

# Maximize your impact

UBS Philanthropy Services



A photograph of a globe on a wooden table. The globe is the central focus, showing the Americas. To its left, there are several books and a pair of glasses on the table. The background is a plain white wall.

# Welcome to UBS Philanthropy Services

We are a unique, award-winning<sup>1</sup> offering that partners with you and your family to manage your philanthropy and maximize your impact. We provide comprehensive advice, insight experiences, and execution services, and employ an investment-based approach to deliver solutions to pressing social and environmental issues.

Globally, philanthropy is experiencing a period of unprecedented growth. The existing level of private philanthropic capital – at least USD 1.5 trillion<sup>2</sup> – is expected to rise to USD 5 trillion by 2030. There are many reasons for this, and most are rooted in a growing awareness of the scale of the challenges before us and an understanding that traditional approaches and available resources are insufficient to solve them.

Working with clients locally, nationally and globally, we identify high potential initiatives and build long-term collaborations, connecting you with the resources and expertise you need to achieve significant, sustainable change. Our in-house foundation focuses on issues including health, education and protection of children – as these are some of the most effective funding areas for a lasting future – and pioneers new social finance models of giving such as development impact bonds. By offering direct access to these opportunities and networks, we enable you to tap into cutting edge advice, practical support and a community of like-minded peers.

Whatever your philanthropic goals may be – from tackling a specific disease or protecting the environment through to giving something back – we are here to provide you with the expertise and support to maximize your impact. By understanding how and where your resources can do the most good, you can give with more confidence and make your philanthropic journey even more rewarding for you and your family.

<sup>1</sup> Best Global Bank for Philanthropy Advice, Euromoney Private Banking Survey 2017-2019.

<sup>2</sup> Harvard (2018), Global Philanthropy Report. Perspectives on the global foundation sector.

# An innovative approach to giving

One of the key factors that sets UBS Philanthropy Services apart is the way we apply the same rigor and resources to philanthropy that UBS uses for traditional investing. This robust, evidence-led approach has the dual effect of maximizing the impact your philanthropic funding can have and reducing the chance of causing harm.

## Avoiding harm

The first objective with any philanthropic activity should be to avoid harm. This recognizes that poorly directed donations can do more than simply waste money; they can damage the people and communities they were intended to help. For example, poorly distributed insecticide-treated nets that ended up being used for fishing – instead of fighting malaria – put people and fish stocks at risk<sup>1</sup>. In another case, heavily promoted and funded water pumping merry-go-rounds failed to work as water pumps because children lost interest in them, they were difficult for adults to use, and were expensive to install and maintain<sup>2</sup>.

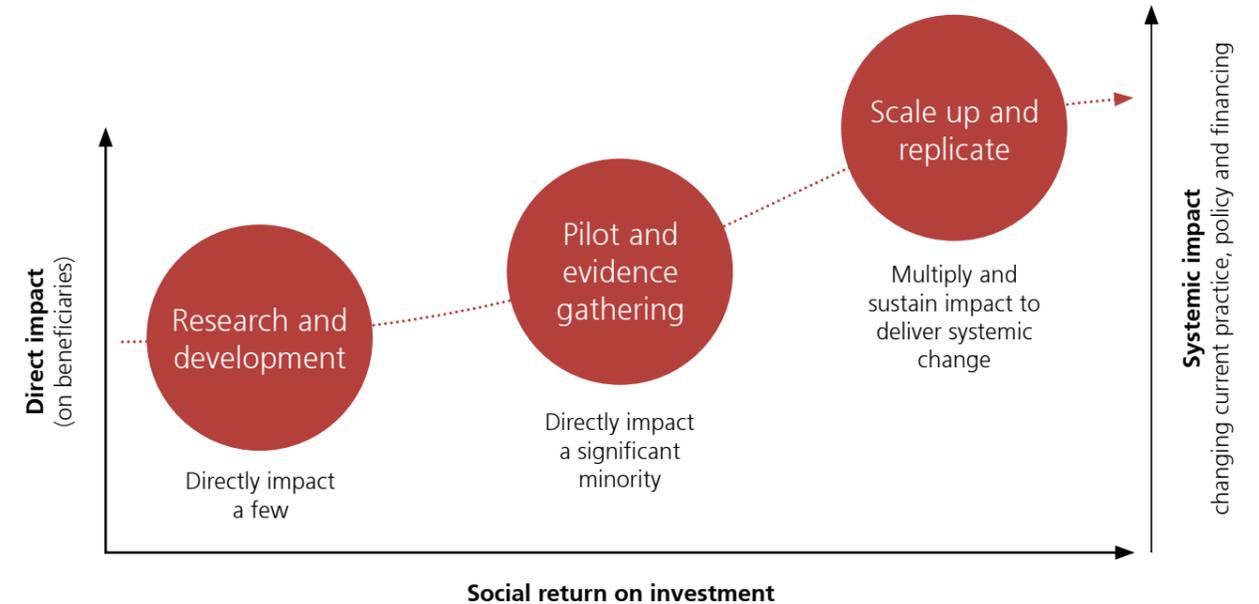
## Driving measurable outcomes

Another key tenet of our investment-focused model is measurability – we track and quantify impact to guide all our decision-making, whether at the point of making an initial funding or when deciding the right moment to exit.



## Scaling up to deliver systemic change

At the heart of our approach is an understanding that for a philanthropic initiative to generate the highest social return, it must be something that can be scaled up and replicated to the point where it can deliver systemic change.



<sup>1</sup> Damian Carrington, "Global use of mosquito nets for fishing 'endangering humans and wildlife.'" The Guardian, January 31, 2018.

<sup>2</sup> William MacAskill, "Doing Good Better: How Effective Altruism Can Help You Make a Difference". New York: Random House, 2015.

# Solving the world's most pressing social and environmental issues

Ending poverty, improving health and education, tackling climate change, spurring economic growth – there are many social and environmental problems that need to be urgently addressed.

The UN has established 17 Sustainable Development Goals that it describes as an 'urgent call for action' for all countries, both developing and developed. Yet with a USD 2.5 trillion annual investment funding gap, it is clear that a new, more collaborative approach is necessary. We believe that philanthropy at scale is best placed to catalyze profound change required to meet these goals.

 1 billion people have no access to healthcare

 CO<sub>2</sub> emissions have risen by c.50% since 1990

 783 million people live beneath the international poverty line

 3 in 10 people lack access to safely managed drinking water

 617 million young people lack basic math and literacy skills



# The UBS Philanthropy Services platform

Developed over more than two decades, our platform provides access to the guidance and resources to manage your giving in the most efficient way while ensuring that it is doing the most good. It is based on three core pillars: *comprehensive advice, insight experiences and execution services.*

## A global viewpoint

UBS Philanthropy Services connects you to an international network of expertise and support. With a team of more than 50 philanthropy experts in 12 locations, we can support you wherever your philanthropic objectives lead. We work closely with government bodies such as the United States Agency for International Development (USAID) and the Department for International Development (DIFID) in the UK, and alongside academic institutions such as Oxford, Stanford and Harvard universities. This breadth and depth of know-how makes sure that every piece of advice we offer is informed by the latest thinking and a clear understanding of the prevailing rules and regulations in each territory.



# Support and guidance on every aspect of philanthropic giving

We provide comprehensive advice to clients and their families, whatever their philanthropic goals. So whether you are considering establishing your first charitable fund or wanting to review whether your current portfolio is tax efficient, our team of experts is ready to help.

As with venture capital, we need to find the right business model, evidence, partnerships and leadership to be successful. To do that, we take a disciplined, investment-like approach designed to minimize negative outcomes and maximize impact at scale.

## A framework to drive impactful philanthropy:

### Strategy

What are my and my family's broad objectives?

### Structure

Do I have the right giving vehicle?

### Situation

What problems or issues would I like to address?

### Solutions

How can I identify the projects that work and are cost-effective?

### Sustainability

How can I sustain or exit from my investment?

### Scale

Can the solution be scaled to maximize reach and impact?



We want you to be able to make the best-informed decisions about your philanthropy, and a key way we do that is by connecting people and providing insight through our global network. This can be anything from a report on the latest charitable giving tax rules through to an invitation to a networking event with fellow philanthropists.



## Networking and ideas to optimize your strategy

### Events

We host a number of philanthropy-themed events each year. Featuring insights from our own experts and other leading industry figures, they include our Philanthropy Forum series which explores the latest topics from across the sector.

### Thought-leadership reports

Every year, we publish thought-leadership materials to bring you insights on everything from global trends to new giving initiatives. Based on research drawn from our UBS network and often produced in tandem with our academic partners, our publications include The Global Philanthropy Report, the most comprehensive analysis to date of philanthropic practices and trends.

### UBS's Global Philanthropists Community

The Global Philanthropists Community is an exclusive members-only network supported by UBS. Though a private online portal and dedicated gatherings, it connects active philanthropists who share similar interests.

### Insights trips

Hosted by UBS Optimus Foundation, our insights trips offer the chance to see first-hand the projects we have chosen to support and help grow. Travelling with fellow philanthropists, you will meet frontline workers and beneficiaries, understand the challenges they seek to overcome, and see the impact the projects have. These trips are a great opportunity to share ideas and experiences and shape your plans. They are also a good way to show younger members of your family how wealth and philanthropy can make the world better.

### Some quotes from clients who have joined our Insight trips:

"The projects were all amazing and really worthwhile to see, especially with background and in-depth discussions from founders and project directors." – *UK client*

"The experience was inspiring, fun, informative, productive, and well-organized. The session with former President Ellen Johnson Sirleaf, and the mere fact that she took time to join us, is ample testament to the reputation you've all built for UBS Optimus." – *US client*

"It was a real pleasure meeting you and sharing these intense moments with you...We had an exceptionally pleasant and informative trip and we will long be marked by what we saw. Thanks to you, everything was perfectly timed, went smoothly, and, seemingly, so easily – a real challenge, I am sure." – *Swiss client*



# In-house solutions to help you realize plans and scale impact

We offer a number of execution services, giving you flexible options on how you manage your philanthropic giving. They include structures which make it easier and more cost-effective to put your strategy into practice.

**Risk warning:** The value of investments may fall as well as rise and you may not get back the amount originally invested.

## Donor-Advised Fund

A UBS Donor Advised Fund (DAF) is an effective way to establish a family foundation.

Quick to set up and simple in structure, a DAF can be managed in line with your usual investment approach. Your charitable donations are invested within the parameters you select, such as capital, growth or income, so you can grow your fund to make grants at a later date. Another benefit is the ability to take an immediate tax deduction for your contribution, even if it is granted to the beneficiary charity later.

Please speak with your UBS contact to find out if a DAF is available in your region.

## The UBS Optimus Foundation

The Foundation connects you with inspiring entrepreneurs, new technologies and proven models that are making a measurable, long-term difference to the most serious and enduring social and environmental problems. The only client-facing Foundation linked to a global wealth manager, UBS Optimus Foundation has a long track record and is recognized globally as a philanthropic thought-leader.

We take an evidence-based approach and focus on programs that have the potential to be transformative, scalable and sustainable. This gives you the reassurance that you are funding innovative projects that have a stronger chance of achieving all-important systemic change. UBS also makes matching contributions to the Foundation, ensuring that your donations will go even further.

## Our key focus areas:

- **Health:** frontline health, safe surgery and pediatric cancer
- **Education:** education in displacement, skills for social mobility and scale delivery innovation
- **Protection:** anti-child trafficking and slavery, and families not orphans
- **Environment\*:** conservation and climate change

## Collective Portfolios

Our managed Collective Portfolios allow you to invest in a readymade 'fund' of child health, education or protection programs that we have selected for their impact and scalability. As well as being a fast and easy route to investing, this is an excellent way to leverage your giving power with that of the wider UBS community.

## Creating a tailored portfolio

If you are passionate about an issue we are not already working on, we can develop a tailored portfolio that leverages our expertise to identify impactful and sustainable solutions anywhere in the world. Our in-house team will manage the process – from strategy and due diligence to reporting and contracting – at no additional cost to you.

## Making your giving go further

We collaborate with our extensive network of global partners to generate matched funding, leveraging donations you make. Also, UBS covers all costs of UBS Optimus Foundation, making sure that 100% of client money goes directly to fund the important work of improving lives.

## Sustainable and impact investing

A further option is to integrate your philanthropic goals into your wider investment strategy. This will make sure that environmental and social issues, for example, can be factored into your investment decision-making and shape the make-up of your portfolio.

\* Coming end of 2019. This offering may not be available for your region – please contact your Client Advisor for more information.

**Risk warning:** The value of investments may fall as well as rise and you may not get back the amount originally invested.

# UBS Philanthropy in action

## Health

### World Child Cancer

A UBS Optimus Foundation partner.\*

A model for diagnosis and treatment of childhood cancer in Africa.

#### Problem

Childhood cancer is largely curable – in developed countries, more than 80 percent of children survive. Yet in the developing world, survival rates are as low as 10 percent due to a lack of trained healthcare workers specializing in childhood cancer care and low awareness of the symptoms. As more children survive early childhood, the number of children who develop cancer in sub-Saharan Africa is likely to rise considerably over the next generation<sup>1</sup>.

#### Response

To improve the quality of cancer care for children, World Child Cancer will develop West Africa's first Center of Excellence for pediatric oncology. It will provide a regional training hub for pediatric oncologists across sub-Saharan Africa, with high-quality facilities and improved skills acting as a model to demonstrate how childhood cancer can be treated successfully and cost-effectively in similar settings.

#### Planned impact

- Increase one-year survival rates to 70%
- Provide access to improved pediatric oncology services for over 2,000 children in Ghana
- Meet increasing demand for cancer treatment in the region

\*UBS Optimus Foundation collaborates with philanthropic investors, service providers and others, but such relationships are not partnerships in the legal sense of the term and nothing in this document, including the use of terms such as "partner" or "partnership," should be construed as giving rise to such an inference.

## Education

### The Luminos Fund

A UBS Optimus Foundation partner.\*

Finding new ways to give out-of-school children a second chance.

#### Problem

In Ethiopian Government schools, the pupil/teacher ratio is 55:1<sup>2</sup>. Lebanon, which has a population of 6.8 million<sup>3</sup>, is hosting at least 244,000<sup>4</sup> out-of-school children from Syria, adding strain to an already over-burdened public school system. In Liberia, civil war and the Ebola outbreak have contributed to the second-highest rate of out-of-school children in the world, with 56%<sup>5</sup> of primary-school-age children not attending.

#### Response

The Luminos Fund has developed best-in-class education innovations to help the children in greatest need. A key innovation is the Speed School – a three-pronged solution that provides children who have been kept out of school a second chance at an education. This innovative child-centric teaching uses activity-based learning methods to cover the first three years of the national curriculum in just 10 months.

#### Impact

- The Luminos Fund reached 14,250 children in Ethiopia in 2017, 3,600 in Lebanon by 2019 and will reach 40,000 in Liberia by 2022
- It will help them to enter the formal education system and will also engage family members and educators

<sup>1</sup> World Health Organisation

<sup>2</sup> <http://uis.unesco.org/en/country/et>

<sup>3</sup> <https://data.worldbank.org/country/lebanon>

<sup>4</sup> <https://www.unhcr.org/lb/education>

<sup>5</sup> <http://uis.unesco.org/en/country/lr>



## Protection

### Hope and Homes for children

A UBS Optimus Foundation partner.\*

Bringing children back home.

#### Problem

There are an estimated 2.7 million children in residential care, and a great many of them are not orphans<sup>1</sup>. Neglect experienced in such institutions has been shown to impair brain development and can lead to severe cognitive and behavioral deficits<sup>2</sup>.

#### Response

Hope and Homes helps institutions to transition children to family-based care where they can grow up in a safe and loving environment, while the institutions themselves are transformed to provide support to these families and communities. As well as working with governments to directly implement its model in countries such as South Africa and Rwanda, Hope and Homes is also building the capacity of other organizations such as Child's Foundation in Uganda and Forget Me Not in Nepal.

#### Planned impact

- End the use of institutional care for children aged 0–3 years across 129 institutions in the Gauteng Province, South Africa
- Train 500 foster care families who will be registered in a foster care bank
- Transition more than 6,000 children in institutions into family-based care
- Develop capacity of social workers to monitor well-being of children in families
- Repurpose institutions to provide support to children in families and communities



## Social finance

### Championing initiatives that maximize impact

UBS Optimus Foundation has been a pioneer in the social finance space. This approach seeks 'impact' first, and often entails greater financial risk than investing in mainstream assets. In fact, impact bonds or loans for impact are a way to drive financial returns that are directly linked to actual social impact.

Social finance is best suited for clients who seek an ultimate impact from their capital that is strongly aligned with the goals of the investment.

#### An example investment

Development Impact Bonds (DIBs) are results-based contracts in which private investors provide financing for social programs on a pay-for-performance basis. Outcome funders, like USAID, pay back the principal plus a return if the program delivers externally evaluated social outcomes. At scale, outcome funding has the potential to better utilize donor and government funding by shifting risk to private funders and allowing outcome funders to only pay if results are achieved.

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<sup>1</sup> UNICEF, Children in Alternative Care, July 2017.

<sup>2</sup> SD Pollak (2010), Neurodevelopmental effects of early deprivation in post-institutionalized children.



# Find out more

If you would like to know more about UBS Philanthropy Services and how we could work together to further your goals, please contact your Client Advisor or visit [ubs.com/philanthropy](https://ubs.com/philanthropy)



## Footnotes:

- 1 Best Global Bank for Philanthropy Advice, Euromoney Private Banking Survey 2017-2019.
- 2 Accolades are independently determined and awarded by their respective publications. Neither UBS Financial Services Inc. nor its employees pay a fee in exchange for these ratings. Accolades can be based on a variety of criteria, including length of service compliance records, client satisfaction, assets under management, revenue, type of clientele and more. For information on a particular rating, please visit [ubs.com/us/en/designation-disclosures](https://ubs.com/us/en/designation-disclosures).
- 3 Harvard (2018), Global Philanthropy Report. Perspectives on the global foundation sector.
- 4 Damian Carrington, "Global use of mosquito nets for fishing 'endangering humans and wildlife.'" The Guardian, January 31, 2018.
- 5 William MacAskill, "Doing Good Better: How Effective Altruism Can Help You Make a Difference". New York: Random House, 2015.
- 6 Transforming our world: the 2030 Agenda for Sustainable Development, 2015. The Sustainable Development Goals are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
- 7 Transforming our world: the 2030 Agenda for Sustainable Development, 2015.
- 8 The value of the investment can go up as well as down. The capital is at risk.
- 9 Neither UBS Services Inc. nor any of its employees provide legal or tax advice. Please consult with your legal and tax advisors regarding your personal situation.
- 10 GBD database, Institute for Health Metrics and Evaluation; Ian Magrath, Eva Steliarova-Foucher, Sidnei Epelman, Raul C Ribeiro, Mhamed Harif, Chi-Kong Li, Rejin Kebudi, Scott D Macfarlane, Scott C Howard et al., "Pediatric Cancer in Low- and Middle-Income Countries," Lancet Oncology Commission (2013).
- 11 UNICEF, Lebanon Annual Report (2017).
- 12 UNICEF, Liberia (2018), The Situation for Children in Liberia.
- 13 UNICEF, Children in Alternative Care, July 2017.
- 14 SD Pollak (2010), Neurodevelopmental effects of early deprivation in post-institutionalized children.

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