

She's liquidating what's left of Calvert. She's also building an animal welfare investment firm.

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KARNER BLUE CAPITAL

Right now Investment exec **Vicki Benjamin** has two goals: wind down what's left of responsible investment firm Calvert Investment Management Inc. and help promote investments in animal welfare.

The first goal is largely done. Investment company **Eaton Vance** completed its purchase of almost all business assets of Calvert at the end of 2016, and what is left is working out Calvert's settlement details with the Securities and Exchange Commission (on issues that occurred nearly a decade ago), which could take through 2020.

"It's hard to liquidate a company. it's sad work," Benjamin said in an interview.

She was hired on as chief financial officer in 2015, and was promoted to chief operating officer and ultimately president, where she was tasked with closing up shop after several rounds of layoffs. Before Calvert, she was a long-serving senior partner at **KPMG's** audit division, managing millions of dollars in annual revenue, and was previously chief accounting officer at Columbia Management.

Outside of the wind-down duties, she has been working for the last 18 months with a small team, including former Calvert counsel and fellow co-founder **Andrew Niebler**, on a new investment fund that grades companies on how well they treat animals. It's called **Karner Blue Capital** combining her longtime passion of improving the lives of animals with the purpose-driven investment ethos that drew her to Calvert.

"We should all want to do better by animals." Benjamin said.

The Bethesda company, which officially launched July 17, takes its name from an endangered species of blue butterfly, and is based on the development of a complex and original rating system for how well hundreds of companies treat animals, formed in part through publicly available information and in

partnership with international animal welfare organizations, Benjamin said in an interview.

So what, ultimately, is Karner Blue? it includes:

- Advocacy: Whether it's through proxy voting or shareholder resolutions, the investment firm will look to engage with companies and influence how they treat animals.
- Research: The firm generates its own unique research on how companies treat animals domestically and overseas and has developed scores based on how well companies treat animals in captivity and in the wild.
- Out of about 4,000 companies considered, ultimately only 119 are ripe for investments and have acceptable risk profiles, such as a market cap of more than \$200 million and a high enough trading volume.

"If I can get one company to stop using gestation crates that would be a milestone for me," Benjamin said, adding the company was also working on a "vegan" investment product, which she estimated will be done in the coming weeks. "No one is doing what we are doing."

Benjamin hopes to have \$50 million to \$100 million in assets by the end of the year, with an ultimate goal of having \$1 billion in assets in five years. Investors can put in as little as \$4,000 to participate, but she's aiming for larger banks, impact platforms and advisers. A portion of the management fees Karner Blue will draw will go to international organizations promoting animal welfare, Benjamin said.

But she acknowledges the uphill climb the fledgling firm, which has five employees, is facing, including keeping costs down, educating the investment community about Karner Blue, and financing the company until it becomes profitable enough to be sustainable over the long term. So far she has self-financed the company and has not drawn any salary, she added.