

Pricing Supplement

National Housing Finance and Investment Corporation Debt Issuance Programme

A\$315,000,000 1.52% Social Bonds due 27 May 2030 (Notes)

Guaranteed by the Commonwealth of Australia



Series No: 2
Tranche No: 1

The date of this Pricing Supplement is 25 November 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) Westpac Banking Corporation (ABN 33 007 457 141)
6	Dealers	: Australia and New Zealand Banking Group Limited UBS AG, Australia Branch Westpac Banking Corporation
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	:	27 November 2019
13	Issue Price	:	100.00% of the Aggregate Principal Amount of Tranche
14	Currency	:	A\$
15	Denomination	:	A\$5,000 per Note
16	Maturity Date	:	27 May 2030
17	Condition 6 (Fixed Rate Notes)	:	Applicable
	Fixed Coupon Amount	:	Not Applicable
	Interest Rate	:	1.52% per annum
	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	27 May and 27 November in each year, commencing on 27 May 2020, 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
19	Partly Paid Note provisions	:	Not Applicable
20	Condition 9.4 (Noteholder put)	:	Not Applicable
21	Condition 9.5 (Issuer call)	:	Not Applicable
22	Minimum / maximum notice period for early redemption for taxation purposes	:	As per Condition 9.3
23	Additional Conditions	:	<ol style="list-style-type: none"> 1. Record Date: 7th calendar day before the payment date. 2. The statements and information set out in Schedule 1 hereto are supplementary to, and are incorporated by reference in and form part of, the Information Memorandum (as it relates to the Notes).
24	Clearing system	:	<p>Austraclear System</p> <p><i>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.</i></p>
25	ISIN	:	AU3CB0268746
26	Common Code	:	208311247
27	Listing	:	An application has been made for the Notes to be listed on the Australian Securities Exchange as non-quoted securities (wholesale).
28	Use of proceeds	:	<p><i>The Portfolio</i></p> <p>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 Sustainability Bond Framework (the Framework) and which also support and contribute towards meeting the United Nations Sustainable Development Goals (SDGs).</p> <p>Further information on the intended Portfolio is set out in Schedule 2 to this</p>

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 SDGs 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.

Unless otherwise indicated, terms defined in the Information Memorandum have the same meaning in this item 28 and in Schedule 2 to this Pricing Supplement.

29 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 Schedule 2) 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

Supplementary Disclosure



The following statements and information are supplementary to, and are incorporated into and form part of, the Information Memorandum (as it relates to the Notes). Any statement or information contained in the Information Memorandum shall be modified or superseded to the extent that a statement or information contained herein modifies or supersedes such earlier statement or information (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Information Memorandum (as it relates to the Notes). Unless otherwise indicated, terms defined in the Information Memorandum have the same meaning in this Schedule.

Legislative amendments

On 18 October 2019, the *National Housing Finance and Investment Corporation Amendment Act 2019* (Cth) (**Amendment Act**) received royal assent. The Amendment Act modified the NHFIC Act to enable the NHFIC to administer the First Home Loan Deposit Scheme (the **Scheme**) announced by the Commonwealth Government on 12 May 2019. Broad details of the Scheme are set out in the *National Housing Finance and Investment Corporation Investment Mandate Amendment (First Home Loan Deposit Scheme) Direction 2019 (Amending Direction)* (explained below).

The Amendment Act modified the NHFIC Act in the following ways (among others):

- the NHFIC's functions were expanded to include the issuance of guarantees to improve housing outcomes, and to undertake research into housing affordability in Australia; and
- appropriations out of the Consolidated Revenue Fund are authorised on a standing basis to enable the NHFIC to meet liabilities incurred in the issuance of guarantees under the Scheme (**Guarantee Liabilities**). The assets of the NHFIC available to meet its obligations under the Notes will therefore not be diminished by the incurrence of Guarantee Liabilities, as Guarantee Liabilities are to be funded separately from the rest of the NHFIC's operations (including the AHBA).

Each of the above amendments to the NHFIC Act took effect on 19 October 2019.

Revisions to the Investment Mandate

On 8 November 2019, the Minister for Housing and Assistant Treasurer gave the Amending Direction under section 12(1) of the NHFIC Act. The Amending Direction amends the Investment Mandate to allow the NHFIC to provide limited guarantees for first home loans in order to give effect to the Scheme, and to fulfil the NHFIC's new research function. The Scheme will involve the NHFIC issuing up to 10,000 guarantees each financial year for loans to first home buyers with a deposit of between 5 and 20 per cent of the relevant property's value.

Amendments to the Investment Mandate made by the Amending Direction include:

- the insertion of new provisions setting out broad details of the Scheme, and limitations on the guarantees that may be provided by the NHFIC under the Scheme;
- the insertion of new provisions delimiting the scope of the NHFIC's research function; and
- the exclusion of Guarantee Liabilities from the cap on "total guaranteed liabilities of the NHFIC" that may be incurred at any given time without the approval of the Finance Minister and the Responsible Minister.

Schedule 2

The Portfolio – AHBA Loans – Series 2 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 2 relating to the borrowers under AHBA Loans (each a **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 2 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.

Anglicare SA Housing Limited



A\$ AHBA Loan Facility
11 November 2019

Borrower	Anglicare SA Housing Limited (ABN 95 321 672 835; National Provider Registration Number R4965140627)
Loan type	Term loan, interest-only
Tenor	Resetting to 10.5 years from the Issue Date of the Notes
Borrower description	<p>AnglicareSA Housing Ltd is a subsidiary member of AnglicareSA Ltd which is South Australia's largest and most diverse non-government provider of housing and community services to vulnerable and disadvantaged individuals and families. We have a unique service offering that allows us to blend and package together integrated client focused holistic care to meet the diverse needs of housing tenants.</p> <p>As a registered National Tier 1 Housing and Specialist Disability Accommodation Provider with over 2100 homes across Metropolitan and Regional South Australia, we are experienced in working with a diverse tenant base. Our operational performance, values and customer first principles have placed AnglicareSA Housing at the highest level of excellence within community housing management in Australia.</p>
Borrower's website	www.anglicaresa.com.au

Bridge Housing Limited

A\$ AHBA Loan Facility
28 June 2019



Borrower	Bridge Housing Limited (ABN 55 760 055 094; National Provider Registration Number R4538140610)
Loan type	Term loan, interest-only
Tenor	Resetting to 10.5 years from the Issue Date of the Notes
Borrower description	Bridge Housing Limited is a not for profit community housing provider. We make a positive difference to the lives of people on low to moderate incomes by delivering secure affordable housing and providing community building and engagement services to the residents we serve. We own and manage over 3,500 properties assisting 5,000 tenants across the inner and middle ring and Northern beaches of Sydney. We are a Tier 1 provider under the National Regulatory System for Community Housing and a registered charity.
Borrower's website	www.bridgehousing.org.au

Churches of Christ Housing Services Limited

A\$ AHBA Loan Facility
8 November 2019



Borrower	Churches of Christ Housing Services Limited (ABN 25 604 517 026; National Provider Registration Number R4302150313)
Loan type	Term loan, interest only
Tenor	Resetting to 10.5 years from the Issue Date of the Notes
Borrower description	<p>Churches of Christ Housing Services Ltd is a wholly owned subsidiary of Churches of Christ in Queensland operating across 17 local government areas and managing a portfolio of 1,358 properties.</p> <p>This year we assisted 3,736 people across our housing programs. We expanded our service provision by building specialist disability housing at Crows Nest providing accommodation for elderly parents caring for an adult child with a disability, and we increased our affordable living portfolio with the acquisition of 9 new build properties in Ripley.</p> <p>Delivering a housing solution is rarely the work of a single organisation. We increased the number of active partnerships with specialist support agencies to 25 and we work informally with several other government and non-government agencies to deliver outcomes for the people in our communities.</p> <p>Our philosophy to empower our residents and work with them to develop communities where they feel they belong and can make a contribution underpins all we do.</p>
Borrower's website	www.carehousingervices.com.au

Foundation Housing Ltd

A\$ AHBA Loan Facility
6 November 2019



Borrower	Foundation Housing Ltd (ABN 78 115 629 662)
Loan type	Term loan, interest-only
Tenor	Resetting to 10.5 years from the Issue Date of the Notes
Borrower description	<p>Foundation Housing is WA's largest provider of affordable housing for people in need.</p> <p>Our organisation is a not-for-profit entity, a registered 'Growth Provider' with the WA Housing Authority, and is one of the State's largest developers and managers of affordable housing. We currently manage over 2,200 homes across the State, housing more than 3,500 people in Perth, Broome, and the Pilbara.</p> <p>More than just accommodation, we provide a high level of service and support to help our tenants sustain their home. We do this because we understand that having a safe and secure home provides the foundation to look forward with hope.</p>
Borrower's website	www.foundationhousing.org.au

Housing Choices Australia Limited

A\$ AHBA Loan Facility
30 October 2019



Borrower	Housing Choices Australia Limited (ABN 23 385 731 870)
Loan type	Term loan, interest only
Tenor	Resetting to 10.5 years from the Issue Date of the Notes
Borrower description	<p>Housing Choices Australia Limited heads the Housing Choices Australia Group which is a national, not-for-profit housing provider that creates safe, quality, affordable housing for people who are struggling to find a home in Australia's challenging private rental market.</p> <p>HCA Group employs more than 140 staff in Victoria, Tasmania, South Australia and New South Wales who are led by an experienced management team with skills in tenancy management, property management, asset lifecycle management, accessible design, financial management, human resources and marketing and communications.</p> <p>Housing Choices Australia Limited is a registered Housing Association under the Victorian Housing Act 1983. The core business is to provide people with safe and affordable housing. We strongly believe in working in partnerships with our residents, support partners, community organisations and staff to create resilient, inclusive neighbourhoods across Australia. Our key focus is on the people who live in our houses, the families who populate our neighbourhoods and the relationships they establish with us and with each other.</p> <p>Our aim is to develop innovative housing solutions based on real evidence and ensure our experience is well documented and evaluated so we can advocate for our residents and adapt our business to what is a constantly evolving sector. We aim to fund new developments through blending various state and federal capital grant programs with private debt, philanthropic contributions and careful management of assets.</p>
Borrower's website	www.housingchoices.org.au

HousingFirst Limited
(in its personal capacity, and as trustee for the
Port Phillip Housing Trust)



A\$ AHBA Loan Facilities
1 October 2019

Borrowers	HousingFirst Limited (ABN 13 116 093 004) HousingFirst Limited as trustee for the Port Phillip Housing Trust (ABN 19 604 981 200)
Loan types	Term loan, interest-only (in respect of each loan)
Tenors	Resetting to 10.5 years from the Issue Date of the Notes (in respect of each loan)
Borrower descriptions	<p>HousingFirst is an award-winning, independent, not-for-profit organisation providing social and affordable housing. HousingFirst is recognised as one of Victoria's largest community housing organisations, enjoying excellent working relationships with the Victorian State Government, developers, financiers, regulators and industry organisations.</p> <p>HousingFirst with more than 33 years of financial, property development, tenancy, asset management and community development experience has created some of Melbourne's most attractive and liveable homes. In addition to professional tenancy and property development, HousingFirst delivers a range of innovative tenant engagement initiatives that fosters a sense of social inclusion.</p> <p>HousingFirst has a strong balance sheet and financial performance that drives its mission to Build Affordable Homes and Local Communities. As at 30 June 2019, HousingFirst manages over 1,200 properties.</p> <p>Port Phillip Housing Trust (PPHT) has a portfolio of more than 400 properties within the City of Port Phillip. These properties are managed by HousingFirst as trustee of the Port Phillip Housing Trust.</p>
Borrowers' website	www.housingfirst.org.au

Loddon Mallee Housing Services Limited
(trading as Haven; Home, Safe)



A\$ AHBA Loan Facility
17 October 2019

Borrower	Loddon Mallee Housing Services Limited (trading as Haven; Home, Safe) (ABN 28 081 883 623)
Loan type	Term loan, interest-only
Tenor	Agreed to reset to 10.5 years from the Issue Date of the Notes
Borrower description	Haven; Home, Safe is an independent charity and Australia's only fully integrated affordable rental housing and homelessness support services provider employing more than 180 staff across offices in Bendigo, Preston, Geelong, and Mildura with outreach services in Frankston, Swan Hill, Echuca and Kyabram. As Victoria's first registered Housing Association, HHS owns or manages 1800+ affordable rental properties across 29 Local Government Areas (LGAs) in the state with total assets over \$300 million and an annual operating budget of \$38 million.
Borrower's website	http://www.havenhomesafe.org.au