

# Cut Carbon Note®



## Help protect the planet by changing the way we build.

Combating climate change requires cutting emissions now. Today, the buildings where we live, work, and play are some of the largest contributors to carbon emissions in the United States. But lower-carbon solutions for buildings already exist. **Now it's time to put them to work.**

Calvert Impact's Cut Carbon Note® provides investors with an opportunity to fund greener buildings and create a more sustainable future. The Cut Carbon Note is an asset-backed investment-grade rated, fixed-income product that finances sustainability upgrades for commercial buildings, with the objective of reducing carbon emissions.

### Buildings have massive environmental impact, accounting for:



**40%**

of U.S. carbon emissions



**76%**

of U.S. electrical consumption

\*<https://www.energy.gov>qtr-2015-chapter5>

### Product Summary

<b>Total Offering</b>	\$400 million
<b>Current Offering*</b>	<ul style="list-style-type: none"><li>• \$44,296,000 of Class A that has been assigned a provisional rating of AAA by Morningstar DBRS as of Jan. 2025</li><li>• \$452,000 of Class B that has been assigned a provisional rating of AA by Morningstar DBRS as of Jan. 2025</li><li>• \$452,000 of Class C that has been assigned a provisional rating of BBB by Morningstar DBRS as of Jan. 2025</li></ul> <p><i>Note: different Classes have materially different risks. In certain situations, losses are first borne by Class C, then Class B, and lastly by Class A. See prospectus for further details.</i></p>
<b>Use of Proceeds</b>	Finance sustainability upgrades for commercial buildings, with the objective of reducing carbon emissions
<b>Asset Pool</b>	Certain specific Commercial Property Assessed Clean Energy ("CPACE") bond ("CPACE Bonds") or assessment ("CPACE Assessments") instruments that provide low-cost, long-term funding for energy efficiency improvements to commercial, industrial, multi-family, and non-profit buildings in the United States.
<b>Minimum Investment</b>	\$1,000
<b>Financial Return</b>	Fixed interest rates for each class set at time of issuance. Please refer to current pricing supplement for details.
<b>Average Life</b>	Final legal maturity of 12/15/2053. The expected weighted average life, based on a 6% conditional prepayment rate assumption to a 10% clean-up call option, is 8.49 years. Please see the prospectus supplement for further details.
<b>Issuer</b>	Calvert Impact Climate, Inc., is the issuer of the Cut Carbon Notes®. The Cut Carbon Notes® are an asset-backed security and will be issued by, and payable exclusively from the assets of, Calvert Impact Climate, Inc., a special purpose vehicle. The only material asset of Calvert Impact Climate, Inc. is the Asset Pool. If the Asset Pool does not produce sufficient cash flow, investors may suffer a loss.
<b>Sponsor</b>	Calvert Impact, Inc. is the Sponsor of the Cut Carbon Notes®. The Sponsor is responsible for (i) structuring the Notes, (ii) selecting the CPACE Assets and arranging their transfer to the Issuer, and (iii) retaining a first-loss position (an "Eligible Risk Retention Interest") in the Notes. The Notes are not obligations of the Sponsor or backed by the assets of the Sponsor or any other affiliate of the Issuer.

**Second Party Opinions\*** S&P Global Ratings on Green Bond alignment and BlueMark on The Impact Principles

\*Calvert Impact, Inc. has designated the Cut Carbon Note® a Green Bond due to the nature of its purpose and use of proceeds. S&P Global Ratings has provided a second-party opinion that Calvert Impact Inc.'s Green Bond Framework comports with recognized standards and entitles the Note to be labeled a Green Bond. A credit rating is not a recommendation to buy, sell, or hold notes and may be subject to suspension, reduction, or withdrawal at any time. The green bond designation and these credit ratings should not be the only factors investors rely on when assessing the merits and risk of this investment. Investors should rely on the terms as presented in the current prospectus, prospectus supplement(s) and pricing supplement.

DISCLAIMER: All information in this fact sheet is dated as of 01/22/2025. Calvert Impact, Inc., a 501(c)(3) nonprofit, sponsors the Cut Carbon Note®. The Cut Carbon Notes® are subject to certain risks, are not FDIC or SPIC insured, and should not be confused with any other Calvert Impact-sponsored investment product. Calvert Impact Climate, Inc., a 501(c)(3) nonprofit organization, is the issuer of the Cut Carbon Notes® and is separate and distinct from Calvert Impact, Inc. and Calvert Impact Capital, Inc., which are affiliated nonprofit corporations. Calvert Impact Climate, Inc. is solely responsible for payment of the Cut Carbon Notes®. Calvert Impact, Inc. is not liable for the Cut Carbon Notes®. Past performance is no guarantee of future results. This is not an offer to sell you our securities and we are not soliciting you to buy our securities. Such an offer is made only by means of a current prospectus (including any applicable prospectus supplement and pricing supplement) for each of the respective notes. The Cut Carbon Notes® are subject to the terms, conditions, and risks described in the current prospectus and prospectus supplement(s), including risk of possible loss of the amount invested. Payment is dependent on Calvert Impact Climate's financial condition at the time payment is due. The Cut Carbon Notes® are not registered with the SEC and may either be registered or exempt from registration in the various states in which they are offered or sold. We will offer and sell the Cut Carbon Note® only in states where authorized. Any decision to invest in these securities should only be made after reading the current prospectus, prospectus supplement(s) and pricing supplement.



## Better Financing for Better Buildings

### The Cut Carbon Note<sup>®</sup> finances sustainable building with the objective of reducing carbon emissions.

In partnership with PACE Equity, we are providing financial incentives and technical assistance to put sustainability at the center of building decisions. **Here's how it works:**



Investors purchase Cut Carbon Notes<sup>®</sup> issued by Calvert Impact Climate.



Note proceeds are used to provide commercial property-assessed clean energy (CPACE) financing for office, industrial, and multi-family buildings. This financing covers the cost of efficiency improvements like on-site solar, smart building controls, efficient HVAC, windows, and lighting. CPACE is a financing structure enabled by state legislation in which building owners borrow low-cost, long-term funding for energy efficiency, renewable energy, or other projects and make repayments via an assessment on their property tax bill.



PACE Equity, the asset underwriter and originator, works with owners to make buildings more sustainable, providing free engineering review and design assistance to identify opportunities for efficiency improvements.



Developers use the CPACE financing to make efficiency improvements. Qualifying projects will receive the CIRRUS<sup>™</sup> Low Carbon building verification which includes a design specification and a promotional package. Once construction is complete, the building is enrolled in a monitoring service, allowing us to track its carbon footprint over time.



Developers repay the CPACE financing when they pay their tax bill. Payments from the developers are used to pay principal and interest to Cut Carbon investors semi-annually.



Impact Reporting is provided semi-annually, including portfolio-level impact data, as well as alignment with the Green Bond Principles, The Impact Principles, and other relevant industry standards.

## Invest in the Cut Carbon Note<sup>®</sup>



**Purchase with CUSIPs in brokerage accounts**



**[calvertimpact.org/CutCarbon](https://calvertimpact.org/CutCarbon)**



**[info@calvertimpact.org](mailto:info@calvertimpact.org)**

## About Calvert Impact

Calvert Impact is a global nonprofit investment firm that helps all types of investors and financial professionals invest in solutions that people and our planet need. Calvert Impact is the parent of Calvert Impact Climate, the issuer of the Cut Carbon Note<sup>®</sup>.

## About PACE Equity

PACE Equity is a leader in CPACE funding for development projects that lower carbon emissions while improving customer returns.