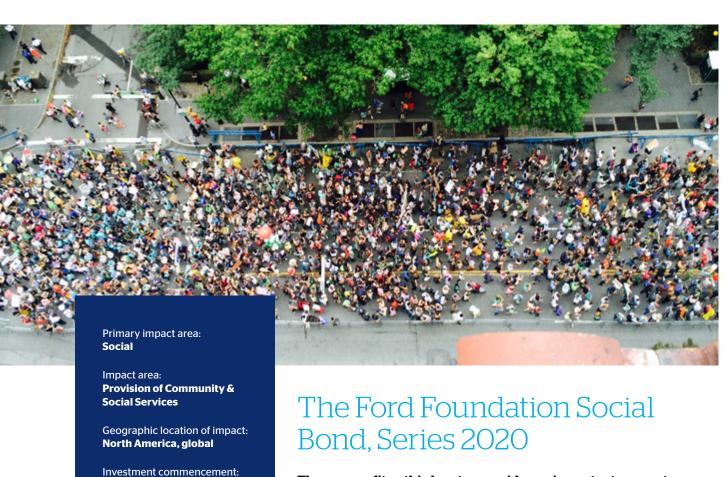
Premiums4Good™

2020

SDG alignment:





The non-profit or third sector provides an important connector between government and philanthropic funders and under-served populations, people and communities in need, to address important issues of inequality and social justice, 'yet more than half of these organisations struggle to become financially sustainable and meet that demand'.

Following the rapid economic effect in early 2020 of the COVID-19 virus, and the impact this had on the non-profit sector due to the drop in charitable giving, and deepening need due to the recession, Ford Foundation issued a USD1 billion social bond offering to increase grant funding and support viability of charitable organisations. The proceeds of the bond will be allocated over the course of 2020-2022. These Special Allocation Grants are focussed on building resilience in the non-profit sector and stabilising and strengthening the social justice sector.

The Ford Foundation, founded in 1936, is one of the largest philanthropic organisations globally. The Ford Foundation focuses on supporting visionary leaders and organisations working in key social justice issues: civic engagement and government; gender, racial and ethnic justice, technology and society; natural resources and climate change; future of workers; creativity and free expression (US Only), and cities and states (US only).

The Foundation 'believes the non-profit sector has been severely harmed by the COVID-19 pandemic and its economic fallout, and that non-profit financial organisations will require substantial financial resources to continue to carry out their charitable missions. In response, the Foundation seeks to substantially increase its grant making in coming years directed at building the resilience in the NFP sector and stabilising and strengthening the sector'.

This is a commercial social bond issuance by Ford Foundation, rated AAA (Moodys)/AAA (S&P), and issued in line with the ICMA Social Bond Principles. Security-holders receive interest coupon payment, with a 30- and 50-year term.

The funds will help stabilize and strengthen the non-profit sector along with building the long-term resilience of social justice organisations in the US and around the world.



The communities that are hardest hit by the pandemic must have a voice in influencing recovery and reimagining a "new normal" that is more just and inclusive. Social justice and nonprofit organizations play a vital role in organising and advocating on behalf of these communities, but they are already experiencing significant harm from the economic fallout of the pandemic. According to a Nonprofit Finance Fund survey in 2019, only 25% of nonprofits have at least six months of cash reserves on hand. On average, the unrestricted net assets of black-led organisations are 76% smaller than the assets of their white-led counterparts. In the U.S., nonprofits employ more than 10 percent of the private workforce or approximately 12.3 million people. The economic demise of nonprofit organisations will have a ripple effect on overall jobless rate in the U.S that is formidable.

Now more than ever, the Ford Foundation is committed to ensuring that key social justice organisations protecting and promoting the rights and priorities of vulnerable and marginalised communities have the resources to be strong and resilient during the challenging days ahead. The proceeds from the social bond will provide some of this key funding.

Ford Foundation

About Premiums4Good

Premiums 4Good is an innovative initiative that sees QBE invest everyday premiums to make an extraordinary difference to communities across the globe.

Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities – Premiums4Good helps us, together with our customers and partners, make a difference.





