

The SVA Diversified Impact Fund (the Fund) is a social impact investment fund which offers investors an opportunity to generate financial returns, while making a meaningful impact on the lives of people in need in Australia.

Diversified portfolio

Social Ventures Australia (SVA) is seeking to raise \$10 to \$15 million to fund a diversified investment portfolio of private debt, private equity and social impact bond investments. The Fund is seeking to achieve a target **IRR of 7%** per annum net of fees and expenses with the following target composition:



	Target gross return	Type
50% debt (25%-75% range)	7% interest rates (range 5-9%)	Secured and unsecured business loans, property-backed loans and mezzanine debt
35% equity (15%-50% range)	15% IRR (range 10-20%)	Ordinary, preference and convertible share equity
15% social impact bonds (10%-25% range)	7.5% IRR (range 6-9%)	Financial returns linked to outcomes and up to 50% capital protection

Downside protection

The Fund features an innovative structure with 20% downside protection from at least eight Private Ancillary Funds (PAFs) and Foundations at no cost to investors. The downside protection will be called if investors have not received a cumulative \$1.00 per Unit (or the amount of paid up capital, whichever is lesser) in combined capital and income distributions of any form after ten years (or end of Fund).

Meaningful impact

The Fund will invest in projects that provide jobs, homes and opportunities for people living in disadvantage in Australia, and will focus on areas where SVA has deep expertise.



EDUCATION



EMPLOYMENT



HOUSING



FIRST AUSTRALIANS



DISABILITY



HEALTH

Track record

SVA is a leader in impact investing in Australia with approximately \$70 million funds under management. The Fund is the successor of the SVA Social Impact Fund, which has achieved 7% IRR per annum and created over 160 jobs and 22 dwellings for people living in disadvantage over its five-year term.*

*The IRR of the SVA Social Impact Fund is not indicative of the possible returns for the Fund.

Key terms

	Description
Fund size	Minimum \$10 million; expected maximum \$15 million
Term	Ten years, unless terminated earlier (five-year investment period)
Target investment number and size	The Fund aims to make 10-15 investments with a target size of \$500,000 to \$1.5 million
Minimum capital commitment	\$50,000
Initial subscription price	\$1.00 per Unit with an additional late capital adjustment for investments after the first close
Downside protection	\$0.20 per Unit
Expected capital calls	<ul style="list-style-type: none"> Capital call 1 – 40% of total due upon Application Capital call 2 – 30% of total capital commitment due no earlier than 28 September 2018 Capital call 3 – 30% of total capital commitment due no earlier than 30 September 2019
Fees and expenses	<ul style="list-style-type: none"> Management fee: \$270,000 p.a. (indexed at CPI; capped at 3% FUM excluding social impact bonds post-investment period) plus GST Establishment fee: \$85,000 (once off) plus GST Certain expenses, as required
Fund applications open	19 September 2017
Target first close date	31 December 2017

Investment Committee

All investment decisions for the Fund will be made by an Investment Committee highly experienced in private equity, debt financing and venture capital:

Rob Koczkar is the Chief Executive Officer of SVA and Director of Adamantem Capital. He was previously Managing Director of Pacific Equity Partners.

Michael Lynch is the Executive Director of Impact Investing at SVA and brings 25 years of financing and investing experience with organisations such as Societe Generale, UBS, Merrill Lynch and CBA.

Darren Smorgon is the Managing Director of Sandbar Investments. Previously, Darren was Director, member of the advisory board and partner at CHAMP Private Equity.

Brigitte Smith is the Co-Founder and Managing Partner of GBS Venture Partners. She has twenty years of experience investing over \$450 million of life science venture capital funds.

Sarah Buckley is Executive Officer of the Trawalla Foundation. Sarah's previous roles include General Manager at Opportunity Child and ten years in various leadership roles at PwC Australia.

Contact us



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Please note this is a summary only. Terms and conditions may change. Potential investors should read the Information Memorandum and any documents incorporated by reference in that document in full to fully understand the risks and features of the Fund.