



RELIGIOUS COMMUNITIES
INVESTMENT FUND

2012 Annual Report



Ministry Through Collaboration





Fonkoze clients at one of the 46 brightly painted orange and purple banks located throughout Haiti.

RCIF SPONSORS

Dominican Sisters of Mission San Jose
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Mission of the Fund

The Religious Communities Investment Fund is a coordinated effort of various Catholic Religious Congregations who believe, as Gospel people, that they are called to use their financial resources as a ministry to assist in overcoming social and environmental inequities.

The Congregations pool their individual assets to support the mission of promoting economic justice through investments in low-income communities worldwide. By investing in nonprofit organizations that address the economic inequalities in low-income communities, the Fund seeks to promote an economy of solidarity and reflect the Gospel values of economic justice, compassion, human dignity and environmental stewardship.

Focus

The Fund is a portfolio of debt and equity investments in projects consistent with the Gospel mission of economic justice for all. The investments benefit the economically poor, especially women and children, concentrating on those who are unserved or poorly served through traditional financial sources. The funding recipients, usually intermediary agencies, are those seeking ways to give beneficiaries an effective voice in the planning and implementation of the given projects, as well as those who address the multi-cultural reality of our society. Investment returns are expected to slightly outpace inflation.



RCIF Board (from back left: Pablo Bravo, Margaret Diener, Tan Vo, Patricia Rayburn, Cathy Minhoto--Joanna Bramble and Linda Orrick not pictured).

RCIF BOARD

Joanna Bramble, CSJ
 Pablo Bravo, Dignity Health (Treasurer)
 Margaret Diener, OP (Chair)
 Cathy Minhoto, RSHM
 Linda Orrick, SNJM (Secretary)
 Patricia Rayburn, OSF
 Tan Vo

Dear Sponsors and Supporters:

When we think of the Religious Communities Investment Fund (RCIF), it is easy to quantify the tangible assets that our congregations devote to the work of community investment. But, as women religious, we are blessed with another asset of incomparable worth that informs and sustains everything we do. This treasure is the legacy of wisdom that comes to us from women religious throughout the centuries.

In the 16th century, St. Teresa of Avila captured what we still strive to achieve through RCIF today:

“Christ has no body now but yours.

No hands, no feet on earth but yours.

Yours are the eyes with which he looks

Compassion on this world...”

Always focused on our core values of “collaboration...sustainability...justice,” RCIF endeavors to make God’s mercy alive to those in need by funding enterprises that enable them to find opportunity, self-sufficiency and hope. For many years we have been the “body” which St. Teresa described.

Yet is it possible that St. Teresa foresaw, five centuries ago, what meaning her words would have today? As we age, we are less “hands on” in ministry. In order to ensure that our great collaboration with Christ continues – to serve as the body, hands, feet and eyes – we increasingly rely upon the larger circle of collaborations we have established.

One example of this is RCIF’s lending relationship with the Northern California Community Loan Fund (NCCLF). RCIF’s relationship with NCCLF began decades ago through the investments made by individual RCIF congregations. Today, NCCLF is one of the 33 organizations that RCIF lends to, allowing them to serve as our hands and feet and to minister where we can no longer go. These organizations and individuals are imbued with the spirit and values that our years of collaboration with them have both informed and enriched.

It is a sign of our maturity as an organization that it was time to rotate terms on our Board of Directors. We deeply appreciate the service of three departing Board members: Jesse Bean, Joanna Bramble, CSJ, and Judeana Davidson, SHF. Their gifts of time and talent were key to establishing a strong foundation for RCIF. Our new Board members are Tan Vo, CFO of the Dominican Sisters of Mission San Jose, and Cathy Minhoto, RSHM, treasurer, who have already made valuable contributions for our future.

The picture of that future is clear and strong, because of the power of RCIF’s many levels of collaboration. As individuals we share our expertise and energy – our hands. As communities we pool our financial resources – our feet. And because the borrowers we invest in have become our partners in ministry, we know that there will always be eyes through which Christ can look his compassion on the world.

With gratitude,



Corinne Florek, OP
Executive Director



Corinne Florek, OP



Margaret Diener, OP



Margaret Diener, OP
Board Chair

The Carondelet Sisters' \$1.5M Mission-Driven Investment

"Community investing is clearly in line with our mission as religious women," says Sr. Jill Napier of the Sisters of St. Joseph of Carondelet. The congregation developed and prioritized its own community investment program back in the 1970s before shifting its \$1.5 million in capital to RCIF in 2009.

The need for RCIF developed as congregations faced increased difficulty administering loan programs—oftentimes personnel were not available to perform all the necessary due diligence. "We hoped that by pulling assets together and setting up a separate organization (RCIF) that we could keep this important agenda before everybody's eyes," explains Sr. Jill.

Sr. Jill makes a strong distinction between the congregation's regular investment portfolio and its RCIF portfolio—the former is overseen by carefully vetted managers and follows strict investment guidelines to ensure the ministry and retirement needs of its members; the latter is completely mission driven for social impact reasons. "Our modest RCIF investment goes to people who do not typically have access to other funding sources, or if they do, it's at an exorbitant rate

of interest because they don't have any collateral," Sr. Jill states. "This is our way of supporting them—it's our way of putting our feet down in these communities."

The Sisters of St. Joseph of Carondelet also appreciate the safety of their RCIF assets. Although the rate of return may be negligible, it's a secure investment and positively affects the well-being of so many people, especially that of women and children. "Just \$5,000 can change a lot of lives," says Sr. Jill. "Those receiving loans through RCIF are extremely conscientious—these dollars translate into hope for their families and their communities. We, Sisters of St. Joseph, are grateful to be able to extend our mission through RCIF."



Sisters of St Joseph
of Carondelet



Sisters of St. Joseph of Carondelet at the RCIF gathering during the NC-CLF 25th Anniversary Event (from left: Claire Marie Williams, Mina Gaskell, Joann Heinritz, Marion Donahue, Mary Ann Marten, Joanna Bramble).

NCCLF 25th Anniversary Event

RCIF members enjoyed a wonderful evening at the NCCLF 25th Anniversary Event. The May 24th gathering at the San Francisco Metreon had over 350 guests, including founders, donors, investors, and those from the many agencies supported by the Loan Fund over the years. Memorable speeches, a touching anniversary video, youth musical performances, gourmet food, and even professional cheerleaders delighted all. “I never could have imagined that the seeds we planted 27 years ago would sprout into such a dynamic and thriving organization,” says founder Helen S. Cohen. “Here’s to another 25 years!”

NCCLF’s community lending model works well. Nearly \$79 million has been distributed in loans since 1987 with an impressive cumulative loan loss rate of less than 1.5%. Funding is specifically directed to health and human services, arts and education, and affordable housing. Recent financing projects include nearly \$2 million to Axis Community Health for the purchase of a facility to provide healthcare services to low-income and working poor residents in eastern Alameda County. A \$5 million loan went to South County Housing to finance the construction of low-income units in the Santa Cruz area. “NCCLF has stayed true to its roots,” reminds Paul Sussman, founding president and 25th Anniversary emcee. “It lends where others can’t or won’t, attracts investment capital that would not otherwise have been invested in low-income communities, and focuses on building the capacity of organizations to bring long-term change to their communities.”

NCCLF’s success has been in part due to the early involvement and funding from RCIF member congregations. “Your communities helped create and shape the current network of Community Development Financial Institutions (CDFIs),” says Mary Rogier, NCCLF President, “both by making the initial capital investments in many CDFIs, including us, as well as by providing financial expertise and organizational talents as Board members, staff members, volunteers and donors.” RCIF continues to keep the Loan Fund strong with current investment capital totaling \$220,000.



RCIF members enjoy borrower presentations at the NCCLF 25th Anniversary Event in San Francisco (from left: Raya Hanlon, OP; Patricia Bruno, OP; Joanna Bramble, CSJ; Mary Litell, OSF).

“What a lovely evening it was. I felt like we were participating in one of our community gatherings where we talk the language I heard last evening at both of the meetings. And the witness talks in your first session expanded our image of MISSION beyond our own communities. Amazing what a group of women can do together! I am so proud of the work you are doing to make this all happen. Thank you again for including us—the festive gourmet eats and entertainment added such pizzazz to the event.”

*Joann Heinritz, CSJ
Sisters of St. Joseph of Carondelet
after the NCCLF-RCIF Event*

NCCLF Facts & Figures

1987 – 2011

Total Loan Amount	\$78,149,442
Total Financing Leveraged	\$1,047,505,608
Housing Units Created/Preserved	5,637
Clients Served	578,544
Jobs Created/Preserved	11,226
Facility Sq. Ft. Created/Preserved ..	1,389,399

*Cheer SF performers
at the NCCLF 25th
Anniversary Event.*



Empowering Shea Butter Producers in Burkina Faso

The next time you rub on some lotion, take a look at the moisturizer's ingredients and you might see shea butter listed. The fatty substance comes from the processed nut of the shea tree that grows widely in Africa's savannah regions. Termed "women's gold," shea butter aids in economically empowering rural African women who traditionally and laboriously collect, crush, and extract the rich oil used today in many of our cosmetics, soaps, and creams.

Over 5,000 village women in the West African landlocked country of Burkina Faso, for example, are part of Karikis International, a social enterprise established in 2007 that processes and exports handcrafted shea butter. The company's founder and CEO, Felicite Yameogo, envisioned the business back in the 1980s, but couldn't get enough participants due to the stigma at the time of women working outside the home. Not one to give up, Felicite cleverly started a radio program on improved shea butter production techniques and the power of collective marketing that reached female producers directly in their own homes. With time, Felicite's influential broadcasts broke down cultural barriers.

Today, with a recent \$170,000 loan from Root Capital, Karikis International buys shea butter directly from its women producers who harvest and process the nuts. Karikis also bypasses costly middlemen and sells directly into the export market, bringing in higher prices for the women producers and increasing overall household income. Root Capital specifically funds agricultural businesses, like Karikis, who are caught in what is termed the "missing middle"—too big for microfinance and too small for conventional commercial banks. "Money to a business is like water to a tree," says Felicite. "This loan has watered the roots of our business which means our women producer groups have cash when they need it."

Root Capital Facts & Figures

Fund Focus	Agricultural Rural Small and Growing Businesses
Geography	Africa and Latin America
Loan Disbursements ¹	\$436M
Number of Loans ¹	1,266
Number of Borrowers ¹	469
Outstanding Balance	\$68M (as of Q2 '12)

1. Cumulative since 1999 and current as of June 30, 2012



PHOTO COURTESY OF ROOT CAPITAL

Felicite Yameogo (holding shea tree leaves), founder and CEO of Karikis International, stands with several shea butter partner producers in Burkina Faso, West Africa.

Creating Hope and Entrepreneurship Among Haiti's Rural Women

Fonkoze, Haiti's largest microfinance institution, provides financial, educational, and health services to guide the country's rural women out of poverty. Its 46 brightly painted orange and purple brick-and-mortar banks can be easily spotted throughout the nation and are accessible to clients in remote regions.

When Sherlile Telfort, for example, lost nearly everything in the 2010 Haitian earthquake, she found the strength to rebuild with Fonkoze's support. A street vendor and Fonkoze member since 2006, Sherlile relied on the bank's core finance program, Solidarity, to reconstruct her life with a series of small business loans.

As a Solidarity loan participant, Sherlile is part of a group of five female borrowers who together can take out short-term business loans from \$75 to \$1,300. Mutually liable for each other's repayments, the group creates a strong system of accountability and emotional support. These groups then join Credit Centers of 30-40 women who meet on a bimonthly basis. At Credit Center meetings, women receive literacy and



PHOTO COURTESY OF FONKOZE

Sherlile Telfort, a Solidarity Center Chief, rebuilt her street vendor business after the 2010 Haiti earthquake with Fonkoze loans.

Fonkoze Facts & Figures

As of December 31, 2011

Portfolio Outstanding	\$10,942,338
Number of Bank Branches	46
% Clients Female (Solidarity Loans)	99%
Number of Active Loan Clients	60,100
Number of Client Savings Accounts	273,023
Client Savings Account Balance	\$24,708,150

business training, undergo health assessments, make savings deposits, network, and most importantly, receive encouragement. Sherlile now proudly holds the Solidarity Center Chief position in the Lenbe municipality. “When we meet together, everyone is happy,” she says.

Solidarity loans include important safety net features, such as natural disaster insurance, and are set at reasonable interest rates. “Loan sharks have always been around, and will continue to be around, but now people have a choice,” says Leigh Carter, Executive Director of Fonkoze USA.

Serving Generations of Latin Americans Through Communal Banking

Adela Flavia Charca Vilca and her artisan family live on one of the many floating Uros Islands located on Peru’s Lake Titicaca. These centuries-old man-made islands are uniquely built from totora reeds, which also provide the indigenous Uros people with food, fuel, and construction material for boats and homes. Adela’s family makes its living producing and selling breathtakingly colorful embroideries and intricately woven reed mobiles and toy boats to tourists. To improve her family’s business and overall well-being, Pro Mujer provided Adela with a \$75 entrepreneurial loan through the organization’s communal banking system.

Currently, over 250,000 economically and socially disadvantaged women, like Adela, have access to capital, health-care and education through Pro Mujer’s financial and human development services. Adela, for example, used her loan to purchase a solar panel that now brings electricity to the family’s reed hut. “Before, we had to sleep by candlelight and almost burned the house down. Now we can have light all night if we need it.”



Adela Flavia Charca Vilca with her mother, Carmen, in front of the family home located on one of the many man-made totora reed islets that make up the Uros Islands on Peru’s Lake Titicaca.

PHOTO COURTESY OF PRO MUJER

Adela’s own mother, a Pro Mujer member since 2000, introduced her 22-year-old daughter to the communal bank. Today, Adela is president of her own borrower group. “If I hadn’t joined Pro Mujer,” explains Adela, “I never would have learned about savings and profit. I have been successful, and I know that the future will bring better things.”

Pro Mujer Facts & Figures

Countries Served	Argentina, Bolivia, Mexico, Nicaragua, and Peru
Loan Disbursements ¹	Over \$1B
Clients Reached ¹	Over 1.6M women + 6.4M children and family members
Communal Banks	21,855

1. Cumulative since 1990

Social Impact Highlight: Oikocredit

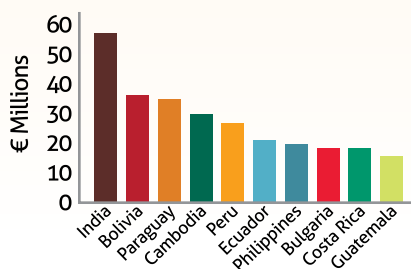
Oikocredit's social impact information provides an example of how RCIF funds are put to use when invested in international intermediaries. Oikocredit invests about 80% of its development portfolio in the microfinance sector and about 20% directly into social enterprises. Microfinance institutions use Oikocredit capital, in turn, to provide loans to the poor and disadvantaged who normally do not have access to mainstream banking services. RCIF has \$200,000 invested in Oikocredit.

Oikocredit Facts & Figures

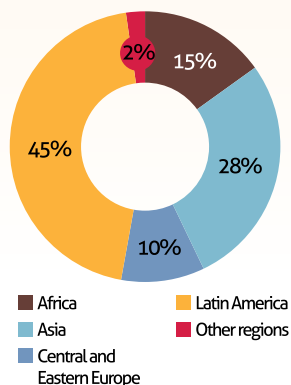
As of December 31, 2011

Total Development Financing Outstanding	\$674M
Number of Project Partners	896
Number of Microfinance (MFI) Partners	616
Borrowers Reached by MFI Partners	25.5M
Number of Countries	67
% Clients Female	83%
% Clients Rural	53%

Countries with Highest Capital Outstanding



Funding by Region



Funding by Sector

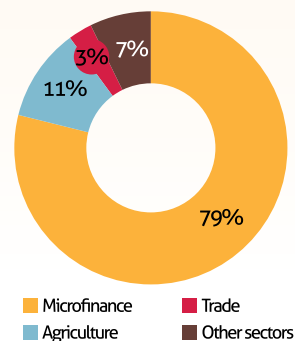


Chart data as of 31 December 2011
1 Euro = 1.2959 USD on 31 December 2011

RCIF Reach and Impact

Types of Loans

Loan Funds, Non-Housing	23%	\$1,070,000
Housing Loans	30%	\$1,425,000
Community Banks & Credit Unions – Insured	16%	\$750,000
International Loans	21%	\$975,000
Direct to Nonprofits	10%	\$482,260
TOTAL	100%	\$4,702,260

International Lending

International lending accounted this year for 21% of the RCIF portfolio. By utilizing international loan funds, RCIF increases the impact of its international investments in microfinance and clean energy.

Calvert	Cambodia, Kenya, Bosnia-Herzegovina
E&Co	Central and South America, Africa, Asia
Oikocredit	Worldwide
Pro Mujer	South and Central America
Root Capital	Africa, South America, Central America
Shared Interest	South Africa
WCCN	Central America



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Cover photos courtesy of Pro Mujer, Root Capital