



FROM IFF'S CEO AND BOARD CHAIR

A HISTORIC INVESTMENT IN LOCAL CHANGEMAKERS

There is no burying the lead on 2023: it was IFF's most impactful year to date. We made more loans to more nonprofit changemakers than ever before in our 35-year history.

We say this humbly, but proudly, and with a deep appreciation for the investors and funders whose steadfast support made this achievement possible.

Because of your faith in IFF's strategic direction—just a few short years after a global pandemic that brought the economy to a standstill and put the communities we serve in harm's way—we have been able to scale our platform of leadership, capital, and real estate solutions to deliver a historic investment in local changemakers just when they most needed it.

Specifically, in 2023, we:

- Closed a record 153 loans providing \$233.9 million in capital to nonprofit changemakers—exceeding our previous high by over \$100 million;
- Raised \$130 million in capital to support the incredible demand for our loans;
- Through our lending, leveraged \$1.28 billion in total community investment and supported the development of 4.97 million square feet of real estate;
- Consulted on 90 nonprofit facilities projects, including managing the construction of over 32,000 square feet of real estate;
- Completed two community-driven development projects in the Chicago Metro area, with additional projects underway in Detroit, Grand Rapids, and St. Louis;
- Surpassed the \$1 billion threshold in total managed assets.

In addition to these milestones, we also deepened IFF's presence across our Midwest region—opening an office in Cleveland to better serve Northeast Ohio; appointing an executive director to lead and grow our work in Indiana; partnering with state and local government in Michigan to expand quality child care facilities and build affordable housing; working with state and local government in Illinois to convert once vacant hotels into safer and more stable shelters for the unhoused population; and continuing to engage with stakeholders in cities and states across the region to support a facilities-forward approach to expanding the availability of quality child care by leveraging our research, programming, development, and more.

While there's much to celebrate about what we accomplished in 2023, there were significant challenges, too—and our success was by no means guaranteed. A perfect storm was brewing with the demand for and supply of IFF's capital, and we found ourselves at a crossroads.

As public funds meant to help communities rebuild after the pandemic started to flow to local nonprofits, increasing the demand for IFF's loans, the Federal Reserve also raised interest rates precipitously to help curb inflation, unsettling the financial markets. The result: capital became scarcer and more expensive for everyone than it had been in a long time.

In this environment, many banks as well as some CDFIs pulled back on their lending until the situation settled, which increased the demand for IFF's loans even more. We had a choice to make. Do we immediately pull back? Or do we lean into our mission and on our relationships, fully leverage IFF's platform, and ensure that local changemakers have the capital they need to rebuild after the pandemic?

Of course, you know the answer to that question because you leaned in with us! You saw the need for IFF's capital and real estate services in communities across the Midwest, and you offered your partnership and provided us with the financial support to meet the moment.

Together, we made a historic investment in local changemakers in 2023.

Thank you!



Joe Neri
Chief Executive Officer








Cheryl Wilson
Board Chair

NUMBERS





Lending Highlights

This year, IFF closed more loans to more nonprofits than ever before. These loans—big and small—empower nonprofits to do more for their communities and remain an indispensable component in our continuum for social impact.

	2023	1988-2023
 Number of Loans Closed	153	2,268
 Dollars of Loans Closed	\$233.9 M	\$1.62 B
 Capital Leveraged	\$1.28 B	\$5.77 B
 Number of Nonprofits Served	132	1,207
 Square Feet of Real Estate Developed	4.97 M	42 M

Lending Impact Numbers

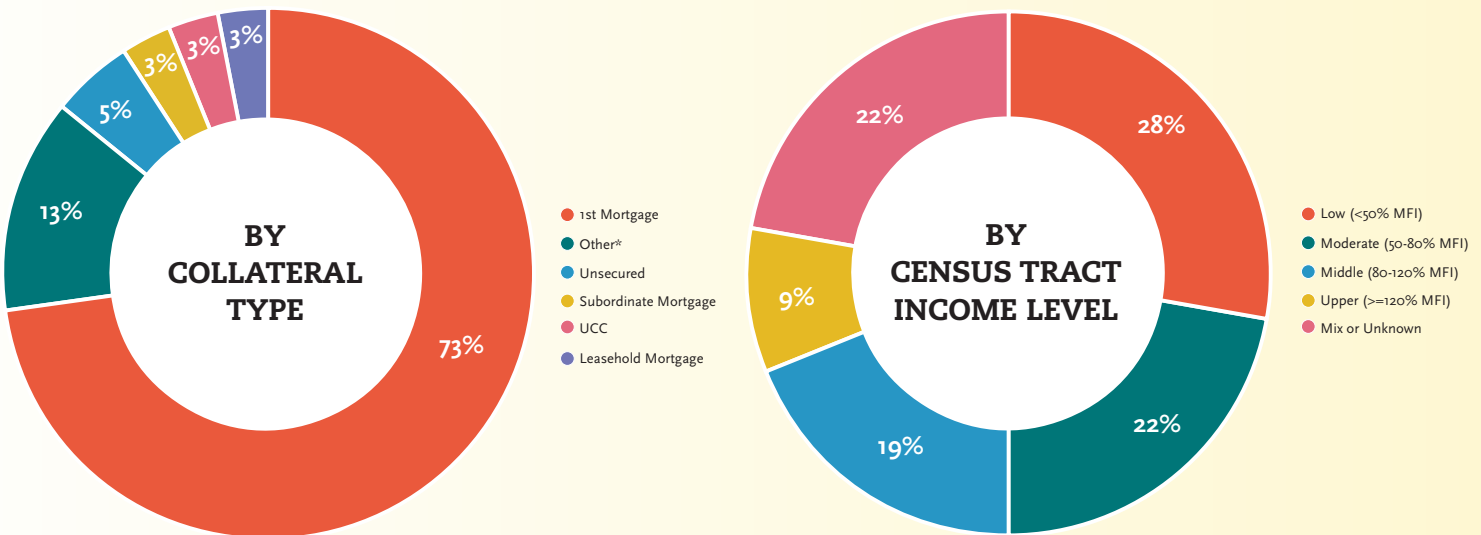
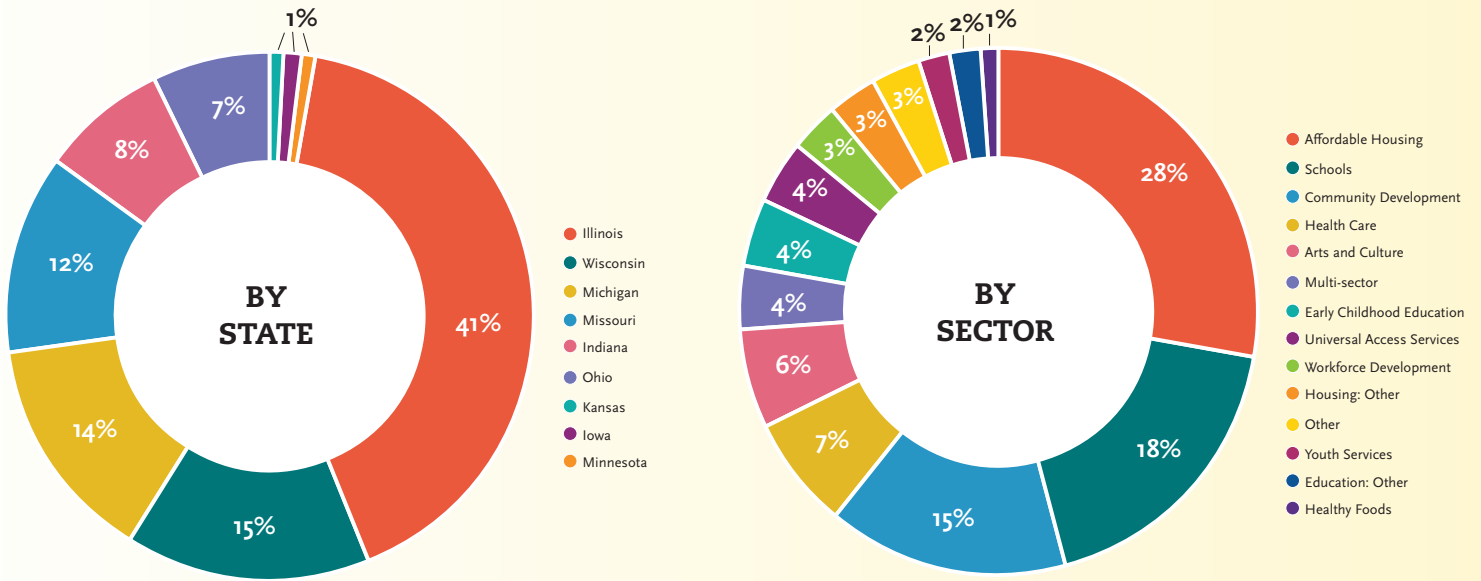
When nonprofits have access to flexible financing designed with their needs in mind, they can create safe, inspiring facilities to support their clients and strengthen their communities.

	2023	1988-2023
 Student Seats	1,332	160,956
 Child Care Slots	272	16,041
 Housing Units Created/Preserved	3,469	20,589
 New Patient Visits	69,371	725,598

Loan Portfolio

Our commitment to supporting the full range of nonprofits across the Midwest provides our investors with a well-secured and diversified loan portfolio. These graphs reflect the percentage of dollars in IFF’s portfolio of loans—which, as of Dec. 31, 2023, included 720 loans totaling \$559.3 million.

Included in the figures on this page are loans made under our innovative New Markets Tax Credit (NMTC) Small Project Loan Pool, which brings the benefits of NMTC financing—low rates and seven-year, interest-only payments—to smaller nonprofit projects throughout the Midwest.



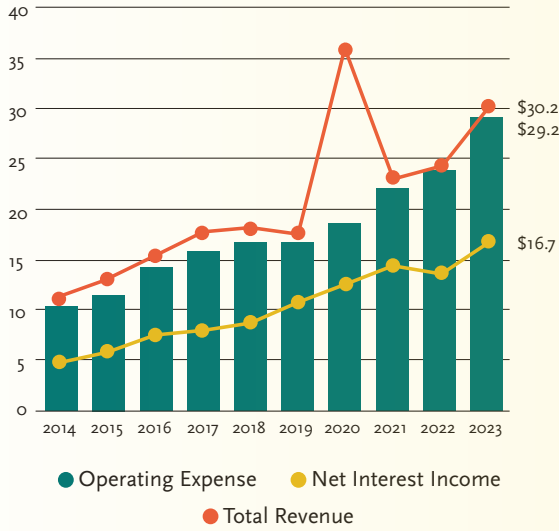
*The vast majority of “other” represents NMTC transactions where IFF generally has an indirect interest in the collateral due to the program’s structuring requirements.

Data gathered by the U.S. Census and other federal agencies/programs—notably the Community Reinvestment Act, Housing and Urban Development, and Home Mortgage Disclosure Act—have transitioned to these new labels from income level. While the labels have changed, the percentages based on Median Family Income (MFI) have remained the same; what were “very low” and “low” are now “low” and “moderate.”

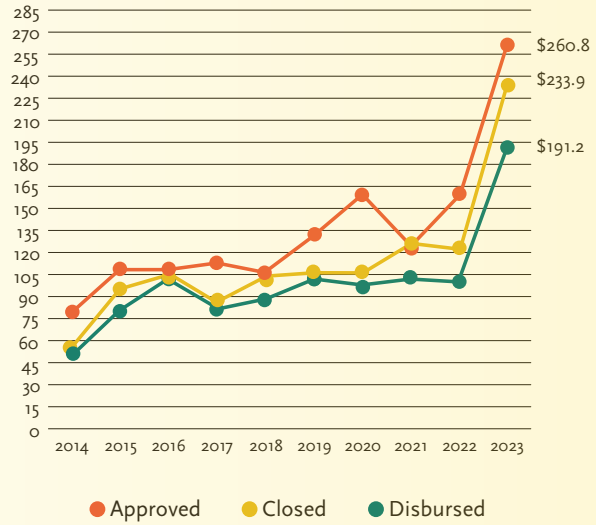
Financial Performance

Ensuring a financially strong IFF is key to maximizing our ability to best deliver on our mission. In 2023, IFF continued to maintain a strong track record of performance. Rated four-star, AAA+ from AERIS, positioning IFF as one of the handful of CDFIs in the country to merit this top rating for both impact and financial condition.

FINANCIAL PERFORMANCE
In Millions

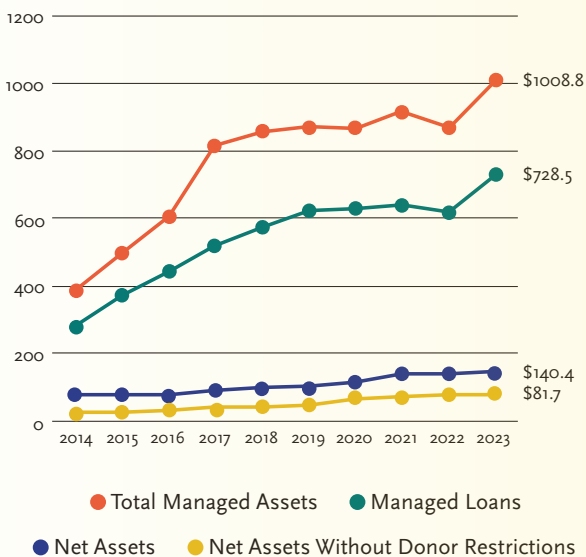


ANNUAL LOAN ACTIVITY
In Millions



The noticeable spike in our revenues in 2020 was due to a one-time major gift of \$15 million from philanthropist MacKenzie Scott.

FINANCIAL POSITION
In Millions



DELINQUENCY AND LOAN LOSS HISTORY
Percent of Portfolio

