RSF
Social Investment Fund

RSF SOCIAL INVESTMENT FUND, INC.

Prospectus

June 30, 2011

RSF SOCIAL INVESTMENT FUND, INC.
1002 O'Reilly Avenue
San Francisco, CA 94129

cover photo: Oakland School for the Arts (OSA) student performance
Photo courtesy of OSA

RSF Social Investment Fund, Inc. (the "Fund") is an innovative non-profit and tax-exempt social finance organization that uses invested funds to make loans to mission-aligned enterprises that create deep social impact. Loans are evaluated on credit-worthiness, values-driven employee and customer practices, benefit to place, and environmental regeneration. Enterprises work with a focus on the following sectors:

- Food & Agriculture;
- Education & the Arts; and
- Ecological Stewardship.

The Fund is a controlled affiliate of Rudolf Steiner Foundation, Inc., ("RSF") which does business as "RSF Social Finance" and has operated a lending program for more than 25 years (see "History and Operations," beginning on page 8).

The Fund is offering Investment Notes (the "Notes") on the terms described in "Description of the Notes," beginning on page 9. Each Note is unsecured and has a three-month renewable term and a minimum investment of $1,000.

The Fund pays interest to investors at an annual rate during each three-month term. The interest rate on the Notes is adjusted quarterly as of the first day of each calendar quarter and is based on the input of the Fund's stakeholders as well as market rates and macroeconomic conditions (see "Description of the Notes" beginning on page 9). In the past twelve months, the interest rate has been 1.00%.

The Fund may issue its Notes in certain states in the United States and certain foreign countries during the period from July 1, 2011, to June 30, 2012 up to a total aggregate amount of $50,000,000. The offering will be ongoing during this one-year period and may be extended thereafter. This Prospectus will be updated any time there is a material event of which investor should be aware for the purposes of making an investment decision.

Purchase of a Note is not a donation to the Fund and is not tax-deductible. Interest paid on a Note is taxable. Please consult your tax advisor for information specific to your circumstances (see "Tax Aspects," beginning on page 13).

Investment in the Notes is subject to certain risks, and you should not invest in the Notes if you cannot afford to lose the principal amount or if you need liquidity (see "Investment Risk Factors," beginning on page 6).

The Fund will not pay any direct or indirect underwriting, sales, fees, or commissions. Therefore, with the exception of operational expenses, all of the proceeds of this offering will be available to support the Fund's mission. The Fund's estimated total operational expenses from July 1, 2011, through June 30, 2012 (excluding interest on the Notes) are $1,200,000.

It is anticipated that investors in the Notes will be persons and organizations who wish to align their investments with their values of environmental sustainability and social responsibility.

To invest in the Fund, please complete the attached Investment Application or contact:

RSF Social Investment Fund, Inc.
1002 O'Reilly Avenue
San Francisco, California 94129-1101
www.rsfsocialfinance.org
Email: info@rsfsocialfinance.org
Phone: 415.561.3900

This Prospectus contains forward-looking statements that involve risks and uncertainties. We use words such as "anticipates," "believes," "plans," "expects," "future," "intends," and similar expressions to identify such forward-looking statements. You should not place undue reliance on these forward-looking statements. The Fund's actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including but not limited to the risks described under the heading "Investment Risk Factors" and elsewhere in this Prospectus.

Neither the Securities and Exchange Commission nor any state securities regulator has approved, disapproved or endorsed these securities, nor determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The Notes will not be sold in, and Investment Applications will not be honored from residents of, the following states: Arkansas, Georgia, Iowa, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Pennsylvania, South Carolina and Washington.

This Prospectus is dated June 30, 2011.

Investors are encouraged to consider the concept of investment diversification when determining the amount of Notes that would be appropriate for them in relation to their overall investment portfolio and personal financial needs.

No one has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus. You should not rely on any information or representation that is inconsistent with this Prospectus.

You should not rely on this Prospectus for investment, legal, accounting, or tax advice. You should consult your own professional advisors before investing in the Notes.

The United States Securities and Exchange Commission (SEC) has not reviewed this Prospectus, and the offer and sale of these Notes has not been registered with the SEC, in reliance upon the exemption from registration for charitable organizations contained in Section 3(a)(4) of the federal Securities Act of 1933.

The Notes have not been registered with the securities departments of those states which have laws exempting from registration securities of certain religious, charitable and educational organizations. Additionally, no securities department of any state has passed upon the merits of the securities hereby offered or recommended or given approval to the securities or the accuracy of this Prospectus.

The Notes are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation (FDIC), any state bank insurance fund or any other governmental agency. The payment of principal and interest to an investor in the Notes is dependent upon the Fund's financial condition. Any prospective investor is entitled to review the Fund's financial statements, which will be furnished at any time during business hours upon request. The Notes are obligations of the Fund and are not obligations of, nor guaranteed by, the Rudolf Steiner Foundation or any affiliate of the Rudolf Steiner Foundation.

STATE-SPECIFIC INFORMATION

The following states require these additional disclosures:

ALABAMA RESIDENTS. These securities have not been registered with the State of Alabama. The securities will be sold pursuant to the exemption in Section 8-6-10(8) of the Alabama Securities Act.

ARIZONA RESIDENTS. The offering herein is made only by this Prospectus.

CALIFORNIA RESIDENTS. The offering of securities described herein is authorized by a permit granted by the Commissioner of Corporations of the State of California. The Commissioner does not recommend or endorse the purchase of these securities nor has the Commissioner passed upon the adequacy or accuracy of the information contained in this Prospectus.

The total amount to be sold in all categories between July 1, 2011 and June 30, 2012 will not exceed $50,000,000 and in California will not exceed $20,000,000. The amount which may be sold in certain categories of Notes nationwide is limited to the amount expected to be sold in each category.

FLORIDA RESIDENTS. These securities have not been registered with the State of Florida. The securities will be sold pursuant to the exemption in Section 517.015(9), F.S. The Fund expects to be registered as an issuer-dealer in the State of Florida, and only those persons that are registered with the division of securities and finance may discuss, offer or sell these securities.

KENTUCKY RESIDENTS. These securities are issued pursuant to a claim of exemption from registration under Section KRS 292.400(9) of the Kentucky Securities Act.

MICHIGAN RESIDENTS. These securities have not been registered with the State of Michigan. The securities will be sold pursuant to the exemption in MCL 451.2201(g) of the Michigan Uniform Securities Act.

NEW HAMPSHIRE AND WISCONSIN RESIDENTS. In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

NEW YORK RESIDENTS. The attorney general of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

NORTH CAROLINA AND TENNESSEE RESIDENTS. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risk of this investment for an indefinite period of time.

NORTH DAKOTA RESIDENTS. These securities have not been registered with the State of North Dakota. The securities will be sold pursuant to the exemption in Section 10-04-05(5) of the North Dakota Securities Act. The offering herein is made only by this Prospectus.

OHIO RESIDENTS. These securities have not been approved or disapproved as an investment for any Ohio resident by the Ohio Division of Securities nor has the division passed upon the accuracy of the statement or accompanying offering materials.

OREGON RESIDENTS. These securities have been registered with the director of the department of consumer and business services, division of finance and corporate securities. However, this fact does not in any way constitute an endorsement or recommendation by the director, nor has the director passed upon the accuracy, adequacy or values claimed herein. Any representation to the contrary is a criminal offense.

PENNSYLVANIA RESIDENTS. These securities have not been approved or disapproved by the Pennsylvania Securities Commision, nor has the commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

Notice of Right to Withdraw. Any Investor who accepts an offer to purchase Notes shall have the right for a period of two (2) business days after such Investor receives a copy of this Prospectus to withdraw from his/her purchase agreement pursuant to Section 207(m) of the Pennsylvania Securities Act of 1972 and receive a full refund of all monies paid, without interest. Such withdrawal shall be without the Investor incurring any further liability to any person.

VIRGINIA RESIDENTS. The Virginia State Corporation Commission does not pass upon the adequacy or accuracy of this Prospectus or upon the merits of this offering and the Commission expresses no opinion as to the quality of this security. This investment contains exposure to interest rate swaps. Investments should be made only if the investor can manage exposure to these transactions. Investors should be aware of certain risks involved with this investment. Please review the prospectus and risk factors carefully. Investments should only be made if you can afford to lose your entire investment.

This Prospectus does not constitute an offer or solicitation to sell securities to anyone in any jurisdiction in which such an offer or solicitation is not authorized.

TABLE OF CONTENTS

THE FUND. RSF Social Investment Fund, Inc. (the "Fund") is a tax-exempt non-profit social finance organization whose principal business is making loans to support mission-aligned enterprises, with a focus on the following sectors:

- Food & Agriculture;
- Education & the Arts; and
- Ecological Stewardship.

THE OFFERING. The Notes offered through this Prospectus are debt obligations that mature at every calendar quarter end. Notes may be issued in any amount not less than $1,000. The interest rate on the Notes is adjusted quarterly and is based on market rates, macroeconomic conditions, and stakeholder input, as described more fully under the heading "Interest Rate Pricing," beginning on page 9. In the past twelve months, the interest rate has been 1.00%.

The Fund does not issue equity securities. There are no stock options outstanding or to be created in connection with this offering. The offering is made only on behalf of the Fund. There are no promoters working with the Fund.

RISK FACTORS. This investment involves significant risks (see "Investment Risk Factors," beginning on page 6). You should only invest in the Notes if you can afford to lose your investment. For example:
- There is no public market for the Notes, and it is not expected that a public market will develop.
- The Notes are subject to significant restrictions on transferability under the federal securities law and the securities laws of most states.
- As a holder of the Notes you will have no right to require the Fund to register the Notes under either federal law or the law of any state.
- These restrictions may require that investors retain the Notes until their maturity, even if it is economically undesirable to do so. Investors must not need liquidity in this investment and must have independent means of providing for their current and future needs and contingencies.

Financial Summary (Selected Information Extracted from Audited Financial Statements)

	RSF Social Investment Fund, Inc.		RSF Social Investment Fund, Inc. and Subsidiary		RSF Social Investment Fund, Inc.
	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Cash, cash equivalents, and readily marketable securities	$2,010,569	$1,669,652	$7,272,098	$8,189,377	$7,032,273
Collateral value underlying loans receivable and secured notes receivable from related party	160,728,524	177,800,358	187,996,402	130,000,000	51,000,000
Loans receivable, net loan loss allowance	41,419,969	45,793,239	53,681,836	43,407,896	17,790,640
Secured notes receivable due from related party	19,961,523	16,747,100	12,017,142	1,806,514	0
Loan delinquency %**	6.56%	12.05%	9.07%	0%	0%
Notes payable — investor funds	67,907,543,	58,643,557	58,626,322	55,707,517	21,348,815
Advances due to (from) related parties***	(9,167,523)	3,032,219	7,773,534	(7,823,609)	(4,289,486)
Short Term Debt	1,020,647	0	4,000,000	0	0
Long Term Debt	0	1,010,496	1,010,350	5,000,301	6,445,525
Amount redeemed to note holders (includes interest paid out, fund closures, and gifts from funds)	15,330,319	5,111,064	5,771,750	1,848,900	1,213,537
Total Assets	76,943,406	67,831,886	75,132,100	64,467,480	31,786,082
Total Liabilities	69,035,331	62,800,145	71,422,807	60,827,786	27,978,895
Unrestricted Net Assets (i.e. capital reserves)	7,908,075	5,031,741	3,709,293	3,639,694	3,807,187
Change in Net Assets	$2,876,334	$1,322,448	$69,599	($167,493)	$208,711

*The Fund did not issue Notes before 2006.

**The loan delinquency ratio is calculated by dividing the sum of outstanding loan balances of loans with payments 30 days or more past due by the sum of the total loan portfolio plus the collateral value related to the secured notes receivable due from related party outstanding balances.

***All of the Fund's unsecured loans are to and from Rudolf Steiner Foundation, Inc. and affiliates. See "Financing and Operational Activities" beginning on page 12.

INVESTMENT RISK FACTORS

Investing in the Notes involves significant risks. You should only invest in the Notes if you can afford to lose your entire investment and do not require liquidity. These risks include the following:

THE NOTES ARE UNSECURED. The Notes are general obligations of the Fund and are not secured by any collateral, nor are they guaranteed by RSF or any other entity. No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of the Notes. The Fund's ability to pay interest or repay principal depends solely on its financial condition.

ASSETS OF THE FUND COULD BE ENCUMBERED. Priority liens on the assets of the Fund given to other lenders could lead to the liquidation of assets in the event of a default, with insufficient assets remaining to operate or redeem the Notes. The Notes are subordinate in ranking and priority in relation to the Fund's existing and anticipated future indebtedness.

THE FUND'S ABILITY TO RAISE CAPITAL IS LIMITED. Traditional for-profit financial institutions sell stock and retain earnings to build capital. This capital is available to cover overhead and to provide liquidity and reserves against losses. As a non-profit organization, the Fund will not issue stock and does not have or expect to have substantial retained earnings. If capital reserves need to be increased, the Fund will raise funds primarily through gifts or guarantees from donors.

THE NOTES ARE UNRATED. The Notes have not been submitted to any rating agency to obtain an opinion or rating of the risk of timely collection of principal and interest.

THE NOTES ARE NOT INSURED. The Notes are not bank deposits and are not FDIC insured. Risks of investment in the Notes may be greater than implied by relatively low interest rates on the Notes.

THE NOTES ARE NOT TRANSFERABLE. There is no public market for the Notes, nor is a public market expected to develop. In addition, state and federal securities laws limit your ability to transfer the Notes to any other person. These factors may therefore require that you retain the Note until its maturity, even under circumstances where it is economically undesirable to do so. You should invest in the Notes only if you have independent means for providing for your current and future needs and contingencies.

THE FUND HAS LIMITED LIQUIDITY. The Fund expects to lend substantially all of the proceeds from the sale of the Notes to borrowing enterprises. The sources of repayment of the Notes will be loan payments from borrowing enterprises, marketable securities, lines of credit, and cash reserves. Substantial losses or delinquencies in the loan portfolio or losses in the Fund's marketable securities may impede the Fund's ability to pay principal and interest in a timely fashion or at all.

EARLY REDEMPTION. The Fund is not obligated to allow holders to redeem Notes prior to maturity, but it may choose to allow early redemption based on both market conditions and current liquidity.

THE FUND SHARES EMPLOYEES UNDER A CONTRACT WITH RSF. The Fund utilizes the staff of RSF, which has operated a lending program for many years. The Fund and RSF have signed service agreements under which RSF manages the Fund's operations using RSF's employees, and the Fund pays RSF for its services based on RSF's actual cost of providing the services, with no profit margin. The Fund's Board of Directors and its officers oversee the services performed by RSF's employees. (See "Management," beginning on page 14.)

CURRENT ECONOMIC CONDITIONS COULD ADVERSELY AFFECT THE FUND. For example, recessionary conditions could increase the likelihood of default by borrowers from the Fund. In addition, the tightening of the credit market could make it more difficult for the Fund to use a commercial line of credit to supplement its liquidity needs. These and other circumstances could make it more difficult for the Fund to meet its obligations under the Notes.

THE FUND'S MANAGEMENT IS CONTROLLED BY RSF. RSF has the right to appoint at least a majority of the Fund's Board of Directors. All of the Fund's directors are current or past members of RSF's Board of Trustees. All of the Fund's officers are currently officers of RSF. Therefore, conflicts of interest may arise from time to time, affecting the management and operation of the Fund.

THE FUND'S LOANS MAY HAVE HIGHER RISK PROFILES. The Fund's lending program is an essential component of its charitable mission, and its underwriting criteria will include mission-related factors that extend beyond a traditional lender's focus on credit risk. Accordingly, the Fund may from time to time make loans that would be considered high-risk by commercial for-profit lenders. Any or all of these borrowers could default, which could make it difficult or impossible for the Fund to meet its obligations under the Notes.

A LOSS OF TAX-EXEMPT STATUS OR CHANGES IN LAWS COULD MAKE IT DIFFICULT FOR THE FUND TO RAISE CAPITAL. Engaging in certain activities may cause the Fund to lose its tax-exempt status, thereby precluding its ability to raise donations or sell Notes. The Fund could also lose its tax-exempt status if it fails to maintain its separateness from for-profit affiliates. Changes in federal or state laws, rules or regulations regarding the sale of securities by charitable or non-profit organizations may make it more costly and difficult for the Fund to offer and sell Notes in the future. Such an occurrence could result in a decrease in the amount of Notes that the Fund sells, thus affecting the Fund's operations and ability to meet its obligations under the Notes.

THE FUND MAY BE SUBJECT TO INTEREST RATE SPREAD RISK. The Fund makes loans at a higher interest rate than it pays on borrowed funds. The "spread" between interest earned and interest paid is intended to cover the Fund's cost of doing business, including credit losses. The terms of loaned and borrowed money are not identical, and under certain circumstances, market and credit conditions may cause the spread to decline to the point where the Fund's annual expenses exceed its annual income, thus negatively affecting the Fund's ability to meet its obligations under the Notes.

THE FUND IS NOT OBLIGATED TO PROCEED WITH PLANNED OPERATIONS. At any time, the Fund could discontinue its operations and either undertake different activities or discontinue activities altogether. At this time, the Fund intends to proceed with the operations described in this Prospectus indefinitely but is under no legal obligation to do so.

RELATED PARTY TRANSACTIONS MIGHT NOT BE FAVORABLE TO THE FUND. From time to time there are a variety of transactions between the Fund and one or more of its affiliates. More information regarding the Fund's recent related party transactions is included under "Related Party Transactions," beginning on page 15. While the Fund has adopted conflict of interest procedures to safeguard the interests of the Fund and its investors, it is possible that a related party transaction might be more favorable to the affiliate than to the Fund.

NOTE HOLDERS HAVE NO CONTROL. All decisions with respect to the management of the Fund will be made exclusively by the Fund's Board of Directors or by officers to whom the board delegates authority. Investors have no right to take part in the management of the Fund or to vote on any matters affecting the Fund, including the election of Directors. Accordingly, you should not invest in the Fund unless you are willing to entrust all aspects of the management of the Fund to its Board of Directors.

THERE IS NO ASSURANCE THAT THE FUND WILL SELL NOTES. The Notes are offered and sold on a reasonable best efforts basis by the Fund. There is no assurance that the Fund will sell any fixed value or amount of its Notes.

EARNINGS FROM THE NOTES ARE TAXABLE TO YOU. All of the interest, if any, that you earn on the Notes will be taxable income to you, regardless of whether it is paid out to you or is retained and reinvested. Even though the Fund is a tax-exempt organization under Internal Revenue Code section 501(c)(3), your earnings from your investment in the Fund are not tax-exempt.

HISTORY AND OPERATIONS

INTRODUCTION. RSF Social Investment Fund, Inc. was established by the Rudolf Steiner Foundation, Inc. (doing business as "RSF" or "RSF Social Finance") to serve as a vehicle through which investors may support enterprises that are environmentally sustainable and socially beneficial while earning a financial return on their investments. This objective is sometimes phrased as a "triple bottom line," which refers to the economic, social and environmental return on an investment.

RUDOLF STEINER FOUNDATION, INC. ("RSF"). RSF is a tax-exempt not-for-profit corporation founded in 1936 by an act of the New York State Legislature for the purpose of supporting and conducting work aligned with the insights of Rudolf Steiner, an Austrian social philosopher who lived from 1861 to 1925.

In 1984, RSF began a program of making loans to mission-aligned enterprises. This program evolved into RSF's Community Investment Fund Program, in which individuals, businesses and other organizations made interest-bearing loans to RSF, and those funds were then loaned to mission-aligned enterprises.

RSF SOCIAL INVESTMENT FUND, INC. ("FUND"). The Fund was incorporated on July 14, 2000, reflecting a determination by RSF's Board of Trustees that a more sophisticated investing and lending program could be conducted in a separate supporting organization, rather than by RSF directly.

The Fund is a California non-profit public benefit corporation that is charged with supporting the charitable mission of RSF.

The Fund remained largely dormant from its incorporation through early 2006 while regulatory matters were addressed. Namely, the Fund was researching state securities laws regarding registration requirements for its non-profit Notes. During that period, the Fund did not issue any Notes and did not originate any loans. However, in addition to regulatory matters and in anticipation of the commencement of investing and lending activities, the Fund received a gift of $3,000,000; a loan of $4,000,000 and a guarantee of obligations in the amount of $5,000,000. See "Financing and Operational Activities," beginning on page 12.

In March of 2006, the Fund launched its initial offering of Notes on a limited basis in states where it was qualified to do so either by regulatory approval or by an exemption from the need for regulatory approval. The Fund has continued efforts to comply with securities laws of additional states and has expanded its offering of the Notes in additional states as the respective regulatory requirements have been satisfied. The Fund intends to continue these efforts in the foreseeable future with the intent to eventually offer the Notes in most, though not necessarily all, jurisdictions of the United States.

In 2007, the Fund was issued a lender's license by the California Department of Corporations and has since made loans to mission-aligned enterprises while RSF Social Finance has successfully operated a similar lending program for more than 25 years.

RSF SOCIAL ENTERPRISE, INC. ("SEI"). This taxable California Corporation was established in 2007 as a subsidiary of the Fund and obtained a lender's license in August 2008. SEI acquires and originates for-profit social enterprise loans. On January 1, 2009, as part of a restructuring of RSF operations, SEI was sold to RSF Capital Management, Inc, ("CMI")(see "Financing and Operational Activities" beginning on page 12 for details of this restructuring).

RSF CHARITABLE ASSET MANAGEMENT, LLC ("CAM"). The Fund is a minority member in CAM, with an 11.94% interest at December 31, 2010, represented by a portion of its capital reserves. The Fund does not invest available Note proceeds in CAM.

CAM is a professionally managed investment organization that invests in mission related opportunities solely on behalf of RSF and its nonprofit affiliates. RSF and affiliates invest charitable and reserve fund assets into CAM. RSF is the managing member of CAM and is responsible for making all decisions related to CAM.

THE OFFERING. The Fund anticipates that it will issue up to $50,000,000 of its Notes throughout the United States between July 1, 2011 and June 30, 2012 subject to this Prospectus and all updates and supplements. Additional Notes may be issued in subsequent years, as the offering may be extended.

The Notes provide general obligation financing for the Fund and are not specifically secured by particular loans to specific borrowing entities.

USE OF PROCEEDS

Proceeds from investments in the Notes will be used primarily to fund loans to support mission aligned non-profit organizations. On January 1, 2009, the Fund entered into a funding agreement with SEI to use Fund proceeds to support the funding of loans to for-profit mission aligned enterprises (See "Financing and Operational Activities" section beginning on Page 12 for more details).

Since loan transactions may take several months to process and cannot be timed with precision, a portion of the proceeds from investments in the Notes will be invested by the Fund on a short-term basis in cash and cash equivalents.

A portion of the proceeds may also be used to pay the Fund's operating expenses, which include marketing, management and general overhead. Many of these expenses will be incurred by RSF and reimbursed by the Fund at their actual cost to RSF without any profit margin, in accordance with a services agreement between RSF and the Fund.

DESCRIPTION OF THE NOTES

The following is a description of the Notes and their features:

INVESTMENT OPPORTUNITY. Investing in a Note is a way for socially conscious investors to support non-profit and for-profit enterprises working for the good of society. The Notes pay interest, calculated based on the "Interest Rate Pricing" paragraph below on page 9, and the principal is automatically rolled-over or, if client requests, repaid at maturity.

HOW TO INVEST. You may invest in the Fund by completing and signing an Investment Application and submitting it to the Fund with a check payable to "RSF Social Investment Fund." The minimum amount for which a Note will be issued is $1,000, although the Fund may waive this minimum amount in certain circumstances or for certain investors. The Notes are sold at face value (par) without discount.

INTEREST RATE PRICING. The Fund will set the interest rate for the Notes effective as of the first day of each calendar quarter without issuing a supplement to this Prospectus. Note holders will be notified of interest rate changes with their quarterly statement.

The interest rate will be determined each quarter by members of the Fund's Pricing Committee, which includes the Fund's CEO, CFO, Director of Lending, and Manager of Client Development. The interest rate will be informed by a meeting held quarterly between representatives of all three stakeholders—investors, borrowers, and RSF staff. The rate will also be informed by the Fund's requirements for financial sustainability as well as market rates and macroeconomic conditions.

Current interest rates may be obtained online at www.rsfsocialfinance.org or by calling 415.561.3900.

INTEREST CALCULATION AND PAYMENT. Interest on each Note is calculated and compounded monthly by multiplying the current interest rate for Notes by the average daily outstanding balance on the Note during the month, multiplied by the actual days in the month divided by the actual days in the calendar year. For Notes issued after the first day of the month, the average daily outstanding balance on the Note will be calculated using a zero dollar balance for each day of the month prior to the day the Note was issued.

For illustrative purposes only, the following is a sample interest rate calculation based on a 1% interest rate for Notes, an average daily outstanding balance of $200,000 during the month of June, 30 actual days in the month of June, and 365 days in the calendar year:

1% x $200,000 = $2,000 x (30/365) = $164.38.

In this example, interest earnings of $164.38 would be posted to the investor account.

Interest accrued on the Notes will be automatically reinvested, unless an investor elects otherwise. Investors may elect to (i) receive quarterly interest payments by check, (ii) donate accrued interest to RSF as a gift, or (iii) waive all or a portion of their interest payments by voluntarily lowering the interest rate on their Note(s). If accrued interest is reinvested, the principal amount of the Note will increase by the amount of interest earned, which will earn interest at the same rate as the original principal. Interest donated to RSF as a gift is a charitable contribution, and may be tax-deductible. If an interest payment check is not cashed within six months of issuance, the Fund will cancel the check and reinvest the interest payment for the investor's account.

TERM OF THE NOTES. Each Note has a nominal term of three months. However, the actual term of your initial investment may be less because Notes mature at each calendar quarter end. For example, if we receive your investment on March 1, the initial term of your Note will be one month, until the next calendar quarter end at March 31.

RENEWAL. At maturity, each Note will automatically renew for an additional three-month term unless we receive your request for repayment not later than 30 days after the maturity date or, if later, 15 days after we send you notice of the new quarter's interest rate. On renewal, the principal amount of your Note will include any interest from the previous quarter that you have elected to reinvest.

REDEMPTION. In the event we receive your written redemption request before or within 30 days after a maturity date (or, if later, within 15 days after we send you notice of the next quarter's interest rate), the redemption will be effective as of the maturity date. No interest will be paid on the redeemed amount for periods following the maturity date. The Fund is not obligated to allow holders to redeem Notes at any time other than a maturity date. However, in special situations, the Fund will consider accommodating an investor's request for early redemption. In the event the Fund accommodates an investor's request to redeem an investment before the next quarter-end maturity date, all or a portion of the interest otherwise earned during the current quarter may be forfeited to offset the Fund's costs.

NONTRANSFERABLE. The Notes are non-transferable and cannot be bought, sold or redeemed except as described in this Prospectus. The Notes cannot be pledged or otherwise used as collateral to secure any obligations except for obligations to the Fund or any of the Fund's affiliates. Under extenuating circumstances, the Fund, in its sole discretion, may permit changes in ownership to occur.

NO PHYSICAL SECURITY. The Notes are registered as book entries only. Investors will not receive a physical certificate as evidence of the investment. The issuance and transfer of Notes will be accomplished exclusively on the Fund's book entry accounting system.

The Notes are not currently part of any electronic transfer system such as that operated by the Depository Trust Company (DTC). The Notes do not have CUSIP numbers (referring to the 1964 American Bankers' Association Committee on Uniform Security Identification Procedures). The Notes cannot be electronically transferred by a broker/dealer. Under certain circumstances, at the Fund's sole discretion, physical evidence of the Notes may be delivered to custodians. One example is investment by a self-directed IRA. The Notes are accepted as investments by some IRA custodians.

The Fund may elect in the future to register the Notes with DTC in order to facilitate electronic transfer. You will be notified in this event.

INDIVIDUAL RETIREMENT ACCOUNTS. A self-directed IRA may invest in the Notes using a custodian that permits such investments. A self-directed IRA is an individual retirement account that allows the holder the option of selecting investment vehicles for the IRA account. These accounts may be a traditional IRA, Roth IRA, Educational IRA, or SEP IRA.

QUARTERLY REPORTING. You will receive a statement following the end of each calendar quarter. This statement includes the amount of the Note, interest rate, maturity date, current interest paid, and interest paid year-to-date. The statement may also include or may be accompanied by other information or materials the Fund believes may be of interest to you. From time to time you may also receive a supplement that updates the information in this Prospectus. In the event a supplement is issued, you should carefully review it before making a decision to invest or re-invest in the Fund.

YEARLY REPORTING. The Fund's financial statements are audited each year, and are available to Investors upon written request within 120 days of its fiscal year.

RIGHT TO REJECT INVESTMENTS. The Fund reserves the right to decline to accept an investment without providing reasons for its decision.

RIGHT OF RESCISSION. In addition to rights you may have pursuant to the laws of your state of residence, you may rescind an Investment Application within three business days after the later of (1) the date on which you first receive a copy of this Prospectus or any updates or supplements or (2) the date on which the Fund receives your Investment Application. To rescind, you should send us a written request for rescission, postmarked no later than the third day indicated above. If you make an oral request for rescission, be sure to ask for written confirmation that your request has been received. Upon timely receipt of your request for rescission, we will return to you the full amount you included with your Investment Application.

ADDITIONAL SECURITIES. The Fund reserves the right to issue other securities with different terms and conditions concurrent with or following this offering of Notes. It is possible that other securities offered may have rights senior to the Notes.

SENIORITY. The Notes are junior in priority to other existing debt, and the Fund reserves the right to give greater seniority to debt created after the Notes.

PLAN OF DISTRIBUTION

The Notes will be offered to potential investors through this Prospectus, which will be distributed by several means:

This Prospectus, and other information about the Fund and its affiliates, will be available online at www.rsfsocialfinance.org.

The Fund may advertise the Notes in publications that are targeted to audiences that the Fund believes are potential investors. Any advertisements would include contact information by which potential investors may request copies of this Prospectus.

The Fund may participate in trade shows and other conferences, with a booth or display featuring information about the Notes and offering copies of this Prospectus.

The Fund may provide this Prospectus to individuals and organizations with whom the Fund or an affiliate already has a relationship.

It is anticipated that distribution efforts will be undertaken entirely by officers, directors or employees of the Fund, including employees of RSF shared with the Fund, or by volunteers acting without compensation. The Fund will not engage or compensate any underwriters, selling agents or brokers. No officer, director, or employee of the Fund or RSF will receive any commission or profit from marketing the Notes other than reasonable compensation for performing his or her regular duties. No compensation to an employee or volunteer will be based on or related to the volume or size of investments in Notes.

LENDING PROGRAM

The Fund's primary activity is the making of loans to support enterprises that further charitable purposes, with a focus on projects in the following fields:

- Food & Agriculture;
- Education & the Arts; and
- Ecological Stewardship

DESCRIPTION OF BORROWERS. The Fund's borrowers are primarily non-profit charitable organizations.   The Fund entered a funding agreement with SEI that allows SEI to originate loans to mission aligned for-profit organizations (see "Financing and Operational" beginning on Page 12 for more details).

TERMS OF LOANS. Each loan made by the Fund to a borrower is appropriately documented with legal protections to safeguard the Fund's investment. The maturities of the Fund's loans typically range from one to five years.

Loans to variable-rate borrowers are charged a base rate called RSF Prime Rate, which is calculated by taking the quarterly investor fund rate (see "Interest Rate Pricing" on page 9) and adding a 4.00% spread. Based on the borrower's risk profile, certain loans may be charged more than the RSF Prime Rate.

In some instances the Fund offers fixed-rate loans. In order to manage its interest rate exposure risk in light of its variable cost of funds, the Fund generally only offers fixed-rate loans when it can cost-effectively enter into an interest rate swap transaction with a commercial bank. Consequently, the Fund typically offers a fixed rate only for well-secured term loans over $1 million with a multi-year maturity.

The Fund also charges fees in connection with its loans to defray its underwriting expenses; this typically includes a one-time origination fee that in some cases is taken from the principal of the loan.

SECURITY FOR LOANS. The Fund typically requires collateral or other forms of security for loans. At least 90% of the Fund's outstanding loans (excluding loans to RSF) are secured by real or personal property, or guaranteed by a third party.

Long-term loans are generally secured by mortgages on the land, buildings, improvements or other assets of the borrower. In some cases, the Fund requires guarantees that are in turn secured by assets such as securities or real estate.

In other cases, the Fund relies on pledges from communities supporting a particular loan. These pledges consist of legally binding commitments to make charitable donations, which may be drawn upon in repayment of all or a portion of the loan and provide security for repayment of the loan.

However, the amount and type of security required for each loan is at the sole discretion of the Fund. In some instances, the Fund may make unsecured or under-secured loans based on strong financial performance and other factors.

PURCHASE OF LOANS. In addition to loans that the Fund underwrites directly, the Fund may from time to time acquire loans from RSF, which has operated a similar lending program for more than 25 years, or may acquire participation interests in loans from other lenders.

FINANCING AND OPERATIONAL ACTIVITIES

TRANSITION OF INVESTMENT AND LENDING PROGRAM FROM RSF. From its original inception in 2000, the Fund has been intended as the successor to an investment and lending program that RSF had operated since 1984. (See "History and Operations," beginning on page 8.)

The transition of these operations from RSF to the Fund took place between 2006 and 2008 as various regulatory requirements were met. During this period the Fund purchased secured loan receivables from RSF and assumed RSF's indebtedness to organizations and individuals who had loaned money to RSF, in exchange for the issuance of Notes to those organizations and individuals.

On January 1, 2009, the Fund and CMI on behalf of its subsidiary SEI, entered into a funding agreement ("$25M Credit Facility Agreement"), whereby SEI pledged its loan portfolio assets as collateral for draws on the credit facility. Outstanding draw amounts are advances that are used to originate or acquire for-profit loans by SEI. This is a five year funding agreement, maturing on December 31, 2014, with a renewal option. Outstanding loan advances to SEI incur interest based on the SIF quarterly rate paid to note holders plus 2.50%. This interest is accrued, compounded monthly and paid by SEI to the Fund on a quarterly basis. Principal payments are made at the discretion of SEI. At December 31, 2010, the secured note receivable due from SEI is $19,691,993 which is secured by its $24,611,000 loan portfolio. The underlying collateral for this loan portfolio is estimated at $45,649,000.

At March 31, 2011, the Fund has advanced $22,861,147 to SEI under the funding agreement referenced above.

NOTE SALES IN 2010. The Fund received $21,002,421 in cash from the sale of Notes in 2010.

REDEMPTIONS IN 2010. In 2010, the Fund paid $15,330,319 to investors who requested redemptions. The Fund paid a total of $5,111,064 to its investors in 2009, including interest payments.

DEBT OBLIGATIONS. The Fund's debts as of December 31, 2010, consisted of the following:

Type of Obligation	Balance at 12/31/2010	Maturity	Principal due at Maturity
Investment Notes	$67,907,543	3/31/2011	$67,907,543
Program Related Investment Loan (PRI)	$1,020,647	12/21/2011	$1,020,647

All Notes ordinarily mature at the end of each calendar quarter but are automatically renewed for another three-month term unless the investor requests otherwise (see "Description of the Notes," beginning on page 9). However, some investors have made nonbinding commitments to maintain their investments in the Fund for longer periods up to several years.

LOANS RECEIVABLE. As of December 31, 2010, the Fund's loans receivable consisted of the following loans, sorted by year of maturity:

Maturity	Balance at 12/31/10
2011	$12,589,693
2012	$13,315,501
2013	$3,447,732
2014	$3,972,131
2015	$8,235,512
Thereafter	$1,266,573

All of the loans in the Fund's portfolio were mission-aligned loans and were fully secured by real estate or other collateral. Many were purchased from RSF. One loan was purchased from an unaffiliated lender.

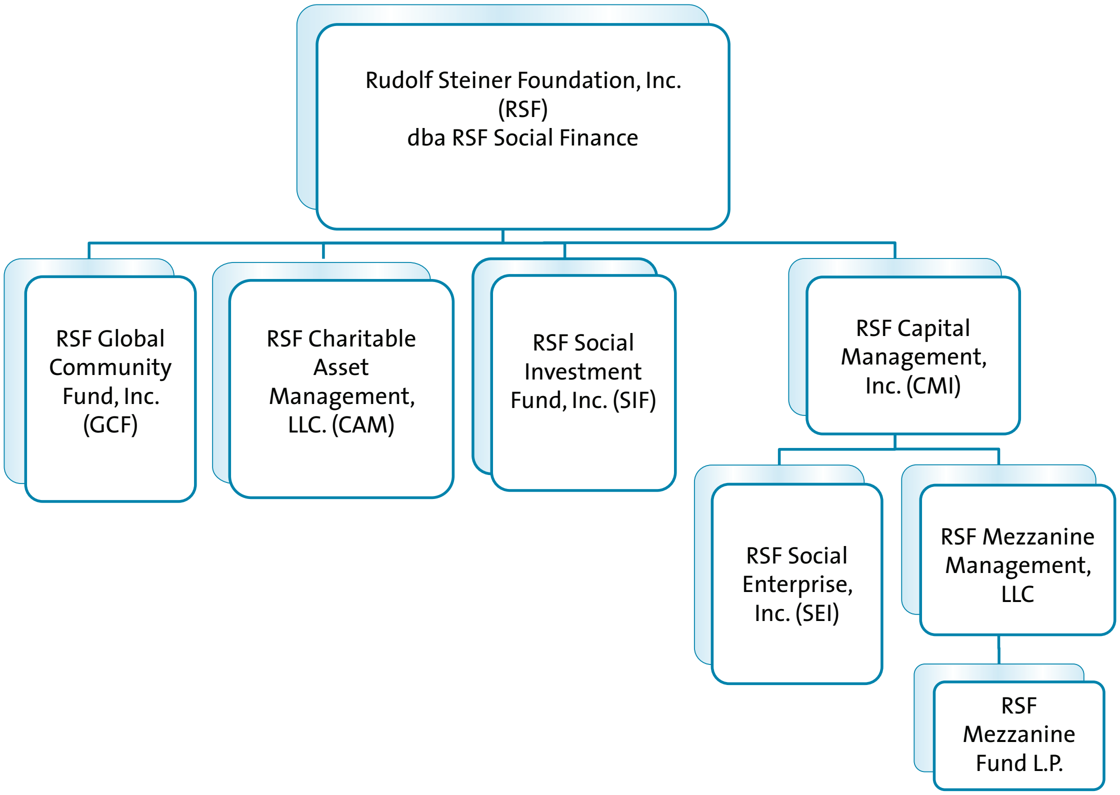
LOAN LOSS ALLOWANCE. As of March 31, 2011, the Fund's loan loss allowance is $1,407,173. The loan loss allowance policy is to maintain a minimum allowance of 1.50% of the loan portfolio balance. This allowance is used to write off loans. Since the inception of the Fund, there have been zero loan write offs.

DELINQUENCIES. As of March 31, 2011, three of the loans in the Fund's portfolio was delinquent more than 90 days.

INVESTMENT OF UN-DEPLOYED ASSETS. Un-deployed cash received from Note holders is invested by the Fund in FDIC insured cash and cash equivalent accounts until it is needed to finance the Fund's lending program. Capital reserves of the Fund are invested in CAM and FDIC- insured cash and cash equivalent accounts.

NO LITIGATION. There are no legal proceedings pending or, to the Fund's knowledge, threatened, which would materially impact the Fund's ability to meet its obligations under the Notes.

Rudolf Steiner Foundation, Inc
Entity Chart
December 31, 2010



1. RSF has seven subsidiaries and issues four audited financials annually - RSF, SIF, CMI, Mezzanine Fund L.P.
2. RSF's non-profit activities take place in RSF, GCF, SIF, and CAM
3. RSF's for-profit activities take place in CMI, SEI, Mezzanine Management LLC, and Mezzanine Fund L.P.

TAX ASPECTS

Investors will not receive a charitable tax deduction for investing in a Note. Interest earned on the Notes is taxable as ordinary income to the investor, regardless of whether it is paid by check or reinvested and added to the principal amount of the Note. The repayment of principal on maturity is not taxable.

The Fund will issue to you an IRS Form 1099INT after the end of each year, reflecting all interest earned. Information about interest will also be reported to the U.S. Internal Revenue Service as income to the investor.

If an individual investor makes or maintains aggregate investments of $250,000 or more in the Fund, the Notes may fall within the provisions of Internal Revenue Code Section 7872, which in some circumstances require the Fund to report imputed interest on Notes that is more than the actual interest earned. It is possible that the excess imputed portion may be treated as a deductible charitable contribution. You should consult your tax advisor regarding the tax implications of an investment in the Notes.

MANAGEMENT

BOARD OF DIRECTORS. Oversight of the Fund is vested in a Board of Directors comprising three to five directors. The Fund itself has no members. A majority of the Board of Directors must be appointed by RSF; the majority so elected may elect additional directors. Currently, the Board includes three directors, all of whom are current or former trustees of RSF and were appointed by RSF. Each director's term will end at the Board's 2011 annual meeting but each may be re-elected for successive one-year terms. They include the following:

- **DON SHAFFER (CHAIR).** Mr. Shaffer is also the Fund's president and CEO and joined RSF as its president and CEO in 2007. For the previous three years he served as executive director of the Business Alliance for Local Living Economies, a network of small businesses, and he was also the interim executive director of Investors' Circle, an organization that facilitates the flow of private capital to address social and environmental issues. Mr. Shaffer was also COO of Comet Skateboards from 2000 to 2004. He currently serves on the boards of Comet Skateboards, Business Alliance for Local Living Economies, and Social Venture Network. As of June 30, 2011, Mr. Shaffer's investment in Notes totals $7,647.

- **DIANE BOURDO (DIRECTOR).** Ms. Bourdo has been a director of the fund since 2004 and was a trustee of RSF from 2001 to May 2008. She is currently president of The Humphreys Group, a wealth management firm she joined in 1988. Ms. Bourdo is a certified financial planner. As of June 30, 2011, Ms. Bourdo has invested $15,157 in Notes.

- **MARK CENSITS (DIRECTOR).** Mr. Censits has been a director of the Fund since 2000 and was a trustee of RSF from 1999 to September 2008. He is founder and CEO of CoolVines, Inc., a wine retailer. He was previously a partner of Corporate Revitalization Partners, LLC, a nationwide turnaround firm that he joined in 2001. Mr. Censits has not invested in Notes.

OTHER KEY PERSONNEL. The work of the Fund will be managed by the officers of the Fund and by the staff of RSF, who will act on behalf of the Fund under a services agreement between RSF and the Fund. While none of these individuals is compensated directly by the Fund, all are employees of RSF and receive reasonable compensation for their services. These key individuals include the following:

- **GARY SCHICK (TREASURER).** Mr. Schick is the Fund's treasurer. He joined RSF as its controller in 2004 and was promoted to RSF's CFO the same year. He became RSF's COO in 2007. He is a certified public accountant with over 20 years of financial services experience. He previously served as chief financial officer for Side By Side Trading and DSL Solutions, Inc, financial services and telecommunications organizations, respectively. As of June 30, 2011, Mr. Schick's investment in Notes totals $5,934.

- **ESTHER PARK.** As director of RSF's lending program, Ms. Park is also responsible for loans originated by the Fund. She joined RSF's lending team in 2005 and was promoted to her current position in 2007. Previously, Ms. Park was a consultant for ShoreBank Advisory Services where she provided strategic and financial planning advice for Community Development Financial Institutions and trained lenders in lending practices. As of June 30, 2011, Ms. Park's investment in Notes totals $2,308.

COMPENSATION. None of the directors or officers of the Fund receive compensation, defined as salary and benefits, directly from the Fund for their services to the Fund. RSF, as the parent organization of seven affiliated entities, hires and compensates all staff from RSF. RSF's affiliated entities, including the Fund, enter into management agreements with RSF to contract for services such as staff time, facilities and administration.

RSF's Board of Trustees sets or approves rates of compensation paid to Don Shaffer and Gary Schick, who hold senior positions with RSF and its seven affiliate entities, including the Fund. The RSF Board seeks to establish compensation rates that are competitive with those of other similarly-sized, multi-entity non-profit and for-profit financial services organizations in the San Francisco area. To assist it in this work, the RSF Board retains the services of a compensation consulting firm. The RSF Board's decisions with respect to compensation are made without the involvement of any member having a conflict of interest. For 2010, RSF total compensation to Don Shaffer as RSF president and CEO was $292,578, to Gary Schick as CFO and COO was $212,371 and to Esther Park as director of lending was $134,852.

RELATED PARTY TRANSACTIONS

MANAGEMENT AGREEMENT. The Fund contracts with RSF to provide office space, employee time and loan servicing activities. The overhead costs associated with these items are allocated between RSF and its affiliates in a manner which appropriately reflects each entity's respective share of these costs. For 2010, the Fund paid RSF approximately $643,000 for services and resources provided to the Fund under this agreement. For 2010, total officer compensation, including salaries and benefits, allocated to the Fund for Don Shaffer, Gary Schick and Esther Park totaled $131,851.

CAM has invested approximately $7,051,913 in Notes at March 31, 2011.

GREENMONT CAPITAL. RSF Charitable Asset Management LLC, an affiliate of RSF and the Fund, has committed to investing $1.1 million in investment funds operated by Greenmont Capital Partners, a for-profit investment firm that focuses on the "LOHAS" sector (Lifestyles of Health and Sustainability). Mark Retzloff, a trustee of RSF, is a member of Greenmont Capital Partners. As of March 31, 2011, capital calls have totaled $424,500, and RSF Charitable Asset Management LLC's investments in these funds are valued at $318,676. Greenmont Capital Partners has provided investment to various companies who have also received loans from RSF and its affiliates, including the Fund. Mark Retzloff was not involved in credit decisions relating to these loans.

NEW RESOURCE BANK. Mark Finser, Chair of RSF and former CEO of the Fund, is a board member and Chairman of New Resource Bank. RSF and its affiliates have purchased stock, hold deposit accounts and have participated in loans originated by New Resource Bank. Mark Finser was not involved in these decisions made by RSF and its affiliates.

CONFLICT OF INTEREST POLICY. In recognition of the variety of circumstances that may give rise to a conflict of interest involving persons in positions of authority within the Fund and RSF, we have adopted a conflict of interest policy. This policy generally provides that in the event a potential conflict of interest arises, the individual having the potential conflict of interest will disclose all relevant circumstances and will recuse him or herself and will not participate in either the deliberation or the decision on the matter.

PRIVACY POLICY

This privacy policy is provided by RSF Social Investment Fund, Inc. (the "Fund"), an innovative non-profit and tax-exempt social finance organization. The Fund is a controlled affiliate of Rudolf Steiner Foundation, Inc., which does business as "RSF Social Finance". We are honored that you have entrusted us with your investments, and we are committed to safeguarding the privacy of information we maintain about you. Establishing and adhering to an effective privacy policy is an important part of that dedication. This privacy policy only applies to your investment relationship with us. Our privacy policy applies to all clients with whom we have a relationship and is also extended to each of our former clients.

Below, you will find details about the Fund's commitment to protecting your privacy, including the types of information we collect about you, how we use and share that information both within and outside the Fund and its affiliates. This privacy policy includes examples of the types of information we collect and the kind of companies with which we share such information. We give you these examples to help you understand our privacy policy; they are not a complete listing of our information collection and sharing practices.

HOW WE COLLECT INFORMATION ABOUT YOU

We collect personal information about you in a number of ways.

- Application and registration information. We collect information from you when you submit an Investment Application, open an account or enroll in one of our investment services. We may also collect information from consumer reporting agencies to verify your identity in the account-opening process or if you apply for a margin account. The information we collect may include your name, address, phone number, email address, Social Security number and date of birth, as well as details about your interests, investments and investment experience.
- Transaction and experience information. Once you have opened an account with us, we collect and maintain personal information about your account activity, including your transactions, balances, positions and history. This information allows us to administer your account and provide the services you have requested.
- Third-party information providers. We may collect information about you from information services and consumer reporting agencies to verify your identity, employment or creditworthiness, or to better understand your financial needs.
- Website usage. When you visit our website, our computer may use devices known as "cookies," graphic interchange format files, or other similar Web tools to enhance your Web experience. These tools enable us to recognize you when you return to our site, and to maintain your Web session while you browse throughout the site, as well as help us provide you with a better, more personalized experience. Cookies do not, standing alone, identify you as an individual by name or account number; they merely recognize your browser.

HOW WE SHARE INFORMATION ABOUT YOU

The Fund may share all of the information described above, as permitted by law. For example, we may use related companies within the Fund and unrelated companies to perform services for us, such as taking customer calls, processing transactions and preparing statements for us. In addition, we may share information to answer questions from law enforcement agencies or state and federal regulators.

STATE LAWS

We will comply with state laws that apply to the disclosure or use of information about you. For example, if your address is in Vermont, we will automatically limit information sharing as described in "How to Limit the Sharing of Information About You" without your having to advise us of this privacy choice.

SAFEGUARDING YOUR INFORMATION, MAINTAINING YOUR TRUST

We take precautions to ensure the information we collect about you is protected and is accessed only by authorized individuals or organizations.

Companies we use to provide support services are not allowed to use information about our clients for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of information to the performance of the specific services we have requested.

We restrict access to personal information by our employees and agents. Our employees are trained about privacy and are required to safeguard personal information.

We maintain physical, electronic and procedural safeguards to protect personal information.

TEAMING UP AGAINST IDENTITY THEFT

Identity theft is a serious concern to all of us. Safeguarding information to help protect you from identity theft is our priority.

GREATER ACCURACY MEANS BETTER PROTECTION

We are committed to keeping accurate, up-to-date records to help ensure the integrity of the information we maintain about you. If you identify an inaccuracy in this information, or you need to make a change to it, please contact us promptly by calling 415.561.3900.

A COMMITMENT TO KEEPING YOU INFORMED

We will provide you with advance notice of important changes to our information-sharing practices.

CONTACT US WITH QUESTIONS

If you have any questions or concerns, please contact us by email at info@rsfsocialfinance.org.

The Fund's interim financial statements for the quarter ended March 31, 2011, begin below.

These interim financial statements were prepared by the management of the Fund and have not been audited by the Fund's independent auditing firm.

The Fund's audited financial statements (including notes to the financial statements) for the year ended December 31, 2010 begin on page 20.

The Fund's current complete audited financial statements will be available to investors on written request and will be mailed to investors within 120 days of each fiscal year end or as soon as practicable after they are completed.

For any further information please contact:

RSF Social Investment Fund, Inc.
1002 O'Reilly Avenue
San Francisco, CA 94129-1101
www.rsfsocialfinance.org
Email: info@rsfsocialfinance.org
Phone: 415.561.3900
Fax: 415.561.3919

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENTS OF FINANCIAL POSITION
March 31, 2011 (Unaudited)

	March 31, 2011	March 31, 2010
Assets		
Cash and Cash Equivalents	$4,130,126	$4,258,116
Restricted Cash	-	-
Loans Receivable — Borrower Funds	40,389,275	45,485,316
Investments	5,242,383	3,103,736
Secured Advances to Related Party	22,861,147	20,532,370
Unsecured Advances due from Related Parties, net	6,679,501	-
Total Assets	$79,302,432	$73,379,538
Liabilities And Net Assets		
LIABILITIES		
Notes Payable — Investor Funds	69,733,410	65,793,523
Notes Payable — Other	1,023,166	1,012,990
Accounts Payable and Accrued Expenses	226,919	935,695
Unsecured Advances from Related Parties, net	-	371,108
Total Liabilities	$70,983,495	$68,113,316
Unrestricted Net Assets	$8,318,937	$5,266,222
Total Liabilities and Net Assets	$79,302,432	$73,379,538

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (Unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Unrestricted Revenues, Gains And Other Support		
Interest Income — Borrower Funds	$561,439	$599,298
Interest income — Related Parties	212,813	132,429
Investment Income (Loss), Net	74,657	12,936
Gifts and Contributions	25,414	677
Fee Income - Borrower Funds	2,927	48,570
Total Unrestricted Revenues, Gains and Other Support	$877,250	$793,910

Expenses		
Program Services:		
Interest Expense — Investor Funds and Other	226,999	233,628
Personnel Costs	136,794	240,760
Total Program Services	$363,793	$474,388
Supporting Services:		
Management and General	102,597	85,043
Total Expenses	466,390	559,431
Changes in Unrestricted Net Assets	410,860	234,479
Unrestricted Net Assets at Beginning Of Year	7,908,077	5,031,743
Unrestricted Net Assets at End Of Period	$8,318,937	$5,266,222

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENT OF CASH FLOWS (Unaudited)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Cash Flows From Operating Activities		
Changes in Unrestricted Net Assets	$410,860	$234,479
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	42,544	-
Net Unrealized and Realized Loss on Derivative Financial Instrument	(62,917)	17,723
Contributions, Disbursements and Investment Gains (Losses) in RSF Charitable Asset Management LLC	(579,516)	469,626
Accrued Interest on Loans Receivable — Borrower Funds	(63,184)	-
(Increase) Decrease in Operating Assets:		
Other Assets	1,048	120,811
Increase (Decrease) in Operating Liabilities:		
Secured Advances to Related Parties	-	(3,785,268)
Accounts Payable and Accrued Expenses	172,134	731,821
Net Cash Provided by (Used for) Operating Activities	(79,030)	(2,210,808)
Cash Flows From Investing Activities		
Payments from Loans Receivable — Borrower Funds	1,745,259	2,218,747
Increase in Loans Receivable — Borrower Funds	(693,925)	(1,910,825)
Advances from Related Parties	(681,133)	(2,661,110)
Net Cash Provided by (Used for) Investing Activities	370,201	(2,353,188)
Cash Flows From Financing Activities		
Proceeds from Notes Payable — Investor Funds	3,147,243	14,661,274
Payments to Notes Payable — Investor Funds	(1,318,857)	(7,508,814)
Net Cash Provided by Financing Activities	$1,828,386	$7,152,460
Net Decrease in Cash and Cash Equivalents	2,119,557	2,588,464
Cash and Cash Equivalents at Beginning of Year	2,010,569	1,669,652
Cash and Cash Equivalents at End of Period	$4,130,126	$4,258,116

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF

RSF SOCIAL INVESTMENT FUND, INC.

We have audited the accompanying statement of financial position of **RSF SOCIAL INVESTMENT FUND, INC.** (an affiliate of Rudolf Steiner Foundation, Inc., dba: RSF Social Finance) as of December 31, 2010 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the management of **RSF SOCIAL INVESTMENT FUND, INC.** Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **RSF SOCIAL INVESTMENT FUND, INC.** as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

Shea Labagh Dobberstein

April 28, 2011

505 Montgomery Street, 5th Floor
San Fransisco, CA 94111
Tel 415 397 4444
Fax 415 981 0898

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENT OF FINANCIAL POSITION

	December 31, 2010
Assets	
Cash and Cash Equivalents	$2,010,569
Loans Receivable — Borrower Funds, Net	41,419,969
Note Receivable due from Related Party	19,691,993
Advances due from Related Parties	9,167,523
Investments, at Fair Value	4,651,304
Other Assets	2,048
Total Assets	$76,943,406
Liabilities and Net Assets	
LIABILITIES	
Accounts Payable and Accrued Expenses	$107,141
Notes Payable — Investor Funds	67,907,543
Notes Payable — Other	1,020,647
Advances due to Related Parties, Net	-
Total Liabilities	69,035,331
Commitments	-
Unrestricted Net Assets	7,908,075
Total Liabilities and Net Assets	$76,943,406

See accompanying notes to financial statements.

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2010
Unrestricted Revenues, Gains And Other Support	
NET INTEREST AND INVESTMENT INCOME:	
Interest Income — Borrower Funds	$2,484,685
Interest Income — Related Parties	477,712
Investment Income, Net	78,793
Net Interest and Investment Income	3,041,190
Grants and Contributions	1,508,056
Fee Income — Borrower Funds	96,418
Total Unrestricted Revenues, Gains and Other Support	4,645,664
Expenses	
PROGRAM SERVICES:	
Personnel Costs	492,745
Interest Expense — Investor Funds and Other	661,461
Loan Loss Provision — Borrower Funds	400,000
Total Program Services	1,554,206
SUPPORTING SERVICES:	
Management and General	215,124
Total Expenses	1,769,330
Changes in Unrestricted Net Assets	2,876,334
Unrestricted Net Assets at Beginning of Year	5,031,741
Unrestricted Net Assets at End of Year	$7,908,075

See accompanying notes to financial statements.

RSF SOCIAL INVESTMENT FUND, INC.
(An Affiliate of Rudolf Steiner Foundation, Inc. dba RSF Social Finance)

STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Year Ended December 31, 2010
Cash Flows From Operating Activities	
Changes in Unrestricted Net Assets	$2,876,334
ADJUSTMENTS TO RECONCILE CHANGES IN UNRESTRICTED NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Provision for Loan Losses	400,000
Share of Net Income from Investment in RSF Charitable Asset Management LLC	(77,942)
Accrued Interest on Loans Receivable — Borrower Funds	(80,089)
Accrued Interest on Notes Payable — Other	10,151
Accrued Interest on Notes Receivable — Related Party	697,336
(INCREASE) DECREASE IN OPERATING ASSETS:	
Other Assets	46,485
INCREASE (DECREASE) IN OPERATING LIABILITIES:	
Accounts Payable and Accrued Expenses	(6,732)
Net Cash Provided by Operating Activities	$3,865,543
Cash Flows From Investing Activities	
Payments from Loans Receivable — Borrower Funds	$15,959,541
Increase in Loans Receivable — Borrower Funds	(11,906,182)
Contributions to RSF Charitable Asset Management, LLC	(1,500,000)
Distributions from Limited Liability Company	500,000
Advances to Related Parties, Net	(10,002,531)
Net Cash Used for Investing Activities	($6,949,172)
Cash Flows From Financing Activities	
Proceeds from Notes Payable — Investor Funds	$21,002,421
Payments on Notes Payable — Investor Funds	(15,330,319)
Borrowings on Notes Receivable— Related Party	(4,885,459)
Payments Received on Notes Receivable — Related Party	2,637,903
Net Cash Used for Financing Activities	3,424,546
Net Increase in Cash and Cash Equivalents	340,917
Cash and Cash Equivalents at Beginning of Year	1,669,652
Cash and Cash Equivalents at End of Year	$2,010,569

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

RSF Social Investment Fund, Inc. (SIF) was incorporated in July 2000 and started doing business on April 27, 2004 as a not-for-profit, tax-exempt organization. SIF was created as an affiliate of Rudolf Steiner Foundation, Inc., dba: RSF Social Finance (RSF) with two primary objectives to fund loans to nonprofit organizations and make mission related investments. SIF supports RSF's charitable mission by providing a way for investors to use money to integrate their values with practical objectives. SIF intends to use investor funds to make loans to a broad range of mission-related enterprises in the fields of sustainable agriculture, education and the arts, and ecological stewardship.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION – The financial statements have been prepared on an accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that SIF reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets which represent the expendable resources that are available to support the operations of SIF at management's discretion; temporarily restricted net assets which represent resources that are donor-restricted as to purpose or passage of time; and permanently restricted net assets which represent resources whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of SIF.

On June 30, 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (as amended)*. This standard established the Financial Accounting Standards Board Accounting Standards Codification (the "FASB ASC") as the single source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Substantially all previous United States generally accepted accounting principle standards issued by a standard setter are superseded and are codified into the FASB ASC. The FASB ASC is effective for financial statements issued for periods ending after September 15, 2009. Adoption of the FASB ASC had no impact on the SIF's financial position or changes in net assets.

USE OF ESTIMATES – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS – SIF considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Money market accounts that are intended for long-term investment purposes are classified separately under investments. Cash and cash equivalents on deposit with financial institutions are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 for all cash accounts with each financial institution and/or by the Securities Investor Protection Corporation ("SIPC") as of December 31, 2010. At various times during 2010, SIF had cash balances in excess of the insured limits.

LOANS RECEIVABLE — BORROWER FUNDS – Borrower funds are assets representing loans made by SIF to nonprofit organizations. The loans are mission related and generally collateralized by mortgages, business assets, guarantees and pledges from individuals and nonprofit organizations. These loans are reported at their outstanding principal balances, net of any unamortized costs on originated loans.

These loans mature after variable periods and may be renewed by the borrowing nonprofit organizations. Between January 1, 2009 and September 30, 2009 the interest rate was fixed for each calendar quarter based on the three-month London Interbank Offered Rate (LIBOR) on the second business day before the start of each calendar quarter, plus a spread up to 3.25% added to the discount rate. Beginning October, 1 2009, variable rate borrowers are charged a base rate called the RSF Prime Rate, which is calculated by taking the quarterly investor fund rate and adding a 4.00% spread. At December 31, 2010, the RSF Prime Rate was 5.00%. Based on borrower's risk profile, certain loans may be charged more than the RSF Prime Rate. The carrying value of borrower funds includes the principal amount of all loans made to the organizations, together with accrued interest and fees, reduced by repayments.

The carrying amount of loans receivable may be reduced by a valuation allowance that reflects management's best estimate of the probability of collecting those accounts. A valuation allowance consists of the allowance for loan losses and the reserve for unfunded credit commitments to the extent that SIF's investment in the loans exceeds the estimated fair value of the collateral securing such loan receivable inherent in the loan portfolio at the statement of financial position date. Impairment is considered to exist when it is probable that all amounts due under the terms of the loan receivable will not be collected. Management reviews outstanding loans which have been delinquent for 30 days or more and determines recoverability of outstanding principal, interest and fees on an ongoing basis.

Management identifies a loan as impaired based on the present value of expected future cash flows, discounted at the loan's effective interest rate, except when the sole (remaining) source of repayment for the loan is the operation or liquidation of the collateral. In these cases SIF uses the current fair value of the collateral, less selling costs when foreclosure is probable, instead of discounted cash flows. If management determines that the value of the impaired loan is less than the recorded investment in the loan, SIF recognizes impairment through an allowance estimate or a charge-off to the allowance.

INVESTMENTS – SIF states investments with readily determinable fair values at their fair values in the statement of financial position. Investments received from donors are recorded as gift income at the fair value of the investments on the date of donation. Gains and losses and investment income derived from investments are accounted for as unrestricted, temporarily restricted, or permanently restricted based on restrictions, if any, in the accompanying statement of activities and changes in net assets.

SIF's investment in a limited liability company is accounted for under the equity method under the guidelines of the FASB ASC *Investments – Equity Method and Joint Venture* which requires a nonprofit organization that owns a noncontrolling interest in a limited liability corporation to account for its investment using the equity method if it maintains a specific ownership account for each investor. Accordingly, the investment in the limited liability company is carried at fair value.

FASB ASC *Fair Value Measurements and Disclosures* defines fair value of an investment as the amount that would be received upon sale of the investment in an orderly transaction between market participants at the measurement date (i.e. the exit price).

FASB ASC *Fair Value Measurements and Disclosures* establishes a hierarchal disclosures framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

FASB ASC *Fair Value Measurements and Disclosures* requires investments measured and reported at fair value to be classified and disclosed in one of the following categories:

LEVEL 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investment included in Level 1 are publicly traded debt and equity securities. As required by FASB ASC *Fair Value Measurements and Disclosures*, SIF does not adjust the quoted price for these investments even in situations where SIF holds a large position and a sale could reasonably impact the quoted price.

LEVEL 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category are publicly traded equity securities with restrictions.

LEVEL 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments are estimated by SIF using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, financial condition and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant judgment by SIF. Due to the inherent uncertainty of these estimates, these values may differ materially from the fair values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include limited liabilities companies, general and limited partnerships and member equity interests in corporate private equity and debt securities.

In certain cases fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Realized gains or losses on investments represent the difference between the original cost of the securities on a specific identified cost basis and the related fair market value on the date of sale or distribution. They include the original cost of the investments written-off, if any. When the investments are sold, gains or losses are classified as realized. The deemed gains or losses from any distribution of securities represent the difference between the fair value of the securities distributed as of the date of distribution and the original cost. The difference between the original cost and the fair value of investments held at the end of the year represents unrealized appreciation or depreciation.

NOTES PAYABLE – Notes payable are liabilities consisting of investor funds and other loans made to SIF by individuals and organizations for specified periods.

DERIVATIVE FINANCIAL INSTRUMENT – SIF accounts for its derivative financial instrument in accordance with FASB ASC *Derivatives and Hedging*, which requires that all derivative instruments be recorded on the statement of financial position at fair value. On the date derivative contracts are entered into, SIF designates the derivative as either (a) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), or (b) a hedge of a forecasted transaction or of the variability of cash flows to be reserved or paid related to a recognized asset or liability (cash flow hedge). Changes in the fair value of derivatives are recorded each period as changes in net assets, depending on whether a derivative is designated as part of a hedge transaction and, if it is, depending on the type of hedge transaction. For fair value hedge transactions, changes in fair value of the derivative instrument are generally offset in the statement of activities and changes in net assets by changes in the fair value of the item being hedged.

REVENUE RECOGNITION –

GRANTS AND CONTRIBUTIONS – Grants and contributions consist principally of donations from individuals and organizations. Grants and contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

INTEREST AND FEE INCOME – Lending provides most of SIF's income. The spread between loans receivable and notes payable is adjusted periodically to balance fluctuations in interest rates in relation to inflation, cost of financing and market rates. For the year ended December 31, 2010, the base rate charged to borrower funds was 5.00% and the investor fund rate was 1.00%.

SIF also generates one-time origination fees ranging from 1.00% to 2.00% of the loan balance on processed new loans. Loan origination fees are amortized to interest income over the contractual life of the loan using the effective interest method.

DONATED SERVICES – SIF generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist SIF with fundraising solicitations. The services of volunteers, while often significant in value, do not meet the criteria for financial statement recognition and accordingly are not recorded on these financial statements.

EXPENSE ALLOCATION – The costs of SIF's various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets. Expenses directly identifiable with programs and all personnel costs are charged to program services. Supporting services include overhead expenses not directly identifiable with programs but which provide for overall support and direction of SIF.

CONCENTRATION OF CREDIT RISK – Financial instruments, which potentially subject SIF to concentration of credit risk, consist principally of cash and cash equivalents, loans receivable - borrower funds, equity securities, corporate bonds, mutual funds and derivative financial instruments with high credit quality financial institutions. These instruments are also subject to other market risks conditions such as interest rate risk, equity market risks and their implied volatilities, mortgage risks and market liquidity and funding risks.

INCOME TAXES – SIF is a qualified organization exempt from federal and California income taxes under the provisions of Internal Revenue Code (IRC) Section 509(a)(2) as an organization described under IRC Section 501(c)(3) and Section 23701d of the California Revenue and Taxation Code.

RECENT ACCOUNTING PRONOUNCEMENTS – In September 2009, the FASB issued Accounting Standards Update No. 2009-06 - *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities*, to update the *Income Taxes Topic* of the FASB ASC. This update provides additional implementation guidance on a) whether income taxes paid by an entity are attributable to the entity or to its owners; b) what constitutes a tax position for a pass-through entity or a tax-exempt not-for-profit entity; and c) how accounting for uncertainty in income taxes is to be applied when a group of related entities comprise both taxable and nontaxable entities. In addition, this update eliminated the requirement for certain disclosures for nonpublic entities. This update is effective for the SIF's financial statements for the year ended December 31, 2010. Adoption of this update did not have a material impact on SIF's financial statements.

NOTE 3 – LOANS RECEIVABLE - BORROWER FUNDS, NET

At December 31, 2010, SIF loans receivable-borrower funds consist of the following:

	2010
Collateralized borrower funds, bearing an interest rate ranging from 3.00% to 13.00% as of December 31, 2010, various monthly principal and interest payments, and due in 2011 through 2016.	$42,827,142
Less: Allowance for Loan Losses	1,407,173
Loans Receivable — Borrower Funds, Net	$41,419,969

SIF extends credit to organizations that are mission related. SIF performs ongoing credit evaluations of their borrowers, maintaining allowances, when applicable, for potential credit losses, which, when realized, have been within management's expectations. For certain extensions of credit, SIF may require collateral, based on their assessment of a borrower's credit risk. SIF holds various types of collateral including accounts receivable, inventory, real estate, equipment, guarantees and financial instruments. Collateral requirements for each borrower may vary according to the specific credit underwriting, terms and structure of loans funded immediately or under a commitment to fund at a later date.

Certain commitments are subject to loan agreements with covenants regarding the financial performance of the borrower or borrowing base formulas that must be met before SIF is required to fund the commitment. SIF uses the same credit policies in extending credit for unfunded commitments in funding loans. In addition, SIF manages the potential risk in credit commitments by limiting the total amount of arrangements, both by organizations and/or affiliates, by monitoring the size and maturity structure of these loans and by applying the same credit standards for all loan activities. Although SIF believes the related collateral to be adequate, there is no assurance that the underlying assets have sufficient value to fully collateralize the outstanding balances.

Management has established a process to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in their portfolio, economic uncertainties, historical loss experience and other subjective factors, including industry trends, calculated to better reflect the risk in each loan portfolio. At December 31, 2010, management has provided $1,407,173 as allowance for loan losses.

Management has established a work-through policy to stay close with their borrowers to help them through tough economic times. These policies have allowed SIF to have a zero loan default rate over its 6 year history. If the financial position of certain borrowers improve over time, it may be possible to recover part of the allowance for loan losses and take back into income.

An analysis of the allowance for loan losses for the year ended December 31, 2010 is as follows:

	2010
Balance at beginning of year	$1,007,173
Provision charged to operations	400,000
Balance at end of year	$1,407,173

As of December 31, 2010, SIF's total borrower funds and approximate collateral are summarized by loan category in the following table:

	Originated Loans	Participation Loans	Total	Collateral
Mortgage Loans Variable	$24,047,030	-	$24,047,030	$81,137,000
Mortgage Loans Fixed	5,213,646	5,780,609	10,994,255	21,255,000
Accounts Receivable and Inventory Financing Line of Credit	3,908,860	-	3,908,860	7,060,000
Community Pledge Loans	2,683,785	-	2,683,785	4,192,000
Line of Credit Facilities	359,591	833,621	1,193,212	1,336,000
	$36,212,912	$6,614,230	$42,827,142	$114,980,000

Loan concentrations may exist when there are amounts loaned to borrowers engaged in similar activities or similar types of loans extended to a diverse group of borrowers that would cause them to be similarly impacted by economic or other conditions. At December 31, 2010, SIF had a 52% concentration in loans to Waldorf and charter schools. Based on current economic times, schools may be subject to a drop in tuition revenue and/or state funding. SIF monitors the underlying economic or market conditions for these areas within their credit risk management process including schools financial health by reviewing reports submitted by the schools as required by their loan covenants, conducting site visits and staying in regular contact with the school administrators.

Of the principal payments on borrower funds due to mature in 2011, SIF management projects that 47% will be repaid and 53% will be renewed and extended.

Future principal payments to be received on loans receivable - borrower funds are as follows:

Year Ending December 31,	
2011	$12,589,693
2012	13,315,501
2013	3,447,732
2014	3,972,131
2015	8,235,512
Thereafter	1,266,573
	$42,827,142

Interest income on loans receivable - borrower funds for the year ended December 31, 2010 was approximately $2,485,000.

NOTE 4 – INVESTMENTS

RSF Charitable Asset Management, LLC (CAM LLC) was created by RSF to consolidate the investments of RSF and its supporting organizations. SIF invests its reserve funds into this program, which is a professionally managed, innovative and mission related investment vehicle.

SIF's investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. Investments in limited liability companies or partnerships that do not have a readily determinable fair value are accounted using the equity method of accounting. Under the equity method, the investment is originally recorded at cost and adjusted to recognize the SIF's share of net realized and unrealized earnings or losses and distributions. Since these investments follow the fair value of accounting, the use of the equity method generally should approximate the fair value of its ownership interests. Such instrument is classified as Level 3 of the fair value hierarchy.

Fair value, cost and unrealized gains (losses) at December 31, 2010 are as follows:

	2010		
	Fair Value	**Cost**	**Unrealized Loss**
RSF Charitable Asset Management, LLC	$4,651,304	$4,825,332	$(174,028)

A summary of financial information for CAM LLC as of and for the year ended December 31, 2010 is as follows:

	2010
Assets:	
Cash and Cash Equivalents	$1,260,900
Investments, At Fair Value	40,222,400
Advances to Related Parties and Other Receivables	1,812,800
	43,296,100
Liabilities:	
Line of Credit	1,964,000
Other Liabilities	599,400
	2,563,400
Members' Equity	$40,732,700
Investment Income:	
Realized and Unrealized Gains (Loss) on Investments	$673,700
Interest and Dividends	563,800
	1,237,500
Expenses:	
Investment Fees	233,200
Other Expenses	11,200
	244,400
Net Income	$993,100
Ownership Percentage	11.94%

SIF's share of net income from CAM LLC was approximately $78,000 which included specific allocated investment income for the year ended December 31, 2010.

A condensed schedule of investments for CAM LLC as of and for the year ended December 31, 2010 is as follows:

	2010	
	Cost	Fair Value
United States Government and Corporate Securities (21.70%):		
	$8,465,800	$8,730,800
United States Mutual Funds (2.62%):		
	1,019,200	1,052,200
Cash and Cash Equivalents (44.66%):		
	17,964,000	17,964,000
Partnerships and Limited Liability Companies (10.35%):		
Limited Liability Companies and Partnerships	4,607,100	4,163,500
Variable Rate Loan Funds (20.67%):		
	8,027,700	8,312,900
Total Investments	$40,083,800	$40,222,400

For the year ended December 31, 2010 net investment income consists of the following:

	2010
Interest and Dividends	$1,673
Share of Net Income from Investment in RSF Charitable Asset Management LLC	77,942
Subtotal	79,615
Less: Investment Fees	822
Investment Income, Net	$78,793

SIF manages their mission related investments according to the RSF Global Investment Policy Statement. This policy establishes the overall investment objectives, social impact goals, asset allocation and diversification parameters, due diligence requirements, performance management and policy compliance management.

NOTE 5 – NOTES PAYABLE

INVESTOR FUNDS – Investor funds are monies received by SIF from individuals, organizations and/or corporations that would like to invest in SIF's mission related enterprises.

Investor funds are carried at historical cost, which includes the total value of the principal investments plus accrued interest. Under the FASB ASC *Financial Instruments* the fair value of these notes is equal to the amount payable on demand at the measurement date.

At December 31, 2010, SIF has unsecured notes payable - investor funds of $67,907,543 bearing an effective interest rate of 1.00%. Principal and interest payments are due between 2011 through 2040. Beginning October 1, 2009, investors received a rate of return, determined each calendar quarter by SIF management, taking into account the needs of all investors in the SIF; investors, borrowers and SIF itself, as well as considering market and macro-economic conditions. On renewal, the principal amount of the note will include any elected reinvested quarterly interest.

Investor funds have a three-month renewable term and upon maturity these notes are expected to renew for an additional three-month term unless SIF receives a request from the investors for repayment before the maturity date. Investors may opt for a longer maturity period. The summary of future principal payments required is based on investors' commitments. In prior years, SIF management has observed that the average term of an SIF investor fund is 7.2 years and that over the past three years only an average of 10% of total investor funds have been withdrawn annually by their investors. Investors can request for repayment before maturity date or within 30 days of that date or 15 days after quarterly statements are mailed to the investors.

In the event that investor requests for repayment are in excess of management's expectations, management is able to fund these requests by utilizing available cash and cash equivalents, access its reserve funds, its line of credit and sell liquid investments.

Interest expense on notes payable - investor funds for the year ended December 31, 2010 was $651,310.

OTHER – Notes Payable - Other as of December 31, 2010 consist of:

	2010
Unrelated party note payable, unsecured, interest at 1.00% per annum, principal and interest due December 2011.	$1,020,647

Interest expense on note payable - other for the year ended December 31, 2010 was $10,151.

Future principal payments required on notes payable are as follows:

Year Ending December 31,	Investor Funds	Others	Total
2011	$56,078,412	$1,020,647	$57,099,059
2012	5,885,773	-	5,885,773
2013	2,119,801	-	2,119,801
2014	981,240	-	981,240
2015	1,677,357	-	1,677,357
Thereafter	1,164,960	-	1,164,960
	$67,907,543	$1,020,647	$68,928,190

NOTE 6 – INTEREST RATE SWAP AGREEMENT

SIF enters into interest rate swap agreements to manage interest rate exposure. The differential to be paid or received under these agreements is accrued consistent with the terms of the agreements and is recognized in interest expense (interest income) over the term of the related debt using a method that approximates the effective interest method. The related amounts payable to or receivable from counterparties are included in notes payable.

Quoted market prices are available and used for exchange-traded derivatives, such as certain interest rate futures and option contracts, which SIF classifies as Level 2. The fair values of derivative assets and liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices, and indices to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The majority of market inputs is actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. Estimation risk is greater for derivative asset and liability positions that are either option-based or have longer maturity dates where observable market inputs are less readily available or are unobservable, in which case, quantitative-based extrapolations of rate, price or index scenarios are used in determining fair values.

The fair values of derivative assets and liabilities include adjustments for market liquidity, counterparty credit quality and other deal specific factors, where appropriate. SIF also incorporates, within its fair value measurements of over-the-counter derivatives, the net credit differential between the counterparty credit risk and its own credit risk.

NOTE 7 – RELATED PARTY TRANSACTIONS

CREDIT FACILITY NOTE, RELATED PARTY – Effective January 1, 2009, SIF has entered into a $25 million Credit Facility Agreement with CMI. Outstanding draw amounts are advances that are used to originate or acquire for-profit loans by CMI. In addition to this note, there may be other amounts receivable from related parties that are not associated with this credit facility.

Credit facility fund draws are monies received by CMI from SIF. Interest is accrued and compounded monthly with payments made by CMI to SIF on a quarterly basis. The credit facility interest rate is set quarterly by SIF based on its investor rate plus 2.50%. Principal payments on the credit facility are made by CMI at its discretion; however any outstanding amounts on the facility are due and payable at December 31, 2014, the maturity date of the credit facility, unless the credit facility is renewed. Outstanding credit facility amounts are fully secured by the CMI loan portfolio. At December 31, 2010 SIF had a secured credit facility investor note receivable from CMI of $19,691,993. At December 31, 2010 the effective interest rate was 3.50%. Interest receivable on the credit facility note receivable for the year ended December 31, 2010 was approximately $697,000.

ADVANCES DUE FROM (DUE TO) RELATED PARTIES, NET –

	2010
Advances due from RSF, interest at RSF investor rate of 1.00%, due on demand	$8,598,615
Advances due from CMI, interest at RSF investor rate of 1.00% per annum, due on demand	(181,092)
Grants receivable from RSF Global Community Fund, Inc., an affiliate of RSF	150,000
Advances due from RSF Global Community Fund	600,000
Advances Due to Related Parties, Net	$9,167,523

Net interest income from related parties for the year ended December 31, 2010 was approximately $28,000.

MANAGEMENT AGREEMENT – SIF shares office space and employees with RSF. The overhead costs associated with these items are allocated between RSF and its affiliates in a manner which appropriately reflects each entity's respective share of these costs. Total overhead costs reimbursed to RSF for the year ended December 31, 2010 were approximately $643,000.

INVESTMENTS – SIF investments consist of investments of which certain members of the Board of Trustees are either a board member of these Companies and/or serve in an advisory capacity for certain members of the limited liability companies/nonprofit organizations.

INVESTORS FUNDS – Certain members of the Board of Trustees and employees participate in the activities of SIF by loaning money to SIF as notes payable - investor funds. As of December 31, 2010, SIF owed such Trustees and employees approximately $144,000 in notes payable - investor funds.

SWAP AGREEMENT – SIF has collateralized approximately $4,534,000 of its borrowers' funds to CAM LLC's swap agreements to reduce the effect of changes in interest rates on their long-term debt which approximates the total notional amount between CAM LLC and a commercial bank. The swap agreements entered into by CAM LLC mature at the time the related loans receivable assets mature. SIF paid CAM LLC $239,815 in interest expense for the year ending December 31, 2010. The CAM LLC swap agreements' fair values of the derivative instruments were approximately $548,000 at December 31, 2010.

NOTE 8 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

SIF made the following cash payments during the year ended December 31, 2010:

	2010
Net Interest on Notes Payable — Investor Funds, Others, And Advances to Related Party	$750,492

NOTE 9 – SUBSEQUENT EVENTS

In February 2010, SIF terminated a limited guarantee agreement for $5,000,000 with one of its investors. RSF received a $1,000,000 gift to its allowance for loan losses as consideration for the termination of this agreement. The guarantee was available to provide additional coverage for the risk of possible losses on loans granted by an affiliate. SIF intends to replace this guarantee with additional net asset reserve funds to protect against possible loan losses.

SIF has evaluated subsequent events through April 25, 2011, the date the financial statements were available to be issued.

LIST OF BORROWERS AS OF JUNE 30, 2011

RSF SOCIAL INVESTMENT FUND, INC. PORTFOLIO

Anchorage Waldorf Education Association
Austin Waldorf School
Biodynamic Farming and Gardening Association
B-Lab, Inc.
California Institute of Integral Studies
Camphill Communities California
Collective Heritage Institute (Bioneers)
Common Market Philadelphia
Community Homestead
David Brower Center
Davis Waldorf School
Desert Marigold School
East Bay Waldorf School
EcoTimber
Equal Access
Erbaviva, LLC
Esalen Institute
Farmers Conservation Alliance
Fonds de Développement de L'École
Foundation for the Challenged
Four Winds Community
Four Winds School
Green America
High Tech High
Highland Hall Waldorf School
Housatonic Valley School
IceStone LLC
Indigenous Designs
Les Enfants de la Terre
Live Oak Waldorf School
Meadowbrook Waldorf Association
Napa Valley Opera House
Nelson Waldorf School
Network for Good
Oakland School for the Arts
Odegard Inc.
Pachamama Alliance
Pachamama Coffee Co-op
Peacemaker Circle International
Permaculture Credit Union
Pine Forest Charter School
Portland Waldorf School
Ring Mountain Day School
Rudolf Steiner School, Montreal
Santa Cruz Waldorf School
Seattle Waldorf School
Skywords Family Foundation
Sonoma Ashram
Summerfield Waldorf School
Sunfield Education Association
Taos Country Day School
Ten Directions
Threefold Educational Foundation and School
Tucson Waldorf School
Waldorf School in Lexington
Waldorf School of San Diego
Waldorf School of Pittsburgh
Workforce, Inc.

RSF SOCIAL ENTERPRISE, INC. PORTFOLIO*

Advanced Workstations in Education
Bare Fruit LLC
Essential Living Foods
Estancia Beef
Evergreen Lodge
Flower Essence Services
gDiapers
Guayaki Sustainable Rainforest Products, Inc.
Happy Family
Interrupcion Fair Trade
Kuskokwim Seafoods, LLC
Late July Snacks, LLC
Mary's Gone Crackers
New Leaf Paper, LLC
The Noisette Company, LLC
Numi, LLC
Nutiva, LLC
Otter Creek Brewing, Inc.
Phil's FreshFoods
Samovar Tea Lounge
SPUD
Thankful Harvest
Tomales Bay Foods, Inc.

*See "Financing and Operational Activities" beginning on page 12 for details on the funding relationship between RSF Social Investment Fund, Inc. and RSF Social Enterprise, Inc.

RSF Social Finance

INVESTMENT APPLICATION

RSF Social Investment Fund

WWW.RSFSOCIALFINANCE.ORG

I. TELL US ABOUT YOU

Your investment in the RSF Social Investment Fund, Inc. will be used to make loans to mission-aligned enterprises. Minimum investment is $1,000.

To invest in RSF Social Investment Fund (the "Fund"), please complete this application and return it with a check made out to **RSF Social Investment Fund** for the amount of your investment to:

RSF Social Investment Fund, Inc.
1002 O'Reilly Avenue
San Francisco, CA 94129-0915

If you wish to wire your investment, please call Mark Herrera at 415.561.6160 for wire instructions.

Upon acceptance by the Fund, this Application will become an Investment Note as described in the Prospectus for the Fund.

[1] Please note: The Fund is not currently authorized to offer or sell securities to residents of the following states: Arkansas, Iowa, Mississippi, Missouri, Oklahoma, and Washington. Residents of these states should not complete this Investment Application, and should disregard this Prospectus.

NAME OF INVESTOR

JOINT INVESTOR (IF ANY)

ADDRESS[1]

CITY STATE ZIP

HOME PHONE MOBILE PHONE

EMAIL

HOW DID YOU HEAR ABOUT US?

If the Investor is an organization, identify the individuals who are authorized to transact business on its behalf relating to this investment; if the Investor is an individual, identify any others who may act on the Investor's behalf:

NAME PHONE

NAME PHONE

Optional Information

Birthday (MM/DD/YYYY): ____/____/________

Interest Areas: ☐ Food & Agriculture ☐ Education & the Arts

☐ Ecological Stewardship ☐ Social Finance ☐ The Work of Rudolf Steiner

II. INVESTMENT INFORMATION

The Fund will pay interest on the Note at the published rate in effect for the quarter in which the Fund accepts your investment. The interest rate will be reset as of the first day of each calendar quarter (see "Interest Rate Pricing" on page 9 of the Fund Prospectus for details on how the Fund sets its interest rate).

This interest spread (together with a spread charged to the Fund's borrowers) is intended to cover the Fund's costs and may be adjusted quarterly at its discretion to maintain equity between the investors and borrowers.

The Fund may change the reference rate, effective for any renewal terms. Unless you tell us otherwise, payments of interest and principal (on maturity) will be made by check to the address you provide.

Amount of Initial Investment: $ ____________________

What would you like us to do with the interest earned on your investment?

☐ Accrue it and add it to my investment balance.

☐ Pay it to me each quarter.

(If you do not make a selection, interest will accrue.)

Would you like any portion of the interest to be retained by RSF for the further support of its charitable work?

☐ Yes, retain $ ________ quarterly or ________% of interest earned to support RSF's charitable work. This interest is considered a donation by you to RSF and may be tax deductible.

☐ No

III. MATURITY OF INVESTMENT NOTE

Your investment will mature at the next calendar quarter end that follows the date on which we receive and accept your investment. At maturity, your investment will automatically renew for an additional three month term unless we receive your request for repayment before the maturity date.

On renewal, the amount of your Note will include any interest from prior quarters that you have elected to reinvest.

Although you may withdraw your investment at any maturity date, we invite you to indicate a non-binding commitment to continue renewing the investment in order to the assist the Fund in planning for its lending program:

☐ Yes, I commit to renewing my investment for ________ years or until __________ . I understand that I may still withdraw my investment at any maturity date.

IV. CERTIFICATION AND SIGNATURES

Before you sign this Application, you must have read and understood the Prospectus for the Fund. There are significant risks that you must understand before you invest. These risks are discussed in the Prospectus under the heading "Investment Risk Factors."

Representatives of the Fund will be glad to answer any questions you have or to provide information that you need in order to make an informed investment decision. Please call Mark Herrera at 415.561.6160.

By signing below, you certify under penalty of perjury as follows (please draw a line through any of these statements that is not true):

- The number shown on this form is Investor's correct taxpayer identification number;
- Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that Investor is no longer subject to backup withholding; and
- Investor is a U.S. person (including a U.S. resident alien).

INVESTOR:

SIGNATURE	PRINT NAME *(include capacity if signing for an organization)*	TAX ID/SOCIAL SECURITY NO.	DATE

JOINT INVESTOR *(if any)*:

SIGNATURE	PRINT NAME *(include capacity if signing for an organization)*	TAX ID/SOCIAL SECURITY NO.	DATE

For use by RSF Social Investment Fund, Inc.:

Accepted by: ______________________________ Date: ______________

RSF Social Investment Fund

Prospectus Supplement

September 30, 2011

This Prospectus Supplement is intended to update the June 30, 2011, Prospectus of RSF Social Investment Fund, Inc. (the "Fund") with respect to its Investment Notes (the "Notes"). This supplement includes information available to the Fund as of September 30, 2011.

This Supplement is not a summary of the Prospectus and only includes information that has changed since the date of the Prospectus. This Supplement should be understood as incorporated into and made a part of the Prospectus.

INVESTMENT NOTES STATE SPECIFIC INFORMATION

Effective September 30, 2011, the Investment Notes are available in two new states:

GEORGIA RESIDENTS: The Notes are now available in the state of Georgia. Laws pertaining to securities offerings were changed on July 1, 2009, and the security registration exemption is now self-executing for non-profit organizations. Upon discovery of the law change, we sought and received confirmation of our registration exemption on September 23, 2011.

KANSAS RESIDENTS: The Notes are now available in the state of Kansas. This is effective September 26, 2011.

RSF Social Investment Fund

Prospectus Supplement

November 21, 2011

This Prospectus Supplement is intended to update the June 30, 2011, Prospectus of RSF Social Investment Fund, Inc. (the "Fund") with respect to its Investment Notes (the "Notes"). This supplement includes information available to the Fund as of November 21, 2011.

This Supplement is not a summary of the Prospectus and only includes information that has changed since the date of the Prospectus. This Supplement should be understood as incorporated into and made a part of the Prospectus.

INVESTMENT NOTES STATE SPECIFIC INFORMATION (P. 3)

Effective November 21, 2011, the Investment Notes are available in South Carolina.

SOUTH CAROLINA: With respect to sales of these securities in the State of South Carolina, the securities are exempt from registration pursuant to an eleemosynary exemption under section 35-1-201(7) of the code of law of South Carolina, 2005. A default in payment either of principal or interest on any one security note shall constitute a default of the entire issue in the State of South Carolina. In such situation the rights of the noteholders in default shall include the right to a list of names and addresses of all noteholders of securities who are residents of the State of South Carolina, if there is no trustee to act for all noteholders, and the right of the noteholders of 25% in the principal amount of the notes outstanding to declare the entire issue due and payable.

PRIVACY POLICY (P. 16) - STATE LAWS

We will comply with state laws that apply to the disclosure or use of information about you. For example, if your address is in Vermont, we will automatically limit information sharing as described in "How to Limit Sharing of Information About You" without your having to advise us of this privacy choice. *Please note that certain states may require us to provide a list of names and addresses of security noteholders in that state in the case of default.*

RSF Social Investment Fund

Prospectus Supplement

December 15, 2011

This Prospectus Supplement is intended to update the June 30, 2011, Prospectus of RSF Social Investment Fund, Inc. (the "Fund") with respect to its Investment Notes (the "Notes"). This supplement includes information available to the Fund as of December 15, 2011.

This Supplement is not a summary of the Prospectus and only includes information that has changed since the date of the Prospectus. This Supplement should be understood as incorporated into and made a part of the Prospectus.

INVESTMENT NOTES STATE SPECIFIC INFORMATION

Effective December 15, 2011 the Investment Notes are available in the state of Louisiana.

RSF
Social Investment Fund

1002 O'Reilly Avenue
San Francisco, CA 94129
Toll Free 888.RSF.3737
T 415.561.3900
F 415.561.3919
www.rsfsocialfinance.org

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