

## THE IMPACT FUND – QUARTERLY UPDATE

### JUNE 2021 QUARTERLY UPDATE

Dear investors and friends,

We are pleased to present the latest quarterly newsletter for The Impact Fund (The Fund).

During the first half of 2021, we have been heavily focused on finalising our first social housing transaction. We are pleased to share that we have now executed documents and begun funding the acquisition of properties for this investment. This investment involves funding the purchase of approximately 300 new build apartments and headleasing them to a not-for-profit partner to house social and affordable housing tenants. The Fund will invest alongside a small group of co-investors. Details of the transaction will be announced publicly shortly by a State Government, and we look forward to providing a more in-depth investment overview next quarter.

This quarter has seen the delivery and ramp-up of existing Fund assets, particularly in relation to our Specialist Disability Accommodation (SDA) portfolio (covered in more detail below). There has also been significant progress made on 6 distributed solar investments at anchored shopping centres which are now either fully delivered or in the final stages. When these 6 assets complete, The Fund's distributed solar portfolio will be diversified across over 40 assets.

#### Investment pipeline

Our investment pipeline remains strong with diligence work continuing on the following investments:

- New distributed solar investments.
- Two for-purpose housing investments – a youth housing project in Victoria and a mixed used development focused on housing key service workers in NSW.

The Fund has built a cash balance over recent months in preparation to make the social housing investment mentioned above. This balance will reduce in coming months as this investment progresses to acquire and settle on properties, beginning in July. We look forward to this investment producing rental income in the coming months. This, along with the aforementioned ramp-up in SDA and distributed solar investments, should all contribute to The Fund moving towards its steady-state yield and return objectives.

#### Conscious Investment Management updates

Last month our business was certified as carbon neutral by Climate Active, an Australian Government initiative. This was a rigorous process and we are proud that as a business we are contributing net zero carbon emissions to our environment.

Finally, work continues on our first Annual Impact Report. The report will be developed using the Impact Management Project framework. We plan to share this with you in September 2021.



*This information is provided by the Investment Manager, Conscious Investment Management Pty Ltd ACN 630 131 476 AR No. 1275316 ('CIM') is an Authorised Representative of Conscious Investment Management Funds Pty Ltd ACN 643 052 877 | AFSL No. 526820. Authorised Representative No. 1275316. MARQ Private Funds Pty Ltd ACN 604 351 591 AFSL 473984 (MARQ) is the Trustee and issuer of units in The Impact Fund ('the Fund'). Channel Capital Pty Ltd ACN 162 591 568 AR No. 1274413 (Channel) is CIM's distribution partner. This information is supplied on the following conditions which are expressly accepted and agreed to by each interested party ('Recipient'). This information does not purport to contain all of the information that may be required to evaluate CIM or the Fund and the Recipient should conduct their own independent review, investigations and analysis of CIM, the Fund and of the information contained or referred to in this document. This email (including attachments) is subject to copyright, is only intended for the addressee/s, and may contain confidential information. Unauthorised use, copying, or distribution of any part of this email is prohibited. Any use by unintended recipients is expressly prohibited. To the extent permitted, all liability is disclaimed for any loss or damage incurred by any person relying on the information in this email. While every effort has been made to verify the data in the attached report, neither MARQ, CIM nor Channel warrant the accuracy, reliability or completeness of the information nor do they guarantee the repayment of capital, the performance of the Fund or any particular rate of return. This communication has been prepared for the purposes of providing general advice, without taking into account your particular investment objectives, financial situation or needs. Past performance is not indicative of future performance. All investments contain risk. An investor should, before making any investment decisions, consider the appropriateness of the information in this communication, and seek professional advice having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. For further information and before investing, please read the Information Memorandum available by contacting us.*

*Performance is for The Impact Fund, and is based on month end unit prices in Australian Dollars. This is historical performance data. It should be noted the value of an investment can rise and fall and past performance is not indicative of future performance.*

**We respectfully acknowledge that The Impact Fund and many of our investments exist on traditional lands where First Nations 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.**

## THE IMPACT FUND – QUARTERLY UPDATE

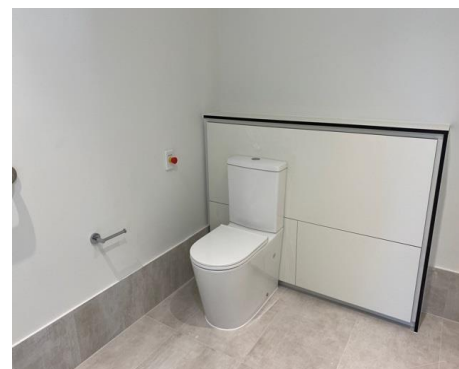
Performance to 30 June 2021

The Impact Fund	Last month	Last 3 months	Last 6 months	Last 12 months	Since Jun-2019 (fund launch)
Cash distributions	1.0%	1.0%	1.4%	3.9%	9.9%
Capital return	(0.9)%	(0.3)%	(0.8)%	0.4%	(2.8)%
<b>Total return</b>	<b>0.1%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>4.3%</b>	<b>7.1%</b>

### QUARTERLY INVESTMENT HIGHLIGHT

During the quarter, two of our SDA developments settled: The Spencer in West End, Melbourne and The Lanes in Mermaid Waters, Gold Coast. These sites will each accommodate 10 people with disability requiring either high physical support or fully accessible housing. There is strong demand for these apartments, and we have a number of tenants moving in over the coming months.

Pleasingly, our first SDA investment located in Abbotsford, Victoria is nearly fully occupied and is producing strong SDA income. We have received initial feedback from residents which was very positive, noting that for many tenants, an ability to use the facilities of the building – such as a pool with hoist and accessible gym equipment – has provided material health benefits. We are pleased to see that by focusing on the end beneficiary when designing SDA, we not only improve the lives of tenants, but also reduce the vacancy risk of our investments.



Images: The Lanes, Mermaid Waters Qld. Kitchen modifications made to facilitate room to roll under a height-adjustable benchtop, with oven modified for seated use. Toilet adjustable left-to-right on the wall to facilitate different tenants requirements.

### SUMMARY METRICS – IMPACT ACHIEVED TO DATE

#### Environment & climate



Offset 525 tonnes of CO2 emissions per annum, or thought of another way, effectively planted 2,095 trees.

#### Health & Education



Funded the development of 155 specialist disability accommodations beds, across apartments and houses.



Funded the improvement and operation of 46 aged care and seniors housing beds.

#### Sustainable development



Employed mentors to help assist 287 long-term unemployed young people into jobs.



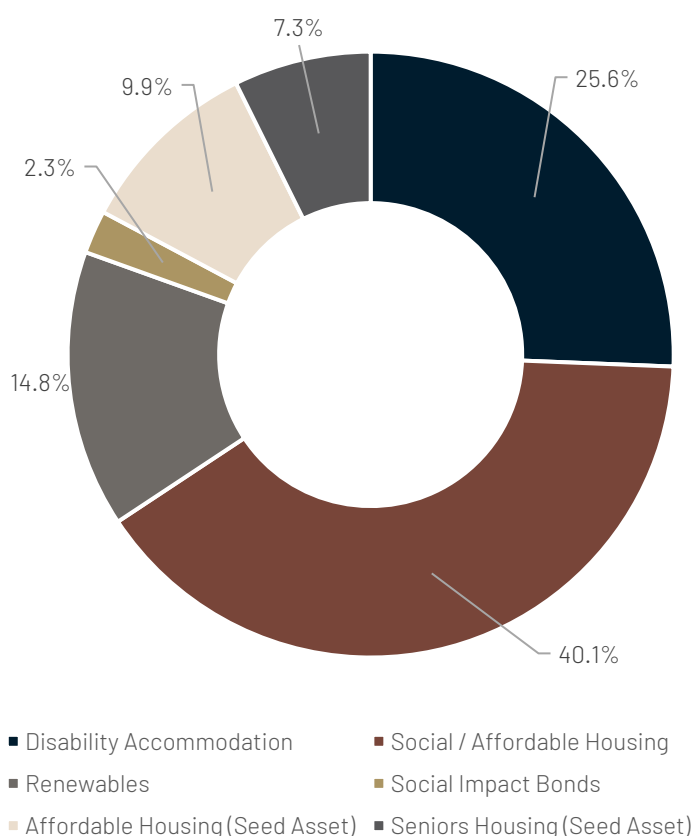
Funded the delivery of 2,441 affordable houses.

## THE IMPACT FUND

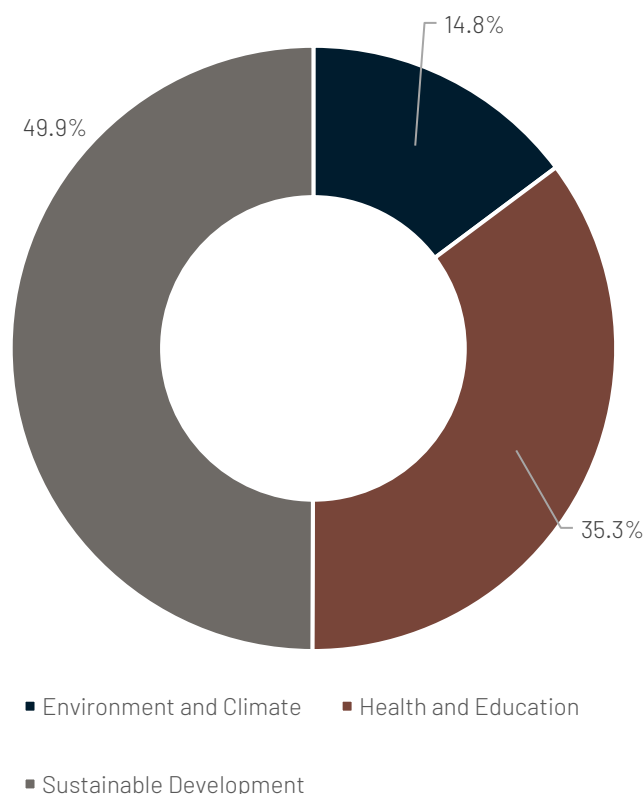
### SUMMARY DATA (NET)

Latest NAV (cum div)	\$	\$0.982
Latest NAV (ex div)	\$	\$0.972
Last quarter return	%	0.7%
Last quarter cash yield	%	1.0%
Last 12 months cash yield (To recent quarter end)	%	3.9%
Unitholder NAV	\$	\$63.5m

### CURRENT PORTFOLIO (FULLY COMMITTED BASIS)



### EXPOSURE BY IMPACT THEME

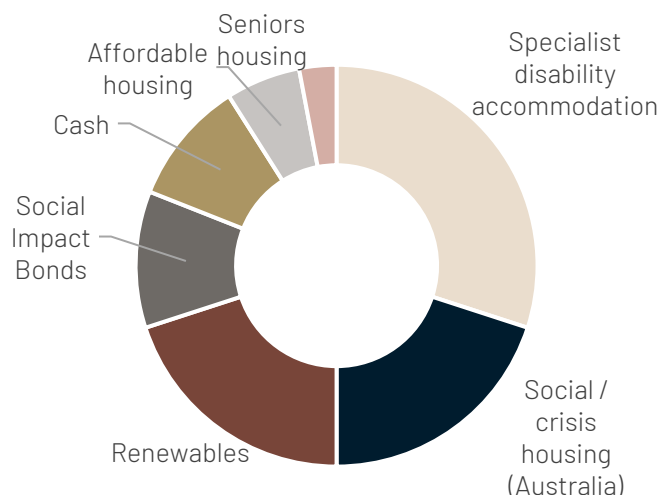


## THE IMPACT FUND

### FUND STRATEGY

- The Impact Fund (the Fund) is a diversified impact investment fund which invests to generate financial returns (target 7-11% per annum) and positive social and/or environmental impact.
- The Fund is predominately focused on real assets, including specialist disability accommodation, social/affordable housing and renewables.
- We work with our Impact Partners – purpose driven NFPs or businesses – to identify investments and manage them for positive impact.
- Suitable metrics to establish the positive impact of investments are tracked and reported to investors.

### TARGET PORTFOLIO CONSTRUCTION



### MANAGER PROFILE

Conscious Investment Management is an independent investment management business founded in 2018 and is the investment manager for The Impact Fund and a number of co-investment vehicles.

#### Matthew Tominc Chief Investment Officer / Partner

Matthew is focused on portfolio and investment strategy, execution and management.

Previously developed and managed the impact investment mandate of a significant Melbourne-based family office, investing capital in impact investments across asset classes and geographies.

Previously at Goldman Sachs. Bachelor of Commerce / Laws (Honours) from The University of Melbourne.

#### Alex Debney Partner

Alex is focused on investment strategy, execution and management.

Previously at Macquarie Infrastructure and Real Assets, focused on investment structuring and diligence, product structuring and portfolio construction.

Formerly founded an outcomes-focused social enterprise that worked directly with charities. Ex-Goldman Sachs. Bachelor of Commerce / Engineering (Honours) from The University of Melbourne.

#### Investment Committee

**Adam Gregory (Chair):** founded Light Warrior Group, a family office.

**Richard Price:** formerly Executive Director at Macquarie Group and Chair of social enterprise, The Song Room

**Giselle Roux:** formerly CIO at Escala Partners and JB Were.

**Paul Sundberg:** formerly CFO and Chief Risk Officer at Goldman Sachs Australia.

**Kate Temby:** Partner at Affirmative Investment Management and former Managing Director at Goldman Sachs Asset Management.

### FUND INFORMATION

Name	The Impact Fund
Structure	Unit Trust
Domicile	Australia
Inception	May 2019
Management Fee	1.50% p.a. of NAV
Performance Fee	15% above the Hurdle
Hurdle	7% p.a.
APIR Code	MAR7849AU

Subscriptions	Monthly
Redemptions	Quarterly (best efforts). 5 yearly rolling
Administrator	Mainstream Fund Services
Auditor	Pitcher Partners
Custodian	Perpetual
Trustee	MARQ Private Funds Pty Ltd

### CONTACT INFORMATION

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