



**Committed to creating financial relationships
that are direct, transparent, and personal**

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Every day we are reminded of the wisdom that our clients and partners hold and what they are accomplishing, sometimes against great odds, toward a more just and regenerative world. This is what brings us to work every day and, we hope, inspires you, our expanding community.”



John Bloom,
Vice President,
Organizational Culture



Chris Cook,
Chief Financial Officer



Susie Lee,
Chief Investment Officer



Deb Nelson,
Vice President, Client &
Community Engagement



Katrina Steffek,
Chief Operating Officer



Jasper van Brakel,
Chief Executive Officer

EXECUTIVE LETTER

Dear Clients and Friends,

Imagine a year in which unprecedented success and a major transition happen contemporaneously. That imagination will give you a sense of 2017 at RSF Social Finance. We exceeded our funding goals for our investment and philanthropic funds, as well as money raised for Money to Transform, our capacity building campaign. Our assets surpassed \$200 million and our social enterprise loan portfolio surpassed \$100 million for the first time. We also had a record year for funding social enterprises through loans and grants. At the same time, we absorbed the announcement of a CEO transition and the formation of a search process for the next leader.

It was as if the good work of the past, the challenges of the present, and the invitation of meeting the needs of the future brought a special focus to the collaborative work of the Executive Team. The team has clarified roles, identified strengths, and reflected upon the best way to lead together. This capacity will serve the organization and our clients as we join with our new CEO to engage in relationship building with clients and partners.

Don Shaffer concluded ten years at RSF at the end of 2017. Not enough could be said about all that we accomplished through his leadership. He formulated what has now become our mission when he first arrived in 2007: every financial transaction should be direct, transparent, and personal, and based on long-term relationships. This is in contrast to the financial system outside of RSF—complex, opaque, and anonymous, and based on short-term outcomes. This framing and

call to action has served us well and will continue to guide our thinking into the future.

Don also imagined that the integrated capital approach would become the center of our work, and as a result, RSF launched the Integrated Capital Institute in October under the leadership of Deb Nelson. The Institute flows from our own experience in working with integrated capital and serves a diverse group of financial professionals who want to more widely implement the transformative power of providing multiple forms of capital to solve pressing social problems.

As part of the transition year, we have gone deeper into work with diversity, equity, and inclusion by elevating discussions about race and gender. There is an active staff working group in place, and the full staff engaged in a training during our 2017 retreat. The Board of Trustees also engaged in this training and has committed to furthering these discussions. The trustees and staff are working more closely on imagining the future and identifying the key issues that we can work on together.

While we officially welcomed our new CEO, Jasper J. van Brakel, in March of 2018, much of the last quarter of 2017 was devoted to the CEO search process. This process enabled us to engage with RSF's community of stakeholders and reflect on the question of the right leadership structure that would best serve RSF's commitment to innovation, creativity, collaboration, and continuing to lead this emerging field of social finance.

Every day we are reminded of the wisdom that our clients and partners hold and what they are accomplishing, sometimes against great odds, toward a more just and regenerative world. This is what brings us to work every day and, we hope, inspires you, our expanding community.

**With gratitude,
Executive Team**



CLIENT SPOTLIGHT:

BORROWER

Whitethorne

ferments.hawthornevalley.org



Photo by Roy Gumpel.

In 2017, RSF supported Whitethorne LLC's expansion by providing a mortgage for its new facility, a loan for equipment from our Food System Transformation Fund, and funding for capital improvements from our Biodynamics Capital Collaborative.

In 2017, the Hawthorne Valley Association teamed up with a group of regional impact investors to establish Whitethorne LLC, a new business that produces and distributes fermented vegetables and living, probiotic products. We do this all from our newly remodeled hub in the Hudson Valley of New York. RSF Social Finance used its integrated capital approach to support our expanding social enterprise by providing a mortgage for the new facility, a loan for equipment from its Food System Fund, and support for capital improvements from its Biodynamics Capital Collaborative.

Whitethorne products are good for the earth. We use only ingredients that are certified organic or biodynamic for our ferments, which are packed with health benefits. Fermented foods such as kimchi, sauerkraut, and extracted drinking tonics are rich in probiotics. Ferments are an excellent source of the life-sustaining bacteria needed by the body to maintain health.

2017

LENDING HIGHLIGHTS

Social Investment Fund, Food System Transformation Fund,
and Regenerative Economy Fund

PORTFOLIO ACTIVITY

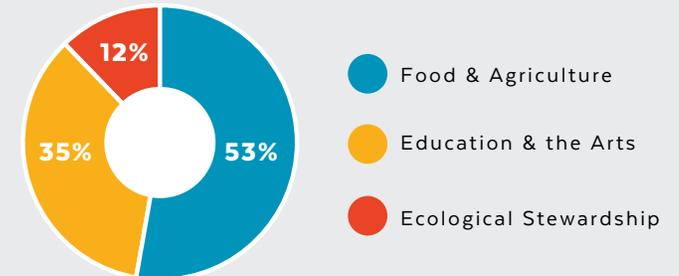
TOTAL PORTFOLIO: **\$105 MILLION**



NEW LOANS: **\$34 MILLION**

FOCUS AREAS

BY NUMBER OF LOANS



BORROWERS

ALL BORROWERS: **109**



NEW BORROWERS: **15**

26% OF OUR BORROWERS ARE
INVESTORS AND/OR DONORS

**“
Our two Steiner-inspired
organizations have partnered on
farmland purchases, the growth
of a Waldorf school, and now
Hawthorne Valley Ferments, a
social enterprise that nourishes
people and planet.”**

Since RSF’s investment, we have significantly increased production and distribution of our fermented products. Important parallel results are growth in purchasing produce from regional farmers and jobs added to the local economy. We expect to procure more than half a million pounds of local and regional organic produce this coming growing season. While we distribute widely in our region, anyone can now order our products online.

Hawthorne Valley Association and RSF Social Finance have a longstanding relationship that goes back to RSF’s main office being located adjacent to Hawthorne Valley’s home in Harlemville, NY, until 1998. Our two Steiner-inspired organizations have partnered on farmland purchases, the growth of a Waldorf school, and now Whitethorne LLC, a social enterprise that nourishes people and planet. As part of the overall economic plan for Hawthorne Valley Association, surplus capital from the fermenting business will be part of long-term support for arts and education at Hawthorne Valley.



Photo by Roy Gumpel.

CLIENT SPOTLIGHT:

GRANTEE

The Cultural Conservancy

nativeland.org



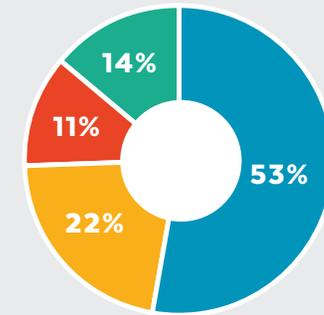
Harvest Table. Photo by Kaylena Bray, Mateo Hinojosa, Melissa K. Nelson, Loren Risley, and Nicola Wagenberg.

The Cultural Conservancy is a grantee and a committee member of the Pawanka Fund. In operation now for four years at RSF, the Pawanka Fund is the first ever indigenously run global fund and makes keynote decisions on how resources donated to the fund by institutions or donor advisors get shared with Indigenous communities in every corner of the globe. The fund invests in real solutions to combat climate change, end violence against women and children, and protect sacred landscapes.

Serving as both protectors and restorers of native landscapes, the Conservancy is a Native-led nonprofit on a mission to not merely conserve but also connect the First Peoples on that land to the sacred wisdom and teachings at its genesis. For native peoples, land is more than a commodity; it is a relationship that is foundational to all aspects of one's life.

In 2017, our staffers and volunteers devoted much of their time to native plants and placing their hands in the soil. Last year, the organization was the sole and primary manager of the Indian Valley Organic Farm and Garden at the College of Marin. For us, the experience was a crash course in farm management. For the participating youth,

2017 GRANTS BY FOCUS AREA



- Education & the Arts
- Ecological Stewardship
- Social Finance & Other
- Food & Agriculture

GRANTEES: **924**

\$18 MILLION

IN TOTAL GRANTS

Donor advisors granted

39% more

than last year!

“

For native peoples, land is more than a commodity; it is a relationship that is foundational to all aspects of one’s life.”

it was a learning experience in planting, harvesting, and sharing native corn, squash, beans, and medicinal plants such as tobacco and sage. For the beloved elders who joined, it was a rare opportunity to pass on the sacred traditions of our native culture.

The passing down of intergenerational knowledge is core to our efforts. The rise of the information age and the digital revolution has left many native youths hungry for a different type of knowledge and for their own rich but often erased history. To combat this, we use digital media to foster a community of indigenous digital storytellers who can accurately tell their own stories and histories and share the uniqueness in each native culture.

Last year, we cultivated networks of indigenous trailblazers doing land-based work in the Americas and the Pacific that were highlighted by this media work. Those efforts helped incubate and grow the Slow Food Turtle Island Association and spurred us to join the Native American Food Sovereignty Alliance. Also, through our Mino-Niibi Fund, we provided small grants to indigenous peoples in other areas who are fighting to protect their ancestral lands. With the grant money comes the Te Ha Alliance, a community of advisors and thought leaders from around the world that provide solidarity and support on the most practical, such as grant writing, to the more spiritual.



The Cultural Conservancy has recorded many songs, musicians and oral histories as part of its media program. Photo credits: Mateo Hinojosa, Melissa K. Nelson, Nicola Wagenberg.

2017 GIVING HIGHLIGHTS

DONORS

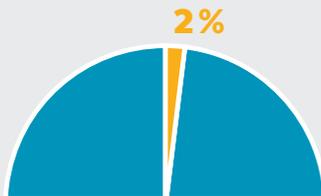
ALL DONORS: **277**



NEW DONORS: **95**

TOTAL GIFTS:
\$35 MILLION

INVESTOR-DONORS



ALL DONORS-INVESTORS: **51**

TOTAL FUNDS FROM
INVESTOR-DONORS:
\$6.3 MILLION

Our investor-donors recognize the power of an integrated capital approach, leveraging RSF programs to invest and give in ways that uphold core values and carry out intentions.

CLIENT SPOTLIGHT:

DONOR

Jessica Rolph

loveverybaby.com



Rolph (center) speaking at an RSF Women's Capital Collaborative luncheon. Photo by Michelle Park.

Jessica is a social entrepreneur, who is passionate about women's empowerment and leadership. In 2017, she donated to the RSF Women's Capital Collaborative. Jessica served as a trustee on the RSF Board of Directors for ten years and is currently an investor and donor advisor.

Early in my career, progressive entrepreneurs like Seth Goldman at Honest Tea and Gary Hirshberg of Stonyfield Farm inspired me to learn how entrepreneurs use their business acumen to make a positive social impact. Years ago, an opportunity came up to volunteer at a Social Venture Network conference, and I jumped on it. I was ready to refill water bottles and hand out name tags, anything just to be surrounded by a hall of fascinating social business leaders. I left with a stack of business cards, including one I'll never forget: RSF's then-president and CEO, Mark Finser.

The more I learned about RSF, the more engrossed I was: it's an organization that propels social enterprises during crucial times in their development. Its total conviction in transforming the way the business world works is what makes it one of the true catalysts for positive social change out there. RSF backed my first company, Happy



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Family, with much-needed debt capital. That financing helped us scale the impact of our goal to make organic foods mainstream and accessible to families at any income level. RSF believed in us and our mission and challenged us to push our vision further. The entrepreneurial support I received then was a key reason I was thrilled to help the Women's Capital Collaborative: entrepreneur-led social change has everything to do with paying it forward.

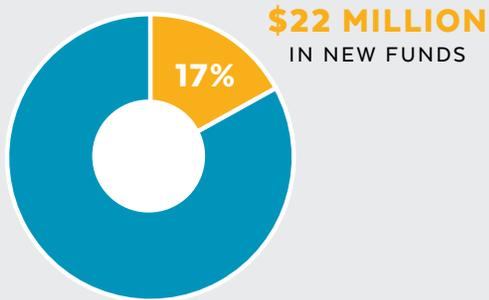
While philanthropy, by nature, should give one joy, it can be difficult emotionally: there are just so many possibilities—and so many worthy recipients of help, guidance, and financing—that it can be overwhelming. RSF is terrific at helping people navigate that. I am very impressed with RSF's collaboratives, and I'm delighted to be one of many people supporting today's social entrepreneurs as they work for a better society with a financial partner who truly understands them and the change they're after.

2017

INVESTMENT HIGHLIGHTS

Social Investment Fund, Food System Transformation Fund,
and Regenerative Economy Fund

INVESTMENT FUNDS



TOTAL FUNDS:
\$132 MILLION

INVESTORS

ALL INVESTORS **1,642**



NEW INVESTORS: **137**



AVERAGE TERM:
9 YEARS

CLIENT SPOTLIGHT:

INVESTOR

Kristin Hull

niaimpactcapital.com



Kristin is an impact investor, entrepreneur, activist, and educator. She is the founder and CEO of Nia Impact Capital. Kristin opened her Social Investment Fund Note account in 2011 because of the values alignment and, since then, has become a close ally and partner.

I'm committed to transforming the financial system and how we engage with our money. Investing in the Social Investment Fund is one way I'm working toward those goals. There is so much synergy between RSF, the work I'm doing, and the change we want to see.

Through all the work I've done in the impact investing space—moving the Hull Family Foundation's assets into 100% mission-aligned investments and starting Nia Community Fund and Nia Impact Capital, a women-led registered investment advisor—what excites me the most is when I see people's eyes light up as they connect the dots between their money and the world in which they want to live. I often engage with amazing activists, and yet, they don't have their money aligned with their values.

Helping people connect the dots is what gets me out of bed every day. That's why I

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I often engage with amazing activists, and yet, they don't have their money aligned with their values. Helping people connect the dots is what gets me out of bed every day. That's why I love RSF's community pricing gatherings. Bringing investors and borrowers together to discuss and make interest rate recommendations is one of the most transformational experiences you can have around money.”



Kristin is co-founder of Impact Hub Oakland, a coworking and events space for people driven toward positive social, environmental change.

love RSF's community pricing gatherings. Bringing investors and borrowers together to discuss and make interest rate recommendations is one of the most transformational experiences you can have around money.

I greatly appreciate RSF's dedication to direct and transparent financial transactions, and I am committed to the same approach. For some time, I wasn't invested in public equities, but ultimately, I wanted to cover all asset classes with my investing. Our flagship product, Nia Global Solutions, is making transactions easy and fully transparent in the public market. Instead of investing in anonymous indexes, we look for investment opportunities that will help the transition to a just and sustainable economy. We've built a portfolio around six solution themes—health care, sustainable transportation, renewable energy, financial access, communication, and education.

My hope is that Nia Global Solutions will be in everyone's 401k with a very low minimum to participate. Similarly, I want everyone to have the RSF experience, open an account for \$1,000, and connect directly with the community of values-aligned investors and borrowers.

I am honored that I get to do this work and that we all get to do it together. It is sacred.

Integrated Capital Approach

Integrated Capital is the coordinated use of diverse forms of financial and human capital to support enterprises and strategies that are addressing complex social and environmental problems.



Photo by Dane Grady.

In Action: Guayakí Yerba Mate

Often described as the lungs of the earth, the South American Atlantic rainforest is a treasured biosphere that replenishes the earth's air and houses millions of plant and animal species in its region. With this understanding at heart, David Karr and Alex Pryor founded Guayakí Yerba Mate, the now well-known yerba mate-based beverage company. In fact, the impulse of that heart has shaped both the identity of the company and its logo. The duo had a bold mission to accomplish through the means of social enterprise: to steward and restore 200,000 acres of South American Atlantic rainforest and create over 1,000 living wage jobs by 2020.

When Guayakí's founders started their business in 1996, they thought they would help preserve the rainforest—one of the globe's most endangered habitats—by giving local communities a way to make a living from working within it without cutting down trees. A few years in, though, they faced a devastating reality, a map showing 95 percent deforestation of the Amazon since 1900. Preservation, they realized, was not enough, and with that, they started focusing on reforestation. For those efforts, the yerba mate plant was vital.

Typically, industry farmers cultivate yerba mate by using traditional slash-and-burn methods for full sun. Though the technique makes for a fast-growing

crop, it is a far cry from the plant's natural canopy of the Upper Paraná Atlantic rainforest, which stretches across Argentina, Paraguay, and Brazil.

In an environmentally conscious shift from the norm, Guayakí supplies its yerba mate from small-scale farmers growing organically and using an environment resembling the plant's shady native habitat. By insisting on a supply chain of solely shade-grown plants, the social enterprise encourages farmers to reforest their land with native hardwoods. This important ecological growing method and standard has made it possible for Guayakí to pay farmers a price premium to grow yerba mate, provide living wages and healthy working conditions, and help fund community development projects for local, predominantly indigenous, communities.

RSF has been a loyal partner in Guayakí's tireless effort to protect the Amazon and empower its native people. Beginning in 2009, RSF provided an investment of \$500,000 that helped Guayakí roll out its canned beverage line, develop its small-store delivery distribution model, and build inventory. In 2011, RSF extended the social enterprise a \$1.9 million working capital line of credit to fill a cash flow gap between inventory purchases and the sale of goods. Guayakí's credit line with RSF was subsequently increased to \$2.75 million in 2013, \$4 million in 2015, and \$5 million in 2016 to support the social enterprise's fast-paced growth.

Last year, RSF made its most significant financial commitment to date, a \$10 million financial package, complete with values-aligned partners and international impact. With funding from its Fair Trade Capital Collaborative, RSF is set to provide Guayakí the capital it needs to build a centralized processing and drying facility in Brazil.

Guayakí's impact in 2017 was stellar. Last year, the social enterprise advanced its mission metrics to capture the number of stewarded acres and living wage jobs more accurately. It also hired two people to lead and expand its regeneration and sustainability strategy in the U.S. and South America. Additionally, Guayakí launched a zero-waste program at its headquarters and completed a full greenhouse gas inventory of its supply chain; its findings showed that the social enterprise's operations are carbon neutral.

Financing can be easy and cheap to find for fast-growing companies like Guayakí. But, not all capital is created equal, and some come with strings that can hobble an unsuspecting social enterprise. Guayakí purposely seeks capital from mission-aligned investors that support its work to regenerate the rainforest. The social enterprise stays with RSF because they trust us to hold and honor their founding vision as a financial partner with a shared interest in healing the ecology while building a sustainable local economy for their community, all the while producing healthy beverages for you and me.

INTEGRATED CAPITAL TOOLS



LOANS
Senior-secured loans
Unsecured loans
Loan participations



LOAN GUARANTEES
RSF guarantees
Third party guarantees



INVESTMENTS
Equity
Revenue share agreements
Mezzanine finance



GRANTS
Technical assistance grants
Third party grants



NON-FINANCIAL RESOURCES
Network connections
Advisory support



2009

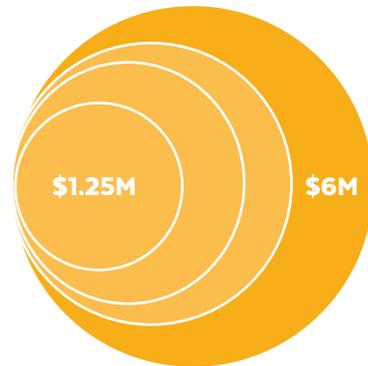
2011-2017

2017

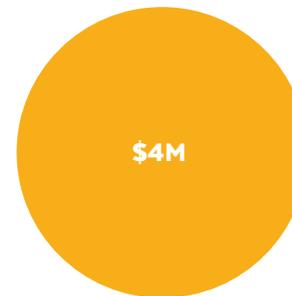
2018



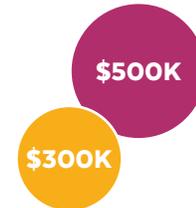
With a \$500,000 revenue share loan from the Mezzanine Fund, Guayakí was able to roll out its canned beverage line, develop its small-store delivery distribution model and build inventory.



In 2011, Guayakí qualified for a loan from our Social Enterprise Lending program. The working capital line of credit started at \$1.25 million in 2011 and increased over the years to \$5 million in 2016. In 2017 the line was increased again to \$6 million.



Guayakí needed capital to support growth but did not want to dilute mission or independence. In addition to the line of credit increase, RSF provided a \$4 million term loan.



Coming this year:
An \$800,000 loan to build a centralized processing & drying facility for Guayakí in Brazil. \$300,000 provided by the Fair Trade Capital Collaborative and \$500,000 from Beneficial Returns, a close RSF financial partner.

Financials



by Susie Lee | Chief Investment Officer

2017 was a showcase year for RSF Social Finance, where the resilience and creativity of our team shone brightly. We surpassed our goals for fundraising, capital deployment, and revenue generation. It was a fitting farewell to a decade of leadership by Don Shaffer and a clear indication of the growing demand for RSF offerings.

Our integrated capital approach has catalyzed the growth of social enterprises and resulted in increased demand for our flagship lending offering. We bring a unique ability to provide expertise across the capital spectrum from debt to equity to grants. Entrepreneurs value the guidance we provide on how to optimize capital structures that will maximize their ability to deliver impact over the long term. We made \$34 million in new loans to social enterprises and closed the year with \$105 million in net loans receivable, an 8 percent increase over last year.

Investment in our Social Investment Fund increased by 6 percent to \$126 million, with original maturities ranging from 90 days to five years. We continue to explore new ways to meet client demand for longer-term notes. In the meantime, we welcome the opportunity to craft custom terms for investors committing \$5 million or more to the Social Investment Fund while we develop standardized long-term offerings. By year's end, RSF grew total assets by 11 percent to \$209 million. From an operating perspective, we generated \$9.7 million in revenues, exceeding our goal by \$582,000 and ended the year with a \$1.2 million operating profit.

One notable integrated capital partnership, our largest in dollar amount to date, is with Guayakí. We increased the size of loans from our Social Investment Fund, shared expertise and connections to support its equity raise, and provided more flexible financing from our Fair Trade Capital Collaborative to deepen Guayakí's impact. Our relationship began nine years ago with a creative revenue share loan that enabled the not-yet-profitable company to raise financing to grow. Since those early years, Guayakí has demonstrated a strong track record of growth while partnering with indigenous communities to protect the rainforests in Brazil and enhance economic opportunities for these communities through sustainable sourcing of the yerba mate. Today, Guayakí could meet its financing needs with

any major financial institution, but the leadership team chose RSF to continue serving as its long-term partner because of our commitment to authentic relationships, shared values, and nuanced approaches to structuring capital.

As we expand our capabilities to provide larger funding packages, we equally emphasize the value that small loans, investments, and gifts can have on advancing the field of social finance. Last year, we made loans, investments, grants, and guarantees out of all five of our philanthropic Collaboratives and two shared risk loan funds. Of these initiatives, the Women's Capital Collaborative stood out in 2017. We made investments in four women-led social enterprises: Akola Project, Eu'Genia Shea, Kreyòl Essence, and Spotlight: Girls. These organizations empower women and girls through economic and educational opportunities. Through this collaborative, we also led a Shared Gifting Circle that brought together 12 nonprofit leaders from across the U.S. for a session that enabled the women to experiment with shifting the power dynamic of philanthropy.

Our investor and donor clients are also key partners in our overall integrated capital strategy. By participating in multiple offerings that span our loan funds, philanthropic Collaboratives, and Donor Advised Funds (DAFs), they help us deepen the connections, expertise, and value added across our focus areas of sustainable food & agriculture, education & the arts, and ecological stewardship.

In 2017, we raised over \$31 million in contributions to DAFs and related offerings, almost a 50% increase over the previous year. We ended the year with a total philanthropic assets balance of over \$60 million. Our clients are actively flowing money out: we made over 900 grants totaling \$18 million, a 38% increase over 2016 in grant dollars deployed.

Key to fully executing on the potential of our integrated capital approach is to enhance the power of the investment side of our philanthropic assets to advance the field of social finance and deepen our impact. With this goal in mind, we began developing investment strategy "Version 3.0" in 2017. Our historical divestment from public stocks coupled with rapid asset growth has resulted in excess liquidity and a tremendous opportunity to optimize how we align our investments with our mission and values. We began by making several new investments with stronger mission alignment. In the next phase, we plan to fully refresh our strategy to achieve deeper value alignment across asset classes and areas of impact.

Based on feedback from community pricing gatherings—which we believe is transparent, interconnected, and less volatile than the conventional system—we decided to increase interest rates by 0.25% in Q1 and then hold steady throughout 2017 at 0.75% for investors and at 5.00% for borrowers. We are monitoring global trends closely and will continue to listen to our stakeholders to decide what rates best serve our community and mission.

Our community of entrepreneurs, investors, and donors enabled RSF to accomplish the success and impact we delivered on last year. We are grateful for your continued engagement and look forward to deepening these partnerships with you in the months and years to come.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2017	2016	2015
<i>Dollars in thousands</i>			
ASSETS			
Cash and Cash Equivalents	\$33,613	\$15,562	\$29,228
Restricted Cash	0	0	216
Mission Related Investments:			
Loans Receivable, Net of Reserves	105,459	97,238	78,867
Investments, at Fair Value	68,020	73,883	66,633
Prepaid Expenses & Other Assests	2,516	1,241	1,079
TOTAL ASSETS	\$209,607	\$187,924	\$176,023
LIABILITIES AND NET ASSETS			
LIABILITIES			
Investor Notes Payable	120,521	112,518	107,148
Long Term Loans Payable	6,002	6,006	0
Other Liabilities	489	226	399
TOTAL LIABILITIES	127,012	118,750	107,547
NET ASSETS			
Unrestricted	82,445	68,773	66,122
Temporarily Restricted	50	300	50
Permanently Restricted	100	100	100
TOTAL NET ASSETS	82,595	69,173	66,272
TOTAL LIABILITIES AND NET ASSETS	\$209,607	\$187,924	\$173,819

CONSOLIDATED STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS

	2017	2016	2015
<i>Dollars in thousands</i>			
REVENUES			
Earned Income¹			
Lending Interest, Fees, Other Income	\$5955	\$5,519	\$4,648
Investment Income, net	288	-421	-1,985
Total Gifts and Contributions	34,495	20,565	18,769
Program Revenue	255		
TOTAL REVENUES AND OTHER SUPPORT	\$40,993	\$25,662	\$21,432
EXPENSES PROGRAM SERVICES:			
Interest Expense on Investor Funds	1,036	618	536
Loan Loss Provision	65	400	272
Grants Made to Programs ²	18,435	13,236	11,402
Other Projects and Program Expenses	642	898	207
Personnel Costs ³	5,329	3,470	2,860
TOTAL PROGRAM SERVICES	25,507	18,622	15,277
SUPPORTING SERVICES			
Management and General Expenses ⁴	2,166	4,138	4,106
TOTAL EXPENSES	27,672	22,761	19,384
CHANGES IN NET ASSETS	13,320	2,902	2,048
NET ASSETS AT BEGINNING OF YEAR	69,173	66,272	64,224
NET ASSETS AT END OF YEAR	82,494	69,173	66,272

¹We earned additional revenues through fee income from RSF philanthropic services. Following GAAP standards, we do not show this income in our financial statement because of their classification as intracompany transfers.

²Roughly 97 percent of grants made by RSF are recommended by clients via donor advised funds.

³⁺⁴ Following our auditor's recommendation, we revised the cost breakout of RSF personnel and management. The total spent on both categories was \$76 million in 2017, equivalent to the sum spent in 2016.

Embodying Our Values



by Katrina Steffek | Chief Operating Officer

In my 14 years at RSF, I have seen our work evolve, our staff size more than double, and the flow of money in and out of RSF increase significantly through our integrated capital approach. What hasn't changed is our unique organizational culture, our passion for impact, and our deep belief that the world needs a more human-centered approach to finance. Our organizational values – cultivating gratitude, building trust, and encouraging radical collaboration – are alive and well in our workplace community and in how we partner with clients to change how they participate in financial systems.

Gratitude

RSF has the privileged position of serving as the facilitator and hub for thousands of financial relationships each year. While so many people are yearning for more authentic, values-aligned interactions with their financial partners, our staff is privileged to cultivate and experience those qualities every day. Our community of clients and partners is interconnected through the flow of money in and out of RSF, and appreciation for all the people involved runs deep. The incredible investors and donors who entrust us with their money bring their thoughtfulness and intention and their commitment to social and environmental justice. The enterprises we support are a constant source of inspiration as we closely experience their innovation, vision, and determination. If you are reading this, you are part of RSF's story, our past, and our future, and you are part of creating a more mindful, grounded, and regenerative economy. Thank you for being here, we are grateful to be fellow travelers.

Trust

Our investors trust us with their money and our donors trust us to steward their intentions through giving. All of our clients are passionate about supporting social enterprises with catalytic capital. This may sound simple on the surface, but each dollar is part of their legacy and hopes for the future.

 WATCH THE VIDEO

2017report.rsfsocialfinance.org/gifting-power



By shifting control of grant funds from donor to grantee, RSF Shared Gifting Circles demonstrate our values in action.

And we know that social entrepreneurs choose us for financing because they view values-aligned capital as a fundamental ingredient of their business. We approach our work with the awareness that we are being of service to these deeply personal intentions. At our community pricing gatherings, we bring together investors, borrowers, and RSF staff to learn about each other and discuss current interest rates. This experience embodies a level of trust you generally don't have in other financial relationships. Money is challenging to talk about—there are often many emotions, assumptions, and different levels of comfort with financial terminology. However, at the Community Pricing Gatherings, we've observed the participants open up to the uncomfortable, embrace the interconnectedness of the other stakeholders, and shift their expectations because of someone else's needs.

Radical Collaboration

We recognize the power of community wisdom. RSF has always had an open-source approach to its innovations and practices, and we know we are only one player that is part of a broader ecosystem of entrepreneurs, investors, donors, and financial practitioners who are working to shift the financial system. Opportunities to learn from and with others and to share what we know is a core aspect of our work. Our integrated capital approach demonstrates how different forms of financial and social/human capital (from RSF and other partners) can be woven together to support enterprises. Our shared gifting approach to grantmaking empowers grantees to decide where the money should flow. The RSF Integrated Capital Institute teaches valuable leadership and financial/technical skills and builds relationships amongst financial activists across the country. Our staff and board members are passionate about working with our clients and partners to build a more thriving, equitable economy. For over 30 years, we have prioritized the movement of money by offering opportunities to give, invest, and borrow. We know that collaboration leads to more joy, creativity, and prosperity for all, and we are committed to doing our part to build the field of social finance.

Organizational Culture



by John Bloom | Vice President, Organizational Culture

With RSF's success in 2017 comes the opportunity to reflect not only on financial or operational results, but also on how we deepened our work in connection to our mission and through the insights of Rudolf Steiner. Two key areas gained focus as part of these efforts: our Leadership and Personal Transformation Intensives (LAPTI) and our broader organizational work with diversity, equity, and inclusion (DEI).

LAPTI is a three-day intensive where staffers explore self-knowledge, biography, leadership styles, and our ability to support one another through coaching. Participating staffers inform LAPTI's design based on personally identified needs. Many share intimate learning moments from the year and set their intentions for personal growth for the next. For those who have participated in the three-day LAPTI, we hold an annual two-day "refresher" with the purpose of reconnecting colleagues with his or her personal destiny paths and with each other as individuals growing in leadership and learning through their respective roles at RSF.

An equally prominent aspect of RSF's culture is our commitment to recognize and engage diversity, equity, and inclusion as being critical to transforming the paradigm of how we work with money in the world. We have begun what will be a multi-year process of learning about the tools and sensitivities that are foundational to understanding the many perspectives that make up the world. Using what we have learned, we've started the practice of engaging in conversations that recognize everyone's distinct views and lived experiences. In the long run, these conversations will help us understand more closely the experiences of our clients so that we can serve them better.

As part of our culture, we are committed to deepening our understanding of RSF's origins, mission, and purpose. We continue with our staff studies on economic and social

themes inspired by Rudolf Steiner and other economic thinkers. In addition to this inner development, we support staffers in refining their public speaking skills so that each one feels comfortable embodying RSF's work in the world. After all, the way we advance our work, with humility and profound interest in others, is as essential to our clients and our organizational culture as all that we have accomplished in supporting the field of social finance and enterprise.



2018 RSF staff. Photo by Tommy Lau.

Our Staff

RSF is committed to supporting and developing a strong organizational culture. Our intention is the embodiment of our values as individuals and as an organization. We strive to be of deep service to our clients and community.

Kristine Arboleda
Accounting Manager

Lisa Barry
Senior Manager, Human Resources

Amy Beck
Manager, Client Engagement

Amy Bird
Senior Manager, Social Enterprise Lending

John Bloom
Vice President, Organizational Culture

Kelley Buhles
Senior Director, Philanthropic Services and Organizational Culture

Alexandria Cabral
Senior Credit Associate

Steven Chai
Senior Credit Associate

Melinda Cheel
Marketing Director

Tammy Childers
Senior Portfolio Manager, Social Enterprise Lending

Chris Cook
Chief Financial Officer

Hadiza Dalhatu
Processing & Servicing Associate,
Loan Administration

Kate Danaher
Senior Director, Integrated Capital

Stu Fram
Senior Associate, Social Enterprise Lending

Roja Gottimukkala
Business Systems Analyst

Tim Green
General Counsel

Alex Haber
Philanthropic Advisor

Mark Herrera
Senior Manager, Client Engagement

Lynne Hoey
Senior Director, Credit

Afsana Hye
Program Associate, Philanthropic Services

Casey Johnson
Senior Associate, Social Enterprise Lending

Leah Johnson
Senior Manager, Loan Administration

Neha Kapur
Credit Manager

Ellie Lanphier
Program Manger, Philanthropic Services

Kayla Leduc
Program Associate, Philanthropic Services & Client Engagement

Susie Lee
Chief Investment Officer

Reed Mayfield
Manager, Social Enterprise Lending

John Meyers
Marketing Associate

Carrie Monae
Senior Manager, Information Systems

Deb Nelson
Vice President, Client & Community Engagement

Enrique Perez
Marketing Manager

Diane Robinson
Office Coordinator

Katrina Steffek
Chief Operating Officer

Meredith Storton
Senior Associate, Social Enterprise Lending

Jasper van Brakel
Chief Executive Officer

Muy Yam
Senior Associate,
Human Resources

Our Board

Ron Alston
Chair of the Board

Neil Blomquist

Jocelyn Robero Demirbag

Mark Finser

Siegfried Finser

Rachael Flug

Jasper J. van Brakel
Chief Executive Officer

Scott Williams

“

Economic judgments cannot be built on theory; they must be built on living association, where the sensitive judgments of people are real and effective; for it will then be possible to determine out of association—out of the immediate experiences of those concerned—what the value of any given thing can be.”

-Rudolf Steiner

