



IMPACT FUND
FOR CHILDREN

ANNUAL REPORT

June 30, 2021

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The Bridge Fund was selected as an Emeritus Impact Manager for the ImpactAssets 50 (IA 50) 2021 list. This is the seventh consecutive year that the Bridge Fund has been included on the IA 50 list, which recognizes managers who have demonstrated a consistent ability to generate positive impact and resilience within the impact investing market.

"AS LONG-TIME UNICEF SUPPORTERS, WE SAW HOW **INTEGRAL THE BRIDGE FUND IS IN THE FIGHT TO END THE PANDEMIC.** WE WERE THRILLED TO PROVIDE A DIRECT GRANT THIS YEAR, KNOWING HOW QUICKLY IT COULD BE PUT TO WORK TO LEVERAGE LOAN DOLLARS AND MULTIPLY OUR IMPACT ACCELERATING FUNDING FOR ALL STAGES OF COVID-19 RESPONSE AND RECOVERY."

DANIELLE BOUTROS

BRIDGE FUND DONOR AND UNICEF INTERNATIONAL COUNCIL MEMBER¹



¹The UNICEF International Council is a global community of individuals who have made significant philanthropic commitments to UNICEF and who are committed to improving children's lives by leveraging their time, funding, perspectives and networks.

LEADERSHIP LETTER

Dear Impact Fund Supporters,

COVID-19 has ravaged the globe and exacted a heavy toll on the weakest and frailest among us. The depletion of resources and social safety nets for children has resulted in an additional 150 million children driven into multidimensional poverty, increasing the total number of children living in poverty to approximately **1.2 billion**. Without a doubt, in a year of such heightened urgency, getting humanitarian assistance to children, health workers and those taking care of children was critical.

In response, the Bridge Fund delivered a record \$93.3 million to support UNICEF's work, bringing our aggregate activity since inception to \$450+ million.

This rapid first-responder funding allowed UNICEF to deliver supplies faster, save more lives and offer people the support they desperately needed. For example, in October 2020, UNICEF was able to deliver oxygen concentrators and personal protective equipment (PPE) to frontline health workers in Belize just as the airport was reopening, bringing critical care to patients as quickly as possible. In summer of 2020 in Eastern Ukraine, UNICEF's PPE delivery allowed social workers to resume home visits and safeguard children against an uptick in domestic violence cases. In November, UNICEF prepared underserved rural communities in Nigeria to receive COVID-19 vaccines by prefinancing the critical equipment to keep the vaccines safe and effective when they arrived.

The Bridge Fund was a critical partner to UNICEF's speedy **pandemic response efforts**. We helped accelerate PPE to protect frontline workers and others, enabled investments in vaccine cold chain equipment, and facilitated vaccine purchase and delivery that resulted in lives saved. We also explored impact investing expansion opportunities that we will bring to market in the coming years.

Our compassionate and generous Bridge Fund supporters recognized the demand and stepped up too. We had the highest number of supporters since the launch of the Bridge Fund in 2012 and raised approximately \$20 million in loan and equity capital. We had our single most successful equity fundraising year, increasing our equity to \$18.4 million. This equity has the potential to enable more than 24X that amount in aid over the next 10 years. Many of our lenders provided us with more concessionary lending terms, allowing us to leverage our equity more efficiently.

Still, COVID is not over, and in many parts of the world, vaccination has barely started. How we respond and recover from the pandemic will shape generations to come.

We will work together with you and other philanthropists and impact investors to **double or triple** the Bridge Fund to meet growing demand and pioneer new impact investing solutions focused on improving the lives of children worldwide.

Thank you for your continued support and partnership.



Cristina Shapiro
President
Impact Fund for Children, Inc.



Shahriar Shahida
Board Chair
Impact Fund for Children, Inc.



**IMPACT FUND
FOR CHILDREN**

A SURGE IN INDIA



© UNICEF/UNIS5852/PANJWANI

HOW THE BRIDGE FUND SUPPORTS UNICEF'S COVID RESPONSE

COVID-19 has burdened every country in the world – but for some countries, it's been devastating. In May 2021, India's COVID surge was the worst witnessed anywhere since the beginning of the pandemic. At the height of the surge, three cases were being diagnosed per second and nearly three deaths recorded per minute.

In response, UNICEF jumped into action. In the same month, it delivered 3 million triple-layered masks and 400,000 face shields. They also procured 4,500+ oxygen concentrators – which can be used inside and outside of the hospital and don't require storage tanks – adding to the 3,000 that were already delivered at the end of 2020.

The Bridge Fund stepped up to accelerate \$6 million to India in order to help procure these critical supplies one month sooner. Bridge funding ensured that oxygen concentrators were accessible to COVID-19 patients, resulting in fewer preventable deaths, and protective gear was immediately available to frontline health care workers to keep them safe.

At the end of May, data suggested that cases were gradually declining in urban areas, though rural areas

were still struggling.

As the situation in India demonstrates, the fight to end the pandemic is far from over. Significant inequities in the distribution of COVID-19 vaccines continue to put us all at risk, with only 1 percent of people in low-income countries having received at least one vaccine dose as of late July.

UNICEF is rushing to combat this imbalance by delivering supplies to low- and middle-income countries, preparing countries for and carrying out large-scale immunization efforts, and building vaccine confidence in communities around the world.

The Bridge Fund will continue to be a key partner to UNICEF as it works around the clock to deliver vaccines, treatments and tests across the globe and fights every day to end this global pandemic.

THE BRIDGE FUND IN ACTION

\$80.9 MILLION IN TOTAL COVID-19 RESPONSE TO DATE

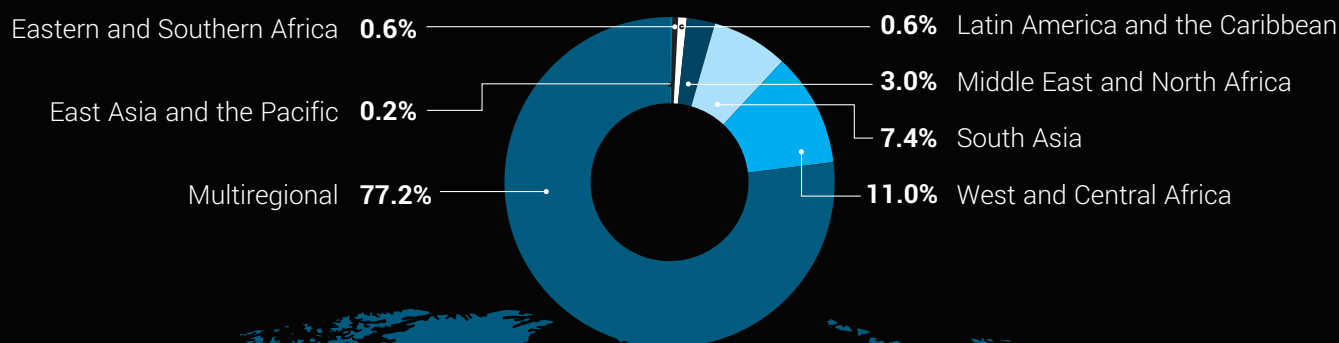
VII FAST-TRACKED 245 MILLION+ UNITS OF COVID SUPPLIES AROUND THE GLOBE TO DATE¹

\$6.3 MILLION IN DIRECT COVID-19 RESPONSE FOR INDIA

¹In addition to the 245M+ in supplies accelerated through prefinancing, the UNICEF Supply Division's Vaccine Independence Initiative (VII) also employs special contracts to accelerate delivery, notably including a transaction of 500M syringes and safety boxes in 2020, among others.

GLOBAL IMPACT FOR CHILDREN

ANNUAL AGGREGATED ACTIVITY BY SECTOR



Kenya

In calendar year 2020, the UNICEF Supply Division's Vaccine Independence Initiative (VII) accelerated **\$9.5 million** for Kenya's routine vaccine procurement against tuberculosis, polio, measles and rubella, tetanus diphtheria and other diseases.

Lebanon

\$1.3 million in disaster relief funds for children and their families following the explosion in Beirut.

India

\$6.3 million accelerated for oxygen concentrators, diagnostic tests, PPE, and hygiene kits after a second wave of COVID-19 case surges.

Nigeria

\$10.0 million accelerated to Nigeria for cold chain equipment to accommodate rollouts for COVID-19 vaccinations and other essential new vaccines, including IPV2, Rota and HPV.

Rwanda

Prefinanced **\$98,000** to fast-track the reopening of early childhood development centers impacted by COVID-19 shutdowns in Rwandan refugee camps by nine months.

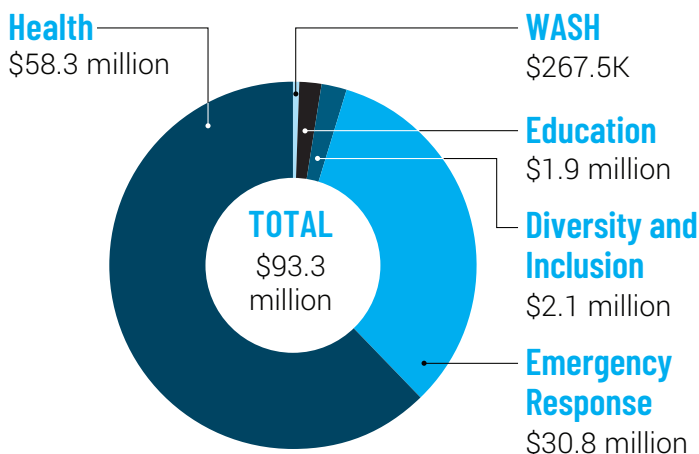
⁵As of December 31, 2020, the latest available data, the Bridge Fund's \$10 million investment comprised 7 percent of the total \$147.7 million VII capital base

BRIDGE FUND ACTIVITY

FY21 Bridge Fund Activity Enabled: **\$93.3 MILLION**

The data below summarizes 20 transactions, including funding for emergency needs and ongoing development programs¹

ANNUAL AGGREGATED ACTIVITY BY SECTOR



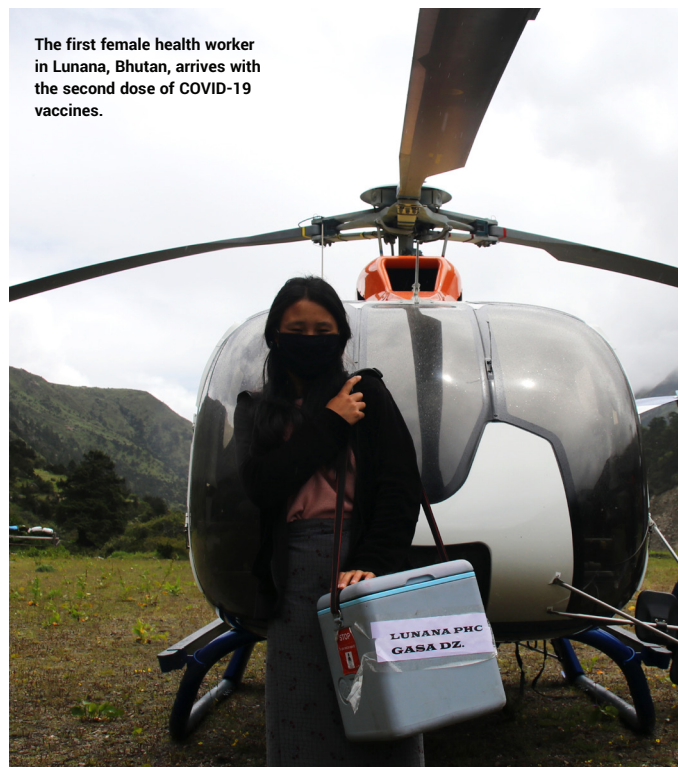
HIGHLIGHT: VACCINE INDEPENDENCE INITIATIVE HAS STANDOUT YEAR

The Bridge Fund's total \$10.0 million investment in UNICEF Supply Division's VII delivered \$20.2 million in impact in FY21 resulting from an average 2.2x VII fund revolver⁴

TOTAL BRIDGE FUND ACTIVITY SINCE 2011:
\$454.7 MILLION

FY2021 HIGHLIGHTS:

- COVID-19 response:
\$61.3 MILLION
- Vaccine doses accelerated³:
400 MILLION+
- Children and individuals targeted:
300 MILLION+
- Weighted average number of months accelerated:
5.8 MONTHS



¹In Q2 FY21, the Bridge Fund accelerated \$775,000 to a WASH project in Liberia. Due to challenges in project implementation, the project did not move forward, and the funds will be reimbursed to the Bridge Fund. As a result, we removed this transaction from our total activity.

²The Bridge Fund introduced Diversity and Inclusion as a new program sector in FY21 to reflect programs that seek to provide individuals with equal opportunities for inclusion and empowerment. In FY21, these programs focused on gender equality, social inclusion and child protection. Please note that some programs previously reported as gender equality or education were reclassified to this new category to better reflect their overall impact categories. Please contact the Impact Fund for Children team for more detail.

³Includes 155 million vaccine doses procured through the VII in calendar year 2020.

⁴Given the latest available VII data is as of December 31, 2020, the FY21 2.2x VII fund revolver was calculated using the average between the actual 2.6x revolver for July 2020 – December 2020 and a projected 1.8x revolver for January 2021 – June 2021. These projections were based on the average between the actual VII revolvers for the last four calendar years (2017–2020).

"ACCESS TO BRIDGE FINANCING WAS PIVOTAL TO KEEP POLIO VACCINE STOCKPILES AT NECESSARY LEVELS. **VACCINE STOCKPILES ARE CRITICAL IN THE GLOBAL FIGHT TO END POLIO** AND ALLOW US TO RESPOND IMMEDIATELY TO SUDDEN OUTBREAKS — PARTICULARLY IMPORTANT IN A YEAR WITH ADDITIONAL CHALLENGES DUE TO COVID-19."

MICHIYO SHIMA

FINANCE SPECIALIST
UNICEF PROGRAM POLIO TEAM



BRIDGE FUND CONTINUES TO DRIVE SUSTAINABLE DEVELOPMENT GOALS

SDG Progress in the COVID-19 Era

Before the global COVID-19 pandemic, progress had been made on the implementation of some of the **Sustainable Development Goals (SDGs)** while others were not happening fast enough, had stalled or reversed. While the SDGs are a blueprint for a better and more sustainable future for all, the pandemic resulted in a need to focus on emergency response to end the spread of COVID-19. This emergency focus undermined decades of development efforts and pushed some countries back as much as 10 years on their SDG progress.

Of the \$93.3 million of impact enabled by the Bridge Fund this year, \$30.8 million was directed to acute, emergency response including COVID-19 response. However, \$62.5 million was provided as accelerated funding for programs driving long-term SDG progress – particularly those hardest hit by COVID-19 lockdowns such as education and immunization. Over the next decade, it will be more important than ever to direct our learnings from the COVID-19 pandemic toward long-term transformative action that creates a more equitable, just and sustainable world for all.

IN FY21, THE BRIDGE FUND PROVIDED
\$62.5 MILLION¹
TO DRIVE PROGRESS ACROSS FIVE SDGs



TRANSACTION HIGHLIGHTS²

	SDG 3: GOOD HEALTH AND WELL-BEING	SDG 5: GENDER EQUALITY	SDG 6: CLEAN WATER AND SANITATION
CHALLENGE	At the height of COVID-19 lockdowns, 60 polio immunization campaigns were postponed in 28 countries.	Child marriage remains widespread and puts girls at risk of leaving school and increases their risk of experiencing domestic violence.	Nearly one-fourth of the rural population in Guinea drink unsafe water, which is the main reason Guinea has one of the highest mortality rates for children under 5.
BRIDGE FUND IMPACT	To get efforts back on track as quickly as possible, the Bridge Fund accelerated \$26.2 million to make 250 million oral polio vaccine doses available to mitigate outbreaks.	To prevent delays in programming, the Bridge Fund advanced \$742,500 aimed at ending child marriage by enhancing legal and political actions and providing education to empower adolescent girls.	To allow uninterrupted access to safe water in Guinea, the Bridge Fund prevented cash-flow gaps in the field by accelerating \$267,520 for sustainable water infrastructure.

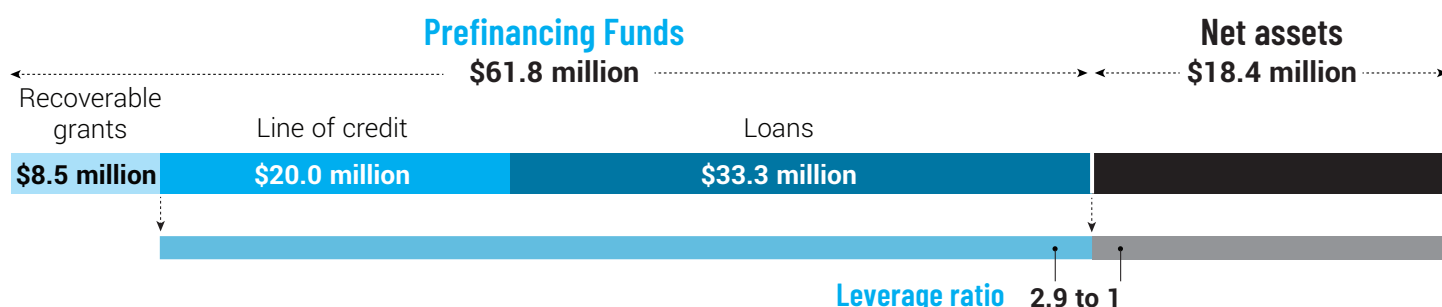
¹Does not include \$30.8 million accelerated for emergency response.

²Please contact the Impact Fund for Children team for the full list of FY21 transactions and SDG targets.

BRIDGE FUND SNAPSHOT

Bridge Fund capitalization and portfolio breakdown as of June 30, 2021

BRIDGE FUND CURRENT DEBT AND NET ASSETS



PORTFOLIO BREAKDOWN BY REPAYMENT SOURCE



As of June 30, 2021, \$55.7 million is disbursed and outstanding.

Total Disbursed and Outstanding \$55.7 million

Removal of Recoverable Grants from Bridge Fund Covenant Calculations

In the fourth quarter of FY21, the Bridge Fund reached a milestone in growing a catalytic tranche of capital – fully loss-absorbing recoverable grants. This increases its ability to scale by removing up to \$10 million in recoverable grants from its covenant calculations. As reported here and going forward, recoverable grants are excluded from the 3.5:1 leverage ratio, and outstanding indebtedness only includes cash loans and the line of credit.



Children pose in their classroom at the Jamhouria Basic School in Ad Damazin, Sudan.

¹National Committees are independent local nongovernmental organizations in industrialized countries that work to raise funds for UNICEF. UNICEF USA is a National Committee in a global network of 32 other similar organizations. This category captures disbursements against funding sources raised in those National Committees outside of UNICEF USA.

BRIDGE FUND SNAPSHOT

Bridge Fund capitalization and portfolio breakdown as of June 30, 2021

NEW BRIDGE FUND SUPPORT IN FY21

LOANS	\$7.0 MILLION
RECOVERABLE GRANTS	\$8.5 MILLION
GRANTS	\$4.4 MILLION

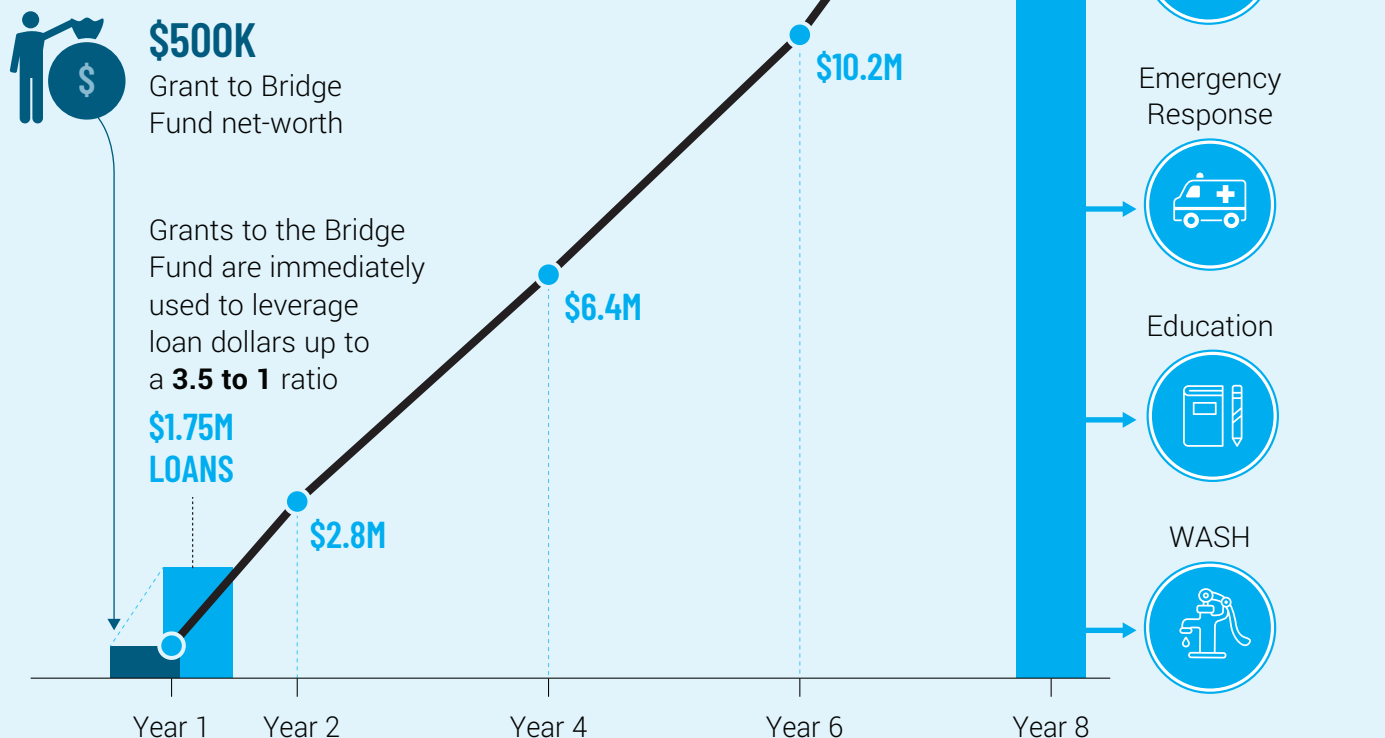
RECORD YEAR FOR BRIDGE FUND FUNDRAISING

The Bridge Fund had a record year of fundraising in fiscal year 2021, with **\$4.4 MILLION** in grants raised to meet COVID-19-related demand for bridge funding.

THE POWER OF A GRANT TO THE BRIDGE FUND

CASE STUDY OF SPECIFIC DONOR COMMITMENT

In 2014, a donor provided \$500K to the Bridge Fund net worth which has directly enabled 31X the impact over eight years, as this grant protects loan capital that is accelerated to UNICEF every year on a revolving basis.



"AS A GOOD CORPORATE CITIZEN COMMITTED TO CAUSES THAT ADVANCE THE WELL-BEING OF THE COMMUNITIES WE SERVE, AFLAC PRIORITIZES THE INTERSECTION OF BUSINESS AND HUMANITY. WE ARE PLEASED TO PARTNER WITH AN INSTITUTION THAT SHARES THESE CORE VALUES AND HONORED TO WORK WITH THE UNICEF USA BRIDGE FUND SUPPORTING THEIR MISSION OF PUTTING CHILDREN'S NEEDS FIRST AND PROVIDING THEM WITH BETTER OPPORTUNITIES TO SURVIVE AND THRIVE."

AFLAC INCORPORATED
BRIDGE FUND LENDER



FINANCIAL INFORMATION

Bridge Fund of UNICEF USA Impact Fund for Children, Inc.

Statement of Financial Position (unaudited) for the 12 months ended June 30, 2021

ASSETS

Cash and Investments	\$17,352,526
Contributions Receivable	\$63,273,817
Total Assets	\$80,626,344

LIABILITIES

Recoverable Grants Payable	\$8,467,521
Loans Payable	\$53,350,000
Accrued Interest and Other Liabilities	\$426,962

Total Liabilities	\$62,244,483
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Net Assets	\$18,381,861
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TOTAL LIABILITIES AND NET ASSETS	\$80,626,344
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COVENANT CALCULATION*

Leverage Ratio	Maximum	Actual
Loans Payable: Net Assets	3.5 : 1	2.9 : 1

*Recoverable grants up to \$10 million are excluded from the 3.5:1 debt to equity ratio. As reported here, loans payable only includes cash loans and the line of credit.

Statement of Activities (unaudited) for the 12 months ended June 30, 2021

REVENUE

Contributions Revenue	\$63,966,276
Investment and Interest Income	\$1,328,836
Total Revenue	\$65,295,112

EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$58,649,660
Program Expenses (Including Interest Expense)	\$1,899,792

Management and General	\$162,367
Fundraising	\$178,551

Total Expenses	\$60,890,370
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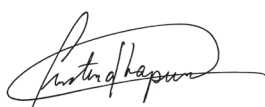
Net Income	\$4,404,742
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Net Assets – Beginning	\$13,977,119
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Net Assets – Ending	\$18,381,861
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We certify that, as of the quarter ending June 30, 2021, there exists no default or Event of Default (as such term is defined in the Loan Agreement), and we are in compliance with the covenants set forth in Sections 4.1 and 4.4 and in Article V of the Loan Agreement, including without limitation and as demonstrated in the above computations, the financial covenants set forth in Sections 5.2 and 5.5 of the Loan Agreement.

Cristina Shapiro, President, Impact Fund for Children, Inc. Dated: June 30, 2021



SUPPORTERS

THANK YOU TO OUR STAKEHOLDERS FOR MAKING THIS POSSIBLE.

BRIDGE FUND NET-WORTH DONORS

Anonymous (10)
Jenny Austin
Mr. Andrew Beer and Ms. Eleanor Chai
Bradley Belt
George and Danielle Boutros
Kent and Elizabeth Dauten
Mr. and Mrs. William Dietz, Jr.
Mr. and Mrs. Steve Eaton
Fidelity Charitable Trustees Philanthropy Fund
Stefan Findel and Susan Cummings Findel
Mrs. Melba Gschneidner
Kathy Lai
G. Barrie Landry
Mr. Harry W. Lange
Mariner Investment Group, LLC
Qatalyst Partners
Ian Rosenfield and Susanne Caballero
Jen Rubio and Stewart Butterfield

Luly and Maurice Samuels
Nicole and Shahriar Shahida
Mr. Jeffrey Urbina and Ms. Gaye Hill
Kayhau Wu Memorial Fund

Donors less than \$10,000 (230+)

BRIDGE FUND RECOVERABLE GRANT PROVIDERS

Anonymous (1)
AJA Foundation
Pooja Bhandari and Caesar Sengupta
Fidelity Charitable Trustees' Initiative
Hal and Nancy Kurkowski
G. Barrie Landry
Eric Ross and Nicole MacNeel
David and Emily Merjan
Gloria Principe and John O'Farrell
John A. and Susan Sobrato Fund, a donor-advised fund of Silicon Valley Community Foundation

Wendy's Wish Giving Fund
Kayhau Wu Memorial Fund

BRIDGE FUND LENDERS

Loans of \$1,000,000 or above

Anonymous (1)
Aflac
Merck & Co., Inc
New Summit Investments
Prudential Financial, Inc.
St. Joseph Province
TD Bank, N.A

Loans up to \$1,000,000

Anonymous (4)
Futures Without Violence
Hal and Nancy Kurkowski
G. Barrie Landry
Linda Spencer Murchison
Nicole and Shahriar Shahida
Nicholas Sloane

Thank you to our Fast Fund supporters. At the end of FY21, \$3.35 million of Fast Fund recoverable grant providers agreed to repurpose their investment from the Fast Fund to the Bridge Fund in order to support UNICEF's increased demand for Bridge Fund prefinancing.

UNICEF USA IMPACT FUND FOR CHILDREN BOARD OF DIRECTORS

THE IMPACT FUND FOR CHILDREN WELCOMED JENNIFER PRYCE TO ITS BOARD OF DIRECTORS IN FY 2021.

Shahriar Shahida, Chair
Glen Baptist

Steven Eaton
Dolores R. Gahan

Michael J. Nyenhuis
Cristina Shapiro

Jennifer Pryce

To learn more,
please visit our
website at
unicefusa.org/impact-fund-for-children
or contact:

Cristina Shapiro
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(212) 922-2556

Erin Egan
Managing Director
UNICEF USA Impact
Fund for Children
eeagan@unicefusa.org
(212) 922-2571

"IT'S CLEAR THAT INNOVATIVE IMPACT INVESTING STRATEGIES LIKE THE BRIDGE FUND CAN CONTRIBUTE SIGNIFICANTLY TO IMPROVING THE LIVES OF THE WORLD'S MOST VULNERABLE CHILDREN. I LOOK FORWARD TO THE NEXT CHAPTER OF THE IMPACT FUND FOR CHILDREN AS WE WORK TOGETHER TO EXPAND OUR FUNDING INITIATIVES TO SERVE THESE CHILDREN AND THEIR COMMUNITIES EVEN MORE."

GLEN BAPTIST

CHIEF EXECUTIVE OFFICER OF PGIM GLOBAL PARTNERS, THE ASSET MANAGEMENT DIVISION OF PRUDENTIAL FINANCIAL, AND IMPACT FUND FOR CHILDREN BOARD MEMBER

