



Impact Report
2021/2022

CONSCIOUS
INVESTMENT MANAGEMENT

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ACKNOWLEDGMENT OF COUNTRY

Conscious Investment Management acknowledges Traditional Custodians of Country throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander Elders past and present.

We acknowledge that many of our investments exist on traditional lands where Aboriginal and Torres Strait Islander peoples have lived for many thousands of years. We honour their ongoing connection to these lands and strive to respect the Traditional Custodians in our work.

We accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.

Cover Artist: Sergio Scassaioli (HousingFirst Tenant).
Painting shown at HousingFirst art fair.

This report covers the period July 2021 – June 2022.
Image of SDA apartment building in Gold Coast | Image Credit: Peter Sexty



Traditional Custodians / Owners Where Our Investments Are Located

LOCATION	STATE	TRADITIONAL CUSTODIANS ¹
Abbotsford	VIC	Wurundjeri people
Airport West	VIC	Wurundjeri people
Albany Creek	QLD	Kabi Kabi, Jinibara and Turrbal peoples
Altona North	VIC	Bunurong people
Arndell Park	NSW	Darug people
Artarmon	NSW	Gamaragal/Cammeraygal people
Auburn	NSW	Darug people
Ballina	NSW	Bundjalung people
Belconnen	ACT	Ngunnawal people
Belrose	NSW	Gayamaygal and Garigal/Caregal peoples
Blackburn	VIC	Wurundjeri people
Blackwater	QLD	Ghungalu people
Box Hill	VIC	Wurundjeri people
Brisbane	QLD	Turrbal and Jagera peoples
Camperdown	NSW	Gadigal and Wangal peoples
Carnegie	VIC	Bunurong people
Clayton	VIC	Bunurong people
Clayton South	VIC	Bunurong people
Coburg	VIC	Wurundjeri people
Collaroy	NSW	Garigal/Caregal people
Deception Bay	QLD	Kabi Kabi, Jinibara and Turrbal peoples
Doncaster East	VIC	Wurundjeri people
Dulwich Hill	NSW	Gadigal and Wangal peoples
Footscray	VIC	Wurundjeri people
Gladstone	QLD	Bailai, Gurang, Gooreng Gooreng and Taribelang Bunda peoples
Glen Iris	VIC	Wurundjeri people
Glendenning	NSW	Darug people
Greenacre	NSW	Darug people
Hunter Valley	NSW	Wonnarua people
Maribyrnong	VIC	Wurundjeri people
Mayfield	NSW	Awabakal and Worimi peoples
Mulgrave	VIC	Bunurong people
Newtown	QLD	Jagera, Giabal and Jarowair peoples
Norwood	SA	Kurna people
Queanbeyan	NSW	Ngunnawal and Ngambri peoples
Renmark	SA	Erawirung people
Reservoir	VIC	Wurundjeri people
Ringwood	VIC	Wurundjeri people
Tweed Heads	NSW	Bundjalung people
Upper Lansdowne	NSW	Biripi and Worimi peoples
Warrawong	NSW	Dharawal people
West End	QLD	Turrbal and Jagera/Yuggera peoples
West Melbourne	VIC	Wurundjeri people
Williams Landing	VIC	Bunurong people

¹ We have used best endeavours to refer to the correct Aboriginal and Torres Strait Islander language and cultural groups on whose lands our investments exist, using sources such as local government authority websites and land council resources. We acknowledge however that in some cases there may be imprecision or dispute over territory borders, and we will update this register if new or more accurate information becomes available.

Reflections on the Past Year

A Message from Conscious Investment Management

We are delighted to release our second annual Impact Report, continuing our commitment to provide you with a track record of transparent, detailed and clear communication of the positive impact generated by our investments and Conscious Investment Management ("CIM") as an organisation.

In writing this report, we pause to reflect on how much can change in 12 months. Last year, our report noted that COVID-19-driven social challenges fall disproportionately on our most vulnerable, and how, like a pandemic, climate change could accelerate exponentially. This year, we are energised to see governments engaging with private capital to address social and environmental challenges, many companies making net zero commitments, and investors increasingly focused on moving beyond ESG and incorporating detailed sustainability considerations in their portfolios.

Today, assets financed by CIM's investors have provided over 300 new social and

affordable homes, generated carbon offsets equivalent to planting almost 100,000 trees, and supported numerous children and their families through challenging times.

We have published this report to communicate what we believe are CIM's industry-leading impact measurement and management methods. We are fortunate to have a highly unique team of professionals with investment and operational experience in the areas we invest, and a passion for growing the impact investment landscape.

Powerful stories and outcomes like those discussed on the following pages keep us going. We hope you enjoy reading this report and thank you for your ongoing support.



Matthew Tominc
Chief Investment Officer / Co-Founder

Image is: "Where the Pathways Meet" by Dennis Golding. This is discussed further on page 11.

Executive Summary

Conscious Investment Management exists to make investments that are designed to deliver positive social or environmental benefit, alongside market rate financial returns. We focus on investing across three focus areas: Environment and Climate, Health and Education, and Social Infrastructure.

Impact Investment Overview



¹ Impact Management Project. Discussed in detail on page 20.

Impact Summary

(Inception to 30 Jun 22)

Environment & Climate



Distributed solar assets financed



MWh of renewable energy generated

Equivalent to 6,040 tonnes of CO2 or planting 287,611 trees.

Health & Education



Disability apartments financed



Primary school children supported to engage in school¹



Children in the out-of-home care system supported¹



Children reunified with their families¹



Seniors housing dwellings financed²

Social Infrastructure



Social and affordable housing dwellings financed³



Provided mezzanine financing for 2,441 affordable housing dwellings²

¹ CIM has invested alongside a syndicate of investors through a social impact bond arrangement.

² CIM has invested alongside a syndicate of investors, with the numbers shown on this page representing CIM's pro rata share of assets.

³ As at 31 August 2022.

About Us

Conscious Investment Management is a dedicated impact investment fund manager. We were founded in 2019 with a vision to unlock the power of mainstream investment markets to fund assets that create positive social and environmental impact.

We source, structure, make and manage investments into assets that improve lives.

Our Executive Team

Our team is a unique mix of professionals with not-for-profit and finance experience – a team purpose built for impact.

We have deep operational experience in the areas in which we invest, and many members of the team are pioneers in their respective areas, across finance, social enterprise and sustainable investment.



Adam Gregory
Executive Chair /
Board Director & IC



Alex Debney
Partner



Casey Taylor
Director



Edward Ring
Associate Director



Matthew Tominc
Chief Investment Officer /
Board Director & IC



Nicole Roebuck
Director



Queenie Tran
Director



Tanielle Jordan
Director

Our Board and Investment Committee



Giselle Roux
Investment Committee
Member



Kate Temby
Investment Committee
Member



Paul Sundberg
Investment Committee
Member



Radek Sali
Board Director



Richard Price
Investment Committee Member

Corporate Impact

At CIM, our vision is to unlock the power of mainstream investment markets to fund assets that create positive social and environmental impact. We do this by sourcing, structuring, making and managing investments into assets that improve lives.

The corporate sustainability of CIM itself is central to achieving our vision and mission. We recognise we must hold ourselves to the highest standards, and embed responsible practices into our broader business activities. By living these standards every day, we can attract and create a network of aligned investors, team members, and Impact Partners, and demonstrate the positive practices that fund managers can employ.

Our corporate sustainability activities are structured around three pillars – (1) Diversity, Equity and Inclusion, (2) Sustainability and (3) Community. These pillars were chosen as they further our vision – creating an aligned network that draws more capital into impact investments. Our team acts to further these pillars by undertaking activities as individuals, as a team, and by acting to support the impact investment market broadly through our actions and associations.

Over the coming year, we plan on launching a number of new initiatives aligned with these three pillars, including progressing our Reconciliation Action Plan journey, formalising our skilled volunteering program, and launching an internship program.

A carbon neutral investment manager



CIM is a proud member of the Climate Active Network and, since 2020, our operations have been **certified as Carbon Neutral by Climate Active** against the Climate Active Carbon Neutral Standard for Organisations.

The Public Disclosure Summary for FY21 can be read [here](#).

Our workplaces are also certified Carbon Neutral by Climate Active.

Our commitment to reconciliation

In the spirit of reconciliation, CIM acknowledges Traditional Custodians of Country throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander Elders past and present.

We acknowledge that many of our investments exist on traditional lands where Aboriginal and Torres Strait Islander People have lived for many thousands of years. We honour their ongoing connection to these lands and strive to respect the Traditional Custodians in our work.

We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander People in a movement of the Australian people for a better future.

CIM has a Reflect Reconciliation Action Plan which has been endorsed by Reconciliation Australia. This Reconciliation Action Plan provides a framework to explore how we can work with Aboriginal and Torres Strait Islander People and businesses to promote reconciliation through our operations, partnerships, employment and investing activities.



Our Reconciliation Action Plan features cover artwork called "Where the Pathways Meet", commissioned from Kamilaroi / Gamilaraay artist Dennis Golding.

Where the Pathways Meet is an artwork referencing the paths that meet between the lands of the Wurundjeri and Gadigal people, on which the CIM offices are located. Both language groups are connected through river streams and coastlines of the southeast of Australia. The artwork uses a topographical pattern of land formations as seen from a bird's eye view to reference contemporary experiences of those who travel to and from these areas. The symbols reference water ripples that move in line with cultural objects such as boomerangs and seed pods as a way of understanding natural resources for life sustainability and caring of Country. Land formations shown in the ochre tones are land markings including circular motifs that reference gatherings and camping sites, which recognises the coming together of people and celebration of culture.

A summary of the Traditional Custodians of the lands on which our investments are located is on page 3.

CIM also acknowledges and seeks to apply principles of the United Nations Declaration of the Rights of Indigenous Peoples ("UNDRIP") in its activities, and we consider it our responsibility to ensure responsible engagement with the First Nations people who are the custodians of the lands on which many of our investments exist.

Community engagement

Our team is comprised of values aligned individuals who work day-to-day with our Impact Partners to support their mission through our financing. We roll up our sleeves, are solutions focused and act with humility.

Our team at CIM occupies a unique space, at the intersection of large-scale finance and impact. **In addition to the headline positive impact of our assets, we seek to create additional opportunities for positive social and environmental benefit in our actions.** Over the past 12 months, this has included:



Team members **volunteering** time with a number of not-for-profits through skilled volunteering, which we will formalise into a program for our entire team in the coming year.



Arranging partnerships between not-for-profits in our network. Specifically, we worked with one of our Impact Partners to support the start-up phase of a new, highly innovative not-for-profit focused on housing young women. We facilitated other introductions between not-for-profits that created new housing outcomes.



- We recognise our role as an impact investor of scale, and seek to:
- Engage our stakeholders to **grow the profile of impact investing** more broadly – we participate on panels, contribute to surveys, and promote sustainable investment broadly to encourage new participants into impact investing.
 - **Support new impact investment fund managers** to launch their funds – during the year we provided advice on structuring, capital raising and fund operations to start up impact investment managers in Australia and internationally.



CIM Executive Team and Board

Our associations



Certified B Corporation

CIM has been a Certified B Corporation since its inception in 2019.

The B Corp movement is a community of over 4,000 businesses across 75 countries that are committed to using business as a force for good and balancing purpose with profit.



United Nations Principles for Responsible Investment

CIM has been a signatory to the United Nations Principles for Responsible Investment since 2019.



Responsible Investment Association Australasia

CIM is a member of the Responsible Investment Association Australasia. The Conscious Investment Management Impact Fund has been certified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the [Responsible Investment Certification Program](#).¹

¹The Responsible Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Awards

Australia Impact Investment Awards
 Finalist - Best Fund Manager 2021



ImpactAssets 50
 Global Emerging Manager



PowerHousing Australia
 Best Business Partner for Victorian social housing transaction 2021



Responsible Investment Association Australasia
 Responsible Investment Leader



CIM by the numbers (since inception)

\$300m¹

Asset value of impact investments made²

520

Investors incorporating impact investment in their portfolios

8

Impact Partners supported

8

Impact investments

1

New impact investment in FY22

100%

Impact Coverage ratio of fund holdings³

8

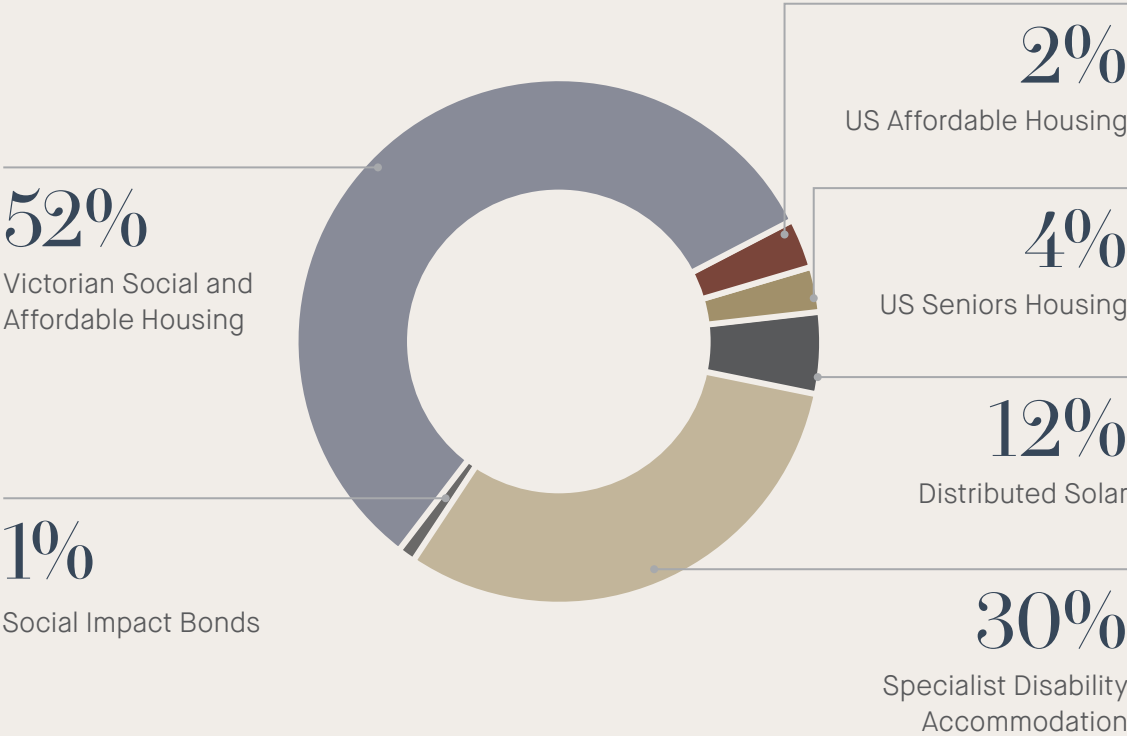


Sustainable Development Goals addressed



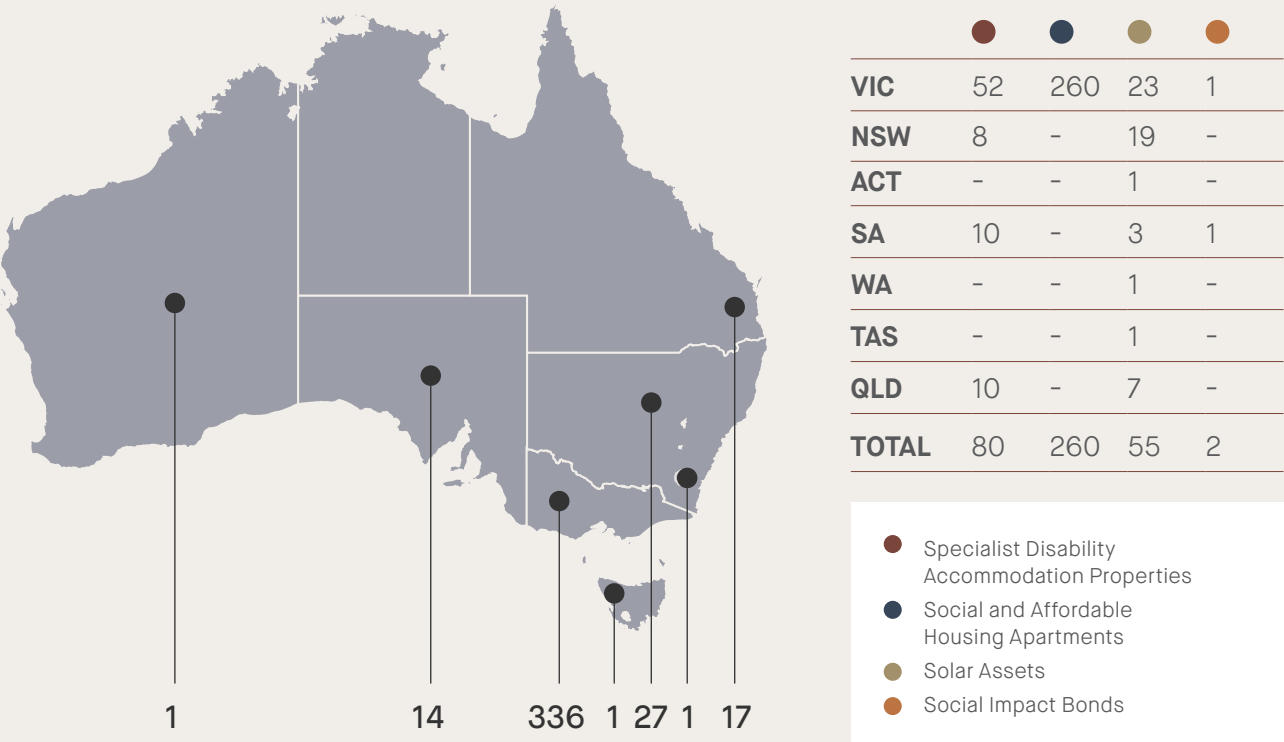
¹Approximately
²Includes all CIM managed funds.
³Coverage ratio of fund holdings demonstrates the proportion of the portfolio that has its impact measured and reported in the report.
Any reference to "dollars", "A\$" or "\$" in this report is a reference to Australian dollars.

Portfolio Composition²



note: does not add to 100% due to rounding.

Asset Locations



In addition to the Australian assets shown above, funds managed by CIM have exposure to 46 seniors housing dwellings and 2,441 affordable housing dwellings in the USA (described further on page 7).

Investment Approach

At CIM we believe assets that have fundamental social and environmental value can also deliver stable and defensive financial returns.



Image of the view from a CIM financed social housing apartment in Melbourne.

Our Impact Themes

We focus on the following impact themes because they are areas that we believe will benefit from profit-seeking capital, have actionable investment opportunities, and can generate attractive financial returns.

We do this by designing, structuring and managing investments into assets that address some of the largest global challenges relating to environment and climate, health and education, and social infrastructure.

CIM's model involves investing in social and sustainability-focused assets and managing these alongside our Impact Partners (the majority of which are not-for-profits). In this way, we can make financial investments, while ensuring assets are operated for tangible, positive impact.

Our team is a mix of professionals with not-for-profit and finance experience, and asset management capability. We have unique operational experience in the areas in which we invest, meaning we can bridge the impact and investment worlds and manage the on-the-ground impact of our investments.

Our funds have invested capital in a range of sectors – including social and affordable housing, Specialist Disability Accommodation, renewable power, and social impact bonds. We have ~\$300m assets under management with the backing of over 520 investors and eight Impact Partners who have aligned missions and expertise.

Image of a CIM financed rooftop solar installation.

Impact Themes

Corresponding UN Sustainable Development Goals

Environment & Climate



Climate change is now affecting every country on earth, disrupting national economies, and impacting millions of people.

The evidence behind the need to take urgent action is stronger than ever. The good news is that affordable and scalable solutions exist, which will enable people, businesses, and countries to quickly transition into being clean and resilient.



Health & Education



An ageing population, rising levels of obesity, and dramatically increasing property prices globally are straining public services.

Health, housing, and education are fundamental human needs. Improving access for individuals in-turn improves their wellbeing, self-worth, and ability to take greater control of their lives.



Social Infrastructure



Both our society and the notion of democracy more broadly are built on the idea that all people should share in economic progress.

Despite a time of unprecedented economic growth, many people in Australia and globally are being left behind. Sustainable economic growth means all should benefit from development equitably – housing, jobs, and economic access.



Impact Partners

Our investment Process

CIM has put in place an institutional grade investment process, including a defined series of steps and required approvals from our investment committee.

At all stages of our investment process, in addition to financial due diligence, our team considers impact due diligence, defining specific impact targets for investments, and considering how assets will be managed for impact. Core to our investment process is the use of our Impact Partner model, described below.

Impact Partner model

To address these target areas, we partner with knowledgeable and like-minded groups to originate and manage investments; we call this our “Impact Partner” model. This model is designed to combine our impact investing expertise with the frontline experience of our Impact Partners, and is core to what we do.



First, we **collaborate with our Impact Partners** to understand peoples’ and society’s needs in our investment sectors. This ensures we are led by those with lived experience.



Once we have clearly identified the opportunities, we bring our impact investing experience and investment capital to **structure, due diligence and invest** into assets that address these needs.



To have the greatest impact, we work closely with our Impact Partners in the **ongoing management** of our assets. This ensures our investments deliver the positive social and environmental impact we intend.

Our Impact Partners are values aligned organisations with operating experience and a frontline understanding of the needs of the end beneficiaries we aim to support.



Interview

with Giovanna Savini, Chief Resident Services Officer at HousingFirst

Giovanna leads the team at HousingFirst in leasing up their property portfolio. Here she discusses CIM’s partnership with HousingFirst to deliver social and affordable housing in Victoria under the New Rental Development Program (“NRDP”).

The partnership between HousingFirst, CIM and Homes Victoria is a new model – leveraging private investor capital to generate new housing stock. What has the involvement of impact investors enabled for HousingFirst and its residents?

This exciting and innovative social housing investment model has enabled HousingFirst to acquire high quality housing in a tenure-blind setting, removing access barriers and the stigmatisation often experienced by social housing residents and creating a positive social mix outcome.

What does stable, long-term housing mean for residents?

Having access to safe, secure and affordable quality housing that meets a household’s needs allows for the stability required to prosper in other aspects of life. Since being housed, many of our NRDP residents have since reengaged in education and some, via our employment pathways program, have commenced employment.

There has been much gratitude shared for the new properties and all they offer and mean to the individual households. As expressed in the words of one of our early residents Ina, “I am the first person to live here, and I have my nephew living with me too. It really feels like a home”.

What has demand been like for the housing stock, and what feedback have residents provided on the properties?

All properties acquired under the program have been carefully considered against location and amenity criteria, resulting in a property portfolio that is highly attractive and that meets the needs and wants of prospective residents. All apartments have been leased up quickly, with very few vacancy days.

Collaboration has been key to getting this project up and running. Can you describe the importance of partnership under NRDP?

Access to adequate, accessible, and affordable housing is a fundamental human right, however access to available funding to grow affordable social housing in Victoria over time has been intermittent and slow. It is collaborations under programs such as NRDP that are showing how thinking differently and partnering well can achieve great housing outcomes.

What does success look like for the program? What are your hopes for the future?

Being well on our way to completing acquisitions of the full portfolio, with over 170 households in the first year already enjoying their new home is a huge success already. My aspirations would be to see the program extended beyond the current 10 years and growing through additional government funding.

“Collaborating with CIM has been an easy and positive experience, made so by our shared social ethos and belief that investing in the right assets can have a lasting positive impact on people’s lives.”

— Giovanna Savini
Chief Resident Services Officer, HousingFirst

Impact Measurement Methodology

CIM's mission is to structure, make and manage investments that are designed to produce financial returns while also delivering measurable social or environmental benefit. We have built a track record of measuring and transparently communicating our impact, recognising that we can only manage the impact that we can measure.

While there is currently no single accepted framework (such as GAAP in the accounting world) for measuring impact, there are some widely used methodologies. We strive to leverage the best current thinking and conform with global best practice, but also ensure that we practically complete impact measurement in the right way for our investments.

As the impact investment industry becomes more mainstream, thoughtful and accurate measurement is more important than ever. We believe the following should underpin an effective impact measurement framework:

- investors should be clear about their impact investment thesis and define relevant metrics at the outset;
- investors should always take a conservative approach to impact assessment;
- investors should be transparent and hold themselves to a high level of accountability, which includes assessment of potential unintended adverse consequences; and
- investors should not let the challenges of impact measurement stall investment and the creation of great social or environmental impact.

How do we measure impact?

Our impact measurement methodology uses the Impact Management Project ("IMP") as the overall framework, which considers the impact achieved across five dimensions: what, who, how much, contribution, and risk.

We also align with the United Nations Sustainable Development Goals and layer in the Global Impact Investing Network's Impact Reporting and Investing Standards ("IRIS+")

metrics for each dimension of the IMP. This enables investors to aggregate their impact at a portfolio level.

We put a particular focus on outcomes over outputs. For example, in addition to simply measuring the number of affordable housing dwellings we finance (the output), we also consider the impact that funding affordable housing has on our society (the outcome).

Our approach involves 4 steps:

1 Apply the IMP framework

This considers impact across five dimensions: what, who, how much, contribution and risk.

? What

What outcome(s) do the investment activities drive?

Who

Who experiences the outcome?

E How much

How much of the outcome occurs in terms of scale, depth, and duration? We assign measurable key performance indicators ("KPIs") and using IRIS+, we select the metrics that will best track the outcomes required to contribute to the solution of the identified challenge.

+ Contribution

What is the additionality of our investment? Additionality is making something happen that otherwise would not.

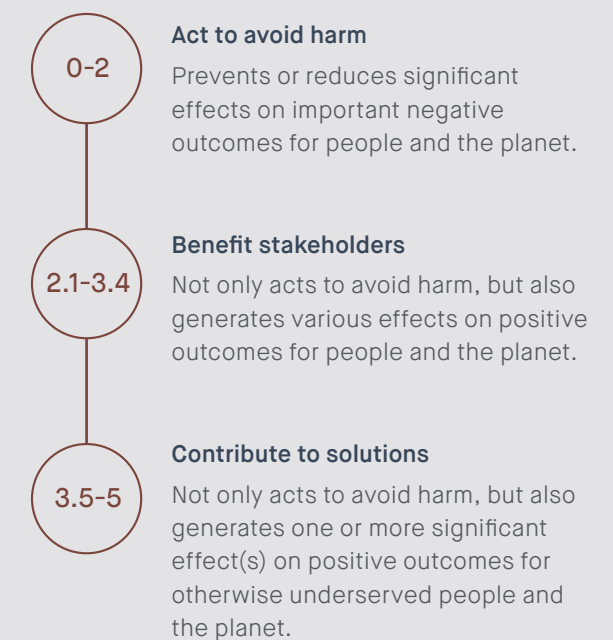
△ Risk

What is the risk if the impact does not occur as expected?

2 Impact assessment

After applying the IMP framework, each investment is categorised on a scale of impact, from 0 (lowest) to 5 (highest). We take the average of these five scores to determine the project assessment score, which corresponds with one of the three categories below.

Score



3 Review and ongoing management

We continue to review and analyse an investment's impact throughout its lifecycle. Once we initially score an investment's impact, we conduct periodic reviews to manage any impact risks or unintended consequences, and to understand if any improvements can be made to bolster the investment's impact.

4 Transparent and clear reporting to investors

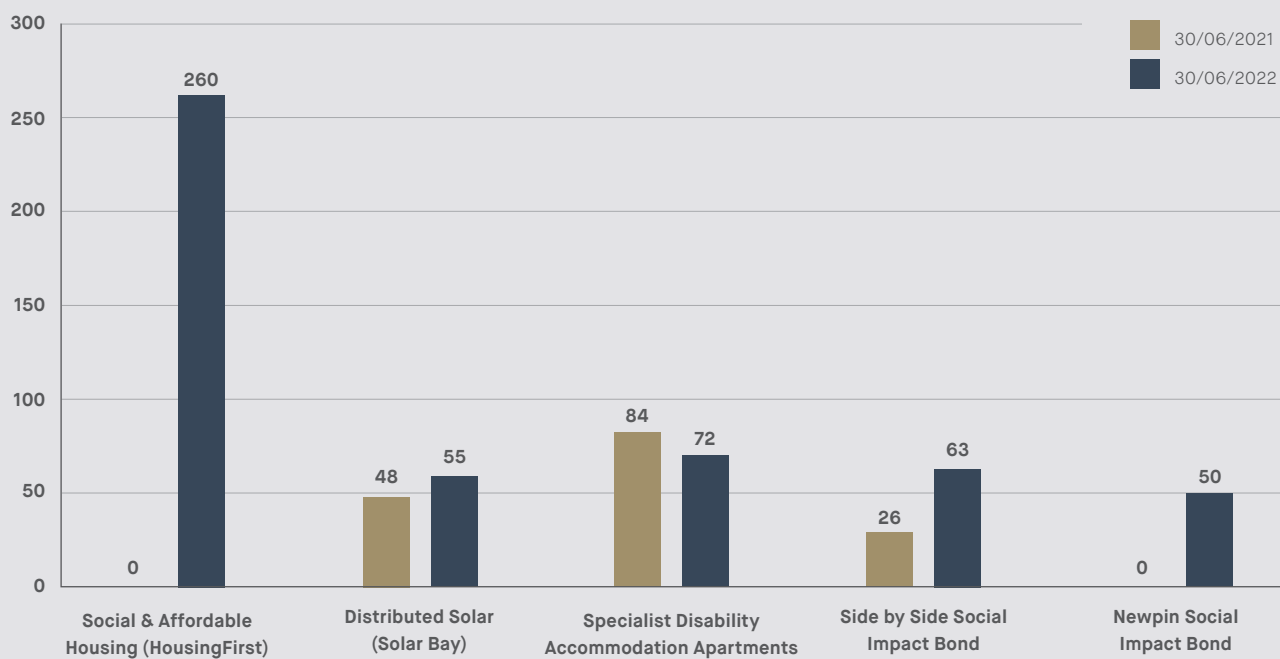
We release an annual Impact Report to investors, which shares details of our investing activities and portfolio impact performance for the year. In addition, we provide quarterly reporting to investors which includes an assessment of both financial and impact performance.



Render of SDA apartment in Gadsden

Growing our impact

The chart below shows the cumulative growth in impact year on year for each of our key investments.



Investment	Impact growth metric
Victorian Social and Affordable Housing with HousingFirst	Social and affordable housing dwellings financed ¹
Distributed Solar with Solar Bay	Distributed solar assets financed ²
Specialist Disability Accommodation Apartments	Specialist Disability Accommodation apartments financed ³
Side by Side Social Impact Bond	Number of students enrolled in the program
Newpin SA Social Impact Bond	Number of children enrolled in the program ⁴

¹ Social & affordable housing (HousingFirst) acquisitions commenced in September 2021.

² During the 2022 year, we successfully exited a portfolio of 29 assets, 28 of which were exited assets to an institutional investor who will use our blueprint to scale, catalysing additional funding for the Australian decarbonisation sector.

³ Since the publication of our last impact report, 12 of the apartments we had financed in Queensland saw significant construction cost increases which resulted in the project no longer being viable.

⁴ Newpin SA service delivery commenced in July 2021.

Victorian Social and Affordable Housing



Image of Victorian social and affordable housing apartment building in Melbourne

The challenge

Australia has an inadequate supply of stable, appropriate, and affordable accommodation, particularly for those on low incomes.

Not having secure and appropriate accommodation is often a barrier to educational attainment, stable work, strong health and wellbeing, and family and community relationships.

In the past few decades, Australia's housing landscape has changed significantly, worsening this situation:

- 1

House prices are rising at a faster rate than incomes.¹
- 2

The cost of renting has risen at twice the rate of wages.²
- 3

The proportion of total stock designated as social housing stock has fallen to less than 5%.³

Victoria in particular is falling behind with social housing homes as a proportion of all households now at 3.2%, below the national average of 4.5%.⁴

To simply maintain the current level of social housing at 3.2%, 3,500 new public and community housing dwellings would need to be built every year for the next 10 years.

Despite strong demand by investors, private sector investments into social housing have been challenging because rents are capped at below market rates based on tenants' income. With government acting as a key enabler, this investment pioneers a new model which leverages private capital to generate new social and affordable housing stock.

¹ Australia's welfare series no. 12. Cat. no. AUS 189.

² Yates, J., Milligan, V. (2007) Housing affordability: a 21st century problem, AHURI Final Report No. 105, Australian Housing and Urban Research Institute Limited, Melbourne, p9.

³ Australian Institute of Health and Welfare 2014. Housing assistance in Australia 2014. Cat. no. HOU 275. Canberra: AIHW, p23.

⁴ Derived from DELWP, Victorians in Future 2019 (VIF2019), July 2019, p8 and DHHS, Housing Assistance: Additional Service Delivery Data 2018 – 19, September 2019, p8.

Only 3.2% of households in Victoria are social housing homes.



Image of Victorian social and affordable housing apartment building in Melbourne

CIM solution

In July 2021, we began funding the acquisition of social and affordable housing under a unique partnership with the Victorian Government and community housing association, HousingFirst.

Under this partnership, we will invest approximately \$150 million to fund the acquisition of up to 307 apartments for social and affordable housing tenants.

The properties are head leased to HousingFirst for 10 years, who subleases them to tenants on the social housing waitlist. Where appropriate, HousingFirst coordinates wraparound supports with partnering support agencies.

Properties are located in high amenity suburbs close to services and economic hubs. Apartments are dispersed within large apartment buildings, with no more than 20% of each building being designated as social and affordable housing.

With government playing a key enabling role, the model unlocks institutional scale private capital to generate new social and affordable housing stock. Through this unique structure, we believe CIM has developed a model that can provide government with long term savings and investors with market rate property returns.

An impact measurement survey which has been developed for the program is currently being finalised. The first tenant survey is expected to be undertaken in October 2022 and will occur biannually thereafter.

The investment was recently announced as winner of the PowerHousing Australia Business Partner Award for 2021, recognising innovation and partnership between a community housing organisation and the private sector. PowerHousing is the lead industry body for registered Community Housing Providers in Australia.

Case Study

In just a few years, Ina’s life has been transformed in ways she could never have imagined. After experiencing homelessness for the first time in 2019, she first found sanctuary in transitional housing in Kensington, but was desperate to find longer-term accommodation.

When she became aware of HousingFirst’s New Rental Development Program through Sacred Heart Mission, she applied but was warned that there were many people in need and her chances were slim. However, due to CIM’s investment, today Ina and her nephew are enjoying the comforts of a brand new two-bedroom apartment. “I am the first person to live here, and I have my nephew living with me too. It really feels like a home,” says Ina.

Ina had previously lived in one-bedroom housing and found it lonely. She appreciates having the space to have her nephew with her now, as there is little contact with the rest of her family.

“He was very helpful from the beginning, helping me with the whole process and even showing me how to pay my first rent when I wasn’t sure what to do.”

— Ina
HousingFirst resident

Ina sings the praises of HousingFirst’s housing officer, Zia Baqiri. “He was very helpful from the beginning, helping me with the whole process and even showing me how to pay my first rent when I wasn’t sure what to do.”



With her new home secured, Ina was then encouraged to apply for the new CoAct “pathways to employment program”, the first of its kind in Victoria. A partnership between HousingFirst and CoAct, the program matches suitable HousingFirst residents with employment opportunities.

But, as Ina found out, it’s not just about getting residents into any job – it’s about getting them into employment that suits their skills, and that they can sustain over the longer term. The program’s mentors take time to understand each resident’s background and any barriers to their employment. Residents are also supported more broadly, including help with their CV, training, work-wear or a Myki card for travel.

In Ina’s case, she was given some tips on her resume and also on the interview process. “Be confident, be yourself, she told me,” says Ina. And it worked. Today, Ina is not only a proud resident of a brand-new home, she is employed by Western Health in their COVID-19 hub and is the very first of the program’s participants to find work.

Image of Victorian social and affordable housing apartment building in Melbourne

IMPACT PARTNER PROFILE

HousingFirst



HousingFirst is an award-winning, regulated, not-for-profit organisation providing social and affordable housing across Melbourne.

It is recognised as one of Victoria’s fastest growing community housing organisations, with strong working relationships with stakeholders, including the local, state and federal governments, developers, financiers, regulators, and industry organisations.

HousingFirst has over 34 years of financial, property development, tenancy, asset management, and community development experience. They currently own or manage 1,207 properties across Melbourne, providing homes for over 1,600 people who would otherwise struggle to find accommodation.

"Our partnership with Conscious Investment Management and innovative delivery model recognises the skills and talents of both organisations, enabling investors to earn a return, while delivering upwards of 300 homes to vulnerable Victorians in housing distress.

Partnerships only work if values, strategy and goals are shared and there is a determination to deliver outcomes for the benefit of all. I’m delighted that our partnership was recognised as the winner of the PowerHousing Australia Business Partner Award for 2021”

— Janine Kirk AO
Chair, HousingFirst

VICTORIAN SOCIAL AND AFFORDABLE HOUSING

Impact achieved to date

CIM has financed a total of 260 new social and affordable apartments across 18 buildings in Victoria.¹

To date, CIM has financed

260

social and affordable apartments

200 of these apartments have settled and are leased up, representing approximately 320 tenants.

IMP's Impact Dimension		Score	Rationale																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
?	What	5	●●●●●	1- and 2-bedroom apartments in Greater Melbourne. Relative to other social and affordable housing currently available, the apartments we have funded are: 1. Well located; 2. Generously sized, with outdoor space and carparks; and 3. In buildings and locations with high amenity.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
				Individuals from the Victoria Housing Register, which currently has >50,000 people registered and seeking housing. Over half of these people are on the register for at least one of the following reasons: 1. They are experiencing homelessness and receiving supports; 2. They are escaping or have escaped family violence; 3. They are living with a disability or significant support needs; or 4. They have special housing needs.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
E	How Much	Scale (Outputs)	5	●●●●●	260 social/affordable apartments financed to date.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		

¹As at 31 August 2022

Specialist Disability Accommodation (SDA)



Render of SDA apartment in Glenarm

The challenge

Access to adequate, accessible, and affordable housing is a fundamental human right. For many people with complex disability, their support and housing needs often result in higher costs associated with housing.

Historically, housing tailored for those with disability has been provided largely by government and the not-for-profit sector, with several challenges:

- 1

Insufficient capacity:

There are lengthy waitlists for the limited supply of appropriate housing, resulting in a large number of people being unable to secure appropriate accommodation.
- 2

Ageing stock:

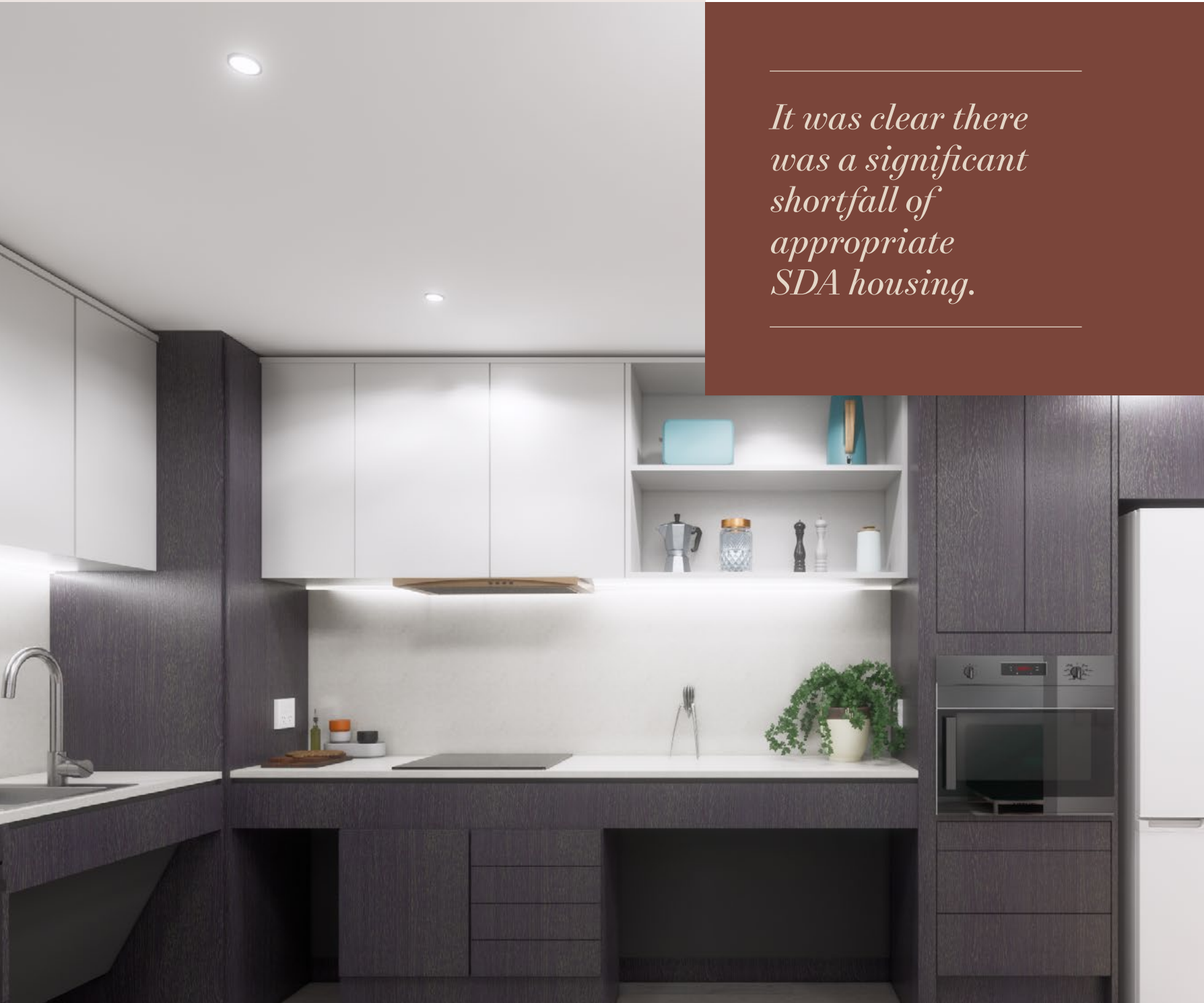
Around one quarter of existing stock requires replacement.
- 3

Outdated care models:

Large group homes with an institutional nature are no longer considered good practice.

In 2013 the Commonwealth Government introduced the National Disability Insurance Scheme ("NDIS") to address the challenges that surround living with a disability. The NDIS is a complex national reform aimed to shift away from a block-funded welfare model of support to a fee-for-service market-based approach. A guiding principle behind the introduction of the NDIS is the aim of providing people with choice and control. One stream of the NDIS addresses housing directly – Specialist Disability Accommodation ("SDA").

It was clear there was a significant shortfall of appropriate SDA housing.



Walk through of SDA apartments in Melbourne



Gadsden Apartments



Glenarm Apartments

Within SDA there are four categories of homes that can be provided – each tailored to tenants with specific requirements.

The payment structures to owners of SDA are set to compensate investors for the additional design and construction requirements to meet accessibility and support needs. This means payments for “High Physical Support” (as described in Table 1 below) are highest. This high headline payment for High Physical Support apartment has attracted significant investment,

with investors potentially ignoring or underappreciating vacancy risk. Importantly from an impact perspective, it also means that individuals with a classification at a lower level of disability are underserved by the market, with an insufficient number of “Improved Liveability” and “Fully Accessible” homes being financed and built.

Design Category	Improved Liveability	Fully Accessible	Robust	High Physical Support
Design summary	Includes a reasonable level of physical access and enhanced provision for people with sensory, intellectual, or cognitive impairment	Includes a reasonable level of physical access for people with significant functional impairment	Must be built with resilient material that can reduce the risk of injury and disturbance, and cope with heavy use	Designed for a high level of access. Includes all Fully Accessible requirements plus structural provisions for ceiling hoists and assistive technology
Example to illustrate purpose of the design	An ambulant individual with an acquired brain injury	Individuals with reliance on a wheelchair for mobility	Individuals with complex behavioural challenges	Individuals with significant physical and/or cognitive disabilities

Table 1: SDA Design Categories

CIM solution

CIM believes that we can have the greatest impact in SDA by:

- 1

Financing the creation of disability housing that would not have otherwise been financed, with a focus on the specific design categories for which there is meaningful unmet demand;
- 2

Demonstrate models of investment that can be scaled by the market; and
- 3

Ensure all aspects of our investment – from design to tenant selection to the provision of supports – are conducted with best practice and are participant-led.

Consistent with our investment strategy, we invest once we have identified and partnered with an Impact Partner with the relevant expertise and capability to deliver high impact. Within SDA, we are fortunate to partner with Summer Housing, one of the leading providers of disability accommodation in Australia.

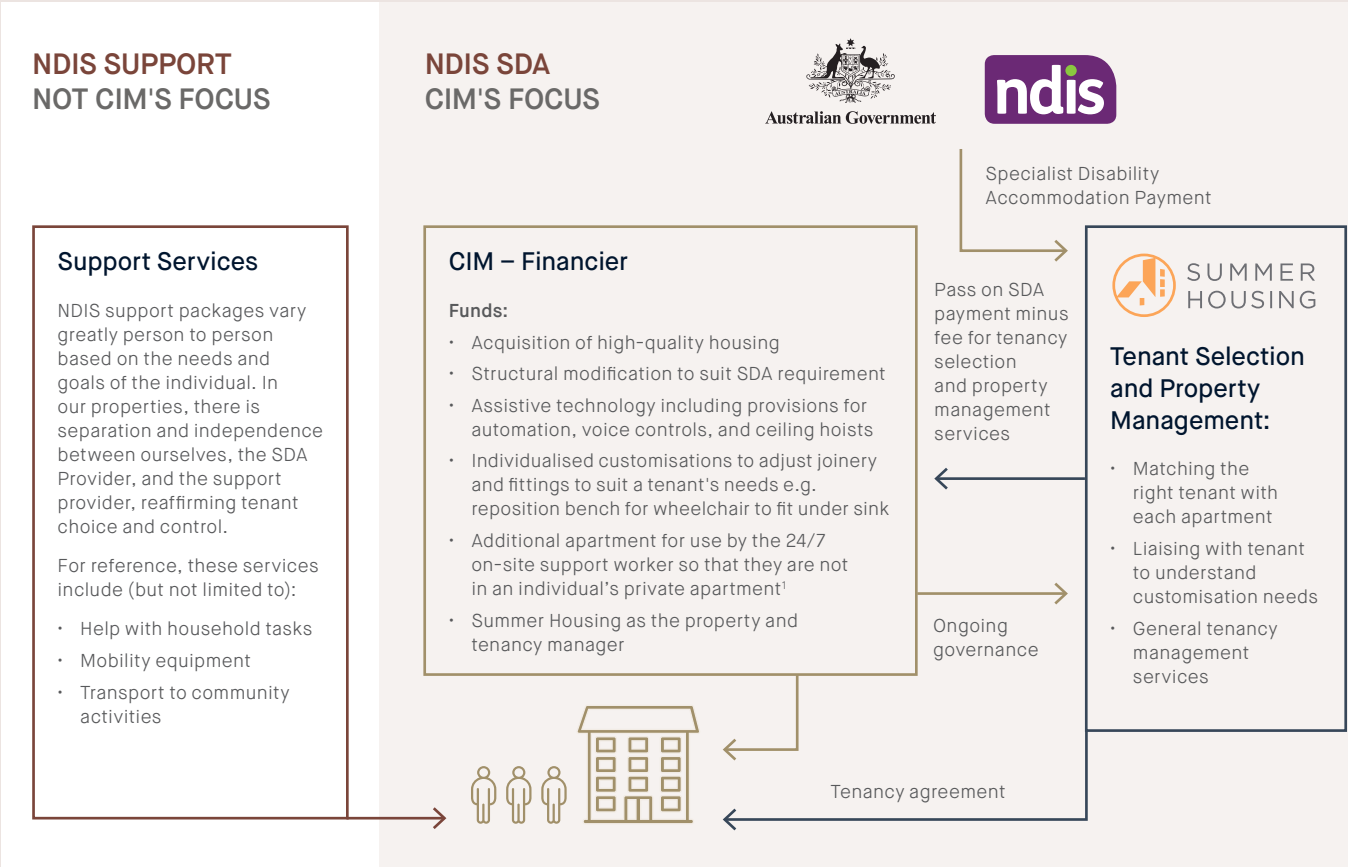


Figure 2: Outline of CIM/Summer Housing SDA structure
¹Site support worker selected by tenant vote and does not replace the need for individual support worker (if required).

Render of SDA apartment in Gadsden



Render of SDA apartment in Gadsden

IMPACT PARTNER PROFILE

Summer Housing



Summer Housing is one of the leading providers of disability housing in Australia. Their vision is for all people with a disability and complex care needs to have the opportunity to live in high quality housing that enables them to live as independently as possible, enhancing their health, wellbeing, and participation in the community.

Over the past few years, Summer Housing has acquired more than 400 new dwellings designed for people with a disability to provide accommodation to young people currently living in inappropriate housing, including in residential aged care.

Summer Housing was established in 2017 to replicate and scale the initial housing demonstration projects carried out by the Summer Foundation. Summer Foundation was established in 2006 and is a not-for-profit organisation with a mission to create, lead and demonstrate long-term sustainable changes that stop young

people being forced to live in nursing homes because there is nowhere else for them. Summer Housing's demonstration projects in Victoria and New South Wales showed that people with disability were capable of living safely in their own homes within the community, while being supported with their support staff located in a separate apartment – affording participants independence and privacy.

Summer Housing has expanded the 10 apartments plus one on-site support model to become the largest SDA provider in Australia. Its broad experience across property and tenancy management enables Summer Housing to continually innovate to deliver the highest quality housing design to offer dignity and community inclusion.

Summer Housing and the Summer Foundation continue to work closely together through the sharing of expertise and collaboration on housing projects. As investors in the space, without lived experience, we benefit enormously from this expertise in ensuring we finance the most impactful projects.

Alongside Summer Housing, we focus on:

1

Quality of housing

We have a desire to deliver the best quality SDA in Australia. There are two key considerations when we think about this:

- **Location:** All sites must meet strict location-based criteria that includes distance to public transport, services, shopping precincts, schools, and hospitals.
- **Amenity:** We focus on delivering the highest quality housing in the highest quality developments.

2

Service model

We work with Summer Housing to identify the appropriate housing composition for each development. To date, the model for many of our SDA investments has been to finance 11 apartments in high-quality residential developments. We use 10 for SDA housing and the 11th for an on-site overnight 'concierge' who can provide support to tenants. CIM provides governance and receives ongoing reporting from Summer Housing.

3

Design category selection

We focus on delivering apartments in underserved design categories, to the maximum extent possible within our risk-return profile.

“We highly value the collaborative partnership between CIM and Summer Housing as we work closely to provide appropriate housing to promote independence and change the lives of people with disability. The outcomes of the partnership between CIM and Summer Housing evidence the strengths of both organisations as we utilise a person-centred approach to every project from design through to tenancy management and innovate together on new models of housing that are attractive to our tenants. In particular, the inclusion of impact measurement in the investment decision making process from project inception through to realisation.”

— Melinda van der Westhuizen
Former CEO, Summer Housing

Impact achieved to date

We are proud to have entered the sector by funding property types that we perceived were underserved by the market, including Fully Accessible and Improved Liveability apartments.

We continued to invest through the market challenges resulting from the COVID-19 pandemic, which ensured continual delivery of a pipeline of appropriate, and much needed housing. COVID-19 has resulted in unprecedented challenges for the building and construction sector, leading to significant delays and, in some instances, cancellations of projects that has slowed the delivery of much needed SDA housing.

The pandemic has also heavily affected people with disability who are most vulnerable to the coronavirus disease. Aside from being susceptible at a much higher rate, many NDIS participants lived in complete isolation to limit exposure, and those living inappropriately in aged care were subject to an even greater risk of exposure. Aged care facilities were most impacted with over 1,000 individuals passing away with COVID-19 at over 360 affected facilities. See below a story from one of the tenants in our SDA apartments, which shows how important SDA funding is.

To date, CIM
has financed

72

new SDA apartments
around Australia.



Render of SDA apartment in Glenarm

IMP's Impact Dimension			Score		Rationale		
?	What		5	●●●●●	Highly customised homes for people living with disability, coupled with best practice supports.		
👤	Who		5	●●●●●	Individuals living with disability. Focus on underserved categories within the SDA market.		
📊	How Much	Scale (Outputs)	5	●●●●●	72 apartments. This is a large portfolio in the market.		
					2021	2022	
					Planning/construction	54	42 ¹
					Delivered	30	30
					Total	84	72
	Depth		4.6	●●●●●🕒	Highly thoughtful customisation of homes, careful tenant selection, feedback and complaint policies, and the separation of housing and supports contributes to deep impact for the target beneficiaries.		
	Duration		4.5	●●●●●🕒	20-year property access provided to our Impact Partner – Summer Housing. Track record of long tenancies.		
+	Contribution		4	●●●●●○	Focus on underserved categories within the SDA market and continued investment during periods of market uncertainty.		
⚠️	Risk		3.9	●●●●●○	Key risks include vacancy, negative change in government policy or pricing, and risks around support provision to tenants. In the past year, all these risks have been managed appropriately.		
🔍	Assessment (Outcomes)		4.6	●●●●●🕒	Contribute to solutions		

¹ Note since the publication of our last impact report, 12 of the apartments we had financed in Queensland saw significant construction costs increases which resulted in the project no longer being viable.



Tenant Story

Andrew* is a 49 year old man. He entered Residential Aged Care ("RAC") on discharge from The Royal Melbourne Hospital in November 2018 after experiencing a stroke.

"Living there was not appropriate. There was nothing around there that was suitable for my age group. The things they do are not engaging, and not appropriate for my age group."

He lived in RAC for one and a half years when the COVID-19 pandemic struck.

Andrew had regularly visited his husband outside of the Aged Care facility, however with the reports of COVID-19 affecting aged care facilities, Andrew's husband discussed with Andrew the prospect of leaving the facility, due to concerns around the virus and the impact it may have on him.

Even though the home was inaccessible, Andrew moved in with his husband. The home was inappropriate for Andrew's needs. Upon recognising this, Andrew's Support Coordinator mentioned Summer Housing and the possibility of applying for an accessible apartment.

"I thought, oh wow - it would be amazing to be able to live by myself again after so long. And after living in such inappropriate surroundings. To be able to continue to learn new ways and coping strategies, to be able to live and move around on my own, and dealing with my stroke limitations. It was just amazing."

Andrew started the SDA application process when he was undertaking rehab in hospital, and finally achieved a compatible SDA outcome in June 2020. He moved into his Summer Housing apartment in November 2021.

The tenant's relationship with his husband has greatly improved as a result of living in his own accessible home.

"It took the burden of looking after me off of him. And of course the safety aspect too - he is grateful that I now have somewhere safe, and he doesn't worry about me anymore."

— Andrew

*name has been changed to protect privacy.



Image of SDA apartment building in Melbourne | Image Credit: Anthony Juchnevicius from Alpha Juliet Visuals

Distributed Solar

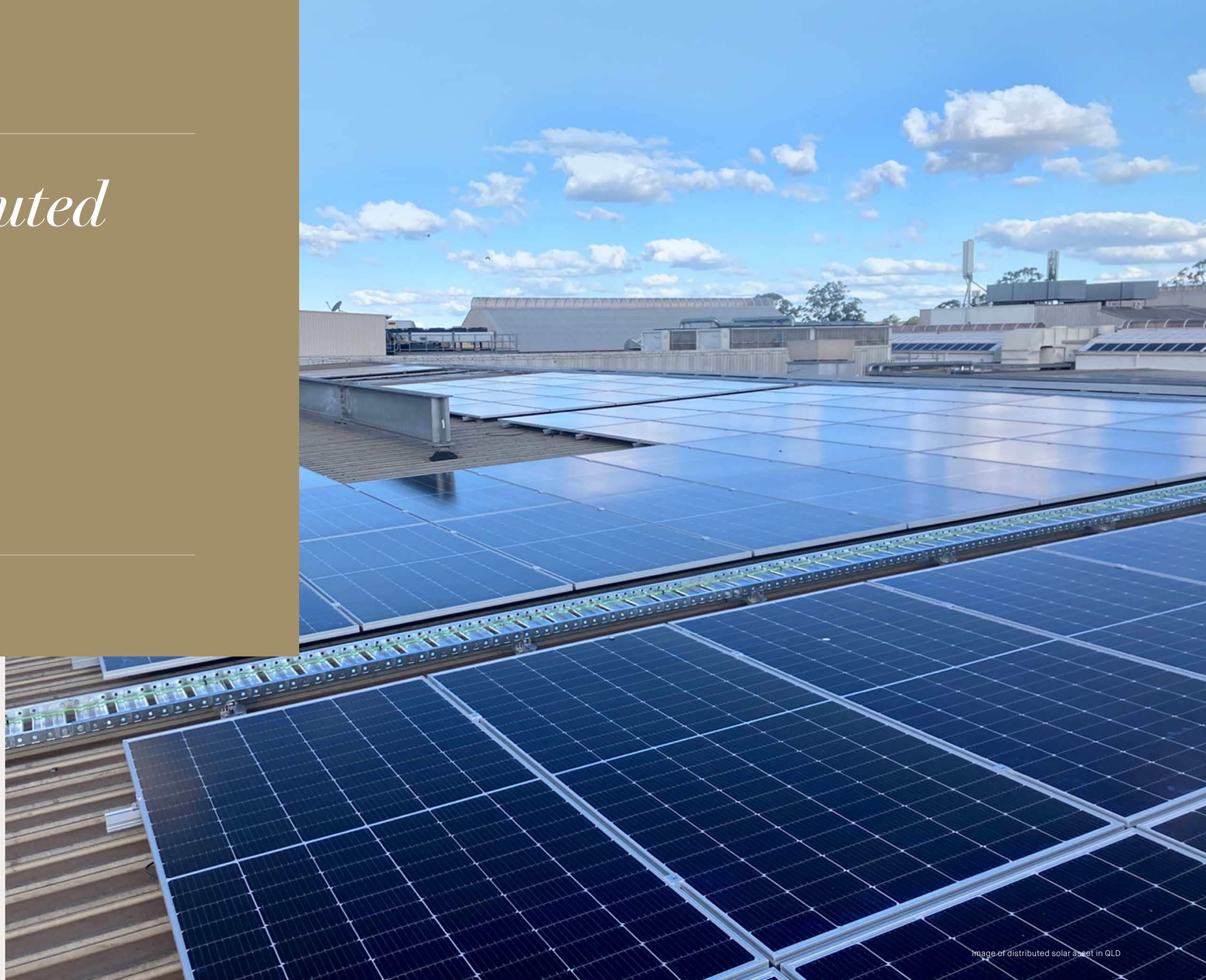


Image of distributed solar asset in QLD

The challenge

Over the past year, several reports were released that deepened our collective understanding of the projected impacts of climate change, and the urgency required from our global response.

In May of this year, the Intergovernmental Panel on Climate Change ("IPCC") released their latest Working Group Report titled "Climate Change 2022: Mitigation of Climate Change". Since its formation in 1988, the IPCC have pioneered collection and assessment of climate change data for policymakers and governments worldwide.

The latest report is a dramatic warning that we must embrace a clean energy future rapidly, with emissions peaking in 2025 and reducing rapidly. Emissions reduction of 45 per cent is required by 2030 if we are to have a chance of keeping global warming below 1.5 degrees. 'Now or never' is the message from the world's leading climate scientists – with some labelling the report their final warning.

Combating climate change is the defining global challenge of this century. It is also a unique challenge; in that it requires meaningful and focused cooperation and agreement between countries, corporations and capital providers over the long-term. Ideally this cooperation is led by meaningful climate change policy.

On the domestic front, Australia released its latest 5-year State of the Environment report in July 2022. Perhaps even more sobering than the IPCC report, it notes the health of Australia's environment is poor and has deteriorated over the past five years due to pressures of climate change, habitat loss, invasive species, pollution and mining.

Yet there is hope – with Australia's Federal Government recently passing a new Climate Change Bill which formally commits Australia to a reduction target of 43 per cent below 2005 emissions levels by 2030 and net zero emissions by 2050.

At CIM, we support a higher emissions reduction target in Australia and will continue to invest in attractive decarbonisation opportunities on behalf of our investors.



Image of distributed solar asset in QLD

Combating climate change is the defining global challenge of this century.

How do we currently address this challenge?

Of all renewable energy technologies, solar is the lowest cost and best understood, with a known impact profile. Australia is also highly suited to the technology with:

- 1 High solar resource – carbon payback for solar panels in most states is under two years (this is the time that panels must operate before they are neutral relative to their embedded energy from manufacture).
- 2 Typically long transmission distances – solar is the only form of renewable generation ideally suited to co-location at most energy consuming sites, e.g. via rooftop solar. As a result, under a truly distributed model there are no transmission losses, which occur when energy is transferred via energy grids from centralised power stations.

While solar performs highly in Australia and the environmental and financial benefits of solar are well understood, it is difficult for many operating businesses to directly access the solar generation market at scale.

Reasons for this may include:

- an evolving government renewables policy landscape;
- prohibitive upfront costs;
- capital expenditure limitations;
- higher payback available through reinvesting cash into core operations;
- challenges with lease tenure properties (i.e. misalignment with landlords);
- an opaque market with many solar installers; or
- simply, organisational inertia.

Consequently, there needs to be readily accessible private markets solutions available for businesses to decarbonise. That is why financing additional solar infrastructure for Australian businesses is a major contributor to CIM's mission of using impact capital to drive environmental benefit.

CIM solution

CIM has focused its decarbonisation efforts on the community and corporate sectors, as they have experienced the slowest renewables uptake in Australia to date.

Across these sectors we believe we can drive the highest impact through:



Educating community, commercial and industrial groups on the benefits of and pathways to decarbonisation;



Ensuring solutions are available at scale so major businesses can access distributed solar;



Providing off-balance sheet financing for community assets and businesses to build commercial-scale solar installations; and



Delivering and managing our energy assets to a best practice standard over their lifetime.

Our strategy focuses on partnering with the best Impact Partners at the asset level who have aligned missions and expertise. Solar Bay is our current Impact Partner in the distributed solar sector. Alongside them, we target large commercial, industrial and government assets.



IMPACT PARTNER PROFILE

Solar Bay

Solar Bay was founded in 2016 with the goal of providing renewable energy solutions to commercial, government and industrial customers. They are now one of the leading distributed renewable energy project delivery businesses and asset managers in Australia.

Solar Bay focuses on renewable solar energy systems, energy storage, waste to energy, microgrids, and hybrid power plants. Typical project sizes range between \$500,000 – \$2,000,000, with smaller per site projects often comprising part of multi-site portfolio rollouts for corporates.

Solar Bay is a values-aligned organisation delivering solar solutions at a scale that supports CIM in achieving our impact targets. In partnership with Solar Bay, we focus on delivering long-term contracted distributed energy projects.

Impact achieved to date

Since commencing our distributed renewables strategy in 2019, CIM has financed 55 distributed renewable assets around Australia.

We are proud to have financed assets decarbonise across 42 Local Government Areas nationwide. Combined, these assets have generated 7,205 mWh of renewable energy, offsetting 6,040 tonnes of CO2 (the equivalent of planting 287,611 trees).

In the past year, we successfully exited 29 assets, 28 of which were to an institutional investor who will use our blueprint to scale, catalysing additional funding for the Australian decarbonisation sector. The other asset was purchased by the site owner who wanted to own and operate their system, something we are supportive of.

Our current portfolio is 26 distributed solar assets. These assets have generated 3,615 mWh of renewable energy and offset 2,973 tonnes of atmospheric carbon (the equivalent of planting 141,585 trees).

To date, CIM
has financed

55

distributed
renewable assets

Image of Clifford Gardens Shopping Centre Newtown, Queensland

IMP's Impact Dimension		Score	Rationale			
 What		4		Providing access to onsite solar generation under long-term arrangements requiring no capital outlay and lower ongoing costs for those customers. Typical system sizes range between 99kw and 2,500kw.		
	 Who	5		Businesses or community groups – including property owners, tenants, schools, and charities. One example from the portfolio is a large shopping centre, where there are two key sets of target stakeholders: 1. Landlords, who are usually major corporate property managers (often seeking to go net zero carbon under a multi-year strategy); and 2. Tenants, including anchor tenants, majors, and speciality retail businesses. Typically, they have no available option to decarbonise their power profile without our solution (or similar).		
 How Much	Scale (Outputs)	4		26 distributed solar assets across 24 Local Government Areas. In addition, we successfully exited 29 assets, 28 of which were to an institutional investor who will use our blueprint to scale, catalysing additional funding for the Australian decarbonisation sector.		
					FY21	FY22
				No. of distributed renewable assets in planning/construction	0	7
				No. of distributed renewable assets delivered	42	19¹
	Depth	4		7,205 mWh of renewable energy generated (or 6,040 tonnes of atmospheric carbon avoided) by current and exited assets. The equivalent to planting 287,611 trees.		
	Duration	5		Our solution is long-term (typically 20-year) replacement of other largely non-renewable sources of energy.		
 Contribution		4		Without the solution we provide to partially transition to renewable energy, most counterparties need to use either: (1) expensive debt financing; or (2) operating cashflow. Given other solutions exist we have marked this dimension as a 4. Our track record to date shows it is an attractive option for businesses to commence transitioning to a cleaner and more sustainable operating profile.		
 Risk		4.1		Key impact risks include: (1) supporting equipment providers with negative impact supply chains (e.g. solar module manufacturers utilising conflict minerals); and (2) poor delivery of distributed solar to a customer, causing a switch back to primarily fossil fuel-powered energy. To date we have mitigated both these challenges.		
Assessment (Outcomes)		4.3		Contribute to solutions		

¹ Excludes 29 assets that were exited during the year.

Side by Side Social Impact Bond



Image of Berry Street Education Model training session

The challenge

A small but significant proportion of school age students struggle to connect with and engage at school. On average, educational outcomes for students from low socio-economic backgrounds are significantly lower than students from more advantaged backgrounds.

These students tend to be more vulnerable on standard Australian Early Childhood Development scores and have lower literacy, numeracy and comprehension levels, and lower school attendance and retention rates.¹

Attendance data for Victorian schools indicates that Aboriginal and Torres Strait Islander children are absent from school at a much higher rate than the rest of the student population. By Year 9 the gap in attendance rates means that on average, Aboriginal and Torres Strait Islander students have received six months less schooling than students from non-Aboriginal or Torres Strait Islander backgrounds.²

Attendance and academic performance have been identified as key predictors of early dropout. Early exit from school and low academic achievement can substantially limit the options that young people have for further study and work. Poorer educational results are often linked with higher rates of unemployment and lower lifetime earnings, as well as adverse health outcomes and increased likelihood of involvement in risk taking behaviour. Education is key to enabling upward socio-economic mobility and improved wellbeing.

Education is key to enabling upward socioeconomic mobility and improved wellbeing.



Image of Berry St Education Model training session

¹ Considine, G. and Zappala, G., "The Influence of Social and Economic Disadvantage in the Academic Performance of School Students in Australia.", Journal of Sociology., Vol.38., 2002.

² Aboriginal Victoria 2017. Victorian Aboriginal Affairs Report, p.11.

CIM solution

To address the issue of student disengagement from school, CIM invested in the Side by Side Social Impact Bond.

Investor funds have been used to establish the Side by Side Program in Victoria, a program that supports students in early primary school (Years 1 to 4) to increase their attendance and engagement at school, and address key gaps in their learning.

Services are delivered by Berry Street Victoria Inc ("Berry Street"), in partnership with the Victorian Aboriginal Child Care Agency ("VACCA"). The Side by Side Program provides:

- 12-months of individualised family and student support and tuition, aimed at supporting parent and family engagement, and building the motivation and capacity of individual students to engage and learn at school; and
- A whole-of-school development and transformation program, aimed at helping schools to understand and apply a culturally sensitive, trauma aware model of education.

The Side by Side Program prioritises working with Aboriginal and Torres Strait Islander students and their families, and is designed to support students across their home and school life in an integrated and coordinated way.

Our investment is funding upfront service delivery costs and sharing in the financial risk of Berry Street in achieving the targeted outcomes. In addition, the program is newly designed, and transferring risk onto private investors enables Berry Street, VACCA and the Victorian Government to test the model's efficacy and inform future policy and funding choices.

It is expected that around 300 students will be enrolled in the program over a five-year period which commenced in December 2020. Investor returns are linked to a reduction in the number of days students are absent from school over a two-year period relative to a baseline.



Image of Berry St school recreation room

IMPACT PARTNER PROFILE

Berry Street



Berry Street is an independent Community Service Organisation and Australian charity established in 1877. Their vision is that all children have a good childhood; growing up feeling safe, nurtured, and with hope for the future.

Berry Street provide a range of services throughout metro and regional Victoria, including community programs, disability services, family services, youth services and most prominently, youth engagement and education.

Student engagement is a key focus of Berry Street and is best seen through their development of the Berry Street Education Model. This model is an approach to teaching focused on increasing engagement of students with different or complex learning needs. It is delivered in over 3,000 schools across Australia.

“Conscious Investment Management has been a cornerstone investor in several social impact bonds that SVA has launched. They are a delight to work with, maintain a focus on the end beneficiary and proactively engage with their investment across the social impact bond life cycle.”

— Elyse Sainty
Director, Social Ventures Australia

63 students have been enrolled in the Side by Side Program

Impact achieved to date

To date, 63 students have been enrolled in the Side by Side Program across five participating schools.

Approximately 37% of students identify as Aboriginal and/or Torres Strait Islander. Just under half of students enrolled were absent for more than 40 days from school in the year prior to enrolment in the program.

IMP's Impact Dimension			Score		Rationale
? What			5	● ● ● ● ●	The Side by Side Program aims to support students in early primary school to increase their attendance and engagement at school through the provision of individualised family and student support and tuition, and a whole-of-school transformation program.
Who			5	● ● ● ● ●	Students in Years 1 to 4 in Melbourne who are highly absent from school, or moderately absent and assessed as being behind in their educational attainment. The program prioritises working with Aboriginal and Torres Strait Islander students.
E How Much	Scale (Outputs)		4	● ● ● ● ○	The program will operate at nine schools across three regions. It is expected that ~300 students will be enrolled in the program, of which 80% are expected to engage with supports.
				FY21	FY22
				Students enrolled in the program	2663
				Schools participating in the program	35
	Depth		4	● ● ● ● ○	The program is expected to reduce the number of days that students are absent from school, improve student learning outcomes and ultimately reduce school drop-out rates. There is a clear causal link between disengagement in the early years of education and future life outcomes such as accessing welfare and social services.
	Duration		5	● ● ● ● ●	Each student will be supported intensively for 12 months, with an additional year of monitoring and ongoing support if required. The program will operate for six years.
+ Contribution			5	● ● ● ● ●	In the base case scenario, it is expected that there will be a 22% reduction in the number of days students are absent from school relative to a baseline.
△ Risk			4	● ● ● ● ○	Key risks include program size risk (the ability to enrol the planned level of students), COVID-19 risk (e.g., school closures due to lockdowns), and program performance risk (the ability of Berry Street and VACCA to improve school attendance rates).
Q Assessment (Outcomes)			4.6	● ● ● ● ●	Contribute to solutions



Image of Berry Street training session

Newpin SA Social Impact Bond



Image of the Newpin Program's reunification tree

The challenge

Approximately ~46,000 children are in out-of-home care ("OOHC") in Australia, living in either foster care, kinship care, or a residential service – a rate of 8 per 1,000 children.

In South Australia, there are currently ~4,000 children living away from their parents in OOHC, and that number is increasing over time. OOHC can be short-term, but for many children it becomes a long-term arrangement. Recent data shows that over 80% of these children have been in OOHC for more than a year, and over 40% have been in care for more than five years.¹

Children who are removed from the care of their parents, particularly young children, can experience trauma which may have a lasting impact throughout their entire lives.

Research has shown that children who have experienced OOHC are more likely to:

- disengage with education early;
- be unemployed, underemployed, or earning lower wages;
- experience homelessness or live in unstable housing arrangements;
- have children at a young age (and are at greater risk of having those children taken into care);
- be involved in the criminal justice system; and
- have physical health, mental health, and substance misuse problems.

In addition to the poor social outcomes discussed on the previous page, the OOHC system costs the South Australian government approximately \$110,000 per child each year.



¹ Australian Institute of Health and Welfare, Data tables: Child protection Australia, 2018-19

CIM solution

To address the growing number of children in OOHC in South Australia, CIM invested in the Newpin SA Social Impact Bond. Investor capital is being used to fund the delivery of the Newpin Program, an intensive therapeutic program which aims to safely re-unify children in OOHC with their families.

The Newpin Program is being delivered by Uniting Communities over a 7-year period, which commenced in June 2021. Over the course of the program, Uniting Communities aims to safely reunify around 300 children in OOHC with their families.

The program is delivered at Newpin Centres, where parents attend two days per week for up to 18 months. Parents are supported to work with their strengths to improve positive parent-child relationships and learn from their peers. Children also have a safe environment to play, learn and socialise.



Image of Newpin Program how am I feeling cards

1 Parenting modules
Parents attend educational modules where they develop their knowledge of parenthood, learn about strategies to keep children free from harm and neglect, and develop a deeper understanding of their child’s needs.

2 Therapeutic group meetings
Parents attend weekly group therapy sessions where they reflect on their own childhood experiences and how they impact their parenting.

3 Child development activities
Children participate in structured and unstructured play sessions that aim to improve the child’s social, emotional, language, and communication skills.

4 A supportive environment
The centre itself is a safe, supportive and stable environment for parents and children alike. Participants are mentored and supported by previous Newpin members.

The Newpin Program is evidence-based, having operated in Australia for over 20 years. The program has a track record of breaking cycles of intergenerational child neglect and abuse, and allowing children to live safely with their family, develop to their potential and grow to play a positive role in their community.

Investor returns are tied to the performance of the program in reunifying children with their family, as measured by the reunification rate.¹

¹Where the reunification rate equals the proportion of children who are reunified with their families relative to a baseline.

Impact achieved to date

Since the program commenced in July 2021, three Newpin Centres have been established and are operating across Adelaide.

43 eligible children have been enrolled in the Newpin SA Program, and an additional seven older siblings are also receiving supports.¹

To date, 17 eligible children and two older siblings have been reunified with their families.

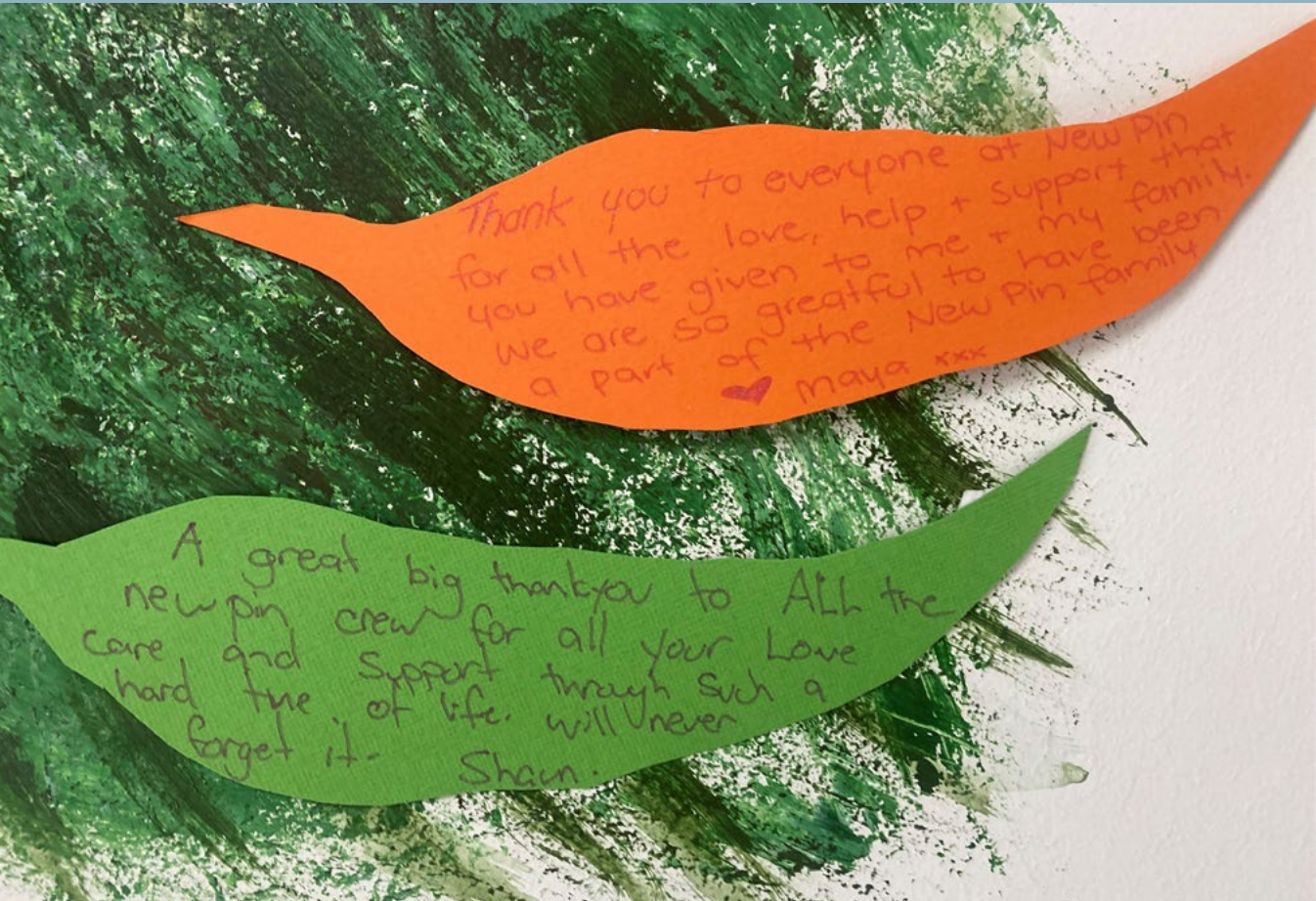


Image of artwork created by young people in Newpin program

¹ Although older siblings are not counted for outcome payment purposes.

IMP's Impact Dimension		Score		Rationale
 What		5		The Newpin Program is an intensive therapeutic centre-based program which aims to safely reunify children in out-of-home care with their families.
 Who		5		Families with children aged six or less who are in out-of-home care and located in metropolitan Adelaide.
 How Much	Scale (Outputs)	4		The program will operate at three Newpin Centres, and it is anticipated that around 300 children will be enrolled in the program. In the base case scenario, it is anticipated that just under half of enrolled children will be reunified with their families.
				FY21 ² FY22
				Number of children enrolled in the program ³ 12 50
				Number of children reunified with family ⁴ 0 19
	Depth	5		Where it is safe to do so, supporting children to live with their family is demonstrated to be highly advantageous to their health, wellbeing, and long-term life outcomes.
	Duration	5		Each family is supported for up to 18-months, and the program will operate for six and a half years. The program has a track record in creating long-lasting change in the lives of vulnerable children.
 Contribution		5		The target reunification rate is 25% higher than what is expected to occur in the absence of the program, based on historical data of comparable families.
 Risk		4		Key risks include program size risk (the ability to enrol the planned level of families), COVID-19 risk (e.g., centre closures due to lockdowns) and program performance risk (the ability of Uniting Communities to successfully reunify children with their families).
🔍 Assessment (Outcomes)		4.8		Contribute to solutions

² Program formally commenced in July 2021.

³ Numbers include eligible children and older siblings who are also supported (FY21: nine eligible children and three older siblings; FY22: 43 eligible children and seven older siblings).

⁴ These reunifications include both eligible children and their older siblings and are reported on an 'as occurred' basis. Note that for SIB payment purposes, only eligible children are measured, and reunification is formally measured 18-months post enrolment in the program.

Full Portfolio Summary

Investment	Summary
Victorian Social and Affordable Housing (HousingFirst)	260 apartments financed. ¹ 200 apartments with 322 bedrooms in total settled and leased.
Summer Housing SDA investment	72 apartments financed. 30 apartments settled and almost fully allocated to tenants (located in Abbotsford, Mermaid Waters, West Melbourne).
Casa Capace SDA investment	Co-investment to deliver 54 SDA dwellings in partnership with Christian Super
Solar PPA ownership	55 distributed solar assets financed. ² 7,205MWH of renewable energy generated.
Side by Side Social impact Bond	63 primary school children supported to engage in school. ³
Newpin Social impact Bond	50 children and their older siblings in the out-of-home care system supported towards reunification with their family. 19 children and their older siblings reunited with family. ³
US Aged Care (via Bridge Seniors Housing Fund II)	46 seniors housing dwellings financed. ⁴
US Affordable Housing (via Bridge Debt Strategies Fund II)	Mezzanine financing provided for 2,441 affordable housing dwellings. ⁴

¹ As at 31 August 2022.
² Includes 29 assets that have been successfully exited.
³ CIM has invested alongside a syndicate of investors through a social impact bond arrangement.
⁴ CIM has invested alongside a syndicate of investors, with the numbers shown on this page representing CIM’s pro rata share of assets.

Contact Us

Please reach out to the CIM team for additional detail on anything discussed in this report at info@consciousinvest.com.au.

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