

Foyer Central Social Impact Bond

Information Memorandum
23 December 2020



Important notices

This Information Memorandum (the **IM**) relates to the issue of limited recourse Foyer Central Social Impact Bonds (the **Foyer Central SIBs** or Notes) by SVA Nominees Pty Ltd (ACN 616 235 753) (the **Issuer**) in its capacity as trustee for the Foyer Central SIB Trust (ABN 24 304 856 506) (the **Trust**). The Trust is managed by Social Ventures Australia Limited (ACN 100 487 572, AFSL 428865) (the **Trust Manager**).

Capitalised terms in this IM are defined terms and they are listed in Section 11 (*Glossary*) or defined elsewhere in the IM.

No disclosure to Investors

This IM is not a prospectus or other disclosure document for the purposes of the Corporations Act. Neither this IM nor any other disclosure document in relation to the Notes has been, or will be, lodged with ASIC. The offering of the Notes has not been, nor will be, examined or approved by ASIC. The Trust Manager has been appointed by the Issuer as an intermediary to make offers to arrange for the issue, variation or disposal of financial products of the Issuer. The Issuer has also been appointed as an authorised representative of the Trust Manager (authorised representative number 001252051).

The Notes are only being offered for issue to Australian residents who are not acquiring interests in the Notes through a permanent establishment outside Australia and in circumstances where disclosure to Investors under Part 6D.2 or 7.9 of the Corporations Act is not required to be made.

The distribution and use of this IM, including any related advertisement or other offering material, and the offer or sale of Notes may be restricted by law and intending purchasers and other Investors should inform themselves about them and observe any such restrictions. In particular, no action has been taken by the Issuer or any Relevant Party which would permit a public offering of any Notes or distribution of this IM in any jurisdiction.

A person may not (directly or indirectly) offer for issue, subscription or sale, or issue an invitation to subscribe for, or purchase, any Notes, nor distribute or publish this IM or any other offering material or advertisement relating to the Notes except if the offer or invitation complies with all applicable laws and directives.

Not for distribution or release in the United States

This IM may not be distributed or released in the United States. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **US Securities Act**) or under any securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act or an exemption from registration. The Notes may only be offered, sold, transferred or otherwise disposed of in Australia in "offshore transactions" (as defined in Regulation S under the US Securities Act) in accordance with Regulation S under the US Securities Act.

Responsibility

The Issuer accepts responsibility for the information contained in this IM, other than for (1) the information included in Sections 4 (*Foyer Central Program details*), 5.3 (*Uniting*) and 5.4 (*Key Uniting personnel*) which have been furnished to the Issuer by Uniting, (2) Sections 5.5 (*SGCH*) and 5.6 (*Key SGCH personnel*), which have been furnished to the Issuer by SGCH, and (3) the details of the other persons named in the 'Directory' section.

The NSW Government has not had any role in the preparation of this IM nor has it independently verified the information contained in this IM. Accordingly, no representation, warranty or undertaking, express or implied is made, and no responsibility or liability is accepted by the NSW Government for the issue of this IM, including as to the accuracy, authenticity, origin, validity or completeness of, or any errors, or omissions from, or any information or statement contained in the IM. The NSW Government does not guarantee the performance of any Notes, the interest rate, the return of capital to Investors, any particular rate of return or any taxation consequences of any investment made in any Notes.

Allen & Overy has given their consent to be named in this IM as legal advisers to the Issuer. Allen & Overy has not authorised or caused the issue of this IM, does not make or purport to make any statement in this IM (or a statement on which a statement in the IM is based), and takes no responsibility for any part of this IM.

Intending purchasers to make independent investment decision and obtain professional advice

This IM contains only summary information concerning the Issuer, the Foyer Central Program and the Notes. It should be read in conjunction with the documents which are expressed to be incorporated by reference in it, in particular, the SIB Deed Poll and the Purchase Deed. The information contained in this IM is not intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any Relevant Party that any recipient of this IM should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

An investment in the Notes is subject to risks, including loss or delay in the repayment or payment of principal and coupons. Please refer to Section 8 (*Risk factors*) for more information.

Contents

This IM does not describe all the risks of an investment in any Notes or the exercise of any rights in connection with them. Prospective Investors should consult their own professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Foreword	5
1. Key Terms and Dates	6
2. Foyer Central SIB in context	14
3. Investment overview	16
4. Foyer Central Program details	20
5. Key parties	32
6. Transaction structure and key documents	36
7. Calculation of payments	41
8. Risk factors	46
9. Legal notices	50
10. Applications	53
11. Glossary	56
Application form	58



F O Y E R
CENTRAL

Foreword

Dear Investor,

Thank you for considering an investment in the Foyer Central Social Impact Bond (**Foyer Central SIB**), which seeks to address the pressing social issue of young people experiencing homelessness upon exiting out-of-home care.

As an Investor, you will be funding the working capital of the Foyer Central Program (the **Program**), which has been designed to help out-of-home care leavers build their capabilities and capacity to access resources and opportunities, and to make positive decisions. This will enable them to make a successful transition to independence, and ultimately break the cycle of homelessness and disadvantage.

The Program will operate in a new purpose-built property located in inner Sydney. Foyer Central is an integrated accommodation and development centre which provides young people with a stable home and tailored 24/7 support in return for their engagement in training, education and/or employment. The Foyer Central Program is based on a model of support which has been successfully deployed in Australia and globally.

It is anticipated that approximately 272 young people aged 18-22 will be enrolled in the Program over seven years.

The Foyer Central Program will be delivered by Uniting in partnership with St George Community Housing (**SGCH**). Uniting is a not-for-profit organisation responsible for the social justice and community services work of the Uniting Church in NSW and the ACT. SGCH is a not-for-profit community housing provider that has been providing sustainable, safe and affordable housing across the Sydney metropolitan area for 35 years.

The Program's success will be measured by a young person's achievement of 'positive outcomes' after they leave the Foyer Central accommodation, including sustained engagement with education, employment and/or independent housing, as well as avoidance of 'negative outcomes' such as incarceration, usage of homelessness services and having a child enter out-of-home care.

If the Foyer Central Program delivers the target outcome performance scenario agreed by the NSW Government, SVA, Uniting and SGCH over the term of the transaction, overall Investor returns are expected to be approximately 6% per annum.

We encourage you to read this Information Memorandum in its entirety to understand the potential benefits and risks of this investment opportunity.



A handwritten signature in black ink that reads "Suzie Riddell".

Suzie Riddell
Chief Executive Officer
Social Ventures Australia

1. Key Terms and Dates

Important Note: The table below provides a summary only of the key terms of the Foyer Central SIB and related contractual arrangements. You should read this Information Memorandum (including any document incorporated by reference, in particular the SIB Deed Poll and the Purchase Deed) in full prior to deciding to invest in any Notes.

1.1 Key Terms: Entities and Contracts

Key Terms	Descriptions
Foyer Central SIBs or Notes	<p>Medium-term notes offered by the Issuer which are direct, unsubordinated and unsecured debt obligations, limited in recourse to the assets of the Foyer Central SIB Trust.</p> <p>The Notes will be issued in registered, uncertificated form on the terms and conditions of the SIB Deed Poll together with the Note Issue Supplement.</p>
Foyer Central SIB objectives	<p>The proceeds from the issue of the Notes are to be loaned to Uniting, to be used by Uniting to deliver the Foyer Central Program. The Foyer Central Program aims to support vulnerable young people in New South Wales, particularly those who have exited Out-of-Home Care to lead independent lives.</p>
Foyer Central Program or Program	<p>The Foyer Central Program provides young people with safe and affordable accommodation and 24/7 support services. Young people are expected to spend an average of 18 months in the Program and will be supported to transition to stable long term accommodation.</p>
Foyer Central SIB Trust or Trust	<p>A charitable trust (ABN 24 304 856 506) established under the Trust Deed. The trustee of the Trust will offer the Notes and on-lend the funds raised to Uniting, to enable Uniting to deliver the Foyer Central Program in New South Wales.</p>
Issuer	<p>SVA Nominees Pty Ltd (ACN 616 235 753), a company incorporated in Victoria that is wholly owned by Social Ventures Australia Limited (ACN 100 487 572) (SVA), in its capacity as trustee for the Foyer Central SIB Trust.</p> <p>The Issuer has appointed the Trust Manager as an intermediary to make offers to arrange for the issue, variation or disposal of financial products of the Issuer.</p>
Trust Manager	<p>SVA in its capacity as manager of the Foyer Central SIB Trust.</p>
Uniting	<p>The Uniting Church in Australia Property Trust (N.S.W.) (ABN 77 005 284 605) is the entity that has entered or will enter into the Implementation Agreement, the Loan Agreement and the Arranger Agreement.</p> <p>Uniting (NSW.ACT) (ABN 78 722 539 923) will deliver the Foyer Central Program on behalf of The Uniting Church in Australia Property Trust (NSW), and is the part of the Uniting Church of Australia that has responsibility for its social justice, community services and chaplaincy work in NSW and the ACT.</p>

Key Terms	Descriptions
SGCH	<p>SGCH Portfolio Limited (ABN 88 160 035 441) is the party sub-contracted by Uniting to provide property and tenancy management services, to support Uniting to deliver the Foyer Central Program under the Services Agreement.</p> <p>SGCH Portfolio Limited is a wholly owned subsidiary of St George Community Housing Limited (ABN 32 565 549 842) and forms part of the SGCH Group.</p>
Department	The Minister for Families, Communities and Disability Services for and on behalf of the State of New South Wales, acting through the Department of Communities and Justice.
Investors	'Wholesale investors' (as described in Section 10.3 (<i>Investor eligibility</i>)) may subscribe for the Notes.
Implementation Agreement	A contract between the Department and Uniting (originally dated 6 September 2017, as amended pursuant to a deed of variation and restatement dated 22 December 2020) which is the framework agreement for the Foyer Central SIB arrangement, and which incorporates the Operations Manual by reference. Outcome Payments to Uniting under the Implementation Agreement are dependent on the number of Cumulative Successful Outcomes. See Section 6.2 (<i>Implementation Agreement</i>) for details and Section 7.1 (<i>Payments to Uniting</i>).
Services Agreement	A contract between SGCH and Uniting which outlines the terms under which SGCH will provide tenancy and property management services to support Uniting to deliver the Foyer Central Program.
Loan Agreement	A loan agreement to be entered into between the Issuer and Uniting under which the Issuer will advance the proceeds it receives from the issuance of the Notes to Uniting for the purpose of operating the Foyer Central Program.
Arranger Agreement	An arranger agreement to be entered into between SVA and Uniting pursuant to which Uniting will pay fees to SVA in consideration of SVA establishing and managing the financing arrangements for the Foyer Central Program and providing ongoing advisory support to Uniting.
SIB Deed Poll	The Foyer Central SIB Deed Poll to be made by the Issuer in favour of each Noteholder from time to time. The SIB Deed Poll sets out the terms and conditions of the Notes and the obligations of the Issuer in relation to them, and includes the form of the Note Issue Supplement to be made by the Issuer at or around the time of the issue of the Notes.
Purchase Deed	The Foyer Central SIB Purchase Deed to be entered into between the Issuer and the Trust Manager and to be entered into by each Investor purchasing Notes subject to the acceptance of its Application by the Issuer.

1.2 Key Terms: Implementation Agreement

Key Terms	Descriptions
Intervention Group	All eligible individuals who are enrolled in the Foyer Central Program. It is expected that approximately 272 young people will be enrolled over a seven-year period. See Section 4.6 (<i>Eligibility, enrolment and exits</i>) for details.
Measurement Period	The 12-month period following the conclusion of a participant's Foyer Central tenancy.
Successful Outcome	No Negative Indicators are recorded for an individual from their enrolment date to the end of their Measurement Period, and at least one Positive Indicator is recorded during their Measurement Period.
Positive Indicator	Achievement of Independent Housing, Sustained Income or Educational Engagement for a period that equates to at least 18 fortnights across any combination of those three measures.
Negative Indicator	Each of Excluded Accommodation Use, Child Protection Involvement and Imprisonment.
Independent Housing	Living in accommodation as a private tenant or sub-tenant.
Sustained Income	Earning an income from employment sufficient to support independence, initially being at least \$547 per fortnight.
Educational Engagement	Engagement in full-time education or training, or the completion of such education or training.
Excluded Accommodation Use	Living in accommodation funded by the NSW Government, including social housing, specialist homelessness services, crisis response services and other temporary accommodation.
Child Protection Involvement	The placement of a participant's child into OOHC.
Imprisonment	Imprisonment as a result of a conviction.
Cumulative Successful Outcomes	The total number of Intervention Group members who have had a Successful Outcome.
Performance Band	The band determined by the number of Cumulative Successful Outcomes achieved at each Measurement Date. There are 8 Performance Bands, with Performance Band 5 corresponding to the target scenario. See Section 4.7 (<i>Program Performance</i>) for details.
Early Termination	The Implementation Agreement may be terminated prior to expiry of its term in various circumstances as further described in Section 6.2 (<i>Implementation Agreement</i>).

1.3 Key Terms: Loan Agreement and Notes

Key Terms	Descriptions
Aggregate Issue Amount	<p>\$7,000,000 in principal amount of the Notes. The denomination of each Note is \$100.</p> <p>The Aggregate Issue Amount is equal to the principal to be loaned to Uniting under the Loan Agreement.</p>
Minimum Subscription Amount	<p>Investors must apply to subscribe for a minimum of 500 Notes, i.e. \$50,000 in principal amount.</p>
Interest Payments under the Loan Agreement	<p>Interest Payments will be made by Uniting to the Issuer on each Interest Payment Date under the terms of the Loan Agreement, determined as:</p> <p style="text-align: center;">Principal x r x n – Previous Interest Payments</p> <ul style="list-style-type: none"> For each of Interest Payments 1 to 3, r is 2%. For each of Interest Payments 4 to 9, r will be between 0% and 11%, depending on the Performance Band at the preceding Measurement Date. n is the number of the Interest Payment Date <p>See Section 7.2 (<i>Interest Payments under the Loan Agreement</i>) for further details.</p> <p>Where a repayment date occurs on a date other than the Maturity Date, Interest Payments will be made in accordance with Section 7.5 (<i>Early repayment</i>).</p>
Coupon Payments to Noteholders	<p>An amount payable within 10 Business Days of each Interest Payment Date, which is determined as each Noteholder's pro rata share (being equal to the ratio of their Subscription Amount to the Aggregate Issue Amount) of the Interest Payment on the relevant date.</p>
Redemption on Maturity	<p>Principal repaid on the Maturity Date by Uniting under the terms of the Loan Agreement will be used by the Issuer to redeem the Notes within 10 Business Days of the Maturity Date. The proportion of outstanding principal repaid by Uniting is determined by the Performance Band achieved:</p> <ul style="list-style-type: none"> Performance Band 1: 55%; Performance Band 2: 65%; Performance Bands 3-8: 100%. <p>Investors should be aware that repayment of the entire principal by Uniting is not guaranteed. If the Principal Repayment is less than 100% of principal, the Subscription Amount that is repaid to Noteholders will be reduced by the same proportion.</p> <p>See Section 7.3 (<i>Maturity Repayment under the Loan Agreement</i>) for further details.</p>

Key Terms	Descriptions
Early repayment	<p>An early repayment under the Loan Agreement will be triggered by either the Early Termination of the Implementation Agreement (for any reason), Uniting having a right to terminate the Implementation Agreement following a Performance Review, or due to acceleration or illegality under the Loan Agreement.</p> <p>Any early repayment is dependent upon the nature and timing of the repayment trigger. In many scenarios 100% of principal will be repayable, while in others the proportion repaid is a fixed proportion determined by the reason for Early Termination of the Implementation Agreement or the Performance Band achieved at the immediately preceding Measurement Date.</p> <p>The amount received by the Issuer on early repayment under the Loan Agreement will be used to redeem Notes and make final payments on them on a pro rata basis.</p> <p>An early redemption of the Notes must occur within 10 Business Days of an early repayment under the Loan Agreement.</p> <p>For details of Early Termination triggers and the calculation of early repayment amounts see Section 6.2 (<i>Implementation Agreement</i>), Section 6.3 (<i>Loan Agreement</i>) and Section 7.5 (<i>Early repayment</i>).</p>
Limited recourse	<p>The assets available to the Issuer to be applied to the payment or repayment of amounts owing on the Notes are limited to the assets of the Trust available to the Issuer.</p> <p>Investors should note the limitation of liability of the Issuer and indemnity set out in clause 12.5 (<i>Limited recourse</i>) of the SIB Deed Poll.</p>
Transfers	<p>Investors should note the transfer restrictions for the Notes, including, without limitation, those set out under clause 4 (<i>Title and transfer</i>) of the SIB Deed Poll.</p>
Taxes and stamp duty	<p>The Notes do not provide for any additional amounts to be paid in respect of any withholdings or deductions from amounts payable on the Notes that may be required by law.</p> <p>Investors should obtain their own taxation, stamp duty and other revenue advice regarding an investment in any Notes.</p>
Fees and expenses	<p>All trust expenses will be met by SVA out of the arranger fees payable to SVA by Uniting. Details of the fee can be found in Section 6.6 (<i>Arranger Agreement</i>).</p>
Investor reporting	<p>Annual performance and social impact reporting will cover Foyer Central Program outcomes and payments to Noteholders.</p>
Key risks	<p>Details concerning certain key risks of investing in the Foyer Central SIB are set out in Section 8 (<i>Risk factors</i>).</p>



1.4 Key Dates

Milestone	Date
Applications open	<p>From 23 December 2020 to such date as the Issuer may determine.</p> <p>Applications will close once aggregate accepted subscriptions reach \$7,000,000 or earlier if determined by the Issuer.</p>
Financial Close	<p>Target 31 January 2021.</p> <p>The date upon which all conditions precedent under the Loan Agreement have been met (or waived).</p>
Subscription Amounts payable	<p>Date of application.</p> <p>Subscription amounts will be held in a proceeds account until the Notes are issued. If the Implementation Agreement is terminated due to non-fulfilment of the conditions precedent, all monies will be returned (without interest) to Investors.</p>
Measurement Dates	<p>30 September each year from 2022 to 2030 inclusive.</p> <p>The final Measurement Date occurs after the Loan Agreement Maturity Date as the Implementation Agreement remains in force until 31 March 2031 (unless an Early Termination occurs).</p>
Interest Payment Dates	<ul style="list-style-type: none"> ● Interest Payment 1: 31 December 2021 ● Interest Payment 2: 31 December 2022 ● Interest Payment 3: 31 December 2023 ● Interest Payment 4: 31 December 2024 ● Interest Payment 5: 31 December 2025 ● Interest Payment 6: 31 December 2026 ● Interest Payment 7: 31 December 2027 ● Interest Payment 8: 31 December 2028 ● Interest Payment 9: 31 December 2029 or such other date agreed by the Issuer and Uniting but no later than 31 March 2030
Maturity Date	<p>31 December 2029 or such other date agreed by the Issuer and Uniting but no later than 31 March 2030.</p> <p>The possible deferral of the Maturity Date (and Interest Payment Date 9) is to allow for potential delays in the extraction and verification of final outcome data.</p>



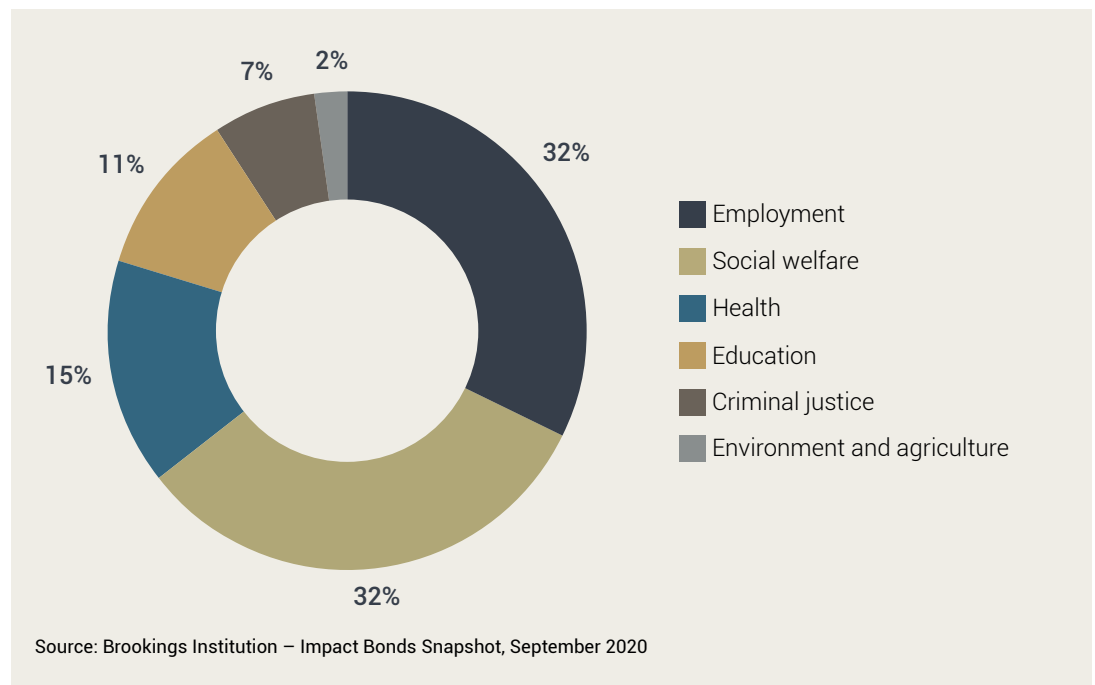
2. Foyer Central SIB in context

2.1 Social Impact Bonds globally

Social Impact Bonds (**SIBs**) innovatively combine outcome-based payments and financial market instruments to address areas of pressing social need. The prevalence of SIBs globally has steadily increased since they were first developed in the UK in 2010.

There are now around 200 contracted impact bonds in existence globally. SIBs span more than 33 countries and are spread across seven key issue areas. The total upfront capital invested exceeds \$630 million globally, with an average of around \$5 million per SIB.

Figure 1: Contracted SIBs by issue area



2.2 Social impact investment in New South Wales

The NSW Government has played an instrumental role in developing the social impact investing market in Australia. In 2013, the NSW Government worked collaboratively with Uniting and SVA to develop the first SIB in Australia, the Newpin Social Benefit Bond (**SBB**), which focused on the safe restoration of children in care to their families, and on preventing the entry of children to the OOHC system. The Newpin SBB successfully matured in September 2020 with investors receiving a return of 10% per annum.

The NSW Government has a clear commitment to supporting the broader social impact investment market to develop new and innovative ways to deliver services to individuals and communities. In February 2015, the NSW Government launched its Social Impact Investment (**SII**) Policy which outlined their aim to deliver two new social impact investments to market each year.

In July 2015, the NSW Government released a Request for Proposals calling for innovative social impact investment proposals targeting the area of supporting young people, particularly OOHC leavers, to transition to independence. Uniting, SGCH and SVA partnered to develop and submit a proposal and were subsequently invited to participate in a joint development phase. Terms were agreed in 2017, and the design and construction of the purpose-built Foyer Central premises commenced.

In addition to the Newpin SBB and Foyer Central SIB, NSW Government has implemented six social impact investments in the areas of mental health, child protection, recidivism, homelessness, palliative care and youth employment. SVA has supported two of those initiatives, the Resolve SBB (launched in 2017) and the Sticking Together SIB (launched in 2018).

The Department of Communities and Justice (the **Department**) is the lead government agency for the Foyer Central SIB and has been instrumental in the implementation of social impact investments in NSW. The Department has contracted the Newpin SBB (and follow on contract), the Benevolent Society SBB and the Home and Healthy SII. The Office of Social Impact Investment will support the Department in managing the Foyer Central SIB.



"Assisting disadvantaged young people to access housing, education and employment opportunities has never been more important as we work to overcome the impacts of Covid-19 and build social and economic resilience over the long term."

"The NSW Government is pleased to partner in delivery of the Foyer Central Social Impact Bond, ultimately helping young people make a successful transition to independence and establishing the foundations for a fulfilling life. "

"The Foyer Central Program will deliver vital support and services to around 270 young people over eight-and-a-half years."

**NSW Treasurer,
the Hon. Dominic Perrottet MP**

3. Investment overview

3.1 Introduction

The Foyer Central SIB provides Investors with an opportunity to invest in a program that aims to support young people who are homeless or at risk of homelessness, particularly OOHC leavers, to transition to independence and live positive, fulfilling lives.

This impact investment will raise capital to fund the delivery of the Foyer Central Program, which provides stable accommodation and tailored supports for eligible young people. The Program is based on a model that has been deployed successfully in Australia and internationally to address youth homelessness. This Program aims to reduce reliance on welfare, increase lifetime earnings and reduce the utilisation of other government services.

Youth homelessness is a persistent challenge, and OOHC leavers comprise a significant proportion of this group. A lack of family support, limited affordable housing and challenges in gaining and maintaining employment are some of the key drivers leading to homelessness for this cohort. They are also expected to be at greater risk due to the ongoing economic impact of Covid-19.

An investment in the Foyer Central SIB is targeted to deliver competitive risk-adjusted financial returns to Noteholders over its term. Coupon Payments and the repayment of Subscription Amounts are linked to the performance of the Foyer Central Program, which is measured by the number of participants achieving a Successful Outcome.

Foyer Central SIB: targeted financial and social outcomes



- Approximately 272 young people enrolled in the Foyer Central Program



- Up to 2 years' tenancy in the Foyer Central building



- 60% of participants (or approximately 163 young people) achieve a Successful Outcome after completing their tenancy



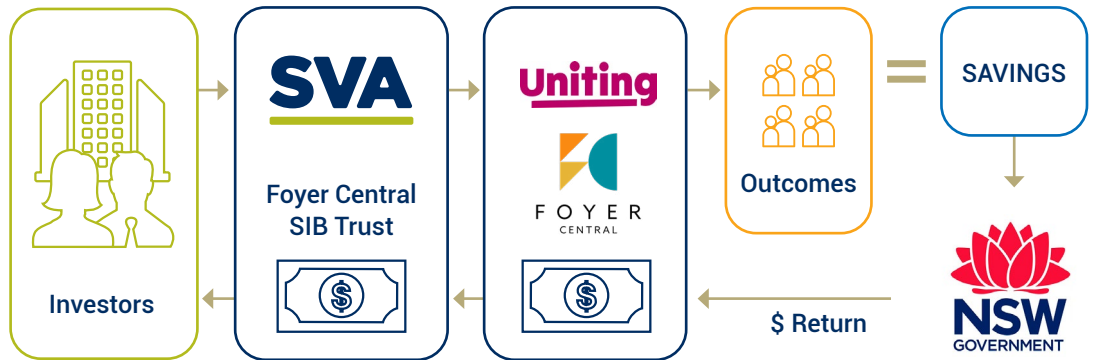
- \$32.6 million in payments to Uniting from the Department under the terms of the Implementation Agreement



- \$3.8 million Coupon Payments to Noteholders, comprising \$0.4 million fixed coupons and \$3.4 million performance coupons
- Internal Rate of Return over the Note term of 6% per annum

3.2 Structure overview

Figure 2: Foyer Central SIB structure overview



The Department has entered into a contract (the Implementation Agreement) with Uniting that will, if successfully implemented, have a positive impact on the young people engaged in the Foyer Central Program and ultimately reduce future costs to the NSW Government through a reduction in the utilisation of government services.

The level of payments from the Department to Uniting is dependent upon measured participant outcomes, on the terms agreed between the parties under the Implementation Agreement.

To fund the Foyer Central Program prior to the receipt of outcome-based payments from the Department, Uniting will borrow \$7 million from the Foyer Central SIB Trust, which has been created to facilitate this funding arrangement. The terms of the loan are set out in the Loan Agreement. Interest Payments and Principal Repayment under the Loan Agreement are based (other than in certain circumstances) upon the performance of the Foyer Central Program. Details of how these payments are calculated can be found in Section 7 (*Calculation of Payments*).

The Issuer will raise the \$7 million to be lent to Uniting by issuing Foyer Central SIB Notes to Investors. The Notes will be issued pursuant to the terms and conditions of the SIB Deed Poll.

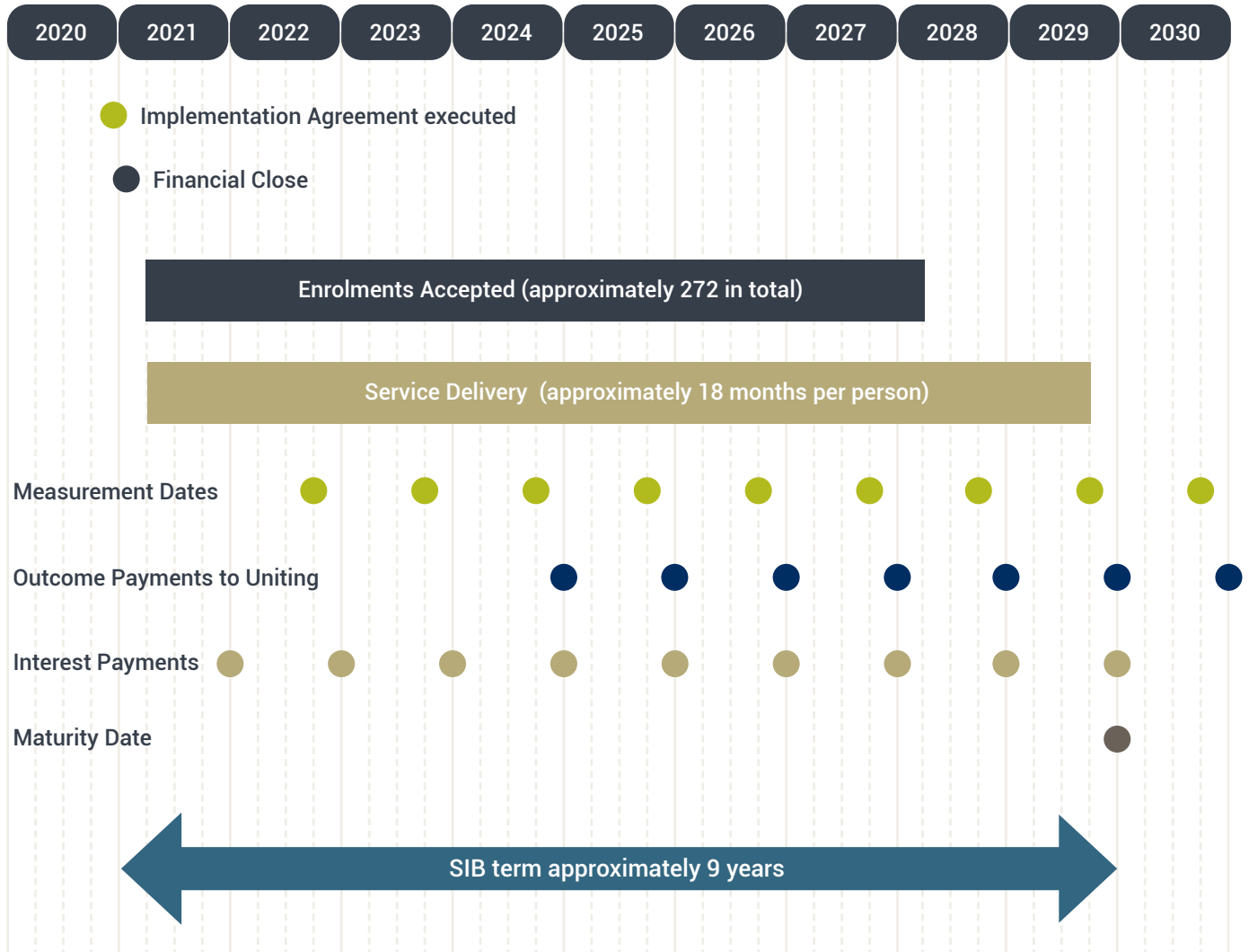
A summary of the contracts underpinning these arrangements can be found in Section 6 (*Transaction Structure and Key Documents*).



3.3 Timeline overview

The term of the Foyer Central SIB is around 9 years (dependent upon Financial Close), and key dates are set out in Figure 3.

Figure 3: Foyer Central SIB timeline





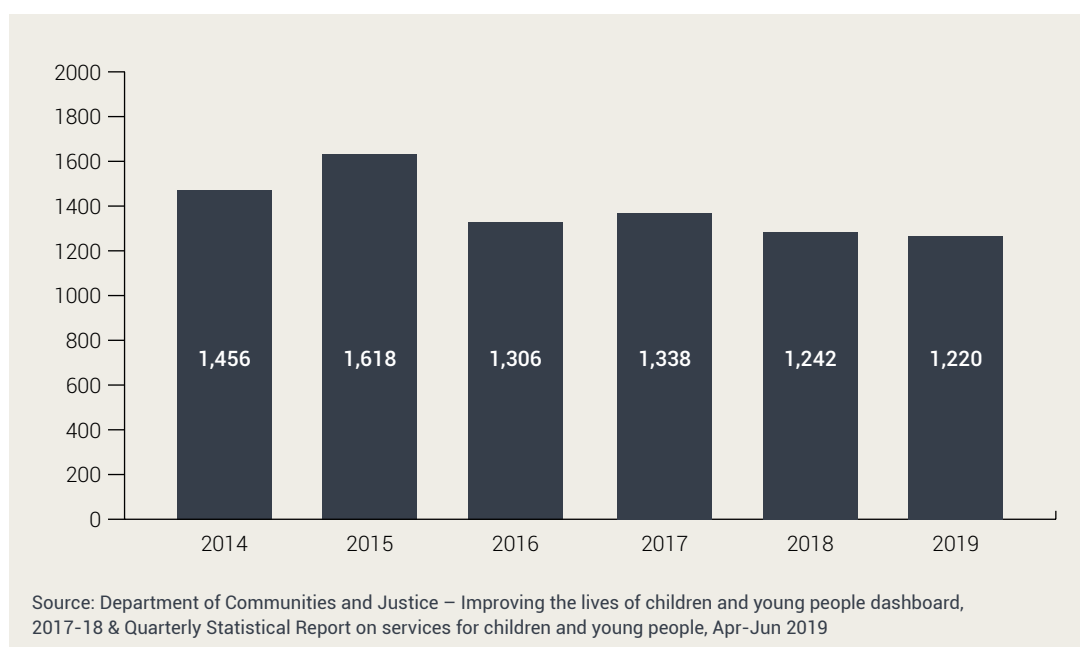
4. Foyer Central Program details

4.1 Social context

Youth homelessness is a significant and growing problem in NSW. The 2016 Census estimated that 6,365 people aged 19-24 in NSW were homeless; a 49% increase from 2011.¹ Another 7,285 young people were living in other marginal housing, such as crowded or improvised housing or caravans.² Young people represent nearly half of all specialist homelessness services clients in NSW.³

OOHC leavers are significantly over-represented in this group. Each year in NSW, over 1,200 young people aged 14-17 leave OOHC. Almost two in three care leavers have received assistance from a specialist homelessness services agency at some point since 2011–12.⁴ Nationally, approximately 35% of OOHC leavers were homeless within 12 months of exiting care.⁵

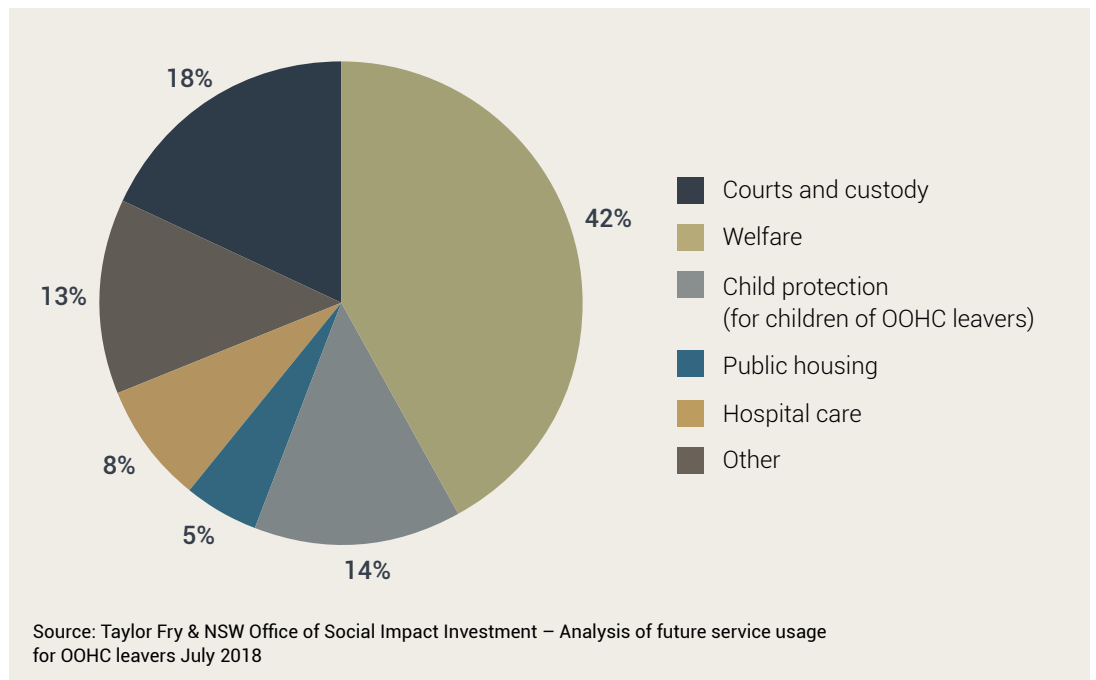
Figure 4: NSW OOHC exits – aged 14 to 17 years



Care leavers are likely to have poor social outcomes and a high number of interactions with the welfare, child protection, justice, social housing and health systems, which can lead to further disadvantage and perpetuate the cycle of homelessness. The average cost of meeting the modelled service needs of an OOHC leaver is estimated to be approximately \$500,000 over 20 years.⁶ These costs arise over a range of government services.

1. Australian Bureau of Statistics (ABS), 2018.
2. ABS, 2018.
3. Australian Institute of Health and Welfare, Specialist Homelessness Services data collections 2016/17, NSW, <<https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2016-17/data>>.
4. Australian Institute of Health and Welfare, Specialist Homelessness Services annual report 2018–19, NSW, <<https://www.aihw.gov.au/reports/homelessness-services/shs-annual-report-18-19/contents/summary>>.
5. McDowall, J. J. (2009), CREATE Report Card 2009 - Transitioning from care : Tracking progress. Sydney: CREATE Foundation.
6. Taylor Fry & NSW Office of Social Impact Investment, Analysis of future service usage for Out-of-Home-Care leavers, July 2018, <<https://www.osii.nsw.gov.au/assets/office-of-social-impact-investment/OOHC-leavers-phase-3-external.pdf>>.

Figure 5: NSW OOHC leaver 20-year costs by service area



There are a range of reasons for the high level of homelessness for OOHC leavers, including:

- long wait times for social housing;
- being discriminated against due to young age and lack of rental references;
- fewer financial resources; and
- unaffordable private rental accommodation.⁷

4.2 Foyer Central Program background

Foyers are integrated learning and accommodation settings for young people, typically aged 16-24 years, who are at risk of, or are experiencing, homelessness. Foyer models have been deployed across the world over the past thirty years as a response to high levels of youth unemployment and youth homelessness. Many different Foyer models exist as a result of the different social, political and economic contexts in which they were developed.

In the UK there are over 135 Foyers and in Australia there are 15 Foyers (or similar services). Australian Foyers have supported over 17,000 young people since the inception of the model in Australia.⁸ Due to the growth and development of Foyers in Australia, the Foyer Foundation was created in 2008 to provide accreditation, and embed standards and quality assurance for Foyer providers.

Foyer Central was developed by Uniting and SGCH, drawing on their collective experience supporting vulnerable young people and providing social and affordable housing. The Program was developed in consultation with the Brotherhood of St Laurence, which delivers the Education First Youth Foyers in Victoria.

7. Australian Housing and Urban Research Institute (2010), Pathways from out-of-home care, <https://www.ahuri.edu.au/_data/assets/pdf_file/0016/2194/AHURI_Final_Report_No147_Pathways-from-out-of-home-care.pdf>.

8. Foyer Foundation, <<https://foyer.org.au/foyers-in-australia/>>.

4.3 Foyer Central building

The purpose-built accommodation for the Foyer Central Program has been in development since September 2017. SGCH owns the new building and funded its development through a combination of equity and debt finance, and grant contributions from the Department and the City of Sydney. Construction and fit out of the building is expected to be completed by February 2021.

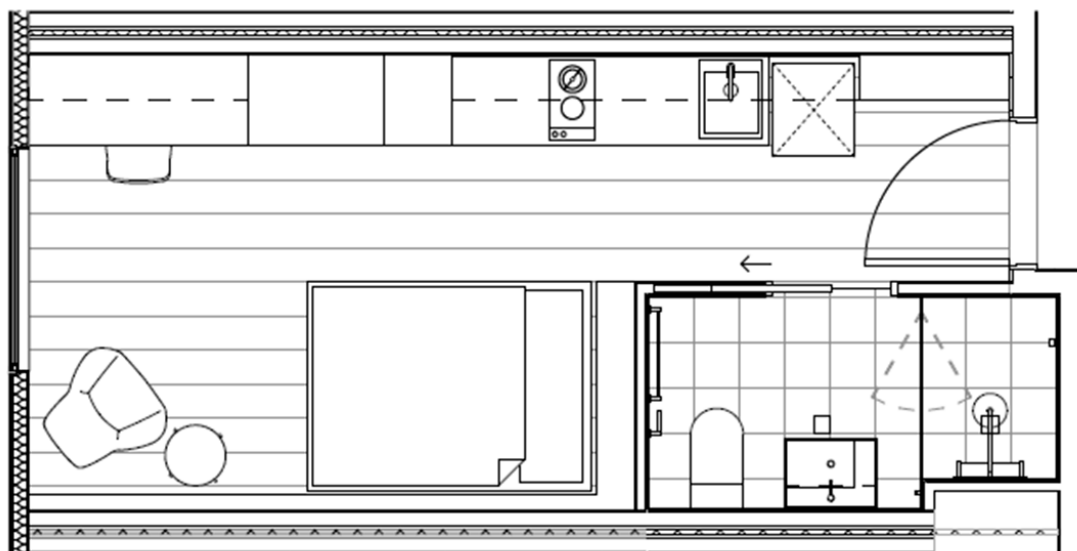
Foyer Central is located on City Road in Chippendale, three kilometres from the Sydney central business district. The central location gives the Program its name, and will provide easy access to:

- public transport (15-minute walk to both Redfern and Central stations);
- tertiary education facilities (located between Sydney University, UTS and TAFE NSW in Ultimo);
- jobs or emerging job opportunities; and
- social support structures and services for young people.

Foyer Central comprises 53 studio-style units, similar to student living. Two of the units will be accessible for young people living with a physical disability. Each has a kitchenette and private bathroom. Common areas include a training room, kitchen and dining area, lounge, laundry, family meeting room, bike storage and outdoor area. Uniting staff also have on-site office space.

The building also provides 20 affordable housing units for low income earners, helping to increase supply in inner Sydney, and a ground floor commercial space. These units and the commercial space have separate access points and are not part of the Program.

Figure 6: Foyer Central unit floorplan



"An investment in young people is an investment in our future. This partnership is the result of strong collaboration between Government and non-government organisations and draws on the capacity and expertise of these experienced partners. Foyer Central will have a positive impact on the young residents who live here, and on the local community."

Scott Langford,
Group CEO, SGCH





4.4 Program elements

The Foyer Central Program aims to build the capabilities of young people and their capacity to access resources and opportunities, and to make positive decisions so they can lead fulfilling lives and make a successful transition to independence - and ultimately break the cycle of homelessness.

Program participants are expected to spend an average of 18 months (and up to two years) as a Foyer Central resident and will then be supported to transition to stable long term accommodation.

Foyer Deal

The Program is underpinned by the 'Foyer Deal', which is an agreement between a young person and Uniting whereby Uniting provides stable and safe accommodation and tailored support in return for the young person's engagement in training, education and/or employment. The Foyer Deal aims to foster both commitment and aspiration in the participant.

Stable accommodation

Each participant will be provided with a studio apartment and will have access to supervised communal living areas. Participants will enter into a tenancy agreement with SGCH for a fixed term of 3-6 months. Tenancies will be renewed for additional fixed terms if recommended by Uniting.

Participants pay a low rent commensurate with their ability to contribute, which includes a utilities fee to cover water, gas, electricity and Wi-Fi access costs. Uniting pays a participant's 'rent gap' to SGCH and also pays rent on vacant apartments. These rental subsidies are included in the cost of the Foyer Central Program.

Tailored support services

Each participant will have a dedicated Youth Development Coach who is responsible for providing strengths-based case management support, access to support services and one-on-one coaching sessions. The Youth Development Coach will co-ordinate support across a number of development dimensions as illustrated in Figure 7.

Figure 7: Foyer Central Program support services



Youth Development Coaches will also work with a participant to plan their exit from the Program and provide connections with mainstream services.

The Youth Development Coaches will be physically located at Foyer Central 24 hours a day, 7 days a week to ensure the Foyer remains a safe space.

Advantaged Thinking

The Foyer model is grounded in the concept of 'Advantaged Thinking'. Advantaged Thinking is focused on identifying, developing and, most importantly, investing in the skills, capabilities and assets of young people so that they can establish good lives for themselves. Conventional responses to youth homelessness often focus disproportionately on a young person's various problems and needs. While acknowledging the importance of these factors, Advantaged Thinking seeks to build aspiration, capability and opportunity.



"We firmly believe that young people with a care background deserve a stable home with consistent support and mentorship – just like their peers. Young people have told us time and again they want opportunities to create a life for themselves on their own terms.

So, we are absolutely delighted to build on the established and highly reputable Foyer model with our partner organisations. We look forward to welcoming the first 53 motivated, resilient young people into Foyer Central and witnessing their achievements and the community they cultivate in the space."

Tracey Burton,
Executive Director, Uniting

4.5 Program management

The Foyer Central Program is managed by a dedicated senior Program Manager who has accountability for staff and program performance. The Program Manager is also responsible for the development and implementation of the Program and developing and maintaining partnerships with all external partners. The Program Manager reports to Uniting's Head of Permanency Support, Sydney Region, Children Youth and Families and Disability Services.

The Program Manager is supported by:

- a Pathways Coordinator, who manages the entry of young people into the Program and provides support once they have exited the Program;
- an Education Coordinator, who manages the educational program and has oversight of all educational activities; and
- an Accommodation Coordinator, who manages the day to day operations of the Program and is responsible for managing the Youth Development Coaches.

At full scale, the Program will have 13 Uniting staff.

The Foyer Central Program also has access to Uniting's Aboriginal Strategy and Engagement Unit a cultural governance unit which will help to ensure that delivery of the Foyer Central Program is culturally appropriate.

SGCH provides tenancy and property management for the Foyer Central Program.

The Program and contractual arrangements will be governed by the Foyer Central Joint Working Group, which comprises representatives from Uniting, SGCH, SVA and the NSW Government.

4.6 Eligibility, enrolment and exits

Eligibility

To be enrolled in the Intervention Group, an individual must meet the following eligibility criteria:

- aged 18 to 22 years;
- has been in OOHC and exited care aged 14 to 18 years;
- is homeless or at risk of homelessness; and
- is assessed by Uniting as motivated, willing and able to commit to the Program.

However, individuals cannot be enrolled in the Intervention Group if they:

- have a child living with them or are pregnant;
- have a history of violent, aggressive behaviour;
- have a previous serious conviction or have been charged with an offence likely to result in incarceration;
- are engaging in sustained behaviour that seriously harms themselves or others;
- are enrolled in the Premier's Youth Initiative; or
- have previously been enrolled in the Program and have had a Successful Outcome.

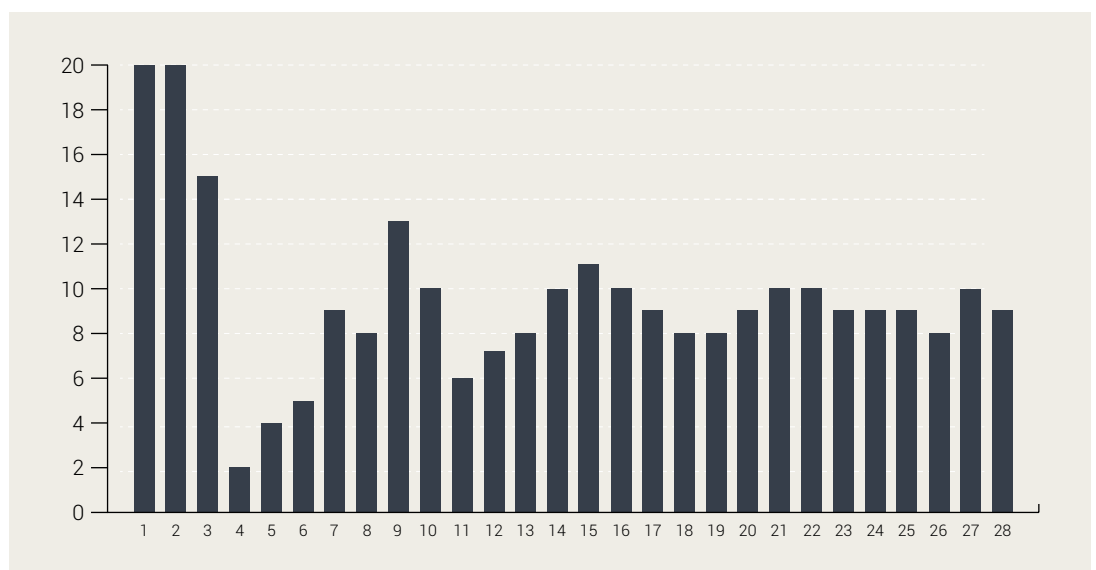
Enrolments

Uniting will work with the Department and other community and support services who will identify eligible individuals and refer them to Uniting. Uniting will also accept self-referrals.

Uniting will undertake a comprehensive assessment of each referred young person to ensure they are eligible. Uniting will also consider a range of factors to ensure that there is an appropriate mixture of residents at Foyer Central. An assessment panel comprising representatives from Uniting, SGCH, the Department and a representative from the education, employment or housing sector, will make the final decision about whether a young person is eligible for enrolment. A pool of eligible young people will be established to manage unplanned vacancies and to minimise the vacancy periods for planned vacancies.

Young people will be enrolled into the Intervention Group over a seven-year period commencing around the end of March 2021. A total of 272 individuals are planned to be supported by the Foyer Central Program. The initial intake of 53 young people is assumed to be phased over three quarters, with further enrolments occurring as vacancies arise.

Figure 8: Planned Enrolments by Quarter

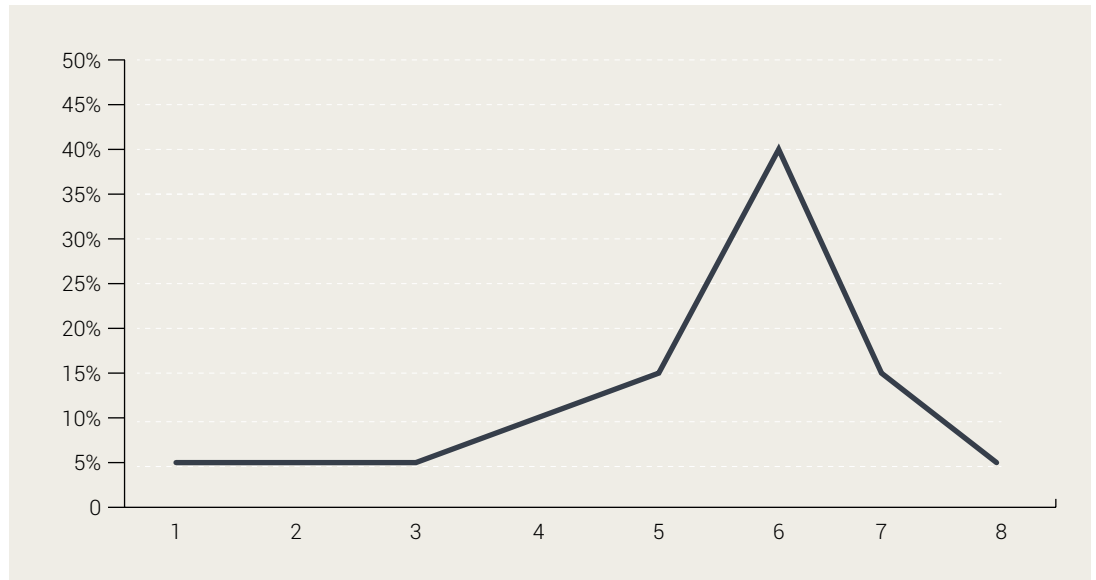


Exits

All participants who enrol in the Program enter the Intervention Group and are included for measurement purposes regardless of when they exit the Program and regardless of whether they subsequently continue to engage with Program staff following their exit.

Exits have been assumed to occur according to the pattern in Figure 9 below, with the majority of young people ending their tenancy at Foyer Central around 18 months after moving in.

Figure 9: Proportion of Participants Exiting by Quarter since Enrolment



4.7 Program performance

Outcome metric

The Foyer Central Program's performance will be determined by the number of participants who achieve a Successful Outcome.

A Successful Outcome means that a participant:

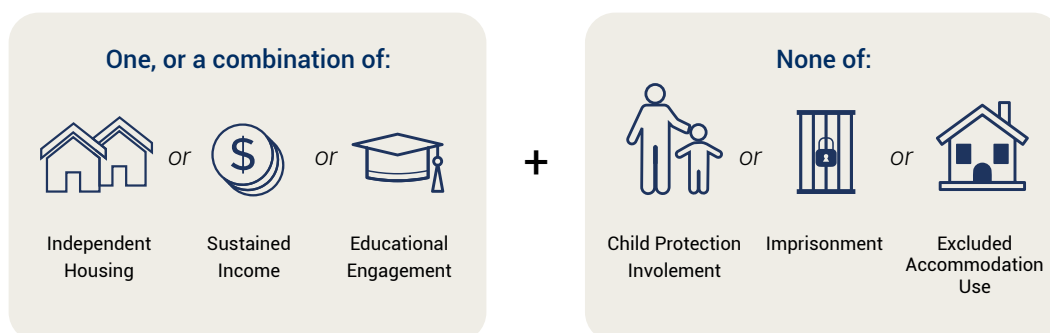
- recorded no Negative Indicators during their Foyer Central tenancy and Measurement Period; and
- achieved a Positive Indicator (or a combination of Positive Indicators) for a period that equates to at least 18 fortnights during their Measurement Period.

The Measurement Period is the 12-month period commencing the day the participant moves out of Foyer Central accommodation.

Negative Indicators are Excluded Accommodation Use, Child Protection Involvement and Imprisonment. Positive Indicators are Independent Housing, Sustained Income and Educational Engagement.

A multi-faceted measurement approach was chosen to determine performance as it is recognised that a number of different outcomes contribute to a young person's transition to independence.

Figure 10: Successful Outcome overview



Outcome data will be sourced from:

- Centrelink (for Positive Indicators); and
- NSW Government datasets (for Negative Indicators).

Uniting will also collect Positive Indicator evidence directly from participants (for example, pay slips or rental agreements) in cases where they do not appear in the Centrelink dataset.

Performance Bands

Payments under the Implementation Agreement and the Loan Agreement are linked to the Performance Band achieved, which in turn is based on the number of Cumulative Successful Outcomes recorded at each Measurement Date.

Cumulative Successful Outcomes are a product of:

- the number of young people who enrol in the Intervention Group (planned to be 272); and
- the proportion of Intervention Group members who have a Successful Outcome.

A range of outcome performance scenarios for the Foyer Central Program have been developed and agreed between SVA, the NSW Government and Uniting as the basis of the Performance Bands. These outcome scenarios are summarised in Figure 11 below. Sensitivity to each of the key determinants of the Performance Band – participant numbers and success rate – are illustrated by holding the other factor constant at the targeted level.

Figure 11: Performance Bands for overall Program outcomes

Scenario	Under-perform	Well Below	Below Target	Slightly Below	Target	Slightly Above	Above Target	Well Above
Performance Band	1	2	3	4	5	6	7	8
Cumulative Successful Outcomes	0-107	108-125	126-142	143-155	156-169	170-183	184-196	197 +
Success rate (with 272 participants)	40% <40%	45% 40%-46%	50% 46%-52%	55% 53%-57%	60% 57%-62%	65% 63%-67%	70% 68%-72%	75% >72%
Enrolments as % plan (with 60% success rate)	60% <66%	70% 66%-77%	80% 77%-87%	90% 88%-95%	100% 96%-104%	110% 104% 112%	120% 113%-120%	130% >120%

The Performance Band Cumulative Successful Outcome figures above are those applicable at the final Measurement Date (31 September 2030). The number of Cumulative Successful Outcomes for each Performance Band increases over time in line with the number of Intervention Group members planned to have completed their Measurement Period. The lower boundary of each Performance Band at each Measurement Date is set out below.

Figure 12: Performance Band lower limit at each Measurement Date

Measurement Date	Performance Band							
	1	2	3	4	5	6	7	8
30 Sep 2024	0	24	29	33	36	39	42	45
30 Sep 2025	0	37	44	50	55	60	64	69
30 Sep 2026	0	52	61	69	76	83	89	96
30 Sep 2027	0	67	78	89	98	106	115	123
30 Sep 2028	0	81	95	108	118	128	138	149
30 Sep 2029	0	96	112	127	139	151	163	175
30 Sep 2030	0	108	126	143	156	170	184	197

Note that the Maturity Date is 31 December 2029, and payments to Investors will be determined by the Performance Band achieved at the 30 September 2029 Measurement Date.

Illustrative example

At the end of September 2028, 200 young people have completed their Measurement Period, and 124 of them (62%) have achieved a Successful Outcome. Performance Band 5 has been achieved at that Measurement Date.

The Target performance scenario has been determined based on the evidence base supporting the Foyer model both internationally and in Australia. There is strong evidence that illustrates that well-implemented Foyer models can lead to improved engagement with education and employment as well as better living conditions. An evaluation of the Education First Foyer in Victoria delivered by the Brotherhood of St Laurence reported that the percentage of participants who had completed at least Year 12 or a Certificate III increased from 42% at entry to 67% at exit and to 75% a year after exit.⁹ In addition, in the year after exit, approximately 85% of participants worked or studied, including 36% in employment (an increase from 19% at entry and 31% at exit).¹⁰ The evaluation also reported that the percentage of participants living in their own place increased from 7% at entry to 43% at exit, and to 51% a year later.¹¹

Investors should note that there is no guarantee that the target objectives will be met.

Interim indicators

Interim indicators will measure:

- the average Foyer vacancy rate (as a predictor of both Intervention Group size and how well participants are engaging with the Program); and
- participants' rate of completion of a life skills course (as a predictor of how well participants are engaging with the Program).

Uniting will receive Interim Payments based upon these indicators, but payments under the Loan Agreement (and hence Investor returns) are not linked to these measures.

If Uniting does not achieve any Interim Payment at a Measurement Date a Performance Review may be triggered, which may lead to Early Termination. Please see Section 6.2 (*Implementation Agreement*) for further details.

9. Coddou, M, Borlagdan, J & Mallett, S 2019, Starting a future that means something to you: outcomes from a longitudinal study of Education First Youth Foyers, Brotherhood of St Laurence & Launch Housing, Melbourne.

10. Ibid.

11. Ibid.



5. Key parties

5.1 Social Ventures Australia

Social Ventures Australia is the manager of the Foyer Central SIB Trust. A subsidiary of SVA, SVA Nominees Pty Ltd has been engaged to act as trustee of the Foyer Central SIB Trust.

SVA is a not-for-profit organisation that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive. SVA influences systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change. SVA invests in organisations and projects that deliver both a social and financial return. These include debt and equity investments in social enterprises, SIBs, and bespoke financial solutions for large scale transactions such as the development of social, affordable and disability housing.

5.2 Key SVA personnel



Elyse Sainty – Director, Impact Investing

Elyse leads SVA's SIB practice area. She was instrumental in the development of all of the SIBs that SVA has launched to date, including Australia's first SIB, the Newpin SBB in NSW. Elyse provides technical and advisory support to service delivery organisations and governments as they implement the social impact investing concept. Prior to joining SVA in 2011, Elyse had two decades of experience within the financial services industry. Elyse qualified as a Fellow of the Institute of Actuaries of Australia and holds a Bachelor of Economics from Macquarie University.



Casey Taylor – Manager, Impact Investing

Casey joined SVA in 2017 and has been involved in the capital raise and management of five SIBs. Before joining SVA, Casey worked in Deal Advisory at KPMG where she undertook a Jawun secondment to the East Kimberly to develop an Indigenous-led, placed-based employment initiative. She has also volunteered as a mentor for the Australian Indigenous Education Foundation. Casey holds a Bachelor of Business and Economics from the University of New England.

5.3 Uniting

Uniting (NSW.ACT) is responsible for the social justice, community services and chaplaincy work of the Uniting Church in NSW and the ACT. In 2019/20, Uniting's annual income was \$844 million, employing 9,100 staff and supporting approximately 87,000 people. Uniting delivers a range of programs for the NSW Government, ACT Government and Commonwealth Government as well as deriving around one quarter of its income from independent sources.

Uniting has significant expertise and experience in engaging and supporting highly disadvantaged children, young people and families. Its Children, Youth and Families directorate delivers an extensive and sensitive portfolio of services encompassing early learning, family restoration and parenting skills programs, youth housing support, employment services, out-of-home care, and counselling and mediation.

Uniting successfully delivered the Newpin SBB, in partnership with SVA and the Department, which achieved close to target performance across its seven years of operations. The success of the Newpin Program under the SBB has led to the continuation of funding of the program under an outcomes contract between Uniting and the Department.

5.4 Key Uniting personnel



Sue Shilbury – Director Children, Youth and Families

Sue joined Uniting in January 2020. She has worked in clinical and corporate governance for more than 30 years, and has Director and Board-level experience. Most recently, Sue was CEO of Austin Health in Melbourne. A personal highlight there was the development of a partnership with community and primary health services, with the primary purpose being to integrate care. One of the partnership's key deliverables over a five-year period included a program addressing children's developmental needs. Prior to this position, she held several senior roles in NSW Health, helping to design and deliver new adult, women's and children's services. Sue also served as the General Manager of Royal North Shore and Ryde Hospitals and Community Health Services for six years, leading significant transformational change. Sue first entered the workforce as a Paediatric Physiotherapist, and spent a period working for a large consulting firm in the health and human services sector.



Anita Le Lay – Head of Sydney Region, Children Youth and Families

Anita has led multi-disciplinary teams in a wide range of community services organisations for over 25 years. Anita has experience working with marginalised and disadvantaged people, delivering services in areas which include disability and mental health, OOHC for children and young people, child and family services and employment services. Anita has facilitated learning in the community services sector via NSW TAFE and Charles Sturt University Graduate School of Management. Anita is a non-Executive Director of Job Centre Australia, a non-government organisation for people with disability in NSW, Victoria and Queensland. Anita has a passion for bringing people together to innovate, solve problems and to facilitate shared successes. Anita will lead the team delivering services to young people living in Foyer Central. Anita holds a Master of Management, Community (UTS) and a Bachelor of Social Work (UNSW).



Louise Limoges – Head of Practice, Children, Youth and Families

Lou has a diverse range of sector expertise and has worked across both Government and non-government organisations for over 20 years in community service organisations, education and disability. Lou has led multidisciplinary teams across a range of program types and is passionate about service design and quality practice. For the past eight years Lou has held positions at Uniting that lead change initiatives and drive quality and consistent practice in the Children, Youth and Family Directorate. Lou holds a Master of Education and Post Graduate Degree in Psychology. Lou will continue to provide leadership in practice for Foyer Central.



Dr Tom McLean – Research and Social Policy Lead

Tom is Research and Social Policy Program Head at Uniting. In that role, he leads evaluations of Uniting’s practices and services, research into aspects of disadvantage and vulnerability, and social policy analysis. Tom has led the development of the Foyer Central outcomes framework, and his team will manage the external evaluation. Prior to joining Uniting, Dr McClean worked in evaluation, policy and investigation roles in the NSW Government, and in the financial sector in London. He holds a PhD from the London School of Economics, and his personal academic research interests and expertise broadly involve the role of information in politics and governance.



Paula Thum – Foyer Central Program Manager

Paula has worked within the employment services industry, including disability services for 12 years, working across both state and federal Government contracts. Over the past 4.5 years Paula has had the pleasure and privilege of working directly within the youth sector, further developing and cementing a passion for working with youth. Paula has a high level of commitment to making a difference in the lives of young people, gained from both her extensive experience and an education background that includes psychology and coaching.



Project partners at the sod turning event in December 2019. From left to right: Scott Hutchinson (Chairman, Hutchinson Builders), Cr Philip Thalys (City of Sydney), Isaiah Dawe (CEO & Founder, I.D Know Yourself), The Hon. Gareth Ward MP (NSW Minister for Families, Communities and Disability Services), Scott Langford (Group CEO, SGCH), Tracey Burton (Executive Director, Uniting).

5.5 SGCH

For over 35 years, SGCH Group has provided sustainable, safe and affordable housing. SGCH Group provides around 6,600 social and affordable homes across the Sydney metropolitan area and has expertise in providing tenancy management services to vulnerable households. Managing a \$3.25 billion portfolio, it is an experienced provider of social housing, Aboriginal social housing, transitional housing, affordable housing and Specialist Disability Accommodation. SGCH Group is recognised as an industry leader in tenancy management, with a practice that places tenant outcomes at the centre. The SGCH Group entities (including SGCH Portfolio Limited) are registered Tier 1 community housing providers under the National Regulatory System for Community Housing.

SGCH Group is a collaborative partner of choice for over 100 support services, with a demonstrated commitment to strengthening sustainable outcomes for tenants and communities.

5.6 Key SGCH personnel



Scott Langford – Group Chief Executive Officer

Scott is a Chartered Surveyor with a specialisation in housing management and development. He holds a Master of Business Administration and a post graduate qualification in property development and is a graduate of the Australian Institute of Company Directors. He leads a team of over 200 staff at SGCH who provide a place to call home for 11,500 residents in 6,600 homes. Since joining SGCH in 2016, Scott and his team have secured a development pipeline of 1,000 new social and affordable homes in Sydney, raising \$450 million in committed finance. Major transactions have included the Social and Affordable Housing Fund Phase 1 and Phase 2, and the Social Housing Management Transfer program.



Barb McKenna – General Manager, Customers and Communities

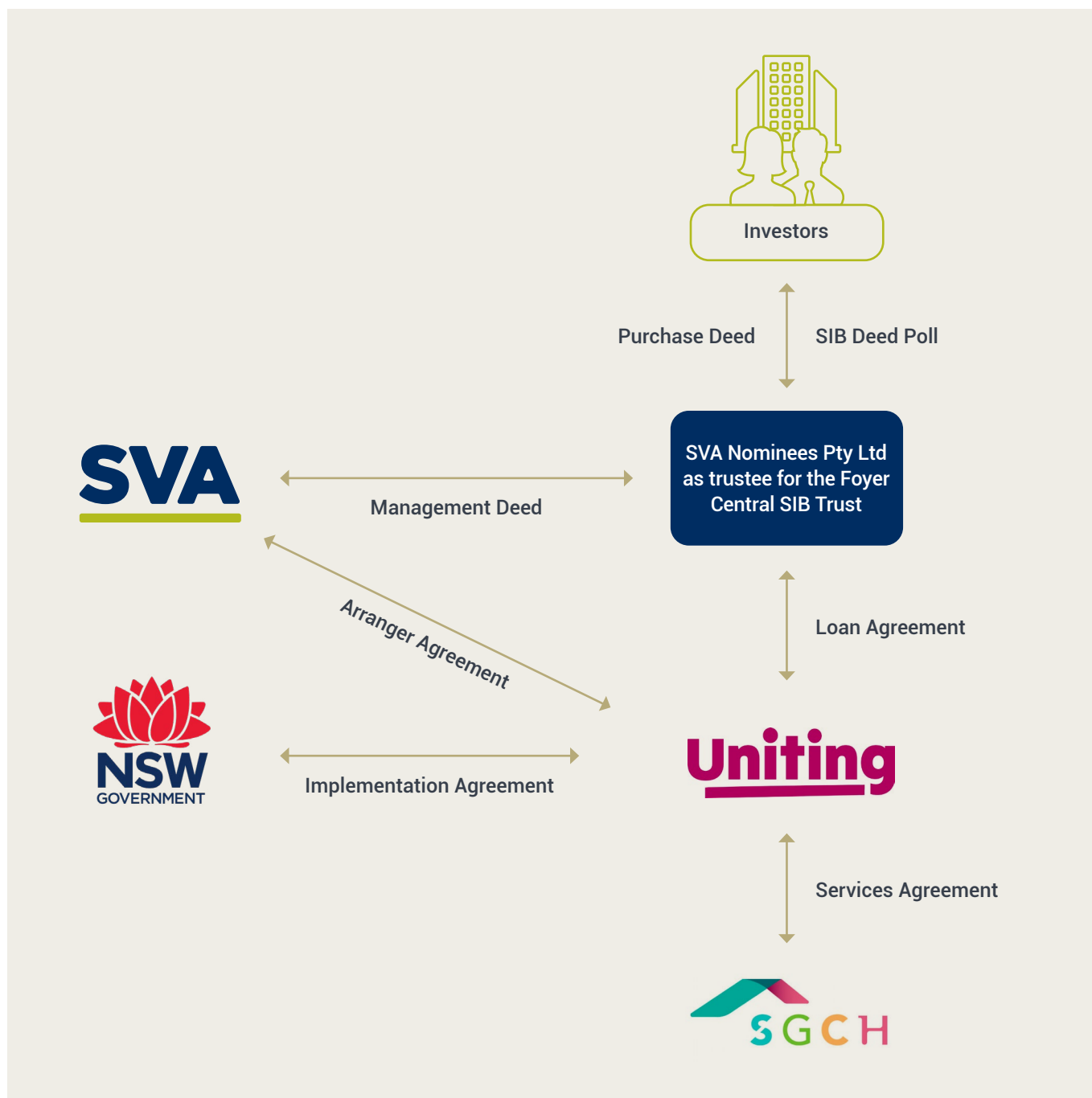
Barb has over 30 years' experience in social housing in both the government and not-for-profit sectors. Throughout her career, Barb has worked in a range of project management, program development and policy roles including coordinating the handover of properties, delivering funding grants and managing the transition of a range of high priority programs to business as usual. Barb leads the Customers and Communities division at SGCH, delivering services to SGCH's 11,500 customers across northern, western and metro Sydney; Foyer Central will sit within the metro portfolio.

6. Transaction structure and key documents

6.1 Structure overview

The Foyer Central SIB involves a number of contractual arrangements, as depicted in Figure 13 below.

Figure 13: Foyer Central SIB contractual structure



6.2 Implementation Agreement

The Implementation Agreement sets out the obligations of the Department and Uniting, including terms covering:

- conditions precedent to the Implementation Agreement coming into force, including full subscription of the Notes;
- eligibility criteria for participants and enrolment processes;
- the outcome measures adopted;
- the terms of the Annual Review, Performance Review and Expenses Review, and the consequences if the parties cannot agree to revised terms following a review;
- the criteria and terms of payments to Uniting;
- breach and Early Termination provisions;
- insurance requirements and indemnity provisions; and
- general provisions such as dispute resolution, warranties, administration, intellectual property rights and confidentiality.

The Implementation Agreement incorporates the Operations Manual, which regulates the day-to-day operation of the Implementation Agreement. The obligations of the parties under the Implementation Agreement do not come into force until satisfaction (or waiver) of all the conditions precedent.

Annual Reviews

An Annual Review will be undertaken by the parties following each Measurement Date. The review will include (among other things):

- the performance of the parties in achieving the objectives of the Implementation Agreement;
- the performance of services and progress in delivery of outcomes for participants during the year under review;
- the implementation of the Operations Manual;
- the size of the Intervention Group relative to plan; and
- the net cumulative expenses of the Program.

Performance Reviews

Following the Measurement Dates in each of 2023–2028 inclusive, a Performance Review will be conducted to determine whether the Program is delivering outcomes to a satisfactory level.

In the event that a Performance Review reveals that:

- Cumulative Successful Outcomes are tracking at Performance Band 2 or below (following each of the third to seventh Measurement Dates); or
- no Interim Payment is payable; or
- the size of Intervention Group is 75% or less than planned,

the parties will in good faith seek to reach agreement on whether to continue the Implementation Agreement, including any variation to its terms.

Expenses Reviews

Following the Measurement Dates in 2024, 2026 and 2028, an Expenses Review will be conducted to determine whether the cost of delivering the Program is in line with expectations.

In the event that the net cumulative expenses differ from planned expenses by \$300,000 or more, the parties will in good faith seek to reach agreement on whether to continue the Implementation Agreement, including any variation to its terms

If the parties are unable to reach agreement following a Performance Review or Expenses Review, they each have a right to terminate the Implementation Agreement. Under the terms of the Loan Agreement, Uniting undertakes not to amend the Implementation Agreement without the consent of the Issuer if the amendment would have the effect of varying any definition or formula relating to the interim indicators or Successful Outcomes, or the date or amount of any payment to be made to Uniting.¹²

¹². Under Section 8.3 (*Variation of the Program Documents*) of the SIB Deed Poll, the Issuer can only agree to certain variations (that may reduce an amount payable or delay a payment in respect of the Notes) to the Implementation Agreement or the Loan Agreement with the consent of Noteholders, such consent being determined in accordance with Schedule 1 (*Resolution Provisions*) of the SIB Deed Poll.

Early Termination

The Implementation Agreement may be terminated in the following (among other) circumstances:

- termination by the Department for convenience or for cause (including a material breach, insolvency of Uniting, the Issuer or SGCH, abandonment of services by Uniting and change of control in respect of Uniting or SGCH);
- termination by Uniting for cause (material breach of obligations by the Department);
- termination by either party following a Performance Review or an Expenses Review; and
- termination in 'no fault' scenarios, including for force majeure events (including natural disasters, industrial action, epidemic or war) or a change in tax legislation or law with materially adverse consequences.

Please see Section 7.5 (*Early repayment*) for details of the consequences of Early Termination under each of these circumstances.

6.3 Loan Agreement

Overview

The Loan Agreement is between the Issuer and Uniting and is for a principal amount equal to the Aggregate Issue Amount received under the offer and issue of the Notes, expected to be \$7 million.

The date upon which principal can be drawn under the Loan Agreement is subject to Financial Close occurring.

The Maturity Date under the Loan Agreement is 31 December 2029, or such other date agreed by the Issuer and Uniting that is no later than 31 March 2030 (to allow for any delay in the reporting of the Cumulative Successful Outcomes).

Conditions Precedent

The Issuer must be satisfied that all conditions precedent have been satisfied or waived and a drawdown request has been duly completed under the Loan Agreement before making the loan available to Uniting. Conditions precedent include, among other things, evidence that all conditions precedent under the Implementation Agreement have been satisfied (or waived by the Department) and confirmation by Uniting that it has obtained all authorisations required in connection with entry into and performance of all transaction documents to which it is a party.

Interest Payments

Interest Payments will be made by Uniting to the Issuer on each Interest Payment Date as follows:

- For each of Interest Payments 1 to 3, a fixed Interest Payment is determined using a rate of 2% per annum.
- For each of Interest Payments 4 to 9, a variable Interest Payment is determined using a rate of between 0% and 11% per annum, depending on the Performance Band at the preceding Measurement Date.

A Termination Interest Payment is payable on early repayment of the loan.

Please see Section 7.2 (*Interest Payments under the Loan Agreement*) and Section 7.5 (*Early repayment*) for further details.

Principal Repayment at Maturity

The Principal Repayment on the Maturity Date is dependent upon the Performance Band achieved by the Foyer Central Program at the immediately preceding Measurement Date. Please see Section 7.3 (*Maturity Repayment under the Loan Agreement*) for details.

Key features of the Principal Repayments are:

- 100% of principal will be repaid on maturity if the Program is achieving Performance Band 3 or higher at the 30 September 2029 Measurement Date; and
- considering all scenarios, a minimum of 55% of principal will be repaid.

Early repayment

The early repayment of principal can be triggered in the following situations:

- Early Termination of the Implementation Agreement for any reason;
- Uniting has a right to terminate the Implementation Agreement following a Performance Review as a result of the parties failing to reach agreement in respect of whether to continue the Implementation Agreement (including any revised terms) and the Issuer provides notice requiring repayment of the Principal; and
- acceleration of the loan by the Issuer if an event of default is continuing (an event of default under the Loan Agreement includes, among other things, breach of obligations, payment default, misrepresentation, abandonment of the Foyer Central Program, insolvency events in respect of Uniting); and
- mandatory prepayment due to illegality in respect of the Loan Agreement or Arranger Agreement.

Please see Section 7.5 (*Early repayment*) for details of how the Principal Repayment and Termination Interest Payment are calculated under each of the above scenarios.



6.4 SIB Deed Poll and the Notes

The Notes represent unsecured debt obligations of the Issuer, with recourse of the Noteholders limited to the extent of the Issuer's recourse to the assets of the Trust. The Notes will be issued pursuant to the SIB Deed Poll.

The Notes have an expected overall term of approximately 9 years.

The Aggregate Issue Amount for the Foyer Central SIB will be a maximum of \$7 million. Terms and conditions for the subscription of the Notes are set out in Section 10 (*Applications*).

Coupon Payments

Coupon Payments must be made to Noteholders within 10 Business Days of receipt by the Issuer of the Interest Payment made under the Loan Agreement. Noteholders are entitled to receive a Coupon Payment representing their pro-rata share (being equal to the ratio of their Subscription Amount to the Aggregate Issue Amount) of the Interest Payment received by the Issuer. As such, the amount received by Investors depends entirely upon the performance of the Loan Agreement which is generally determined by the performance of the Foyer Central Program.

Note Redemptions

The amount payable on redemption of Noteholders' Notes depends entirely upon the Principal Repayment made under the Loan Agreement. Within 10 Business Days following the receipt by the Issuer (on the Maturity Date or on early repayment) of any Principal Repayment from Uniting, Noteholders will be paid their pro-rata proportion of the Principal Repayment received.

Notes will only be redeemed on the Maturity Date or on early repayment of the principal under the Loan Agreement (as detailed in Section 6.3).

6.5 Management Deed

SVA will manage the Foyer Central SIB Trust under the terms of the Management Deed, which SVA intends will include the following:

- convening governance meetings for the Trust;
- preparing annual Investor reporting and managing payments;
- reparing tax returns and financial accounts for the Trust;
- attending relevant meetings including the Joint Working Group convened under the Implementation Agreement; and
- providing performance oversight on behalf of Noteholders.

6.6 Arranger Agreement

Uniting will pay to SVA (among other fees and expenses) an ongoing fee of \$70,000 per annum (plus GST) from 1 January 2021 until the earlier of 30 September 2030 and the date of any Early Termination, indexed at a rate of 2.25% per annum.

6.7 Services Agreement

Uniting has entered a Services Agreement with SGCH outlining the components of the Foyer Central Program to be delivered by SGCH and the nature and timing of payments to SGCH for those services.

7. Calculation of payments

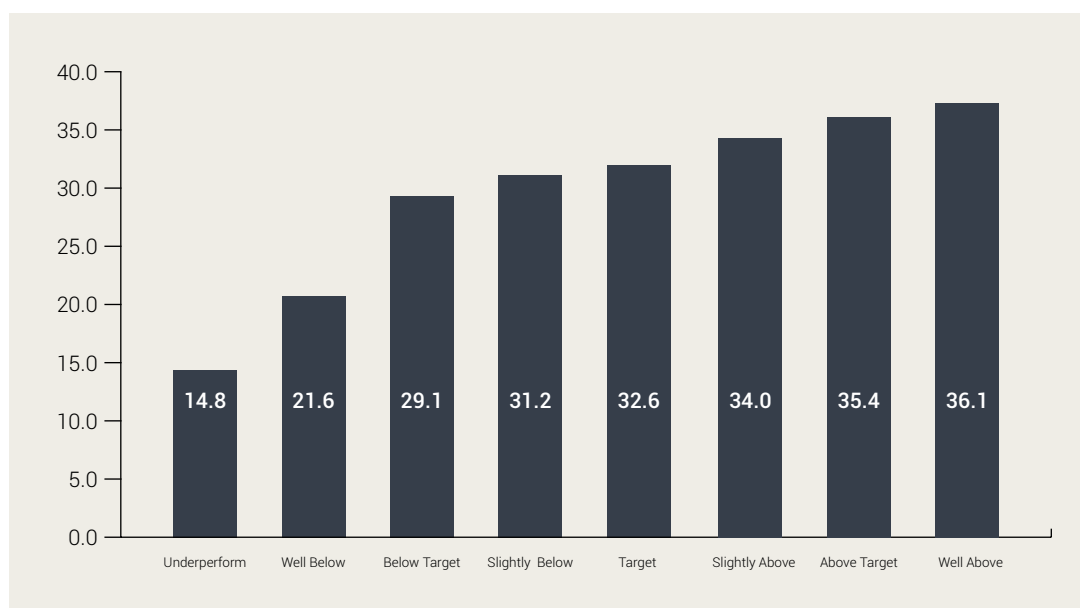
7.1 Payments to Uniting

Payments by the Department to Uniting under the Implementation Agreement can be summarised as follows:

- Advance Payments, which are fixed amounts;
- Interim Payments, which are dependent on the average Foyer Central occupancy rate and participants' rate of completion of a life skills course;
- Outcome Payments, which (among other things) are dependent upon the Performance Band (and hence the number of Cumulative Successful Outcomes); and
- Termination Payments.

Total payments under the Target performance scenario are approximately \$32.6 million. Total payments can range between \$14.8 million and \$36.1 million (provided the Implementation Agreement is not terminated early).

Figure 14: Total Government Payments by Performance Scenario (\$ million)



7.2 Interest Payments under the Loan Agreement

Uniting will make the Interest Payments on 31 December each year from 2021 to 2029. Interest Payment 9 will be made on 31 December 2029 or such other date agreed by the Issuer and Uniting (but no later than 31 March 2030).

The Interest Payments are calculated as at each Interest Payment Date as follows:

$$\text{Interest Payment} = P \times r \times n - A$$

Where:

- **P** is the total amount of principal outstanding under the Loan Agreement;
- **n** is the number of the Interest Payment (for example, n is equal to 5 for Interest Payment 5, which is due on or about 31 December 2025);
- **A** is the aggregate of the Interest Payments made in respect of all previous Interest Payment Dates; and
- **r** is the Interest Rate, being:
 - for Interest Payments 1 to 3, 2%,
 - for Interest Payments 4 to 9, a rate determined with reference to the Performance Band achieved at the Measurement Date immediately preceding the relevant Interest Payment Date, as follows:

Performance Band	1	2	3	4	5	6	7	8
Interest Rate	0%	0%	1%	4%	6%	8%	10%	11%

The Interest Payment is subject to a minimum of nil; if performance deteriorates, the Issuer is not required to pay back to Uniting any prior 'overpayment'.

Illustrative example

At the Measurement Date immediately preceding Interest Payment 4, Performance Band 5 is attained. Interest Payment 4 is calculated as:

$$\text{Interest Payable} = (P \times 6\% \times 4) - (P \times 2\% \times 3) = P \times 18\%$$

At the following Measurement Date, Performance Band 4 is attained. Interest Payment 5 is calculated as:

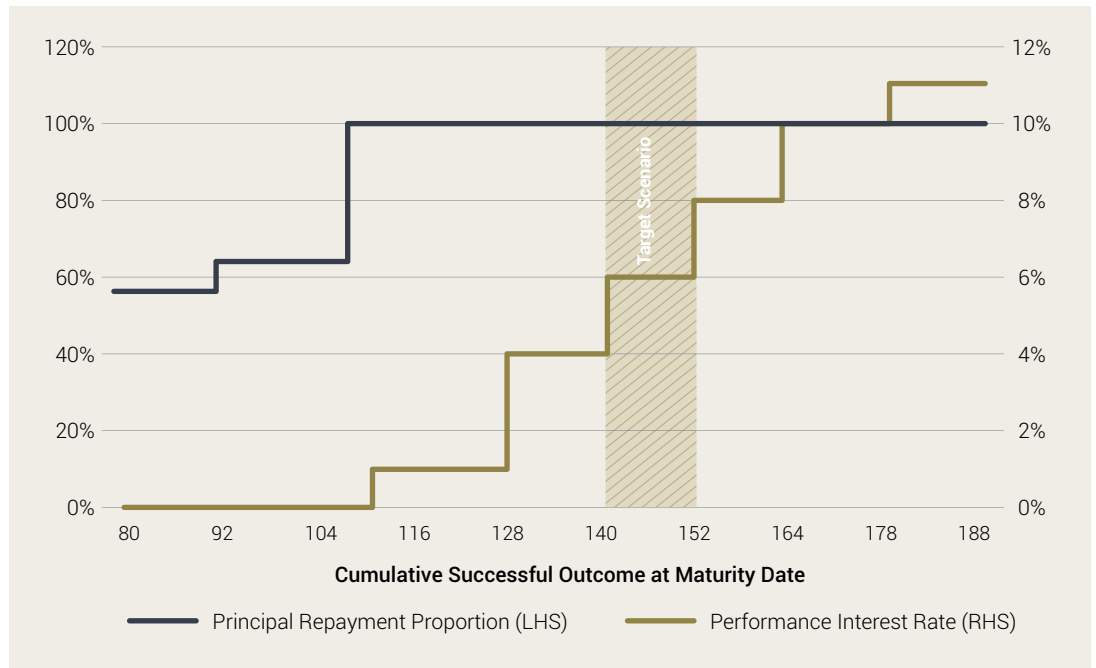
$$\text{Interest Payable} = (P \times 4\% \times 5) - (P \times 6\% \times 4) = \text{nil (minimum applies)}$$

7.3 Maturity Repayment under the Loan Agreement

At the Maturity Date, the proportion of principal that is repayable by Uniting is determined with reference to the Performance Band at the 30 September 2029 Measurement Date, as follows:

Performance Band	1	2	3	4	5	6	7	8
Proportion of Principal Repayable	55%	65%	100%	100%	100%	100%	100%	100%

Figure 15: Performance based payments under the Loan Agreement



7.4 Estimated Noteholder returns

Based upon the payments described in Sections 7.1, 7.2 and 7.3 and an assumed Financial Close of 31 January 2021, and provided that the Loan Agreement is not repaid prior to the Maturity Date, the approximate Noteholder Internal Rate of Return (IRR) that would be generated in each of the performance scenarios is as follows:

Scenario	Under-perform	Well Below	Below Target	Slightly Below	Target	Slightly Above	Above Target	Well Above
Performance Band	1	2	3	4	5	6	7	8
IRR	-5.8%	-4.0%	1.0%	4.0%	5.9%	7.8%	9.6%	10.4%

The performance of the Foyer Central Program will be monitored by the Joint Working Group. As described in Section 6.2 (*Implementation Agreement*), if a Performance Review determines that the number of Cumulative Successful Outcomes is tracking well below target, or if no Interim Payment is payable, an Early Termination of the Implementation Agreement may eventuate.

7.5 Early repayment

If the principal under the Loan Agreement is required to be repaid before the Maturity Date for the reasons specified in the Loan Agreement, including the termination of the Implementation Agreement, a final repayment will be made by Uniting which is the sum of:

- a proportion of the total amount of outstanding principal; and
- a Termination Interest Payment.

Each of these payments are described in further detail below.

Principal repayable

The proportion of principal that is repaid on any date (other than the Maturity Date) will be determined based on the reason for early repayment and the performance of the Program as at the relevant Assessment Date, as follows:

Reason for early repayment	Assessment Date is prior to 30 September 2024	Assessment Date is on or after 30 September 2024
<p>If the Implementation Agreement is terminated:</p> <ul style="list-style-type: none"> • for a 'no fault' scenario (including but not limited to) force majeure; or • by the Department for convenience; or • by Uniting for cause, <p>or if the Loan Agreement is repayable as a consequence of a right to terminate the Implementation Agreement arising, acceleration or illegality or for any other reason not contemplated by this table</p>	100%	<p>Principal Repayment Proportion determined by the Performance Band at the immediately preceding Measurement Date:</p> <ul style="list-style-type: none"> • Performance Band 1: 55% • Performance Band 2: 65% • Performance Bands 3-8: 100%
<p>If the Implementation Agreement is terminated by the Department for cause</p>	85%	
<p>If the Implementation Agreement is terminated following a Performance Review</p>	55%	

Termination Interest Payment

A Termination Interest Payment is payable on any repayment date other than the Maturity Date, and will be the amount determined as:

$$\text{Termination Interest Payment} = P \times R \times d / 365 - A$$

Where:

- **P** is the total amount of principal outstanding under the Loan Agreement (on the Assessment Date for that repayment date);
- **d** is the number of days from the drawdown date to the Assessment Date;
- **A** is the aggregate of the Interest Payments made in respect of all previous Interest Payment Dates; and
- **R** is the Termination Interest Rate, determined based on the reason for early repayment and the performance of the Program at the Measurement Date immediately preceding the Assessment Date, as follows:

Reason for early repayment	Assessment Date is prior to 30 September 2024	Assessment Date is on or after 30 September 2024
If the Implementation Agreement is terminated for a 'no fault' scenario (including but not limited to) force majeure, or if the Loan Agreement is repayable as a consequence of a right to terminate the Implementation Agreement arising, acceleration or illegality or for any other reason not contemplated by this table	2%	Interest Rate determined as at the immediately preceding Measurement Date, as outlined in Section 7.2 (<i>Interest Payments under the Loan Agreement</i>)
If the Implementation Agreement is terminated by: <ul style="list-style-type: none"> ● the Department for convenience; or ● Uniting for cause 	11%	
If the Implementation Agreement is terminated: <ul style="list-style-type: none"> ● following a Performance Review; or ● by the Department for cause 	0%	

8. Risk factors

Prospective Investors should carefully consider the risks and uncertainties described below and the other information contained in this Information Memorandum before making an investment in the Notes. They are not an exhaustive description of all the risks associated with an investment in the Notes and the Issuer may be unable to fulfil its payment or other obligations under or in connection with the Notes due to a factor which the Issuer did not consider to be a material or significant risk based on information currently available to it or which it may not currently be able to anticipate. If any of the risks described below (or an unlisted risk) actually occurs, the value and liquidity of the Notes could decline, and Noteholders could lose all or part of their investment. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Program performance

Noteholder returns are primarily determined by the outcomes delivered through the Foyer Central Program. Noteholders are exposed to the performance capabilities of Uniting and SGCH and their ability to work collaboratively together. If Uniting or SGCH fails to perform and the target outcomes are not delivered, Noteholder returns will be adversely affected and in certain performance scenarios, Noteholder Subscription Amounts may not be wholly repaid. Neither the Issuer, Uniting, SGCH, the NSW Government nor any other person guarantees that the target outcomes will be achieved. Prospective Investors are advised to review the description of the Foyer Central Program and its goals in this document to determine their own view on the future performance of the Foyer Central Program.

Program performance will be monitored by the Joint Working Group, a governance committee established under the Implementation Agreement. The Trust Manager will be represented on this committee along with other stakeholders.

Intervention Group size risk

There is a risk that the Intervention Group is smaller than anticipated as a result of lower enrolments than planned. This would reduce Uniting's ability to achieve targeted outcomes and thus may adversely affect Noteholder returns.

Higher than anticipated vacancies will also result in higher than anticipated program expenses (possibly triggering Expenses Review negotiations) and reduced or no Interim Payments being payable to Uniting (possibly triggering poor performance negotiations). Noteholders are not directly exposed to these impacts, but an Early Termination could be triggered as a result.

The Intervention Group size will be monitored by the Joint Working Group and reviewed formally as part of the Annual Review. Operational teams will carefully plan for entry and exit from Foyer Central to manage vacancy risk. When the Foyer Central Program is at full capacity, a pool of eligible young people will be developed and managed to streamline the enrolment process and to minimise vacancy time.

Disengagement risk

All Foyer Central participants who enrol in the Program will be included for measurement purposes regardless of when they exit and whether they subsequently continue to engage with the Program after their exit from the Program. If a young person does not appear in the Centrelink dataset and cannot be contacted (or does not provide evidence of outcomes), program performance may be lower than expected which would in turn negatively impact Noteholder returns.

Outcomes measurement will rely on multiple data sources to ensure that program performance is fairly and more accurately measured.

Uniting credit risk

The Notes represent unsecured debt obligations of the Issuer, with recourse of the Noteholders limited to the extent of the Issuer's right of indemnification from the assets of the Trust. Performance of the Notes is thus dependent on performance of the Loan Agreement. There are no guarantees regarding Loan Agreement payments provided by the Issuer or any other third parties.

All Interest Payments and Principal Repayment obligations under the Loan Agreement (both at maturity and in the case of early repayment) are unsecured obligations of Uniting as the borrower under the Loan Agreement who is legally The Uniting Church in Australia Property Trust (N.S.W.). The assets that support the obligations of the borrower and therefore the credit risk of the obligations, are those beneficially owned and controlled by Uniting (NSW.ACT).

There is a risk that the borrower defaults on its obligations under the Loan Agreement due to insolvency or financial distress. Uniting has been a provider of community services to New South Wales residents for over 100 years. Details on the financial position of Uniting can be found in the Appendix.

Issuer credit risk

The Issuer has no business or other activities other than those required to perform its obligations under the Foyer Central SIB arrangement. Recourse of Noteholders against the Issuer is limited as described in clause 12.5 (*Limited recourse*) of the SIB Deed Poll.

The Noteholders do not benefit from security over the assets over the Issuer and on a winding up of the Issuer may not recover all amounts owing under the Notes.

Early Termination

Section 6.2 (*Implementation Agreement*) sets out the scenarios under which the Implementation Agreement, and hence the Foyer Central SIB arrangements, may be terminated and the Notes would be redeemed early.

The Department can elect to terminate the Implementation Agreement for convenience for any reason, which may include, without limitation, that it views the Foyer Central SIB arrangement as no longer consistent with its policy priorities or that the arrangements lack sufficient economic justification.

The Notes are required to be redeemed by the Issuer where Early Termination of the Implementation Agreement has occurred. At those times, a Noteholder may not be able to reinvest the redemption proceeds at an interest rate commensurate with the future expected returns on the Notes. Potential Investors should consider reinvestment risk in light of other investments available at that time.

Payments to Noteholders in the event of an Early Termination are set out in Section 7.5 (*Early repayment*).

SVA has managed two SIBs that have terminated early or are in the process of early termination. The Newpin Queensland Social Benefit Bond terminated in June 2020 and the Sticking Together Social Impact Bond terminated in December 2020.

Change of law

The Note Conditions are based on the relevant law in effect as at the date of the issue of the Notes. No assurance can be given as to the impact of any possible judicial decision, change to law (including by an action of the NSW Government or the Department) or administrative practice after the date of issue of the Notes. Any material adverse impact arising from a change of tax legislation or law creates Early Termination rights under the Implementation Agreement.

Reliability of data provided and calculation of outcomes

Outcome data will rely upon data and information obtained by the NSW Government and the Commonwealth Government. There is a risk that an Intervention Group member may not appear in the Centrelink dataset provided by the Commonwealth Government and therefore Uniting will be unable to evidence outcomes. Data will be extracted on a quarterly basis to provide visibility of the number of participants missing from the Centrelink dataset.

This data reliability risk will be mitigated by data and information obtained by Uniting and validated by the NSW Government, which can also be relied upon for outcomes measurement. Evidence supporting participants' Independent Housing, Sustained Income and Educational Engagement outcomes is to be collected and collated by Uniting. There is a risk that Uniting will be unable to evidence outcomes due to a lack of proof provided by Foyer participants.

The data reliability risk will be mitigated by Uniting setting clear expectations about evidence requirements with young people upon entry into the Program, during the Program and upon exiting Foyer Central. Uniting will also have a dedicated evidence collection staff member who will be responsible for contacting Foyer participants to obtain evidence after they exit the Program. In addition, outcomes can be inferred in instances where there is sufficient evidence to demonstrate a participant commenced achieving an outcome and sustained that outcome. For example, if a young person provides a rental receipt for their private accommodation at one address dated March 2022 and they subsequently provide a rental receipt for the same address dated December 2022, then they will be deemed to have achieved Independent Housing outcomes from March to December.

NSW Government, Commonwealth Government and Uniting obtained data (de-identified and extracted following a secure data linkage process) and information, and the outcome determinations (including for calculation of the Outcome Payments) will be reviewed by the Independent Certifier (expected to be a recognised accounting practice or actuarial firm) appointed to assess the reliability of the data and information and outcome determinations.

Dependence on key personnel

The Foyer Central Program is reliant on a number of key personnel employed by Uniting and SGCH and each organisation's ability to attract and retain quality staff. The loss of staff members could potentially have an adverse impact on the Foyer Central Program's performance. Uniting and SGCH intend to manage this risk by directly involving a number of senior and experienced people in the management of the Foyer Central Program.

Force majeure events

There is a risk that events such as natural disasters that lead to damage, destruction or closure of the Foyer Central Program's building, which may impact Uniting's ability to deliver the Program and achieve the outcomes. The Joint Working Group may monitor, assess, and manage the impact of such events such that Noteholders are not unduly impacted by force majeure events. There are also contractual mechanisms to mitigate the impact of such events, including the force majeure event termination right.

Modifications and waivers

The Note Conditions contain provisions for Noteholders to consider matters affecting their interests generally and to agree to modification to the SIB Deed Poll and for variations of the Implementation Agreement and other Foyer Central SIB arrangement documents. These provisions permit defined majorities and, in certain circumstances, actions of the Issuer without Noteholder consent, to bind all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. For further particulars, see Clause 8 (*Variation*) of the SIB Deed Poll.

Covid-19 and labour market conditions risk

Youth unemployment and the labour market have been materially impacted by Covid-19 and may continue to be impacted by Covid-19 in the future. This may impact Uniting's ability to achieve the target outcomes.

Outcomes are not measured until the year after a young person ends their Foyer Central tenancy, which allows some time for the employment market to stabilise.

A Foyer Central participant may achieve one or any combination of Positive Indicators to achieve a Successful Outcome. Therefore, a young person does not need to achieve Sustained Income to demonstrate a Successful Outcome, as they can achieve Independent Housing and/or Educational Engagement to demonstrate a Successful Outcome.

In addition, the Sustained Income threshold has been determined with consideration of average weekly rental prices which reflect the impact of Covid-19 to date. This threshold is reviewed as part of the Annual Review and can be adjusted if agreed by the parties.

The secondary market generally

The Notes will have no established secondary trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of the Notes. No assurance of a secondary market or a market price for the Notes is provided by the Issuer or by any other person.

Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to investment laws and directives, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes.



9. Legal notices

Selling and distribution restrictions

By submitting an Application Form, an Investor applies to purchase Notes in accordance with the Purchase Terms. The Issuer has the sole right to accept any offer to purchase Notes and may reject that offer in whole or in part without giving reasons for its decisions.

Under the Purchase Terms, each Investor purchasing Notes will agree to comply with any applicable law or directive in any jurisdiction in which it may subscribe for, offer, place, sell or transfer Notes and that it will not, directly or indirectly, offer, sell or transfer Notes or distribute any IM or other offering material in relation to the Notes outside Australia and otherwise within Australia except in accordance with the Purchase Terms, these selling restrictions and under circumstances that will result in compliance by the Issuer with any applicable law or directive of that jurisdiction without the need for any further action from the Issuer or any other person. No action has been taken in any overseas jurisdiction that would permit an offering of any of the Notes or the distribution of the IM or any other offering material.

No Relevant Party has represented that any Notes may at any time lawfully be sold in compliance with any applicable disclosure, registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

The following selling restrictions apply.

Australia

The Notes may only be issued or transferred to Australian residents who are not acquiring an interest in the Notes through a permanent establishment outside Australia.

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes has been, or will be, lodged with ASIC.

A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this IM or any other offering material or advertisement relating to the Notes in Australia unless the offer or invitation (1) does not require disclosure to Investors under Part 6D.2 or 7.9 of the Corporations Act, (2) does not constitute an offer or invitation to a 'retail client' as defined for the purposes of Chapter 7 of the Corporations Act, (3) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place and (4) does not require any document to be lodged with ASIC or any other regulatory body in Australia.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the IM or any other offering material in any country or jurisdiction.

In particular, this IM may not be distributed or released in the United States. The Notes have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act or an exemption from registration. The Notes may only be offered, sold, transferred or otherwise disposed of in Australia in "offshore transactions" (as defined in Regulation S under the US Securities Act) in accordance with Regulation S under the US Securities Act.

Persons into whose hands this IM comes are required by the Relevant Parties to comply with all applicable laws and directives in each jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the IM or other offering material.

Agency and distribution arrangements

The Issuer may agree to pay fees to any trustee or agent for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes.

The Issuer may also agree to pay fees to the Trust Manager and may indemnify the Trust Manager against certain liabilities in connection with the offer and sale of Notes.

Persons involved in the offer, issue and sale of the Notes, and their respective related entities, directors, officers and employees, may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may act as a principal in dealing in, or as a custodian or nominee in holding, any Notes.

Investors should obtain independent advice

Investors should be aware that, in some scenarios, no coupon in respect of a variable Interest Payment will be payable on the Notes and repayment of principal on the Notes may be at risk. This IM is not investment advice and has been prepared without taking into account the investment objectives, financial situation or particular needs (including financial and taxation issues) of any investor. Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the Notes;
- determine for themselves the relevance of the information contained in this IM, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax or duty (including stamp and transactions duty) laws applicable to their particular situation.

No advice is given in respect of the legal, taxation or accounting treatment for Investors or purchasers in connection with an investment in any Notes or rights in respect of them. In addition, this IM does not include any information in respect of the taxation treatment of an investment in the Notes. Investors or purchasers should, in connection with an investment or other dealing in any Notes (including their transfer), consult their own professional advisers.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this IM in connection with the Issuer, the Foyer Central Program or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by any Relevant Party.

No independent verification

No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by any Relevant Party (other than the Issuer, on the terms provided under Important Notices - Responsibility), as to the accuracy or completeness of this IM or any further information supplied in connection with the Notes.

No person named in this IM has undertaken to review the financial condition or affairs of the Issuer at any time or to advise any Noteholder of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Notes.

Currency of information

The information contained in this IM is prepared as of its Preparation Date. Neither the delivery of this IM nor any offer, issue or sale made in connection with this IM at any time implies that the information contained in it is correct, that any other information supplied in connection with the Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, the Issuer is under no obligation to any person to update this IM at any time, including after an issue of Notes.

Documents incorporated by reference

This IM is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This IM shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this IM. Investors should review, among other things, the documents which are deemed to be incorporated in this IM by reference when deciding whether to purchase any Notes.

The following documents are incorporated in, and taken to form part of this IM:

- the Implementation Agreement (with certain commercial-in-confidence matters redacted);
- the Loan Agreement;
- the Arranger Agreement;
- the SIB Deed Poll;
- the Purchase Deed;
- the Note Issue Supplement; and
- all other documents issued by the Issuer and stated to be incorporated in this IM by reference.

Any statement contained in this IM shall be modified or superseded in this IM to the extent that a statement contained in any document subsequently incorporated by reference into this IM modifies or supersedes such statement (including whether expressly or by implication).

A Note Issue Supplement or another supplement to this IM may supplement, amend, modify or replace any statement or information incorporated by reference in this IM or a supplement to this IM.

Copies of documents which are incorporated by reference in this IM are available for download at <https://www.socialventures.com.au/work/foyer-central-sib> and may also be obtained in hard copy from the offices of the Issuer on request.

Any internet site addresses provided in this IM are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this IM.

10. Applications

10.1 How to apply

Eligible investors (**Applicants** and see further Section 10.3 (*Investor eligibility*)) may apply for Notes by submitting an Application Form that was attached to, or accompanied by, a copy of this IM, and providing the Application Payment.

Applications will only be considered where Applicants have applied pursuant to an Application Form submitted in accordance with Section 10.4 (*Submission of Application Forms*). The Issuer may in its sole discretion accept or reject an application. Applicants will be informed of the success of their application.

The offer period will close as soon as aggregate accepted subscriptions reach \$7,000,000 and so Applicants are encouraged to consider submitting their Application Forms as soon as possible.

An Applicant cannot withdraw their Application Form once it has been lodged, except as permitted under the Corporations Act.

10.2 Subscription Amounts

The minimum Subscription Amount is \$50,000 in principal amount of the Notes. Investors may apply for additional Notes in multiples of 10 Notes (\$1,000 in principal amount) above that minimum Subscription Amount.

10.3 Investor eligibility

An application for the issue of any Notes will only be accepted from, and Notes will only be issued to, an investor that is (1) a person to whom it is lawful to make an offer of the Notes, (2) a person to whom an offer or invitation for the issue, sale or transfer of the Notes may be made without disclosure under Part 6D.2 or 7.9 of the Corporations Act, (3) not a 'retail client' as defined for the purposes of Chapter 7 of the Corporations Act, (4) an Australian resident who is not acquiring an interest in the Notes through a permanent establishment outside Australia and (5) a person who is not purchasing the Notes in an "offshore transaction" (as defined in Regulation S under the US Securities Act).

In particular, each such '**wholesale investor**' must be able to demonstrate that they are either:

- a 'sophisticated investor' for the purposes of section 708(8)(c) of the Corporations Act by providing a certificate given by a qualified accountant dated no more than two years before the offer is made confirming that the investor has (1) net assets of at least A\$2.5 million or (2) has a gross income for each of the last two financial years of at least A\$250,000 a year; or
- a 'professional investor' for the purpose of section 708(11) of the Corporations Act by either being (1) a person covered by the definition of 'professional investor' in section 9 of the Corporations Act (except a person mentioned in paragraph (e) of the definition) or (2) a person who controls gross assets of at least A\$10 million in accordance with section 708(11)(b) of the Corporations Act.

In accordance with the above, any Notes purchased by any person who wishes to offer such Notes for sale or resale may not be offered in Australia in circumstances which would result in the Issuer being obliged to lodge a prospectus or other disclosure document (as defined in the Corporations Act) in relation to any Notes with ASIC or any other regulatory body in Australia.

By submitting an Application Form, you will be deemed to have represented and warranted that you are an investor that satisfies the eligibility criteria set out in this Section 10.3 and elsewhere

in the IM. In particular, you will be deemed to have represented and warranted that (1) you are not in the United States and you are purchasing the Notes in an "offshore transaction" (as defined in Regulation S under the US Securities Act) and (b) you understand that the Notes have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States, and may only be offered, sold, transferred or otherwise disposed of in Australia in "offshore transactions" (as defined in Regulation S under the US Securities Act) in accordance with Regulation S under the US Securities Act.

10.4 Submission of Application Forms

Completed Application Forms should be emailed to sva@oneregistryservices.com.au or mailed to:

Foyer Central SIB Trust
PO Box R1479
Royal Exchange NSW 1225

10.5 Application Payment amount

The Application Payment to be provided in connection with an application for any Notes is an amount equal to the Subscription Amount for the number of Notes identified by the Applicant in their Application Form.

10.6 Payment options

Application Payments are to be made by direct deposit, as described below.

Bank: St George
Account Name: One Registry Services Pty Ltd Applications Account
BSB: 332 027
Account Number: 554 262 774

Details of the deposit should accompany the Application Form. The Issuer will accept notice of electronic transfer of funds as if deposited and cleared.

Payment by cheque or physical cash will not be accepted.

10.7 Interest earned on Application Payment

All Application Payments received before the Notes are issued will be held by the Issuer in an account used for the purpose of depositing Application Payments received. Such Application Payments will not bear any entitlement to interest or other income, but the Registrar or Issuer will be entitled to retain interest or other income earned on monies prior to their payment to the Issuer or refund to the Investor. After the Notes are issued to successful Applicants, the Application Payments will be payable to the Issuer.

10.8 Refunds

Applicants who are not allotted any Notes or are allotted fewer Notes than the number applied and paid for as a result of a scale back, will have all or some of their Application Payments (as applicable) refunded (without interest) as soon as practicable after the Issue Date.

10.9 Provision of TFN and/or ABN

Under the Application Form, Applicants may also provide details of their Tax File Number (TFN) should they wish to do so.

The collection and quotation of TFNs is authorised, and TFN use and disclosure is strictly regulated, by tax laws and the Privacy Act.

Applicants are not required to provide their TFNs. However, the Issuer may be required to withhold tax from payments on the Notes where the investor has failed to provide their TFN, ABN or proof of a relevant exemption.

10.10 Provision of bank account details

Under the Application Form, Applicants are also requested to provide bank account details. This nominated account will be used for the direct crediting of Coupon Payments, prepayment and repayment of principal and payments of other amounts. If this information is not provided under the Application Form, Applicants are encouraged to provide it to the Issuer as soon as possible thereafter. If a Noteholder has not notified the Issuer of an appropriate account by the close of business on the Record Date in respect of that payment, or the credit of any money to your account does not complete for any reason, then the Issuer will pay the relevant amount by cheque delivered (at the risk of the Noteholder) to the postal address most recently notified. No interest is payable in respect of any delay in payment.

10.11 Privacy statement

In certain circumstances, the Issuer may be required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the Corporations Act (Cth), the Taxation Administration Act 1953 (Cth), the Income Tax Assessment Act 1936 (Cth) and other taxation laws to collect certain personal information about Noteholders. If an Applicant does not provide the information required on the Application Form, or provides incomplete or inaccurate information, the Issuer may not be able to accept or process their application. The Issuer does not disclose information overseas.

The Issuer and the Registrar may, for the purposes set out in this privacy statement, disclose personal information to the Registrar, the Trust Manager, related entities, agents, contractors and third party service providers (including mail houses and professional advisers) of the Issuer, the Registrar and the Trust Manager, regulatory authorities and in any case, where disclosure is required or allowed by law or where the Applicant has consented.

The Trust Deed and SIB Deed Poll require the Issuer to include information about Noteholders (including name, address and details of the Notes held) in the Register. The information contained in the Register will be retained, even if an individual ceases to be a Noteholder. Information contained in the Register is also used to facilitate and process payments (including Coupon Payments) and corporate communications (including annual reports and other information that the Issuer or the Trust Manager wishes to communicate to Noteholders) and to help ensure compliance by the Issuer with legal and regulatory requirements.

A copy of the Issuer's privacy policy is available from foyercentralsib@socialventures.com.au. The privacy policy states how the Issuer manages personal information and includes information about how a request to access and seek correction of the personal information held by the Issuer can be made. The privacy policy also contains information about how an Applicant can complain about a breach by the Issuer of the Privacy Act and how the Issuer will deal with such a complaint. Requests to access personal information, seek correction to personal information or make a complaint can be made to the Issuer by emailing foyercentralsib@socialventures.com.au or by mail at Level 7, 1 Chifley Square, Sydney NSW 2000.

11. Glossary

The following terms have these meanings when used in this IM, but subject to the meanings and interpretation as provided in the SIB Deed Poll, the Loan Agreement, the Purchase Deed, the Arranger Agreement or the Implementation Agreement (as applicable).

Aggregate Issue Amount The total principal amount of all Notes to be issued which is expected to be \$7,000,000.

Applicant An eligible investor who applies for any Notes, as more fully described in Section 10 (*Applications*).

Application Form The application form attached to this Information Memorandum.

Application Payment The amount to be paid by Applicants in making a valid application for any Notes, as more fully described in Section 10 (*Applications*).

ASIC Australian Securities and Investments Commission.

Assessment Date The date used for the purposes of calculating a principal or Interest Payment amount payable in the event of repayment under the Loan Agreement, being (as applicable) the Maturity Date, the Implementation Agreement termination date or the date notice of repayment is provided.

Australian dollars, \$ or A\$ The lawful currency of Australia.

Business Day A day (not being a Saturday or Sunday or public holiday in the relevant place) on which banks are open for general banking business in Sydney.

Child Protection Involvement The placement of an Intervention Group member's child into Out-of-Home Care.

Corporations Act Corporations Act 2001 (Cth).

Coupon Payment The annual coupon payments to be made by the Issuer to Noteholders.

Cumulative Successful Outcomes The aggregate number of Intervention Group members who have had a Successful Outcome.

Department The Minister for Families, Communities and Disability Services for and on behalf of the State of New South Wales, acting through the Department of Communities and Justice.

Early Termination The termination of the Implementation Agreement prior to the Maturity Date.

Educational Engagement Engagement in full-time education or training, or the completion of such education or training.

Excluded Accommodation Use Habitation in accommodation funded by the NSW Government, including social housing, specialist homelessness services crisis response services and other temporary accommodation.

Financial Close The date upon which all conditions precedent under the Loan Agreement have been met (or waived).

Foyer Central Program or Program The Foyer Central Program operated and managed by Uniting under the Implementation Agreement.

GST Goods and Services Tax.

IM This Information Memorandum. References herein to 'IM' are to this IM and any other document incorporated by reference and to any of them individually.

Independent Housing Living in accommodation as a private tenant or sub-tenant.

Interest Payments The scheduled interest amounts, including fixed and variable amounts, described under Section 7.2 (*Interest Payments under the Loan Agreement*).

Interest Payment Dates There are 9 interest payment dates, scheduled as follows:

- Interest Payment 1 : 31 December 2021
- Interest Payment 2 : 31 December 2022
- Interest Payment 3 : 31 December 2023
- Interest Payment 4 : 31 December 2024
- Interest Payment 5 : 31 December 2025
- Interest Payment 6 : 31 December 2026.
- Interest Payment 7 : 31 December 2027
- Interest Payment 8 : 31 December 2028
- Interest Payment 9 : 31 December 2029 (or such other date agreed by the Issuer and Uniting but no later than 31 March 2030).

Interim Payments Payments made by the Department to Uniting under the Implementation Agreement which are dependent on a combination of the average Foyer Central occupancy rate and participants' rate of completion rate of a life skills course at the relevant Measurement Date.

Intervention Group All eligible participants that are enrolled in the Foyer Central Program and have not subsequently exited.

Imprisonment Imprisonment as a result of a conviction.

Management Deed Master Management Deed (SVA Impact Investments) dated 9 January 2017 between SVA Nominees Pty Ltd (ACN 616 235 753) and Social Ventures Australia Limited (ACN 100 487 572), as amended from time to time including pursuant to an Amending Deed dated 6 June 2019.

Maturity Date 31 December 2029 (or other date agreed by the Issuer and Uniting but no later than 31 March 2030).

Measurement Date 30 September of each year from 2022 to 2030.

Minimum Subscription Amount \$50,000.

Negative Indicator Recording of any one of Excluded Accommodation Use, Child Protection Involvement and Imprisonment from an individual's enrolment date to the end of their Measurement Period.

Note Conditions For a Note, the terms and conditions applicable to that Note as set out in the SIB Deed Poll, as amended, supplemented, modified, completed or replaced by the Note Issue Supplement applicable to such Note.

Noteholder In respect of a Note, each person whose name is entered in the Register as the holder of that Note.

NSW Government The Government of New South Wales (including the Crown in right of the NSW Government of New South Wales and all departments, agencies and other NSW Government bodies and personnel).

OOHC or Out-of-Home Care Statutory out-of-home care as defined for the purposes of the Children and Young Persons (Care and Protection) Act 1998 (NSW).

Operations Manual A document incorporated into the Implementation Agreement by reference, designed to be a repository of elements of the Implementation Agreement which will assist in the day-to-day operation of the Implementation Agreement.

Outcome Payments Payments made by the Department to Uniting under the Implementation Agreement which are dependent on the number of Cumulative Successful Outcomes at the relevant Measurement Date.

Performance Band The band reflecting the number of Cumulative Successful Outcomes achieved determined by referring to Figure 12 (Performance Band lower limit at each Measurement Date).

Positive Indicator Achievement of Independent Housing, Sustained Income or Educational Engagement for a period that equates to at least 18 fortnights during a Measurement Period across any combination of those three measures.

Preparation Date In relation to this IM, the date indicated on its face or, if this IM has been amended, or supplemented, the date indicated on the face of that amendment or supplement and, in relation to any other item of information which is to be read in conjunction with this IM, the date indicated on its face as being its date of release or effectiveness.

Principal Repayment Principal repaid on the Maturity Date or pursuant to an early repayment (as context requires) under the terms of the Loan Agreement.

Privacy Act Privacy Act 1988 (Cth).

Purchase Terms The terms and conditions for the purchase of Notes as provided under the Purchase Deed (including the Application Form) and this IM.

Register means the register of holders of the Notes established and maintained by the Registrar.

Registrar One Registry Services Pty Ltd (ABN 69 141 757 360) (or such other person as the Issuer may appoint from time to time to maintain the Register).

Relevant Parties The Trust Manager, Uniting and any person other than the Issuer acting as an agent from time to time, and 'Relevant Party' means any of them, as the context admits.

SGCH SGCH Portfolio Limited (ACN 160 035 441).

SIB Social Impact Bond.

Subscription Amount The face value of Notes recorded in the Register.

Successful Outcome During an Intervention Group member's Measurement Period, no Negative Indicators are recorded and at least one Positive Indicator is recorded for that Intervention Group member.

Sustained Income Earning an income from employment sufficient to support independence, initially being at least \$547 per fortnight.

SVA Social Ventures Australia Limited (ACN 100 487 572).

Termination Interest Payment The interest amount payable on any repayment date other than the Maturity Date, being the Assessment Date, described under Section 7.5 (*Termination Interest Payment*).

Trust The Foyer Central SIB Trust (ABN 24 304 856 506)

Trust Deed Master Trust Deed (SVA Impact Investments) dated 9 January 2017 between SVA Nominees Pty Ltd, Social Ventures Australia Limited and the Settlor named therein, together with the Notice of Creation of Trust dated 22 July 2020 made by the Issuer.

Trust Manager Social Ventures Australia Limited (ACN 100 487 572) in its capacity as manager of the Trust.

US Person Has the meaning given to that term in Rule 902(k) under the U.S. Securities Act.

US Securities Act United States Securities Act of 1933.

Application form

Social Ventures Australia Limited (ACN 100 487 572, AFSL 428865) (the **Trust Manager**) has offered to arrange for the issue by SVA Nominees Pty Ltd (ACN 616 235 753) (the **Issuer**) in its capacity as trustee for the Foyer Central SIB Trust (ABN 24 304 856 506) (the **Trust**) of limited recourse Foyer Central Social Impact Bonds (the **Foyer Central SIBs** or **Notes**), as described in the Information Memorandum (IM) dated 23 December 2020 prepared by the Issuer. This Application Form is an application for the issue of the Notes.

This Application Form is supplemental to, and forms part of, the Foyer Central SIB Purchase Deed dated on or about 23 December 2020 made by the Issuer and the Trust Manager (the **Purchase Deed**). It must not be distributed unless included in, or accompanied by, the Purchase Deed and/or the IM.

This Application Form, the Purchase Deed and the IM (including materials incorporated by reference therein) are important and you should read them in their entirety. In considering whether to apply for the Notes, it is important that you consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances. It is strongly recommended that investors seek professional guidance which takes into account their particular investment objectives and circumstances from their own professional advisers.

Instructions on how to complete this Application Form are set out below. Capitalised terms in this Application Form have the meaning given to them in the Purchase Deed and/or the IM.

By submitting this Application Form, you will be deemed to have represented and warranted that you are an investor meeting the eligibility criteria set out in the IM, including in Section 10.3 thereof.

Important: The terms of the Notes are more complex than simple debt or ordinary equity instruments.

Step 1

Total number of Notes to be applied for

Enter the total number of Notes you wish to apply for. The application must be for a **minimum of 500 Notes** (\$50,000). Applications for greater than 500 Notes must be in multiples of 10 Notes (\$1,000).

Enter the amount of the Application Payment. To calculate this amount, **multiply the total number of Notes applied for by \$100**, being the Price (or Face Value) of each Note. For example, if you apply for the minimum number of Notes (500), your Application Payment will be \$50,000 (being the 500 Notes applied for, multiplied by \$100).

Step 2

Applicant name(s) and details

Enter the full name(s) you wish to appear on the register. This must be either your own name or the name of a company. Up to two joint Applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. Enter your email and postal address for all correspondence. All communications to you from the Registrar will be emailed to the person(s) and address as shown.

Enter your **contact name, email and telephone number.** This information may be used to communicate other matters to you subject to the privacy statement set out in Section 10.11 (*Privacy statement*) of the IM.

You may choose to enter details of the account into which payments to you in respect of the Notes are to be made. If this information is not provided under the Application Form, Applicants are encouraged to provide it to the Issuer as soon as possible thereafter. You may also wish to provide an applicable Australian Business Number and/or Australian Tax File Number.

Step 3

Application Payment

Your Application Payment can be made by direct debit to the following account:

Bank: St George
Name: One Registry Services Pty Ltd Applications Account
BSB: 332 027
Account number: 554 262 774

Application Payments must be made in accordance with the terms specified in Section 10 (*Applications*) of the IM. Any application made without the full amount of the Application Payment will not be accepted.

Step 4

Lodgement of Application Form

Completed Application Forms should be emailed to sva@oneregistryservices.com.au or mailed to:

Foyer Central SIB Trust
PO Box R1479
Royal Exchange NSW 1225

Please direct all enquiries related to your application to sva@oneregistryservices.com.au or phone (02) 8188 1510.



Appendix: Uniting (NSW.ACT) summary financial statements



Independent Auditor's Report

To the Board Members of Uniting (NSW. ACT)

Opinion

We have audited the **Financial Report** of Uniting (NSW. ACT) (the Entity).

In our opinion, the accompanying Financial Report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Entity's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2020.
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Board declaration of the Entity.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Entity in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in the Entity's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Board Members are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Board Members for the Financial Report

The Board Members are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosures Requirements and the ACNC
- Implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- Assessing the Entity's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

Appendix: Uniting (NSW.ACT) summary financial statements (continued)



We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain and understand of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Entity's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- iv. Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit conditions may cause the Entity to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members of the Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'S Isaac'.

Stephen Isaac

Partner

Sydney

22 October 2020



Lead Auditor's Independence Declaration under
subdivision 60-C section 60-40 of Australian Charities and
Not-for-profits Commission Act 2012

To the Board Members of Uniting (NSW. ACT)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Stephen Isaac

Partner

Sydney

22 October 2020

Appendix: Uniting (NSW.ACT) summary financial statements (continued)

**Statement of Profit & Loss and Other Comprehensive Income
for the year ended 30 June 2020**

**Uniting (NSW.ACT)
Financial Report 30 June 2020**

		2020	2019
	Notes	\$'000	\$'000
Revenue	4	820,328	819,797
Other income	4	23,400	22,841
		<u>843,728</u>	<u>842,638</u>
Expenses			
Salaries and employee benefits		(549,732)	(530,128)
Depreciation and amortisation	6	(108,880)	(90,424)
Property costs		(46,762)	(56,497)
Program costs		(73,717)	(68,367)
Consumables		(58,484)	(61,266)
Administration and other expenses		(29,027)	(27,366)
Consultancy fees		(11,433)	(12,565)
Marketing cost		(7,948)	(9,832)
Donations and grants		(4,953)	(5,503)
		<u>(890,936)</u>	<u>(861,948)</u>
Result from operating activities		<u>(47,208)</u>	<u>(19,310)</u>
Finance income	5	6,394	18,883
Finance expense	5	(11,019)	(2,534)
Net finance (expense) / income		<u>(4,625)</u>	<u>16,349</u>
Operating deficit for the year		<u>(51,833)</u>	<u>(2,961)</u>
Share of result of associate	15	-	(1,388)
Deficit for the year		<u>(51,833)</u>	<u>(4,349)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(51,833)</u>	<u>(4,349)</u>

**Statement of Financial Position
as at 30 June 2020**

Uniting (NSW.ACT)
Financial Report 30 June 2020

		2020	2019
	Note	\$'000	\$'000
ASSETS			
Cash and cash equivalents	7	32,496	14,482
Other financial assets	8	336,819	345,088
Trade and other receivables	9	38,201	44,583
Fixed term investments	10	299,247	378,562
Inventory	11	2,030	-
Investment property	12	14,399	13,454
Property, plant, and equipment	13	1,402,429	1,245,665
Intangible assets	14	31,460	33,878
Investment in joint venture	15	-	-
TOTAL ASSETS		<u>2,157,081</u>	<u>2,075,712</u>
LIABILITIES			
Trade and other payables	16	117,375	98,568
Employee benefits expected to be paid within 12 months	18	102,639	86,037
Employee benefits expected to be paid later than 12 months	18	6,039	8,717
Refundable customer deposits expected to be paid within 12 months	19	288,883	278,154
Refundable customer deposits expected to be paid later than 12 months	19	834,913	770,233
Provisions	20	6,938	3,773
Interest-bearing liabilities	17	28,897	7,000
TOTAL LIABILITIES		<u>1,385,684</u>	<u>1,252,482</u>
NET ASSETS		<u>771,397</u>	<u>823,230</u>
EQUITY			
Accumulated funds		<u>771,397</u>	<u>823,230</u>
TOTAL EQUITY		<u>771,397</u>	<u>823,230</u>



Foyer Central Social Impact Bond Application Form

Completed application forms should be emailed to sva@oneregistryservices.com.au or mailed to:

Foyer Central SIB Trust
PO Box R1479
Royal Exchange NSW 1225

STEP 1

Enter the total number of Notes you wish to apply for

I/we apply for: Price per Note Application Payment
 (The number of Notes applied for multiplied by \$100)

Notes	\$100	\$.00
--------------	--------------	-----------	------------

Payments are to be made by Electronic Funds Transfer (EFT). Please complete your bank account details on the following page and provide a clear reference for EFT funds below.

Electronic Funds Transfer (*EFT*)

EFT Reference No.

STEP 2 Applicant name(s) and details

Individual / joint applications – refer to naming standards for correct form of registrable title(s)

Title or company name Given name(s) Surname

ABN (if applicable) Tax File Number

Joint applicant 2

ABN (if applicable) Tax File Number

CORRESPONDENCE DETAILS

For all correspondence relating to the notes, including Annual Reports.

Unit Street number Street name or PO Box

City/Suburb/Town State Postcode

Email

Other email(s)

Turn over to complete the application form



CONTACT DETAILS

Contact name

()

Phone number

Mobile number

ACCOUNT DETAILS FOR PAYMENTS

All applicants must complete this section by providing details of an Australian banking institution. The nominated bank account must be in the name of the applicant.

Bank Name/Institution

BSB

Account number

Account Name

ELIGIBLE INVESTOR CATEGORY

Please mark each that apply to you and attach any required supporting evidence (refer to clause 6.1 (*Investor Certification*) and Schedule 2 (*Investor Certification*) of the Purchase Deed):

The Purchase Deed is available for download at socialventures.com.au/work/foyer-central-sib.

Application amount exceeds \$500,000

For business use in a large business

Wholesale client/not for business use (please provide current qualified accountant's certificate)

Sophisticated investor (please provide current qualified accountant's certificates)

Company or trust controlled by a person who is a wholesale client/sophisticated investor
(please provide current qualified accountant's certificate)

Australian Financial Services Licensee

Has or controls gross assets of at least \$10 million (evidence required per Schedule 2 of the Purchase Deed)

Trustee of a large superannuation fund (at least \$10 million)

APRA regulated body

Registered financial corporation

Listed entity or related body corporate

Exempt public authority

Body corporate/unincorporated body that carries on a business of investment

Related body corporate of wholesale investor

Additional information (confirming AFS licence no., type of APRA regulated body or category of registered financial corporation, if applicable for the selection made above) can be specified here:

ACCEPTANCE OF THE OFFER

By submitting this Application Form with your Application Payment you:

- declare that this application is completed and lodged according to the Purchase Deed and the declarations/statements in the Purchase Deed;
- confirm that you have read the privacy disclosure as detailed in section 10.11 (*Privacy statement*) of the Information Memorandum which contains important privacy-related information, and acknowledge and agree that your personal information may be collected, held, used and disclosed in accordance with that privacy disclosure;
- represent and warrant that you have read the Purchase Deed and that you acknowledge the matters, make the undertakings, warranties and representations, and agree to the terms and conditions contained in the Purchase Deed (including in this Application Form);
- declare that all details and statements made are complete and accurate;
- declare that each Applicant, if a natural person, is at least 18 years old;
- declare that you are not in the United States or a U.S. Person (for the purposes of US tax regulation or securities laws), nor acting for the account or benefit of any such person;
- represent and warrant that the law of any other place does not prohibit you from being given the Information Memorandum and any supplement or replacement thereof or making an application on this Application Form;
- provide authorisation to be registered as the holder of Notes issued to you and agree to be bound by the Purchase Deed and the Note Conditions;
- apply for the number of Notes set out or determined in accordance with this Application Form and agree to subscribe for and be issued such number of Notes, a lesser number or none;
- acknowledge that the information contained in the Information Memorandum (or any supplement or replacement thereof) is not investment advice or a recommendation that Notes are suitable for you, given your investment objectives, financial situation or particular needs, and that you have relied on your own independent investigation, enquiries and appraisals;
- acknowledge that your application to acquire Notes is irrevocable and may not be varied or withdrawn except as allowed by law; and
- acknowledge that an application may be rejected without giving any reason, including where this Application Form is not properly completed.

Signature of Applicant 1

Name of Applicant 1

Date

Signature of Applicant 2

Name of Applicant 2

Date

Completed application forms should be emailed to sva@oneregistryservices.com.au or mailed to:

Foyer Central SIB Trust
PO Box R1479
Royal Exchange NSW 1225

Application form

Correct Forms of Registrable Titles

Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation or completed as described in the correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual <ul style="list-style-type: none"> Use given name(s) in full, not initials 	Mr John Alfred Smith	J.A. Smith
Joint <ul style="list-style-type: none"> Use given name(s) in full, not initials 	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company <ul style="list-style-type: none"> Use company title, not abbreviations 	ABC Pty Ltd	ABC P/L ABC Co
Trusts <ul style="list-style-type: none"> Use trustee(s) personal name(s) Do not use the name of the trust 	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased estates <ul style="list-style-type: none"> Use executor(s) personal name(s) Do not use the name of the deceased 	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
<ul style="list-style-type: none"> Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation 	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships <ul style="list-style-type: none"> Use partners' personal name(s) Do not use the name of the partnership 	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/ Business Names <ul style="list-style-type: none"> Use office bearer(s) personal name(s) Do not use the name of the club etc 	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds <ul style="list-style-type: none"> Use the name of the trustee of the fund Do not use the name of the fund 	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



Directory

Issuer

SVA Nominees Pty Ltd ATF Foyer Central SIB Trust

ABN 24 304 856 506
Level 7, 1 Chifley Square
Sydney NSW 2000
02 8004 6700

Manager

Social Ventures Australia Limited

ABN 94 100 487 572
AFSL 428 865
Level 7, 1 Chifley Square
Sydney NSW 2000
02 8004 6700
foyercentralsib@socialventures.com.au
www.socialventures.com.au

Legal Advisers to the Issuer

Allen & Overy

Level 25/85 Castlereagh St
Sydney NSW 2000
02 9373 7700

Photographs:

Cover, p4 (bottom right), p17: Supplied, Foyer Oxford, WA. Photos by Matt Galligan.

P4 (top): Front facade render of Foyer Central.

P4 (bottom left), p14: Supplied, Foyer Oxford, WA. Photos by Steve Wise.

P11, p19, p27, p31, p59, p66: Stock photography.

P13, p23, p49: Interior shots of Foyer Central. Supplied, SGCH.

P34: Supplied, SGCH.

P39: Rear render of Foyer Central.

Social Ventures Australia

Brisbane | Melbourne | Perth | Sydney | ABN 94 100 487 572 | AFSL 428 865

info@socialventures.com.au | socialventures.com.au | [@Social_Ventures](https://www.instagram.com/Social_Ventures)

SVA Social
Ventures
Australia