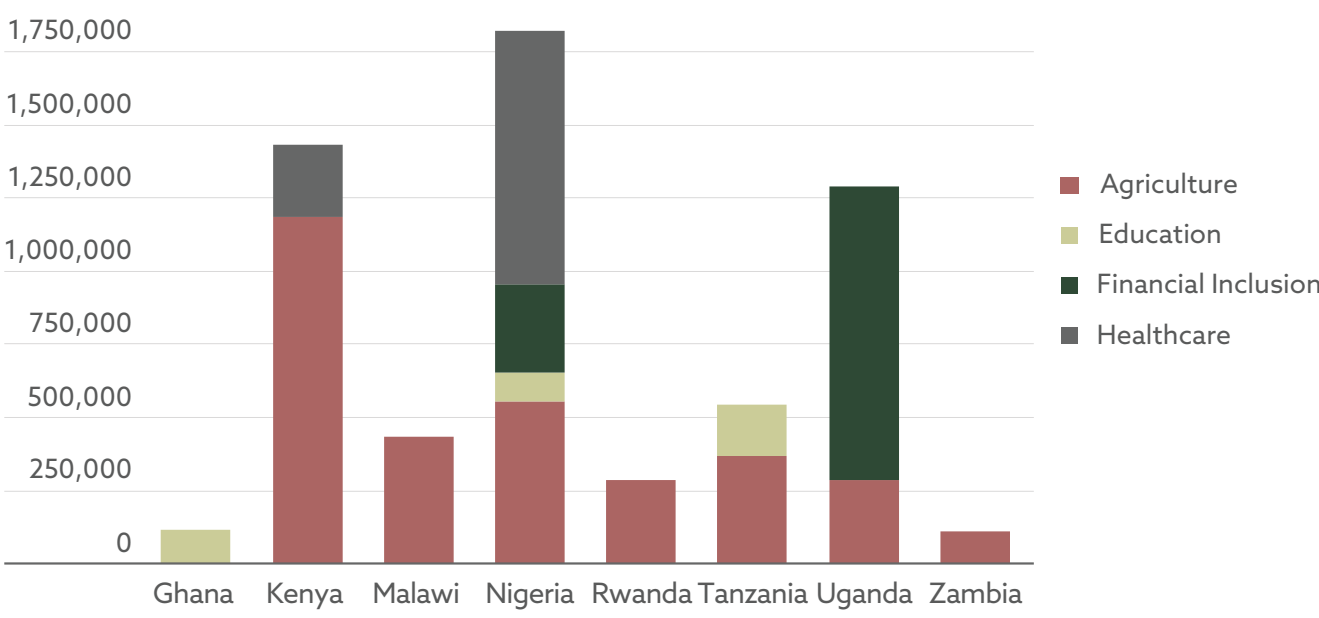
12/2021 Missio Invest loan value in % by sector

In 2021 Missio Invest launched operations in 3 new countries (**Ethiopia, Ghana and Rwanda**), expanding our footprint to encompass **9 countries** across Africa.

Over the course of the year, we disbursed **\$3,701,025** in loans to 14 borrowers, including **12 new borrowers.**

2021 Portfolio by Country

Loan Principal Outstanding as of 31 Dec. 2021 in USD



Our Team

Our Geographic Footprint

Joelle Birge
VP of Lending

Connor Murphy
Investm. Associate

Fr. Andrew Small OMI,
CEO

Keith Polo
Managing Director

Elisabetta Caregnato
Fundraising & Outreach

Thierry Koffi
CIM Côte d'Ivoire

Francis Opoku
CIM Ghana

Matthew Adetunji
CIM Nigeria

Shirine Bakhat-Pont
ESG & Impact

Getahun Tafesse
CIM Ethiopia

Geoffrey Ndashimye
CIM Rwanda

Albertina Muema
CIM Kenya

Benson Agwena
CIM Kenya Uganda

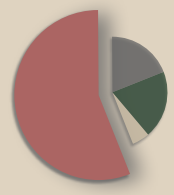
Effie Simat
Investment Analyst

Patrick Mujuni
CIM Tanzania

Mulenga Jane Bwalya
CIM Malawi, Zambia

Frank Mambala
Malawi

Team names are listed close to their geographic location.



AGRIBUSINESS

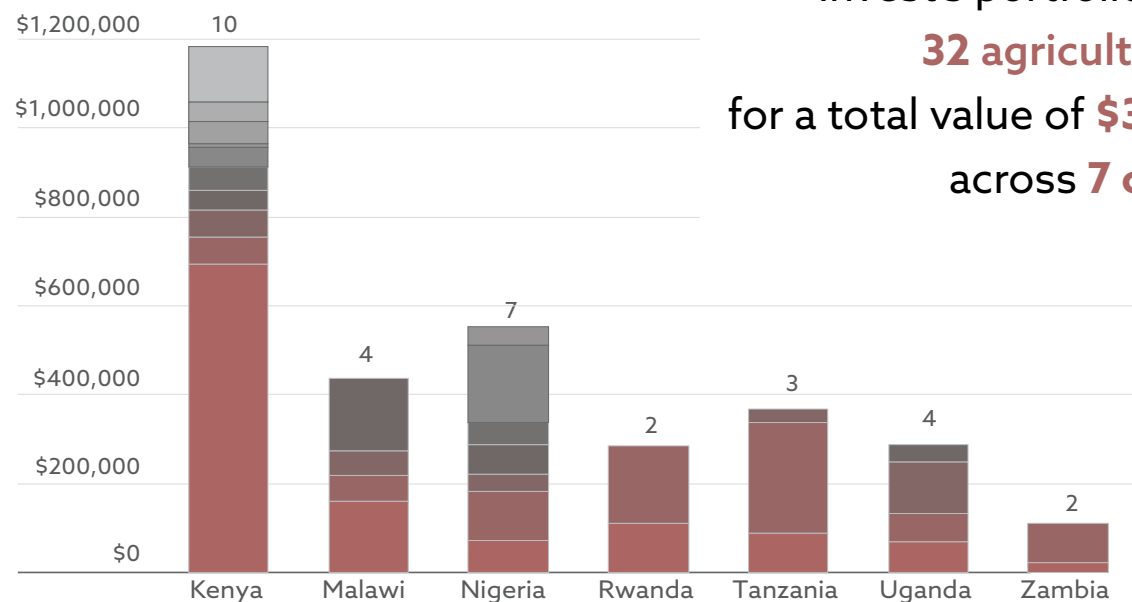
The Church is one of the **largest non-governmental land-owners in the world**, with estimated holdings of **177 million acres**¹.

This property is not only churches and monasteries, but farms and forests. The decisions made on how to use this land have major impacts on the social institutions and communities it supports, from food security to climate change.

Missio Invest supports its borrowers in leveraging their land and sustainably supporting their communities by adopting modern farming technologies and updated business practices.

2021 Agribusiness Portfolio by Country

Agribusiness loan principal outstanding on 31 Dec 2021 in USD



At the end of 2021, Missio Invest's portfolio included **32 agricultural loans** for a total value of **\$3,225,288** across **7 countries**.

2021

84% of agri borrowers use at least 1 renewable source of energy
1,920 social institutions supported by our agribusiness borrowers
9,206 acres under management
17,672 smallholder farmers trained
88,420 trees planted
134,762 smallholder farmers selling to our borrowers
~\$ 1,845,000 salaries and wages injected into local economies
~\$ 3,718,000 value of agricultural products created

¹ CNA Article "Can mapping the global Catholic Church help to heal the earth?", January 1st, 2022

IMPACT CASE STUDY

OVERVIEW

Country: Rwanda
Sector: Agriculture
Location: Ruhengeri
Religious Institution: Ruhengeri Diocese

Client Profile

Business: Ruhengeri Farm
Loan: USD 225,000
Investment date: 06/2021
Farm Size: 1,482 acres
Farm Enterprises:
Potato Seed
Wheat
Maize Seed
Avocado
Land Rental
Transportation Hire

Use of Loan

- Greenhouse construction
- Expansion drip irrigation + 25 Ha
- Purchase of transportation vehicle
- Crop warehouse
- Working capital

Investment Highlights

- Doubled production area in a year to 872.16 ha
- Recorded revenue growth 11%
- EBITDA margins over 50%+ in 2019 and 2020
- Secure markets: Contracts for all major crops
- Strong Farm Management: Same manager since 2010
- Partnership with agribusiness Pride Farms for technical assistance and development of commercial maize farming

Wheat fields at Ruhengeri

"We are very grateful to Missio Invest for its financial loan by which our farm is on the way to self-sustainability for the Mission of Ruhengeri Diocese and is developing surrounding communities and small farmers. It converted our underutilized assets into new sources of income, which financed our mission and amplified our existing charitable work."

Fr. Jean Claude Twizeyumukiza, Ruhengeri Farm Project Leader

STRENGTHENED SOCIAL ENTITIES. Income from the farm supports 1 hospital and 9 health centers, which treated over **392,000 patients** in 2021. The farm also provides for 148 schools with **140,000 pupils** (primary to secondary school levels).

RESILIENCE / LAUDATO SI'

- Uses terraces to prevent soil erosion
- Has an integrated farming approach
- Expanding water-saving drip irrigation from 50 to 75 Ha
- Planted 25,000 trees in 2021

SHARED PROSPERITY

The diocese provided training, land and seeds to **14,712 smallholders** in 2021 (10,292 being women), who plant, harvest and sell the produce back to the Church. The smallholders' income from the production, after cost of seeds, pays for essentials such as health insurance, school fees and home improvements.

The farm also provided work to over **30,250 casual laborers**, 70% of which were women.



EDUCATION

The Church is the **largest non-state provider of education in the world**, serving **62.2 million children** globally².

Of those, **44%** or **27 million** are in **Africa** (21.5 million children in pre-primary and primary, 5.4 million in secondary schools).

1 in 9 students in a primary school in Africa is enrolled in a Catholic school.

VISION: OUR VISION IS TO CREATE A SCHOOL THAT HIGHLY REGARDED FOR ITS ACADEMIC EXCELLENCE. AND PRODUCE STUDENTS WHO ARE NOT ONLY KNOWLEDGEABLE. BUT ARE ALSO FULL OF WISDOM THAT IS, SHE WILL TO BE ABLE TO DISCERN TRUTH AND GOOD JUDGEMENT.

MISSION: THE MISSION OF MICHAUD GIRLS SEC SCHOOL INTERVENED WITH OUR VISION OF EDUCATING YOUNG LEADERS IN GLOBAL CITIZENSHIP. OUR AIM IS TO PRODUCE A BALANCED EDUCATION WITH HIGHLY MORAL AND SPIRITUAL VALUES.

2021

4 education loans disbursed in **3** countries

1,555 schools supported (by all borrowers)

\$390,000 educational loan value approved in 2021

565,041 children educated (by all borrowers)

Needs are growing

41% of the population in Africa is under the age 15

Existing infrastructure is inadequate

Lack of access to capital

MISSIOINVEST

Business advisory & technical assistance

Supports well-run projects to leverage & expand

Mitigates risk & enables attractive loan terms

Powerful Results

Expansion & modernization of providers

Better educational outcomes for students

Job creation, improved livelihoods, access to quality services

IMPACT CASE STUDY

OVERVIEW

Country: Tanzania
Sector: Education
Location: Arusha
Religious Institution: Women's Congregation Diocesan Rite

Client Profile

Business: Michaud Girls Secondary School

Loan: USD 90,000

Investment date: 12/2021

School Size: Secondary school for up to 350 girls with boarding

Use of Loan

Construction of a dormitory

Investment Highlights

- Ranked 3rd out of 44 schools in the region
- Strong track record of payment compliance with 94.9% of students paying fees on time
- Established business model with strong social impact
- Strong Management: Headmistress with 20 years experience

The Michaud Girls Secondary School is one of 6 social development projects initiated by the Sisters of the Daughters of Mary to serve rural communities in Tanzania. The school is close to the gate of Ngorongoro National Park, surrounded by hundreds of smallholder farmers cultivating wheat, barley, pigeon peas, sunflower, maize, beans, finger millet, and sorghum.

The Sisters offer farming families high quality education services whereby the farmers can pay school fees in kind, using their agricultural produce as a form of payment (based on the market prices). The Sisters also offer manageable payment plans for parents who work around the national parks (i.e., hoteliers, gatekeepers, and guards), allowing them to pay fees in installments. These creative payment plans ensure that all families have equal access to high quality education.

"Even though we didn't have experience with loans, Missio Invest made the application process so easy and very friendly. There was no pressure - everything was gradually processed, as opposed to what we heard about commercial bank loans. The Country Investment Manager was so easy to deal with; very knowledgeable, and professional. To tell the truth I didn't see any flaws. Just keep up the good work and make sure channels of communication remain open."

Sr. Lucia Wande, Headmistress Michaud Girls Secondary School, on working with Missio Invest



²International Studies in Catholic Education, Volume 13, 2021 - Issue 2: Catholic and Faith-based Schools in sub-Saharan Africa

With 39,500 healthcare institutions, the Church is the **largest non-state provider of healthcare** in the world.

In Africa, the Church works in 16,178 health centers³.

The Church understands health care as a human right. Pope John XXIII stated that *"a human being has the right to security in cases of sickness."*

Almost all of Missio Invest's borrowers support their communities through health care institutions, from small community health centers to large hospitals. Therefore it was a natural next step in Missio Invest's expansion to include healthcare loans in its portfolio. These loans facilitate the development of facilities and improve of range and quality of services provided.



Rev. Sr. Ijeoma Okoye (4th from the right) Project Leader, a trained nurse, with other members of the SDHC staff



IMPACT CASE STUDY

OVERVIEW

Country: Nigeria
Sector: Healthcare
Location: Ibadan
Religious Institution: Women's Congregation - Pontifical Rite

Client Profile

Borrowing Institution: Dominican Sisters of St Catherine of Siena

Business: St. Dominic Catholic Hospital (SDCH)

Loan: USD 1,200,000

Initial Investment: 07/2021

Patients: Currently serves over 1700 patients annually

Current Services:

- Diagnostic ward
- Pharmacy
- Maternity ward
- Var. inpatient consultations
- Outpatient consultations

Use of Loan

- Expansion of Diagnostic Unit
- Expansion of Maternity Ward
- Purchase of diagnostic, surgical, and laboratory equipment

"Missio Invest is a strong pillar in the realisation of our dream project: The construction of diagnostic and maternity units for our hospital. Because of the stress patients and their relatives go through while searching for diagnostic centers, it has long been our desire to become a one-stop-shop where advanced clinical investigations can be carried out. With Missio Invest's loan, we can now expand the scope of medical services we offer."

Sr. Ijeoma Okoye OP, SDCH Project Leader

St. Dominic Catholic Hospital (SDCH) is a not-for-profit organization, which began operation in May 2003 with just 5 workers. They now employ 102 fully licensed practitioners. SDCH currently only has a 62 bed capacity which is being over-stretched by **17,000 patients a year**. The hospital has considerable unmet demand and is constrained by limited space as well as outdated equipment.

In order to serve more patients and to provide a wider array of diagnostic and maternity services, the hospital applied for a loan to expand its units and to purchase new equipment. This will enable SDCH to address more complex cases and offer new services that are currently unavailable in the area.

³ The Church and Development in Africa, Second Edition

FINANCIAL INCLUSION

By every measure, sub-Saharan Africa is lagging behind in access to financial services. As measured by the ratio of private credit to GDP, access to credit for the private sector is about ½ the average ratio for North Africa, Latin America and the Caribbean and less than ¼ of that of OECD countries⁴. It is the African private sector that has to create the jobs needed to alleviate poverty, and provide the services and industries that will lead to inclusive socioeconomic development. Yet the growth of these enterprises and improvements for the majority of Africa's poor is hampered by their limited access to financial services.

Missio Invest promotes the inclusion of underserved populations, particularly **women borrowers, vulnerable, rural and/or poverty-stricken** people. This is why in 2021 we started providing microfinance institutions with growth capital to facilitate their expansion and provision of services.

2021

2 financial inclusion loans in
2 countries (Nigeria, Uganda)

49% percent female borrowers

~18,000 customers

\$1,300,000 loans disbursed to financial inst.



A microbusiness borrower proudly showing her vegetable and fruit stand made possible through Hofokam support

⁴ AfDB Brief: The Banking System in Africa: Main Facts and Challenges

IMPACT CASE STUDY

OVERVIEW

Country: Uganda

Sector: Microfinance

Location: Fort Portal

Religious Institution: 3 Diocese
(Fort Portal, Hoima, Kasese)

CLIENT PROFILE

Borrowing Institution:
Hofokam Ltd.

Loan: USD 1,000,000

Initial Investment: 07/2021

Gross Loan Portfolio:
6.5 MM USD

USE OF LOAN

Growing Hofokam's
Gross Loan Portfolio
(On-lending to rural and
urban poor)

IMPACT

- 12,198 customers, 38% women
- Majority of customers are underserved rural and urban poor
- Hofokam has trained 790 village banking groups on financial literacy, credit and savings, record keeping, enterprise selection, planning and management

Hofokam is a microfinance institution founded in 2003 by the Catholic Dioceses of Hoima, Fort Portal and Kasese, with funding and technical support from Catholic Relief Services (CRS). Hofokam serves the rural and urban poor in western Uganda. It provides financial credit services to economically active customers and their businesses, particularly women, youth and other persons excluded from the mainstream financial system. Hofokam employs village banking and solidarity lending models, easing the challenges of non-availability of formal collateral.

Hofokam is working towards license requirements as per the MDI (Microfinance Deposit-Taking Institutions) Act, subject to Bank of Uganda review and approval. Missio Invest's loan will be used to grow its loan book, a necessity for passing the MDI requirements. This will allow Hofokam to offer additional products and services such as savings, payment services and micro-insurance its clients are requesting.

The HOFOKAM Team
in June 2021







As an impact fund working to support social enterprises of the Church, **ESG** management is an inherent part of Missio Invest’s mission. Our intent is long-term sustainability of our borrowers, in order for them to achieve the highest possible impact on the social institutions they manage, and the communities they provide for.

“We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental.” Pope Francis, *Laudato Si - Praise Be to You: On Care for Our Common Home*

Environmental



Following Pope Francis encyclical in *Laudato Si’*, we encourage borrowers to:

-  Use alternative sources of energy
-  Conserve water sources

-  Introduce organic farming methods
-  Plant trees




Social

Our borrowers run **1,981 social institutions** - on average ~50 each. In 2021 these institutions supported **4,737,454 people**.

-  Particular focus on supporting Sister-led initiatives
-  Emphasis on marginalized communities and groups irrespective of faith, gender, age, etc.

Governance

We evaluate and encourage solid governance structures in all borrowers:

-  Mandate solid board structures and on-site accounting
-  Support diverse hiring, especially for management
-  Encourage policies on and services for diversity and inclusivity

LONGER TERM IMPACT

Following up on impact 1 year after full loan repayment

OVERVIEW

Country: Kenya
Sector: Agriculture
Location: Eldoret
Religious Institution: Seminary

Client Profile

Borrowing Institution: St. Mathias Mulumba Senior Seminary
Business: St. Mathias Mulumba Seminary Farm
Loan: USD 38,000
Initial Investment: 03/2016
Repayment Year: 2021

Use of Loan

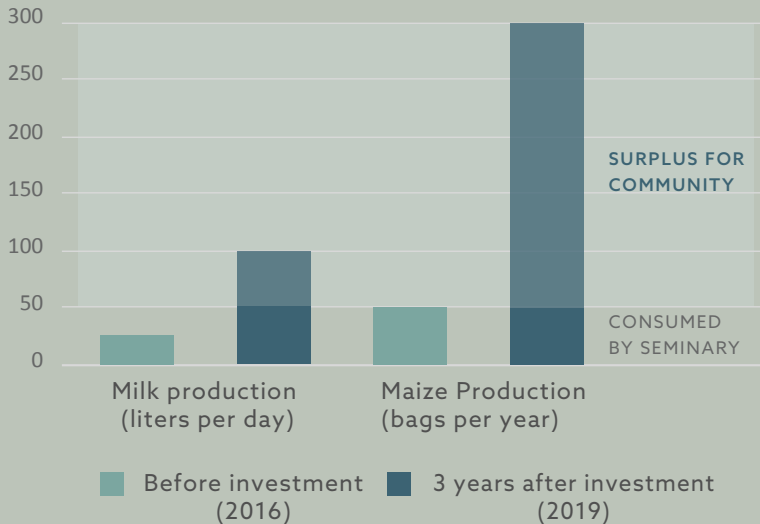
- Purchase chaff cutting and hay grinding machines
- Purchase of two high yielding dairy cows
- Renovation and improvements to animal housing including a self-controlled water system for the piggery
- Purchase of a biogas digester
- Procurement of improved seeds and fertilizers

An established farm with dairy and piggery operations, this was the first loan Missio Invest ever granted. The farm supports a Seminary, and through the loan was able to invest in livestock and farming equipment that dramatically improved productivity. A new biogas digester reduced the need for firewood, integrated farming and tree planting drew the attention of surrounded smallholders, who came to the seminary to learn about sustainable farming.

Fr. Douglas Mwija, Project Leader

“We have been able to do a lot with the loan. We improved our dairy animal breed, purchased milking equipment and increased our maize production. After repaying the loan we have been able to use our savings to diversify into beekeeping, we’ve installed 100 beehives. We have also changed our seminary lighting system to solar powered, reducing our electricity cost by half. We have fenced part of the farm. We could not have achieved all this without the loan. We are doing well and we thank God.”

Missio Invest’s investment triples milk production & improves maize harvest 6-fold, creating a surplus for the community

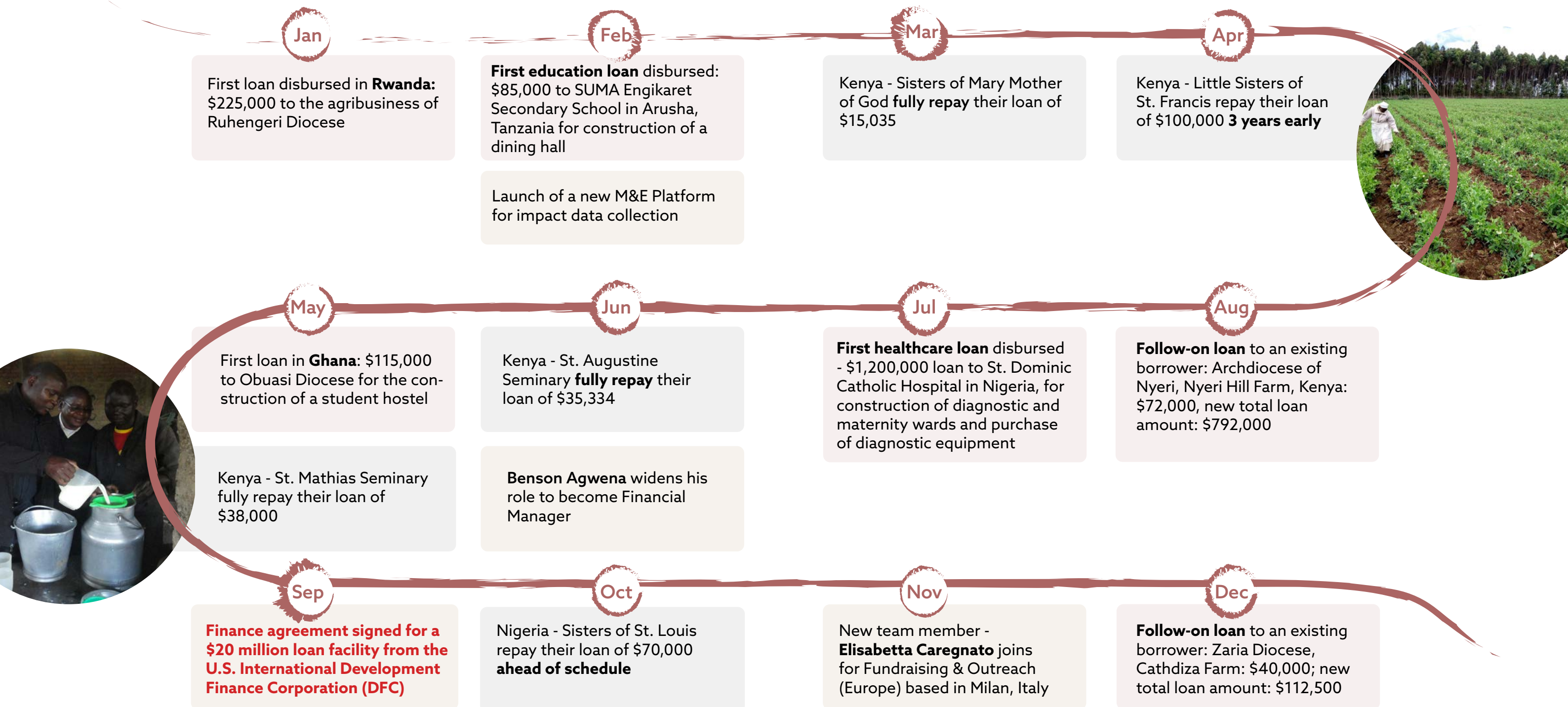


2021

Timeline

MISSION INVEST

- New borrowers approved
- Borrowers fully repay loans
- Missio Invest internal news

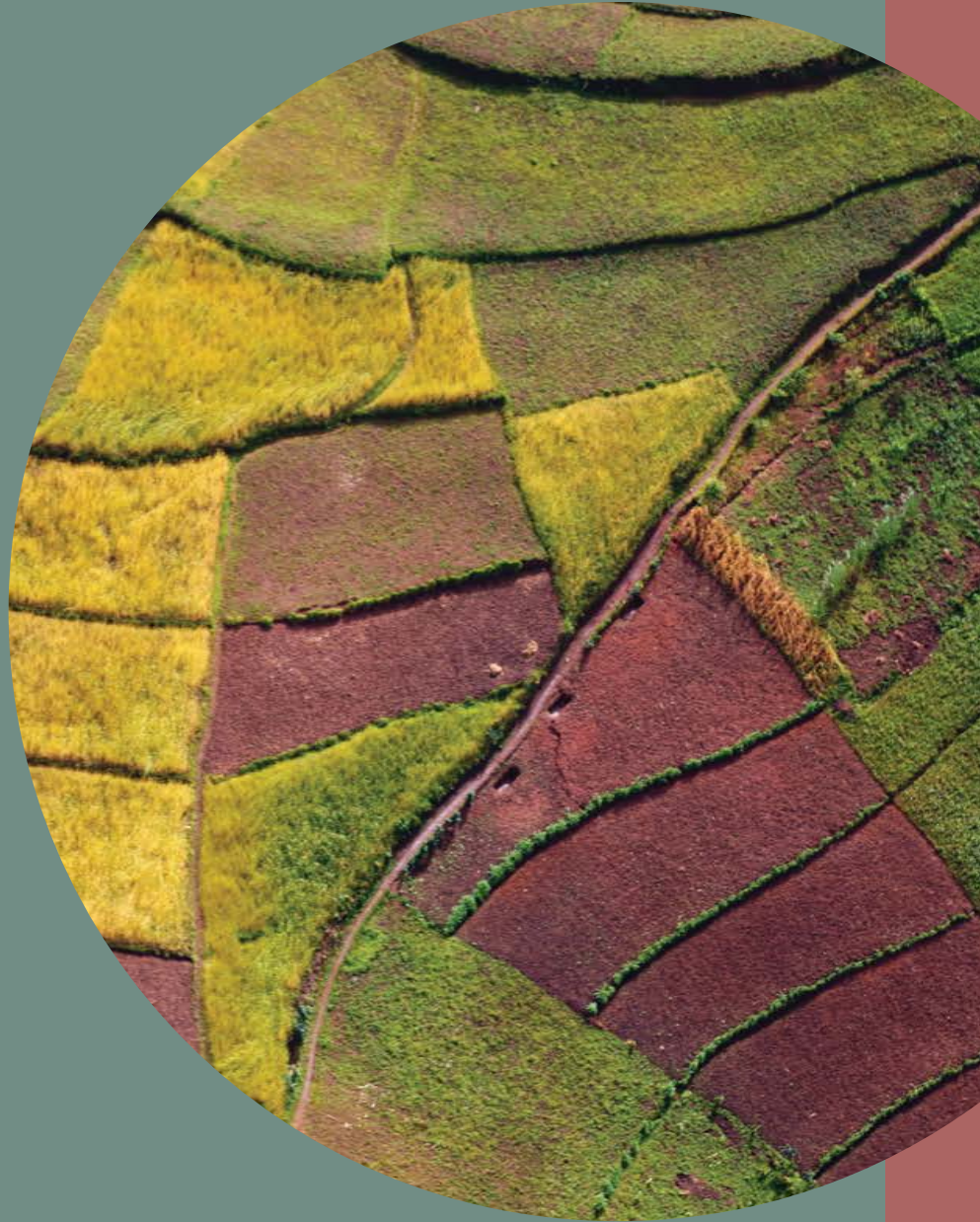




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