



Bridge  
Fund

UNICEF USA Bridge Fund (“Bridge Fund”)  
SUMMARY TERMS AND CONDITIONS

*This term sheet is for discussion purposes only. It does not purport to summarize all the terms and conditions and other provisions that would be contained in legal documentation for any contemplated financing.*

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United Nations Children's Fund (UNICEF):	<b>UNICEF has helped slash child mortality rates by more than half since 1990</b> and save 122 million children's lives. UNICEF works in 190 countries and territories, to provide children with water, nutrition, health care, education, protection and emergency relief, using low-cost, high-impact, sustainable solutions.		
<b>Investee Profile:</b>	The Bridge Fund is an innovative impact investment tool that addresses timing gaps that emerge between identified funding sources to UNICEF, National Committees Supporting UNICEF, and, in certain cases, countries receiving services and supplies from UNICEF, and non-governmental organizations providing services in the event of emergencies such as hurricanes, floods, COVID-19, etc. (NGOs). The Bridge Fund is a program of the U.S. Fund for UNICEF ("UNICEF USA")'s subsidiary, the Impact Fund for Children, Inc. The Bridge Fund uses a revolving pool of capital to provide short-term grants to UNICEF or an NGO that enable it to accelerate procurement, speed delivery of commodities, or assure continuity of program logistics and services, help in emergency situations, and otherwise help to save and improve children's lives. When the financial commitment is paid to UNICEF or the NGO, the Bridge Fund is reimbursed and ready for the next urgent need. To date, the Bridge Fund has pre-financed over \$340 million for UNICEF.		
<b>Target Investors:</b>	The Bridge Fund's low-risk, high-impact profile is attractive to a range of socially-minded investors, including corporate, private and family foundations, financial institutions, ESG funds and individual philanthropists, all seeking to make a difference in the survival and development of children around the world.		
<b>Investment Types:</b>	The Bridge Fund accepts donations, recoverable grants and debt. This Term Sheet is for loans to the Bridge Fund. Loans to the Bridge Fund may be made for 3, 5 or 7 year terms, and form the pool of flexible capital from which grants are made to UNICEF or NGOs (in the case of emergencies).		
<b>Social Impact:</b> <i>Rapidly deployed bridge funding</i>	<b>Accelerates</b> the procurement and delivery of essential commodities to children and families	<i>Safe water reaches families days after a hurricane</i>	
	<b>Increases efficiency and continuity</b> of UNICEF programs	<i>Anti-malaria supplies reach families before mosquito-breeding season</i>	
	Aids <b>better planning</b> and forecasting	<i>Medical supply stockouts prevented in countries such as DRC and CAR</i>	
	Improves <b>procurement terms</b> and supply chain stability	<i>PPE rapidly purchased and deployed in a competitive procurement market</i>	
<b>Impact Multiplier</b>	<b>6x – 14x</b>   Loan funds revolve up to twice a year, (as they are rapidly deployed, reimbursed, and deployed again). This multiplies the impact of an investment over 3 – 7 year terms (assuming zero defaults in portfolio)		
<b>Covenants:</b>	3.5:1 Debt to Net Assets (equity): equity may be leveraged up to 3.5:1 to secure loans to build the pool of flexible capital. Pari Passu treatment of all lenders. Net Assets of the Bridge Fund cannot be, at the end of any quarter or year, less than 50% of its net worth at the end of the preceding fiscal year. No single Bridge Fund Grant to UNICEF can be more than \$10 MM without the consent of the lender. No single Bridge Fund Grant to an NGO can be more than \$5 MM without the consent of the lender.		
<b>Rates of return:</b>	Interest offered depends on the term of the loan.		
	3-year	5-year	7-year
	0.5%	1.0%	1.5%
<b>Repayments:</b>	The Bridge Fund repays loans in full at maturity; interest is paid annually. Investors have the option to reinvest the loan proceeds at maturity.		
<b>Reporting:</b>	The Bridge Fund issues quarterly financial and activity reports, audited annual financial statements, and convenes an annual investor meeting.		
<b>Risks:</b>	Nonpayment by funder – The Bridge Fund has a rigorous due diligence and underwriting process that assesses the risk of non-payment. To date, all bridge funding has been repaid.		