

Impact loans

To prove and scale **business models** with a focus on **social outcomes**

Who we are

UBS Optimus Foundation (UBS-OF) is the only foundation linked to a global wealth manager staffed with philanthropy experts. We fund program partners that help underprivileged or vulnerable children and youth around the world in the areas of health, education and child protection. In 2019, we added environment and climate philanthropy to our offering. With ca. \$100m funding deployed annually, UBS-OF managed 240 programs in 2019.

UBS-OF's collective focus areas to help children and youth

Health

- Frontline health
- Safe surgery
- Pediatric cancer

Education

- Education in displacement
- Skills for social mobility
- Scaling delivery innovation

Child Protection

- Anti-child trafficking and slavery
- Families not orphans

Environment

- Marine/coastal ecosystems
- Food systems and sustainable land use

Social Finance can help drive scale and effectiveness in development funding

We develop, test and scale innovative social finance solutions to support successful programs with an aim for long-term impact and systemic change. Social finance solutions allow us to mobilize private capital and/or to achieve greater leverage effects for philanthropic capital. Social finance bridges the gap between philanthropy and sustainable investing.

Impact loan eligibility

With impact loans, UBS-OF supports seed- and early-stage social enterprises that can demonstrate both

- measurable social results, and
- a sustainable business model along with capacity to repay the loan.

Impact loans are only provided for activities that are fully aligned with UBS-OF's collective focus areas (described above).

Impact loan key terms

- minimum size \$0.5m,
- medium- and long-term tenor,
- interest rates vary based on collaboratively predefined social targets vs. results achieved.



Examples of impact loans

Hewatele (Kenya)

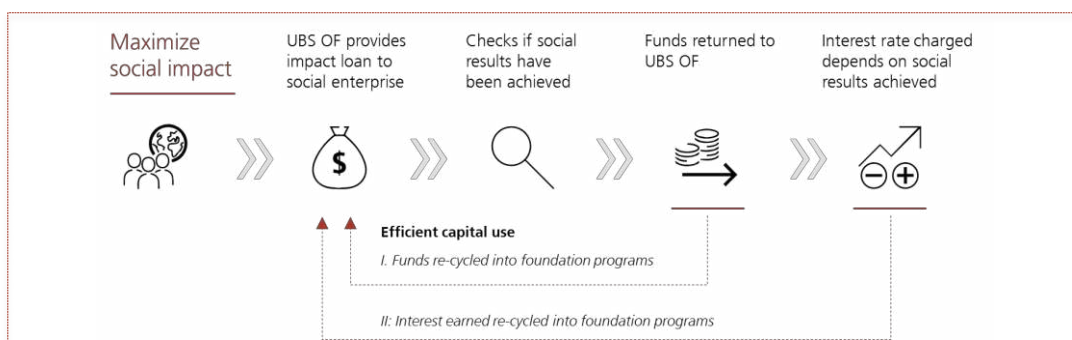
- Manufactures and supplies affordable medical oxygen to health facilities to avoid preventable childbirth related complications and deaths, and to support safe anesthesia during surgery.
- Hewatele will use the UBS-OF impact loan to invest in oxygen cylinders and to expand distribution to a larger number of health facilities providing access to oxygen during lifesaving procedures to 45,000 people.
- Social metrics drive the interest rate: 1. Supply of oxygen to clinics that previously have not used any, 2. Distribution to distant clinics.

Jacaranda (Kenya)

- Operates maternity clinic with the objective of reaching low income women with the highest quality of care and thereby reduce maternal and infant mortality.
- Jacaranda will use the UBS-OF impact loan to replicate the Jacaranda Maternity model in two new clinics, each catering for over 2,000 deliveries per year.
- Social metrics drive the interest rate: 1. Share of low-income patients, 2. Clinical quality as measured by time to perform an emergency C-section after the decision has been taken, 3. Patient satisfaction survey score.

The impact loans will allow Hewatele and Jacaranda to prove the viability of their business models, and demonstrate their capacity to attract investment while maintaining focus on achieving social outcomes.

» Impact loans that have been repaid will be re-deployed into future UBS-OF programs and thus remain in the charitable domain.



UBS AG
UBS Optimus Foundation
P.O. Box
8098 Zurich

ubs.com/optimus
www.linkedin.com/in/phyllis-kurlander-costanza-31b3645b

The UBS Optimus Foundation is a grant-making foundation that offers UBS clients a platform to use their wealth to drive positive social and environmental change. The Foundation selects programs that improve children's health, education and protection, ones that have the potential to be transformative, scalable and sustainable as well as programs tackling environmental and climate issues. This document is for informational and educational purposes only and has no regard to the specific objectives, financial situation or particular needs of any specific recipient. It is not intended as a promotion of any UBS services nor an offer or a solicitation of an offer to sell or buy any product or other specific service. UBS Optimus Foundation does not provide investment, legal or tax advice. It strongly recommends to all persons considering the information herein to obtain appropriate independent legal, tax and other professional advice. In the U.S., Wealth Management services are provided by UBS Financial Services Inc., a subsidiary of UBS AG. In providing wealth management services to clients, UBS Financial Services Inc. offers both investment advisory and brokerage services, which are separate and distinct and differ in material ways. For information, including the different laws and contracts that govern, visit ubs.com/workingwithus.

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