

Equitable Facilities Fund Announces First Verified Social Bonds for Education in the US

\$204 million in verified Social Bonds proceeds will help finance public charter schools that are providing transformative educational opportunities for students, especially in low-income and under-resourced communities.

NEW YORK, August 27—The first verified Social Bonds for primary and secondary education in the US have closed, Equitable Facilities Fund (EFF) announced today. Kestrel Verifiers provided the Social Bonds opinion, citing the nonprofit impact investment fund's use of over \$200 million in proceeds to offer low-cost, long-term, fixed-rate loans to high-performing public charter schools in predominantly low-income communities.

The bonds, issued by the Equitable School Revolving Fund (ESRF), will recapitalize EFF's philanthropy-backed impact fund to support an estimated 35,745 public charter school students by providing affordable loans for their schools' buildings, equipment and other capital projects, thus directing more resources into the classroom and helping students realize academic success and a lifetime of opportunity.

"The fact that Equitable Facilities Fund has such robust criteria for loan recipients that encompass both target populations and academic performance, highlights the unique social benefits of the revolving fund. The issuer's level of disclosure on charter school loans is exemplary," said Monica Reid, CEO of Kestrel Verifiers.

Equitable Facilities Fund invests in schools that are providing transformative educational opportunities for students, especially in under-resourced communities. Sixty-two percent of students in the EFF portfolio schools qualify for free and reduced lunch and 75% identify as people of color. These students typically far outperform their peers in surrounding districts and schools.

"Impact investors have been seeking high-quality investments to make a difference in education, especially for children who have limited access to opportunities. Today, investors received a fair return, donors received high social impact, and most importantly students across America received a chance for a better education," said Anand Kesavan, EFF's Founder and CEO. "We were able to save each school we supported an average of over \$2 million – money they can put back into the classroom."

The Social Bonds offering saw high investor demand and was 8x oversubscribed with over \$1.2 billion in orders from 33 investors.

Since launching in 2018, EFF has committed approximately \$390 million in low-interest loans supporting 27 public charter facilities projects and 67 schools across 13 states. To

date, these loans have saved public charter schools and networks over \$75 million and allowed them to better serve more than 35,000 total students.

Scuola Vita Nuova Charter School (SVN) was recently recognized as Missouri's Charter School of the Year. Through working with EFF, SVN was able to refinance existing debt and fund the construction of a state-of-the-art facility, saving them an estimated \$2.2 million over 30 years and allowing the school to grow and better serve over 400 students—95% of whom qualify for free and reduced lunch.

"I can't say enough how appreciative the SVN team is of the opportunity given to us by EFF to complete this facility project for our students, family and community. It allows us to provide learning opportunities for our students on a more even playing field," said Mary Pittala, SVN's Director of Finance and Operations.

EFF is supported by the Walton Family Foundation's Building Equity Initiative (BEI), an unprecedented effort to make it easier and more affordable for public charter schools to access equitable, affordable facilities funding. Since its launch in 2016, the BEI has helped nearly 30,000 students in more than 100 schools attend new or renovated buildings. \$185 million invested through the BEI has been leveraged to yield an additional \$250 million invested by other funders in public charter school facilities. With the support of BEI resources, 12 million square feet of facilities have been purchased or renovated, and grantee schools are anticipated to save a total of more than \$28 million.

"At such a pivotal moment for America's students, it is essential that educators have access to the resources they need to support students," said Marc Sternberg, K-12 Education Program Director at the Walton Family Foundation. "The Equitable Facilities Fund and the Equitable School Revolving Fund are helping by redirecting millions more dollars to where they belong – with our students."

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About Equitable Facilities Fund

Equitable Facilities Fund is a 501(c)(3) nonprofit social impact fund created to provide long-term, low-cost facility loans that allow high-performing public charter schools to maximize the resources they dedicate to students. High-quality public charter schools promote bright futures for children across America, and EFF believes these schools should borrow under terms comparable to traditional public school districts. EFF administers an 'A' rated revolving loan fund, which recapitalizes using funds from Equitable School Revolving Fund's bond issuances, to offer high-credit, long-term, scalable bond investment opportunities. To learn more, visit www.eqfund.org or email info@eqfund.org.