

Case Study:



SOCIAL IMPACT FUND

WHAT

The Social Ventures Australia Social Impact Fund (SIF) was a \$9m fund established in 2012 to provide loans and equity investments to Australian social enterprises. The goal was to achieve attractive investment returns while making a meaningful social impact. In particular, the Fund focused on enterprises that would not otherwise have had access to capital, and those that required funding to grow their impact and build their sustainability. The vision for the Fund was also to act as a catalyst for the development of the impact investing market in Australia.

WHO

The fund was launched with a \$4m seed funding grant from the Australian Government under the Social Enterprise Development Investment Fund (SEDIF) grants program, matched with investment from 37 private investors. The government grant covered the fees and expenses of the Fund and provided capacity building grants as needed for the social enterprises. An Australian first, the SEDIF program demonstrated that government funding could play a catalytic role in unlocking private capital for public good - \$20m of grant funding was leveraged more than 1:1 to create a total investment pool of more than \$40m.

HOW







The SIF provided loan and equity investments between \$100,000 and \$1.5m to ten social enterprises and housing projects. 300 social enterprises entered the SIF pipeline, 55 of which were advanced to due diligence by the Fund. Due diligence included:

- Was the business sustainable (detailed due diligence of both potential social impact and financial analysis)?
- Did the enterprise address a significant social issue?
- Would the potential impact create positive social change directly attributable to the funding required (i.e. the status quo would not have resulted in an equivalent social gain)?

RETURN

The SIF generated competitive returns (approximately 6.7% IRR per annum since inception).

IMPACT

	Focus	Overview	Investment	Impact
	Housing	New model designed to improve housing affordability	\$1.5M loan	20 dwellings at more affordable rates
	Employment Education	Expanded facilitates and head office to scale operations towards fully self-sustaining	\$1.25M loan	Training and employment for up to 250 youth at risk
	Employment Environment	E-waste recycling business employing people who are long-term unemployed	\$1M convertible preference shares (\$0.5M called)	Employed 84% disadvantaged job seekers
	First Australians Employment	First Australian owned and run commercial cleaning contractor	\$0.8M loan	First Australian employment and inclusion
	Housing	Sustainable model of developing social and affordable housing	\$0.79M loan	Two social and affordable dwellings
	Health	Establishment of private GP clinic for affordable health	\$0.3M loan	Free and below-cost health services
	Education	Purchase of equipment and software platform to expand affordability of music education	\$0.25M convertible loan	Access to affordable music tuition
	Education Disability	Education and support using LEGO for kids at risk of social exclusion	\$0.2M loan	Support for 500 kids at social risk
	Employment Disability	Execution of social procurement contract to operate 13 waste sites	\$0.16M loan	Jobs for 40 people with disability
	Employment Disability	Acquisition of furniture recycling business	\$0.1M loan	Jobs and support for ten disadvantaged people