



Primary impact area:  
**Social**

Impact area:  
**Social Care & Provision of Community Services**

Geographic location of impact:  
**North America**

Investment commencement:  
**2017**

SDG alignment:

## US Domestic Small Cap Pay For Success (PFS) Fund

**High-quality, effective social services are integral to creating sustainable, thriving communities. The Domestic Small Cap Pay For Success (PFS) Fund and its investors provide financing for the delivery of these important services to individuals and communities across the United States (US).**

The US Domestic Small Cap PFS Fund was the first Social Impact Bond or PFS Fund in the US and is focused on supporting transactions that see services delivered in a range of areas, including but not limited to social services, health care, housing, and education across communities in the US.

The fund invests in projects in these and other community areas that seek to implement evidence-based interventions to improve social outcomes on behalf of government and its taxpayers and communities. The investors in PFS are repaid, and achieve a moderate return, when the programs achieve their social objectives.

Projects invested in by the fund include Project Welcome Home (PWH) - a project which will see up to 200 homeless people supported with clinical services and housing in Santa Clara County, and Project Ventura - a program in Ventura County which seeks to facilitate effective and productive re-entry of individuals into society after prison.

The projects are expected to deliver significant value to the communities they target, with social benefits that will be realised in the short and long term. These benefits include reduced costs as well as improved health, economic, safety and productivity outcomes - ultimately creating stronger, safer, healthier individuals and communities. For example, the Ventura County transaction is projected to create approximately USD 900,000 in net savings for the County based upon criminal justice system-wide savings.

*The US Domestic Small Cap Pay For Success (PFS) Fund, the first of its kind in the United States, is a powerful alignment of private investment with promising policy interventions and high impact social services - while also offsetting financial risk. Thanks to the support of investment partners like QBE and our other investors, the Fund promises to be a catalyst for building stronger, healthier communities across the country.*

**Sara Vernon Sterman**

VP of Strategic Investments  
Reinvestment Fund

## Case study: Project Welcome Home



Image credit: Abode Services, Esteban Allard-Valdivieso

### **Homelessness is a growing concern in Santa Clara County California - with significant social and financial costs to the county.**

Mental health issues, financial instability, and lack of support networks often mean chronically homeless individuals experience significant barriers to housing. The County spends an average USD 83,000 annually on persistently homeless individuals across justice system, health care, social service, non-profit, and housing agencies.

To help tackle these social and financial costs, The US Domestic Small Cap Pay For Success (PFS) Fund has provided financing to support Project Welcome Home - a USD 6.9m project providing community-based clinical services and permanent supportive housing for up to 200 homeless individuals.

The program will run over six years and is aimed at both improving the quality of life of chronically homeless participants and reducing reliance on government-funded services.

The program brings together the County of Santa Clara and Abode Services, a national leader in innovative housing services for homeless persons, to provide participants with access to community-based clinical services and permanent supportive housing using evidence-based Assertive Community Treatment (ACT) and a Housing First approach.

The program hopes to see at least 80% of participants achieve one year or more of continuous, stable housing. Ultimately the delivery of the program is expected to reduce homelessness levels in the community - supporting individual participants income and health and wellbeing levels - as well as producing economic savings for the County through reduced utilisation of medical services. A mid-point evaluation produced by the PWH evaluators in 2018 found that 24 months after enrolling in the program, there were statistically significant reductions in the number of psychiatric emergency department visits and emergency department visits occurring via police transport among participants in comparison to the control group. There were also non-statistically significant reductions in emergency department visits, inpatient hospital visits, and shelter days among the participants.

## About Premiums4Good

**Premiums4Good is an innovative initiative that sees QBE invest everyday premiums to make an extraordinary difference to communities across the globe.**

Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities - Premiums4Good helps us, together with our customers and partners, make a difference.

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Primary impact areas, impact areas, geographies and Sustainable Development Goals in this document are mapped and categorised by QBE in line with our QBE impact investment definitions and classifications. Please note that individual investments or investees may classify these differently. Information correct as of November 2019. QBE reserves the right to make changes to investments in line with QBE investment guidelines.

