

Save the Children Australia Impact Investment Fund

Identification Statement

Issued in reliance on *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*

1 Important Information

This Identification Statement is dated 22 November 2019 and is issued by Save the Children Impact Fund Limited (ACN 634 440 145) in its capacity as trustee (**Trustee**) of the Save the Children Australia Impact Investment Fund (**Fund**), a unit trust and unregistered managed investment scheme.

The Trustee seeks to raise equity via the issue to investors of units in the Fund (**Units Offer**).

The Trustee does not hold an Australian financial services licence and acts as trustee of the Fund in reliance on the conditional relief provided under the *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument 2016/813)*.

The Offer is only available to, and this Identification Statement is only intended for use by 'wholesale clients', as defined under section 761G of the *Corporations Act 2001* (Cth) (**Act**).

The information contained in this Identification Statement is not personal financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Identification Statement, the accompanying information memorandum for the Offer (**Information Memorandum**), and the trust deed of the Fund (**Trust Deed**) carefully and in full before deciding whether to invest in the Fund and that you carefully consider the risks of this investment in light of your investment objectives, financial situation and particular needs (including financial and taxation issues). Copies of the Trust Deed and the Information Memorandum are available on request from the Trustee.

2 Identification information for the charitable investment fundraiser

- (a) **Full Name and ABN:** Save the Children Impact Fund Limited (ABN 47 634 440 145)
- (b) **Particulars of Corporate Status:** Company Limited by Guarantee, registered with the Australian Securities and Investments Commission (**ASIC**) under the Act
- (c) **Address:** 33 Lincoln Square South, Carlton, Victoria 3053

3 Exemptions relied on and compliance

The Trustee intends to rely on the following exemptions under section 5 of ASIC Instrument 2016/813:

- (a) exemption under section 926A(2)(a) of the Act from the requirement under section 911A(1) of the Act for the Trustee to hold an Australian financial services licence (**AFSL**) in connection with its:
- (1) issuing of Units;
 - (2) dealing (other than by way of issue) in financial products where the dealing is:
 - (A) on behalf of any holder of a Unit issued by the Trustee; and
 - (B) in the course of operating the Fund;
 - (3) providing a custodial or depository service where the service is provided:
 - (A) by holding a financial product, or a beneficial interest in a financial product on trust for or on behalf of any holder of a Unit issued by the Trustee; and
 - (B) in the course of operating the Fund; and
 - (4) providing general advice that is included in an offer document for Units.

The Trustee expects to meet all the conditions of these exemptions in the following ways:

- (b) The Trustee has lodged this Identification Statement with ASIC and will maintain a public copy of this Identification Statement via its associate's web address (www.savethechildren.org.au), where this Identification Statement will be available to the public for a period of 5 years after the last time the Trustee relies on the relief in ASIC Instrument 2016/813.
- (c) The Trustee does not offer Units to retail clients or in any other manner that would require the provision of a product disclosure statement for the Units.
- (d) The Trustee reviews all promotional materials and offer documents for the Fund (including the Information Memorandum) to ensure they do not state or imply that ASIC has approved or examined the Trustee, the Units in the Fund, or the relevant promotional materials or offer documents (including the Information Memorandum).
- (e) The Information Memorandum (which will be provided to all wholesale clients seeking investment in the Fund):
 - (1) identifies the Trustee as the charitable investment fundraiser;
 - (2) explains how the investment funds will be used to support the charitable purpose of the Trustee and the Fund; and
 - (3) discloses the web address where the Identification Statement may be viewed;
 - (4) contains the appropriate warning that the Trustee is required by law to notify investors that the Units and their offering is not subject to the usual protections for investors under the Act or regulation by ASIC;
 - (5) discloses that the Trustee does not hold an AFSL;
 - (6) contains a prominent statement that the charitable investment fundraiser is required by law to notify investors that:
 - (A) the investment is only intended to attract investors whose primary purpose for making their investment is to support the charitable purposes of the Trustee and the Fund;
 - (B) investors may be unable to get some or all of their money back when the investor expects or at all; and

- (C) the investment is not comparable to investments with banks, finance companies or fund managers.
- (f) The Trustee has incorporated procedures into its compliance framework to ensure that the information in the Identification Statement remains up to date, complete and not misleading at all times, and acknowledges that it is required to lodge a replacement Identification Statement with ASIC in the event of a change in circumstances, including but not limited to the appointment or retirement of the Trustee.
- (g) As the Fund is a reporting entity, the Trustee will, within 6 months after the end of each financial year:
 - (1) prepare financial statements for the Fund for the financial year that comply with the accounting standards (**Financial Statements**);
 - (2) have a registered company auditor audit the Financial Statements and provide an auditor's report;
 - (3) give the audited Financial Statements and auditor's report to ASIC, unless it is required by law to give the audited Financial Statements and auditor's report to the Australian Charities and Not-for-profits Commission (**ACNC**); and
 - (4) publish, and maintain for at least 3 years, the audited Financial Statements and auditor's report at a web address accessible by a direct link from the web address (www.savethechildren.org.au) where this Identification Statement is published.
- (h) If the Trustee becomes aware of a matter that gives it a reason to believe that it has failed or is likely to fail with a condition in section 7 of ASIC Instrument 2016/813, the Trustee undertakes to give full particulars of the matter to ASIC in writing within 15 business days of becoming aware of it, unless:
 - (1) it has received written notification from ASIC that the exemptions in ASIC Instrument 2016/813 continue to apply despite the Trustee not having given ASIC full particulars of the matter; or
 - (2) it has been notified in writing by ASIC that breaches of that kind need not be notified, and ASIC has not revoked that notification in writing.
- (i) Under this Identification Statement, the Trustee will not offer or issue any financial products other than Units.

4 Investments offered

The Trustee offers and issues Units in the Fund (an unregistered managed investment scheme) only to persons that qualify as wholesale clients (as defined in section 761G of the Act).

5 Financial year for the Fund

The first financial period for the Fund ends on 30 June 2020. Each other financial year for the Fund is a period of 12 months ending on 30 June.

6 Requirements to hold an AFSL

The Trustee does not hold an AFSL. Pursuant to ASIC Instrument 2016/813, the Trustee is exempt from the requirement to hold an AFSL to issue Units, deal on behalf of Unit holders in the course of operating the Fund and provide general advice that is included in an offer document (including the Information Memorandum). This is because the Trustee is a “wholesale charitable investment fundraiser”, within the meaning of ASIC Instrument 2016/813.

7 Charitable Purpose of the Trustee and the Fund

The Trustee has been registered with the ACNC for the following charitable purposes:

- (a) advancing education;
- (b) advancing health; and
- (c) advancing social or public welfare,

as those terms are defined in the *Charities Act 2013* (Cth).

8 How the Charitable Purposes of the Trustee will be promoted by the issue of Units in the Fund

The Trustee will promote its charitable purposes by issuing Units in the Fund to wholesale client investors, pooling the subscription amounts and investing them in enterprises located in Australia and outside Australia that are determined by the Trustee to be consistent with the Fund’s investment strategy.

Additional information about the Trustee’s offer of Units and the Fund’s investment strategy is available in the Information Memorandum.

9 Key terms of the Offer

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| Offer size | The Trustee is seeking investment commitments from wholesale client investors for an Offer with the following features: <ul style="list-style-type: none">• target Offer size—\$10 million AUD;• minimum Offer size—\$6 million AUD; and• maximum Offer size—\$12 million AUD. |
| Offer Period | The period commencing on the date of the Information Memorandum and ending on the first to occur of: <ul style="list-style-type: none">• 12 months from the date of the Information Memorandum;• the date on which the Trustee secures capital commitments (Committed Capital) totaling \$12 million AUD; and• at the discretion of the Trustee, the date on which the Trustee secures Committed Capital of \$10 million AUD, (Offer Close Date). |

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| | The Offer Period may be extended by the Trustee in its discretion. |
| First Close Date | The date during the Offer Period that the Trustee first secures Committed Capital totaling \$6 million AUD from investors in the Fund. |
| Term | <p>The term of the Fund will end 10 years (Term) from the first issue of Units.</p> <p>At the end of the Term the Fund will be terminated and wound up, and the net proceeds of realisation distributed to investors on a pro rata basis.</p> |
| Fund structure | <p>Unregistered managed investment scheme, organised as a closed end unit trust. Units will be issued to investors after capital calls have been made and subscription moneys received by the Trustee.</p> <p>Each investor will be required to enter into a subscription agreement under which it agrees to subscribe and pay for Units when required by the Trustee for the purpose of making Fund investments (Subscription Agreement).</p> |
| Issue Price of Units | <p>The issue price for all Units is \$1.00 per Unit.</p> <p>For subscriptions received after the First Close Date, investors must also pay a late capital adjustment amount. The late capital adjustment will be an annualised 8.0% applicable to the proportion of drawn capital, relative to subscriptions received (Late Capital Adjustment).</p> <p>For example, a subscription received one month after a capital call on 20% of the Committed Capital would incur a late capital adjustment of $1/12 \times 8.0\% \times 20\%$ of the subscription amount.</p> <p>The Late Capital Adjustment amount is paid on a pro rata basis to investors who have made subscriptions on or before the First Close Date.</p> |
| Minimum capital commitment | \$250,000 AUD per investor. However, the Trustee may accept lower amounts at its absolute discretion. |
| Investors and the means by which Units will be offered | <p>Wholesale clients, as that term is defined under section 761G of the Act.</p> <p>Each investor must demonstrate its wholesale client status to the satisfaction of the Trustee.</p> <p>The Offer is not open to retail clients or 'retail, non-associated clients', within the meaning of ASIC Instrument 2016/813.</p> <p>The Trustee will offer Units through Save the Children's philanthropic network.</p> |
| Withdrawals and transfers | <p>No withdrawals or redemptions will be permitted during the Term.</p> <p>Investors will be able to transfer their Units to a third party in accordance with the Trust Deed. Transfers will not be effective until registered by or on behalf of the Trustee. The Trustee may refuse to register any transfer of Units, including for example where the transferee is not a wholesale client.</p> |
| Distributions | The Trustee will distribute the Fund's net income to investors on an annual basis as at 30 June, and more frequently at the Trustee's discretion. Distributions are expected to be paid within 3 months of each 30 June. |

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| <p>Fees payable</p> | <p>Management fee</p> <ul style="list-style-type: none"> • for five years commencing on the First Close Date, the Trustee is entitled to a per annum fee of 2.0% (excluding GST) of Committed Capital; and • for the remainder of the Term and the period of winding up the Fund following its termination, the Trustee is entitled to a per annum fee of 3.0% (excluding GST) of the gross asset value of the Fund. <p>Performance fee</p> <p>The Trustee's performance fee (if any) will depend on the internal rate of return of the Fund (IRR) as follows:</p> <ul style="list-style-type: none"> • up to 5% IRR— no performance fee; • 5% to 7% IRR—a performance fee of 50% of the portion of outperformance of the Fund over an IRR of 5% but not exceeding 7%; or • 7%+ IRR— a performance fee of 50% of the portion of outperformance of the Fund over an IRR of 5% but not exceeding 7% and a performance fee of 20% of the portion of outperformance of the Fund over an IRR of 7%. |
| <p>Trustee's indemnity from the assets of the Fund</p> | <p>Save the Children Australia (ACN 008 610 035) (SCA), the Trustee's parent company, has indicated to the Trustee that it will meet the Fund's expenses (other than those covered by the Management Fee) up to a cap of \$100,000 per year. The Trustee expects that this amount, plus amounts received from investors in respect of the Management Fee, will be sufficient to meet all Fund expenses. SCA may increase the \$100,000 cap in its discretion.</p> <p>To the extent that:</p> <ul style="list-style-type: none"> • there are expenses that exceed the above cap; and • they are reimbursable from the assets of the Fund under the Trust Deed, <p>these amounts will be charged to the Fund as and when they occur, and will be in addition to the Management Fee and Performance Fee.</p> <p>This is because the Trustee is indemnified out of the assets of the Fund for all costs incurred in the performance of its duties, the exercise of its powers, the course of its office or in relation to the administration or management of the Trust. In addition, the Trustee's indemnity does not apply in relation to any costs to the extent they arise out of, or in connection with, the Trustee's fraud, gross negligence or breach of trust. Additional information in relation to the expenses of the Fund is provided in the Information Memorandum.</p> |

10 Lodgement with ACNC

The Trustee is required to lodge its audited financial statements with the ACNC. Because the Trustee lodges these audited accounts with ACNC, the Trustee is not required to lodge them with ASIC.

11 Type of assets held

The Trustee intends that the Fund will invest in assets falling within the following asset classes:

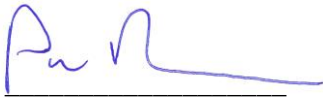
- (a) cash deposits at Australian deposit-taking institutions (**ADIs**);
- (b) securities (including, but not limited to, social impact bonds);
- (c) loans; and
- (d) interests in managed investment schemes.

The above-listed assets may be located in Australia or outside Australia at the Trustee's discretion.

12 Consent

The Trustee consents to the disclosure by ASIC of the following documents to any third party:

- (a) this Identification Statement; and
- (b) any other information lodged by the Trustee or the Fund with ASIC in connection with its application for relief pursuant to ASIC Instrument 2016/813.



Paul David Ronalds
Director

Save the Children Impact Fund Limited
22 November 2019