MESSAGE FROM CEO & CHAIR

Dear Friends,

In 2015, Reinvestment Fund closed $224 million in new investments—our largest year to date and more than four times what we were able to do just five years ago. That’s more families living in quality, affordable homes; more communities with easier access to health care and healthy food; more children receiving quality education; and more jobs and thriving local businesses.

Today, we have investments in 20 states and the District of Columbia—but we have not forgotten our home city. We invested over $40 million in Philadelphia in 2015, our greatest investment in any single city, at the same time that we’re financing new projects in Atlanta, GA, Santa Clara, CA, Winfield, KS, and more. We are also laying a foundation for the future with the launch of Invest Health, a new partnership with the Robert Wood Johnson Foundation that will help 50 mid-sized cities improve their built environments to create opportunities for low-income citizens to lead healthier lives. Every area of Reinvestment Fund is thriving.

In 2015, TRF Development Partners completed its 170th home, approaching 75% occupancy in a part of East Baltimore where 10 years ago more than half of homes were vacant. Our Policy Solutions team has begun to organize a community of practice around how a better understanding of real estate markets, informed by research and data, can lead to tangible improvements in neighborhoods. PolicyMap, the most robust library of place-based data on the web, reached 15 million user-generated maps and counting, serving tens of thousands of policymakers, students, and community change-makers nationwide.

We were also proud to receive an investment grade, AA issuer credit rating from Standard & Poor’s. This powerfully affirms what we’ve always known: Our commitment to social impact is fully compatible with fiscal responsibility and financial strength.

The support of our investors makes this work possible—you are a source of our success, and for that we thank you. If you are not already, please consider joining our investor community, most of whom are individuals making small-dollar investments that, taken together, are a powerful force for good and for building healthy communities.

DON HINKLE-BROWN
President and CEO

JOHN S. SUMMERS, ESQ.
Chairman of the Board
Capital at the Point of Impact

We direct high-impact investments to benefit low-income communities—$224 million in 2015.
Innovation in housing solutions

Reinvestment Fund has supported housing innovators and the development of stable, mixed-income communities over our 31-year history.

In 2015, we participated in California’s first Pay for Success program, an initiative to provide clinical services and permanent supportive housing for up to 200 chronically homeless individuals in Santa Clara County.

We were also proud to celebrate the opening of Shelterhouse’s new David and Rebecca Barron Center for Men. Shelterhouse serves 61% of all single homeless adults in the Cincinnati region. The new facility includes spaces for case management, job training, and a primary health center that is available to shelter residents and the surrounding community.
Climate solutions

The risks and costs of climate change are not equally shared: Research shows that low-income people and communities of color disproportionately live in places with poor environmental quality and the resulting adverse health effects. Reinvestment Fund works with many of our borrowers to incorporate climate solutions in their projects.

In 2015, we partnered with the City of Baltimore to launch the Baltimore Energy Initiative (BEI), which provides low-interest loans to nonprofit and for-profit small businesses. Baltimore’s new Green Street Academy received a BEI loan to support energy-efficient building construction. The school’s new home will use 32% less energy than if it had been renovated to more conventional standards. BEI funds are also helping Historic East Baltimore Community Action Coalition (HEBCAC) rehab vacant rowhomes in East Baltimore. Green features include rooftop solar panels, which will save homeowners 10% on their energy costs.
Community health

Reinvestment Fund financing is helping Green Coast Enterprises convert the historically important Pythian Building in the downtown business district of New Orleans into workforce affordable housing for healthcare workers.

The project will include a community health center and space set aside for other health-related businesses, including a woman-owned physical therapy business.

We also invested in a new School of Health Sciences at Emory and Henry College in rural Smyth County, VA. In addition to the medical school, the hospital complex will allow the college to add graduate-level studies in health sciences and activate two student-run clinics (focused on obesity and falls prevention). It will also house the expansion of an existing free clinic serving low-income residents.
Knowledge in Practice

We put research and data into practice through policy and capital that address entrenched problems.
Reinvestment Fund, in partnership with the William Penn Foundation and Public Health Management Corporation, launched the Fund for Quality in spring 2014, a $7 million initiative to expand the availability of high-quality early education for Philadelphia’s low-income families. This initiative specifically invests in centers that will expand to serve more low-income children in neighborhoods that our policy work identified as underserved (the data is available on ChildcareMap.org, built by PolicyMap).

The inaugural round of funding drew more than 30 applications from high-quality providers.

In its first two years, the fund awarded grants to 17 high-quality early childhood education centers, which will collectively serve 630 more children every year, the majority of whom are from low-income families. William Penn Foundation renewed its commitment to the initiative with another $15 million grant beginning in 2016.

We are currently working with Newark, NJ, and others to build their own data-driven analyses of the supply of and demand for quality childcare, giving more cities a valuable tool for supporting early childhood education.
Progress in fair housing

On June 25th, 2015, the Supreme Court rejected a challenge to the Fair Housing Act, upholding the principle that housing practices can have a “disparate impact” on minority communities even if the original intent of those practices was not discriminatory. Reinvestment Fund has long been at the forefront of fair housing issues. Last year, the Supreme Court was scheduled to hear a disparate impact case between the township of Mount Holly, NJ, and citizens who were displaced by the demolition of 300 homes in favor of new construction, market-rate housing.

TRF Development Partners helped craft a resolution that serves the interests of both residents and the township, resulting in a settlement agreement and the withdrawal of the lawsuit. Central to our development plan for the Parker Green subdivision is the integration of new families with existing residents in a mixed-income community, and construction is underway on the first 22 units of affordable housing.
Reinvestment Fund is working with city and municipal governments nationwide to improve the use of data in how community development resources are directed into neighborhoods. At our inaugural Community of Practice convening in Milwaukee, 40 senior administrators and officials representing cities from Baltimore to St. Louis and New Orleans to Jacksonville gathered to discuss challenges and success stories and how Reinvestment Fund’s Market Value Analysis (MVA) can help achieve their development goals.

The City of Baltimore has commissioned four MVA studies so far, which it used as the data foundation for the mayor’s Vacants to Value Program.

The MVA allows public, nonprofit and community organizations to gain a common understanding of their neighborhoods, create a coordinated investment and service-delivery strategy, and measure community change over time.
Capacity to Grow

We enable our partners, policymakers, borrowers and peers to grow their capacity and their impact.
Collaborating to finance healthy food

ReFresh is a national network of practitioners engaged to improve access to healthy food across the United States, where long-standing barriers make it difficult for residents to live healthier, more stable lives. The network has grown to 18 CDFI members.

Northern California Community Loan Fund (NCCLF) is one of four inaugural members of Reinvestment Fund’s ReFresh program, launched with support from JPMorgan Chase Foundation. With California FarmLink, NCCLF helped finance Bucio Organic Farms, which grows and delivers organic, healthy produce to market.
Invest Health: 50 cities

“Like RWJF, Reinvestment Fund has a long history of advancing health and equity through strategic investments. In joining forces, we hope to transform the way cities approach community development.”

— AMANDA HIGH, CHIEF OF STRATEGIC INITIATIVES
REINVESTMENT FUND

Reinvestment Fund and the Robert Wood Johnson Foundation (RWJF) launched Invest Health, a pioneering, multi-sector initiative to improve health in mid-sized cities across the country. We selected 50 cities out of the 182 letters of intent that we received from 170 cities seeking to participate in the Invest Health initiative.
Baltimore’s arts & culture economy

In 2015, Reinvestment Fund welcomed a new Arts and Culture Fellow, Rebecca Chan, based in Baltimore. Funded by the Kresge and Surdna Foundations, we are developing a strategy for targeting arts investments in low-income communities where they can catalyze and build on other complementary efforts to revitalize distressed neighborhoods. One such example is the groundbreaking of TRF Development Partners’ second phase of the City Arts development, which will create 60 transit-oriented, high-quality residential units for Baltimore’s artist community.
## STATEMENT OF FINANCIAL POSITION

**as of December 31**

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<tr>
<td>Cash, cash equivalents and investments</td>
<td>55,069</td>
<td>60,964</td>
<td>51,147</td>
<td>53,441</td>
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<td>Restricted Cash</td>
<td>27,596</td>
<td>26,805</td>
<td>36,344</td>
<td>33,825</td>
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<td>Loans Receivable</td>
<td>295,715</td>
<td>233,315</td>
<td>192,427</td>
<td>180,506</td>
<td>158,841</td>
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<td>Allowance for Loan Losses</td>
<td>(16,066)</td>
<td>(13,532)</td>
<td>(11,480)</td>
<td>(11,191)</td>
<td>(9,530)</td>
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<td>Other Assets</td>
<td>45,584</td>
<td>52,181</td>
<td>55,963</td>
<td>45,470</td>
<td>40,432</td>
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<td><strong>Total Assets</strong></td>
<td><strong>407,898</strong></td>
<td><strong>359,733</strong></td>
<td><strong>324,401</strong></td>
<td><strong>302,051</strong></td>
<td><strong>299,574</strong></td>
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<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
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<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Loans Payable</td>
<td>231,098</td>
<td>191,415</td>
<td>165,019</td>
<td>156,325</td>
<td>170,739</td>
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<td>Other Liabilities</td>
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<td>18,933</td>
<td>21,954</td>
<td>24,061</td>
<td>14,667</td>
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<td><strong>Total Liabilities</strong></td>
<td><strong>256,971</strong></td>
<td><strong>210,348</strong></td>
<td><strong>186,973</strong></td>
<td><strong>180,386</strong></td>
<td><strong>185,406</strong></td>
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<tr>
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</thead>
<tbody>
<tr>
<td>Unrestricted – Reinvestment Fund</td>
<td>45,895</td>
<td>38,976</td>
<td>31,483</td>
<td>23,244</td>
<td>12,343</td>
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<td>Unrestricted – SDF</td>
<td>9,181</td>
<td>9,166</td>
<td>9,203</td>
<td>9,776</td>
<td>9,757</td>
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<td>Noncontrolling interest</td>
<td>5,859</td>
<td>4,758</td>
<td>3,711</td>
<td>1,499</td>
<td>5,059</td>
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<td>Temporarily restricted – Reinvestment Fund</td>
<td>39,880</td>
<td>47,410</td>
<td>43,407</td>
<td>37,012</td>
<td>33,380</td>
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<tr>
<td>Temporarily restricted – SDF</td>
<td>—</td>
<td>383</td>
<td>539</td>
<td>828</td>
<td>883</td>
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<tr>
<td>Permanently restricted</td>
<td>50,112</td>
<td>48,692</td>
<td>49,085</td>
<td>49,306</td>
<td>52,746</td>
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<td><strong>Total Net Assets</strong></td>
<td><strong>150,927</strong></td>
<td><strong>149,385</strong></td>
<td><strong>137,428</strong></td>
<td><strong>121,665</strong></td>
<td><strong>114,168</strong></td>
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<table>
<thead>
<tr>
<th><strong>Total Liabilities and Net Assets</strong></th>
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<tr>
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**STATEMENT OF ACTIVITIES**

*for period ended December 31*

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<tr>
<td><strong>REVENUE</strong></td>
<td></td>
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<tr>
<td>Earned Revenue *</td>
<td>15,114</td>
<td>15,131</td>
<td>15,219</td>
<td>17,510</td>
<td>16,866</td>
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<td>Grants and Contributions</td>
<td>8,437</td>
<td>19,243</td>
<td>17,022</td>
<td>14,785</td>
<td>17,646</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>23,551</td>
<td>34,374</td>
<td>32,241</td>
<td>32,295</td>
<td>34,512</td>
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<tr>
<td><strong>EXPENSES</strong></td>
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<td></td>
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<tr>
<td>Program expenses</td>
<td>19,279</td>
<td>20,063</td>
<td>15,106</td>
<td>13,855</td>
<td>12,123</td>
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<tr>
<td>Management &amp; General and Other</td>
<td>4,632</td>
<td>4,263</td>
<td>4,275</td>
<td>5,363</td>
<td>3,913</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>23,911</td>
<td>24,326</td>
<td>19,381</td>
<td>19,218</td>
<td>16,036</td>
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<tr>
<td><strong>Less: Partnership (Contribution)/Distribution</strong></td>
<td>(1,902)</td>
<td>(1,909)</td>
<td>(2,903)</td>
<td>5,580</td>
<td>6,254</td>
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<tr>
<td><strong>Change in Total Net Assets</strong></td>
<td>1,542</td>
<td>11,957</td>
<td>15,763</td>
<td>7,497</td>
<td>12,222</td>
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</table>

*Includes program services and fees, other income and net financial income*
PERFORMANCE, 2011-2015 ($ in Millions)

Loans Receivable vs. Consolidated Net Assets over the years 2011 to 2015.
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TL Ventures

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2 Finance and Audit Committee  
3 Audit and Risk Committee

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Corporate Controller

C. Sean Closkey  
President, TRF Development Partners

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Chief Financial Officer

Philip DiFabio  
Managing Director, Lending and Investment Operations

Ira Goldstein  
President, Policy Solutions

Amanda High  
Chief of Strategic Initiatives

Dana Johnson  
Managing Director, Maryland and Washington, DC

Maggie B. McCullough  
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Patricia Muresesku  
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VP, Strategic Investments

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Kavita Vijayan  
Director, Strategic Communications

Nancy Wagner-Hislip  
Chief Investment Officer
Reinvestment Fund is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, we bring high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access—creating anchors that attract investment over the long term and help families lead healthier, more productive lives.

PHILADELPHIA | BALTIMORE

215.574.5800
www.reinvestment.com

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