

# HERBERT SMITH FREEHILLS ADVISES SAVE THE CHILDREN AUSTRALIA ON THE LAUNCH OF ITS GROUND-BREAKING SOCIAL IMPACT INVESTMENT FUND

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Deals and cases

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In a first for the Australian charity sector, Herbert Smith Freehills has advised Save the Children Australia on the launch of its new social impact investment fund, the Save the Children Australia Impact Investment Fund (**Fund**).

In a historic move away from traditional charitable fundraising models, Save the Children Australia is the first charity to launch an 'impact fund'.

In taking this new and dynamic direction to philanthropic fundraising and investing, the Fund seeks to generate income and capital returns, as well as deliver a social impact by investing in enterprises that are working to improve the lives of vulnerable children and their families in Australia and overseas.

Save the Children Australia's CEO, Paul Ronalds, said the creation of the Fund reflected the need for the sector to respond to a changed operating environment and find new sources of funds to scale up promising social innovation.

"Traditional approaches to aid are not, by themselves, enough to solve the world's social and humanitarian problems. Unprecedented demand for our services, including from increasingly severe and frequent disasters, means that we must find new sources of funding for social innovation. This includes finding ways to leverage private sector investment," said Mr Ronalds.

To achieve this vision, Herbert Smith Freehills assisted the Fund's trustee to obtain an exemption from the requirement to hold an Australian financial services licence. This was another first as exemptions of this nature have only been granted historically in favour of religious charities.

The Herbert Smith Freehills team advising Save the Children Australia was led by partner [Fiona Smedley](#), with assistance from special counsel [Ewan Macdonald](#) and solicitor Nick Alexander.

Specialist tax support was also provided by Greenwoods & Herbert Smith Freehills' director, [Toby Eggleston](#).

Ms Smedley said, "We are thrilled to have had the opportunity to assist Save the Children Australia in launching the Fund and support them in navigating the regulatory challenges that arise when innovating charitable fundraising. Congratulations to the team at Save the Children Australia for being the first mover and taking this evolutionary new direction into social impact investing.

"This Fund launch is another illustration of the growth in, and demand for, impact investments and the increasing focus on ESG initiatives."

This deal is another example of Herbert Smith Freehills' market-leading work in financial services and funds. Other recent examples include the launch of EG's new A\$800 million real estate fund in 2019.

## **MEDIA CONTACT**

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