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Photo: Mad Capital / Daniel Séguin
Dear Clients and Friends,

In 2023, the RSF community found new and innovative ways to make money a force for regeneration. Together, we’re investing in healthier food systems, thriving arts communities, whole-child education, cleaner climates, racial justice, and more. To put it simply, we’re giving meaning to money.

In 2023, more than 1,300 impact investors activated nearly $120 million through their Social Investment Fund (SIF) notes. We were pleased to expand our product offering, adding 1-year, 2-year, and 3-year notes. These new notes allow investors to offer progressively more patient capital and achieve progressively higher rates of return while still supporting social enterprises working to solve complex social and environmental challenges.

The long-term financial partnerships these investments support are critical for organizations investing in long-term climate solutions — like our borrowers Mad Capital and Sunwealth. This financing is also well-suited for businesses and nonprofits investing in permanent homes, such as Maple Village Waldorf School and St. John Boys Home. I invite you to read more about these organizations on pages 4–6 of this report, and to learn more about the other borrowers we serve by visiting our website.

In 2023, RSF also deepened our partnerships with like-minded financial institutions. Sometimes, potential borrowers need loans larger than those we’d be able to offer on our own. Rather than saying no to these borrowers, we’ve turned to other lenders to partner on these loans. For example, we teamed up with Concord, NH-based Walden Mutual Bank on loans to both Sunwealth and 88 Acres, a healthy, natural, and allergen-friendly food company. As we continue seeking ways to support social enterprises with greater financing needs, we hope to grow partnerships like this one.

In addition, in 2023, generous donors made $49.7 million in donations to nonprofits through donor advised funds (DAFs) held at RSF. Typically, DAFs have an annual payout ratio around 20%. In 2023, RSF DAF clients paid out nearly 60% of their funds, demonstrating their commitment to activating their money for social good.

Two organizations that trust RSF to steward their assets through donor advised funds are Pawanka Fund, an indigenous-led fund that supports indigenous organizations around the world, and the Southern Black Farmers Community-Led Fund, which supports self-determining and healthy rural Black communities across the American South. I’m so pleased to share the stories of our partnerships later in this report.

Today, a lot of the stories we’re reading about impact investing focus on political attacks – like attempts to limit ESG and legal battles around racial justice investing. These ongoing debates are important. But they’re not our primary focus. Instead, we’re working one loan, one donation, and one investment at a time to channel resources to the people achieving meaningful change.

Thank you for being a part of our movement to shape an economy rooted in equity, healing, and interconnectedness. I’m glad you’re here.

With gratitude,

Jasper J. van Brakel,
Chief Executive Officer
BORROWER HIGHLIGHTS: SOCIAL ENTERPRISES

**Mad Capital**

$5M TERM LOAN

Improved biodiversity, carbon drawdown, rural economic development, better water quality — the impact of regenerative agriculture is powerful and systemic. And organic farming, the baseline for regenerative practice, is two to five times more profitable than conventional farming. Yet only 1% of U.S. farmland is certified organic.

A major reason? Farmers who want to go organic often lack the financing they need to make the switch.

Enter Mad Capital. This organization offers flexible funding to farmers as they transition from conventional to organic or biodynamic agriculture. Once farmers start earning higher profits, they can pay Mad Capital back, pay themselves better, and make further investments in productive, regenerative farms.

In 2023 RSF issued a $5 million credit facility, which Mad Capital is using to provide loans to farmers in the Midwest and High Plains. “Funding a specialist lender like this,” says Michael Jones, RSF’s vice president of business development, “allows RSF to expand support for farmers who are driving the regenerative agriculture revolution.”

As of January 2024, Mad Capital has funded $23 million in loans to farmers. Those farmers are regenerating more than 50,000 acres of land across 14 states. We’re proud to support the work of Mad Capital and this community of farming experts as they build a stronger, more sustainable food system and a healthier planet.

“Because of their values alignment and because of the type of world they’re trying to create... We were able to get right into the nuts and bolts of how a financial arrangement would work.”

—BRANDON WELCH, CEO, MAD CAPITAL

**Sunwealth**

$3M TERM LOAN

Sunwealth invests in a better energy future by financing and managing solar projects that provide clean power, reduce carbon, create jobs, and save money. Sunwealth partners with solar installers, community organizations, local businesses, and investors to bring solar power, and all of the benefits that come with it, to communities across the country.

“Because of their values alignment and because of the type of world they’re trying to create... We were able to get right into the nuts and bolts of how a financial arrangement would work.”

—BRANDON WELCH, CEO, MAD CAPITAL

In 2023, RSF partnered with Massachusetts-based Walden Bank to offer a $3 million loan to Sunwealth. This loan supports installations on houses of worship in Boston, schools in Appalachian Ohio, and businesses in California. In total, these 26 projects will provide $5.8 million in lifetime energy savings to the property owners, reduce over 74,000 metric tons of carbon emissions, and create over 100 lifetime job years for local solar developers and installers.

The loan will also support Sunwealth’s Solar Access Program, which makes solar power affordable to lower- and middle-income communities by eliminating upfront costs and allowing any building — regardless of the owner’s income or credit score — to host a solar project and receive energy savings.

This is RSF’s third loan to Sunwealth, making this our largest partnership with any single borrower in RSF’s history. “Our partnership with RSF enables Sunwealth to remain catalytic with its community impact,” says Omar Blayton, Sunwealth’s CFO. “We look forward to collaborating with them for years to come.”

“Because of their values alignment and because of the type of world they’re trying to create... We were able to get right into the nuts and bolts of how a financial arrangement would work.”

—BRANDON WELCH, CEO, MAD CAPITAL

“Because of their values alignment and because of the type of world they’re trying to create... We were able to get right into the nuts and bolts of how a financial arrangement would work.”

—BRANDON WELCH, CEO, MAD CAPITAL

“Our investment in Sunwealth...prioritizes solar access, savings, and green job creation, while providing new liquidity for a social enterprise focused on democratizing clean energy.”

—MICHAEL JONES, VICE PRESIDENT OF LENDING BUSINESS DEVELOPMENT, RSF
BORROWER HIGHLIGHTS: SOCIAL ENTERPRISES

St John Boys Home
$1.45M TERM LOAN
St. John Boys Home provides a safe and harmonious environment for teen boys with developmental disabilities. Prioritizing Black and Latino youth who are referred from the juvenile justice system or foster care, the nonprofit offers services like tutoring, therapy, job placement, transportation, and recreation. Every program they provide is trauma-informed, culturally conscious, evidence-based, and child-first.

The boys that St. John Boys Home serves face constant turbulence in their lives.

To provide a source of stability, Executive Director Dr. Marcie Hodges was determined to find a permanent home for the organization. A $1.45 million loan from RSF is helping Dr. Hodges purchase a building in a residential neighborhood in Oakland, CA – a property that will help the organization offer young people a wider array of services. Dr. Hodges hopes to make this new home a “one-stop shop” for the Bay Area youth her organization supports.

Maple Village Waldorf School
$1.7M TERM LOAN
Maple Village Waldorf School (MVWS) fosters a compassionate and welcoming environment rooted in Waldorf education. They engage and nurture the whole child, inspiring creativity and a love of learning in each student. From a single class run from a parent’s home, they have expanded to a thriving early childhood education program and a full K-8 curriculum.

MVWS has rented their facility in Long Beach since 2008. In 2023, they launched an effort to buy it. A $1.7 million loan from RSF is helping them purchase the building they have long called home, ensuring a permanent place for Long Beach’s Waldorf community. We’re proud to support this important step for MVWS, and to deepen our partnership with both this community and Waldorf school communities across the country.

Photos: Maple Village Waldorf School
BORROWER HIGHLIGHTS: SOCIAL ENTERPRISES

Forward Global (The Philanthropy Workshop)
$200,000 LINE OF CREDIT

Forward Global works with individual and family wealthholders to maximize social impact on today's biggest problems. Through learning, community, and action, Forward Global has built a mutually supportive network of more than 400 funders across 22 countries. Activities include in-person and online events, issue-oriented peer groups, an annual Global Summit, and more.

Forward Global is largely funded by grants and donations from members paid at fixed points throughout the year. They wanted access to a line of credit that would allow them to make necessary purchases at any time — not just when donations arrived. A $200,000 line of credit may seem small, but it has provided the cushion and breathing space Forward Global needs to fund their own development and make strategic shifts to increase their impact.

A Growing Partnership: New York City Energy Efficiency Corporation

$1.20 MILLION PARTICIPATION AND $1.96 MILLION PARTICIPATION IN TWO LOANS LED BY NYCEEC

In 2023, RSF proudly supported two highly energy efficient new affordable housing developments in Ossining and Yonkers, both just north of New York City. RSF purchased 50% participations in two separate predevelopment loans to MacQuesten Development ($3.16 million in total) led by NYCEEC.

Predevelopment? Participation? It may sound a little dry, but trust us, it’s exciting! Predevelopment financing — the money any developer needs before they can even start construction — is often the hardest piece of affordable housing to finance. That gap is often filled by mission-driven lenders like RSF. And by participating in loans with other lenders, we can finance larger projects — like major affordable housing developments — than we ever could on our own.

Photos: Sunwealth
**SOCIAL INVESTMENT FUND**

**2023 IN NUMBERS**

- **92** Active Borrowers in 2023
- **1,325** SIF Investors in 2023
- **$119M+** Total SIF Notes in 2023

**LOANS BY IMPACT AREA**

- Agriculture: 13%
- Natural Products: 24%
- Education: 25%
- Health and Social Services: 15%
- Climate and Energy: 9%
- Arts: 5%
- Other: 9%

**48%** of Loans supported women- or nonbinary-led enterprises

**DONOR ADVISED FUNDS**

- **272** Funds totaling **$81,137,540**

**58%** 2023 Donor Advised Fund (DAF) Payout Rate Compared to a National Average Payout Rate of 22.5%*

*See https://www.nptrust.org/philanthropic-resources/philanthropist/highlights-from-the-2023-daf-report/

The purchase of RSF Social Investment Fund's securities is subject to risks, which are described in our Prospectus, available at www.rsfsocialfinance.org/invest or by contacting us at 415.561.3900. This is not an offer to sell, nor a solicitation of an offer to buy, securities. Such offering is made solely by the Prospectus, and only in states where authorized. Past performance is no guarantee of future results. These securities are not FDIC or SIPC insured, and are not a bank deposit.
RSF: We love the name “Pawanka Fund.” Can you tell us what it means?

MC: Pawanka is a Miskito word. I’m a Miskito from the Miskito Indigenous peoples in Nicaragua. Pawanka means something that is growing — something that is advancing, progressing.

RSF: And what is the work that Pawanka Fund is advancing?

MC: The Pawanka Fund is a global, Indigenous-led fund. The fund was created to reduce the gap in two areas: ensuring that resources go to Indigenous local communities, and addressing the way in which philanthropy is done.

We have seen philanthropy as a way of repeating the colonized approach between Indigenous and non-Indigenous [people]. But we as Indigenous peoples have a practice of sharing reciprocity — you share with the ones that do not have.

We believe that we can bring that traditional practice of sharing into philanthropy. So it’s not only the ones that have financial resources that can share with us, but we can share our knowledge systems. We can share our governance systems. We can share our ideas. And we can even share our economic power system that is based on reciprocity.

RSF: How have you partnered with RSF to achieve the goals of the Pawanka Fund?

MC: When we defined the way in which we were going to be organized, we considered that it was important to have a fiscal sponsor partner that has a strong commitment to social justice. We identified RSF through some of our initial partners.

I remember my first meeting with RSF sometime in 2015. We shared the idea that we had as Pawanka. The response from RSF was that we shared the value of reciprocity, of sharing in common, common goals to advance towards justice. And this is something that our founder was very committed to from the beginning.

In the world for Indigenous people, usually we are consulted, we are asked, and we give ideas – but people don’t respond easily. RSF really respects our participation, and really gives the guiding committee of the Pawanka Fund the ability to make decisions.
“A lot of the funding experiences I’ve had in the past have required extensive reporting that became more of a load on top of the work that we were already doing. Because the Southern Black Farmers Community-Led Fund funding process is based on trust and relationships, it allows recipients to communicate using intelligent storytelling, which means we connect deeply to the ways we’re allocating the money to make a difference,” says Zel Taylor, Southern Agrarian Youth Network Coordinator of the Southeastern African American Farmers’ Organic Network (SAAFON) of her experience with the Fund. “When we hear updates or learn about new ways we can contribute, it feels exciting because know we have the power to move projects forward.”

SAAFON is one of six organizations that anchor the Fund, established by an RSF Social Finance donor-advised fund holder in 2020. The donor was moved by the police murder of George Floyd to rethink their philanthropic practice and invest more deeply in redressing systemic racism. Drawing on a history of engagement in food and farming spaces, the donor believed that focusing on Southern Black farmers and their local food economies could drive community wealth-building and well-being. The donor also wanted to challenge philanthropy’s power dynamic, a commitment that led them to relinquish control of grant allocations. The result is a collaboratively governed fund that has taken on a massive challenge: transferring land, wealth and knowledge from retiring baby boomers to younger generations, who often are reluctant to take over farms in areas that have suffered from long-term disinvestment. Each of the Southern Black Farmers Community-Led Fund anchor organizations received grants of $100,000 in 2020, $50,000 in 2021 and $50,000 in 2022, which helped them develop Black leadership in agriculture, assist farmers in retaining and expanding their land holdings, provide technical assistance, and more. The Fund granted a further $230,000, split among three additional organizations, for community revitalization efforts in 2023.

The experience of participating in the fund is powerful, reports Taylor. “I deeply see the importance of Southern Black farmers having the autonomy to participate in grant making in the communities we are a part of. Being a part of this process has allowed us to support grassroots efforts across our network that benefit communities that are often overlooked.”
You’ve lent your skills to many organizations that use finance to build a better world. What attracts you to social finance?

Money is something tangible that can be imbued with what we want it to be imbued with and do what we direct it to do. It has this incredible power to convey what kind of world we want to see, and to move us in that direction. It’s something that we have the power to use in a destructive or in a regenerative way. I want money to be integrated into people’s lives as something that they can align with their values, rather than something that’s out of sight, out of mind and not a representation of who they are and what they care about.

You play a critical role in raising the resources RSF needs to achieve our mission. Can you talk about your approach to this work?

I start by asking people, “What kind of world you want to see? What, at the deepest level, do you want to do in the short time that you have here? And how can I facilitate that?” There’s no other organization where I can have such deep conversations about the meaning of money with donors and investors. This organization was founded in part on the belief that spirit and money are connected, that money is energy. That legacy matters. At RSF, investors get to see that there are human beings on the other end of their investment. And borrowers get to see that there is a human being on the other side of the capital that was loaned to them. In my role, I try to create the space for investments to be reciprocal and relational.

A huge achievement for RSF in 2023 was launching our new 1-year, 2-year, and 3-year Social Investment Fund notes. What do these new note products allow RSF to accomplish?

It’s really about growing our impact. With more options and more rates of return, we’re able to attract more people and build a larger and more stable capital base. That’s critical as we look to expand our larger loans and longer-term financing, particularly in areas like renewable energy and climate justice.

Another big one: the launch of our “DAF Double Impact” pilot. Can you explain what this is?

Yes! This was really exciting. In February we piloted a program in which we invited a small group of RSF DAF (donor advised fund) clients to invest a portion of their DAF into the Social Investment Fund (SIF) while they’re not granting it out, so it’s it’s not sitting stagnant like so many billions of DAF dollars are right now. This enables DAF clients to have a double impact with their resources. It can also be a neat way for people who haven’t yet waded into impact investing to test it out with funds that are already committed. We’ve been energized and gratified by the response, both inside and outside of RSF, and now we’re assessing next steps for the program.

Let’s end on a fun one. Can you describe what’s coming next for RSF, in three words?

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

### ASSETS

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<th>2023</th>
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<th>2021</th>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Mission-related loans and investments</td>
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<td>Loans receivable, net of allowance</td>
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<td>Investments</td>
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<td>Prepaid expenses and other assets</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>219,474</strong></td>
<td><strong>221,078</strong></td>
<td><strong>240,211</strong></td>
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### LIABILITIES AND NET ASSETS

#### LIABILITIES

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<td>Accounts payable and accrued expenses</td>
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<td>Investor notes payable</td>
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<td>Other notes payable</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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<td><strong>128,738</strong></td>
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#### NET ASSETS

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<td>Net assets without donor restrictions</td>
<td>96,925</td>
<td>92,056</td>
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<td>Net assets with donor restrictions</td>
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<td>284</td>
<td>309</td>
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<td><strong>TOTAL NET ASSETS</strong></td>
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<td><strong>92,340</strong></td>
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**TOTAL LIABILITIES AND NET ASSETS**

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<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>219,474</strong></td>
<td><strong>221,078</strong></td>
<td><strong>240,211</strong></td>
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**CONSOLIDATED STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS**

*Dollars in thousands*

### REVENUES

**REVENUES, GAINS, AND OTHER SUPPORT***

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<th>Source</th>
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<tr>
<td>Management and other fee income</td>
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<td>2,068</td>
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<td>Interest and investment income, net</td>
<td>8,131</td>
<td>2,315</td>
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<td>Gifts and contributions</td>
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<td>34,849</td>
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<tr>
<td>Program revenue</td>
<td>210</td>
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<td>166</td>
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**TOTAL REVENUES, GAINS, AND OTHER SUPPORT**

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<td>57,979</td>
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### EXPENSES

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<tr>
<td>Total program services</td>
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<td>Management and general expenses</td>
<td>1,890</td>
<td>1,924</td>
<td>6,602</td>
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**TOTAL EXPENSES**

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<td>53,160</td>
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### CHANGES IN NET ASSETS

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<tr>
<td>4,819</td>
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<td>(269)</td>
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**NET ASSETS AT BEGINNING OF YEAR**

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<td>92,255</td>
<td>102,943</td>
<td>103,212</td>
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**NET ASSETS AT END OF YEAR**

<table>
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<tr>
<th>2023</th>
<th>2022</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>97,074</td>
<td>92,340</td>
<td>102,943</td>
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* RSF earned additional revenues through fee income from its philanthropic services. Following GAAP standards, we do not show this income in our financial statement because of its classification as intracompany transfers.