



The Reciprocity Fund
by Beneficial Returns

2019 IMPACT REPORT





31 March 2020

Dear Investor,

This is a difficult time to write a letter reviewing 2019 when 2020 seems so different and so uncertain. We are in only the early stages of a virus whose spread will cause many to lose their lives, mass suffering and will disproportionately affect indigenous communities. I believe we are also in the early stages of a global response that will reveal our collective ingenuity, selflessness and resiliency.

It's paradoxical that we can feel most grateful at a time when our health, our work and our finances are most fragile. It's equally ironic that we feel a deeper connection to humanity when we are sheltered in place, physically isolated from family, neighbors and others.

The Reciprocity Fund is about honoring and supporting enterprises that build resiliency and wealth and self-determination in communities that have endured marginalization and exploitation for generations. The Reciprocity Fund is about acknowledging the contribution of indigenous peoples and stretching to provide affordable, patient and respectful capital where it is needed most.

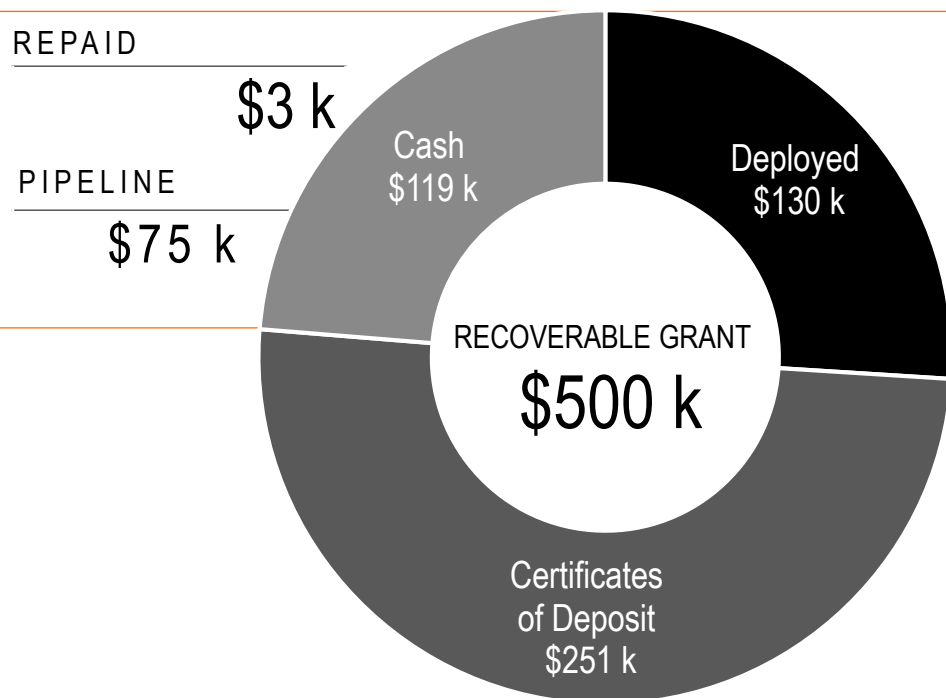
Our financial model allows us to make high-impact loans that others won't. Our capital comes in the form of recoverable grants which permit us to make smaller, riskier loans than we otherwise could. We are proud of the impact our borrowers achieved in 2019. Please join us as an investor and together we can direct even more capital to the social entrepreneurs leading the fight against poverty in their communities. They are on the front-lines, working harder and more creatively than ever. Through your capital and ours, we are in the fight with them.

Ted Levinson
Founder and CEO, Beneficial Returns

ABOUT THE RECIPROCITY FUND

In October 2019, Beneficial Returns launched The Reciprocity Fund as a special mandate. The Reciprocity Fund provides loans to social enterprises that **promote prosperity for indigenous communities** in Latin America and Southeast Asia. Beneficial Returns received a recoverable grant of \$ 500,000 as seed capital for the fund.

as of 31 Mar 2020



BORROWERS

3

INDIGENOUS COMMUNITIES INVESTED

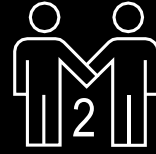
Kichwa, Maya*

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

NATIVE AMERICAN BANK

We invest a majority of our undeployed capital with Native American Bank (Colorado.) NAB is 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.

2019 RECIPROCITY FUND IMPACT



borrowers in 2019



1,600

indigenous farmers with
increased income



\$ 13 million

2019 revenue from
indigenous produce



WAYKANA | ECUADOR

Waykana is an exporter of guayusa, a caffeine-rich leaf native to the Ecuadorian Amazon rainforest. The company works with over 100 small-scale indigenous Kichwa farmers who earn, on average, more than \$3,500/yr selling directly to Waykana. This predictable income incentivizes sustainable agroforestry practices that preserve the rainforest and its biodiversity. **The Reciprocity Fund provided a \$30,000 loan so Waykana could acquire a cutting machine that improves the consistency of their dry guayusa.**



FECCEG | GUATEMALA

La Federación Comercializadora de Café Especial de Guatemala (FECCEG) is a non-profit organization established to help small-scale coffee farmers. FECCEG improves farmer income by creating cost-efficiencies throughout the agricultural value chain, improving the quality of their produce, and increasing their bargaining power in the global market to achieve fair prices for their products. They also help their over 1,500 members undertake other income generation initiatives to lessen their dependence on the highly volatile global coffee market. **The Reciprocity Fund provided a \$75,000 loan for FECCEG's facility expansion.**



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Get in touch with us.

Telephone
+1-415-994-6668

Address
6214 SW Hood Avenue, Portland, OR 97239

Website
www.thereciprocityfund.com