



THE
GOOD
ECONOMY

Scaling-Up Local Investing for Place-Based Impact: A Strategic Framework and Guidance for LGPS

Annex – Local Investing Case Studies

SEPTEMBER 2025



These case studies demonstrate how experienced fund managers, across multiple asset classes, are already executing local investment strategies in practice, serving as proof of concept for scalable local investment implementation within institutional portfolios.

Annex – Local Investing Case Studies

Amber Infrastructure Limited – Place-Based Impact Investing Through the Green Growth West Fund (“GGWF”) and The Mayor of London’s Energy Efficiency Fund (“MEEF”)	6
Bridges Social Outcomes Fund	8
Civitas Investment Management – Scaling Impact Through Social Infrastructure Investment	13
Foresight Group	15
Gresham House	18
igloo Platform	21
L&G Affordable Housing Fund – A Model for Place-Based LGPS Investment	24
Mercia Asset Management Evolution Fund	26
Newcore Swansea Social Infrastructure Partnership	28
Savills Investment Management’s Simply Affordable Homes	30
Thriving Investments	32



Private Markets Fund Managers are a Critical Enabler of Local Investing at Scale: Fund Manager Case Studies

The UK has developed one of the largest and most sophisticated private markets fund management sectors globally. It spans venture capital, private equity, private credit, infrastructure, and real estate. Between 2010 and 2023, assets under management in UK private market funds almost trebled to £1.2 trillion. More than 3,300 firms are headquartered here – two to three times the number in peer European markets.¹

Disclaimer

The investment case studies included in this report have been provided by the relevant fund managers and are presented for illustrative purposes only. The Good Economy has not independently verified the accuracy, completeness or fairness of the information contained herein, and no representation or warranty, express or implied, is made as to its accuracy or completeness. The inclusion of these case studies does not constitute, and should not be construed as, investment advice, a recommendation, an offer or solicitation to buy or sell any security or investment product. Past performance is not a reliable indicator of future results. The Good Economy is not authorised or regulated to provide investment advice. Recipients should form their own independent judgment and seek professional advice as appropriate before making any investment decision.

1. Deloitte, [Private market investments](#), January 2025.

This depth and maturity represent a significant institutional capability that can be mobilised for local investing. More managers are integrating ESG and impact considerations into their strategies, and a growing number are designing and executing local investment approaches. They bring specialist expertise, robust governance, and operational efficiency that can enable local investment at scale.

In parallel, the UK has cultivated a well-established social and impact investment ecosystem, supported by Better Society Capital and a network of specialist intermediaries. These funds have long prioritised positive social outcomes, and in some cases (e.g. Resonance) have attracted LGPS capital. Their significance lies less in scale and more in the lessons they offer for Place-Based Impact Investing (PBII): deep local knowledge, close alignment with community needs, strong engagement with social enterprises, and rigorous approaches to impact measurement.

Together, these two segments form a complementary ecosystem. Mainstream private market managers can provide scale, diversification, risk management, and institutional-grade structures, with a growing number already offering PBII-aligned products. Impact specialists bring deep engagement with local communities, innovative fund models, and robust impact practices that ensure capital is both locally relevant and

socially additional. By working in tandem, they enable LGPS investors to deliver financial returns alongside place-based outcomes.

Looking ahead, PBII opportunities are expanding across asset classes. Private credit managers are growing in SME finance, supporting regional productivity. Infrastructure funds are scaling renewable energy, digital connectivity, and transport upgrades linked to net-zero and regional growth. Housing and real estate funds are moving into affordable and supported housing, often with local authority partners. Venture and growth equity investors are backing life sciences and manufacturing clusters across the UK. This convergence of market growth and investable subsectors, underpinned by long-term structural demand, positions private markets fund managers as critical local investment delivery partners over the next decade.

This Annex contains case studies drawn from the sponsors of this report. These cases demonstrate how experienced fund managers, across multiple asset classes, are already executing local investment strategies in practice, serving as proof of concept for scalable local investment implementation within institutional portfolios. The table below summarises which asset classes / sectors are referred to in each case study.

Asset classes / sectors

CASE STUDY	HOUSING	REAL ESTATE	INFRA-STRUCTURE	CLEAN ENERGY	SME FINANCE	NATURAL CAPITAL	PUBLIC SERVICES
Amber Infrastructure	✓	✓	✓	✓	✓		
Bridges Social Outcomes Fund							✓
Civitas Investment Management	✓	✓					
Foresight Group					✓		
Gresham House	✓	✓	✓	✓	✓	✓	
igloo Platform	✓	✓					
L&G Affordable Housing Fund	✓						
Mercia Asset Management Evolution Fund					✓		
Newcore Swansea Social Infrastructure Partnership	✓	✓					
Savills Investment Management's Simply Affordable Homes	✓						
Thriving Investments	✓						

AMBER INFRASTRUCTURE LIMITED – PLACE BASED IMPACT INVESTING THROUGH THE GREEN GROWTH WEST FUND (“GGWF”) AND THE MAYOR OF LONDON’S ENERGY EFFICIENCY FUND (“MEEF”)



Amber Infrastructure ('Amber') is a specialist international infrastructure investment manager, focused on investment origination, asset management, and fund management.

With c.£5 billion in funds under management, Amber invests across nine funds and a number of managed accounts. Amber's core business focuses on sourcing, developing, advising, investing in and managing infrastructure assets across the public, transport, energy, digital and social infrastructure sectors that support the lives of people, homes and businesses internationally.

Amber is headquartered in London with offices in Europe, North America, Australia and New Zealand. Amber employs approximately 180 infrastructure professionals globally and manages over 175 investments. Amber is part of Boyd Watterson Global Asset Management Group LLC, a global diversified infrastructure, real estate, and fixed income business with over \$35.7 billion in assets under management.

Since 2011, Amber has successfully launched four impact investment funds in collaboration with the public sector, including the Mayor of London and Scottish Government, demonstrating a proven ability and ongoing commitment to manage low-carbon initiatives effectively. To date, these funds have mobilised in excess of £1.2bn, supported almost 22,350 households through energy efficiency initiatives and saved around 87,000 tonnes of CO₂, which is equivalent to taking c.79,000 cars off the road. Three of the four funds have also received additional public monies based on performance.

Recognising this place-based impact investing track record, following a procurement earlier in the year, Amber was appointed as Fund Manager for the Green Growth West Fund ("GGWF").

The GGWF is a new place-based infrastructure impact fund established in partnership with the West of England Combined Authority ("MCA"). GGWF will combine commercial returns with positive social impact and improved benefits for the region, targeting sustainable, proven investment types that are often falling through the gap of traditional financing due to the size of funding need, lack of long-term operational data or financial track record.

The Fund, by aligning itself with regional and national policies, will deliver tangible benefits, including economic growth, innovation, net zero and job creation for the region's cities, communities and people. The Fund will invest in a diversified pipeline of asset-focused infrastructure projects and regional supply chain growth across the Net Zero space, including renewable energy, place-based retrofit projects, low-carbon transport and nature recovery projects.

In addition to a £10m allocation from the MCA to cornerstone the Fund, GGWF will also leverage additional sources of public and private capital, creating significant investment in growth and jobs across the Net Zero sector. The Fund will work closely with the Investment Readiness Advisory Service, being delivered by Bristol and Bath Regional Capital ("BBRC"), which seeks to connect growing businesses with the right investors.

By way of example, a brief synopsis of Amber's London-based impact fund, the MEEF, is included below.

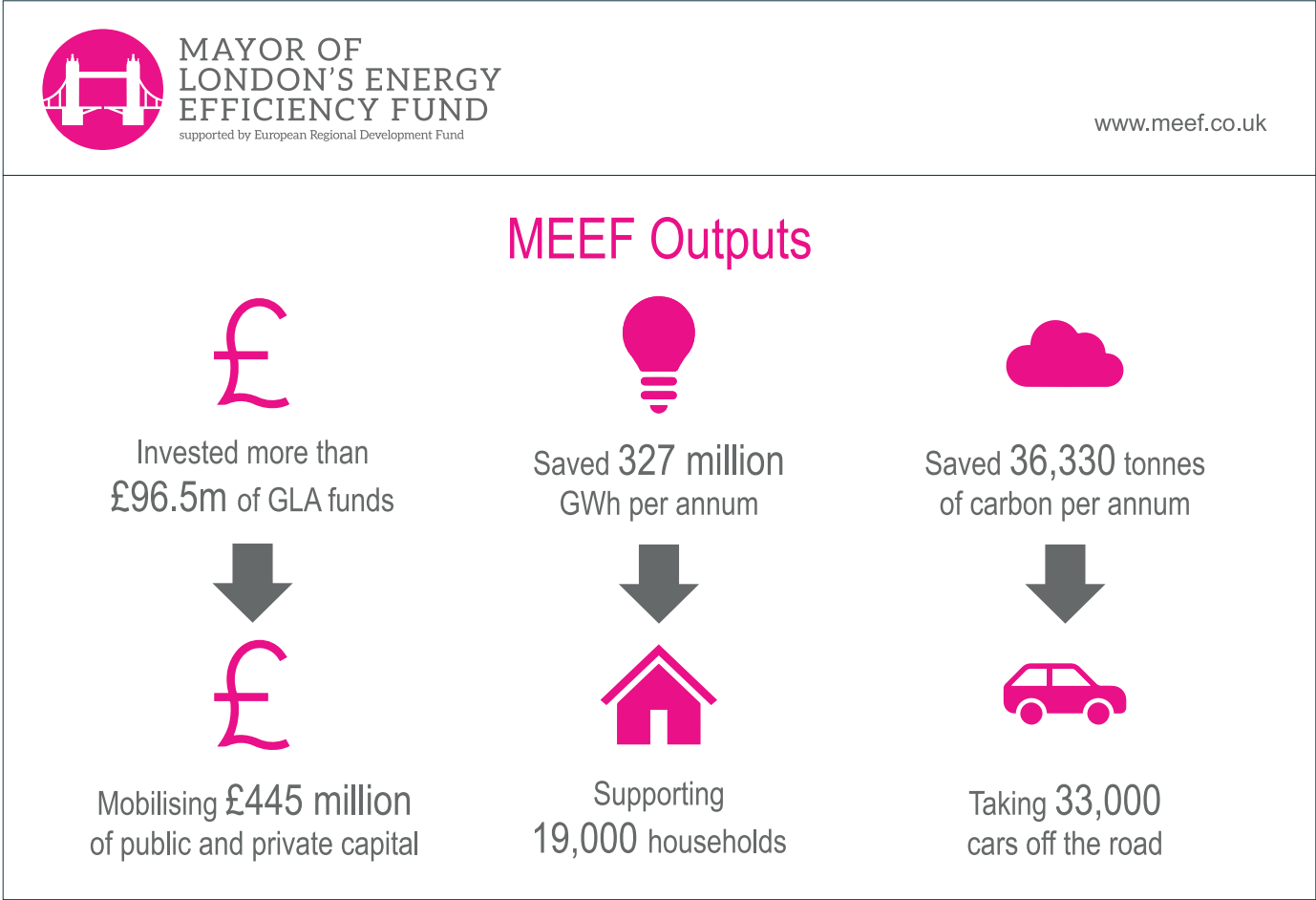
Portfolio Overview

- > **Fund name:** Mayor of London's Energy Efficiency Fund ('MEEF')
- > **Fund size:** £500m
- > **Asset class and sector:** Net Zero
- > **Geography:** Greater London
- > **Ticket size:** £1m-£20m
- > **Minimum commitment:** £25m
- > **Fund structure:** Bespoke dual fund partnership structure with separate growth equity and asset-backed debt funds
- > **Target and actual IRR (net):** Breakeven return for public investors and a commercial return for private investors
- > **Investors:** Greater London Authority (GLA), Amber, NatWest, Santander, Triodos, SMBC, Lloyds
- > **Fees:** Not disclosed, mixture of Base Fee and Performance Fees (including sustainability-linked fees)
- > **Key features:** Blended finance fund focusing on supporting SMEs and the public sector transition to net zero across energy efficiency, decentralised energy, small-scale renewables and sustainable transport.

MEEF is a blended finance fund utilising European Regional Development Fund (ERDF) and GLA funding to attract private sector investors. Focus is on asset-backed debt financing (90%) alongside an allocation to SME growth equity (10%). The Fund aims to address the market failure in small-scale net-zero investments in non-traditional renewable energy sources. The Investment Policy is aligned to the Mayor's Energy Strategy and London Plan as well as wider UK Government net-zero policies.

The Fund Management Fees are linked to investments that achieve measurable energy, carbon, and private sector investment outcomes, including addressing fuel poverty and reducing energy usage. The Fund's governance process established a public / private partnership to deliver London's energy strategy. The Fund's Investment Period came to an end in Q3 2025 following a successful 7 year Investment Period, with the Fund investing in 22 projects and mobilising £445m of funding across the Capital. The Fund was built on Amber's initial London-based Impact Fund, the London Energy Efficiency Fund, which invested c.£110m across the Capital between 2011 and 2018.

Key impact performance metrics measured by the Fund include:



BRIDGES SOCIAL OUTCOMES FUND

Bridges is a specialist private markets investor, investing in solutions that support the transition to a more sustainable and inclusive economy. Bridges has raised commitments totalling £2 billion across its strategies including Property and Private Equity.

Bridges Outcomes Partnerships is a not-for-profit subsidiary of Bridges Fund Management Limited dedicated to radically improving outcomes for people, planet, and value for society, by creating a world where funders partner based on impact. BOP enables personalised and strength-based delivery through collaborative design, flexible delivery, and clear accountability for improving people's lives (as outlined in our learning document, **People-Powered Partnerships**). It has been a world-leader in the design and delivery of outcomes partnerships since 2012. Its team has worked with funders (including multilateral and bilateral donors, national and local governments, philanthropy, corporates and others), social investors, community groups, and delivery partners across the world to design, structure, deliver, and manage over 80 of these programmes. To date these have achieved over £200m worth of outcomes for 935,000 people. In the UK alone, the public value created by these outcomes partnerships has been analysed to be at £1.6bn.

Portfolio Overview

- **Fund name:** Bridges Social Outcomes Fund
- **Vintage:** 2018
- **Fund size:** actual: £35m [target: £25m]
- **Asset class and sector:** Areas where traditional siloed, deficit-based model of public services are not fit for purpose, particularly for society's 'wicked' problems (homelessness prevention, helping families stay together, helping individuals with long term conditions, long term unemployment). The fund works to support more relational, holistic, and strengths-based support for people facing multiple and complex challenges, and on the beneficial impact of more place-based approaches.
- **Primary geography:** UK
- **Fund structure:** 12-year, close-ended
- **Key features:** First fund series of its kind in the world; catalysed £108.6m of outcomes paid (end of Mar 2025), and £5.4m of outcomes achieved above contract caps, for 39,438 people, creating over £750m of value for government and society. It is on track to achieve £169.4m of outcomes (against a target of £108m) creating c.£2bn of value.



Photo by Josh Taylor on Unsplash

Background

In the early 2000s, the UK Cabinet Office thoughtfully catalysed the full outcomes-based commissioning ecosystem. For a brief overview of this and of our involvement in increasing innovation in public service delivery from the beginning, see here. Bridges developed four pooled funds dedicated to public service reform and delivery (with Social Outcomes Fund being the most recent UK focused fund), over the last fifteen years, catalysed through support by visionary and pioneering social investors (including The Office for Civil Society, Better Society Capital, Merseyside Pension Fund, Greater Manchester Pension Fund, Pilotlight, Trust for London, European Investment Fund (EIF), European Investment Bank (EIB), British International Investment (BII), US International Development Corporation (DFC), UBS Optimus Foundation and many others).

There is now a 15-year track record of social outcomes partnerships delivery, with clear evidence of better outcomes for better value for Government. With this experience and track record, there is an opportunity to transform how human services are funded and delivered. Government spends **£166bn²** on human services annually and pivoting to outcomes commissioning provides a significant opportunity to improve the effectiveness of that spend in a number of important areas.

In 2024, Better Society Capital commissioned an independent analysis on the value created by social outcomes contracts in the UK.³ The [analysis was first published in 2022](#) and then [updated in 2024](#) to reflect growth in the number of social outcomes contracts and the impact achieved. The [calculations underlying this](#) were vetted by a steering group including [Stephen Aldridge \[Government Chief Analyst/ Chief Economist and Director of Analysis and Data Directorate\]](#) and others. The findings were [endorsed by Gordon Brown](#).

The analysis quantifies the outcomes that have been achieved across the market (worth **£1.86bn** so far from corresponding outcome payments by commissioners of £217m), telling us that there is **£9 of public value for every £1 spent by outcome funders**. If we take the fiscal value alone, which encompasses the direct savings to, or costs avoided by, the public sector, the benefit to cost ratio is 2.34 (equating to £507m). Furthermore, Bridges Outcomes Partnerships has published [learnings](#) created over the last decade of delivery, distilling the 12 areas where outcomes partnerships achieve significantly different delivery and better results when compared to traditional contracting. Government Outcomes Lab also compiled and published [an important report](#) about outcomes partnerships in the UK and the potential for using such an approach for addressing multi-faceted and complex societal issues.

In summary, social outcomes partnerships offer a more effective and better value way to address and prevent the most complex challenges to public services. Social outcomes partnerships deliver **better results** than traditional commissioning, particularly for preventative interventions and where services need to be organised around individuals with complex problems rather than through public service silos. They are more effective than traditional contracts as they enable **collaborative design, flexible delivery, and clear accountability** for long-term outcomes. Innovation in delivery, crowding in other sources of funding through co-payment models and only paying for what works results in much **better value**.

2. General government annual expenditure: ESA Table 11 – Office for National Statistics.

3. On definitions, the term 'Social Impact Bond' (SIB) has typically been used to describe an arrangement where capital is raised externally, and the term 'Social Outcomes Contract' (SOCs) or 'Social Outcomes Partnerships' (SOPs) describes the method of Government paying for outcomes, regardless of how the project sources its working capital.

Social Outcomes Fund

The Social Outcomes Fund provides working capital which supports the delivery of these services: helping to catalyse innovation, prioritise improvements, and ensure that best practices as they emerge are rapidly shared across projects. The purpose of social impact investment in outcomes partnerships is to provide funding for delivery innovations, which leads to better outcomes for individuals and better value for service commissioners. Social impact investment prioritises and finances these improvements, carries the risk of whether they work, and ensures that best practices as they emerge are rapidly shared across projects. For more information see pages 44–47 of ‘The Evolution of Social Outcomes Partnerships in the UK’,⁴ and for a detailed worked example of this in practice see the published Investment Committee paper for the Pan London Care Impact Partnership.⁵ As well as greater innovation in public services, outcomes-based commissioning enables improved cross-government funding and delivery; a truly place-based, person-centred approach; and an increased focus on early prevention through community based delivery.

SOF key details:

- £35 million raised, £31.6m committed and invested
34 contracts
- 123 outcomes funders, 106 delivery partners
- 39,438 individuals supported, £108.6m outcomes paid.

Robust outcomes measurement and active impact management is at the core of how outcomes partnerships operate and succeed – and vital to the person-centred, strengths-based approach. Outcomes partnerships were created in response to the recognition that the traditional model of service delivery – which is based around centrally-organised, standardised solutions to discrete problems – doesn’t work very well in areas where people are facing complex, interconnected challenges.

People experiencing homelessness, for example, often end up interacting with multiple branches of Government at the same time – each of which will treat that individual as if they had a single, discrete problem. This piecemeal approach is not only inefficient and expensive for Government; it also often fails to achieve long term, positive change in people’s lives.

By linking payment to milestones and outcomes that are fundamentally aligned with the stakeholders’ vision of what they want the programme to achieve, instead of a defined set of inputs, everyone’s focus shifts to achieving that shared vision and the desired impact. This sets the foundation for collaboration and clear accountability. At the same time, it unlocks the capacity for social innovation in delivery, as the delivery model can be adapted as needed over time (rather than remaining fixed), to create personalised solutions that will enable individuals to achieve the desired outcomes.

A key component of outcomes partnerships is a focus on iterative learning and data-enabled decision-making. Robust data collection and analysis enable stakeholders to learn and improve. Data collection must ultimately be targeted at measuring progress along the steps that are most critical in supporting the individual’s positive journey, which they themselves have been an integral part of identifying. Done well, this facilitates evidence-based decision-making and continuous improvement – enabling positive change for individuals, communities and the planet, and better value for outcome funders. For further details around Outcomes Partnerships, take a look at our learning resource, [‘People-Powered Partnerships’](#).

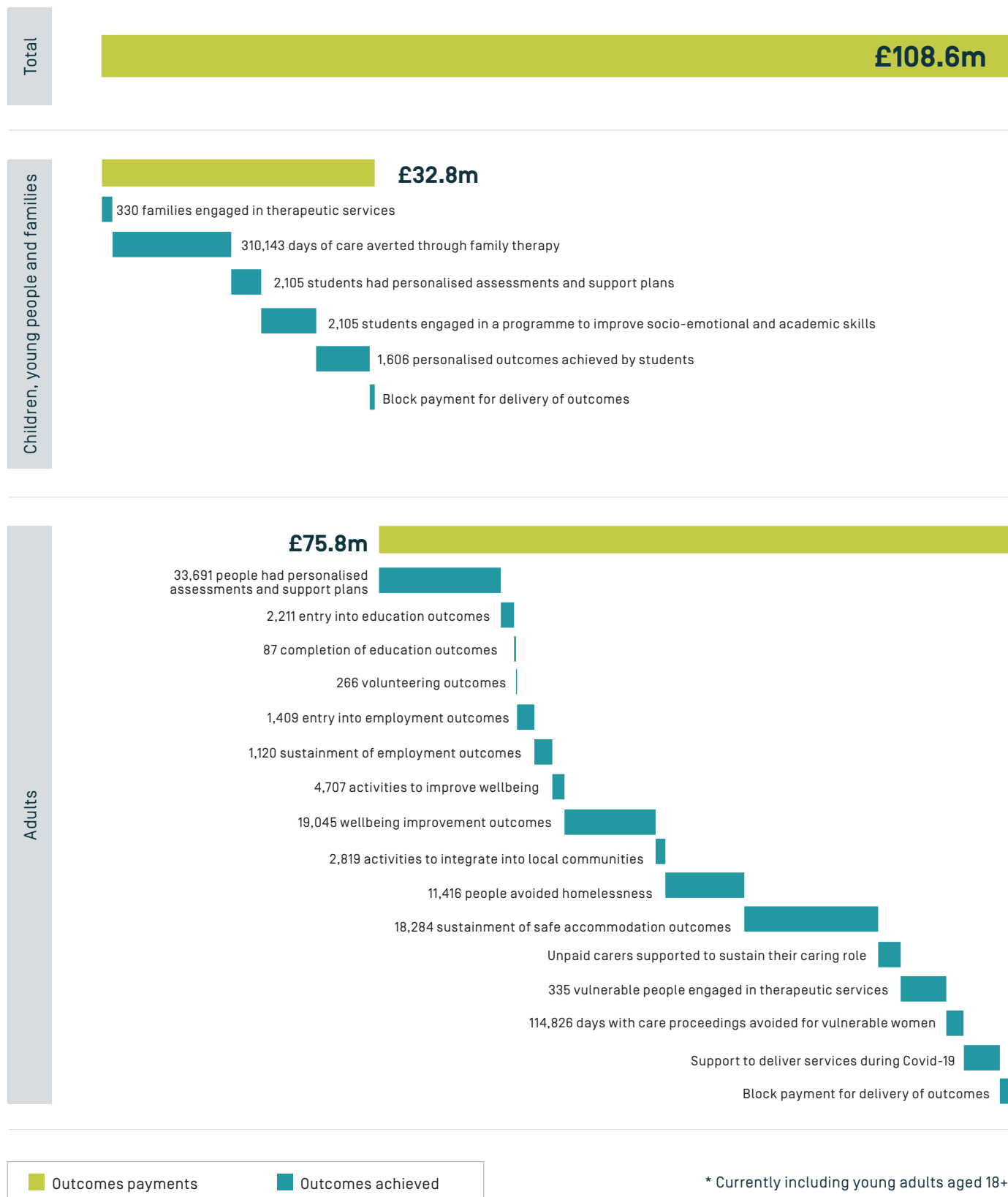
Estimated £750.2m public value created by the fund. This figure includes fiscal value (direct savings to the public sector), social value (wider gains to society through improved social outcomes), and economic value (net increase in earnings or economic growth).

4. [The_Evolution_of_Social_Outcomes_Partnerships_in_the_UK.pdf](#).

5. https://bridgesoutcomespartnerships.org/wp-content/uploads/2024/12/Pan-London-Care-Impact-Partnership_IM.pdf.

Detailed breakdown of all outcomes catalysed by the Social Outcomes Fund is below:

Social Outcomes Fund: Outcomes Achieved



● Case Study: Greater Manchester Better Outcomes Partnership [GMBOP]

Challenge

Greater Manchester [GM] set a specific goal to be a national leader in ending rough sleeping and reducing homelessness. It has launched a number of projects to reduce rough sleeping by providing emergency accommodation.

Young adults accounted for around 50% of referrals into the emergency accommodation provision during 2020. Experience of these services can have a particularly detrimental effect on young people. Of all households owed a duty because of risk of homelessness or actual homelessness, 20% were aged 18-24 years.

Programme Development

Following the positive impact by a range of outcomes models in Manchester (including the Greater Manchester Home Partnership), Bridges partnered with Greater Manchester Combined Authority [GMCA] to design and deliver the project, the Pathfinder, to address this specific challenge of youth homelessness across Manchester.

Programme

The delivery aims to prevent homelessness at an early stage. First, a progression coach supports the participant to stabilise their existing accommodation or find alternative accommodation. Once accommodation has been stabilised, coaches continue to work alongside participants to build their confidence, resilience and skills, in order to prevent long-term homelessness.

GMBOP's Pathfinder aims to secure alternative accommodation or stabilise the current accommodation of young people by liaising with landlords, family mediation or searching for new accommodation. The aim is then to support participants to address other support needs, including mental health, and to engage in meaningful activity, such as participation in education, social clubs or employment.

Outcomes

- As of March 2025, the service has supported 2,178 young people across all ten Greater Manchester boroughs [against a target of 2,300 by programme end].
- 2,995 housing outcomes achieved for young people on the programme.
- 1,087 successful outcomes on improving the financial resilience of young people on the programme.
- 78% of young people on the programme reporting improvements to their overall health and wellbeing.

Demographics

- 85% of the participants are aged between 18-25 years.
- 67% of participants are unemployed with 71% choosing financial stability as their top priority outcome area.
- 67% of young people identified mental health as a significant barrier to their housing stability.
- >30% of participants have children.

CIVITAS INVESTMENT MANAGEMENT – SCALING IMPACT THROUGH SOCIAL INFRASTRUCTURE INVESTMENT

Founded in 2016, Civitas Investment Management (the 'Firm' or 'Civitas') is a London-based investment advisor specialising in real assets that deliver inflation-linked returns and measurable social and environmental outcomes.

The firm focuses on structurally underserved sectors – healthcare housing, specialist education, social and affordable housing – underpinned by strong public sector demand. Civitas advises on over £3.5 billion in assets and is one of the UK's leading impact real estate investors, with a growing presence in Europe.

Background and Market Need

Civitas launched with Civitas Social Housing PLC (CSH) – the UK's first REIT dedicated to supported housing. Listed on the London Stock Exchange, CSH pioneered institutional investment into community-based housing and was later taken private in 2023. With growing demand for independent living, specialist care, and inclusive education, Civitas addresses critical infrastructure gaps across the UK and Europe.

Investment Strategy

Civitas deploys long-term institutional capital into real estate that supports vulnerable groups and essential public services. The strategy involves:

- Acquiring, developing, and adapting specialist real estate
Partnering with over 230 care providers, 240+ local authorities, and 5 specialist education providers.
- Structuring long-term leases and service agreements with inflation-linked income.

Asset Breakdown

1,300+ assets, including:

- 1,290+ supported housing and care properties
- 60+ special education schools
- Bespoke healthcare facilities linked to 230+ care providers.

Service reach:

- 11,800+ supported housing residents
- 1,700+ education placements for neurodiverse young people.

Geographic footprint:

- 90% UK-based investments; European expansion underway.

Impact Objectives

Civitas embeds social value and environmental sustainability into every investment. Its funds aim to:

- Support independent living and reduce reliance on hospitals or institutions.
- Expand access to specialist education for neurodiverse young people.
- Deliver energy-efficient buildings aligned with Net Zero goals.
- Strengthen local employment, including carers, educators, and support staff.

Measured Outcomes

SECTOR	KEY OUTPUTS	INDICATIVE OUTCOMES
Healthcare Housing	1,290+ homes, 11,800+ service users, bespoke homes with therapeutic environments.	80–90% maintain community-based living; reduced hospitalisation; Improved health, greater independence, reduced NHS strain; EPC improvements.
Specialist Education	60+ dedicated properties, 1,700+ placements.	Increased attendance and attainment; better life outcomes; Carbon reductions.
Social and Affordable Housing	New affordable energy-efficient housing, 165 homes, 490+ bedrooms with 800+ capacity.	Direct contribution to reducing the supply-demand imbalance, particularly in high pressure localities, reduced local authority expenditure on temporary accommodation, stimulated local economic activity.



Sustainability and ESG Integration

Civitas follows a rigorous impact management framework, combining:

- Pre-investment impact screening
- Ongoing KPI and outcome monitoring
- Partner engagement aligned to national policy goals [e.g., NHS transformation, SEND reforms]
- Transparent ESG reporting across all portfolios.

Key Partnerships

1,300+ assets, including:

- 240+ Local Authorities
- 230+ Care Providers
- 5 Specialist Care and Education Providers.

These collaborations are grounded in long-term alignment around patient capital, community benefit, and operational excellence.

Alignment With Policy and SDGs

Civitas contributes to:

- SDG 3 – Good Health and Wellbeing
- SDG 4 – Quality Education
- SDG7 – Affordable and Clean Energy
- SDG 10 – Reduced Inequalities
- SDG 11 – Sustainable Cities and Communities
- SDG 13 – Climate Action.

It also supports UK domestic priorities around healthcare de-institutionalisation, SEND reforms, and net zero targets.

Institutional Appeal

Civitas' model is structured for investors seeking:

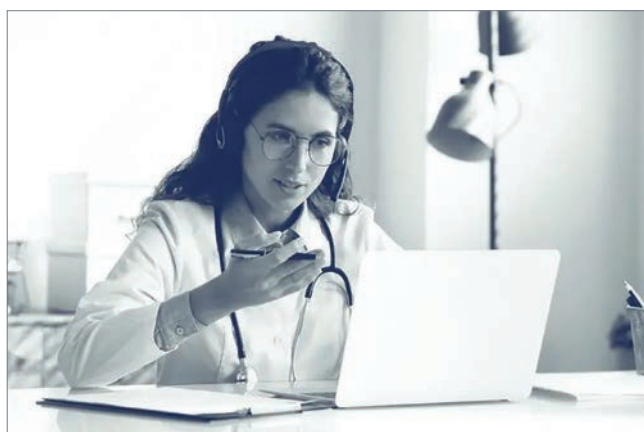
- Stable, inflation-linked income
- Long-term capital preservation
- Real, measurable social and environmental impact.

Its funds are scalable and adaptable, with options to create regional sleeves or align to investor mandates.

FORESIGHT GROUP

Foresight Group LLP is a listed infrastructure and private equity investment manager founded in 1984. The firm manages £13.2 billion in assets under management as at March 2025, across 46 funds, including infrastructure, natural capital, private equity and venture capital vehicles.

Our funds include the Foresight Regional Investment Fund series with funds I-VII supporting companies up and down the UK and Ireland.



Portfolio Overview

Details on the first fund in this series, Foresight Regional Investment LP, focused on the North West, are below.

- **Fund Name:** Foresight Regional Investment LP (The North West Fund, "FRIF I").
- **Fund Size:** £58m (initial target of £38.4m).
- **Asset class and Sector:** SME investing Private equity, smaller company equity investment.
- **Geography:** Companies headquartered, or with significant operations, in Cheshire, Cumbria, Lancashire, Greater Manchester, Merseyside, South Yorkshire, Flintshire, Wrexham and Denbighshire.
- **Ticket size:** £1m-10m.
- **Target and actual Fund IRR (net):** 15%, 34.7%. 10 full and 1 partial exits completed at an average gross return of 4.3x money.
- **Investors:** Greater Manchester Pension Fund, South Yorkshire Pension Fund, Clwyd Pension Fund.
- **Fees:** Not disclosed.
- **Key features:** The Foresight Regional Fund Series, of which this Fund is the first, aims to deliver attractive economic returns with broader long-term benefits for regional communities, such as sustainable quality job creation, by applying a professional approach to private equity investment in underserved parts of the UK.
- To date, FRIF I has created c.2,000 sustainable jobs and achieved many other positive outcomes across its portfolio.

Nisha Katona, Founder and CEO, Mowgli Street Food

It has been a pleasure working alongside Foresight and experiencing in them an investment house that understood, supported, and enabled the vision that I had for Mowgli. The years we spent together around a board table were very enjoyable.

Judith Hartley, CEO, British Business Investments

British Business Investments is committed to improving choice and diversity of funding options for UK smaller businesses seeking to grow. By investing in funds like Foresight's North East Fund, we help smaller businesses across the UK to access capital and unlock rapid growth. Following our previous commitment to Foresight's Scotland Fund, we are delighted to work with Foresight again to support smaller businesses across the North East.

Chris Jessop, Chair at ABL Health

ABL is a genuinely values-driven business, making a huge and important contribution to addressing health inequalities in the community. Both the management team and I have been very appreciative of the support that Foresight has provided to foster ABL's impressive growth over the last few years and we wish the business continued success in the future.

About the Fund

FRIF I was the first fund in the regional investment series, launched in 2015, to address the significant funding gap in small cap private equity in the UK. In essence, very early stage businesses are well served by the angel and ventures ecosystem in the UK and larger businesses are able to attract institutional investment from UK and international sources. However, there is an investment gap for profitable established SMEs in the UK that have grown beyond venture and have plenty of potential to professionalise before being of interest to large investors. These SMEs are key employers in the UK economy and yet are often overlooked. FRIF I is focused particularly on supporting such SMEs in the North West of England. The Fund's core objective is to deliver capital appreciation through small growth and buyout equity investments in established SMEs, while also generating meaningful positive outcomes, helping businesses grow sustainably and professionally.

FRIF I has demonstrated exceptional performance to date. So far, it has completed ten exits and one partial exit, returning over £160 million to investors on the £38 million invested in those exited companies. This success is attributed to Foresight's hands-on investment strategy, which includes forming formal boards with sector experts, embedding environmental, social and governance ("ESG") principles and upskilling management teams. ESG improvements are a core part of the Fund's value creation strategy. Foresight Group has implemented a bespoke sustainability data platform to track and support progress at portfolio companies and drive continuous improvement.

The Fund's positive outcomes across the regions are tangible: nearly 2,000 jobs have been created and ESG awareness has been significantly elevated across portfolio companies to the benefit of many stakeholders including staff and local communities, as well as clients and investors. The success of the initial FRIF has inspired subsequent regional funds, each replicating the strategy in different UK regions including the East of England, the North East, the South West, Scotland and Northern Ireland. These funds are supported by cornerstone investments from institutions such as the British Business Bank and Local Government Pension Schemes. Foresight's regional model fosters strong local engagement and has broadened its reach with teams now based in Leeds, Manchester, Cambridge, Bristol, Belfast, Nottingham, Edinburgh, Dublin, Newcastle, Cardiff and Exeter, ensuring deep origination, local knowledge and tailored support for each unique company they work with.

In summary, FRIF I exemplifies how capital investment and expertise can unlock economic potential in underserved regions, delivering strong financial returns while supporting local communities and inclusive growth:

- £58 million raised, now in realisation phase
- 17 SMEs supported
- c.2,000 jobs created
- c.18,500 people supported for better health outcomes (e.g., weight loss, smoking cessation)
- 86% of FRIF I portfolio companies have female board representation
- Led to c£545m raised across six more funds in this series to support the growth of regional SMEs in underserved areas.

Nisha Katona, Founder and CEO, Mowgli Street Food

“ ABL is a genuinely values-driven business, making a huge and important contribution to addressing health inequalities in the community. Both the management team and I have been very appreciative of the support that Foresight has provided to foster ABL's impressive growth over the last few years and we wish the business continued success in the future.

Judith Hartley, CEO, British Business Investments

“ British Business Investments is committed to improving choice and diversity of funding options for UK smaller businesses seeking to grow. By investing in funds like Foresight's North East Fund, we help smaller businesses across the UK to access capital and unlock rapid growth. Following our previous commitment to Foresight's Scotland Fund, we are delighted to work with Foresight again to support smaller businesses across the North East.

Chris Jessop, Chair at ABL Health

“ ABL is a genuinely values-driven business, making a huge and important contribution to addressing health inequalities in the community. Both the management team and I have been very appreciative of the support that Foresight has provided to foster ABL's impressive growth over the last few years and we wish the business continued success in the future.

An example that illustrates how the Fund's investment strategy positively supports UK SMEs with growth is given below.

● Case Study: DA Languages

When Foresight Group invested £3m in translation services company DA Languages, founder Actar Arya had built a successful business and needed help and expertise to take it beyond her kitchen table.

The company had 50 employees working from cramped offices, no formal management team and was struggling to meet growing demand.

Foresight Group provided more than just capital to support her, strengthening the team by appointing a new Chair and Managing Director with relevant sector experience. We upgraded IT systems with booking and payment automation, moved the business into professional premises and diversified into private sector translation projects. A strategic bolt-on acquisition added a telephone interpreting platform and staff numbers tripled, enabling flexible work for interpreters nationwide.

This growth helped remove language barriers in critical legal and healthcare settings amongst others, ensuring vulnerable people could access translation services when they needed them, often in difficult circumstances. During Foresight's investment, revenue rose by 158% and EBITDA by 373%, culminating in a successful exit to IK Partners in December 2021, delivering very strong returns to Fund investors.

Actar Arya, Founder of DA Languages

” DA Languages' experience with Foresight has been fantastic. We found Foresight very supportive ... overall we have been very pleased with our business with Foresight and would highly recommend them to others.



GRESHAM HOUSE



Gresham House is a specialist alternative asset manager offering funds, direct investments, and tailored opportunities to a wide range of investors. Gresham House's investments are focused on long-term global themes that are shaping the world in which we live, delivering investment solutions to help clients achieve their financial objectives, while contributing towards the transition to a more socially and environmentally sustainable economy.

As of 30th June 2025, Gresham House actively manages £8.7bn of assets and works with 25 local government pension schemes across the UK.

Place-Based Alignment

Their drive to help clients deliver nature-positive outcomes, support net-zero objectives, and create positive social impact in their regions is strongly aligned to the concept of place-based impact investing ("PBII").

The solutions Gresham House have developed in collaboration with its LGPS clients have afforded valuable hands-on lessons in the implementation of PBII. Perhaps most importantly, Gresham House understand that successful place-based investing requires an approach where pursuit of place-based opportunities does not come at the expense of a rigorous investment process. Instead, Gresham House remain selective, ensuring each investment is appropriately sized and structured to maximise financial returns alongside local impact. Smaller local deals bring unique challenges but can be even more impactful when executed with the right expertise. In partnership with their clients, Gresham House have designed strategies that invest in local projects which can be replicated and scaled into institutional-grade funds.

How Can Local Impact Help Drive Returns?

Gresham House have selected four investment strategies that demonstrate how it works in alignment with PBII traits, and how bespoke local investment arrangements can enable investors to access impact strategies that target global themes, with additional place-based or sector-specific advantages.

Portfolio Overview

UK Sustainable Infrastructure: BSIF strategy

Target net IRR 12%, target cash yield of 5%

- Deploying into 6 themes in the UK: resource efficiency, decarbonisation, waste solutions, regeneration, health and education and digital inclusion.
- Targets sub-£50mn equity investments in greenfield, local platforms where there is less competition from other investors.
- Local co-investment opportunities, either via a side car or on a deal-by-deal basis into specific verticals: 4 LGPS co-investment vehicles established to date.
- Measurable impact: investment in projects that deliver quantifiable positive social or environmental impact, aligned with the UN Sustainable Development Goals.
- Examples of intended impact for every £100mn invested in the strategy: 1,492,420 tCO2 emissions avoided, 716,725 tonnes of waste diverted from landfill, 264 jobs created in local communities, 1,431 acres of biodiversity created.

UK Shared Ownership

Target net return 7-8%, target yield 4%

- Delivers social impact by providing middle to low-income earners an affordable route onto the housing ladder.
- Structured in collaboration with LGPS to ensure a portion of committed funds are solely allocated to housing in a specified local area. Gresham House have 2 LGPS investors with dedicated local exposure.
- Impact is measured against six measurable themes including additionality, affordability and environmental benefits. Examples include 1,682 new homes funded so far, 92% of homes in areas where the average household cannot afford the average home, and 83% of homes rated EPC B or better. According to The Good Economy, residents in ReSI LP homes reported an improvement in their wellbeing since living in their shared ownership home, citing the quality of their home, the local area and affordability.

UK Forestry

Target net IRR 8% (with potential upside of another 2%)

- Investing in a combination of unplanted land for productive woodland creation and established forests across the UK.
- 23% of Gresham House forest land is managed primarily for nature conservation or enhancement (as of 31st December 2024).
- Investments in forestry support a wide range of impact objectives, including new woodland creation, increased biodiversity, wildlife protection, increased economic productivity of rural communities, decarbonisation and climate change mitigation.
- Local investment provides benefits to local communities as well as driving job creation and the circular economy. The forestry and wood processing sectors support c.32,000 jobs across the UK and contribute c. £2.3bn gross value add to the UK economy.⁶

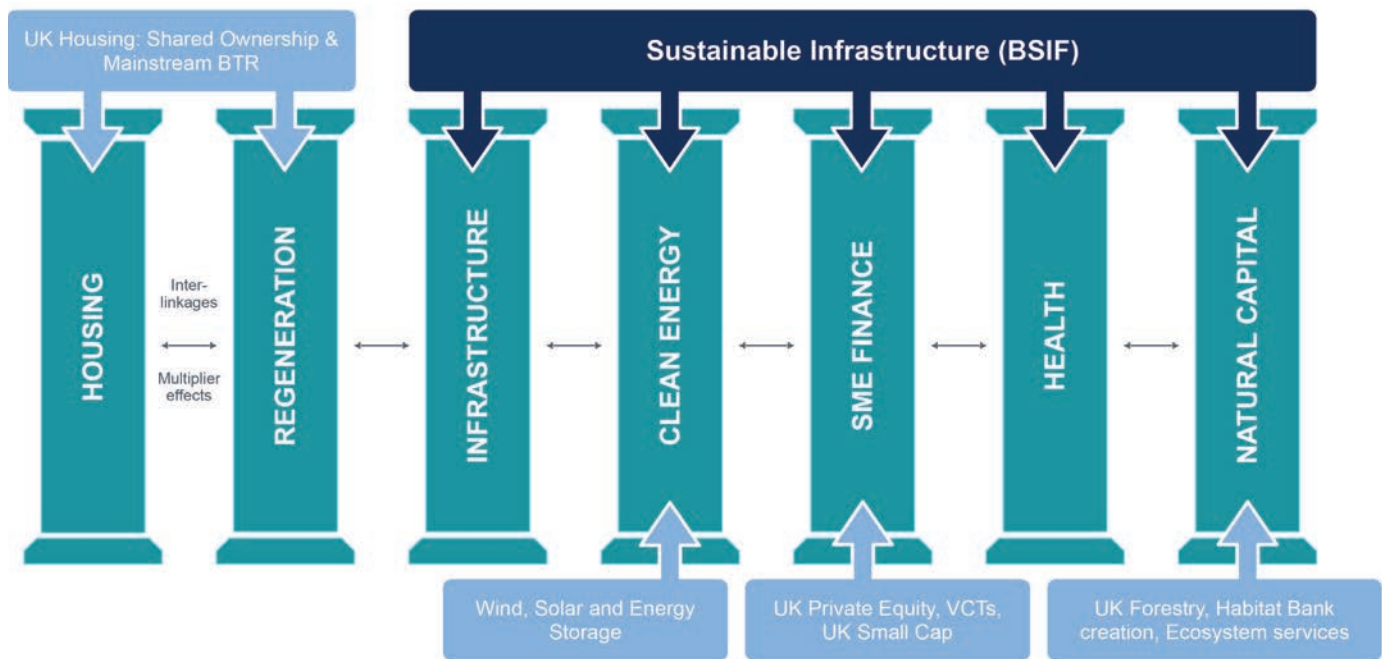
Listed UK small cap and mid-market private equity

- The strategic equity division invests across the business lifecycle, from relatively early-stage private growth businesses within VCT funds, to micro-cap and small-cap public companies in our public equity funds.
- WS Gresham House Smaller Companies Fund is a high conviction portfolio that directly invests at least 70% of its assets in shares of smaller sized UK companies. These are listed companies with a market capitalisation within the lowest 10% of listed UK equities.
- Gresham House Private Equity Release Strategy provides secondary capital to established and performing Gresham House VCT portfolio companies. The fund is targeting a return to investors of 2.5x money multiple and net IRR of 20%.
- Smaller company focus coupled with active stewardship enables the team to influence UK companies to enhance governance structures, manage sustainability risks and drive long-term performance.

6. Source: Forest Research, 2022.



Alignment of Gresham House Strategies to Seven Place-Based Impact (PBI) Pillars



Based on place-based impact pillars sourced from The Good Economy's Conceptual Model of place-based impact investing (PBI).

IGLOO PLATFORM

Founded in 2001 with the belief that there was a better way to do development, igloo has continuously strived to set new standards for place-based, regenerative development – an approach guided by its Footprint® process that prioritises positive impacts for People, Place and Planet.

igloo was recognised as the world's first responsible real estate fund [source: United Nations], and was the UK's first B Corp in the real estate sector.

Part of Thriving Investments / PfP, igloo works with partners and local communities to understand the future needs of our towns and cities and to deliver impactful regeneration, at scale, across the UK.

Portfolio Overview

- **Fund name:** igloo Platform
- **Fund size:** ~£150m
- **Asset class and sector:** Residential-led, urban, brownfield mixed-use regeneration.
- **Geography:** UK
- **Minimum commitment:** £25m
- **Fund structure:** English Limited Partnership
- **Target and actual IRR [net]:** ~15% (incl. Planning and development risk).
- **Investors:** Multiple JVs with public bodies, equity funding including PfP group, HGP.
- **Fees:** Not disclosed (mix of Base Fee, DM fee, Performance Fees).
- **Key features:** Large scale, urban regen in UK core cities, residential-led mixed-use, investor value created through long term placemaking.



igloo Key Points

- £2+ billion invested
- 1,500 new homes developed
- 50 new communities
- 3,500 happy people living in an igloo home
- 2 million sq ft of commercial space
- 1,800+ new plots secured
- 5,500 more in pipeline.

Footprint®

igloo's industry-leading Footprint® process drives its approach to every project it undertakes. It ensures that all projects tie back demonstrably to its purpose and to the identified place-based needs of the communities it is working in – generating positive impacts for people and communities, and added value for its investors.

The six dimensions of Footprint®:

- **Community** – recognising the importance of social capital, working with clients, stakeholders and local communities to promote its creation.
- **Wellbeing** – creating buildings and places that help maximise wellbeing.
- **Place** – taking a holistic approach to context, urban design, movement, building typology, place activation / programming and identity.
- **Nature** – developing green and blue, ecologically diverse neighbourhoods.
- **Circularity** – creating places that are mindful of Circular Economy principles.
- **Climate** – driving towards carbon-positive, zero-bills homes and workspaces.

A Footprint® Advisory Board, chaired by Julie Hirigoyen (past CEO, UK Green Building Council), brings a wealth of expertise to the Footprint® process, providing scrutiny and insight at project and platform level – meeting regularly and visiting Igloo projects throughout the year, actively challenging and driving igloo to maximise performance and impactful outcomes.

"Footprint's® underlying principles offer a sound methodology in developing strategies, tracking performance, and delivering more sustainable project outcomes." JLL audit of Footprint®, 2023.

Recent, Example igloo Projects

Dundashill, Glasgow

Dundashill is a 27-acre former distillery site in Glasgow, now transformed into a vibrant, climate-resilient neighbourhood featuring 600 homes, including terraced houses and flats,

alongside civic spaces and urban sports facilities. As part of Europe's first 'smart canal' scheme, the development integrates sustainable technologies such as off-site manufacturing (OSM), air source heat pumps (ASHPs), and EV/PV infrastructure. The masterplan, led by igloo in partnership with BIGG Regeneration and Glasgow City Council, was awarded the Public Realm and Landscaping accolade at the Scottish Design Awards in 2020. It prioritises pedestrian-friendly streets, communal gardens, and a strong design identity rooted in Glasgow's creative and cultural energy.

The regeneration has catalysed a wider transformation of the canal-side area, inspiring initiatives like the Glasgow Canal Cooperative and attracting cultural and sports hubs such as Pinkston Watersports, The Whisky Bond, and Rockvilla. igloo secured outline planning in 2017 and delivered enabling works with £5.7m in City Deal funding, unlocking previously unviable land for residential use. The first phase of 78 townhouses was completed in partnership with Housing Growth Partnership, with 90 affordable Passivhaus-standard homes underway.

Founders Place, Newcastle

Founders Place, in partnership with Newcastle City Council, blends homes, Grade A office space, start-up hubs, food and beverage outlets, and community spaces. Designed to allow phased development, each plot can evolve independently with its own public realm, encouraging granular placemaking. The site's rich industrial heritage—once home to George Stephenson and Company, creators of the iconic 'Rocket' steam engine—is central to the vision. Historic structures like the Pattern Shop have been sensitively refurbished (now let to Atom Bank, creating jobs locally), with remnants of former buildings shaping the public realm design.

Winchester

The Central Winchester Regeneration scheme, in partnership with Winchester City Council, is a once-in-a-generation opportunity to create a vibrant new creative quarter in the heart of the city. The vision includes flexible workspaces, creative hubs, food and drink venues, and generous public spaces, all supported by a diverse mix of new homes designed for people at every life stage. Delivered through the Partnerships & Places joint venture—comprising igloo and GKRL – the project is being shaped in close collaboration with Winchester City Council and local communities to ensure it reflects the city's timeless character while unlocking new potential.

With 250 homes and 60,000ft² of commercial space planned, the scheme aims to balance a thriving night-time economy with the needs of residents, creating a place where people can live, work, and visit creatively throughout the day.

People

£37m

invested in the top third most deprived neighbourhoods

214

new homes delivered across the UK

£146m

of additional value generated for the UK

100%

of our schemes provide new community spaces

we supported

young people: with 6 new jobs, 8 work placements, 5 apprenticeships, tours and workshops supporting activities for 200 students

128 weeks

of employment for local people

Place

2,500

residents and stakeholders engaged in neighbourhoods and cities where we work

100%

well-connected, urban, brownfield sites

4,000

direct jobs created through economic investment loans delivered to enable £190m's worth of construction investment and £5.9m annual business rates in Liverpool city region

Planet

1

B Corp reaccreditation – we achieved our highest ever B Impact score of 114.2 (a score of 80 qualifies a company as a B-Corp)

96%

of homes EPC 'A' energy rating, the remainder at EPC 'B'

3,292 tonnes

of embodied carbon removed from the construction process through our design and product selection*

100%

of homes providing private outdoor spaces and new, shared and public green spaces

*Calculated using the RICS tool for sub and super structure and construction spend proxy for external works, compared to construction spend methodology, reflecting embodied carbon in the general residential market

igloo team *

2

colleagues fully trained as mental health First Aiders

100%

of our staff have access to igloo's Employee Assistance programme and the Headspace app to improve mental wellbeing and resilience

50%+

more than half the igloo team contributed 31.5 days to good causes last year, with 17 members of staff volunteering for 244 hours between them

L&G AFFORDABLE HOUSING FUND – A MODEL FOR PLACE-BASED LGPS INVESTMENT



FOR PROFESSIONAL INVESTORS ONLY. CAPITAL AT RISK.

L&G's longstanding commitment to affordable housing has seen more than £1bn invested on behalf of its clients since 2018, supporting the construction of more than 8,500 homes.⁷

The L&G Affordable Housing Fund exemplifies how Local Government Pension Scheme (LGPS) capital can be deployed to deliver potentially strong financial returns alongside measurable local impact. Launched in July 2024, the Fund is part of L&G's £64.8bn⁸ Private Markets platform and raised £510m as at Q2 2025,⁹ primarily from LGPS investors. It already includes over 1,000 homes,¹⁰ targeting the development and acquisition of high-quality, energy-efficient affordable accommodation across England, with a focus on areas of acute housing need.

The Fund offers institutional investors a target net IRR of 7–8%. It is designed with the potential to generate long-term, inflation-linked income while aiming to address key social challenges such as housing affordability, energy efficiency, and regional inequality.

Portfolio Overview

- **Fund name:** L&G Affordable Housing Fund
- **Fund size:** £510m as at Q2 2025³
- **Asset class and sector:** Housing – Affordable Housing
- **Geography:** England
- **Fund structure:** English Limited Partnership investing into a REIT with a Registered Provider subsidiary
- **Target and actual IRR [net]:** 7–8%
- **Investors:** LGPS investors.

7. L&G as of 2025.

8. L&G's Asset Management business internal data as at 30 June 2025. Includes assets from associates and is based on managed AUM, including £2.7bn from multi-asset strategies.

9. In July 2024, L&G launched its L&G Affordable Housing Fund and, as of January 2025 had raised a total of £510m to invest nationally as part of its affordable housing strategy.

10. As of Jun 30 2025. Source: Gareth Francis, LGAH.

The Fund's investment strategy aligns closely with the principles of place-based impact investing (PBII) as outlined in The Good Economy's framework. It prioritises equity and affordability, with rents, as at Q2 2025, set at an average of 60% of market rates¹¹ and capped to ensure tenants spend less than 35% of their net income on housing.

The Fund's impact is measured through a robust framework. Among the Key Impact Performance Indicators assessed are affordability thresholds, energy performance, resident satisfaction and improved financial wellbeing of residents following moving to affordable accommodation.

As at Q2 2025, 97% of homes in the Fund's portfolio had an EPC Rating of B or higher. While the Fund does not have formal net-zero carbon targets, its assets are acquired and managed in line with L&G's net-zero delivery strategy and L&G's commitment to achieve net zero carbon by 2050 [or sooner] across its real estate equity platform in Private Markets.¹²

The Fund's commitment to addressing affordable housing needs can be seen in its recent transactions. Its investment in the Ilderton Road development in Southwark, London, provides 58 high-quality homes in an area of acute need – more than 12,000 households are on local authority waiting lists. The development provides residents with social rents representing 35% of open market rents on average.¹³

To further enhance local impact, the Fund has established regional 'sidecar' vehicles in the ACCESS and Northern Pool areas, enabling LGPS investors to allocate capital specifically to their local geographies. This structure supports the government's call for LGPS funds to collaborate with devolved authorities and align with Local Growth Plans.

One example of how this works in practice can be seen via L&G's partnership with the Greater Manchester Pension Fund, a collaboration that stretches back more than 20 years. With the twin aims of delivering stable risk-adjusted returns while focusing on the social impact of investments, the partnership was recently extended to include affordable housing.¹⁴ This allows for investment supporting the construction of affordable homes in a region where the need for such accommodation is particularly acute.

Such partnerships also show how LGPS capital can be deployed at scale with an aim to deliver both competitive returns for plan participants alongside tangible local benefits. It provides a replicable model for other funds seeking to align fiduciary duty with social value, and illustrates how regional targeting and rigorous impact management can unlock the full potential of local investing.



Key Risks

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested. Past performance is not a guide to future performance. Assumptions, opinions, and estimates are provided for illustrative purposes only. There is no guarantee that any forecasts made will come to pass.

The details contained here are for information purposes only and do not constitute investment advice or a recommendation or offer to buy or sell any security. The information above is provided on a general basis and does not take into account any individual investor's circumstances. Any views expressed are those of L&G as at the date of publication. Not for distribution to any person resident in any jurisdiction where such distribution would be contrary to local law or regulation. Please refer to the fund offering documents which can be obtained from your client relationship manager.

This financial promotion is issued by Legal & General Investment Management Ltd.

LGIM Real Assets [Operator] Limited. Registered in England and Wales, No. 05522016. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and regulated by the Financial Conduct Authority, No. 447041. Please note that while LGIM Real Assets [Operator] Limited is regulated by the Financial Conduct Authority, it may conduct certain activities that are unregulated.

© 2025 Legal & General Investment Management Limited, authorised and regulated by the Financial Conduct Authority, No. 119272. Registered in England and Wales No. 02091894 with registered office at One Coleman Street, London, EC2R 5AA.

11. As of Jun 20 2025 for the National Fund portfolio only. Source: Savills Valuations.

12. Net-zero targets are not guaranteed to be achieved.

13. L&G as of August 2025.

14. [Private Markets | L&G and GMPE: Delivering more affordable housing?](#)

MERCIA ASSET MANAGEMENT EVOLUTION FUND



Mercia Asset Management is a UK-based private markets investor with over £2bn AUM across venture, private equity, and private debt, supported by 11 regional offices and a team of 130+. With roots in the Midlands, Mercia focuses on regional opportunities outside London.

Its specialist private debt arm, Frontier Development Capital (FDC), was established in 2010 to support regional SMEs through tailored funding solutions. FDC recently concluded deployment of its fourth Private Debt fund, FDC Debt LP, which provided £1–7.5m 'Stretch Senior' debt for MBOs, growth capital, and shareholder restructures. Its successor, the Evolution Fund, targets a 17% net IRR through flexible debt and equity warrant structures that align with growth and value creation.

Portfolio Overview

- **Fund name:** Evolution Fund
- **Fund size:** Fundraise target of £150m (£81m first close completed)
- **Asset class:** Private debt – UK SMEs
- **Geography:** UK with concentrations in the Midlands and the North
- **Ticket size:** Minimum of £5m initial investment.
- **Fund duration:** 8 year fund, 3 year investment period, 5 year realisation period.
- **Target and actual IRR (net):** 17% Net IRR target. Previous fund on target to achieve similar return. Fund prior to this achieved 16.9% Net IRR.
- **Investors:** West Midlands Pension Fund and British Business Investments.
- **Key features:**
 - Specific remit to support investments in poorly served UK regional markets which are underserved by banks.
 - Private equity like returns with significantly less risk.
 - Measurable contribution to local economies, job creation, social and environmental goals.



The Mercia Evolution Fund targets growth-oriented UK SMEs in under-served regions, striving to make place-based impact by supporting investment, job creation, and business development through flexible debt financing for expansion, refinancing, and shareholder transactions.

The fund is guided by Mercia's core investment principles: Sustainable Economic Growth, Reducing Inequalities across Communities and Health and Wellbeing for All, which are mapped to six of the seventeen UN Sustainable Development Goals. The investment team applies the SASB materiality assessment as part of a proprietary sustainability framework to identify and assess ESG risks and opportunities during due diligence.

Mercia believes that investing responsibly and leveraging sustainability helps unlock value and build the successful businesses of the future. Ongoing engagement with portfolio companies focuses on measurable sustainability improvements aligned with material ESG factors.

The Evolution Fund has adopted Group-wide sustainability policies, prioritising net zero by 2050 alongside a range of DEI commitments.

Furthermore, Mercia is committed to best-in-class sustainability through continuous improvement, including better data collection and regular team training to enhance understanding and application of sustainability to create value.

NEWCORE SWANSEA SOCIAL INFRASTRUCTURE PARTNERSHIP

Newcore is a UK-based, management-owned specialist in social infrastructure real estate: assets essential to society, characterised by limited supply, rising demand, and resilience to technological disruption.

It creates new social infrastructure through its value-add funds and invests in existing assets in its core-plus fund across sectors such as education, healthcare, waste and transport, leasing them to a broad range of operators and enhancing them to deliver both financial and social returns.

The firm manages £600 million in assets on behalf of institutional and family office clients, including five LGPS clients. It is a Certified B Corporation, top 20 globally and the highest-ranking B Corp certified real assets fund manager in the movement, reflecting its strong focus on sustainability.

Since inception in 2011, it has delivered an 8.7% annual IRR (net levered to June 2025) on all assets under management with modest leverage. Its investor base includes local government and other pension funds, insurance companies, European fund-of-fund managers, and family offices.

Most recently, it was appointed general partner of the Newcore Swansea Social Infrastructure Partnership (NSSIP), a local impact fund launched in collaboration with Swansea Council. NSSIP is a UK partnership focused on delivering sustainable financial returns and positive social outcomes within the Swansea region. Designed in conjunction with the City and County of Swansea Pension Fund, the fund seeks to improve the quantity and quality of social infrastructure, social housing and social care – areas currently facing acute shortages in the Swansea region. At the end of February 2024, Swansea had nearly 8,000 households on its housing waiting list – up from 4,639 in 2021 – with around 300 in temporary accommodation.¹⁵ Newcore's aim is to help bridge this funding gap through targeted private capital, delivering a blueprint that combines strong, stable financial returns with measurable social impact – showing how private investment can sustainably support the UK's social infrastructure deficit while achieving reliable returns.

A first close was held in June 2025 with £51m of commitments and the first deals are now under consideration and contract.



Portfolio Overview

- **Fund name:** Newcore Swansea Social Infrastructure Partnership (NSSIP)
- **Asset class:** Social infrastructure, social housing and social care
- **Geography:** The manager will only invest in the Swansea region (including Port Talbot and Neath).
- **Ticket size:** £51m has been committed to date. The fund has been structured to be open to other investors interested in improving outcomes in the Swansea region.
- **Minimum commitment:** £1m
- **Fund structure:** English Limited Partnership with EUT feeder.
- **Fund duration:** Ten years from final closing date (with the possibility of two one-year extensions).
- **Target and actual IRR (net):** 8-10% p.a. IRR net of fees
- **Investors:** Swansea Council as the Administering Authority of the City and County of Swansea Pension Fund and Hugo Llewelyn, Newcore's CEO.
- **Key features:** Hugo Llewelyn will coinvest in the partnership and pledge profits from his stake for at least the first five years to social causes linked to improving outcomes in the Swansea region. Newcore has waived performance fees for the fund.

15. <https://news.wales/south/swansea-council/growing-housing-crisis-in-swansea-as-council-struggles-to-meet-demand-2024-03-44547.html>.



Jeff Dong, Head of Finance, City and County of Swansea Pension Fund, said:

” This partnership presents us with a unique opportunity to enhance and expand social infrastructure, social housing and social care provision in the Swansea City region, while generating strong and steady returns for the Swansea LGPS. After extensive due diligence of the market, we chose to partner with Newcore Capital due to its proven track record of investing successfully and conscientiously in UK social infrastructure and approach to delivering genuine positive impact and their commitment to delivering that model in the Swansea region.

Newcore has a well-established impact management and measurement framework designed to assess how investments affect people and the planet. This includes a clear theory of change with defined impact objectives and target outcomes, each aligned with the UN Sustainable Development Goals (SDGs).

In addition to its annual financial reporting, the fund will publish an annual impact report structured around these objectives.

Impact is assessed throughout the ownership cycle. At acquisition, a checklist and the Impact Management Project's five dimensions of impact are used to evaluate both positive and negative effects. The team actively engages with tenants to align on sustainability goals and gather data on energy and water usage. Environmental performance opportunities are identified, and 10% of net operating income (post-costs and interest) is reinvested into the properties—an approach believed to be accretive to capital value due to growing institutional demand for future-proofed real estate.

Following deployment of the fund, Newcore anticipate tracking metrics which may include the following:

- Social housing units developed
- Refurbished housing stock
- Children's nursery places
- Special Educational Needs school places
- Residential places for care-experienced or looked-after children
- New or improved clinical healthcare facilities.

SAVILLS INVESTMENT MANAGEMENT'S SIMPLY AFFORDABLE HOMES



In 2024, Savills IM held the first close of a UK affordable housing fund – Simply Affordable Homes (The Fund).

Our approach supports the delivery of new affordable homes, and through strategic partnerships with developers and housebuilders helps create much needed affordable accommodation in the UK. Simply Affordable Homes aims to facilitate a genuine social purpose with a positive impact, operating under robust governance frameworks and a sustainable investment strategy.

The Fund has a 'Theory of Change' impact framework, designed in conjunction with a leading social impact advisory firm, as well as a targeted carbon reduction pathway with a series of commitments, targeting high environmental standards and progressing towards Net Zero Carbon by 2040.

The Fund utilises a Registered Provider within the strategy – Simply Affordable Homes RP Limited – to help manage risks, ensure a proper understanding of the regulatory regime, aid sourcing and help focus on the residents.

Portfolio Overview

- **Fund name:** Simply Affordable Homes
- **Fund size:** £168.7mn to date
- **Investment universe:** Regulated affordable housing including affordable rent, social rent, and shared ownership.
- **Geography:** UK only with a focus on England
- **For profit registered provider:** Simply Affordable Homes RP, registered April 2020.
- **UK Sustainability Disclosure Requirements (SDR):** Sustainability Impact Label.
- **Homes under management:** 367.

Figures as at June 2025.

Delivering Meaningful Impact

Simply Affordable Homes is committed to achieving measurable results that promote resident wellbeing, enhance access to affordable housing and contribute to reducing carbon emissions.

Central to our approach is an impact framework involving a Theory of Change. This framework provides a clear description of the Fund's potential social impact, setting out in detail how that impact is created. It is our framework for capturing and integrating impact considerations into the strategy and business operations, and for measuring and reporting on the impact created.

Simply Affordable Homes' key activities and outputs are organised into five Impact Objectives. These are:

1. **Meet Social Need:** Undertake investments which provide homes for those not adequately served by the open market.
2. **Increase Supply:** Free up capital in the existing affordable housing sector – including among housing associations – and fund the creation of new stock.
3. **Fund High-Quality Sustainable Homes:** Fund high-quality homes, positively impacting resident wellbeing and improving the quality of acquired homes.
4. **Deliver Affordability:** Seek to ensure our homes are affordable to target households within their local market contexts.
5. **Quality Services and Partnerships:** Partner with housing associations and service providers that deliver quality services to residents, to promote positive outcomes for target beneficiaries.

Underlying metrics and KPIs help to monitor and measure real world outcomes aligned to the Fund's Impact Objectives, for example:

- 76.3% of homes under management are in areas of constrained affordability.
- 100% of acquired homes meet the Decent Homes Standard.
- On average, rented homes are let at a discount of 23.7% compared to the open market.

Impact statistics as at March 2025.

Simply Affordable Homes is currently in its first reporting year and as such not all metrics tracked are available for reporting due to data availability and the duration of the hold period to date. The Fund's upcoming inaugural Impact Report will contain greater detail.

Asset Case Study: Heyford Park

The Simply Affordable Homes Fund acquisition of 143 homes on the Heyford Park scheme in Oxfordshire is a prime example of how investment by institutional investors, through the Fund, can integrate with other sources of capital to support additionality / the delivery of new homes by virtue of the recycling of capital by the original developer.

Heyford Park is a regeneration scheme in Oxfordshire, turning a former airforce base into a vibrant new community. There are now more than 1,000 homes on the site in an attractive scheme, with excellent amenities including several schools, shops and a museum.

The project provides high-quality affordable homes alongside private housing around a large central green area. The investment in the scheme by Simply Affordable Homes, can now be used to support the ongoing development of future phases, which will also include further Affordable housing.

Important Notice

This document has been prepared by Savills Investment Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom under firm reference number 193863, registration number 03680998 (England), and having its registered office at 33 Margaret Street, London W1G 0JD.

This issue or distribution of this document in the United Kingdom, is being made only to, or directed only at authorised firms and professional investors. This document is provided for information purposes only. The opinions expressed herein represent the views of Savills Investment Management at the time of preparation and should not be interpreted as investment advice. Any reference made to specific investments is purely for the purposes of illustration and should not be construed as a recommendation. Whilst Savills Investment Management believe that the information is correct at the date of this document, no warranty or representation is given to this effect and no responsibility can be accepted by Savills Investment Management to any intermediaries or end users for any action taken based on the information. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and investors may not get back the amount originally invested. Property can be difficult to sell, and it may be difficult to realise your investment when you want to.



THRIVING INVESTMENTS

Thriving Investments is a fund manager with a social conscience. Owned by a social enterprise (and a Regulated Provider of social housing), our mission is to channel institutional investment into creating thriving communities and delivering sustainable, high-quality homes.

With over 5,000 homes across various Living Sector strategies, our investments are focussed on delivering affordable rental and shared ownership homes.

Our AREF award-winning New Avenue Living strategy currently operates across two geographically distinct funds, Scotland and Greater Manchester.



Portfolio Overview

- **Fund name:** Thriving Investments, New Avenue Living Strategy
- **Asset class:** Housing – Affordable / Essential Worker
- **Geography:** Scotland and Greater Manchester
- **Ticket size:** £10m minimum
- **Fund duration:** 25-30 years
- **Target and actual IRR (net):** 6-7%+
- **Investors:** LGPS / Impact Investors – Strathclyde Pension Fund, Nationwide Pension Fund, Scottish National Investment Bank, Greater Manchester Pension Fund, Better Society Capital.
- **Key features:** Profits from our fund management and asset management businesses are recycled back toward the delivery of further affordable homes through PfP Group.

New Avenue Living Fund Strategy

Our strategy delivers additional, affordable homes targeting provision of decent homes for the “squeezed middle”, Essential Workers on median to lower quartile incomes. We fund the development of new, highly energy efficient homes (EPC B or above) focussed on key employment centres with affordability pressures. Our ethos is to support local SME developers and improve brownfield regeneration sites. The fund forward funds developments, removing sales risk and funding costs and thereby enabling SMEs to grow and support local employment. Our investors secure good financial returns while supporting the delivery of significant social impact. Our customers benefit from excellent homes, with security of tenure, low energy costs, efficient management and, through being within Places for People Group, support for wider community projects via Places Foundation.

- £262.5m raised across two funds of which 84% has been committed (as at July 2025).
- Currently 794 homes completed and a further 397 under construction at rents below the 30th percentile of BRMA market levels, without relying on traditional grant funding.
- 8 partnerships with local SME developers.
- 84% of investment currently in Scotland broadly split between Edinburgh and Glasgow. Remainder is allocated to the Greater Manchester area.



New Avenue Living Fund Strategy

Our strategy delivers additional, affordable homes targeting provision of decent homes for the “squeezed middle”, Essential Workers on median to lower quartile incomes. We fund the development of new, highly energy efficient homes (EPC B or above) focussed on key employment centres with affordability pressures. Our ethos is to support local SME developers and improve brownfield regeneration sites. The fund forward funds developments, removing sales risk and funding costs and thereby enabling SMEs to grow and support local employment. Our investors secure good financial returns while supporting the delivery of significant social impact. Our customers benefit from excellent homes, with security of tenure, low energy costs, efficient management and, through being within Places for People Group, support for wider community projects via Places Foundation.

- £262.5m raised across two funds of which 84% has been committed (as at July 2025).
- Currently 794 homes completed and a further 397 under construction at rents below the 30th percentile of BRMA market levels, without relying on traditional grant funding.
- 8 partnerships with local SME developers.
- 84% of investment currently in Scotland broadly split between Edinburgh and Glasgow. Remainder is allocated to the Greater Manchester area.

Impact Objectives and Theory of Change

The New Avenue Living Strategy is guided by a robust **Theory of Change**, which sets out how the fund's impact objectives will be delivered and how these contribute to lasting, place-based social and environmental outcomes. The Fund's Theory of Change is built around four interconnected impact pillars (which in turn align with Thriving Investments' guiding principles):

1. Increase the supply of **affordable, well-managed housing in areas of high need**.
2. Enhance social **cohesion and wellbeing** in communities created.
3. Foster **economic opportunities** for residents.
4. Build toward a **low carbon economy**.

These pillars are aligned with the advancement of six UN Sustainable Development Goals (SDGs), reinforcing our commitment to transparency, accountability, and progress toward globally shared impact targets.

The fund has delivered the following outcomes aligned to its impact objectives to date:

- Delivered **794** homes providing long-term security of tenure, housing 1106+ residents since inception, with **86%** of residents surveyed during 2024 reporting they were satisfied with the quality of their home.

- Created a total of **870** gross direct (FTE) jobs in the Scottish economy, and a further **370** local FTE jobs over the construction period.¹⁶
- Supported **1610** net additional FTE jobs across Scotland during the construction period, inclusive of **470** locally supported jobs.¹⁷
- Generated **£21.2m** in retail and leisure expenditure for local businesses, supporting over **250** jobs.¹⁸
- Generated net additional **£45.8m** GVA impact and **£2.3m** additional Council Tax payments, totalling **£23m** over 10 years.
- Delivered **£3.32m** annual economic savings for residents across homes under management. Customers save an average of **£382** a month compared to renting on the open market.¹⁹
- Generated an estimated **£203,304** in personal wellbeing value and **£2,715** in exchequer savings through improved energy efficiency of 93 newly let homes, based on HACT Social Value Bank data.²⁰
- **100%** of homes are EPC B rated and estimated modelled annual energy savings of living in a New Avenue Living home is **£485,937**.²¹ Customers save an average of **£658.46** (£1,578.46 – £920) per year, compared to the national average.
- **72%** of residents surveyed rated their community positively for health and wellbeing, citing access to open spaces, healthcare services, leisure facilities, and community centres.

New Avenue Living Theory of Change and SDG Alignment



16. Turley Economics Economic and Social Benefits Assessment, Mid-Market Rent Properties, Scotland, July 2024: <https://www.newavenueliving.co.uk/wp-content/uploads/2024/07/HIGP3002-Economic-and-Social-Benefits-Assessment-July-2024-MMR-Properties-Scotland-FINAL-lower-res.pdf>.

17. Ibid.

18. Ibid.

19. Customer savings are calculated by subtracting the actual rent charged from the median Broad Rental Market Area (BRMA) rent, as reported by the Scottish Government.

20. Values from HACT's UK Social Value Bank were applied to 93 newly let homes in the last financial year, using estimated improvements in energy efficiency based on data from the Energy Performance of Buildings Register.

21. Calculations are based on a weighted average annual energy bill of £1,578.46, using Rightmove's EPC band energy cost data and the distribution of EPC ratings from the Energy Performance of Buildings Register.

THE GOOD ECONOMY

Report sponsors



About Us

The Good Economy is a leading, independent impact advisory firm. Grounded in theoretical rigour and with a broad range of expertise within our industry-leading team, our services are designed to help clients meet the growing demand for greater confidence and credibility in strategies that create positive impact or pursue sustainability outcomes.

4 Miles's Buildings, Bath BA1 2QS
Moor Place 1 Fore St Ave,
London EC2Y 9DT

+44 (0) 1225 331 382
info@thegoodeconomy.co.uk
www.thegoodeconomy.co.uk