

ILLINOIS

10,000 Small Businesses | Goodyear | **GS Social Impact Fund**

GS SOCIAL IMPACT FUND

Providing Financing to Revitalize Neighborhoods, Create Jobs and Build Community Services

In 2014, Goldman Sachs launched the GS Social Impact Fund, a nearly \$140 million fund that seeks to provide both a financial return for investors and a measurable social impact. Goldman Sachs has been a leader and pioneer in the creation and use of the social impact bond, an innovative financing model for high-impact social programs. The public-private partnership financing model is designed to deliver high-impact social programs to underserved communities.

The Fund, which is managed by the Urban Investment Group, the firm's Impact Investing platform, seeks to make private debt and equity investments in neighborhood revitalization projects, non- and for-profit businesses that create jobs, and social impact bond financings addressing social challenges such as recidivism and lack of access to quality education. The GS Social Impact Fund also enables investors like Assurant, a New York specialty protection plans and services provider and one of a group of lead investors committed to the Fund, to increase their portfolio of social impact investments and further leverage resources to make a difference for the communities and people that it serves.

Leveraging the innovative social impact bond financing model, the transaction is structured such that its lenders are repaid based on improvements in student academic achievement.

In October 2014, we acted as senior lender in a \$16.9 million social impact bond that will fund pre-kindergarten education for more than 2,600 children in Chicago public schools over four years. Research has shown that access to quality early educational programs directly impacts the success of students in elementary school and beyond. Leveraging the innovative social impact bond financing model, the transaction is structured such that its lenders are repaid based on improvements in student academic achievement. This financing will significantly expand Chicago's Child-Parent Center model, which provides vital early education programs to low-income communities to increase kindergarten readiness, improve literacy and reduce the need for special education services.

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