NCIF supports entrepreneurs in underserved central Appalachian and Southeastern communities who create jobs by growing environmentally responsible businesses and providing vital community services. Our goal? Build resilient, thriving communities with diverse economies, strong local food systems, and healthy natural resources and residents. We do this by providing business advisory services and loans to companies and nonprofits who can’t access traditional financing. In 2016, we made a record $8.41 million in loans, 82 percent to economically distressed communities. NCIF launched new strategic initiatives to serve more minority borrowers and help coal-impacted communities transition to a more diversified economy.

We are grateful for the funders and volunteers who support NCIF’s work. And we’re proud to share the accomplishments of the businesses we work with, who are doing more than just meeting their bottom line—they are making a positive impact.

—Marten Jenkins
CEO, Natural Capital Investment Fund

<table>
<thead>
<tr>
<th>IMPACT SUMMARY</th>
<th>2016</th>
<th>2001-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created/retained by active portfolio companies and farms</td>
<td>705</td>
<td>3,886</td>
</tr>
<tr>
<td>Loans</td>
<td>$8.41 M</td>
<td>$34.13 M</td>
</tr>
<tr>
<td>Companies funded</td>
<td>35</td>
<td>208</td>
</tr>
<tr>
<td>Hours of advisory services</td>
<td>3,009</td>
<td>17,111</td>
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<tr>
<td>Advisory services clients</td>
<td>150</td>
<td>924</td>
</tr>
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</table>
FOSTER INNOVATION
Across southern West Virginia, communities who depended on coal are struggling to bounce back. The opportunity? Cultivate entrepreneurs who harness the region’s natural beauty to create jobs and improve the quality of life in coal-impacted communities. More than 40,000 off-road enthusiasts come to southern West Virginia annually to ride the 600+ miles of trails in the Hatfield-McCoy Trail System, but find lodging and other amenities in short supply.

We are partnering with the Hatfield-McCoy Regional Recreation Authority on the Southern West Virginia Tourism Initiative to provide capital and business advisory services to growing businesses that fill those gaps. Over time, we aim to build an entrepreneurial culture and burgeoning businesses employing hundreds in the outdoor recreation, tourism and equipment sectors.

SUPPORT DIVERSITY
Diversity is as important in communities as it is in nature. Through our Farmers of Color Initiative, we are committed to providing access to capital and business advisory services to minority-owned businesses and farmers.

Earthseed Land Cooperative supports the collective health, wealth and environmental sustainability of diverse communities through creative stewardship of farmland and forests near Durham, North Carolina. In 2016, NCIF teamed with Triangle Land Conservancy to help Earthseed finance and permanently conserve 33 acres of land. The cooperative can now host outdoor education classes and weddings, incubate a horticulture nursery, small businesses and niche farms, and serve as a unique community resource for people of color in the area.

CREATE A HEALTHY LOCAL FOOD SYSTEM
Access to healthy food is the bedrock of a resilient community. We provide financing and coaching to businesses from field to fork to support access to local, sustainably-raised and grown food, and the economic boost that comes with it.

Family-owned Sickler Farm supplies restaurants, grocery stores and families in Moatsville, West Virginia, with fresh, local produce. Our micro-loan for a wood-fired boiler helped them heat their greenhouses more efficiently and extend their growing season.

NCIF borrower Fullsteam Brewery not only makes great beer. The company is also a leader in the Durham, North Carolina Living Wage Project (providing 25 jobs) and a leader in local sourcing: over 17 tons of local grains, fruit and nuts in 2016 were used in Fullsteam’s ales and porters.

DELIVER VITAL COMMUNITY SERVICES
Doctors, day cares and schools keep a community functioning. While not NCIF’s typical “green” borrowers, they provide the foundation on which communities can thrive.

Moore Vision Center is Boone County, West Virginia’s only full-time eye care center in a rural community with high rates of systemic diseases such as diabetes, access to optometry is critical for early detection and quality treatment. When Dr. Marty Moore needed help strengthening his business in a tough economic climate, he came to NCIF and the Center for Rural Health Development for financing to continue this important health care service to Boone County and surrounding communities.

2016 Impact Spotlight

| 360,000 local apples purchased, Hawk Knob Cidery, Lewisburg, WV |
| 10.5 M LBS of shingles recycled, Griffin Waste Services, Asheville, NC |
| 100% wood fiber utilized, Powell Valley Millwork, Clay City, KY |
| Certified as a B Corp and Living Wage Employer, Eastern Carolina Organics, Durham, NC |

30.5% of businesses reported higher profits
81.8% loans in economically distressed communities
59% of businesses reported higher profits
30.5% loans to women & minority borrowers

CATALYZE CLEAN ENERGY
Clean energy and energy efficiency have multiple benefits for communities. They are good for the environment, increase business profitability and create skilled job opportunities.

Through 2016, our Energy Efficient Enterprise Initiative helped small businesses and farms with 62 energy audits and 39 loans for energy efficiency and renewable energy.

NCIF’s 2016 loan helped Asheville, North Carolina-based solar installer SolFarm Solar Company double in size, adding employees and equipment to meet the growing demand for affordable solar energy in the Carolinas and Tennessee.
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INVEST WITH US

NCIF offers investors the unique opportunity to back companies that create jobs and benefit the environment in underserved communities. By growing our pool of capital, investors can help mission-driven entrepreneurs achieve economic and environmental success.

NCIF has funded over 200 businesses and nonprofit enterprises while maintaining low loss rates. We credit this success to our rigorous underwriting process and the technical support we provide to our borrowers. We maintain a AA+3 rating from AERIS, a third-party auditor of community development financial institutions.

To inquire about investments in Natural Capital Investment Fund, contact Marten Jenkins, CEO, at 304-876-2815, ext. 207.

2016 FUNDERS AND INVESTORS

Appalachian Regional Commission
BB&T Community Development
BB&T West Virginia Foundation
CEI Capital Management, LLC
Central Appalachian Network
Claude Worthington Benedum Foundation
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U.S. Department of Agriculture Rural Development
U.S. Treasury Community Development Financial Institutions (CDFI) Fund
TD Charitable Foundation
Wells Fargo Diverse Community Capital Program
Wells Fargo Foundation
West Virginia Capital Access Program
Z. Smith Reynolds Foundation

For a complete list of NCIF funders, please visit our website at ncifund.org.

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Founded in 2001, NCIF is a business loan fund certified by the U.S. Treasury as a Community Development Financial Institution (CDFI). NCIF is an affiliate of The Conservation Fund, which makes conservation work for America. By creating solutions that make environmental and economic sense, we are redefining conservation to demonstrate its essential role in our future prosperity.