

GREATER MANCHESTER PENSION FUND

ANNUAL ASSESSMENT OF THE PLACE-BASED IMPACT OF GMPF'S LOCAL INVESTMENT PORTFOLIO

SEPTEMBER 2025



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This report was commissioned by the Greater Manchester Pension Fund ("GMPF") and has been prepared by The Good Economy Partnership Limited (The Good Economy, or TGE), a leading independent impact advisory firm.

The findings and opinions conveyed in this report are based on information obtained from interviews with and portfolio data from the Greater Manchester Pension Fund. The information reviewed should not be considered as exhaustive and has been accepted in good faith as providing a faithful representation of the investment strategy and its underlying holdings. We have taken steps to ensure we do not intentionally or unintentionally inflate positive impact results or under-report negative impacts. However, we acknowledge there are limitations in the quantity and quality of data available. We have identified and explained the effect of these limitations on the presentation of impact performance to the best of our ability.

The Good Economy cannot and does not guarantee the authenticity or reliability of the information it has relied upon. The Good Economy reserves the right to alter the conclusions and recommendations presented in this report in light of further information that may become available.

The Good Economy accepts no duty of care, responsibility, or liability (whether in contract or tort including negligence or otherwise) to any person other than the Greater Manchester Pension Fund for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.



GMPF – LOCAL INVESTMENT AND COLLABORATION

This is the third annual report showing the impact being achieved in our Local Investment portfolios. The Government's "Fit for the Future" consultation has focused on LGPS Local Investment as a key driver of growth, through increasing the provision of long-term capital in local opportunities, to benefit local communities.

I am proud that GMPF has been at the forefront of Place Based Impact Investing for over ten years. GMPF meet the requirements set out in the consultation, and this report forms part of the annual process of reporting on our Local Investment portfolios.

The report demonstrates how our investments align with the latest Greater Manchester Strategy, published by Greater Manchester Combined Authority (GMCA) in July 2025 of which I am also a lead member. The Greater Manchester Property Venture Fund invests directly in property development, including housing, offices and industrial, that contributes towards the need for housing and new employment space. The Impact Portfolio invests in Funds that provide Debt and Equity to growing businesses, supporting new jobs and investing in impactful companies in Greater Manchester and the wider North West.

Some highlights of the last twelve months as detailed in the report include:

- Completion of the Island site, a 90,000 square foot, high quality, grade A office in Manchester City Centre, providing workspace for 900 employees. The site aims to contribute to Manchester's urban regeneration, which has an undersupply of modern, high quality grade A office accommodation. The construction process integrated the highest net zero carbon standards and social value considerations, with targets for local supply chains, labour, and apprenticeships, all of which have exceeded expectations, and supported 120 jobs during the construction process.
- Greater Manchester Better Outcomes Partnership is working to prevent Youth Homelessness in Greater Manchester and has supported over 1,785 young people, helping them to secure permanent accommodation.
- Bolton and Halifax Build to Rent Developments – Commitment to two new housing schemes in the town centres to assist in regeneration and residential provision.

The Good Economy can now start to look at trends within the impacts being achieved. Section 3 highlights that we have increased the total number of homes we have invested in year-on-year, and we have contributed towards approximately 4% of the new build homes across Greater Manchester since 2016. We have also supported over 23,000 jobs in the UK through our investment in SME finance, with 51% of these companies based in the North West.

The report also highlights the hard work that we put into building partnerships and collaborating with the public and private sector. We have strong relationships with GMCA and local authorities, as well as developers and project originators in Greater Manchester and the wider region. This enables us to work together on potential opportunities with key stakeholders and create innovative solutions.

We are pleased with the outcomes shown in this year's report, which highlights the impacts that can be accomplished through local investment and importantly collaboration with trusted partners. It demonstrates our twin aims of investing to make our locality better whilst achieving low cost sustainable pensions for our workers.

Councillor Eleanor Wills, Chair – GMPF



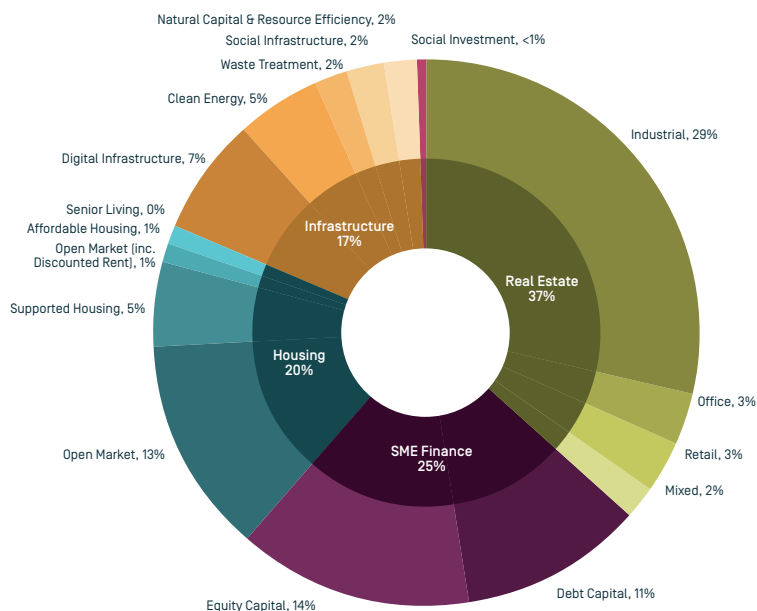
HEADLINE RESULTS

As of 31 December 2024

Greater Manchester Pension Fund (GMPF) makes a 5% allocation to local investments that aim to positively benefit Greater Manchester and the North West.

- £1.5 billion committed to the Local Investment portfolio, accounting for 4.8% of GMPF value
- £1,021 million invested
- 44 funds, including:
 - > 19 predominantly in the North of England
 - > 11 of which are regional investment vehicles exclusively for GMPF.

What we invest in



How our investments support the Region



Supporting jobs through SME finance

- **15,303** jobs supported, **38%** by businesses in the North West
- A further **2,033** jobs supported in infrastructure assets
- **3,923** jobs created, **43%** by businesses in the North West
- **73%** of businesses that have received funding demonstrate job growth.



Property-led economic development

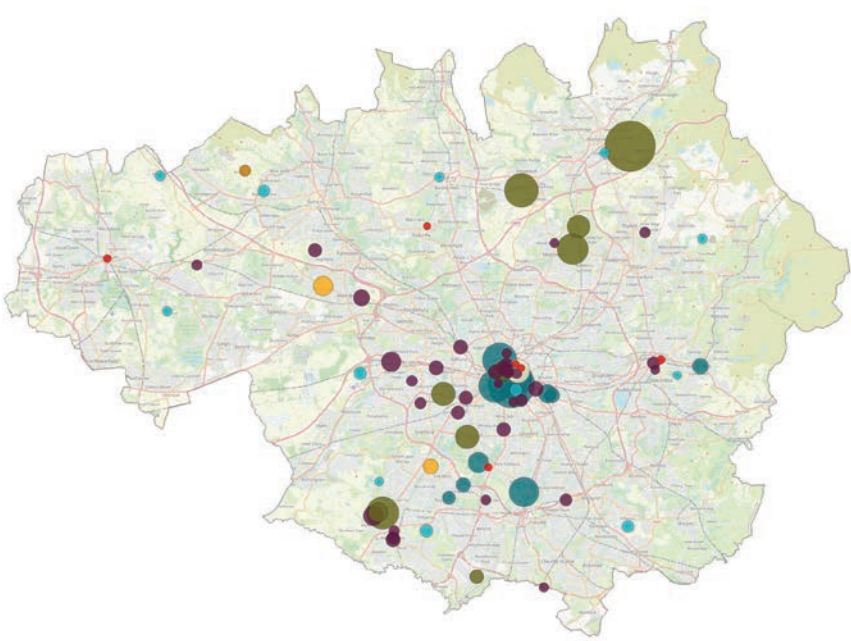
- **22** commercial real estate assets, supporting **8,555** jobs, **84%** in the North West.



Supporting place-based priority development needs

- **3,752** homes completed, in development or planned, of which **76%** in the North West
- **7** nurseries with 646 childcare spaces
- **1** SEN school with capacity for 60 children
- **1** primary healthcare facility in Greater Manchester with capacity to serve a population of **13,500** people
- **4** digital infrastructure assets, **2** of which operate in the North West serving **233,000** customers.

Where we invest



GMPF Local Investment Portfolio in Greater Manchester (by Asset Type)

- Commercial Real Estate
- Housing
- Infrastructure
- Social Investment
- SME Finance

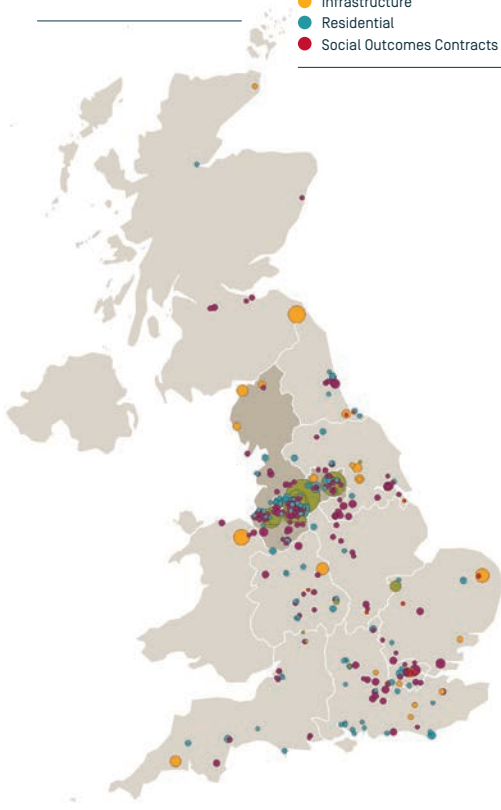
Contains OS data © Crown copyright and database right [2025]. Map data from OpenStreetMap.

Investment Geography

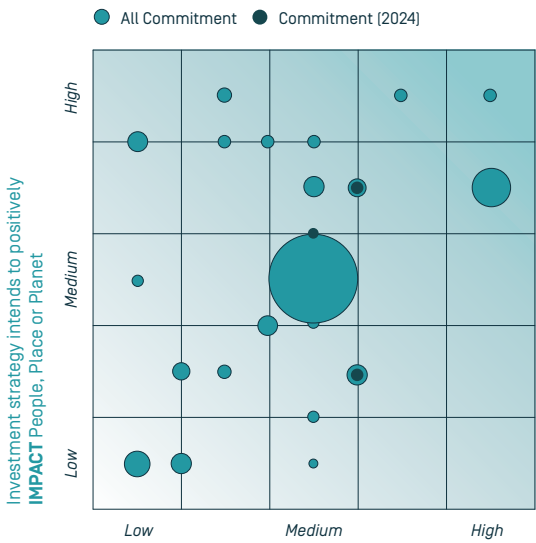
- Greater Manchester
- North West and Pool
- Rest of UK

Investment Geography (by Size of Investment)

- Business Finance
- Commercial Real Estate
- Infrastructure
- Residential
- Social Outcomes Contracts

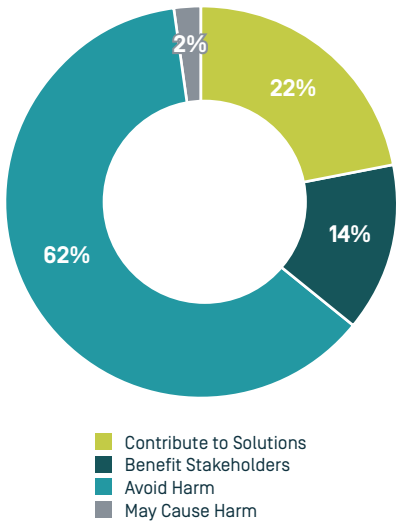


How our investments align with the traits of Place Based Impact Investing



Investment strategy considers the needs of PLACE and engages with local stakeholders

Alignment with IMP considerations [% of value invested]



Based on The ABC of Impact, Impact Frontiers

EXECUTIVE SUMMARY

Purpose and Methodology

The purpose of this report is to assess the impact performance of Greater Manchester Pension Fund (GMPF)'s Local Investment portfolio on behalf of GMPF, its members, and the region's businesses and communities.

The assessment is anchored in the widely recognised Place-Based Impact Investing (PBII) Reporting Framework, ensuring a robust and industry-aligned approach.

The findings draw on detailed portfolio analysis, complemented by case study insights and an independent assurance of selected disclosures in accordance with the internationally recognised AccountAbility AA1000 Assurance Standard.

About GMPF's Local Investment Strategy

Local investment has been a consistent part of GMPF's strategy for over 25 years. GMPF continues to be intentional about investing to benefit the region and learns from and develops its place-based impact investment approach on an ongoing basis.

GMPF allocates up to 5% of its investment value to local investments, with 'local' defined as Greater Manchester and the North West of England. The Local Investment portfolio comprises two distinct investment mandates and investment strategies:

- **The Impact Portfolio** invests in qualified fund managers who invest on GMPF's behalf, seeking diversified exposure to a portfolio of impact-driven investments across asset classes, with core impact themes of job creation and place-making.
- **The Greater Manchester Property Venture Fund (GMPVF)** makes direct property investments across real estate asset classes that facilitate job creation, sustainable employment and the advancement of local and regional development. GMPVF is managed by CBRE Investment Management.



Portfolio Analysis

The Local Investment portfolio is a balanced, multi-asset portfolio with commitments across a range of investment areas including housing, infrastructure and SME finance. GMPF has set an allocation of 5% of fund value (£31.3bn) to Local Investments, split between GMPVF (3%, £900m) and the Impact Portfolio (2%, £600m).

In 2024, there were new commitments totaling £80 million, alongside an increased commitment to an existing fund. As of December 2024, committed capital totalled £1.496bn (4.8% of GMPF value), of which 36% (£533m) was to GMPVF and 64% (£963m) was to the Impact Portfolio. The difference between commitments and allocations reflects the Impact Portfolio's overcommitment strategy, as these funds are typically drawn and repaid over 10-year horizons, while GMPVF invests in specific projects with shorter timeframes.

Invested capital stood at £1.02bn, comprising £481m (47%) in GMPVF and £539m (53%) in the Impact Portfolio. These figures are closer to the allocations, with the Impact Portfolio nearly fully invested against its £600m allocation, while GMPVF continues to increase deployment, including a £100m commitment to L&G North West expected in 2025.

Impact Performance

GMPF adopts a place-based impact investment approach that intentionally seeks to deliver both commercial returns and positive local impact in the North West of England, particularly Greater Manchester, through its Local Investment portfolio.

GMPF's has three core impact objectives:

1. **Place** – Address place-based priority needs in the North West.
2. **Jobs** – Generate employment and improve long-term employment prospects.
3. **Economic Development** – Invest and support businesses in the North West and contribute to the overall development of the local economy.

Place

The Local Investment portfolio has invested in a variety of housing types – ranging from new-build apartments aimed at attracting professionals to central areas for business growth, through to affordable housing for low-income households at risk of homelessness. We estimate that new build homes in the Local Investment portfolio account for 4% of the 85,000 homes built across Greater Manchester since 2016. The portfolio is also delivering on social and digital infrastructure, including investments in nurseries, schools, a healthcare facility and broadband providers. The Local Investment portfolio invests in clean energy and natural capital with investments in 15 renewable energy infrastructure assets. GMPF has also committed £20 million into three social investment funds providing targeted support to help tackle poverty and disadvantaged people.



Jobs

GMPF invests in SME finance funds that support the region's underserved business community. As of 31 December 2024, 201 businesses had received debt or equity funding from the Local Investment portfolio, totalling £254 million. A total of £53 million of this cumulative amount was invested in 47 businesses in the last year (51% are based in the North West). These investments are helping to support and generate new jobs. Over 15,000 jobs are supported and 3,900 jobs were created by businesses that have received GMPF capital – of which 43% are in the North West.

The total number of jobs supported has increased from just over 17,000 in 2022 to more than 23,000 in 2024, with the proportion in the North West growing from 32% in 2022 to 38% in 2024.

Economic Development

The Local Investment portfolio has committed £381 million to 22 commercial real estate assets – 16 in GMPVF and six in the Impact Portfolio. Of these, 14 are industrial, four are offices, three are retail and / or leisure facilities and one is vacant land ready for development. In 2024, there were no new investments or exits.

These sites will provide at least 485,000m² of commercial real estate with an estimated jobs capacity of over 8,500 people. Of these assets, 91% are located in the North West which equates to 83% of the total estimated jobs capacity created being in the region.

Since 2022, a total of 489,544 m² of commercial floorspace has been supported through GMPF's investments, with 57% located in the North West. Of the total commercial floor space supported, 40% has been newly developed. Over 102,000 m² of commercial floorspace has been developed in Greater Manchester by the portfolio since reporting (7 investments made since 2011), this equates to an annual average of 4% of GMCA's target of creating 2 million sq ft (185,806 m²) of new employment space each year.¹ However, no additional floorspace has been created since 2022, as the portfolio made no new commercial real estate investments in this period.

1. [Greater Manchester Strategy 2025-2035](#).



Financial Performance

GMPF aims to optimise its investments to achieve both local and regional impact, alongside meeting its financial return objectives. GMPF has an overall return target of CPI +2–2.5%, with a benchmark of RPI +4% for the Local Investment portfolio. The financial performance of the Local Investment portfolio is reviewed on a quarterly and annual basis.

GMPVF

GMPVF's investments include a range of property assets with different risk and return characteristics. Properties that are fully built and generating income from tenants are clearly lower risk than sites in development and have different return profiles. The overall IRR position for GMPVF was 4.6% as of the end of December 2024, with an IRR of 5.8% for those investments exited to date. The GMPVF portfolio is still relatively immature, however, GMPF's latest performance review provides evidence that the portfolio is on track to achieve the return objective over the medium to long-term.

The Impact Portfolio

As of 31 December 2024, the IRR position of the mature investments of the Impact Portfolio was 2.2% compared to 3.6% last year. Of the 44 fund commitments made in the Impact Portfolio, 26 could be included as "Mature Funds". By value, the 26 mature funds now represent around 47% of total commitments made, up from 45% last year. As such, the Impact Portfolio is still in its infancy and therefore performance data at this early stage is less meaningful.

Overall performance was affected by a number of the earliest commitments. As a result of which the investment team adapted its investment approach to focus on more experienced, larger, national managers alongside regionally focused co-investment funds. GMPF has also engaged with the poor performing funds to identify the issues and seek to agree on strategies to achieve best value.

The best performing funds within the portfolio continue to be the private equity funds. 2024 continued to be a difficult market for private equity, yet the funds within the Impact Portfolio continued to have strong exits from portfolio companies returning many multiples of the original investments and distributing these returns to investors. GMPF also saw good returns from more recent private debt funds.

Conclusions and Recommendations

- GMPF's Local Investment portfolio demonstrates a strong regional focus, with 67% of funds invested in Greater Manchester and the North West. This diverse portfolio covers SME finance, housing, commercial property, social infrastructure, and renewable energy, directly contributing towards local economic growth and development.
- SME investments have supported over 15,300 jobs and created 3,900 new ones, with 73% of businesses indicating job growth since investment.
- £204 million has been committed to housing and infrastructure, delivering nearly 3,500 homes (mostly in the North West), expanding access to nursery and healthcare and providing digital broadband for 233,000 premises.
- Funds are increasingly integrating place-based and impact measurement practices, such as GMPF's adoption of ESG-focused KPIs. The development of an indicative Theory of Change for the Local Investment portfolio aligns investment strategies with regional priorities, clarifying how activities generate meaningful outcomes for local communities.
- Challenges related to project viability, especially in underinvested areas, constrains both commercial and affordable housing delivery. The limited pipeline for renewable energy assets, coupled with evolving regulatory and market conditions, creates uncertainty and makes achieving long-term targets challenging. GMPF's investments make meaningful contributions, yet substantial additional private capital is necessary to meet regional growth objectives.
- GMPF should build on the Theory of Change by embedding core outcome indicators, such as wage growth, housing stability, and SME productivity, into fund reporting. Adopting best practices like fair rent increases and Real Living Wage standards across the portfolio will increase stakeholder impact. Targeting strategic sectors in line with the Greater Manchester Strategy and proactively developing renewable energy opportunities are essential. Collaborating with local authorities and national partners to structure co-investment and blended finance will draw in further private capital and help share responsibility for achieving ambitious local growth targets.
- Positioning GMPF's model as a proven approach for place-based impact investing offers lessons and strategies for the wider sector, helping to catalyse external investment and broaden the reach of local growth initiatives. Continuous adaptation to regulatory changes and market realities will be critical for sustained success.

The Greater Manchester Pension Fund (GMPF) is the largest local government pension fund in England and Wales, with £31.3 billion Assets under Management (AUM) and over 436,000 members as of December 2024.

1. INTRODUCTION

About GMPF's Local Investment Strategy

The Greater Manchester Pension Fund (GMPF) is the largest local government pension fund in England and Wales, with £31.3 billion Assets under Management (AUM) and over 436,000 members as of December 2024.

Local investment has been a consistent part of GMPF's strategy for over 25 years. GMPF continues to be intentional about investing to benefit the region and learns from and develops its place-based impact investment approach on an ongoing basis.

GMPF allocates up to **5% of its investment value** to local investments with 'local' defined as Greater Manchester and the North West of England.²

The Local Investment portfolio comprises **two distinct investment mandates and investment strategies**. Both target a financial return of RPI+4%.

Table 1: GMPF's Local Investment Portfolio

Local Investment Portfolio	Investment Approach	Allocation
Impact Portfolio [40% of GMPF's Local Investment Portfolio]	Outsource investment to qualified fund managers who invest on GMPF's behalf, seeking diversified exposure to a portfolio of "impact" investments located predominantly in the North West of England. Structure investments to incentivise local investment e.g. by co-creating side vehicles in national funds with a regional allocation.	2% of GMPF's total investment value
Greater Manchester Property Venture Fund [60% of GMPF's Local Investment Portfolio]	Invest directly in property assets and joint ventures through an Investment Management Agreement with CBRE Investment Management, to gain diversified exposure to property development assets (such as housing, retail and office units) located predominantly in the North West of England and with a clear emphasis on Greater Manchester.	3% of GMPF's total investment value

GMPF has built an investment team with the skills and competence to assess local opportunities across a wide range of asset classes and investment strategies. It has a clear governance and investment process and has developed strong relations with Greater Manchester Combined Authority (GMCA) and local authorities, as well as developers and project originators in Greater Manchester and the wider region.

2. "Local" is defined by GMPF as Cheshire, Cumbria, Greater Manchester, Lancashire, and Merseyside with the addition of West Yorkshire which is in the Northern Pool.

GMPF's Approach to Impact

GMPF adopts a place-based impact investment approach that intentionally seeks to deliver both commercial returns and positive local impact in the North West of England, particularly Greater Manchester, through its local investment portfolio.

GMPF targets investments that address specific impact themes, including:

- Targeting underserved markets
- Promoting health and wellbeing
- Supporting improvement in education and skills
- Supporting sustainable living
- Renewable energy generation
- Job creation and safeguarding.

GMPF has three core impact objectives:

- **Place** – Address place-based priority needs in the North West.
- **Jobs** – Generate employment and improve long-term employment prospects.
- **Economic Development** – Invest and support businesses in the North West and contribute to overall development of local economy.

GMPF's impact objectives form the foundation of its Local Investment portfolio, guiding the selection of funds and managers whose strategies reflect the Fund's ambitions. The outcomes and long-term impacts to be achieved are closely aligned with local priorities (see page 16), while also delivering wider benefits to communities across the North West of England.

Through its Local Investment portfolio, GMPF uses a range of tools to maximise local impact in Greater Manchester and the wider region. These include co-investment vehicles, joint ventures, direct property investments, active stewardship, collaboration with local stakeholders (such as the GMCA), and transparent impact measurement and reporting. Together, these mechanisms support the alignment of capital with local priorities, attract additional investment, and generate measurable social, economic and environmental outcomes.

To demonstrate how GMPF's strategy aligns with and supports regional priorities, we have developed an indicative Theory of Change (see Figure 1). This framework sets out the core components of the pension fund's approach, showing how GMPF's investment activities lead to immediate outputs, which in turn generate meaningful outcomes for people, places, and the planet, ultimately delivering lasting impact.

The Impact Portfolio

The Impact Portfolio strategy aims to deploy in the region of £80 million per year into four or five funds with a minimum investment of £10 million. Over the years, GMPF has developed its investment approach to focus on more experienced, larger national managers who demonstrate a commitment and capability to scale-up their investments in the North West, alongside smaller locally focused funds.

There has been an expansion of impact-focused fund managers in recent years. The UK impact investing market reached £76.8 billion AUM by the end of 2023, representing a 10.1% compound annual growth rate since 2020.³ There has also been a continued increase in the supply of impact funds, with many new entrants to the market in recent years.⁴ Alongside these trends is a rising interest in place-based impact investing, with more funds targeting positive local outcomes.

The Greater Manchester Property Venture Fund [GMPVF]

The Greater Manchester Property Venture Fund [GMPVF] is a dedicated investment vehicle established by GMPF. Its primary purpose is to invest in property development projects across Greater Manchester and the wider North West of England, with a focus on delivering both commercial returns and positive local impact. The fund invests in a broad range of property sectors including commercial property, residential property and mixed-use developments.

GMPVF is managed by CBRE Investment Management, who took over the mandate from Avison Young during 2023. It is CBRE's role to originate investment opportunities and carry out due diligence and financial structuring. This investment strategy requires close engagement with GMCA and local authorities, as well as local developers, to identify investments that meet local economic development priorities. Some of these investments combine public and private investment.

The Impact Portfolio strategy aims to deploy in the region of £80 million per year into four or five funds with a minimum investment of £10 million.

3. <https://www.impactinvest.org.uk/resources/publications/the-uk-impact-investing-market-size-scope-and-potential/>.

4. <https://www.impactinvest.org.uk/wp-content/uploads/2024/09/The-UK-impact-investment-market-Size-scope-potential.pdf>.

Figure 1: GMPF Theory of Change



Greater Manchester Strategy 2025-2035

Greater Manchester aims to be a **thriving region where everyone can live a good life**. The Greater Manchester Strategy 2025-2035, published in July 2025, sets out a decade-long plan to tackle inequalities, drive sustainable economic growth and ensure all residents benefit from prosperity, opportunity and wellbeing. The plan addresses the city region's "foundations of life" (shelter, safety, mobility, opportunity and support) whilst delivering a greener and fairer city region.

Despite being the fastest growing local economy between 2015 and 2023 Greater Manchester continues to face deep-rooted challenges with inequalities in health, wealth and opportunity persisting. For example, poverty remains high, with nearly half a million people out of work and 137,000 long-term sick. The region faces a severe housing shortage, with 90,000 households waiting for a home and £75 million spent annually on temporary accommodation. More than 470,000 homes have poor energy efficiency (EPC D or below), exposing residents to rising energy costs and potential fuel poverty. Digital exclusion remains a barrier, with almost 400,000 residents offline and over one million lacking essential digital skills. While Greater Manchester's economy is expanding, productivity remains 35% below London, a much bigger gap than seen in other European capitals and second cities.⁵

To unlock the region's full potential, the strategy aims to address these systemic challenges through seven workstreams, including:

1. **Healthy Homes for All**
2. **Strong and Safe Communities**
3. **A Transport System for a Global City Region**
4. **A Clear Line of Sight to High-Quality Jobs**
5. **Everyday Support in Every Neighbourhood**
6. **A Great Place to Do Business**
7. **Digitally Connected Places and People.**

The strategy includes a number of pledges and targets for each of the workstreams, some of which include:

- 75,000 new houses by 2030, including 10,000 new, energy efficient homes for social rent across all ten local authority areas.
- 10,000 new jobs and 2 million sq ft of employment space created annually by 2029.
- Support for all employers paying the Real Living Wage by 2030.
- By 2030, 90% of people in Greater Manchester will be within a five-minute walk of a bus or tram that comes at least every 30 minutes.
- Carbon neutrality by 2038, increased renewable energy and green space access.

Local strategies with specific objectives and targets, including Greater Manchester's above as well as other Local Growth Plans across the North West, begin to provide a policy-aligned framework through which the Local Investment portfolio's local impact performance can be assessed and managed in line with place-based priorities, examples of which are provided in Section 3: Impact Performance.

Greater Manchester aims to be a thriving region where everyone can live a good life. The Greater Manchester Strategy 2025-2035, published in July 2025, sets out a decade-long plan to tackle inequalities, drive sustainable economic growth and ensure all residents benefit from prosperity, opportunity and wellbeing.

5. All data taken from the Greater Manchester Strategy 2023-2035.

Assessment Methodology

This is our third report for GMPF. It provides an independent assessment of the place-based impact of GMPF's Local Investment portfolio over the 12 months from January to December 2024.

The assessment is underpinned by the Place-Based Impact Investing (PBII) Reporting Framework, developed by TGE in collaboration with a group of asset managers, local authorities and local government pensions funds, to provide a common, consistent and transparent approach to reporting the impact of private market investments across geographies and asset classes.

The performance assessment is informed by mix of quantitative and qualitative data. This includes:

- Portfolio-level data provided by the investment managers of the underlying funds in GMPF's Local Investment portfolio.⁶
- Interviews with relevant GMPF staff.
- Interviews with GMPF's partner investment managers.
- Site visits to selected schemes and interviews with local stakeholders.

Independent Assurance

A critical step in the assessment process was assessing a sample of information provided by investment managers using a leading sustainability assurance standard (AA1000 AS v3). This assessed the quality and reliability of place-based measurement, management and reporting as well as reported data on number and quality of jobs supported. Please see appendix 3 on page 52 for more information.



6. This involved a comprehensive data collection process using the Place-Based Impact Investing (PBII) Reporting Framework. Fund managers self-assess their investment strategies against the PBII traits and asset-level impact against Impact Frontiers' ABCD/M categorisation of impact. All data returns, including self-assessments, are reviewed but not assured by TGE.

2. PORTFOLIO ANALYSIS

Overview of the Local Investment Portfolio

The Local Investment portfolio is a balanced, multi-asset portfolio with commitments across a range of investment areas including housing, infrastructure and SME finance. GMPF has set an allocation of 5% of fund value (£31.3bn) to Local Investments, split between GMPVF (3%, £900m) and the Impact Portfolio (2%, £600m).⁷

As of December 2004, committed capital totalled £1.496bn, of which 36% (£533m) was to GMPVF and 64% (£963m) was to the Impact Portfolio. The difference between commitments and allocations reflects the Impact Portfolio's overcommitment strategy, as these funds are typically drawn and repaid over 10-year horizons, while GMPVF invests in specific projects with shorter timeframes. In 2024, three new funds received commitments of £70m, alongside an increased commitment to an existing fund.

Invested capital stood at £1.02bn, comprising £481m (47%) in GMPVF and £539m (53%) in the Impact Portfolio. These figures are closer to the allocations, with the Impact Portfolio nearly fully invested against its £600m allocation, while GMPVF continues to increase deployment, including a £100m commitment to L&G North West expected in 2025.

68% of the capital committed to the Local Investment Portfolio – totalling £1.02 billion is currently invested in assets.

The Impact Portfolio

The Impact Portfolio has committed £963 million to 46 funds managed by 21 investment managers, of which 56% (£539 million) has been invested.⁸

In 2024, GMPF made new commitments to the Impact Portfolio, totalling £80 million.

New Commitments 2024	£ million	Impact Theme	Geographic Focus	GMPF Share [%]
Henley Secure Income Property Unit Trust II	20	Social Infrastructure	National	23.53%
Albion Real Assets Fund	10	Social Infrastructure	National	26.30%
Beechbrook Credit SME IV	10	Loans to SMEs	Northern England, Scotland, Northern Ireland	10.34%
Beechbrook Credit SME Co-Investment GMPF LP*	10	Loans to SMEs	North of England	100%
Key Capital Partners Fund 3	20	Equity investment in underserved markets	National	32.68%
Thriving Investments NALF	10	Housing	Greater Manchester	33.33%
Total	80			

*Top up commitment.

Additionally, a further £86 million of new asset investments were made by 14 underlying funds in 2024, including:

- £53 million (62%) invested in debt and equity finance to SMEs
- £17 million (20%) invested in housing, of which the majority is in supported housing
- £15 million (18%) invested in infrastructure, of which the majority is in clean energy and waste treatment.

Of the £537 million invested by the Impact Portfolio:

- 268 million (50%) is invested in Housing, Infrastructure and Social Investments – all of which contribute to GMPF's **Place Impact Objective**:
 - £88 million in Specialist Supported Housing (SSH), open

market housing for private rent or sale, affordable housing for those at risk of homelessness and homes for older people

- £178 million in digital infrastructure, clean energy, waste treatment and healthcare and education assets
- £1.6 million in social investments including social outcomes contracts.
- £254 million (47%) is in funds providing debt and equity finance for SME businesses, contributing to GMPF's **Jobs Impact Objective**.
- £17.4 million (3%) in Commercial Real Estate contributing to GMPF's **Economic Development Impact Objective**.

The Greater Manchester Property Venture Fund (GMPVF)

GMPVF serves as a direct investment platform for GMPF and focuses on a diverse range of property assets, including:

- **Commercial real estate:** Investments in new office spaces, retail outlets and hotel projects
- **Residential housing:** Projects such as open market build-to-rent (BTR) schemes and family homes.

Operating throughout Manchester and the surrounding area, GMPVF collaborates closely with local developers, the combined authority, local councils, and other investment partners to deliver its projects.

Of the £533 million commitment, GMPVF has invested £481 million in 27 assets.

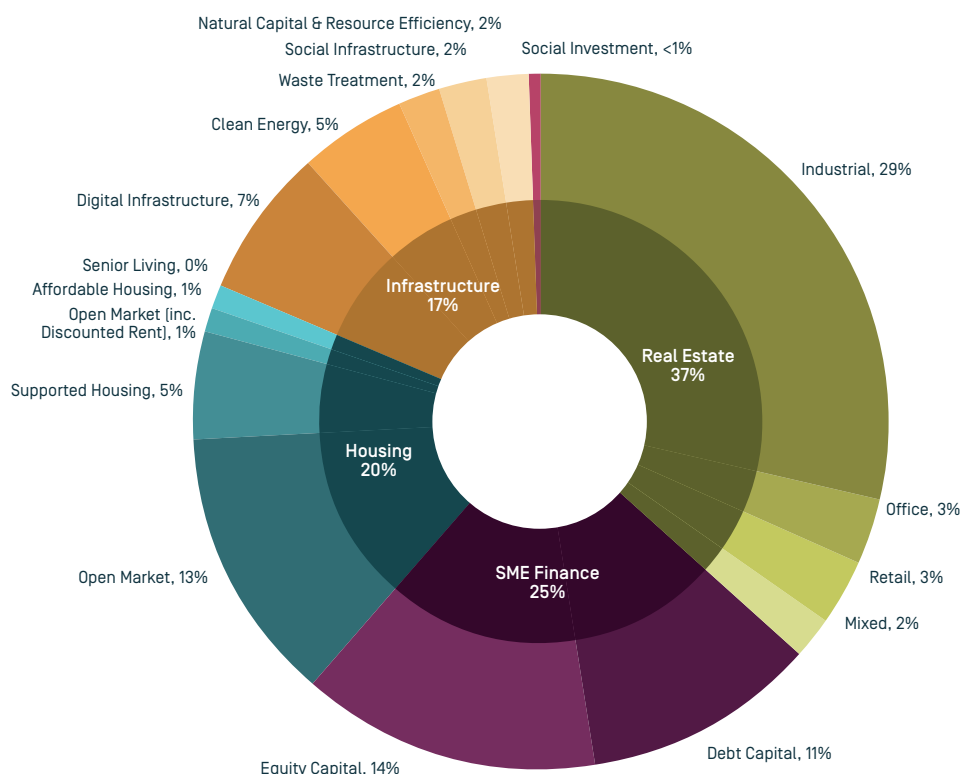
- 16 commercial real estate assets account for 76% of the invested capital and contributing to GMPF's **Economic Development Impact Objective**
- 11 housing schemes represent the remaining 24% GMPF's **Place Impact Objective**.

GMPVF holds **full ownership of 63%** of these assets. For the remainder, it is the majority shareholder, except for one asset where GMPVF has provided **10%** of the total loaned amount.

2024 Activity

In 2024, GMPVF committed **£31 million** to build-to-rent housing developments in Bolton and Halifax. These investments are explored in more detail on the case studies on page 34.

Figure 2: The Local Investment Portfolio, by asset class and investment value⁹

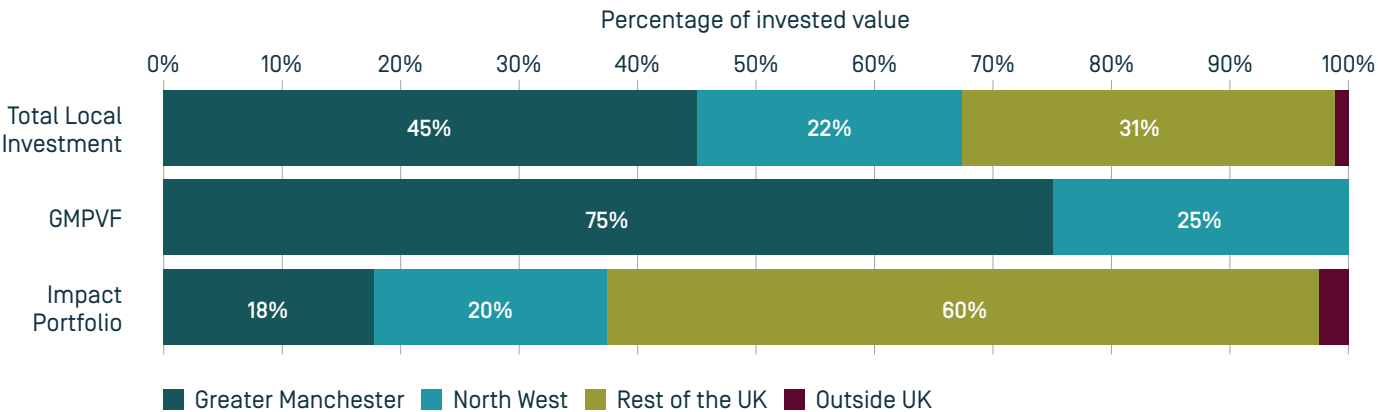


7. These commitments reflect GMPF's overcommitment policy. Impact funds deploy and return capital over ~10 years, while venture funds cycle faster, making committed amounts appear higher than actual long-term allocations (~3% and ~2% respectively). GMPVF has £900m allocation, of which the £533 committed to live projects is used in this report.

8. The analysis conducted in this report covers 96% of the value committed to GMPF's Impact Portfolio. Four funds have been excluded as they have few, if any, assets remaining and are being managed out by their respective investment managers.

9. Percentages do not equal 100% due to rounding.

Figure 3: The Local Investment Portfolio, by geography and investment value



Two thirds of the Local Investment Portfolio remains focused on Greater Manchester and the North West, consistent with last year.

This geographic focus is largely driven by the GMPVF portfolio, which is entirely based in the region, compared to 38% of the Impact Portfolio's capital. In 2024, 47% of new investments made by the Impact Portfolio were made in North West, increasing the Impact Portfolio's regional share to 38%, from 37% in 2023.

As a proportion of the total value of GMPF 2.2% is invested in Greater Manchester and the North West via the Local Investment portfolio, and a further 1.1% outside of the region.

Figure 4: The Local Investment Portfolio in Greater Manchester and beyond, by asset type and value

GMPF Local Investment Portfolio in Greater Manchester [by Asset Type]

- Commercial Real Estate
- Housing
- Infrastructure
- Social Investment
- SME Finance

Contains OS data © Crown copyright and database right [2025]. Map data from OpenStreetMap.

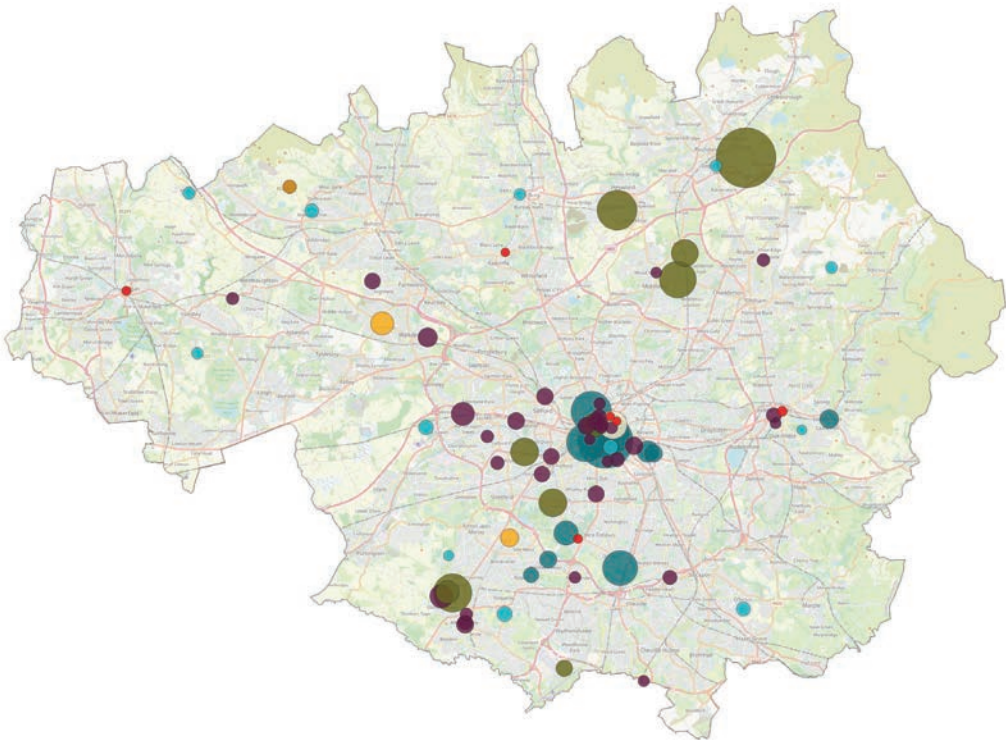
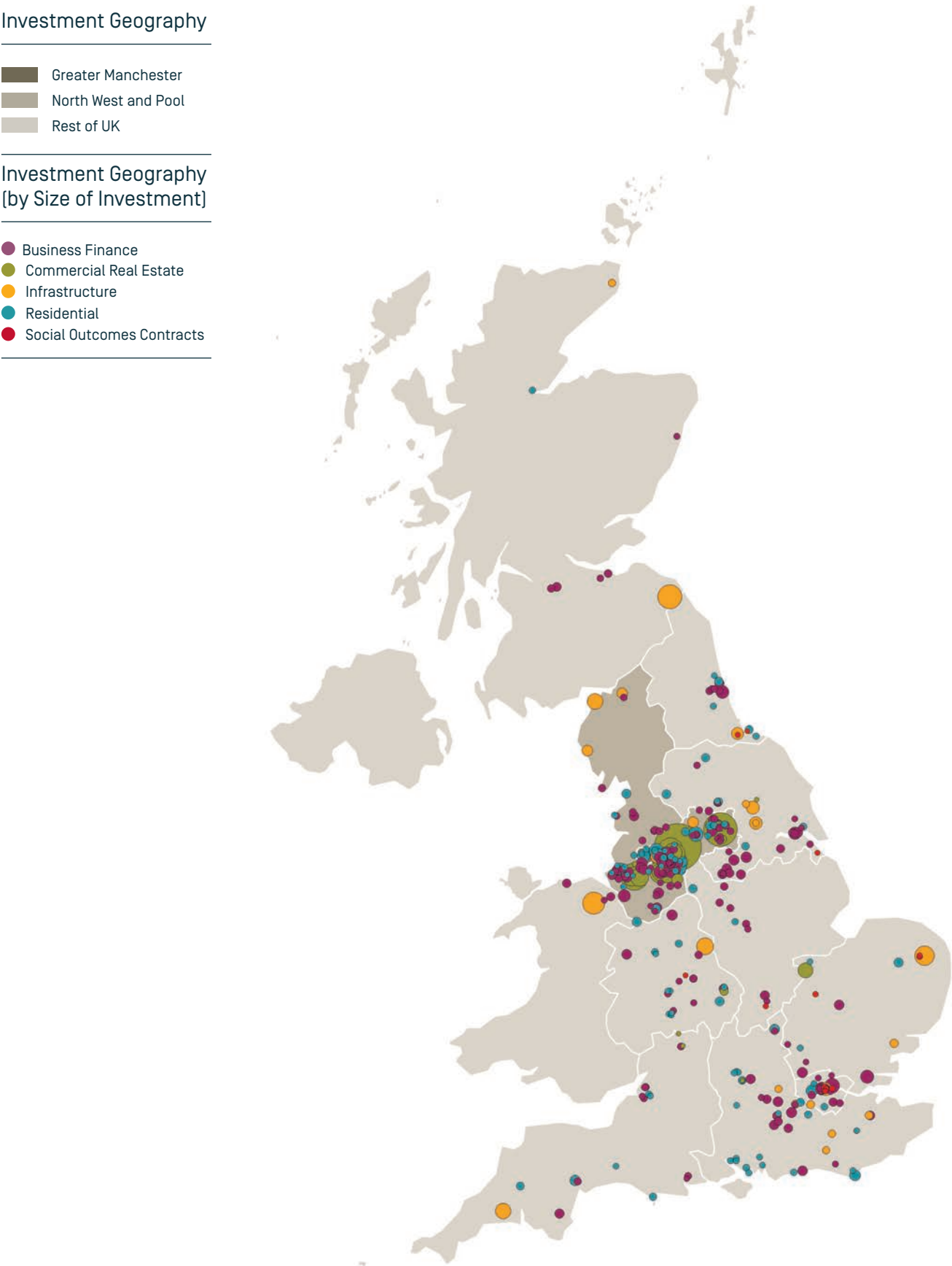


Figure 5: The national Geography of the Local Investment Portfolio, by asset type and value



Alignment with Place-Based Impact Investing

Place-based impact investing (PBII) means investing in a way which responds to locally identified needs and priorities and benefits local people.

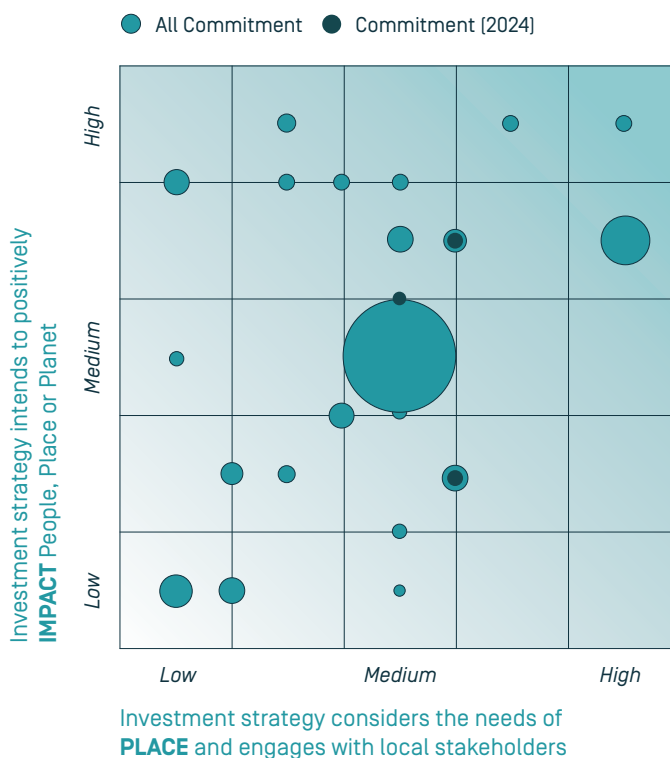
As outlined in a 2021 White Paper,¹⁰ the approach has several traits, which include identifying and meeting local needs, making decisions to maximise local benefits, collaborating with local stakeholders, and listening to community voice.

Investment managers were asked to self-assess against these traits so that GMPF could better understand the extent to which Place and Impact is integrated into investment strategies and decision making [see Figure 6].¹¹ Those that display the highest alignment to PBII are specialised, impact-driven funds with a regional focus, such as affordable housing funds in Greater Manchester. Those with the least alignment tend to be older vintage SME debt funds originally set up without specific impact or place-based objectives.

Overall, 68% of the value committed by the Local Investment portfolio is to funds with a Medium [or higher] alignment with the PBII traits (in terms of both impact and place), up from 23% in 2023. The Impact Portfolio has also seen a slight decrease to 50% of the value committed in funds with Medium [or higher] PBII traits assessment, from 53% last year.

This overall increase of the Local Investment portfolio's alignment with the PBII traits is due to GMPVF taking measures to better align with PBII including the development of 35 ESG KPIs with a particular focus on its objective of generating long-term, positive impacts in the local area, and their integration throughout the investment lifecycle. GMPVF is now rated as Medium across the traits, up from Low-Medium in previous years.

Figure 6: The PBII alignment of the Local Investment Portfolio, according to committed value



10. [Scaling Up Institutional Investment for Place-Based Impact Investing](#).

11. The methodology relies on a self-assessment against the PBII traits. For a small sample of funds, the assessment is verified through an independent assurance process to provide confidence in the results [see Appendix 3 for more information].

3. IMPACT PERFORMANCE

This section presents an assessment of the impact generated by GMPF's Local Investment portfolio.

Given the diversity of asset classes and fund strategies involved, access to standardised data is largely limited to output metrics, which only capture part of the overall impact. Despite these limitations, valuable insights can still be drawn from the available portfolio information, particularly as certain asset classes are more strongly linked to positive social and environmental outcomes.

In addition, as this is our third report for GMPF, we are now able to see longitudinal trends emerging.

To strengthen our understanding and validate these assumptions, we have undertaken illustrative case studies of selected funds and their underlying investments (see section 4: Case Studies). These case studies offer a more detailed and practical perspective on GMPF's role in creating local impact.

As part of this year's report (and following recommendations from last year's report), an indicative Theory of Change has been developed for GMPF's Local Investment portfolio (as shown in section 1: GMPF's Approach to Impact). This provides refinement of its impact themes and reflects place-based outcomes aligned with local and regional development priorities.

The structure of our performance review of GMPF's local investment portfolio is based on this new Theory of Change and its three core impact objectives:

■ **IMPACT OBJECTIVE 1 – PLACE**

Address place-based priority needs in the North West.

■ **IMPACT OBJECTIVE 2 – JOBS**

Generate employment, improve long-term employment prospects.

■ **IMPACT OBJECTIVE 3 – ECONOMIC DEVELOPMENT**

Invest and support businesses in the North West and contribute to overall development of local economy.

We also review the fund's performance using the ABC Classification of Impact and provide an overview of the financial performance of the fund.

IMPACT OBJECTIVE 1: PLACE

Address Place-Based Priority Needs in the North West

The Local Investment portfolio is helping to deliver on the region's priorities, which include delivering new homes, supporting the development of resilient, safe and vibrant communities, providing access to services, investing in digital infrastructure, and responding to the climate emergency.

Increasing Housing Supply

The Local Investment portfolio has invested in a variety of housing types – ranging from new-build apartments aimed at attracting professionals to central areas for business growth, through to affordable housing for local families and accommodation for those at risk of homelessness.

£204 million is invested in seven funds that have collectively invested in over 3,752 homes. In 2024, four new developments came on stream, comprising of 570 homes of which 66% based in the North West and 140 of the homes are supported housing. Three assets, comprising 551 homes, were exited in 2024.

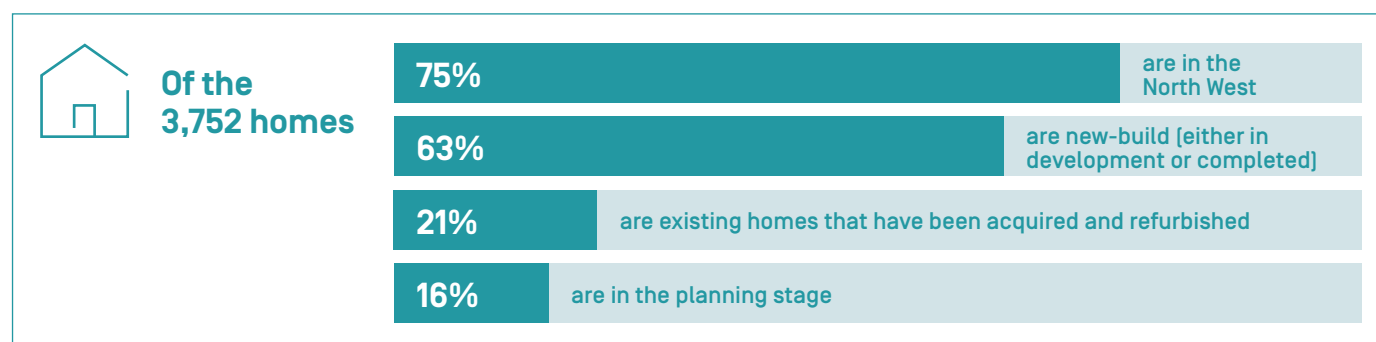
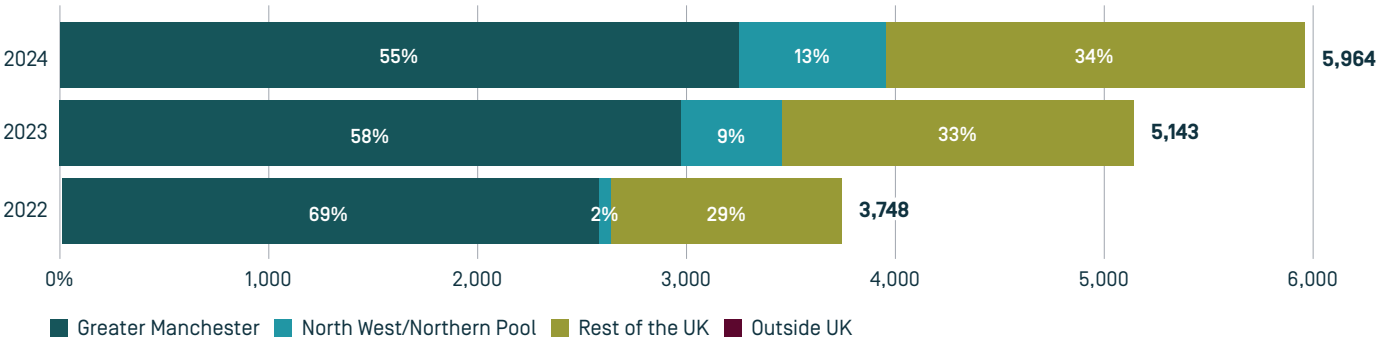


Table 2: Homes financed by the Local Investment Portfolio, by location and type

	Total Homes	Affordable Housing	Open Market	Senior Living	Supported Housing	Temporary Accommodation
Greater Manchester	2,163	8%	89%	0%	3%	0%
North West / Northern Pool	703	7%	66%	10%	17%	0%
Rest of UK	886	8%	40%	8%	43%	1%
Total homes	3,752	298	2,747	140	559	8

Figure 7: Cumulative homes invested¹² in by the Local Investment portfolio (2022–2024)



Of the total 5,964 homes that the Local Investment portfolio has invested in since 2022, 4,933 [83%] were new builds, of this 3,051 [51% of total homes invested in] were in Greater Manchester. This is approximately 4% of the 85,000 built across Greater Manchester since 2016.¹³

Delivering Social and Digital Infrastructure

The Local Investment portfolio has invested £17 million into 9 social infrastructure assets via three funds.

GMPPF's Local Investment Portfolio has delivered:

Six nurseries with 646 childcare spaces



One SEN school, with capacity for 60 children



One primary healthcare facility with capacity to serve a population of 13,500 people in Greater Manchester



And provided growth capital to:

One care home chain overseeing ten care homes



One nursery chain overseeing 49 nurseries for 3,565 children



The Local Investment portfolio has also invested £67 million into digital infrastructure through Gresham House's British Sustainable Investment Funds (BSIF) and a new £10 million investment made in 2024 into Albion Real Assets Fund, which is invested in Grain, a North West based fibre broadband provider that currently serves 43,000 households and aims to expand

its reach to 250,000 homes. Grain also aims to offer broadband services at significantly lower costs than legacy providers and does not do credit checks, helping to increase accessibility and reduce social exclusion to those who may otherwise be unable to access broadband.

GMPPF's digital infrastructure:

Serves over 233,000 premises and households, of which 36% are in the North West



Supports at least 635 jobs¹⁴



12. 2022 will be live investments at the time only. 2023 and 2024 includes both live investments at the time as well as those that have been realised.
13. Greater Manchester Strategy 2025-2035.
14. From 3 of the 4 digital assets currently invested in that reported on jobs numbers.

Facilitating the Scale-up of Social Investment

GMPF has commitments of £20 million in three social investment funds. These funds are a means for GMPF to provide more targeted support to help tackle poverty and disadvantaged people. The investments include funding for social outcome contracts and equity in mission-driven organisations focused on health, education, skills and housing. In 2024, GMPF did not make any new investments in specialised social investment funds.



IMPACT OBJECTIVE 2: JOBS

Generate employment, improve long-term employment prospects and contribute to overall development of the local economy.

Businesses in the North West of England continue to face significant challenges in accessing debt, venture capital and equity finance compared to those in London and the South East. In 2023, London accounted for 58% of all UK equity investment by value while the North West received just 7%, despite being home to 11% of the UK's SMEs.¹⁵ Gross bank lending to SMEs in the North West reached £4.8 billion in 2023, up 5% from 2022, indicating strong demand despite economic headwinds.¹⁶ GMPF plays a crucial role in addressing these disparities by investing in SME finance funds that support the region's underserved business community.

As of 31 December 2024, 201 businesses had received debt or equity funding from the Local Investment portfolio, totalling £254 million. Of which, £53 million had been allocated to 47 businesses in the last year (51% are based in the North West).

116 businesses received loans worth **£113.6 million**,
42% of which are in the North West



42% of which are
in the **North West**

85 businesses received equity investment of
£129 million, **51%** of which are in the North West



51% of which are
in the **North West**

These investments are helping to support and generate new jobs. Over 15,000 jobs are supported and 3,900 jobs were created by businesses that have received GMPF capital – of which 43% are in the North West.

15,303 jobs supported,¹⁷ **38%** are
in businesses in the North West



3,923 jobs created,¹⁸ **43%** are in
businesses in the North West



3 out of 4 businesses that have received
funding demonstrate job growth



In 2024, 11 investments were exited. These organisations contributed to over 4,300 jobs supported and 2,652 jobs created, accounting for the slight decline from 2023 figures [16,141 jobs supported and 6,300 jobs created].

Of the 49 businesses in the portfolio where data is available, over half the businesses that received funding in 2024 pay the Real Living Wage or higher.

15. [Small Business Finance Markets 2023/24](#).

16. [Press release – 17 September, 2024, Start Up Loans](#).

17. Jobs supported = Number of jobs from businesses receiving funding from GMPF.

18. Jobs created = Job growth in businesses since GMPF investment.

The cumulative employment supported by the portfolio is shown in the charts below. The total number of jobs supported has increased from just over 17,000 in 2022 to more than 23,000 in 2024. While a significant share of the jobs supported remains outside the North West, the proportion in the area has grown from

32% in 2022 to 38% in 2024. This regional focus is also reflected in the cumulative SME businesses supported chart, whereby Greater Manchester and the North West account for 45% of the total SMEs supported.

Figure 8: Total jobs¹⁹ supported by GMPF (2022-2024)

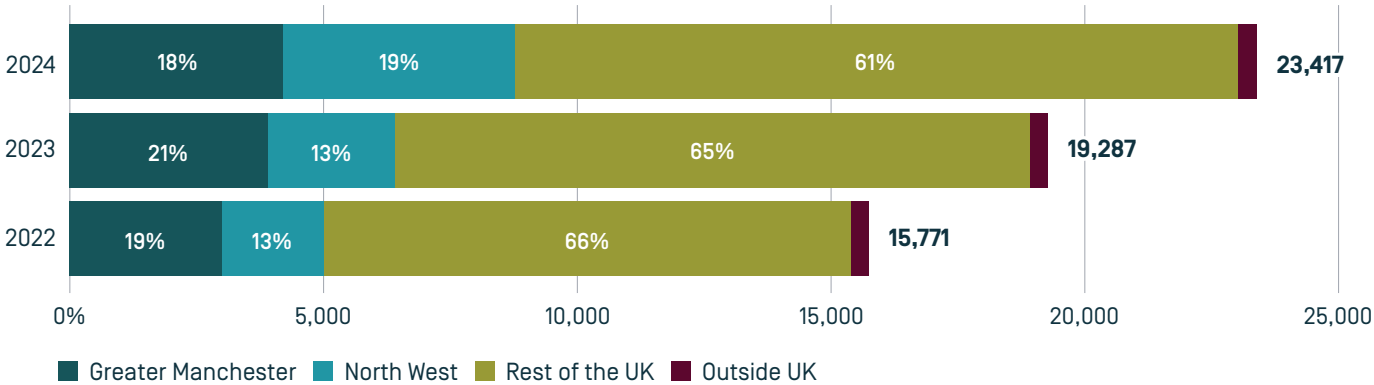
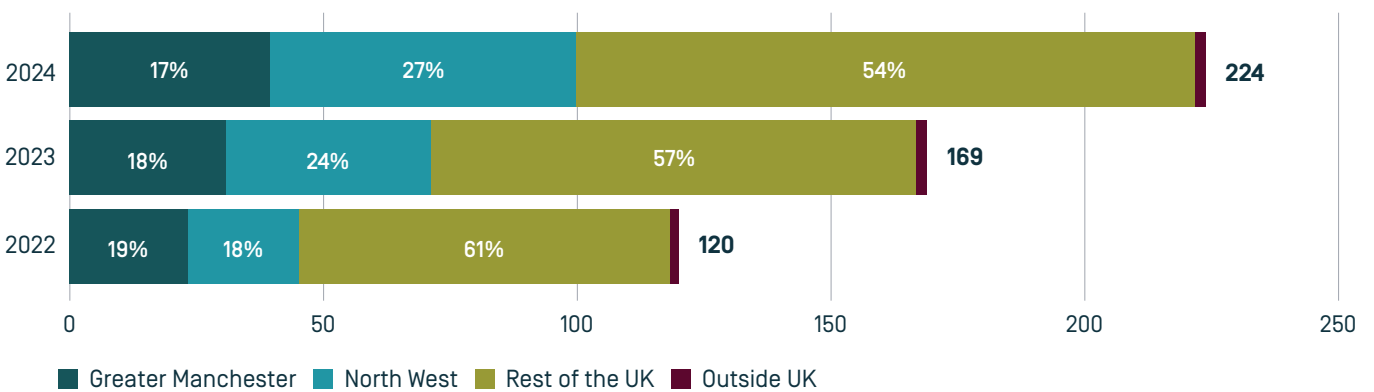


Figure 9: Total SME businesses supported by GMPF (2022-2024)



19. 2022 will be live investments at the time only. 2023 and 2024 includes both live investments at the time as well as those that have been realised.

IMPACT OBJECTIVE 3: ECONOMIC DEVELOPMENT

Invest and support businesses in the North West and contribute to overall development of the local economy.

The Local Investment portfolio has committed £381 million to 22 commercial real estate assets – 16 in GMPVF and six in the Impact Portfolio. Of these, 14 are industrial, four are offices, three are retail and / or leisure facilities and one is vacant land ready for development. In 2024, there were no new investments or exits.

These sites will provide at least 485,000m² of commercial real estate with an estimated jobs capacity of over 8,500 people. Of these assets, 91% are located in the North West which equates to 83% of the total estimated jobs capacity created being in the region.

14 industrial sites, accounting for **59%** of estimated jobs capacity



Three offices, accounting for **31%** of estimated jobs capacity



Two retail and leisure sites, accounting for **10%** of estimated jobs capacity



One vacant site ready for development



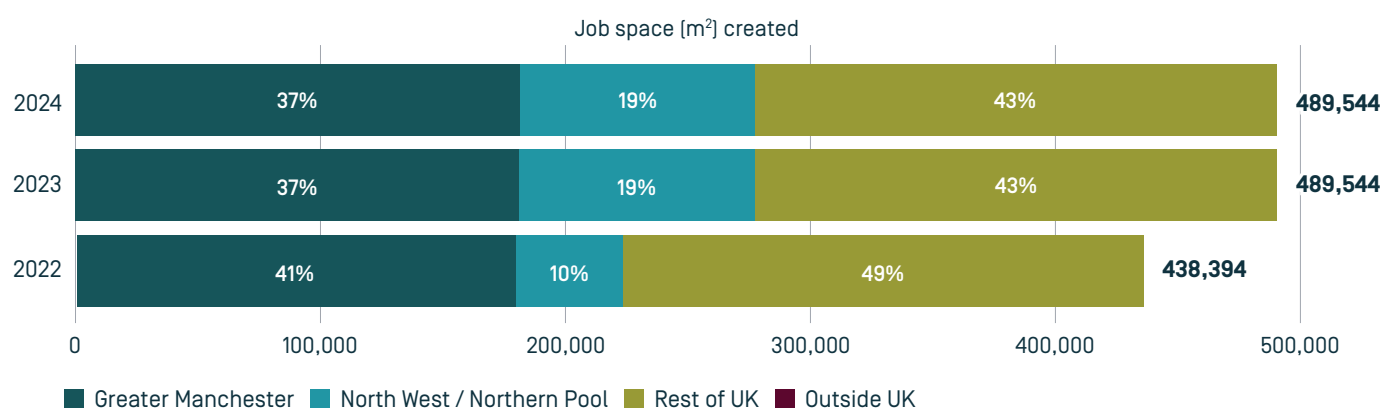
39% of estimated jobs capacity from employment space that has been acquired [and sometimes refurbished] and let to tenants, supporting **3,310** people



61% of estimated jobs capacity from employment space that is currently in development, supporting **5,245** people



Figure 10: Total Floorspace²⁰ supported by Commercial Real Estate investments (2022-2024)



Since 2022, a total of 489,544 m² of commercial floorspace has been supported through GMPF's investments, with 57% located in the North West. Of the total commercial floor space supported, 40% has been newly developed. Over 102,000 m² of commercial floorspace has been developed in Greater Manchester by the portfolio since reporting [7 investments made since 2011], this equates to an annual average of 4% of GMCA's target of creating 2 million sq ft (185,806 m²) of new employment space each year.²¹ However, no additional floorspace has been created since 2022, as the portfolio made no new commercial real estate investments in this period.

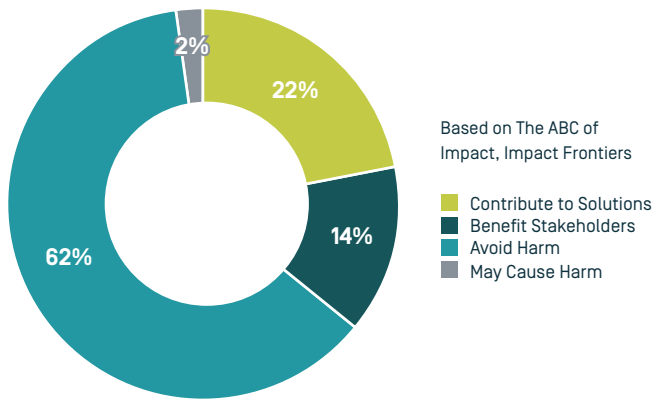
20. 2022 will be live investments at the time only. 2023 and 2024 includes both live investments at the time as well as those that have been realised.

21. Greater Manchester Strategy 2025-2035.

Alignment with the 'ABC' Classification of Impact

We have used the Impact Management Project's (IMP) impact classification system to capture the intended impact that the portfolio is expected to have on people, places and the planet.

Figure 11: Impact Classification of GMPF's Local Investment Portfolio



37% of invested capital in GMPF's Local Investment portfolio is assessed as either 'Benefitting Stakeholders' or 'Contributing to Solutions', representing 60% of assets invested in. These investments aim to deliver positive outcomes, and are generally found in the Social Investment, Social and Sustainable Infrastructure funds, and select equity investments.

A further 62% invested capital portfolio is categorised as 'Avoiding Harm', representing 36% of assets. These assets have appropriate ESG policies and practices in place that help mitigate negative outcomes and improve sustainability performance.

The remaining 2% of invested capital, equating to 4% of invested capital, fall under the 'May Cause Harm' category. These investments currently lack sufficient policies or data systems to

demonstrate their impact, whether positive or negative.

In 2024, 49% of new investments, representing 4% of invested capital, were assessed as either 'Contributing to Solutions' or 'Benefitting Stakeholders'. Notably, no new investments were classified as 'May Cause Harm'.

The overall proportion of the portfolio assessed as 'Contributing to Solutions' or 'Benefitting Stakeholders' has declined compared to 2023, down from 64% of assets and 42% of invested capital. This change is primarily due to the exit of several investments from the Social Investment, Social and Sustainable Infrastructure funds, and several equity holdings.



Financial Performance

GMPF aims to optimise its investments to achieve both local and regional impact, alongside meeting its financial return objectives.

GMPF has an overall return target of CPI + 2-2.5%, with a benchmark of RPI + 4% for the Local Investment portfolio. Investments made in the portfolio are expected to achieve this target while recognising there will be a range of risk, return and impact performance across the different funds and direct property investments.

The financial performance of the Local Investment portfolio is reviewed on a quarterly and annual basis. Long-term measures – such as the Internal Rate of Return (IRR) – are considered by GMPF to be the most appropriate means of assessing performance.

GMPVF

GMPVF's investments include a range of property assets with different risk and return characteristics. Properties that are fully built and generating income from tenants are clearly lower risk than sites in development and have different return profiles.

The overall IRR position for GMPVF was 4.6% as of the end of December 2024, with an IRR of 5.8% for those investments exited to date.

The GMPVF portfolio is still relatively immature, however, GMPF's latest performance review provides evidence that the portfolio is on track to achieve the return objective over the medium to long-term.

The Impact Portfolio

The Impact Portfolio has investment in funds that are at different stages of maturity. GMPF believes that financial performance calculations for immature funds (i.e. less than four years old) are a less reliable indicator of performance and are therefore excluded from its financial returns calculation.

As of 31 December 2024, the IRR position of the mature investments of the Impact Portfolio was 2.2% compared to 3.6% last year. Of the 44 fund commitments made in the Impact Portfolio, 26 could be included as "Mature Funds". By value, the 26 mature funds now represent around 47% of total commitments made, up from 45% last year. As such, the Impact Portfolio is still in its infancy and therefore performance data at this early stage is less meaningful.

Overall performance was affected by a number of the earliest commitments. As a result of which the investment team adapted its investment approach to focus on more experienced, larger, national managers alongside regionally focused co-investment funds. GMPF has also engaged with the poor performing funds to identify the issues and seek to agree on strategies to achieve best value.

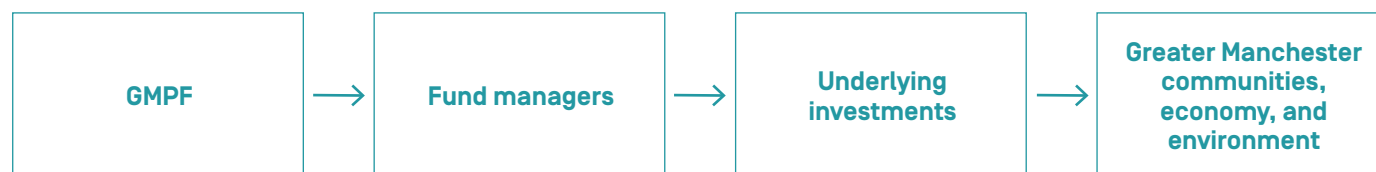
The best performing funds within the portfolio continue to be the private equity funds. 2024 continued to be a difficult market for private equity, yet the funds within the Impact Portfolio continued to have strong exits from portfolio companies returning many multiples of the original investments and distributing these returns to investors. GMPF also saw good return from more recent private debt funds.

By zooming in on the underlying investments, we were able to establish direct connections between GMPF's investment decisions, the strategies employed by the fund managers and the subsequent real-world outcomes and benefits to the people, communities, and economy of Greater Manchester and the North West.

4. CASE STUDIES

The following case studies aim to provide a deeper understanding of the impact of GMPF's investments.

We follow the money: from GMPF's capital allocation to the recipient fund managers, then trace their investment strategies and decision making to the subsequent underlying investments and real-world outcomes and benefits experienced by people and communities.



Scope and Approach

This year, TGE conducted four in-depth case studies with the following fund managers: CBRE Investment Management (GMPVF), Bridges Fund Management, Cheyne Capital and Northern Gritstone.

For each of these funds, we carried out detailed assessments of two of their underlying assets or investees. The selected investments were chosen to represent a diverse range of assets, reflecting the broader portfolio.

Our approach was comprised of the following:

- **Desktop review** of investment strategies, annual reports and wider contextual information to ensure a comprehensive assessment.
- **Fund manager interviews** with representatives from each of the four fund managers to gain insight into their investment strategies, processes and impact measurement and management approach.
- **Asset level interviews** were conducted with eight investee stakeholders and two site visits were carried out to gain a better understanding of the difference made to end beneficiaries on the ground.



CASE STUDY 1: GREATER MANCHESTER PROPERTY VENTURE FUND (GMPVF)

About GMPVF

Established in the early 1990s, the Greater Manchester Property Venture Fund (GMPVF) was created to enable the GMPF to invest in regional property development. GMPVF has a dedicated allocation of £900 million, of which £501 million is currently invested.

The fund is managed by CBRE Investment Managers who took on the mandate in 2023. Since being appointed, CBRE has evolved the fund to better meet its impact objective of stimulating local economic development through property development. This includes deeper integration of non-financial ESG criteria throughout the investment lifecycle and using their local market knowledge to invest more widely across the region, particularly in smaller towns. As demonstrated in 2024 with GMPVF's investment into two BTR schemes in Bolton and Halifax (see pages 35-36).

Portfolio Overview

The GMPVF currently holds 27 assets across a diverse range of real estate sectors, including:

- Office
- Retail
- Residential
- Industrial developments.

Investment Objectives

The fund is designed to achieve two main goals:

- Generate strong commercial financial returns.
- Support local employment, economic growth and regeneration in Greater Manchester and the North West through property development.

As of 31st December 2024:

£900 million allocation
with target IRR of **7%**



£501 million invested
across **27** assets



5,487 job spaces created by
current investments (estimated)



1,619 homes
in portfolio



100% owned
by GMPF



100% located in Greater
Manchester and the North West



Sector	Number of Sites	% of Capital Invested
Residential	11	24%
Commercial Real Estate	16	76%

● Bolton & Halifax Build to Rent Developments [GMPVF Portfolio]

In 2024, GMPVF invested in two build to rent (BTR) housing developments in Bolton and Halifax – two town centres historically experiencing viability challenges and therefore underserved by funding and new development options. These developments, delivered by Placefirst, were made possible through a combination of public sector grants, GMPVF's strategic involvement and the developer's equity.²² This was necessary to unlock regeneration in areas that arguably have the greatest need for investment and development yet where standalone viability was not possible.



Central Street, Bolton

- 167 new homes [studios to two-bedroom townhouses] in a key regeneration zone, with 8,073 sq ft of commercial space, 20 car parking spaces, and a cycle hub.
- The development comprises two apartment blocks and rows of vertically stacked townhouses and a new public square.
- EPC target rating B with all-electric heating and provision of PV panels.
- The scheme is part of a £100 million town centre regeneration, supporting local businesses and amenities, and providing much-needed modern rental stock.
- The site is well connected with bus connections and a shopping centre within a five minute walk and the main railway station and University of Bolton being less than a 20 minute walk.



Cow Green, Halifax

- 122 one- and two-bedroom apartments in a nine-storey block, 28 car parking spaces, and 128 bicycle spaces.
- EPC target rating A/B with all-electric heating and provision of PV panels.
- Transformed a brownfield site into Halifax's first purpose-built BTR community, supporting Calderdale's regeneration strategy and reducing environmental impact.
- Cow Green is in a central location in close proximity to essential amenities such as supermarkets, schools, medical care, parks and leisure facilities, with a 10 minute walk to the railway station.

Impact

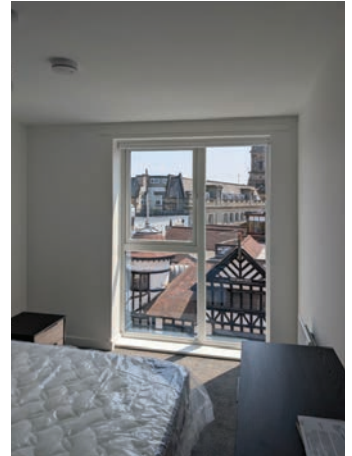
Both schemes aim to address the chronic shortage of high quality, energy-efficient rental homes that help to keep local people in areas where levels of new development are low. The homes being delivered are market rate²³ and aimed at a cross section of the population, ranging from young professionals to downsizing retirees. Both Bolton and Halifax town centres have not been able to provide a realistic housing offer to this demographic, when compared with nearby Manchester and Leeds. Due to the viability constraints, no affordable housing is provided in these developments as discounted rents would have

required further grant funding and the development would not have proceeded if grant funding was not secured. These schemes are intended to generate wider positive outputs through greater use of local services and amenities and act as catalysts for further investment into the area.

We understand that there were no competing funders for these schemes. Without GMPVF's loan these developments were unlikely to have proceeded.

22. Across the two schemes GMPVF's loan accounted for 45% of capital invested, 38% developer's equity and 17% grant funding from Bolton Council, Greater Manchester Combined Authority and West Yorkshire Combined Authority.

23. A one-bedroom flat in Central Street, Bolton starts at £995 per month. TGE estimates that only 21% of single-person households with an income could afford this rent without spending more than 33% of their net income. This figure rises to 80% for dual-income two-person households.



Rent Increases

Placefirst has faced recent criticism for implementing uncapped rent increases in other schemes they manage, with some tenants experiencing significant rent hikes. This led to resident protests and negative media coverage, particularly in Liverpool's Welsh Streets, where tenants argued that such increases were unaffordable.²⁴ Following discussions with residents, Placefirst has agreed to a 6% rent cap this year for individual households continuing their tenancy at Welsh Streets, with no household seeing an increase of more than £80 per month.

CBRE Investment Management in their role acting for GMPVF do not have a position on rent capping and highlight that due to financial viability constraints in order to achieve both commercial returns and local regeneration through its investments, as seen in the BTR developments in Halifax and Bolton, certain developments have to offer market rate homes. In such areas where levels of development are lower, initial rents are often reflective of the existing residential market in the town despite there being no directly comparable product. CBRE IM also note that GMPVF is invested in other developments which have restricted rents or affordable housing, and that this is part of a balanced portfolio which also includes market rate units.

Despite the wider regeneration benefits that such developments offer, best practice from the social and affordable housing sector is that rental increases for standing tenants should be in line with inflation, for example CPI+1.²⁵

Summary

The Bolton and Halifax BTR schemes illustrate how targeted public-private investment can support place-based regeneration, while also exposing the ongoing challenges of balancing commercial returns with housing affordability in the UK rental market.

24. <https://www.bbc.co.uk/news/articles/cq5466qz769o>.

25. <https://www.gov.uk/government/publications/limit-on-annual-rent-increases-2025-26-from-april-2025>.

● Updates on 'The Island' and 'Chorlton Shopping Centre'

In last year's report case studies were provided on GMPVF's The Island and Chorlton Shopping Centre investments. We intend to track certain investments overtime so we can begin to understand the place-based impacts that are being experienced.

The Island

Acquired by GMPVF in 2011, The Island is a redevelopment project in Manchester that has transformed three obsolete office buildings into approximately 90,000 sq. ft of modern workspace for an estimated 900 employees.

The scheme supports urban regeneration and addresses the city's undersupply of high-quality, grade A office accommodation.

In 2024, the main construction phase came to an end and a new reception area and roof terrace were completed. The site supported a total of over 120 full time jobs. 55% of the site's workforce live within 20 miles and 13 apprentices worked on the scheme for a combined total of 201 weeks.

45,500 sq. ft (over 50% of the building) has been let to Telefonica UK and will be occupied by Virgin Media UK who are due to move staff in during January 2026.



Chorlton Shopping Centre

GMPVF acquired the declining Chorlton Shopping Centre site in 2012, which included a mix of short-term tenanted office and retail units. Recognising the site's potential, GMPVF engaged with Manchester City Council, local planners and the community to develop a regeneration plan. In 2020, a Development Framework was approved, setting out proposals for around 200 residential units, 20,000 sq ft of ground floor retail and leisure space, and resident and accessible parking.

The scheme intends to deliver 20% affordable housing and incorporate strong sustainability features, including low-energy building design, PV panels, rainwater harvesting and EV charging. Designed to better integrate with the Chorlton area through active street frontages and green spaces, the project aims to deliver both social value and a commercial return. P.J.L. was selected as development partner based on their sustainability credentials and community engagement expertise.



As of December 2024, progress included:

- A submitted planning application with an advanced design and cost plan.
- In principle agreement of grant funding from GMCA and ongoing discussions for additional grants.
- Agreement of terms in principle with a Registered Provider of housing for the provision of 49 units of affordable housing (social rent) as part of the development.
- Works started to remove materials that contain asbestos from the building fabric.
- Site hoarding hosting the works of local photographers.
- Car park currently hosting a frequent Makers Market.

The redevelopment of the shopping centre is on schedule and is due for completion by 2029.

CASE STUDY 2: NORTHERN GRITSTONE – INNOVATION AND GROWTH ROOTED IN THE NORTH

About Northern Gritstone

Northern Gritstone is transforming venture capital in Northern England by unlocking the commercial potential of world-class research from the region's top universities.

Founded by the Universities of Manchester, Leeds, and Sheffield, the firm addresses the North's historic lack of early-stage investment, particularly for science and technology companies rich in intellectual property. GMPF provided £25 million of cornerstone investment in 2022 and invested further £5 million in 2025.

The firm's mission is to deliver 'profit with purpose', contributing to high-skilled job creation, productivity, and innovation-led growth in the North. Northern Gritstone's approach prioritises regional engagement, positioning Greater Manchester and the wider 'Northern Arc' as a centre for commercialising academic excellence.

Since launch, Northern Gritstone has built a portfolio of 31 companies across advanced materials, healthtech, AI, and clean energy, with average investments of £2 million and ticket sizes ranging from £200,000 to £10 million. While exits are yet to occur due to the early-stage focus, the fund anticipates returns over five to ten years.

In 2024, Northern Gritstone launched NG Innovation Services, an initiative to support the growth of early-stage companies. This includes NG Studios, a bespoke accelerator program for academic founders, transforming research into high-potential businesses. Of the 11 companies who took part in the program during 2024, five have progressed to seed funding, demonstrating the value of pre-investment support for academic spinouts.

Northern Gritstone ensures strong governance by appointing directors to most portfolio company boards, conducting annual impact surveys, and aligning investments with the UN Sustainable Development Goals, particularly those around innovation and inclusive growth. Diversity, ethics, and good governance are central to its strategy.

Northern Gritstone aims to ensure high-growth businesses are rooted in the North to create a thriving tech ecosystem but that their ambitions are global. GMPF's backing is instrumental, combining financial return with a commitment to a resilient, inclusive, and innovation-led regional economy.

As of 31st December 2024:

£222 million
AUM



£322 million raised (of which
£105 million is from GMPF)



11% owned
by GMPF



Target net IRR
of **20%**



£57 million invested
in **31** companies



770 jobs supported (of which
31% are attributed to companies
based in the North West)



223 jobs created since investment
(of which **48%** are attributed to
companies based in the North West)





● Phagenesis – Revolutionising Stroke Recovery

Phagenesis, a Manchester-based MedTech company founded in 2007 as a University of Manchester spinout, has pioneered a neurostimulation therapy to restore swallowing in patients with neurogenic dysphagia – a serious complication of strokes and brain injuries.

The company's non-invasive device delivers an electrical stimulation to the patient, enabling earlier recovery and reducing reliance on feeding tubes, thereby improving patient outcomes and lowering healthcare costs.

Having received over £40 million in backing already, Phagenesis secured £5 million equity investment from Northern Gritstone in 2024 to help the company break into the US market. The company employs 38 people,²⁶ the majority based in Manchester in research and development, regulatory and finance roles. Phagenesis outsources manufacturing to key partners in the east of England and Ireland.

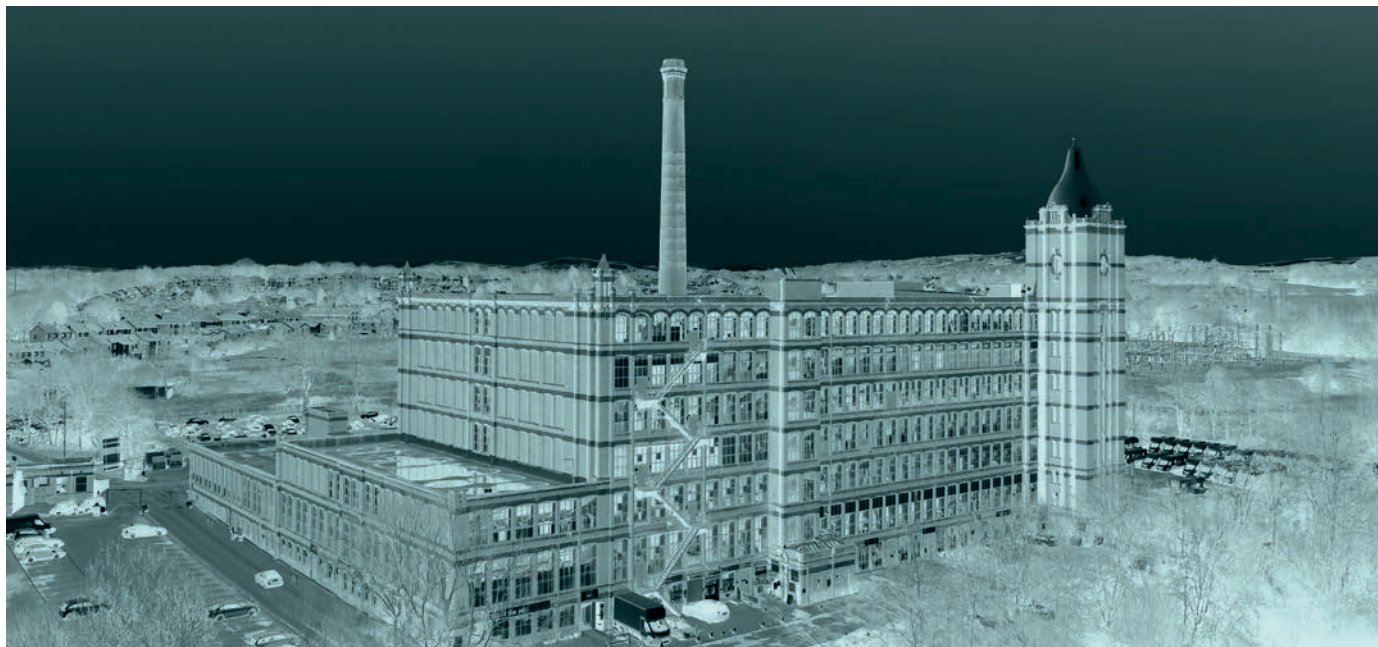
Since Northern Gritstone's investment the company has created 16 skilled jobs aligning with GMPF's local impact objective of job creation. Despite facing challenges specifically due to Manchester Airport's loss of long-haul routes (for example, meetings with international stakeholders being easier to conduct in London and not being able to attract global board-level talent) Phagenesis are keen to remain in the city, with the city's infrastructure, culture and innovation community being heralded as key to Manchester's appeal.



26. As at 31 December 2024. Current headcount is 55 in 2025.

● Silveray – Manchester's Flexible X-Ray Technology Transforming Industrial Imaging

Silveray, a Manchester-based tech company, is transforming digital X-ray imaging with a flexible Digital X-ray Film (DXF).



A novel X-ray material was originally conceived from research conducted by the University of Surrey, however in 2022, the company relocated to an old mill in Stockport to benefit from Greater Manchester's talent. The newly hired local team kitted out a research laboratory and the product idea for Digital X-ray Film was formed.

Silveray's flexible X-ray film is ideal for challenging and confined inspection environments and holds promise for healthcare uses like 'live' imaging and calibration in radiotherapy, mammography and dental imaging, improving patient comfort and increasing access in underserved areas where use of traditional equipment is more challenging. Silveray's digital film also reduces chemical waste and has a lower carbon footprint compared to traditional X-ray film.

Northern Gritstone invested £2.3 million in total, following on from their seed investment in March 2023. Since Northern Gritstone's initial investment, the company has created eight new jobs. Silveray now employs 13 people²⁷ and will continue to grow, prioritising local hiring and collaborations with the University of



Manchester and the Graphene Engineering Innovation Centre. Silveray also has key industrial partners in the North West helping to test the product in both the energy and defence sectors. Northern Gritstone's support has been crucial, not only through the provision of funding, but also with non-financial support including strategic and operational guidance, making industry introductions and attracting further funding. Silveray aims to expand internationally while maintaining its strong Manchester base for R&D and pilot production.

27. As at 31 December 2024. Current headcount is 17 in 2025.

CASE STUDY 3: CHEYNE CAPITAL – DELIVERING AFFORDABLE AND SPECIALIST HOUSING

About Cheyne Capital

Cheyne Capital, through the Cheyne Impact Real Estate Trust (CIRET), aims to increase the provision of high-quality, affordable, and specialist housing to improve the lives of people with a wide range of needs.

Its model includes ambitious targets for the allocation of homes to key workers (ranging from 20-35%). CIRET's investments also include Specialised Supported Housing (SSH) for people with learning disabilities or mental health needs, temporary accommodation for those at risk of homelessness, and residential care for older people.

Originally established as the Cheyne Social Property Impact Fund, the Trust has evolved its model to focus more directly on delivering means-tested, high-quality housing in urban areas where key workers face significant affordability challenges. A core feature of this model is a capped rent structure, which ensures security of tenure and predictable costs. Properties are professionally managed and offered at accessible rents, providing stable housing environments for those who support the city's critical infrastructure.

The partnership with GMPF has been central to Cheyne's ability to act decisively in the market. Joint investments with GMPF and the South Yorkshire Pensions Authority enabled strategic acquisitions, including land in Leeds and residential blocks in London, and demonstrated the importance of collaborative, locally informed capital in addressing complex housing needs.

Cheyne's model also extends to the care sector, where it operates a growing portfolio of care homes designed to balance public and private pay occupancy. In one facility, 38% of residents are publicly funded, ensuring that vulnerable individuals continue to have access to quality care. The Trust is focused on maintaining sustainable occupancy levels (typically aiming for 90%) and strengthening relationships with local authorities through thoughtful service integration.

The Cheyne Impact Real Estate Trust is an example of how institutional capital, when directed with purpose, can drive both financial performance and societal benefit. For GMPF, this investment represents not just a financial allocation but a strategic intervention in addressing the region's housing needs.

As of 31st December 2024:

£109.7 million
AUM²⁸



£105 million raised (of which
£20 million is from GMPF)



Target net IRR
of **6%-8%**



19% owned
by GMPF



£102 million invested
in **9** assets



719 homes provided
(72% in North West)



1,367 residents
(75% in North West)



28. Cheyne Impact Real Estate Trust (CIRET) AUM.

● Anavo Care Homes, Alexandra Mill – Inclusive, Community-Driven Care at the Heart of Crewe

Alexandra Mill, operated by Anavo Care in Crewe, is a modern, purpose-built care home that has quickly become a valued community hub. Opened in 2023, it offers 72 spacious, en-suite rooms at a 95% occupancy rate. Residents benefit from high-quality facilities including a cinema, library, games room and private dining spaces, all designed to foster comfort, connection and community cohesion.

Importantly, the home provides equal access and choice for both privately and publicly funded residents, with 35% allocated to publicly funded residents. TGE has been informed these rooms are to be let at a 25-30% discount to the private units. It is expected that all NHS and most local authority-funded residents will have their rent fully covered, with some local authority-funded residents possibly requiring small 'top-ups' to cover the rent. The home is tenure blind, meaning there is no difference between publicly or self-funded rooms, an issue faced in the wider care-sector where levels of quality have been lower for publicly funded homes.

The home employs 80 staff, most locally based, with improved retention and all Heads of Department remaining since opening. Staff enjoy fair pay, incentives and regular recognition, creating a positive workplace culture. While the sector faces staffing challenges and high turnover elsewhere, Alexandra Mill's focus on local recruitment and supportive management has helped maintain stability.

Alexandra Mill is deeply engaged with the local community, partnering with schools, churches and groups like the YMCA and Prince's Trust to offer activities such as exercise classes, bingo and intergenerational visits. Residents actively participate in maintaining gardens and managing activities and initiatives like the 'Make a Wish' project which empowers them to shape their own experiences. Residents are encouraged to participate in decision making, with roles created such as 'Ambassador' and 'Head Gardener', and regular meetings are held with residents to collect views on areas such as meals and activities in order to foster a sense of belonging and empowerment.

Delivered by Cheyne Capital, who act as landlord under a long-term lease, and strong local partnerships, Alexandra Mill demonstrates inclusive, community-centered care. Anavo Care, with support from Cheyne Capital, also operate a care home in Whitchurch, Shropshire which opened in February 2025.



● Resident Spotlight: David, Resident Ambassador at Alexandra Mill Care Home, Crewe



David has lived at Alexandra Mill Care Home since it opened and now serves as Resident Ambassador.

He values the friendly, attentive staff and enjoys the home's lively atmosphere

and diverse activities, especially music sessions – recently curating one himself. David actively participates in resident meetings and feels his feedback is genuinely considered in decisions about daily life. He appreciates transparent communication and prompt resolution of concerns. Managing his finances with outside support, David is open about the realities of funding care.

A highlight for him was a dream visit to his beloved football team, Wolverhampton Wanderers, arranged by the care home staff, reflecting the home's commitment to meaningful experiences.



● Poplin – Affordable Build-to-Rent Living for Key Workers in Manchester

Poplin, operated by Native Residential, is an 11-storey Build-to-Rent scheme in central Manchester, offering 144 apartments with 35% [51 apartments] allocated to key workers at discounted rents. Importantly this allocation is driven by Cheyne Capital's cross-subsidy model and without using government grants.

The allocation also goes beyond affordable housing requirements as stipulated in local planning agreements. Opened in August 2023, Poplin aims to address Manchester's affordable housing shortage, particularly for essential workers like teachers, doctors, nurses and lecturers. The discounted rents are tailored to be no more than 30% of a key worker's net disposable income, providing a discount of up to 30% compared to market rates. All residents benefit from capped annual rent increases, enhancing long-term affordability.

The scheme features modern amenities, including communal workspaces, a bookable event space, a roof terrace and bicycle

parking. It is designed to be tenure-blind, ensuring key worker homes are indistinguishable from others. Native Residential fosters community through twice-monthly events, such as breakfast clubs and fitness sessions, and provides welcome packs with eco-friendly, locally sourced products. Residents also receive the Poplin card, granting discounts at local gyms and businesses, supporting both resident wellbeing and the local economy.

Initially, the scheme struggled to fill its key worker allocation, reaching only 19% occupancy by December 2023 due to challenges in outreach and engagement with organisations like the NHS. However, targeted social media campaigns and partnerships improved uptake, and by May 2024, the scheme achieved its 35% target for key worker occupancy.

Cheyne Capital are currently developing a similar BTR scheme, Mabgate Yard in Leeds, which will consist of 302 residential units, with a total of 35-40% discounted and allocated to key workers or low-income workers.

CASE STUDY 4: BRIDGES FUND MANAGEMENT – DRIVING INCLUSIVE GROWTH IN GREATER MANCHESTER

About Bridges Fund Management

Bridges Fund Management (Bridges) is a specialist sustainable investor with a mission to build a more inclusive and resilient economy. Through a long-standing partnership with Greater Manchester Pension Fund (GMPF), Bridges has helped channel capital into projects that generate strong financial returns while delivering measurable social and environmental impact.

Bridges' platform spans three key strategies: sustainable growth private equity funds, impact-driven property funds, and social outcomes partnerships. GMPF has committed across all three strategies, beginning with a £2.5 million investment to the Bridges Social Impact Bond (SIB I) in 2013, and a subsequent £82.5 million invested in five other Bridges funds. Additionally, GMPF and Bridges have created a co-investment vehicle focused exclusively on the North West, allowing Bridges full discretion to identify high-impact local opportunities. This vehicle has now been fully deployed, with £20 million invested across three property assets and two private equity deals.

Bridges has reinforced its regional commitment by establishing a presence in Manchester, ensuring deeper engagement with local businesses and entrepreneurs. In its property strategy, Bridges often works with SME developers to unlock complex sites that other investors avoid, typically because of planning risk or long-term development timelines.

Sustainability and impact considerations are embedded across all funds through a unified Sustainable Investment Policy. Each investment is assessed and managed against robust impact metrics and key performance indicators (KPIs). The firm's Value Creation and Impact Team works alongside investees post-deal, often with Bridges taking a board seat to actively support progress. This hands-on approach ensures that social value, sustainability and governance are central to long-term success.

Bridges' partnership with GMPF showcases how locally targeted capital can be mobilised at scale which has supported regeneration, business finance and improving life outcomes across Greater Manchester.



As of 31st December 2024:

Strategy	Number of Funds	AUM	Total Raised	GMPF Ownership	Number of Live Assets	Target net IRR
Bridges Sustainable Growth Funds	3	£154 million	£231 million	24%	11	15% – 25% IRR
Bridges Property Alternatives Fund	1	£126 million	£212 million	12%	3	12% – 15% IRR
Bridges Social Outcomes Funds	2	£36 million	£58 million	9%	35	3% – 5% IRR
Bridges/GMPF Co-Investment Vehicle	1	£21 million	£20 million	100%	5	SGF deals 15%-25% BPAF deals 12%-15%

● Greater Manchester Better Outcomes Partnership [GMBOP]: Preventing Youth Homelessness

The Greater Manchester Better Outcomes Partnership [GMBOP] is a collaborative initiative launched in April 2021 to prevent youth homelessness across Greater Manchester. With a £1.2 million investment from Bridges, GMBOP runs the Pathfinder programme, offering tailored, strengths-based support to young people aged 18–25 who are at risk of homelessness.

The programme addresses housing stability, mental health, resilience and access to education, employment and social activities, with the aim of preventing long-term homelessness and promoting independent living.

GMBOP brings together partners such as Depaul UK, Calico, 42nd Street, Early Break, AKT, and The Brick, and is supported by the GMCA and the Department for Digital, Culture, Media and Sport (DCMS). The initiative operates on an outcomes-based contract, with funding tied to measurable improvements in participants' lives. This collaborative approach is strengthened by regular communication and shared learning between GMBOP and its delivery partners, who value the opportunity to exchange best practice and continually refine their support models. For example, Calico Group's mission to prevent homelessness is enhanced through this partnership, which fosters a more supportive and innovative environment compared to more traditional, restrictive contracts.

Since its inception, the Pathfinder programme has supported over 1,785 young people, helping many to secure stable accommodation. As at the end of 2024, 1,018 people had been prevented from becoming homeless and sustained accommodation for three months, of which 399 had sustained

accommodation for a year. Innovative features include direct access to local authority case management, flexible mental health budgeting, and a strong emphasis on relationship-building and goal setting with participants. Teams work closely with local authorities, providing hands-on, personalised support that prioritises self-defined outcomes for each young person. This proactive, supportive ethos stands in contrast to more punitive approaches experienced elsewhere and is seen as key to achieving sustainable results.

GMBOP is funded through a Social Outcomes Partnership model, combining public and private investment, with payment released only upon achieving agreed social outcomes. This ensures accountability and effective use of resources, with a strong focus on accurate data collection and impact tracking to inform ongoing reporting and future strategy. The partnership also recognises the challenges faced by district housing homelessness teams, particularly the tension between immediate pressures and the need for longer-term solutions. By fostering a culture of collaboration, flexibility and continuous improvement, GMBOP and its partners are working to shift the system towards more sustainable, long-term outcomes for young people at risk of homelessness.



● Bridges/GMPF Co-Investment Vehicle LP

The co-investment vehicle is a collaborative investment arrangement between GMPF and Merseyside Pension Fund, designed to channel capital into private equity and real estate projects across the North West of England. This structure allows both Bridges and the pension fund to pool resources and expertise, targeting regional investments that align with their shared impact and financial objectives. Investments are concentrated in the North West, supporting local economic development and regeneration.

The co-investment vehicle operates under a pre-agreed investment remit, which outlines eligible asset classes, target sectors and impact themes, including supporting SMEs, regenerating deprived areas and promoting sustainable development. Investments are assessed for their contribution to local jobs, economic growth and environmental outcomes.



Leeds Development: Triangle 45 Industrial Scheme

The Triangle 45 project is a transformative industrial and logistics development in the Cross Green area of East Leeds, delivered through a joint venture between Bridges and Chancerygate. Located on an 11 acre brownfield site along the A63 East Leeds link road, the scheme offers excellent connectivity to Leeds city centre and the national motorway network.

The development will provide 23 high-quality industrial units, ranging from 4,450 to 34,000 sq ft, specifically designed for small and medium-sized enterprises (SMEs). With a total floor area of 223,000 sq ft, units are available on both leasehold and freehold bases, catering to a diverse range of business needs. Triangle 45 is targeting BREEAM 'Excellent' and minimum EPC A ratings, incorporating solar panels, air source heat pumps and electric vehicle charging to ensure high sustainability standards. The construction's embodied carbon is expected to be 30% lower than UK benchmarks, saving around 4,000 tonnes of CO₂.

The project is expected to provide employment space for 350 jobs, supporting local economic growth and SME development in one of Leeds' most deprived areas. As part of the Leeds City Region Enterprise Zone and the Temple Green masterplan, Triangle 45 addresses the shortage of modern, flexible industrial space, driving regeneration and sustainable growth for the city.

5. CONCLUSIONS AND RECOMMENDATIONS

This report provides a summary of the findings of our independent assessment of GMPF's Local Investment portfolio over 2024 and its contribution to local and regional development in Greater Manchester and the North West.

This is the third year in which the PBII Reporting Framework – an industry-driven methodology – has been applied as an analytical framework to support this assessment.

Through portfolio analysis, illustrative case studies and data verification we have found that GMPF has a balanced Local Investment portfolio across asset classes, enabling it to contribute towards job creation, local economic activity and sustainable development in Greater Manchester and the wider region.

Key Findings

- **Balanced, regionally focused portfolio** – the Local Investment portfolio is diversified across SME finance, commercial property, housing, social infrastructure, and renewable energy, with 67% of investment located in Greater Manchester and the North West, directly supporting regional economic growth and development.
- **Strong job creation and business support** – Investments have supported businesses employing over 15,300 people and have created 3,900 new jobs, with a significant share in the North West, while 73% of supported businesses demonstrate job growth.
- **Housing and infrastructure delivery** – £204 million is committed to funds that have so far delivered 3,752 homes (75% in the North West). The portfolio also invests in key social infrastructure including nurseries, healthcare facilities, and expanded digital broadband access for 233,000 premises.
- **Improved PBII alignment** – we have seen that funds are taking measures to better integrate place-based and impact measurement and management practices into their strategies. For example, GMPF has developed a range of key ESG KPIs focussing on its objective of generating long-term, positive impacts in the local area, and have integrated them throughout the investment lifecycle.
- **The portfolio faces a number of challenges.** For example, the viability of development projects, particularly in areas which have typically been underinvested constraining the ability to deliver both commercial returns as well as more affordable housing. The portfolio has also seen limited investment in renewable energy due to a lack of investable opportunities.
- **In response to our recommendations from last year's report,** TGE has worked with GMPF to create an indicative Theory of Change. This illustrates how GMPF's strategy aligns with and supports regional priorities. It outlines the core elements of the pension fund's approach, showing how investment activities lead to immediate outputs, which are intended to generate meaningful outcomes for people and businesses across the region.
- **GMPF's investments align with UK policy goals** to mobilise private capital for local growth, but LGPS alone cannot meet the scale of need. The Fit for the Future consultation and Greater Manchester Strategy 2025–2035 emphasise the need for private investment to deliver housing, jobs, and infrastructure. GMPF's Local Investment portfolio importantly contributes to this, for example since 2022, it has supported 2,521 new homes in Greater Manchester, equivalent to 4% of the 85,000 built since 2016, and on average delivered 4% of GMCA's annual 2 million sq ft of new commercial space each year. However these figures demonstrate that while GMPF's capital is vitally important, achieving local growth plan targets will require significant additional private investment beyond the LGPS sector.
- **GMPF's ability to deliver on its objectives is constrained** by the investment opportunities currently available in the market, as well as the need to meet target returns while maintaining acceptable risk levels. The evolving UK regulatory landscape and the pooling of pension funds are adding further complexity and uncertainty, making long-term planning and target setting more challenging. GMPF remains committed to creating positive impact, however the changing environment means future targets are still unclear.

We assess that GMPF continues to meet its impact objectives of:

- **Place** – Address place-based priority needs in the North West.
- **Jobs** – Generate employment and improve long-term employment prospects.
- **Economic Development** – Invest and support businesses in the North West and contribute to overall development of local economy.

The report has highlighted specific strengths of the Local Investment portfolio as well as scope for increasing GMPF's local and regional impact.



Recommendations

- Build on the Theory of Change to ensure it aligns with relevant strategies across the region. Where possible embed core outcome indicators (e.g., wage growth, long-term housing stability, SME productivity gains) into fund reporting requirements to move beyond measuring outputs to enable better understanding of sustained social and economic change in the region.
- Encourage best practice in stakeholder impact. For example, adopt and promote portfolio-wide standards on fair rent increases and Real Living Wage adoption across investee companies and developments, drawing from positive models within the current portfolio (e.g., Cheyne's capped rent and key worker schemes).
- Target strategic growth sectors. Increase exposure to renewable energy, clean tech, and high-value industrial developments aligned with the Greater Manchester Strategy's priorities. Address the current low proportion of renewable energy assets, constrained by limited opportunity pipeline, through proactive pipeline development with local partners.
- Building on the Fit for the Future policy direction, GMPF should continue working with the Greater Manchester Combined Authority, other Northern LGPS funds, and national stakeholders to further develop co-investment and blended finance structures that attract additional private capital into priority sectors such as affordable housing, renewable energy, and commercial workspace as well as helping unlock areas typically underinvested in. By positioning GMPF's local investment strategy as a proven model for local impact investing, lessons and approaches can be shared to draw in external investors, sharing the responsibility in meeting Local Growth Plan and Greater Manchester Strategy targets across the wider private sector.

APPENDIX

Appendix 1: GMPF's Local Investment portfolio

Portfolio	Name of Fund Manager	Name of Fund	Size of Fund [AUM]	Level of GMPF Investment [£]	Level of GMPF Investment [% of Fund Size]	Geographic Scope	Impact Theme
Impact Portfolio	Albion Capital	Albion Real Assets Fund (ARAF)	£38,000,000	£1,700,000	26%	UK	Infrastructure
Impact Portfolio	Alpha Real Capital	Social Long Income Fund	£39,600,000	£15,000,000	40%	UK	Social Infrastructure
Impact Portfolio	Alpha Real Capital	Social Long Income Fund North West	£26,900,000	£25,000,000	100%	Specific regions of the UK	Social Infrastructure
Impact Portfolio	Beechbrook Capital LLP	UK SME Credit III LP	£151,133,501	£15,000,000	10%	UK	Debt growth capital – SME's
Impact Portfolio	Beechbrook Capital LLP	Beechbrook UK SME Credit IV LP	£96,720,000	£10,000,000	10%	UK	Debt growth capital – SME's
Impact Portfolio	Beechbrook Capital LLP	UK SME GMPF Co-investment LP	£25,000,000	£25,000,000	100%	Specific regions of the UK	Debt growth capital – SME's
Impact Portfolio	Boost & Co Ltd	Industrial Lending 1	£13,331,962	£24,662,000	24%	UK	Debt growth capital – SME's
Impact Portfolio	Boost & Co Ltd	Industrial Lending 2	£13,350,000	£15,000,000	60%	UK	Debt growth capital – SME's
Impact Portfolio	Boost & Co Ltd	Industrial Lending RSF	£15,000,000	£15,000,000	100%	Specific regions of the UK	Debt growth capital – SME's
Impact Portfolio	Bridges Fund Management Limited	Bridges Inclusive Growth Fund LP (IGF)	£68,070,027	£15,000,000	23%	Europe including UK	Social Investment
Impact Portfolio	Bridges Fund Management Limited	Bridges Property Alternatives Fund III LP (BPAF III)	£126,292,683	£25,000,000	12%	UK	Property development
Impact Portfolio	Bridges Fund Management Limited	Bridges Social Impact Bond I (SIB I)	£7,761,616	£2,500,000	11%	UK	Social Impact Bonds
Impact Portfolio	Bridges Fund Management Limited	Bridges Social Outcomes Fund II (SOF II)	£27,781,743	£2,500,000	7%	Europe including UK	Social Impact Bonds
Impact Portfolio	Bridges Fund Management Limited	Bridges Sustainable Growth Fund IV LP (SGF IV)	£24,018,421	£20,000,000	25%	UK	Equity growth capital – SME's
Impact Portfolio	Bridges Fund Management Limited	Bridges Sustainable Growth Fund IV(B) LP (SGF IV(B))	£62,355,194	£20,000,000	24%	Europe including UK	Equity growth capital – SME's
Impact Portfolio	Bridges Fund Management Limited	Bridges/GMPF Co-Investment Vehicle LP	£20,540,524	£20,000,000	100%	Specific regions of the UK	Equity growth capital – SME's
Impact Portfolio	Cheyne Capital	Cheyne Impact Real Estate Trust	£105,200,000	£20,000,000	19%	UK	Social Infrastructure
Impact Portfolio	Enterprise Ventures Limited	Enterprise Ventures Growth II LP	£40,100,000	£15,000,000	37%	UK	Equity growth capital – SME's
Impact Portfolio	Enterprise Ventures Limited	EVG II North West Limited Partnership	£5,000,000	£5,000,000	100%	Specific regions of the UK	Equity growth capital – SME's
Impact Portfolio	Fiera Real Estate UK	Residential Land Development Limited Partnership LP	£21,328,045	£12,500,000	17%	UK	Property development
Impact Portfolio	Foresight Group LLP	Foresight Regional Investment III LP	£109,721,500	£40,000,000	36%	Specific regions of the UK	Equity growth capital – SME's
Impact Portfolio	Foresight Group LLP	Foresight Regional Investment LP	£58,070,000	£30,000,000	52%	Specific regions of the UK	Equity growth capital – SME's

Portfolio	Name of Fund Manager	Name of Fund	"Size of Fund [AUM]"	Level of GMPF Investment [£]	Level of GMPF Investment [% of Fund Size]	Geographic Scope	Impact Theme
Impact Portfolio	Gresham House	Gresham House British Sustainable Infrastructure Fund II LP	£401,058,388	£30,000,000	9%	Europe including UK	Renewable energy infrastructure
Impact Portfolio	Gresham House	Gresham House BSI Infrastructure LP (Sub Fund I)	£234,647,009	£20,000,000	11%	UK	Renewable energy infrastructure
Impact Portfolio	Gresham House	Gresham House North West BSI II LP	£65,958,569	£70,000,000	100%	Specific regions of the UK	Renewable energy infrastructure
Impact Portfolio	Gresham House	Gresham House North West BSI LP	£22,673,807	£20,000,000	100%	Specific regions of the UK	Renewable energy infrastructure
Impact Portfolio	Henley Fund Management	Secure Income Property Unit Trust II	£85,000,000	£20,000,000	24%	UK	Social Infrastructure
Impact Portfolio	Iona Capital Ltd	Iona North West Environmental Infrastructure LP	£42,000,000	£42,000,000	100%	Specific regions of the UK	Renewable energy
Impact Portfolio	Mercia Asset Management plc	EV SME Loans I	£40,000,000	£10,000,000	100%	Specific regions of the UK	Debt growth capital – SME's
Impact Portfolio	Mercia Asset Management plc	EV SME Loans II	£20,000,000	£20,000,000	100%	Specific regions of the UK	Debt growth capital – SME's
Impact Portfolio	Newstead Capital Limited	Newstead Capital Real Estate Lending Fund I, LP	£42,159,607	£15,000,000	37%	England	Property development
Impact Portfolio	Northern Gritstone Limited	Northern Gritstone Limited	£222,075,000	£105,000,000	33%	Specific regions of the UK	Investment in technology jobs
Impact Portfolio	Palatine Private Equity	North West Co-Invest Fund	£12,158,344	£15,000,000	75%	Specific regions of the UK	Equity growth capital – SME's
Impact Portfolio	Palatine Private Equity	Palatine Growth Credit Fund	£9,586,472	£20,000,000	25%	UK	Debt growth capital – SME's
Impact Portfolio	Palatine Private Equity	Palatine Private Equity Impact Fund I	£64,695,694	£15,000,000	15%	UK	Equity growth capital – SME's
Impact Portfolio	Palatine Private Equity	Palatine Private Equity Impact Fund II	£58,176,324	£10,000,000	7%	UK	Equity growth capital – SME's
Impact Portfolio	Panoramic Growth Equity	Panoramic SME Fund 3 LP	£102,500,000	£5,684,222	20%	Specific regions of the UK	Equity growth capital – SME's
Impact Portfolio	Resonance Impact Investment Limited	National Homelessness Property Fund 2	£129,266,073	£19,946,535	15%	UK	Social Infrastructure
Impact Portfolio	TDC Impact RC Fund	TDC Impact RC Fund	£2,800,000	£10,000,000	100%	Specific regions of the UK	Debt growth capital – SME's
Impact Portfolio	Tosca Debt Capital Fund III LP	Tosca Debt Capital Fund III	£119,765,000	£20,000,000	11%	UK	Debt growth capital – SME's
Impact Portfolio	Tosca Debt Capital LLP	TDC Impact Limited	£18,950,000	£35,000,000	50%	Specific regions of the UK	Debt growth capital – SME's
GMPVF	CBRE	Greater Manchester Property Venture Fund	£900,000,000	£533,000,000	100%	Specific regions of the UK	Property

Appendix 2: Data Sources

Data source/ evidence	Overview	Evidence risk [data source]	Limitations
Stakeholder Interviews	Interviews undertaken with stakeholders relevant to each case study, including GMPF, investment managers, operating managers (e.g housing associations, care providers, business owners and management, etc) and where appropriate, beneficiaries (for example residents, service users etc).	Low	TGE is only able to conduct case studies on a sample of funds and assets in each fund each year. The sample rotates each year with the intent of covering the majority of fund managers over a five-year cycle.
Site visits to selected schemes	Site visits were undertaken in Crewe and Bolton. We visited two sites: Site visit 1: Alexandar Care Home, Crewe. Here we spoke to the Home Manager who gave us a tour of the entire care home, informally meeting residents and care home staff. We formally interviewed one resident as well as interviewing a senior member of the Care Home operator. Site visit 2: Bolton Build To Rent scheme (under construction). Tour of the partially completed development, including viewings of interior finished townhouses and flats.	Low	Site visits are conducted for some of the asset level case studies. These allow TGE to develop a reasonable idea of the quality of the site. It is a snapshot rather than an in-depth understanding of the impact delivered.
Fund and asset-level data in PBII Reporting Template	The PBII Reporting Template allows fund managers to supply data related to the fund size and underlying investments.	Low	Reliant on accuracy of data provided by fund managers. The data is reviewed by TGE and followed up on where queries arise. A small sample of funds are subject to an independent assurance of output metrics.
Documents from GMPF and fund managers	Review of essential fund documents, including investment strategies, annual reports and evidence of impact performance.	Low	Reliant on accuracy of information in documents provided by GMPF and fund managers.

Appendix 3: Independent Assurance

Providing GMPF with greater confidence in Place Based Impact Reporting

The Good Economy was commissioned by GMPF to carry out independent assurance on the quality of place-based measurement, management and reporting. The aim was to increase levels of confidence in impact practices and performance by assessing selected fund managers against a recognised third-party standard – the AA1000 Assurance Standard – on an annual basis. This provided a ‘fourth line’ of defence to ensure the credibility and reliability of information in this report, as well as the underlying processes and systems being used by investment managers.²⁹

The Good Economy’s *Impact Assured* team – operationally separate from those writing the impact report – carried out the engagement. As far as TGE is aware, GMPF continues to be the only pension fund investor to have asked for external assurance of non-financial metrics reported by underlying funds. As such, conducting this process on an annual basis continues to provide an important signal that shareholders should expect the same level of rigour and external scrutiny to be applied to impact performance as they would expect within an audit of financial performance. Assurance is an essential component in protecting against greenwashing which is increasingly reflected in public policy and regulation.³⁰ Assurance helps asset owners ensure their underlying managers are delivering meaningful results, and signals credibility to shareholders and wider stakeholders.

Scope

The scope of assurance related to data disclosed regarding the number of jobs supported and created by funds, which in turn was aggregated into portfolio-wide figures. Two managers and their underlying funds were selected for assurance by applying a set of selection criteria to the GMPF portfolio.³²

The AA1000 Assurance Standard

The AA1000 Assurance Standard [AA1000AS v3], developed through a consultative process by the standards firm AccountAbility,³¹ is a leading sustainability standard used to assess an organisation’s disclosures about its performance. It is based on four key AccountAbility Principles of inclusivity, materiality, responsiveness and impact. These Principles closely align with the ‘traits’ of place-based impact investing – as set out in the PBII Reporting Framework – so were used as the criteria through which to assess the quality of the place-based approach.

As a registered AA1000AS assurance provider, TGE is bound by a set of preconditions to ensure the independence and impartiality of the engagement, which took place in accordance with established AA1000AS processes and the Code of Practice. The assurance was also carried out in line with TGE’s internal Code of Practice.

TGE carried out the engagement to a moderate level of assurance, assessing adherence to the AccountAbility Principles at risk of fulfilment and areas of the subject matter most likely to be materially misstated, based on collecting and assessing evidence and its validity.

29. The Institute of Chartered Accountants in England and Wales [ICAEW]’s four lines of defence model sets out four categories of responsibility: Those involved in the day-to-day (‘first line’ – funds preparing information); internal controls (‘second line’ – fund managing their control environment through checks and systems); objective and independent scrutiny (‘third line’ – TGE’s sense check in collecting data and interacting); external assurance to a third-party standard and methodology (‘fourth line’ – assurance to high standards of evidence and professional scepticism).

30. From 1 January 2024, the European Commission introduced an EU-wide requirement for limited assurance on sustainability reports, with the end goal to move towards reasonable assurance in the longer term.

31. The AccountAbility Standards Board oversees the ongoing development of the Standards used by institutions worldwide. The composition of the Board is designed to provide broad representation from the public and private sectors, civil society, and the standards community.

32. The set of selection criteria included (1) impact theme, (2) significance of impact to aggregate GMPF portfolio metrics, (3) feasibility (assurance does not take place on managers featured as case studies in the same reporting year), (4) portfolio coverage (prioritise assuring all managers in the portfolio before repeating the assurance process on managers). This year both managers selected fall within the SME Finance portfolio.

Findings

Alignment with AccountAbility Principles and the Traits of Place Based Impact Investing

AccountAbility Principle	PBII Trait	Summary Findings for Sampled Managers
Inclusivity People should have a say in the decisions that impact them	Collaboration and stakeholder engagement	Managers have clear engagement approaches for their core stakeholders: employees, fund investors, and portfolio companies within funds. Approaches include a variety of informal and formal processes, with both sampled managers working to embed ESG across the organisation by strengthening employee knowledge and awareness. Engagement with local communities and end beneficiaries is not currently prioritised, though awareness of their importance is increasing. One manager has identified a broader set of secondary stakeholders, whose views it aims to incorporate through an integrated decision-making process. There remains scope for more meaningful consultation with intended beneficiaries to strengthen their role in shaping local investment decisions. Managers have embedded formal sustainability commitments into governance structures for both internal and external stakeholder groups. These include being a signatory to the UN Principles for Responsible Investment, as well as internal policies related to inclusion and diversity.
Materiality Decision makers should identify and be clear about the sustainability topics that matter	Local priorities	Managers have established clear processes for identifying material sustainability topics and integrating them into investment decision-making. One manager includes 'Customers and Community' among its most material ESG topics, demonstrating some alignment with local priorities. Managers use industry standard frameworks and tools, such as SASB and UN PRI to identify relevant topics across portfolio company sectors. Performance is monitored at least annually at the portfolio company level. Material topics are reviewed and updated over time to reflect evolving best practice.
Responsiveness Organisations should act transparently on material sustainability topics and their related impacts	Intentionality	Managers have active lines of communication with their key stakeholders, including fund investors, portfolio companies, and the manager's employees. This ensures managers can actively respond and address concerns when raised. Portfolio companies are a central focus, with managers maintaining direct links to sustainability and investment leads. Regular dialogue is supported by managers typically holding board observer roles, enabling early identification of any issues.
Impact Organisations should monitor, measure and be accountable for how their actions affect their broader ecosystems	Impact management	Impact management is a core part of the sampled managers' investment approaches, with clear impact themes and metrics established to track performance across portfolios. Monitoring is aligned with industry standards such as SFDR, GRI, and the UN Sustainable Development Goals. Impact results are shared with stakeholders through a mix of regular reporting mechanisms, including: – Annual impact reports at both portfolio and company level – Quarterly updates to investors.

Jobs Quantity

While we found no material errors in reported jobs figures, the assurance highlighted the need for some improvements in data collection and validation.³³

Data validation processes could be strengthened to improve the reliability and traceability of employment figures. This includes tracking updates within internal systems and maintaining a central repository of supporting evidence, such as payroll records or annual accounts. An annual validation of a sample of reported figures, supported by source documents, would further enhance data accuracy.

Clearer data collection guidance could also be provided to portfolio companies, including definitions of preferred units of measurement for number of employees (e.g. FTEs vs. headcount), and standardised reporting periods (e.g. at quarter-end vs. average across the quarter). This would help reduce variability and improve consistency across reported employment data.

33. A minor error was noted due to gaps in data validation practices. However, this was within the Generally Accepted Accounting Principles (GAAP) materiality threshold of 5%.

Notes

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.

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