Nonprofit Finance Fund®
Where Money Meets Mission®

NFF Capital Partners

2012 SEGUE℠ Portfolio Performance Report

Dear Friends,

We are proud to provide the third report of the NFF Capital Partners SEGUE growth capital portfolio. Prior reports described promising progress in the early days of the philanthropic equity experiment we have been running since 2006. Six years in, we can now offer the first glimpses into how sustainable that progress has been. The headlines are compelling: philanthropic equity is driving rapid increases in both impact and sustainability; the philanthropic sector is taking notice of and adapting these practices in diverse ways.

First, a few words about the SEGUE program. SEGUE is an NFF-branded approach to making investments of donated growth capital explicit and transparent. Essentially, organizations that adopt the SEGUE approach devise a clear plan for change (usually growth) and seek donated funds from a collection of sources to fund this plan. Those funds are flexible and intended to support the execution of the plan, paying for both the natural operating deficits incurred as the organization grows, and for explicit investments, so that effective social entrepreneurs can deliver the good work to which they aspire. This approach replicates many of the benefits that commercial venture capital offers, in a way appropriate to the nonprofit ecosystem.

The SEGUE accounting system provides a mechanism to release those funds only as they are spent, allowing all parties to know the answer to questions like "what is the burn rate?", "how much invested capital is remaining?" and, critically, "is the business sustainable?" (For more perspective on sustainability, please see our discussion on page 9.) The concept of growth capital, distinct from project support or General Operating Support, has become increasingly common and takes myriad forms. SEGUE accounting both provides internal clarity and makes possible external assessment and comparison. Each of the enterprises in the SEGUE portfolio has adopted a similar formal structure that allows for longitudinal and comparative analyses. This report is an update on the progress of those organizations.

Outstanding Results

SEGUE growth capital is enabling most organizations in the portfolio to grow both their businesses and impact, and make strides toward sustainability. Each year we can say with increasing confidence that there is great success against these primary goals.

On average, participating organizations are growing their impact by 54% annually over the length of the program. They are expanding the repeatable, reliable revenues that sustain them over time (what we call business model revenues) at an annual rate of 35%. Most of the maturing programs have meaningfully increased their sustainability, and five have reached 100% sustainability from these business model revenues. While each member of this diverse group measures impact somewhat differently, they are each creating inspiring stories of growing impact.

- GlobalGiving distributed $33 million to social entrepreneurs to catalyze 2,700 innovative projects. They have engaged more than 100,000 individuals in philanthropic activity. And they have built an organization that is 100% sustained by fee-for-service revenue, ensuring that access to capital for social entrepreneurs is not hindered by a lack of information .
- YES Prep now serves 7,000 low-income Houston school children each year, up from 2,600 before their campaign. These students' peers have a 1 in 10 chance of graduating from college. 72% of YES Prep alumni have graduated from, or are enrolled in, college. These students, from the most economically challenged communities in Houston, are dramatically outperforming the averages of the entire city and Texas as a whole.

The Reward for Hard Work

The old saying holds that the reward for hard work is the opportunity for more hard work. As the first SEGUE participants are reaching the end of their growth plans, we see just how true this is. Not surprisingly, when social entrepreneurs build strong, vibrant nonprofits taking on some of our most challenging problems, finishing a phase of growth becomes the next starting line, rather than an end in itself. Four organizations have stories to tell, which we expect will be indicative of those that follow.

- DonorsChoose has spent most of the capital raised, consistently grown impact, and seen their anticipated business model revenue grow to cover its cost structure. This process is now generating funds for reinvestment in the organization and, with the help of periodic gifts, is allowing for ongoing expansion of impact. They embody the prototypical philanthropic equity story.
- Year Up has similarly been able to execute their growth plan with high fidelity to the original intention and has progressed tremendously toward sustainability. Rather than driving to stabilize at this new, larger scale, Gerald Chertavian and his team have decided to double down on growth. They are raising $55 million in a second campaign to expand the core business, test related models, and work toward systems change. For Year Up, growth capital is episodic rather than one-time.
- VolunteerMatch faced the dual challenge of raising less capital than they had hoped and attempting to grow their earned revenue model in the face of the great recession. In response, they focused intently on achieving sustainability and deferred some of the costlier, lower-margin program enhancements they sought. Today, they have achieved 100% sustainability and find themselves with a portion of their growth capital remaining. In 2013 they are investing those resources in building out platform capabilities to enhance user experiences, seeking to increase

participation. VolunteerMatch shows the value of equipping a talented team with flexible resources and asking them to navigate the unpredictable path to growth.

- Ashoka Changemakers has also reached the end of their growth plan. Another technology platform, they are living the cycle of rapid growth, adoption, and success, followed by the urgent need to re-invent and maintain relevance. After the success of the initial platform, they have been fortunate to secure support for this period of reinvestment primarily through their parent organization, Ashoka. Stay tuned for the update on Changemakers' progress (both programmatic and economic) as they refine the platform in the coming year.

Adaptation

In 2006, George Overholser and Craig Reigel articulated NFF Capital Partners' aspirations for this experiment. We sought to "close the nonprofit equity gap, forever." By that we meant to create an equity investor ethic among funders, to provide both capital and the structure for its healthy applications to nonprofits, and to see the most promising programs in the country reach their potential for impact and durability. To get there we anticipated that a demonstration set, this SEGUE cohort, would succeed so resoundingly that it would entice both a dedicated cadre of funders and a large array of operating nonprofits to pursue this approach. We envisioned an expanding practice for NFF in this work, but more importantly, that the model might be widely emulated and reach farther than we could by directly serving our own clients.

Today we see compelling results from the demonstration cohort. And, after years of beating this drum, we are starting to see the philanthropic sector respond to these results with increased interest in philanthropic equity. That reaction, however, is more one of adaptation than emulation. While formal SEGUE adoption has been relatively small, an encouraging number of funders are increasingly aware that investment is distinct from funding that pays for services. Standards continue to be elusive, although some convention is emerging around both practice and nomenclature. The language of growth capital and change capital permeates discussions about scaling promising solutions. Nonprofits are seeking a combination of debt and equity appropriate to their models and understand that equity can only come through contributions dedicated to building their enterprise rather than buying program outputs.

Many very smart people are taking principles and learning from this SEGUE work and the parallel efforts of so many others, and adapting it to their circumstances. Some funders have built promising programs around these concepts: The Doris Duke Foundation's work with arts organizations; our long-time colleague Clara Miller focusing the F.B. Heron Foundation's grant making exclusively on philanthropic equity for enablers of job creation; Edna McConnell Clark Foundation's continued work in syndicating support for a small group of youth-serving organizations through their Growth Capital Aggregation Pilot and Social Innovation Fund programs. Some foundations are using Program Related Investments to meet similar needs. And a variety of nonprofits are raising support on their own for enterprise evolution, apart from programmatic support. We see other intermediaries and consultancies guiding clients to apply principles of growth capital more thoughtfully. (Please refer to page 5 for more about related innovations).

This collection of efforts throughout the field is providing valuable lessons from both successes and challenges. We offer this update on our cohort in the spirit of shared learning and thank those who have shared their experiences.

We maintain our commitment to see that the most promising solutions in the field have the resources and tools they need to succeed. We hold to our belief that clarity of intent, transparency in execution, and rigorous evaluation are critical to this progress. This experiment tells us that the concepts of philanthropic equity and the SEGUE accounting system are useful and powerful, but not perfect, solutions for all stakeholders. We look forward to working with you, and to celebrating the strides others are making, to bring capital that can unlock the potential of enterprises that cradle our most needed programs.

Craig Reigel
Managing Director

Julia Bromka
Associate Director

NFF Capital Partners

March 2013

Building is Not Buying

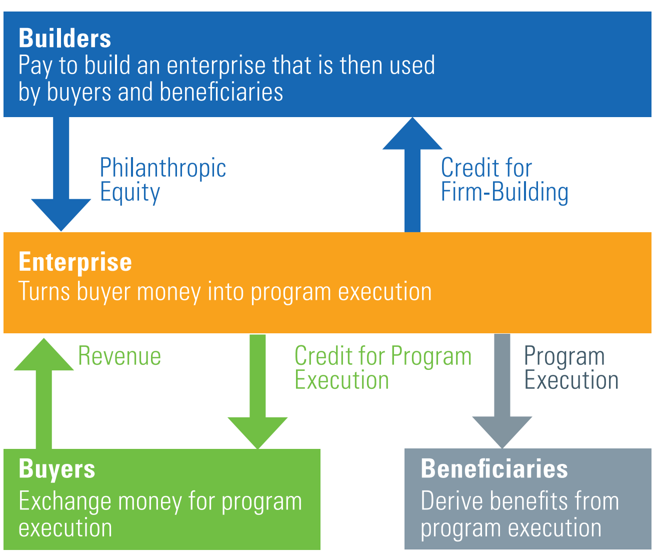
Thriving nonprofits, like all businesses, need two distinct types of funding: funding that helps build the foundation of an organization and funding that buys the services it provides. Nonprofit Finance Fund's work in philanthropic equity is based on the principle that defining and enabling distinct builder and buyer roles has the potential to transform the sector.

Buyers Provide Regular Revenue

Nonprofits are in the business of turning money into effective program execution. Buyers purchase program execution; they buy tickets for museum admission or provide scholarship grants that pay for individual tutoring sessions. Without buyers, programs don't happen. However, buying doesn't pay for growth, trial and error, shifts in strategy, or changing what a going concern is capable of doing. It's about asking the enterprise to continue to do what it already does, year in and year out.

Builders Provide "Change" Capital

What if a nonprofit needs to change what it can offer to the public, modify its operations, or improve its efficiency? This is where builders come in. They provide philanthropic equity. The equity is used to rebuild the business model; and a builder fills the normal gaps in revenue incurred throughout the period of change. The equity provider's aim is to build an organization that is not only better at executing mission but also attracts even more reliable buyers for the foreseeable future.



For more information on the distinction between building and buying, see George Overholser's seminal article at http://nonprofitfinancefund.org/files/docs/2010/BuildingIsNotBuying.pdf

What Are the Benefits of Build-Buy Consciousness?

- Focus on enterprise strategy: Philanthropic equity puts the organization's strategy at the center of the conversation, aggregating funders around a single theory of change.
- Funder exit strategy: Build-buy accounting allows equity holders to track whether they have given rise to a sustainable enterprise, from which they can confidently exit without program demise.
- Equity holder's ethic: Equity holders protect the enterprise from overexploitation. Given sufficient equity, managers can turn down grants that don't fully cover costs, or resist the temptation to grow too fast.

Philanthropic Equity Done Right

At NFF we believe that the following characteristics are fundamental to the meaning and purpose of philanthropic equity and should be incorporated into field-wide standards.

- **Invested at the Enterprise Level.** Unlike essential program-level finance, enterprise-level finance is unambiguous. Deficits and surpluses cannot be "manufactured" or transferred elsewhere through discretionary allocations between programs. Thus, as is the case with for-profit equity, philanthropic equity should be deployed and monitored at the enterprise level.
- **Funds Cumulative Deficits Incurred En Route to Sustainability.** Philanthropic equity is designed to subsidize an organization until it reaches a point where its activities are fully sustained by buyer-type funders, under a chosen business model. Beyond this point of sustainability, enterprises should be viable without further infusions of equity.
- **Transparent, Intentional, and Provides Feedback.** Philanthropic equity requires intentionality up front and transparency throughout. Builders of an organization will not invest without clearly laid-out enterprise-level plans for the achievement of sustainability and a guarantee of prompt and efficient feedback on the impact of their investment.

Alternative Applications of Growth Capital

Our mission is to empower high-performing nonprofits to reach their potential through the catalytic power of growth capital. We believe that successful implementation of growth capital requires a distinction between build capital and buy revenues. This applies equally to management and explicit, deliberate funding conversations. One way to tackle this challenge is through our formal SEGUE engagements (detailed in this report). However, significant sector change will more likely be achieved through a multi-faceted approach, and we are encouraged to see exciting strategies emerge throughout the sector. A few examples we find promising are outlined below.

Cohort Focus

SEGUE work has started at the client level, preparing one organization for a growth capital campaign. An alternative route would start with a capital pool and serve a cohort of recipients.

In 2007, NFF launched Leading for the Future, an experimental cohort-focused initiative, funded by the Doris Duke Charitable Foundation, to help 10 artistically outstanding performing arts organizations adapt their programs and businesses in a shifting environment. Each organization received a $75,000 planning grant to support the development of a plan for change, an investment of up to $1 million intended for transformative rather than incremental adaptation, and consulting assistance to create and monitor a financial roadmap and benchmarks for success.

Program results were assessed with two questions: 1) Did organizations achieve their proposed business model and artistic transformation? and 2) Did organizations use their investment to increase the likelihood of reliable, recurring revenue to support their full costs beyond the investment period? Most organizations achieved remarkable success, in some cases exceeding their planned financial and artistic results despite the unprecedented turbulence in the economy. All increased their capacity for rigorous planning to support organizational-level change.

Funder Focus

Broad application of growth capital will not be possible unless funders see it as an important element in their investment strategy. We have seen two funders commit to this path.

In 2012, the F.B. Heron Foundation shifted its focus towards philanthropic equity investing. Their revised strategy involves preparing high-potential grantees of philanthropic equity campaigns and pitching the plans to other funders. To date, they have collaborated with five grantees, whose plans and search for funding will begin in 2013.

Beginning in 2007, the Edna McConnell Clark Foundation (EMCF) formed a Growth Capital Aggregation Pilot (GCAP) to explore the effectiveness of aggregating funders around the goal of building strong, sustainable, high-performing organizations focused on improving life prospects for America's youth. Together with more than 11 other funders, GCAP raised more than $120 million to support three EMCF grantees: Citizen Schools, Nurse-Family Partnership and Youth Villages.

Both the F.B. Heron Foundation and the Edna McConnell Clark Foundation have partnered with NFF Capital Partners in our work with philanthropic equity.

Capital Preparation Focus

NFF Capital Partners also provides support and the same rigorous economic analysis to organizations that are raising growth capital without formal SEGUE accounting and a prospectus. Three indicative projects are described here.

Farmers Conservation Alliance	Paraprofessional Healthcare Institute	Buffalo Niagara Medical Campus
Farmers Conservation Alliance is raising $1.5 million to support fish screen sales that benefit both agriculture and the environment.	PHI (Paraprofessional Healthcare Institute) is raising $8 million to double their work to improve the lives of people who need home or residential care--by improving the lives of the workers who provide that care.	Buffalo Niagara Medical Campus, Inc. is raising $5 million to expand is success in job creation and urban revitalization through a systemic process based on priciples of mutuality that is bringing hope and solutions to the city of Buffalo and other ex-industrialized American communities.

Portfolio

To date, NFF Capital Partners has supported 21 campaigns for philanthropic equity, involving a grand total of $326 million in philanthropic commitments. Eleven comprehensive engagements have yielded $96 million of campaign commitments, eight advisory engagements have yielded $196 million, and two redirected campaigns have yielded $34 million.

Comprehensive SEGUE engagements, which are the focus of this report, typically consist of:

- An assessment of the organization's capacity to launch a campaign;
- Due diligence on the organization's leadership, track record, strategy, operations, finances and sustainability outlook;
- Pressure-tested and refined operating plans;
- Development of a formal investment prospectus;
- Implementation of NFF Capital Partners' SEGUE accounting methodology[1];
- Development of financial and social metric reporting methodology.

It is important to note that NFF neither invests its own philanthropic equity nor acts as an agent to raise funds on behalf of its clients. NFF Capital Partners empowers and supports organizations in their efforts to raise philanthropic equity. The money raised in these campaigns is raised by the organizations themselves, often with the help of their existing funders.

In addition to the comprehensive engagements detailed in this report, NFF Capital Partners has collaborated with eight organizations who have raised Growth Capital outside of the formal SEGUE methodology. Those organizations have collectively raised $196 million and continue to raise funds. Two of NFF Capital Partners' formal SEGUE clients have redirected their fundraising efforts and released their restricted SEGUE funding. Both continue to thrive, raising funds as they grow rather than up front.

All $ values in millions

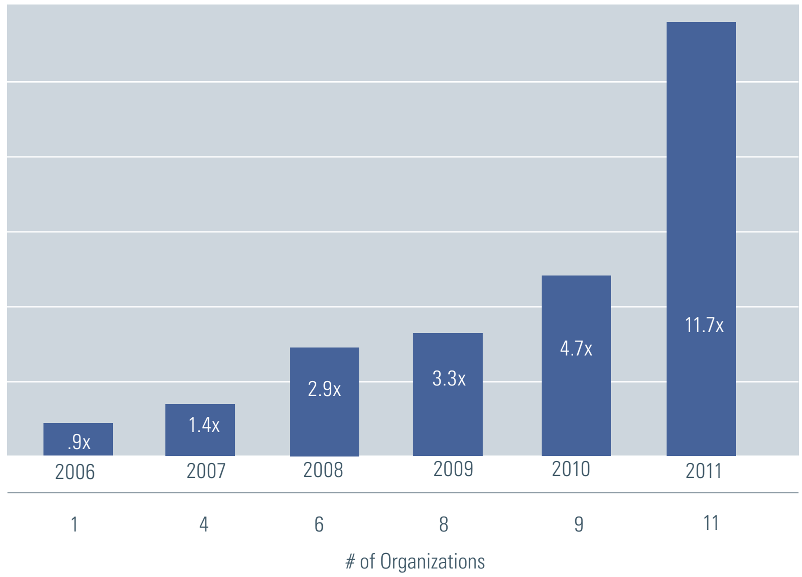
Campaign Start	Organization	Description	Philanthropic Equity Raised to Date
Comprehensive Engagements			
2006	GlobalGiving	International Giving Portal	$9
2007	DonorsChoose.org	Education Giving Portal	$14
2007	VolunteerMatch	Enabler of Volunteerism	$4
2007	Year Up	Workforce Development	$19
2008	Ashoka Changemakers	Online Social Impact Competitions	$3
2008	VisionSpring	Base of the Pyramid Eyeglasses	$3
2009	Stand for Children	Education Advocacy	$6
2009	YES Prep Public Schools	Charter Management Organization	$25
2010	Health Leads	In-Clinic Resource Connections	$11
2011	Shared Interest	International Development Finance	$1
2011	Success Measures	Participatory Outcome Evaluation	$.25
		Total Comprehensive Engagements	$96
		Total Redirected	$34
		Total Advisory Engagements	$196
		Total Philanthropic Equity Raised	**$326 Million**

Program Delivery Growth

For each group we select a key metric as representative of the evolution of impact. Obviously, for most nonprofits no single measure truly represents impact. Additional metrics can be found on the case study page for each organization (beginning on page 11.)

Among the 11 comprehensive engagements for which multi-year data are available, annual program delivery has grown on average by a factor of 11.7x, with a compound annual growth rate of 54%. We expect ongoing program execution to expand further as the organizations continue to implement their sustainable growth strategies.

Average Program Delivery Growth[2]
(Compared to Pre-Campaign Baselines)



Campaign Start	Organization	Program Delivery			
		Metric	Baseline	Current[3]	Growth Multiple
2006	GlobalGiving	Project Resources Delivered	$1,684,000	$33,000,000	19.6x
2007	DonorsChoose.org	Student Resources Delivered	$2,600,000	$25,800,000	9.9x
2007	VolunteerMatch	Value of Volunteer Hours	$294,000,000	$630,000,000	2.1x
2007	Year Up	Youth Served	352	1,328	3.8x
2008	Ashoka Changemakers	Innovation Funds Seeded	$7,000,000	$528,600,000	75.5x
2008	VisionSpring	Eyeglasses Sold	35,000	312,747	8.9x
2009	Stand for Children	Education Reform Victories	15	18	1.2x
2009	YES Prep Public Schools	Students Enrolled	2,008	5,456	2.7x
2010	Health Leads	Clients Served	4,487	8,804	2.0x
2011	Shared Interest	Total Guarantees Outstanding	$1,500,000	$2,000,000	1.3x
2011	Success Measures	Organizations Served	167	236	1.4x
				Average Growth Multiple[4]	**11.7x**
				Average CAGR[5]	**54%**

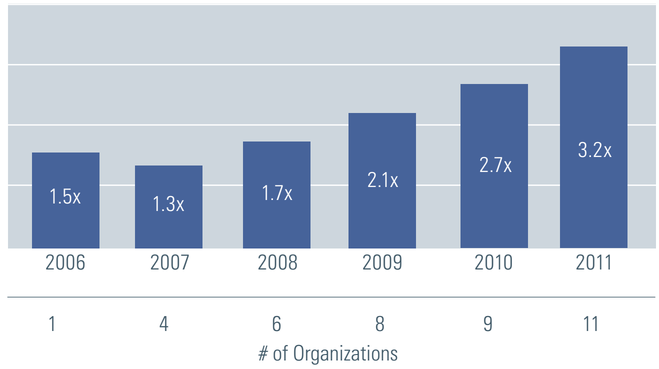
Business Model Revenue Growth

Each organization's business model represents the revenue-generation methods by which it intends to sustain its long-term enterprise operations. By definition, business model revenues exclude philanthropic equity and other extraordinary (i.e., non-recurring) revenue, though, importantly, an organization's recurring revenues may be made up of either contributed (philanthropic) or earned revenue, or a combination of the two.

Among the 11 comprehensive engagements for which multi-year data are available, annual business model revenue has grown on average by a factor of 3.2x, with a compound annual growth rate of 35%. In aggregate, business model revenues have expanded by $109 million compared to pre-campaign baselines. We expect ongoing business model revenue to expand further as the organizations continue to implement their sustainable growth strategies.

The growth multiple for each organization describes the extent to which it has increased business model revenue (recurring "buy" revenue), compared to revenue in the last year prior to their campaign. While these are impressive on their own, the relationship between these multiples and those for program delivery is also worthy of note. Specifically, program delivery grows faster than the revenue, suggesting these organizations are becoming more efficient as they scale.

Average Business Model Revenue Growth[6]
(Compared to Pre-Campaign Baselines)



All $ values in millions

Campaign Start	Organization	Business Model Revenue[7] Baseline	Current[3]	Growth Multiple
2006	GlobalGiving	$1.0	$3.8	3.8x
2007	DonorsChoose.org	$3.5	$31.7	9.1x
2007	VolunteerMatch	$2.5	$4.0	1.6x
2007	Year Up	$11.1	$39.5	3.6x
2008	Ashoka Changemakers	$0.9	$4.4	4.9x
2008	VisionSpring	$1.2	$2.4	2.0x
2009	Stand for Children	$4.2	$11.9	2.8x
2009	YES Prep Public Schools	$17.9	$ 50.1	2.8x
2010	Health Leads	$3.3	$5.3	1.6x
2011	Shared Interest	$0.87	$0.94	1.1x
2011	Success Measures	$1.8	$3.3	1.8x
			Average Growth Multiple[4]	**3.2x**
			Average CAGR[5]	**35%**

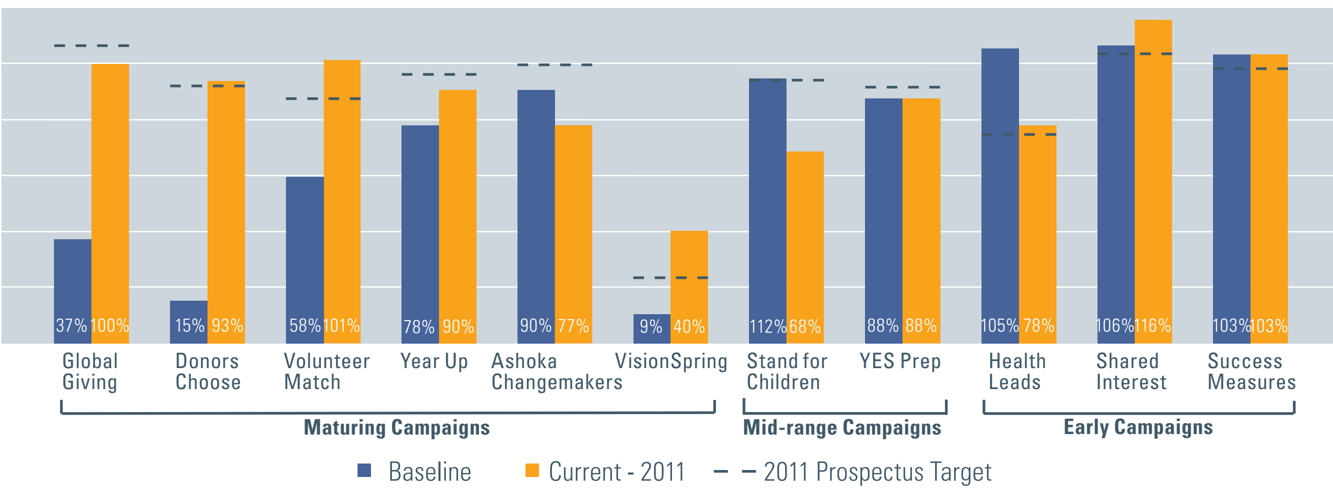
Sustainability

Any organization is sustainable when its full cost of operating is covered by the revenues from its chosen business model. While NFF firmly believes healthy nonprofits need profits to thrive, a first step is simply reaching sustainability. This is particularly true for growing or changing organizations. Tracking progress toward sustainability is a defining feature of philanthropic equity and SEGUE in particular.

Sustainability is measured as the ratio of business model revenue to total operating costs. Those business model revenues are the collectively reliable, recurring sources of income. Note that they need not be strictly earned – public radio has been sustained for decades by contributed revenues. What is important is that they are payments for doing the things that it does. Operating costs are simply the ongoing costs of doing business. Usually these are all costs, including non-cash items such as depreciation, but excluding one-time, extraordinary expenditures.

It is important to not assume 100% as a standard. In planning growth, organizations often intentionally spend in advance of revenues, expecting the revenue to catch up later. The most common use of philanthropic equity is to fund such intentional, interim deficits. In fact, many organizations' sustainability dips as they invest in growth. Mature organizations should seek more than 100% to build reserves and allow for investment. The critical issue is that they reach (or return to) sustainability at the far end. Thus, we also include the planned level of sustainability for each client.

Among the 11 clients for whom multi-year data are available, on average, sustainability has increased 16 percentage points from their baseline year. More tellingly, clients in the later stages of their planned growth average a gain of 36 percentage points.



Campaign Start	Organization	Sustainability Metric[8] Baseline	Current[3]	Prospectus 2011 Target
2006	GlobalGiving	37%	100%	108%
2007	DonorsChoose.org	15%	93%	93%
2007	VolunteerMatch	58%	101%	87%
2007	Year Up	78%	90%	96%
2008	Ashoka Changemakers	90%	77%	100%
2008	VisionSpring	9%	40%	29%
2009	Stand for Children	112%	68%	91%
2009	YES Prep Public Schools	88%	88%	90%
2010	Health Leads	105%	78%	77%
2011	Shared Interest	106%	116%	104%
2011	Success Measures	103%	103%	97%

Case Studies

changemakers

ASHOKA

About

Founded: 1994
Headquarters: Arlington, VA
Domain: Social Entrepreneurship

Mission

Changemakers is a global network that convenes social innovators and provides them with the intelligence they need to access resources for accelerating their impact.

Model

Supports ideas, mentors, donors, and networks in achieving social change through an online community at Changemakers.com. Changemakers uses a fee-for-service model in which foundations pay Changemakers to host topic-specific online competitions.

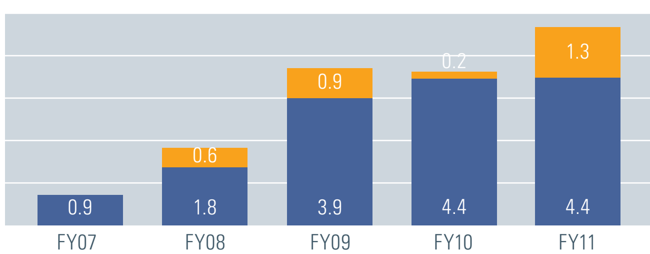
Campaign Growth Goals

By 2012, host 72 or more competitions per year, leading to $250 million of investment towards peer-reviewed, open-sourced, social-purpose projects throughout the world. Earned revenues are targeted to cover operating expenses by fiscal year 2011.

Philanthropic Equity Campaign

Start of Campaign: 2008
Total Raised to Date: $3 MM
Lead Investor: Rockefeller Foundation ($2.5 MM)

Due to the early stage of the organization's development and because funders had already been identified, a prospectus was not used. Through FY11, Changemakers has consumed all $3 MM of its philanthropic equity.



■ Business Model Revenue
■ Philanthropic Equity Consumed

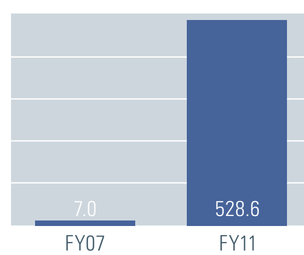
($MM)
49% compound annual growth rate of business model revenue (FY07-11)

Revenue results are presented as though Changemakers operated separately from Ashoka, its parent organization.

Progress to Date

Prospectus Metric	Baseline: FY07	Current: FY11
Innovation Funds Seeded[9]	$7 MM	**$529 MM**
Competitions Hosted	9	**6**
Visitors to Changemakers.com	0.5 MM	**1.5 MM**
Sustainability Metric	90%	**77%**

Innovation Funds Seeded



($MM)

195% compound annual growth rate (FY07-11)

Changemakers' fiscal year ends August 31st.
Changemakers currently employs a measure of sustainability that equals operating revenue divided by total expenses.

Reflections and NFF's Role

Changemakers has put to work the entirety of its $3 MM in philanthropic equity to invest in its web platform and to launch Changeshops to facilitate access by innovators to resources, visibility and knowledge. NFF Role: Due diligence, investment memorandum, SEGUE accounting treatment, reporting methodology, annual reviews.

Social Return

In 2011 Changemakers saw more than a twenty-fold increase in innovation funds seeded, thanks to substantial collaboration with the G20. Changemakers is currently reconfiguring its team to build internal capacity for web development, product design and evaluation.

DonorsChoose.org

Teachers ask. You choose. Students learn.

About

Founded: 2000
Headquarters: New York, NY
Domain: K-12 Education / Philanthropy

Mission

Ensure that students in high-need public school classrooms around the country have access to the project materials they need to learn.

Model

DonorsChoose.org's online marketplace allows citizen philanthropists to find and fund classroom projects posted by public school teachers around the country. Project sponsors receive direct feedback and "thank-you" packages from sponsored classrooms. The business model is sustained by an optional percentage-of-donation fee.

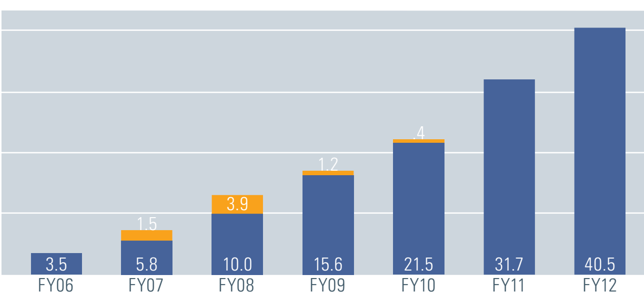
Campaign Growth Goals

By 2012, enable citizen philanthropists to deliver $32 million of project resources per year to 69,000 teachers in primarily low-income classrooms. Once $40 million of annual donation volume is achieved, a 15% optional project fee will cover 100% of operating expenses.

Philanthropic Equity Campaign

Start of Campaign: 2007
Total Raised to Date: $14 MM
Lead Investor: Omidyar Network ($6 MM)

The campaign was completed in two years using a prospectus and shared reporting format to align funders. DonorsChoose.org rigorously tracks the use of philanthropic equity in its audited financial statements. Thus far, DonorsChoose.org has consumed $7.1 MM of its philanthropic equity.



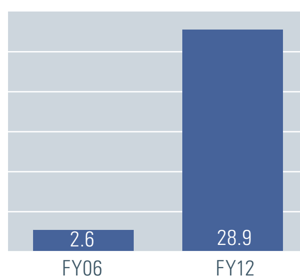
■ Business Model Revenue
■ Philanthropic Equity Consumed

($MM)
50% compound annual growth rate of business model revenue (FY06-12)

Progress to Date

Prospectus Metric	Baseline: FY06	Current: FY12
Student Resources Delivered	$2.6 MM	**$28.9 MM**
% of Schools Served that are High-Need	N/A	**85%**
Projects Funded	N/A	**76,000**
Sustainability Metric	15%	**111%**

Student Resources Delivered



($MM)
49% compound annual growth rate (FY06-12)

DonorsChoose.org's fiscal year ends June 30th.
DonorsChoose.org's sustainability metric equals contributions for operating expenses divided by total expenses minus classroom project materials expense.

Reflections and NFF's Role

DonorsChoose.org has achieved full sustainability using only half of the philanthropic equity raised during the campaign period. Pre-raising philanthropic equity has allowed DonorsChoose.org to focus exclusively on building its fee-supported business model. No ongoing effort is spent on fundraising. NFF Role: vetted the Expansion Plan and advised on the structure of deal terms.

Social Return

Coming to the end of the growth plan timeline, DonorsChoose.org has delivered $90 million of student resources over its 2006 baseline of $2.6 million. DonorsChoose.org continues to broaden its growth goals and aims to have one million supporters donate $100 million to 100% of the high need schools in the United States all in one year.

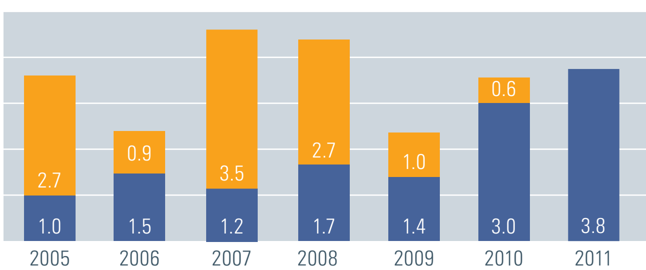
globalgiving

About	Mission	Model	Campaign Growth Goals
Founded: 2002 Headquarters: Washington, DC Domain: Citizen Philanthropy	To catalyze a global market for ideas, information, and money that democratizes aid and philanthropy.	Social entrepreneurs post their vetted projects on GlobalGiving.org, giving donors an intimate look at the projects' unique needs and work. Donors and corporate partners research causes by topic or location, and donate to projects that match their interests. GlobalGiving is sustained by percentage-of-donation fulfillment fees and fee-for-service consulting revenue.	By 2012, enable philanthropists to deliver $100 million of support to social entrepreneurs who have community- and world-changing ideas. Fulfillment fees and other fee-for-service revenue will cover 100% of operating expenses by 2013.

Philanthropic Equity Campaign

Prospectus date: 2006
Total Raised to Date: $9.3 MM
Lead Investors: Omidyar Network ($4 MM)

GlobalGiving used a prospectus to align funders but did not employ an all-at-once campaign format and never implemented formal SEGUE accounting. GlobalGiving has consumed $8.7 MM of philanthropic equity since 2006. GlobalGiving raises philanthropic equity in the form of operating support grants, which are usually consumed in the same year as received. In FY11, GobalGiving raised $.5 MM in operating support grants.



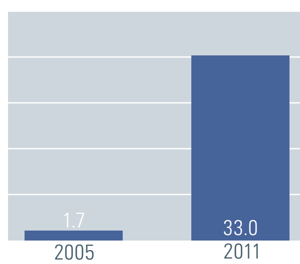
■ Business Model Revenue
■ Philanthropic Equity Consumed

($MM)
25% compound annual growth rate of business model revenue (2005-11)

Progress to Date

Prospectus Metric	Baseline: FY05	Current: FY11
Project Distributions	$1.7 MM	**$33 MM**
Individual Donors	2,437	**102,816**
Projects	497	**2,773**
Sustainability Metric	37%	**100%**

Project Distributions



($MM)
64% compound annual growth rate (2005-11)

GlobalGiving's fiscal year ends December 31st.
GlobalGiving's sustainability metric equals net revenue (after project distributions) divided by total expenses.

Reflections and NFF's Role

GlobalGiving's consumption of $8.7 million in philanthropic equity has helped the organization achieve its original campaign growth goal of 100% sustainability. NFF Role (2005 - 2008): Strategic and financial due diligence, prospectus creation, advice on corporate structure and deal terms.

Social Return

Since 2005, GlobalGiving has grown its donor base by over 100,000 donors and distributed $77.6 million to vetted projects. This success has allowed GlobalGiving to look ahead toward 2017, when the organization aims to distribute $50 million to 5,000 projects from 250,000 individual donors.

*Formerly known as Project Health

About

Founded: 1996
Headquarters: Boston, MA
Domain: Health Care

Mission

To catalyze the healthcare system by connecting patients with the basic resources they need to be healthy, and in doing so, build leaders with the conviction and ability to champion quality care for all patients.

Model

Health Leads enables doctors to "prescribe" food, housing, or other resources. Patients take these prescriptions to Health Leads Desks in clinic waiting rooms, where Advocates (college student volunteers) "fill" them by assisting clients in connecting with resources. The organization is sustained by a combination of payments from healthcare partners and ongoing philanthropy.

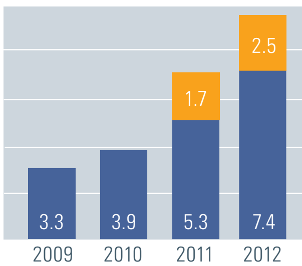
Campaign Growth Goals

By 2014, create over 24,000 successful resource connections through 26 Health Leads Desks in 8 cities. While Health Leads' campaign will focus on proof of concept and refining its program model, it also includes a goal of increasing earned income to cover 20% of total expenses.

Philanthropic Equity Campaign

Start of Campaign: 2010
Total Raised to Date: $11.1 MM

Health Leads used a prospectus and shared reporting format to align funders and demonstrate the value of their services. Thus far, Health Leads has consumed $4.1 MM of its philanthropic equity.



($MM)
31% compound annual growth rate of business model revenue (2009-12)

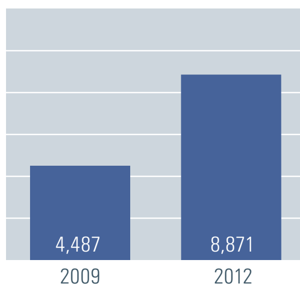
Business Model Revenue (Net Earned and Financial Revenue)
Philanthropic Equity Consumed

**Health Leads' FY11 business model revenue and sustainability metric was misstated in the 2011 Performance Report*

Progress to Date

Prospectus Metric	Baseline: FY09	Current: FY12
Clients Served	4,487	**8,871**
Volunteers	591	**927**
Health Leads Desks	18	**21**
Sustainability Metric	105%	**77%**

Clients Served



26% compound annual growth rate (2009-12)

Health Leads' fiscal year ends August 31st.
Health Leads' sustainability metric equals the sum of revenue from clinics paying for services, local and national philanthropy, and in-kind contributions divided by total expenses.

Reflections and NFF's Role

Health Leads is halfway into a 4-year strategic plan, for which it raised the targeted growth capital. Groundwork for rapid expansion has included increasing families served, upgrading technology, developing sustainable revenue, and evaluating the economic value of services. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

Health Leads is investing $11 million of growth capital in building out infrastructure and attracting the talent necessary to position itself for expansion. Growth capital also enabled Health Leads to stay on track with all of its strategic goals. In 2012, Health Leads deliberately restricted growth and closed two underperforming desks in order to focus on building capacity.

SHARED INTEREST

INVESTING IN SOUTH AFRICA'S FUTURE

About

Founded: 1994
Headquarters: New York, NY
Domain: International Development / Economic Opportunity

Mission

To mobilize the resources for Southern Africa's economically disadvantaged communities to sustain themselves and build equitable nations.

Model

Shared Interest enhances South and Southern African banks' abilities to meet the pent-up demand for credit in their country's majority market through loan guarantees, training & technical assistance, and engagement with banks. The organization is sustained by loan guarantee fees.

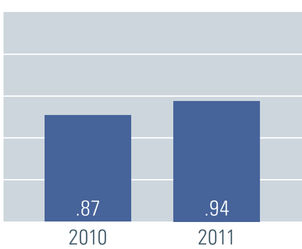
Campaign Growth Goals

By 2016, Shared Interest plans to grow guarantees outstanding five-fold to $24 million, to nearly triple the debt capital base by increasing total outstanding notes to $34 million, and to benefit an additional 500,000 low-income black South Africans.

Philanthropic Equity Campaign

Start of Campaign: 2011
Total Raised to Date: $1.3 MM

The campaign is ongoing and uses a prospectus to engage potential investors in terms of outcomes, metrics and strategies. Thus far, Shared Interest has not consumed any of its philanthropic equity.



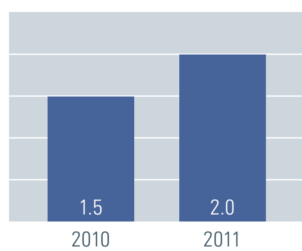
($MM)
8% compound annual growth rate of business model revenue (2010-11)

■ Business Model Revenue (Net Earned and Financial Revenue)
■ Philanthropic Equity Consumed

Progress to Date

Prospectus Metric	Baseline: FY10	Current: FY11
Total Guarantees Outstanding	$1,500,000	**$2,000,000**
Cumulative First-time Beneficiaries	1,990,000	**2,080,000**
Sustainability Metric	106%	**116%**

Total Guarantees Oustanding ($MM)



32% compound annual growth rate (2010-11)

Shared Interest's Fiscal Year ends December 31st.
Shared Interest's sustainability metric equals sustainable revenue divided by expenses.

Reflections and NFF's Role

Shared Interest's growth capital campaign is ongoing. Due to strong performance, Shared Interest has expanded on its initial growth goal of raising $24 million in loan capital, now aiming to raise $27 million in loan capital by 2016. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

Without yet tapping into $1.3 million of philanthropic equity, Shared Interest has guaranteed an additional $.5 million in loans to low-income black South Africans over the organization's baseline. Shared Interest and its partner Thembani also began preparations to expand to Mozambique.

STAND™ for children LEADERSHIP CENTER

About

Founded: 1996
Headquarters: Portland, OR
Domain: Education Advocacy

Mission

Educate and empower parents, teachers and community members to demand excellent schools. Advocate for effective local, state and national education policies and investments. Ensure the policies and funding we advocate for reach classrooms and help students.

Model

By building local and statewide networks of grassroots support, Stand for Children focuses on helping children succeed in school, ensuring that public schools are adequately funded, and promoting education policy reforms. Stand for Children trains ordinary citizens to be leaders in addressing the issues that are most critical to children. Stand for Children's business model is sustained by local and national philanthropic support.

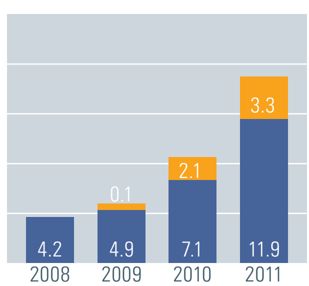
Campaign Growth Goals

By 2012, achieve nine statewide education reform victories, nine urban district education reform victories, and increase the number of affiliates with statewide legislative influence to seven. Cover 36% of expenses through earned revenue from state affiliates.

Philanthropic Equity Campaign

Start of Campaign: 2009
Total Raised to Date: $6.0 MM
Lead Investors: New Profit Inc., Reuben Munger and David Nierenberg

Stand for Children is using a prospectus and shared reporting format to align funders. Thus far, Stand for Children has consumed $5.6 MM of its philanthropic equity.



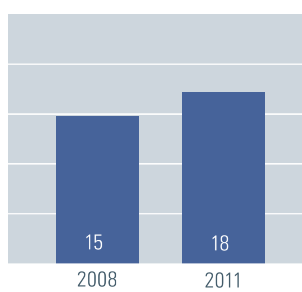
($MM)
41% compound annual growth rate of business model revenue (2008-11)

Business Model Revenue
Philanthropic Equity Consumed

Progress to Date

Prospectus Metric	Baseline: FY08	Current: FY11
Education Reform Victories	15	**18**
State Affiliates	4	**9**
Sustainability Metric	112%	**68%**

Education Reform Victories



6% compound annual growth rate (2008-11)

Stand for Children's fiscal year ends December 31st.
Stand for Children's sustainability metric equals to unrestricted revenue divided by total expenses.

Reflections and NFF's Role

As Stand for Children nears the end of its growth plan, it has utilized most of its philanthropic equity and has surpassed the campaign's original growth goals, achieving 18 education reform victories with nine state affiliates in 2011. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

Stand for Children's 18 education reform victories can be further broken down by scope. In the baseline year of 2008, Stand for Children won two statewide legislative victories, with the remaining 13 a combination of local and major urban victories. In 2011, the number of statewide victories increased five-fold to 10 legislative successes. The growth of statewide reform victories, in addition to continued results in local and major urban arenas, has resulted in a dramatic increase in the reach of the organization.

SUCCESS MEASURES®

About

Founded: 1997, adopted in 2004 as a social enterprise at Neighborworks America
Headquarters: Washington, D.C.
Domain: Participatory Outcome Evaluation

Mission

To provide the community development field with a practical, credible and accessible way to collect, analyze and use data for continuous evaluative learning, to tell stories of change, and to demonstrate results.

Model

Success Measures provides community development organizations and their funders with participatory outcome evaluation tools, consulting, training, and technical assistance services supported by a subscription to the Success Measures Data System (SMDS). The organization is sustained by fees for service and SMDS subscriptions.

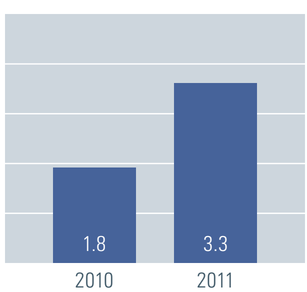
Campaign Growth Goals

By 2015, become a sustainable organization serving 360 organizations annually and providing effective evaluation support to more than 1,000 organizations nationwide.

Philanthropic Equity Campaign

Start of Campaign: 2011
Total Raised to Date: $250 K

Success Measures is in the early stages of its campaign period with several prospects in the pipeline for FY12- FY13. Success Measures uses its growth plan and prospectus to align the organization internally and with potential funders.



($MM)
81% compound annual growth rate of business model revenue (2010-11)

■ Business Model Revenue (Net Earned and Financial Revenue)
■ Philanthropic Equity Consumed

Progress to Date

Prospectus Metric	Baseline: FY10	Current: FY11
Organizations Served	167	**236**
Practitioners Trained	243	**472**
SMDS First-time Renewal Rate	86%	**89%**
Sustainability Metric	103%	**103%**

Organizations Served

41% compound annual growth rate (2010-11)

Success Measures' Fiscal Year ends September 30th.
Success Measures' sustainability metric equals sustainable revenue divided by expenses.

Reflections and NFF's Role

Success Measures' growth capital campaign, while still in its initial donor stage, has significantly increased Success Measures' profile and better positioned them within a wider network of social impact investors. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment.

Social Return

Without yet drawing on growth capital, Success Measures has served 41% more organizations since its 2011 baseline of 167 and anticipates further growth in 2013. Success Measures is committed to increasing efficiency and capacity within the organization and has invested significantly in technology platforms and research and development.

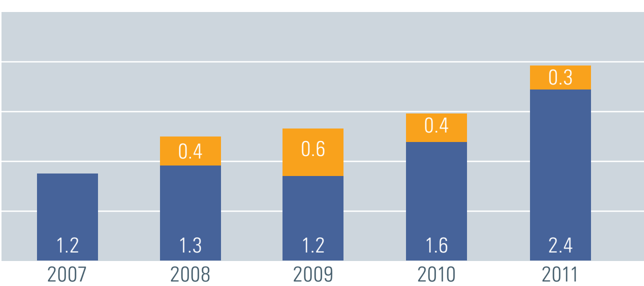
VisionSpring

About	Mission	Model	Campaign Growth Goals
Founded: 2001 Headquarters: New York, NY Domain: Economic Development	Ensure that everyone in the developing world has access to eyeglasses.	VisionSpring has established proprietary distribution channels in India and El Salvador to provide the BoP consumer with access to high-quality, affordable eye care services and glasses. The Global Partnership program enables VisionSpring to leverage existing networks, broadening the scope of the work while adding value to other organizations.	During the five-year period ending 2012, facilitate 689,000 pairs of reading glasses sold, while enhancing livelihoods for 5,200 local entrepreneurs and increasing annual earned revenue almost five-fold.

Philanthropic Equity Campaign

Start of Campaign: 2008
Total Raised to Date: $2.6 MM
Lead Investors: Skoll Foundation ($0.8 MM), Mulago Foundation ($0.5 MM)

The campaign is ongoing and uses a prospectus and shared reporting format to align funders. VisionSpring rigorously tracks the use of philanthropic equity in its audited financial statements. Through the end of 2011, VisionSpring had consumed $1.8 MM of its philanthropic equity.



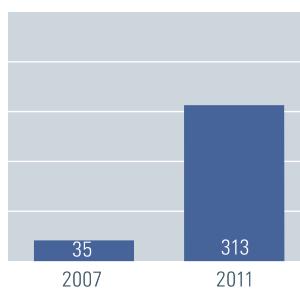
- Business Model Revenue (Net Earned and Financial Revenue)
- Philanthropic Equity Consumed

($MM)
19% compound annual growth rate of business model revenue (2007-11)

Progress to Date

Prospectus Metric	Baseline: FY07	Current: FY11
Reading Glasses Sold	35,000	**312,747**
Fully-loaded Cost Per Pair	$16.90	**$7.91**
Vision Entrepreneurs	686	**10,826**
Sustainability Metric	9%	**40%**

Reading Glasses Sold (K)



73% compound annual growth rate (2007-11)

VisionSpring's Fiscal Year ends December 31st.
VisionSpring's sustainability metric equals earned revenue divided by total expenses.

Reflections and NFF's Role

In 2011, VisionSpring surpassed its initial campaign goals of achieving its hybrid fee-for-service/philanthropic business model for sustainability. Strategic partnerships with other organizations and businesses with robust local networks have helped VisionSpring scale its impact. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

As VisionSpring's growth plan period nears the end, the organization has used $1.8 million in philanthropic equity to expand operations, selling nine times more reading glasses in 2011 than the 2007 baseline. Furthermore, VisionSpring has continued to drive down the cost per pair of eyeglasses, cutting the cost by over 53% since 2007.

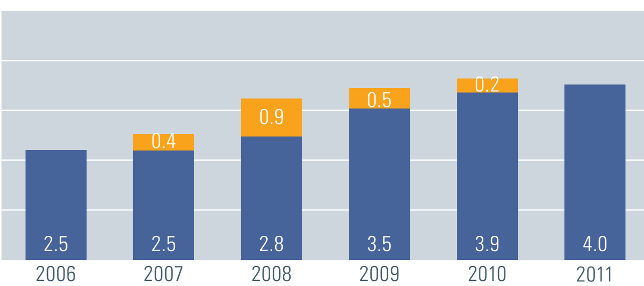
VolunteerMatch.org
Where volunteering begins.

About	Mission	Model	Campaign Growth Goals
Founded: 1994 Headquarters: San Francisco, CA Domain: Volunteerism / Civic Engagement	Strengthen communities by making it easier for good people and good causes to connect.	VolunteerMatch offers a variety of online services to support a community of nonprofit, volunteer and business leaders committed to civic engagement.	By 2012, expand services to support over 90,000 diverse social purpose agencies and three million members nationwide. Deliver annual social value in excess of $700 million, thereby doubling the organization's social impact. Increase reliable operating revenue to achieve sustainability.

Philanthropic Equity Campaign

Start of Campaign: 2007
Total Raised to Date: $4.2 MM
Lead Investors: Atlantic Philanthropies ($2.5 MM), Surdna Foundation ($0.5 MM)

VolunteerMatch used a prospectus and shared reporting format to align funders. VolunteerMatch rigorously tracks the use of philanthropic equity in its audited financial statements using the SEGUE accounting methodology. Thus far, VolunteerMatch has consumed $2 MM of its philanthropic equity.



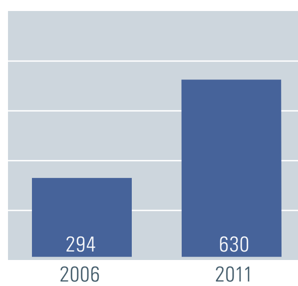
Business Model Revenue
Philanthropic Equity Consumed

($MM)
9% compound annual growth rate of business model revenue (2006-11)

Progress to Date

Prospectus Metric	Baseline: FY06	Current: FY11
Value of Volunteer Hours	$294 MM	**$630 MM**
Member Agencies	45 ,000	**80,000**
Sustainability Metric	58%	**101%**

Value of Volunteer Hours (MM)[10]



17% compound annual growth rate (2006-11)

VolunteerMatch's fiscal year ends December 31st.
VolunteerMatch sustainability metric equals ordinary revenue divided by ordinary expenses.

Reflections and NFF's Role

VolunteerMatch has achieved sustainability through its hybrid fee-for-service/philanthropic business model. In 2011 VolunteerMatch achieved 101% sustainability with $2.2 million left of philanthropic equity, much of which is being invested in 2013 to enhance program delivery. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

With the campaign timeline coming to a close, VolunteerMatch's use of $2 million of philanthropic equity has helped the organization direct volunteer activity with an estimated social value of $630 million in 2010—$336 million more than the 2006 baseline. Growth capital enabled VolunteerMatch to double its annual social impact in less than five years. VolunteerMatch now looks ahead towards scaling globally.

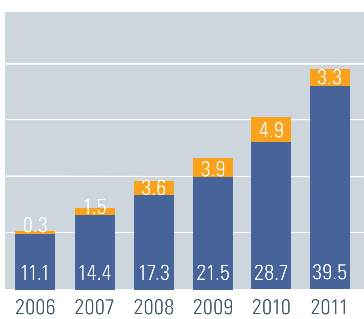
year up

About	Mission	Model	Campaign Growth Goals
Founded: 2000 Headquarters: Boston, MA Domain: Workforce Development	Close the Opportunity Divide by providing urban young adults with the skills, experience, and support that will empower them to reach their potential through professional careers and higher education.	Year Up is a one-year, intensive training program that provides urban young adults with six months of technical and professional skills and college credits, and six months of a corporate internship. Operations are supported by a combination of corporate internship revenues and local and national philanthropy.	By 2011, serve 1,602 young adults, maintaining an 85% placement rate of program graduates into $30,000 per-year jobs that stick. National operating expenses will be covered by a $350 thousand contribution from each site and $1.5 million of national philanthropy.

Philanthropic Equity Campaign

Start of Campaign: 2007
Total Raised to Date: $19.3 MM
Lead Investors: Jenesis Group ($6 MM), Strategic Grant Partners ($1.4 MM), New Profit Inc. ($1 MM)

The campaign was completed in nine months using a prospectus and shared reporting format to align funders. Year Up rigorously tracks the use of philanthropic equity internally and in its audited financial statements using the SEGUE accounting methodology. Year Up has consumed $17.5 MM philanthropic equity.[11]



($MM)

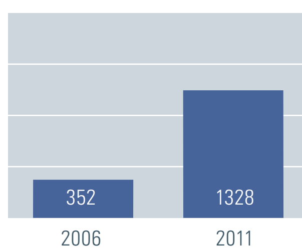
29% compound annual growth rate of business model revenue (2006-11)

- Business Model Revenue (Net Earned and Financial Revenue)
- Philanthropic Equity Consumed

Progress to Date

Prospectus Metric	Baseline: FY06	Current: FY11
Students Served	352	**1,328**
$ Spent per Student	$22,078	**$26,547**
Sustainability Metric	78%	**90%**

Students Served



30% compound annual growth rate (2006-11)

Year Up's fiscal year ends December 31st.
Year Up's sustainability metric equals the sum of internship revenues and local public support divided by total expenses.

Reflections and NFF's Role

In the final year of its growth plan, Year Up has made significant progress in achieving sustainability and is in the process of raising a second round of equity-financing for further expansion. SEGUE accounting and growth capital has allowed the organization to be more disciplined in building sustainable revenue "machines" and has helped to clearly differentiate between extraordinary funds and on-going, sustainable funding. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

Year Up's $19.3 million of philanthropic equity has enabled the organization to increase annual students served to 1,328. Cumulatively, Year Up has served 2,542 students above their 2006 baseline. Furthermore, in 2011, Year Up began a new pilot program called Professional Training Corps, which brings the Year Up model to Community Colleges. As Year Up looks ahead, the organization aims to grow to a $76 million operating budget, enabling additional expansion.

YES Prep Public Schools

About

Founded: 1995
Headquarters: Houston, TX
Domain: Education

Mission

Dramatically increase the number of low-income Houstonians who graduate from four-year colleges prepared to compete in the global marketplace and give back to their communities.

Model

YES Prep Public Schools is a charter management organization (CMO) that operates 6th-12th grade, open-enrollment charter schools in the Houston area. The model is sustained by a combination of federal and state education funds, student activity fees, community support, and philanthropic fundraising.

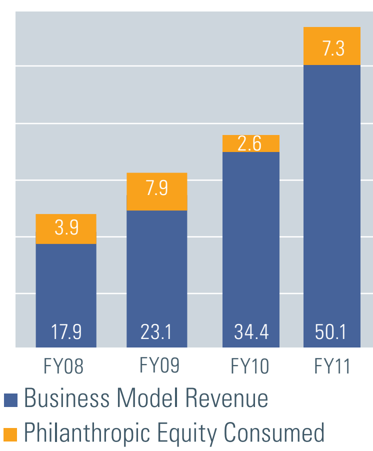
Campaign Growth Goals

Expand low-income student enrollment at YES Prep charter schools from 2,600 to 10,000 by 2020, while growing to 13 schools in operation and maintaining high levels of student achievement and college readiness.

Philanthropic Equity Campaign

Start of Campaign: 2009
Total Raised to Date: $25.1 MM
Lead Investors: Arnold Family Foundation ($10 MM), Charter School Growth Fund ($8 MM), Michael & Susan Dell Foundation ($4 MM)

YES Prep is using a prospectus and shared reporting format to align funders. Thus far, YES Prep has consumed $21.7 MM of its philanthropic equity.



($MM)

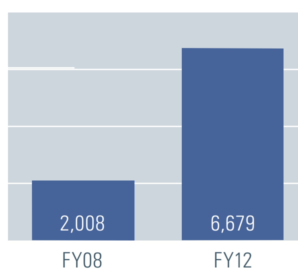
41% compound annual growth rate of business model revenue (FY08-11)

Progress to Date

Prospectus Metric	Baseline: FY08	Current: 2012
Students Enrolled	2,008	**6,679**
Schools in Operation	5	**11**
Graduates Admitted to College	100%	**100%**
Sustainability Metric*	88%	**88%**

**Sustainability Metric reflects FY11 financials. Impact metrics are reported through 2012.*

Students Enrolled



35% compound annual growth rate (FY08-12)

YES Prep's fiscal year ends August 31st.
YES Prep's sustainability metric equals the proportion of total expenses covered by public revenue.

Reflections and NFF's Role

Reaching the middle of its growth plan timeline, YES Prep is ahead of schedule to achieve its student enrollment and school growth goals while maintaining high student achievement levels. YES Prep anticipates reaching its growth goals by 2018, partially due to an increase in partnerships with traditional school districts; such partnerships defray facility costs. NFF Role: Due diligence, prospectus creation, SEGUE accounting treatment, annual reviews.

Social Return

The use of $21.7 million in philanthropic equity has allowed YES Prep to double the number of schools in operation and increase its student enrollment over 230% since its baseline year, while maintaining a 100% college admission rate.

Notes

1. The Sustainable Enhancement Grant (SEGUE) accounting methodology is a set of grant stipulations and accounting techniques that clearly delineate the flows of business model revenue and philanthropic equity in an organization's audited financial statements. These techniques allow providers of philanthropic equity and other stakeholders to track the amount of capital that is deployed for the purposes of building the organization versus revenue attracted to fund program execution.

2. Program Delivery Growth is the evolution of a key impact metric. Example: Among the six organizations for which multi-year data were available in 2008, the straight average of Growth Multiples was 2.9x.

3. The current values referenced for all organizations are from fiscal year 2011.

4 For each client, "Growth Multiple" was calculated separately as the ratio of the "Current" level of program delivery to the "Baseline" level of program delivery. "Average Growth Multiple" was then calculated as a straight average of Growth Multiples across the clients for which multi-year data were available in that year.

5. For each client, "Compound Annual Growth Rate (CAGR)" was calculated separately as the compound annual growth rate in service delivery during the period spanning between the Baseline year and Current year. "Average CAGR" was then calculated as a straight average of CAGRs across the clients for which multi-year data were available in that year.

6. Business Model Revenues are repeatable, reliable revenues that sustain an organization over time. Example: Among the six organizations for which multi-year data were available in 2008, the straight average of Growth Multiples was 1.7x.

7. Business Model Revenue excludes Philanthropic Equity. For some clients, it further excludes extraordinary revenues that were raised using methods that differ from the revenue generation methods intended to ultimately sustain the organization.

8. For example, if an organization has a $5 million budget and receives $3 million in fees and $1 million in annual fund contributions, it would be 80% sustainable.

9. Ashoka Changemakers' Prospectus Metric includes Direct and Indirect Innovation Funds Seeded. The metric was mislabeled in previous versions of this report.

10. In 2010, VolunteerMatch began using Value of Volunteer Hours as a core metric, instead of Volunteer Referrals. While they continue to track both, VolunteerMatch believed that Value of Volunteer Hours captured its impact more accurately, as the former tracked non-yielding transactions while the latter focuses on the number of people served. The number of Volunteer Referrals in 2010 was 616 million.

11. Year Up's consumption of Philanthropic Equity and corresponding Business Model Revenue were misstated in previous versions of this report.

About

As one of the nation's leading community development financial institutions (CDFI), Nonprofit Finance Fund (NFF) makes millions of dollars in loans to nonprofits and pushes for fundamental improvement in how money is given and used in the sector. Since 1980, we've worked to connect money to mission effectively so that nonprofits can keep doing what they do so well.

We provide a continuum of financing, consulting, and advocacy services to nonprofits and funders nationwide. Our services are designed to help great organizations stay in balance, so that they're able to successfully adapt to changing financial circumstances—in both good and bad economic times—and grow and innovate when they're ready. In addition to loans and lines of credit for a variety of purposes, we organize financial training workshops, perform business analyses, and customize our services to meet the financial needs of each client. For funders, we provide support with structuring of philanthropic equity and program-related investments, manage capital for guided investment in programs, and provide advice and research to help maximize the impact of grants.

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