

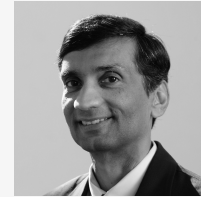
SESSION

What's the Payoff of Pay-for-Success?

Frontiers

of social innovation

INCLUSIVE MARKETS—INCLUSIVE SOCIETIES



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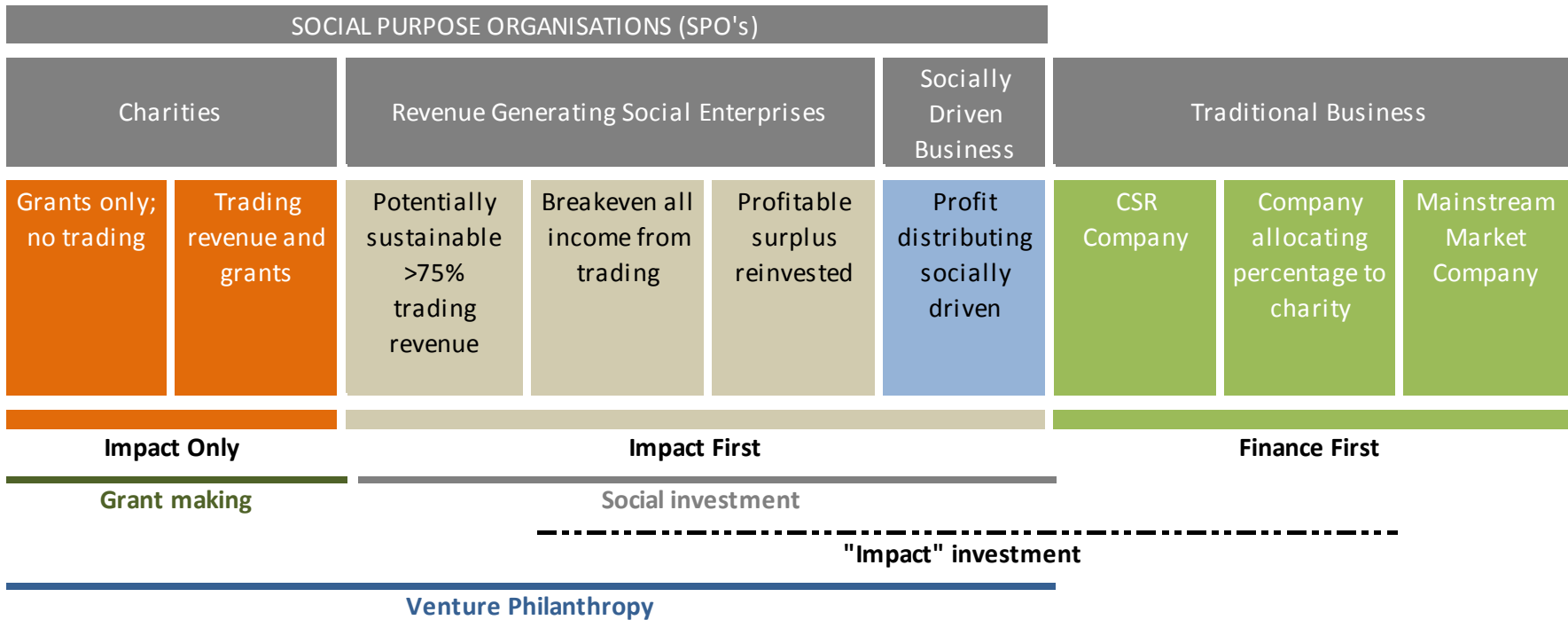


The Investment Spectrum

Primary driver is to create **societal value**

"Blended" societal and financial value

Primary driver is to create **financial value**



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Impact Investing

- Impact investing is the application of
 - the practice of investing
 - in the delivery of high social impact products or services
 - that return at least nominal capital to the investor
- Current Market Size: \$50 billion

Rough Size of Sector Segments

GIIN-JPMorgan 2013 Survey

- Main sectors
 - Microfinance - 20% \$10 bn
 - Financial services, excl. microfinance - 20% \$10 bn
 - Energy - 12% \$6 bn
 - Housing - 10% \$5 bn

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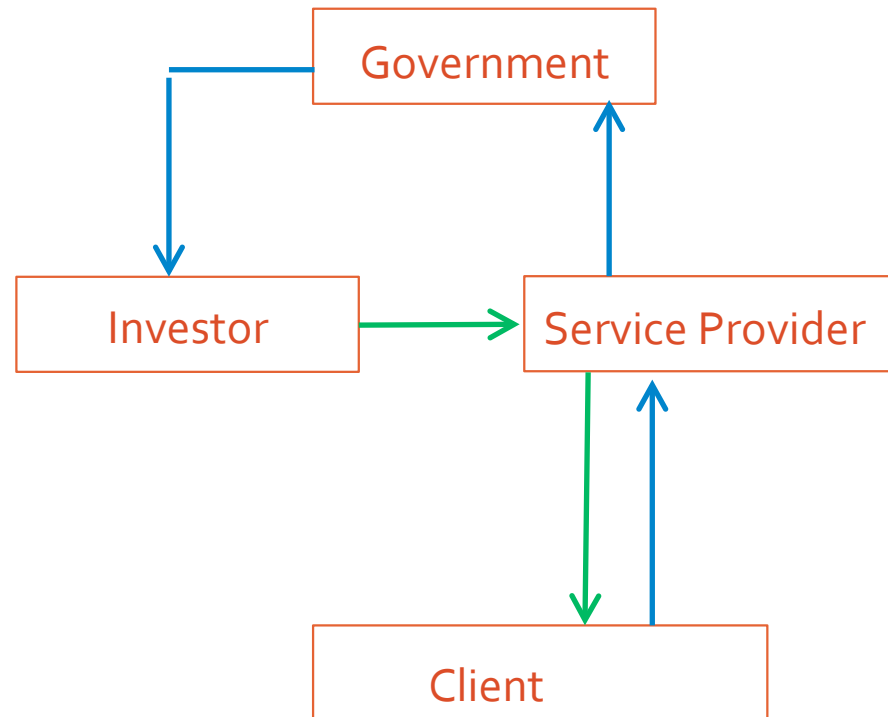


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Structure of Pay-for-Success (SIB)



PFS Contracts (as of January 15, 2015)

Contract	Issue	Total Program Cost	Commercial Investor	Impact Investor	Philanthropy
New York City (August 2012)	Young Adult Recidivism	\$9.6 M (over 4 years)	\$9.6 M	---	\$7.2 M (Loan guarantee)
Salt Lake City, UT (June 2013)	Early Childhood Education	\$1M (\$7M)	\$4.6M	\$2.4M	
New York State (December 2013)	Adult recidivism/ Job training for Recently incarcerated	\$13.5 M (over 4 years)	\$13.2	\$1.6	
Massachusetts (January 2014)	Young Adult Recidivism	\$20.3 M (over 7 years)	\$9.0 M	\$3.0 M	\$6.0 M
Chicago, Illinois (October 2014)	Early Childhood Education	\$17.4 M	\$13.0 M	\$4.0 M	
Cuyahoga County, OH (October 2014)	Foster Care/ Homeless Intervention	\$2.7 M (over 5 years)	\$1.575 M	\$2.0 M	\$0.350M
Massachusetts (December 2014)	Homelessness	\$3.5 M (over 6 years)	\$1.750M	---	\$1.750M
	TOTAL	\$74M	\$52.720	\$13.0M	\$15.300M

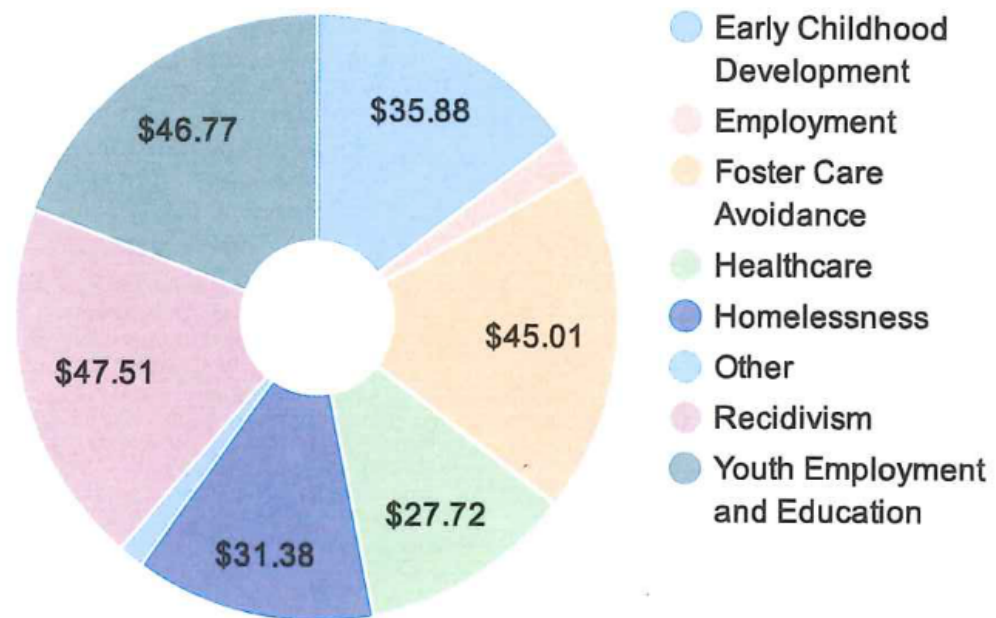
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SIB Value by Sector

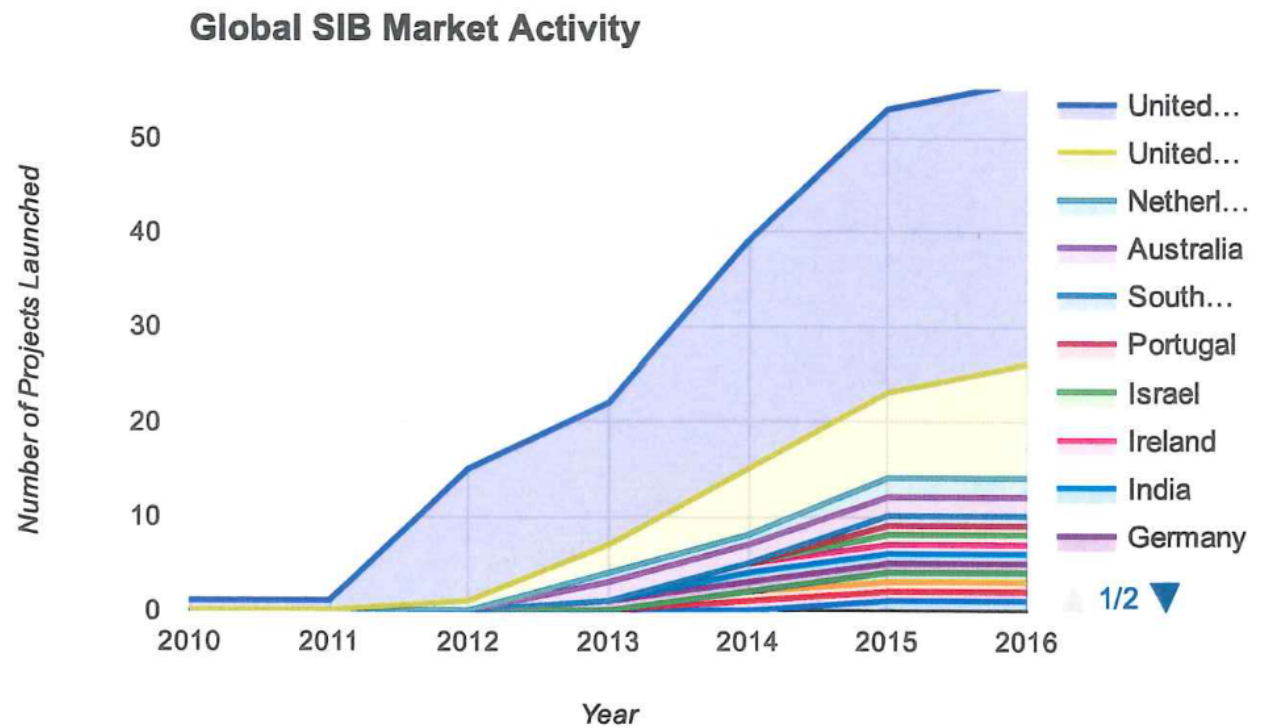
Value of SIB Market by Social Issue Area (CAD mm)



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Overall Market Activity



Social Impact Bond Tracker

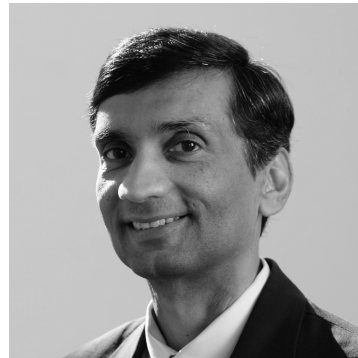


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Panel Discussion



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