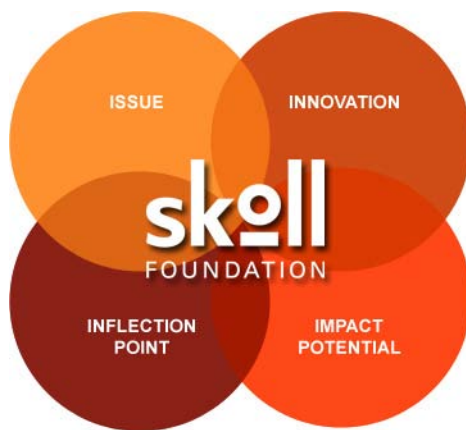


APPROACH

For the past 10 years, the Skoll Foundation has identified and cultivated the world’s most successful social entrepreneurs. These extraordinary leaders and their organizations are creating the innovative models that can spark large-scale change for seemingly intractable social problems. Every one of our social entrepreneurs operates with other players in a complex ecosystem with entrenched interests that resist change—but timing is everything. There are moments when the dynamics of an ecosystem shift – an inflection point – when changes in the ecosystem present opportunities to act that will have an outsized impact.



Today, we see an opportunity to increase our impact by analyzing the issue ecosystems where our social entrepreneurs operate and timing our investments when the ecosystem is ripe for change. We look for a convergence of the issue and an inflection point—when innovations will have the maximum potential for impact. We are evaluating our portfolio of social entrepreneurs and their innovations to assess their potential for impact using our “4-I” framework. We will apply our own resources, skills, and assets augmented by those through our networks of investors, media and other strategic partners, to accelerate innovations and break down the barriers to social change. Social entrepreneurs remain central to our strategy, because their vision and innovations are at the core of our hope for a sustainable world of peace and prosperity.

Investment Strategy: Our Capital Model

We seek to use our financial resources to further our mission in innovative ways, deploying capital through a combination of philanthropic grants, equity, debt and other financial instruments. We also align our endowment investments with our mission, and invest in media partnerships, global platforms, and marketing strategies that drive awareness of and investment in the work of our grantees.

Grants

Grants are an integral part of our investment strategy. Inspired by best-of-breed venture investors, we employ a flexible, phased approach to grant-making and collaborate with our social entrepreneurs on grant objectives, while allowing them to determine how best to allocate resources to achieve them. We have awarded more than \$100 million in our flagship program, the **Skoll Awards for Social Entrepreneurship**, which invests in social entrepreneurs whose work has the potential for large-scale impact in critical social change areas: economic and social equity, environmental sustainability, health, institutional responsibility, peace and security, and tolerance and human rights.

Skoll social entrepreneurs are innovators who have developed, tested and proven their approach. Our goal is to partner with them to replicate or scale their impact and to help engage those whose resources, connections, and capabilities are crucial to advancing their innovations. The Skoll Awards are designed for leaders whose experiences in social change allow them to contribute to a peer network committed to continuous learning and shared expertise. We share their stories to demonstrate their impact and to make vivid the power of social entrepreneurs to transform our world.

The Skoll Awards provide multi-year, core support to help organizations expand their programs and capacity to deliver impact at broader regional, national or global levels. They are not intended for new or early-stage programs or initiatives. Applicants must have a track record of no fewer than three years with documented results. Awards are presented annually at a ceremony at the Skoll World Forum on Social Entrepreneurship at the University of Oxford in England.

Program-Related Investments (PRIs)

Program-Related Investments (PRIs) provide capital at below-market rates to further a charitable purpose. Using vehicles from commercial finance, such as loans, equity investments and guarantees, PRIs offer the opportunity to blend the mission focus of a grant with the discipline and leverage of a financial investment.

For Skoll Awardees with earned revenue and/or for-profit business models, we may augment grant funding with below-market interest rate loans or guarantees when there is an opportunity to significantly increase programmatic impact or scale. We also invest in financial intermediaries who accelerate access to capital and other resources to those in underserved markets.

Mission-Aligned Endowment

We manage our endowment in alignment with our mission and standards for institutional responsibility. The investment goals for our endowment are:

- To generate income necessary to fund our grants, program investments and operations over the long term;
- To grow the real value of our financial assets over the long term; and,
- To seek investments in funds and companies whose practices and products further our mission and avoid those whose actions work counter to the mission.

Our investment manager is Capricorn Investment Group. We use a principled investing approach based on a belief that superior investment returns can be achieved by incorporating ethical, social and environment factors.