

Pricing Supplement

National Housing Finance and Investment Corporation Debt Issuance Programme

A\$315,000,000 2.38% Social Bonds due 28 March 2029 (Notes)

Guaranteed by the Commonwealth of Australia



Series No: 1
Tranche No: 1

The date of this Pricing Supplement is 25 March 2019.

This Pricing Supplement (as referred to in the Information Memorandum dated 13 March 2019 (**Information Memorandum**) issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum (**Conditions**), the Information Memorandum and the Note Deed Poll dated 27 February 2019 made by the Issuer. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Notification under section 309B(1)(C) of the Securities and Futures Act (Chapter 289) of Singapore (Securities and Futures Act) – In connection with section 309B of the Securities and Futures Act and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (**CMP Regulations**), the Issuer has determined the classification of the Notes as “prescribed capital markets products” (as defined in the CMP Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	National Housing Finance and Investment Corporation
2	Guarantor	:	The Commonwealth of Australia
3	Type of Notes	:	Fixed Rate Notes The Notes are Social Bonds, as described in the Information Memorandum and with further disclosure detailed by this Pricing Supplement
4	Method of Distribution	:	Syndicated Issue
5	Joint Lead Managers	:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) UBS AG, Australia Branch (ABN 47 088 129 613)
6	Dealers	:	Australia and New Zealand Banking Group Limited UBS AG, Australia Branch
7	Registrar	:	Austraclear Services Limited (ABN 28 003 284 419)
8	Issuing and Paying Agent	:	Austraclear Services Limited
9	Calculation Agent	:	Not Applicable
10	Series Details	:	Not Applicable
11	Aggregate Principal Amount of Tranche	:	A\$315,000,000
12	Issue Date	:	28 March 2019

13	Issue Price	:	100.00% of the Aggregate Principal Amount of Tranche
14	Currency	:	A\$
15	Denomination[s]	:	A\$5,000 per Note
16	Maturity Date	:	28 March 2029
17	Condition 6 (Fixed Rate Notes)	:	Applicable
	Fixed Coupon Amount	:	Not Applicable
	Interest Rate	:	2.38% per annum
	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	28 March and 28 September in each year, commencing on 28 September 2019, and ending on (and including) the Maturity Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
18	Condition 7 (Floating Rate Notes)	:	Not Applicable
20	Partly Paid Note provisions	:	Not Applicable
19	Condition 9.4 (Noteholder put)	:	Not Applicable
20	Condition 9.5 (Issuer call)	:	Not Applicable
21	Minimum / maximum notice period for early redemption for taxation purposes	:	As per Condition 9.3
22	Additional Conditions	:	Not Applicable
23	Clearing system	:	Austraclear System

Interests in the Notes may be held through Euroclear Bank S.A./N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream would be held in the Austraclear System by a nominee of JPMorgan Chase Bank, N.A. as custodian for Clearstream.

24	ISIN	:	AU3CB0262038
25	Common Code	:	196898131
26	Listing	:	An application has been made for the Notes to be listed on the Australian Securities Exchange as non-quoted securities (wholesale).
27	Use of proceeds	:	<i>The Portfolio</i>

The Issuer intends to allocate the net proceeds of the issuance of the Notes towards financing, or refinancing a portfolio (the **Portfolio**) of assets, projects and activities that meet the eligibility requirements set out in the 'Eligibility Criteria' section under the Social Bond Framework and which also support and contribute towards meeting the United Nations Sustainable Development Goals (**SDGs**).

Further information on the intended Portfolio is set out in the Schedule to this Pricing Supplement.

Verification and reporting

The Notes are categorised as Social Bonds and are:

- aligned with the 2018 ICMA Social Bond Principles; and
- to be issued in accordance with the 'Eligibility Criteria' section for Social Bonds under the Framework.

At the Issuer's request, Ernst & Young (engaged by the Issuer as an Assessment Agency) issued an independent reasonable assurance statement (**Assurance Report**) with respect to the Framework. The Issuer will retain Ernst & Young (or another appropriate Assessment Agency) to provide assurance that the Notes remain in compliance with the post-issuance requirements of the Framework. Such verification reports will be made available on the Issuer's website. Neither the Assurance Report nor any post-issuance assurance is incorporated by reference into, or forms part of, the Information Memorandum.

The Issuer also does not make any representation or give any assurance with respect to the actual social, sustainability or development-based impact of the Notes, or any assets, project or activity included from time to time in the Portfolio or the SDG's generally.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer), including any Assessment Agency or any other approved external assurance provider, which may be made available in connection with the issue of the Notes.

28 Credit ratings

: The Notes are expected to be rated "AAA" by S&P Global Ratings.

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.

The Issuer accepts responsibility for the information contained in this Pricing Supplement (except as provided in the Schedule) and confirms that the issuance of the Notes has been duly authorised by the NHFIC Board.

Confirmed

For and on behalf of
National Housing Finance and Investment Corporation

By:



 Nathan Dal Bon, Chief Executive Officer

Schedule

The Portfolio – AHBA Loans – Series 1 Notes



It is intended that the Portfolio will initially include the following assets, each being a senior secured loan made by the Issuer under the Affordable Housing Bond Aggregator business (**AHBA Loan**), and additional AHBA Loans to be entered into by the Issuer with registered community housing providers. The Issuer may at any time and from time to time change the composition of the Portfolio. Any unallocated proceeds through the life of the Notes may be held in temporary investments as set out in the Framework. Noteholders do not have any direct interest or rights in respect of the AHBA Loans. Recourse for payments on the Notes is to the Issuer directly and (where applicable) to the Guarantor pursuant to the Guarantee.

The Issuer is not responsible, nor does it accept any liability, for any of the information set out in this Schedule relating to the borrowers under AHBA Loans (**Borrower**), including their respective legal or marketing name, logo, ABN, registration number, description and internet site address (**Borrower Information**). Such Borrower Information has been provided and/or verified by each relevant Borrower (in respect of itself only) and is for reference only. All internet site addresses provided in this Schedule are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Pricing Supplement or the Information Memorandum.

BlueCHP

A\$ AHBA Loan Facility
19 March 2019



Borrower	BlueCHP Limited (BlueCHP) (ABN 78 128 582 383; National Provider Registration Number R4536140708)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	BlueCHP is a leading Tier 1 community housing provider with specialist teams located in New South Wales and Queensland. BlueCHP works with partners to design and deliver large transformational housing projects and offers a full range of services, from project inception to handover whilst also delivering their own affordable housing. Over its 10 years of operation BlueCHP has delivered over 1,700 dwellings, retaining approximately 700 of these dwellings, worth more than A\$300 million. There are presently 1,400 people living in BlueCHP's homes.
Borrower's website	bluechp.com.au

CHL

A\$ AHBA Loan Facility
20 March 2019



Borrower	Community Housing Limited (CHL) (ABN 11 062 802 797; National Provider Registration Number R0027131017)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	CHL is a not-for-profit national and international Tier 1 community housing provider that provides end-to-end affordable housing development and a long term housing and tenancy management operation. CHL originated in Australia in 1993 and has since expanded its operations to South Asia, South-East Asia and South America. CHL has over 20 years' of leading edge experience working in partnership with national and state governments, local government authorities, social support agencies and community groups to address local housing affordability problems. CHL has over 11,000 properties in its Australian portfolio across 6 states, including Victoria, New South Wales, Western Australia, South Australia, Queensland and Tasmania.
Borrower's website	chl.org.au

Compass

A\$ AHBA Loan Facility
20 March 2019



Borrower	Compass Housing Services Co. Ltd (Compass) (ABN 84 002 862 213; National Provider Registration Number R4546140610)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	<p>Compass is an enterprising and socially committed international NGO and one of the largest non-government providers of social and affordable housing in Australia.</p> <p>Compass currently manages more than 4,600 properties and community development projects in Australia, New Zealand and Vanuatu, and provides housing for more than 10,000 people. Compass is registered as a Tier 1 provider under the National Regulatory System for Community Housing and is also a registered provider of Specialist Disability Accommodation (SDA).</p> <p>In addition to professional tenancy and property management, Compass delivers a range of wraparound services that help sustain tenancies, as well as offering innovative tenant engagement initiatives that help foster a sense of social inclusion.</p>
Borrower's website	www.compasshousing.org

Evolve

A\$ AHBA Loan Facility
19 March 2019



Borrower	Evolve Housing Limited (Evolve) (ABN 16 127 713 731; National Provider Registration Number R4530140623)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	<p>Evolve is a leading Tier 1 not-for-profit community housing provider in New South Wales, with assets of more than A\$335 million.</p> <p>Evolve manages approximately 3,600 dwellings, predominantly in western Sydney, and also in the Central Coast, Hunter Valley and in the New South Wales Mid North Coast, impacting on the lives of 7,500 people.</p> <p>In addition to its tenancy management and community engagement operations, Evolve is a developer of properties for its social and affordable housing portfolio, having added 196 dwelling units to its portfolio in the past year, with a further 160 in the pipeline.</p>
Borrower's website	evolvehousing.com.au

Hume Community Housing

A\$ AHBA Loan Facility
19 March 2019



Borrower	Hume Community Housing Association (Hume) (ABN 66 647 041 988; National Provider Registration Number R4557140704)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	<p>Hume is one of the largest Tier 1 community housing providers in New South Wales, as a builder of new properties, managing tenancies for owners and providing services and support to its diverse customers through a range of partnerships.</p> <p>Hume manages approximately 2,000 dwellings in Western Sydney, with secured growth into the Hunter region to manage a further 2,200 homes and provides homes and services to more than 4,000 customers across the state.</p>
Borrower's website	www.humehousing.com.au

Unity Housing

A\$ AHBA Loan Facility
20 March 2019



Borrower	Unity Housing Company Limited (Unity) (ABN 12 130 704 648; National Provider Registration Number R0023131018)
Loan type	Term loan, interest-only
Tenor	Resetting to 10 years from the Issue Date of the Notes
Borrower description	<p>Unity Housing is a not-for-profit registered Tier 1 community housing provider that provides affordable, safe and secure housing in South Australia. As the largest community housing provider in South Australia, Unity delivers a broad range of housing options including boarding house accommodation for people at risk of homelessness, social and community housing for people with a range of needs and affordable housing for people on low to moderate incomes.</p> <p>From its establishment in 2008, Unity has grown from 819 properties accommodating around 1,000 people to providing 3,052 units of accommodation across metropolitan and regional areas of South Australia, housing more than 4,500 people every night. Over this period Unity has delivered over A\$180 million in property development across metropolitan and regional South Australia.</p> <p>Unity Housing is also the largest non-government provider of disability housing in South Australia and the largest provider of support housing for homeless people in the City of Adelaide.</p>
Borrower's website	unityhousing.org.au