



The Children's Investment Fund Foundation(UK) ("CIFF")

Files Accounts for 2008/9

Date: 28 May 2010

Earlier today CIFF filed its annual accounts for the period to 31 August 2009 with Companies House.

Despite the challenging economic environment, CIFF continued to make substantial progress on our primary objective of demonstrably improving the lives of children living in poverty in developing countries.

CIFF's goal is to design programmes which will positively impact the lives of millions of children in the developing world through its work in the areas of Hunger Alleviation & Nutrition, Child Survival, Educational Achievement and Climate Change. For example, to date, CIFF's investments in HIV care and treatment programmes have ensured that over 260,000 HIV-infected children and their carers in over 34 countries are alive and on anti-retroviral treatment. Also, over 40,000 children have been enrolled in a CIFF-funded programme in Kenya, where we have seen reductions in infant mortality due to diarrhoea, malaria and malnutrition as well as increased attendance at school. CIFF works closely with many strong funding and implementation partners including The Bill and Melinda Gates Foundation, the Clinton Health Access Initiative (CHAI), Global Alliance for Improved Nutrition (GAIN), Academy for Educational Development (AED), the Global Aids Alliance (GAA), and the European Climate Foundation (ECF).

During the year to August 2009, CIFF committed new funds of £26 million to charitable activities, and increased total programme grant commitments by £17 million to bring its total to over £66 million. Including our expected future commitments to multi-year grants, CIFF expects to fund over £80 million for current programmes. CIFF also added significant new programmes in nutrition (GAIN), Paediatric HIV/AIDs (GAA, CHAI Global Paediatrics), and Climate Change. CIFF also demonstrated that it is prepared to restructure or close underperforming grants given its strong focus on delivering outcomes for children.

CIFF maintained a strong asset base of £1,445 million, down only 7% vs year-end 2008, reflecting the good investment performance of CIFF's portfolio despite the financial crisis, the continuing charitable contributions from The Children's Investment Fund ("TCI"), as well as expenditures on programmes and other related activities. CIFF's investment performance was good relative to the market and its peers during the financial crisis and also remains strong in the year since 1 September 2009.



CIFF is confident that it has a clear strategy, execution model and staffing in place, and is now well positioned to increase granting and programme delivery. CIFF is continuing its strategy of actively managing its fifteen nutrition, education and child survival programmes with activities in over 40 countries, and is also strengthening its pipeline of potential new programmes which has grown from approximately 20 in August 2009 to over 30 today. CIFF is also further expanding its activities in the important area of Climate Change. CIFF's Board has approved its in-depth landscape analyses of issues and solutions for the 3 Priority Impact Areas of Child Survival, Hunger Alleviation and Nutrition, and Educational Achievement, as well as Climate Change.

Support and governance costs have increased to reflect the growth in CIFF's staffing, a significant increase in CIFF's monitoring and evaluation activity, and professional costs relating to the creation of a new investment structure which gives CIFF more direct and independent management control of the investment strategy for its assets. A substantial portion of CIFF's staff costs arise from its Programme Management and Performance Measurement and Effectiveness teams which are actively engaged with the management of all grants, as well as the Foundation's Investment team which analyses and recommends potential new granting opportunities to the Board.

"In the period since August 2009 we have made substantial progress in a number of areas." said Jamie Cooper-Hohn, President and CEO of CIFF. "We have approved and started implementation on major new initiatives in Child Survival with Micronutrient Initiative in Bihar, and Living Goods in Uganda, as well as in Climate Change. The Board has also recently approved new grants for work with CHAI on paediatric AIDS in Africa, on nutrition in India via ready to use foods, and on a cook stoves initiative."

CIFF is confident that it has a clear strategy to further increase its impact in its Priority Impact Areas, as measured by new programme commitments approved, grants disbursed and the delivery of existing programmes. Furthermore, CIFF aims to deliver a broader impact on the lives of children living in poverty by executing on its leverage strategy to improve development and philanthropic practices across the sector.

CIFF has also built a strong pipeline of potential new projects in its Priority Impact Areas and Climate Change. CIFF has also strengthened its capacity to identify and deliver leverage from its programmes and for children globally, as well as agreeing a medium-term strategy for Climate Change.