



**BIG
ISSUE
GROUP**

CT UK Social Bond Fund

ANNUAL REPORT 2024

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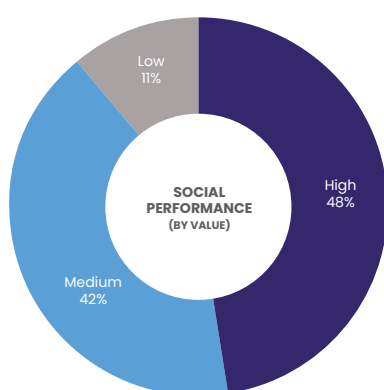
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SOCIAL PERFORMANCE

The CT UK Social Bond Fund (the “Fund”) was launched in December 2013 as the first fixed income fund to offer retail investors, as well as institutional investors, an opportunity to see their savings and investments do social good and produce a financial return. The Fund’s strategic social objective is to support more inclusive, sustainable and regionally balanced development in the UK. Now in its eleventh year, the Fund has seen consistently steady growth towards its twin goals of positive financial returns and social outcomes.

For the period ending 30 June 2024, the following results have been achieved:

SOCIAL PERFORMANCE



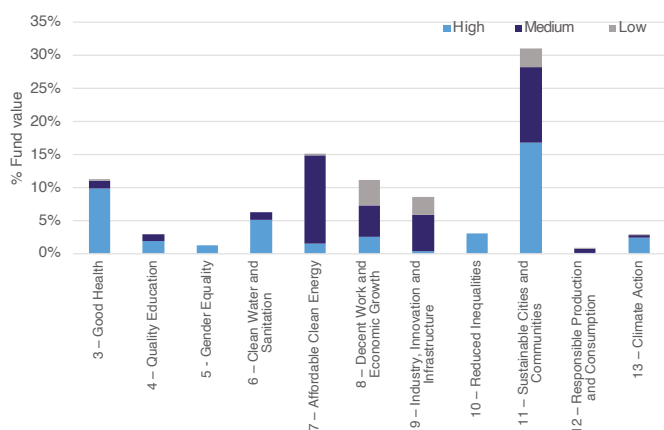
89%

OF THE FUND HAS A SOCIAL PERFORMANCE RATING OF HIGH OR MEDIUM, WELL ABOVE THE FUND’S TARGET OF 66% AND 2% HIGHER THAN THE PREVIOUS YEAR.

SOCIAL PERFORMANCE RATING

66% TARGET

PRIMARY SDG ALIGNMENT (by value)



SOCIAL OUTCOMES

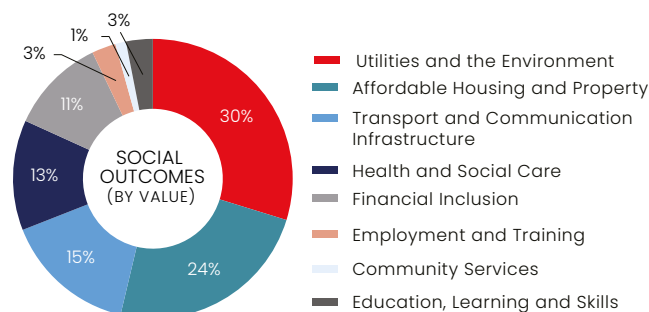
£367M

INVESTED BY BOTH RETAIL AND INSTITUTIONAL INVESTORS

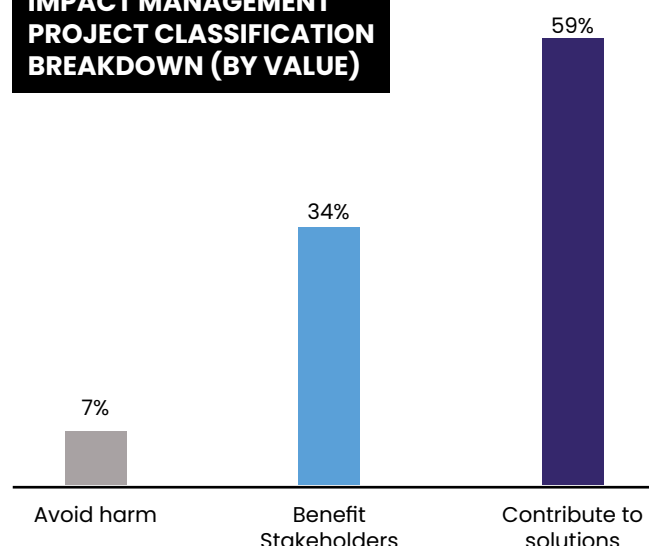
107 ISSUERS
THROUGH 153 BONDS

INCLUDING CHARITIES, REGISTERED SOCIAL HOUSING PROVIDERS AND LISTED COMPANIES

Diversified Portfolio targeting eight outcome groupings (Aligned with the UN Sustainable Development Goals):

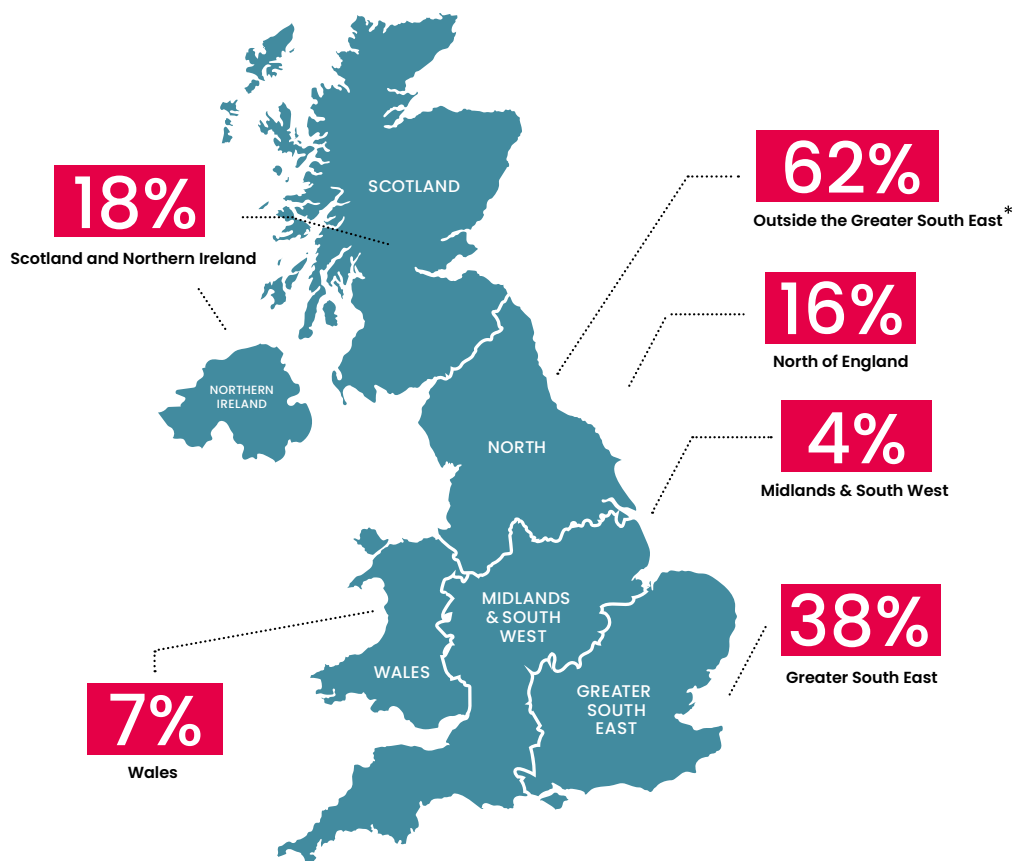


IMPACT MANAGEMENT PROJECT CLASSIFICATION BREAKDOWN (BY VALUE)



THE FUND'S SOCIAL OBJECTIVE IS TO SUPPORT MORE INCLUSIVE AND SUSTAINABLE DEVELOPMENT PRIMARILY IN THE UK¹

By doing so we aim to make positive, measurable, social (including environmental) outcomes, alongside directing capital to underserved people in society.



123

123 bonds focus on social value in the UK or are from UK-based issuers, representing 81% of the portfolio by value. The remaining bonds are global in reach

57

57 bonds focus on specific geographies within the UK, rather than nationally or internationally, amounting to 33% of the portfolio by value

18%

18% of the geographically-focused holdings by value support development across multiple areas of the UK

Key: % of the geographically-focused holdings by value

* Outside the Greater South East includes holdings focusing on multiple areas in the UK

HIGHLIGHTS OF 2024

ISSUERS ENGAGED TARGET POPULATIONS TO TRACK THE REAL-WORLD OUTCOMES OF THEIR INVESTMENT FOR END CUSTOMERS

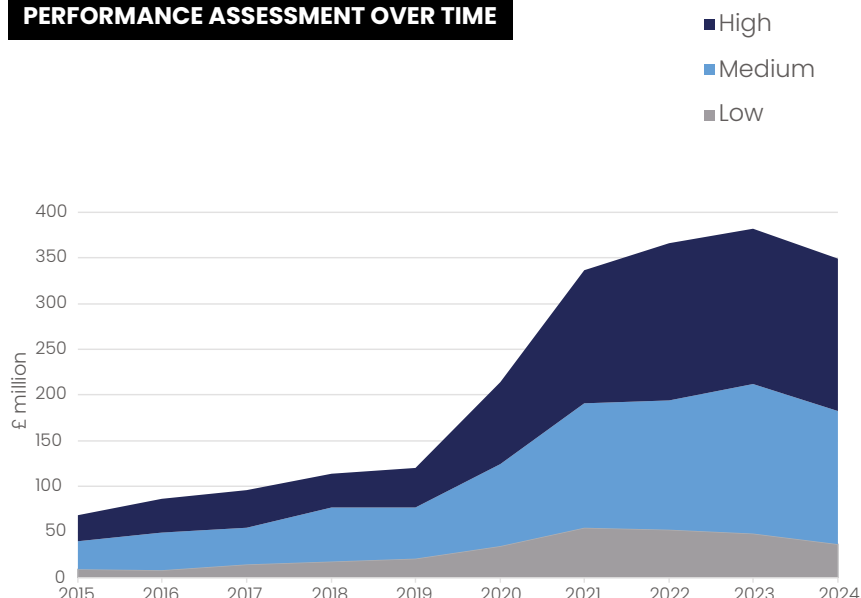
89% OF THE FUND BY VALUE IS ALLOCATED TO HIGH AND MEDIUM-RATED BONDS

THE FUND WAS HIGHLY COMMENDED IN INVESTMENT WEEK'S 2024 SUSTAINABLE INVESTMENT AWARDS (BEST SUSTAINABLE BOND FUND CATEGORY)


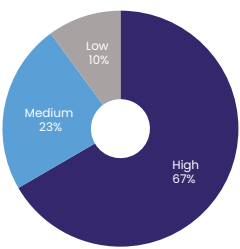

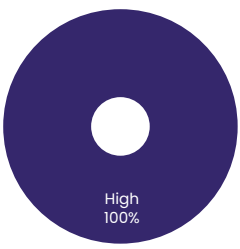

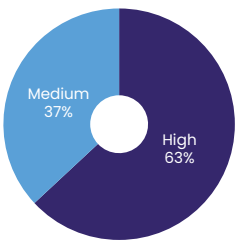

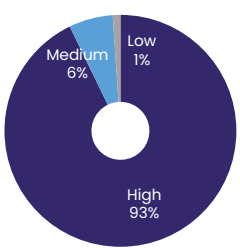
THE FUND'S 2023 ANNUAL REPORT WAS HIGHLY COMMENDED AT THE PENSIONS FOR PURPOSE ANNUAL CONTENT AWARDS FOR BEST STRATEGY

1. The Fund targets 66% of the portfolio value to be domiciled in the UK and 80% of portfolio value to have positive social outcomes in the UK.


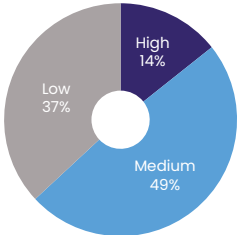

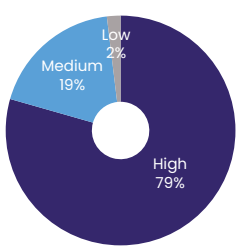

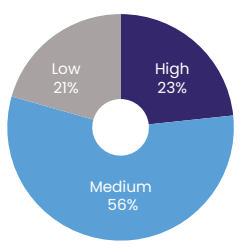

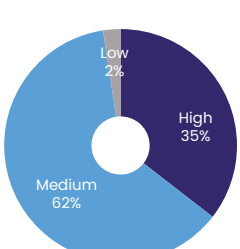
PORTFOLIO GROWTH AND SOCIAL PERFORMANCE ASSESSMENT OVER TIME



PORTFOLIO OVERVIEW

Social Outcome Category	No. of Bonds (Change vs. 2023)	% of portfolio ² (Growth in value vs. 2023)	Primary UN SDG Alignment	Social Performance Rating (by value)	New Bond Issues	Case Study and Page Reference
Affordable Housing and Property	42 (-6)	24% (19%)			<ul style="list-style-type: none"> - Paradigm Housing - Places for People - Affordable Housing Guarantee Scheme 	Paradigm Housing, p. 36
Community Services	2 (0)	1% (-30%)			<ul style="list-style-type: none"> - No new issues in the reporting period 	Places for People, P.38
Education, Learning and Skills	7 (-1)	3% (26%)			<ul style="list-style-type: none"> - No new issues in the reporting period 	KBC Group, p.41
Employment and Training	7 (-1)	3% (34%)			<ul style="list-style-type: none"> - Compass Group 	Compass Group, p. 43

2. Assets under management included approximately £18m in cash, which has been subtracted from portfolio value for breakdown by outcome area.

Social Outcome Category	No. of Bonds (Change vs. 2023)	% of portfolio ² (Growth in value vs. 2023)	Primary SDG Alignment	Social Performance Rating	New Bond Issues	Case Study and Page Reference
Financial Inclusion	17 (-2)	11% (-22%)			<ul style="list-style-type: none"> - Permanent TSB Group - Pensions Insurance Corporation - Coventry Building Society 	Coventry Building Society, p. 45
Health and Social Care	17 (-7)	13% (-27%)			<ul style="list-style-type: none"> - BUPA 	Wellcome Trust, p. 48
Transport and Comms. Infrastructure	15 (-4)	15% (-10%)			<ul style="list-style-type: none"> - Arqiva - Motability 	Arqiva, p. 51
Utilities and the Environment	46 (-11)	30% (-13%)			<ul style="list-style-type: none"> - Cadent - Commerzbank - DS Smith - European Investment Bank - Lloyds Banking Group - National Grid - Scottish and Southern Energy (SSE) - Severn Trent - South Eastern Power - Southern Water - Suez Group - Telefonica Group 	European Investment Bank, p. 54

FOREWORD 2024

Welcome to the 2024 CT UK Social Bond Fund Annual Report. At the end of financial year ending 30 June 2024, the Fund was managing £367m in assets across 153 bonds from 107 issuers, continuing its mission to drive positive social outcomes in the UK.

Despite signs that the wider economy may have passed the most difficult phase, the cost-of-living crisis remains a significant challenge for the communities the Fund seeks to benefit. Pressures on healthcare, education, and rising inequality persist, while inflation, though reduced, continues to impact vulnerable populations. In this context, the need for social investment remains urgent.

Amidst these pressing challenges, the Fund has continued to improve its ratings through increasing the investment allocation to bonds rated Medium and High by social performance, which now comprise 89% of the portfolio. The Fund team continued to engage with issuers, particularly drawing focus on the social aspects within green bonds and advocating for approaches that elevate community voices, ensuring a deeper

understanding of and engagement with those most affected by social and environmental issues.

The Fund demonstrates the need to tackle pressing social challenges in this way. This also highlights the critical role of local authorities and government commissioners, who are key players in shaping and funding initiatives that address urgent societal challenges, and organisations focused on creating social outcomes, to tap into the public market and use vehicles like this Fund to drive tangible, long-term change. Public-private partnerships and collaborations with relevant service providers are vital to ensuring that resources are effectively deployed to meet community needs, amplifying the impact of their efforts, and fostering more inclusive and sustainable solutions.

01 INTRODUCTION

This is the tenth Annual Report for the CT UK Social Bond Fund (“the Fund”). The Fund was launched in December 2013 as the first mainstream, fixed income social investment offering of its type in the UK. It aims to achieve both an investment return and contribute to positive social outcomes by investing in bonds issued by organisations that support social and economic development, primarily in the UK. It is an actively managed, positively screened fund with each bond assessed and selected for its potential to deliver positive social outcomes. This report provides a summary of the Fund’s social performance.



ABOUT THE FUND

CT UK Social Bond Fund was developed by Big Issue Group, in partnership with Columbia Threadneedle Investments, one of the UK’s leading asset managers. Columbia Threadneedle manages the Fund, while Big Issue Group acts as the Social Advisor and has produced this Annual Report.

The overall social objective of the Fund is clear: to support and fund businesses that deliver socially beneficial activities and more balanced and sustainable development, primarily in the UK. The Fund seeks to contribute to positive social outcomes while delivering investors a financial return in line with the risk associated with investment-grade bonds.

In addition to these primary objectives, the Fund has two secondary market-building objectives:

- 1. Increase retail investor access to investments that have positive social outcomes.** The Fund aims to contribute to the democratisation of capital, making it easier for retail investors, as well as institutional investors, to invest for positive social change. Building on the growing demand from retail investors over the last few years, the Fund continues to engage with products and platforms that facilitate access to investing.
- 2. Promote new bond issue and the role of the bond market, with its size and scope, towards funding capital for sustainable development and financing solutions to social challenges.** Columbia Threadneedle and Big Issue Group are committed to encouraging new bond issue by social purpose organisations, including charities, and bonds which have use of proceeds for a socially useful purpose.

MANAGEMENT APPROACH TO SOCIAL ASSESSMENT

The Fund is guided by a social assessment methodology designed to ensure social outcome considerations are fully integrated into the investment decision-making and fund management process (see Annex 1 for more details).

This methodology was designed by Big Issue Group alongside Columbia Threadneedle at the Fund's inception and is reviewed on an annual basis. Impact assessment, measurement, and management is an emerging field. All parties are committed to reviewing and refining the approach to move in line with emerging industry standards and practices.

The Fund's social assessment methodology assesses investment opportunities concerning the following key areas:

- **Social outcome category**, making investments that aim to respond directly to the UK's social needs and challenges (taking into account the WHAT, WHO and HOW MUCH dimensions described by the Impact Management Norms (IMN))³.
- Consideration of the varied **geography of social need** (WHERE is the impact created at local, regional, national or international level).
- **Managing outcome risk**, recognising the possibility of negative outcome creation, understanding that the benefit expected may not be achieved and the need for constant non-financial performance monitoring and active social outcome management (RISK).

Last year the Fund started assessing how the investments target disadvantaged groups, such as low-income households, high deprivation communities or people experiencing unemployment. This categorisation has been applied to new issues.

STRUCTURE OF THE REPORT

This report is organised as follows:

Section one introduces the Fund, providing an overview of its objectives and the eight outcome categories in which the Fund seeks to invest. This section also provides information on the context and wider market developments.

Section two reviews the performance of the Fund's overall portfolio, analysing the composition of the Fund by SDG alignment, social performance rating, outcome category, IMN and geography, as well as the newly added analysis of the portfolio by date of issue. This section also covers the influencing and engagement activities of the Fund to drive a wider impact in the sector.

Section three provides a more detailed analysis of the Fund's social performance by outcome category, including the number, value and social rating of bonds and case studies on individual bonds.

Section four provides a Forward Look focused on the following themes for the future development of the Fund:

1. Reflections from the past 10 years.
2. Fund priorities for the year ahead.
3. Tackling geographic inequalities.
4. Use of proceed bonds for utility companies.
5. The new FCA Sustainability Disclosure Requirements regime.

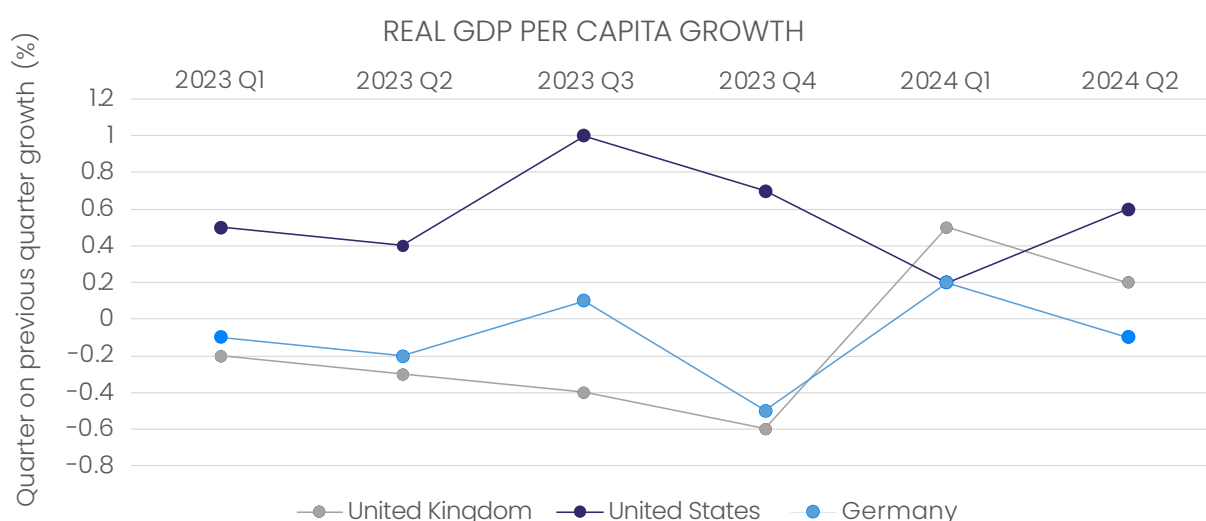
3. The Fund aims to consider the five Impact Management Norms (IMN) described by the [Impact Frontiers](#), which deconstructs impact into five core dimensions: What, Who, How Much, Contribution and Risk.

CONTEXT AND WIDER MARKET DEVELOPMENTS

MARKET CONTEXT

In 2024, we have been coming out of one of the steepest rises in global interest rates since the 1980s and now see a steady decrease. While the anticipated global recession has been avoided with H1 2024 growth in line with predictions at 3.2%, overall growth rates are still limited, particularly in advanced economies where the growth is predicted to stay at 1.8% in 2025 vs. 1.7% in 2024⁴. Ongoing conflicts across the world, such as the war in Ukraine and the Middle East are likely to continue to draw resources and contribute to global instability, which may restrict growth in public and private investment, despite the need to achieve key development goals and challenges associated with climate change. Although there were some improvements in the first half of 2024, the UK has been behind its peers, with boosting productivity a key government objective.

Source: Office of National Statistics



LABELLED BOND MARKET OVERVIEW

The Fund holds almost half of the portfolio in green, social and sustainability bonds. Social bonds have seen a slight decrease in the last year, now making up 15% of the 2024 labelled market issuance activity. With these bonds, the use of proceeds is allocated to social projects. Additionally, 23% of issues are sustainability bonds that fund projects with both green and social uses of proceeds.

The Fund has always strongly supported the integration of social factors within green bonds and will invest in green bonds that have clear social benefits. Green bonds continue to grow as a proportion of the total market issuances, increasing to 57% in 2024 compared to 55% in 2023.

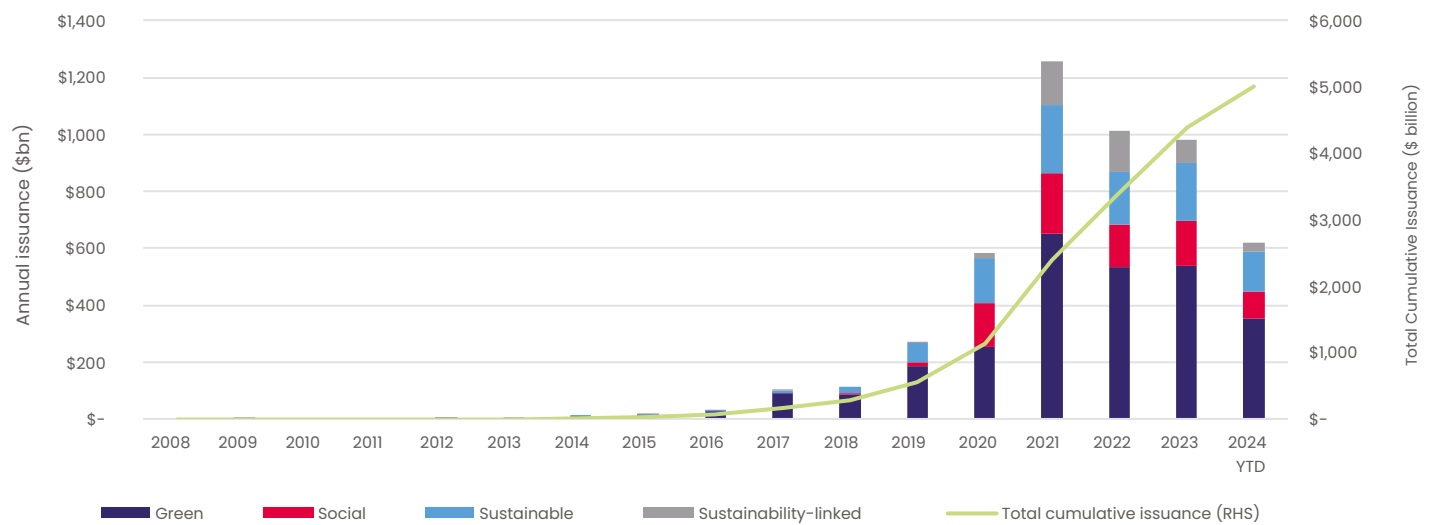
Conversely, there is only one sustainability-linked bond in the portfolio, reflecting a broader market trend where these bonds account for just 5% of issuance in 2024 YTD, falling from 8% in 2023. Sustainability-linked bonds do not have defined use of proceeds, instead they target improvement in specific sustainability metrics. From the limited sustainability-linked bonds issued, the team remains unconvinced by the targets set for these, believing they lack sufficient ambition in most cases, and / or meaningful incentives in the step up of the coupon, where targets are missed.

4. [International Monetary Fund, World Economic Outlook, July 2024](#)






























The Fund aims to balance social need for investment with financial risk and pressures that more social issuers may face. In other words, the Fund optimises social intensity whilst achieving financially viable return. To that end, the Fund’s aim in diversifying its mix of international and UK bonds is to balance the portfolio in a responsible manner. This balance affords the Fund the opportunity and flexibility to meet both its social objective and maximise its financial performance, particularly in the current challenging market conditions.

Issuance of Green, Social, Sustainability, Sustainability-linked Issuance from 2013 to 2024 Year-to-Date

Source: Bloomberg, Year to Date to June 2024



The Fund achieves its social objective by investing in a diversified portfolio of bonds across eight social outcome categories. These outcome categories are aligned with the Sustainable Development Goals (SDGs).

Social Outcome Category	Primary SDG Alignment	Other Relevant SDGs	Primary Outcomes	Typical Bond Issuers
Affordable Housing and Property			Increased supply of affordable, good quality homes, particularly for people on low incomes, key workers and students	<ul style="list-style-type: none"> - Registered social and affordable housing providers and property developers
Community Services		   	Increased access to community facilities and services that improve individual and local wellbeing	<ul style="list-style-type: none"> - Charities - Local authorities - Development organisations - Secondary outcome for some affordable housing providers
Education, Learning and Skills		 	Supporting wider participation in higher education and promoting social mobility; increasing quality of education for all	<ul style="list-style-type: none"> - Universities - Providers of educational services and learning materials
Employment and Training		  	Supporting provision of good jobs, particularly in areas of high unemployment; improved employment opportunities and skills development for young people	<ul style="list-style-type: none"> - Large UK employers - Development organisations
Financial Inclusion			Universal access to affordable financial services that support decent standards of living	<ul style="list-style-type: none"> - Banks and financial institutions, including mutuals
Health and Social Care		 	Improving quality and accessibility of health and social care facilities and services; facilitating financing of healthcare services through insurance products	<ul style="list-style-type: none"> - Large providers of health and care services and related services, including research, property development and financial products
Transport and Communications Infrastructure		   	Improvements in the quality of and access to transport and communications infrastructure and services, particularly outside London and the Greater South East	<ul style="list-style-type: none"> - Transport and telecommunications companies, banks, development finance institutions
Utilities and the Environment		   	Supporting the provision of affordable and sustainable utilities provision, including water, waste and energy services	<ul style="list-style-type: none"> - Utility companies - Development finance institutions

SUPPORTING BIG ISSUE GROUP

The majority of the Fund's fees go towards supporting Big Issue Group in its mission to create innovative solutions through enterprise, to unlock social and economic opportunities for people affected by poverty.

Building a world that works for everyone – Big Issue Group's mission is to create innovative solutions through enterprise to unlock social and economic opportunities. With 15m people in the UK trapped in poverty, Big Issue Group creates solutions to unlock opportunities for people living in poverty to earn, learn, and thrive. A percentage of the Fund's earnings goes towards supporting Big Issue Group's work.

Big Issue Group covers a breadth of work and continues to innovate and bring about new opportunities for marginalised people, changing lives through enterprise now and in the future.

IN 2023 WE REACHED AND ENGAGED...



9.6 Million

people through all of our work including direct support, campaigning, journalism and investment.



1.8 Million

people supported by the social enterprises in our investment portfolio.



3,700

individuals earned a legitimate income by selling the Big Issue magazine.



Collectively earning an income of



£4 Million



WILL'S STORY

My name is William Herbert, I'm 64, and I sell the Big Issue in Islington in London.

I live in Islington now in temporary accommodation, which I have been in for the last 10 years. I'm trying to learn to play a little bit of guitar at the moment, but I'm not very good at it. I've been going to the gym quite a bit lately as well, trying to get a bit healthier.

I was a painter and decorator before I started selling the Big Issue, but then I started drinking and lost that job. After that, I sent off thousands and thousands of letters looking for a bit of work and I wasn't getting no replies, nothing. They wanted younger people for jobs, people who haven't got a record, and I got all of them, so I was just really left to one side.

When I started selling the Big Issue, that was a turning point in my life, it's helped me big time. The Big Issue works. It helps to save a little bit of change, which I never could do before. The money helps towards my bills and shopping and getting my flat together. And when I'm selling the papers, I enjoy meeting different people. Otherwise, I wouldn't speak to half the people I do now, and I enjoy talking with them.

Selling in winter is not always easy though. A few of my customers go and get me coffee, but no one really likes the winter unless you're wrapped up for it. But still, I get on with it. I can deal with the cold, it's only the rain I don't like.

I've got lovely customers, they're good to me. I really, really want to thank them from my heart, for all the good what they've helped me go through over the years.

BIG ISSUE RECRUIT: NEIL'S STORY

Neil took a few months out of work to care for his mother. Once she was better, Big Issue Recruit helped him find a job he loves.

When Neil's mother had an operation late last year, he dropped everything to help care for her.

"Family has to come first, doesn't it," Neil says. "It made sense that I looked after her in that time."

The operation – a fairly routine procedure pushed back by years of Covid-19 delays – was a success, and Neil took a few months out of work to help his mother recuperate. It was a "necessary" move, but he didn't want to be out of employment longer than he needed to be.

From Bristol, Neil has worked all of his adult life. Work gives him a "sense of purpose."

"Getting up and going to work makes you feel like you belong, like you have a place," he says. "It gives everyone a reason to be around."

Neil met a Big Issue Recruit (BIR) representative at a Department of Work and Pensions job fair and leapt at the chance to take on a new role. BIR helped him land an interview with Tier, a company that provides micro-mobility solutions in cities across the UK.

"The turnaround was really quick. From initial point of contact, it took just five days to arrange an interview. Then I had a job confirmation within two weeks." Neil is now an operations coordinator for Tier and manages a team of 10 rangers overseeing the rollout of scooters and bikes across Bristol and Bath.

"I love it. It's a great team, and it's a great job. Having good work like this does wonders for you," Neil told us after a few weeks in his new role.

COLUMBIA THREADNEEDLE FOUNDATION

Columbia Threadneedle contributes a share of its profits from the Fund to the Columbia Threadneedle Investments' charity: the Columbia Threadneedle Foundation.

Columbia Threadneedle Foundation works with long-term charity partners to improve individual lives while also driving fundamental social change. The foundation seeks to address critical social issues – inclusion, opportunity, employment, empowerment, and mental health – using the power of art, sport and education and training as catalysts for change.

Through the CT UK Social Bond Fund's support, the Foundation has funded the following projects:



Action for Race Equality, a charity with a mission to end racial inequality for young people aged 10–30, received a grant from Columbia Threadneedle Foundation. The funding supports their Graduate Connector Programme which aims to engage 200 Black, Asian and Mixed heritage London-based graduates (aged 21–30) and support 60 into good quality employment. The programme works with employers to connect them to talented graduates and organisations specialising in employability to provide workshops and tailored support and advice to empower graduates to realise their full potential and enter employment.



Columbia Threadneedle Foundation awarded a grant to Working Chance, the UK's only employment charity for women with convictions.

The grant supports women with convictions to access and undertake further or higher education, vocational training and qualifications. Women are supported to bridge gaps between their current situation and where they need to be to gain meaningful employment, in order to build lives where they can thrive.



Columbia Threadneedle Foundation awarded a grant to the Centre for Ageing Better in 2024.

The grant supports a project to identify changes needed by the Government and employers to help more Disabled people in their 50s and 60s to access and remain in work, amplify the voices of older workers with disabilities in policy debates on improving employment rates, and build evidence on the diverse experiences of older Disabled workers in the labour market.



Fair by Design is dedicated to ending the poverty premium.

In 2021, Columbia Threadneedle Foundation awarded a grant to Fair by Design to fund research into the root causes of the poverty premium in insurance, an under-recognised factor in financial vulnerability.

The findings were presented to a roundtable of government, regulator, industry and non-profit representatives.



The mission of The Centre for Financial Capability (TCFC) is to ensure every child in the UK has the opportunity to develop the skills and behaviours necessary to navigate critical financial decisions in their life – starting from primary school.

Columbia Threadneedle Foundation provided a grant to TCFC to research what resources are needed by the thousands of small local charities supporting children and young people with socio-economic hardship.



The Centre for Local Economic Strategies (CLES) is the national organisation for rebuilding local economies – developing progressive economics for people, planet and place.

In 2022, Columbia Threadneedle Foundation awarded a grant to fund a project with CLES, Leeds City Council and the Women's Budget Group, to understand how gender inclusion can be prioritised in the development and implementation of economic strategies by local government, in order to grow local wealth. Research considers the lived experience and input of local women (and noting women and children are at greater risk of poverty), to improve local growth prospects.

02 PORTFOLIO- LEVEL ANALYSIS

As of June 2024, the Fund had £367m assets under management (AUM), down from £396m in June 2023. This includes the planned withdrawal of c.£15m of seed funding at fund inception to be redeemed at a point of fund maturity. Thus, the total net outflow equates to a c.3.5% annual decrease in AUM.

As of June 2024, the Fund was invested in 153 bonds from 107 issuers, including charities, registered social housing providers and publicly listed companies. The total number of bonds held by the Fund has declined from 127 issuers through 185 bonds in 2023, as a result of the fund manager's focus to consolidate and increase primary bond issuance holdings.



This year, we are again publishing the full list of bond issuers as a commitment to full transparency on how funds are invested (see [ANNEX 2: Full List of Bond Issuers](#)).

TOP 25 BOND HOLDINGS, 2024

The top 25 holdings accounted for 58% of the total value of the Fund, as listed below. See [Annex 2](#) for the full list of bond issuers.⁵

Name of Issuer	Social Outcome Category	Social Performance Rating	% of Fund Value (June 2024)	Absolute change (2023–24)
UK Green Gilt	Transport and Communications Infrastructure	Medium	4.82%	0.33%
Wellcome Trust	Health & Social Care	High	2.84%	0.01%
Affordable Housing Guarantee Scheme	Housing & Property	High	2.84%	2.58%
Motability	Transport and Communications Infrastructure	High	2.84%	0.89%
NatWest Group	Employment & Training	High	2.81%	0.02%
National Grid	Utilities and the Environment	Medium	2.79%	2.10%
Nationwide Building Society	Financial Inclusion	Medium	2.78%	0.36%
Scottish and Southern Energy (SSE)	Utilities and the Environment	Medium	2.72%	2.54%
Aster Housing Association	Housing & Property	High	2.55%	0.78%
Allied Irish Banks	Health & Social Care	High	2.49%	New investment
PRS Housing Agency	Housing & Property	Medium	2.47%	1.43%
Anglian Water	Utilities and the Environment	High	2.41%	0.13%
LCR Finance	Transport and Communications Infrastructure	Medium	2.39%	-0.01%
Barclays	Utilities and the Environment	Medium	2.32%	0.41%
Legal and General	Financial Inclusion	Low	2.11%	0.28%
Dwr Cymru (Welsh Water)	Utilities and the Environment	High	2.10%	0.26%
Yorkshire Building Society	Housing & Property	High	2.08%	-0.38%
International Finance Facility for Immunisation	Health & Social Care	High	1.73%	-1.08%
Council of Europe Development Bank	Employment & Training	High	1.69%	0.15%
NewRiver	Housing & Property	Medium	1.67%	0.80%
Northern Gas Networks	Utilities and the Environment	Medium	1.60%	0.57%
European Investment Bank	Health & Social Care	High	1.55%	1.10%
Cadent	Utilities and the Environment	Medium	1.53%	0.69%
Arqiva	Transport and Communications Infrastructure	Low	1.50%	0.75%
International Bank for Reconstruction and Development	Health & Social Care	High	1.47%	-1.24%

5. May include multiple bonds from the same issuer.

SUMMARY OF THREE-YEAR TRENDS

The Fund's assets under management have declined 7% since June 2023. The overall social weighting has increased, with 89% of the Fund holdings rated High or Medium (up from 87%). Investments have been concentrated in the UK, staying constant at 81%, with holdings with an international focus at 19%.

Of investments made within the UK, the Fund favours bonds with a focus outside the Greater South East, remaining consistent from 2023 at just over 62%.

The Fund remained diversified across its eight outcome categories, with investments in Utilities and Environment, Transport and Communications, Affordable Housing and Property and Health and Social Care representing 82% of the portfolio.

		2022	2023	2024
Portfolio	Value (£ million)	372.3	396.0	367.0
	Number of bonds	217	185	153
	Number of Issuers	127	127	107
	Top 25 Issuers (% of Fund by Value)	56.4	55.1	58.1

Fund Value Breakdown ⁶		2022 (% of value)	2023 (% of value)	2024 (% of value)
Social Performance	High	46.9	44.5	47.6
	Medium	38.7	42.7	41.8
	Low	14.4	12.7	10.7
Social Outcomes	Affordable Housing and Property	19.2	18.4	23.9
	Community Services	2.5	1.6	1.2
	Education, Learning and Skills	1.2	2.2	3.1
	Employment and Training	2.3	1.9	2.8
	Financial Inclusion	11.5	13.1	11.1
	Health and Social Care	17.1	16.0	12.7
	Transport and Communication Infrastructure	17.7	15.6	15.3
	Utilities and the Environment	28.4	31.2	29.8
Social Geography	Regional	30.4	35.6	32.7
	National	53.4	44.8	48.4
	International	16.1	19.6	18.9
Regional Geography	Outside of GSE	53.2	61.9	62.5
	Midlands and South West	8.7	8.7	4.1
	North	17.3	19.4	15.8
	Scotland and Northern Ireland	4.8	12.9	18.0
	Wales	7.0	5.6	7.0
	Multi-Regional	15.3	15.2	17.6
	Greater South East	46.8	38.1	37.5
Job Performance	Favourable Overall Jobs Performance ⁷	70.1	61.5	71.4

6. Assets under management includes approximately £18m in cash, which has been subtracted from Fund Value for breakdown calculations.

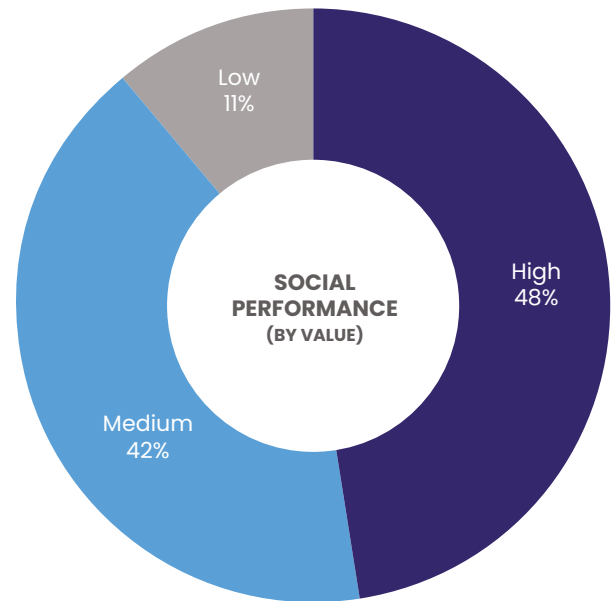
7. 2022 methodology has been revised to include job vacancy and economic inactivity as part of the sector assessment.

HEADLINE RESULTS

The Fund continues to perform well against its key social performance targets set by the Social Advisory Committee.

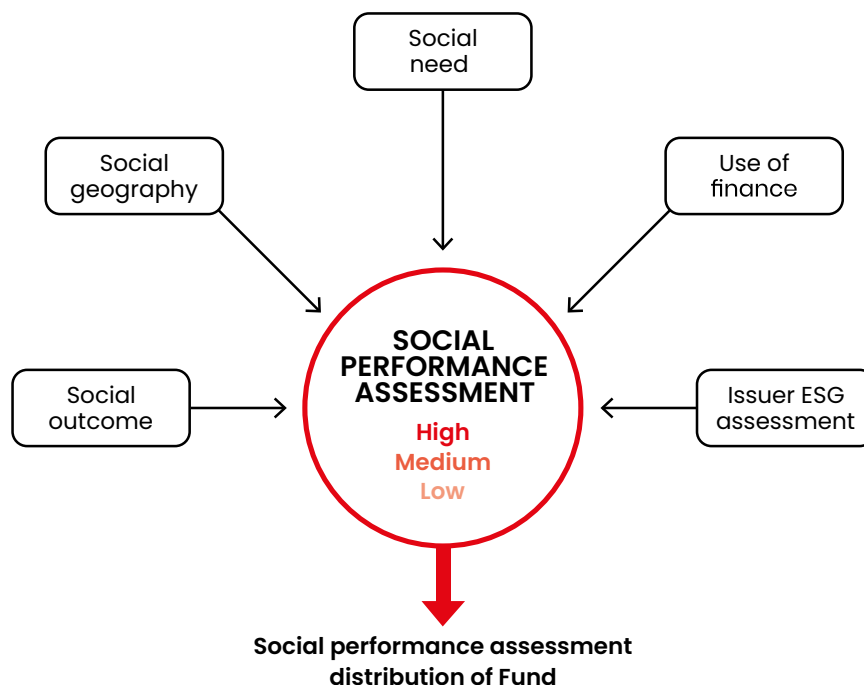
SOCIAL PERFORMANCE RATINGS (by value)

This year, just under 48% of the Fund's value aligned with the High social performance category, 42% into Medium and 11% into Low. Overall, the proportion of the Fund rated as High or Medium has increased from 87% in 2023 to 89%. This is well above the Fund target of having 66% of the portfolio rated as High or Medium.



SOCIAL PERFORMANCE RATING

The Fund team carries out a social due diligence of all eligible bonds prior to investment and provides an overall social performance rating (High, Medium or Low). The assessment has five dimensions.

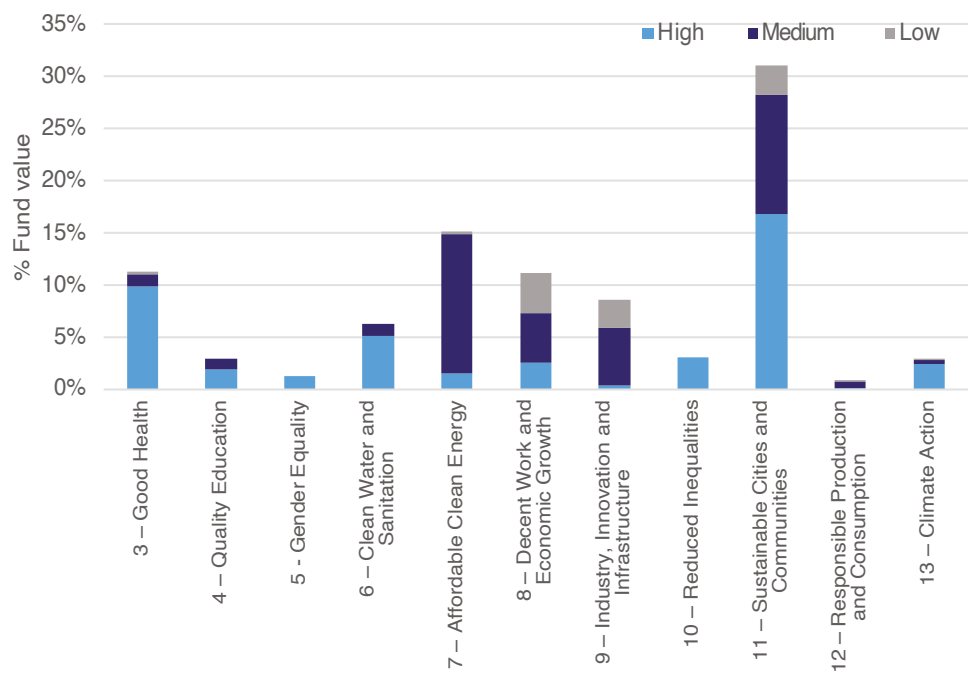


See Annex 1 for a detailed description of the Social Assessment Methodology

In addition to the proprietary methodology that assigns High, Medium and Low rating for social performance, each bond is also mapped to the United Nations Sustainable Development Goals (UN SDGs) through the 169 targets that underly the 17 UN SDGs and the ABC Classification from the Impact Management Project Norms.

UN SDG ALIGNMENT (by value)

The Fund is making contributions to several SDGs, with the greatest contribution to SDG 11 – Sustainable Cities and Communities. There are also substantial contributions being made to SDG 7 – Affordable Clean Energy, followed by SDG 3 – Good Health and Wellbeing, and SDG 8 – Decent Work and Economic Growth.



11 SUSTAINABLE CITIES AND COMMUNITIES



7 AFFORDABLE AND CLEAN ENERGY



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



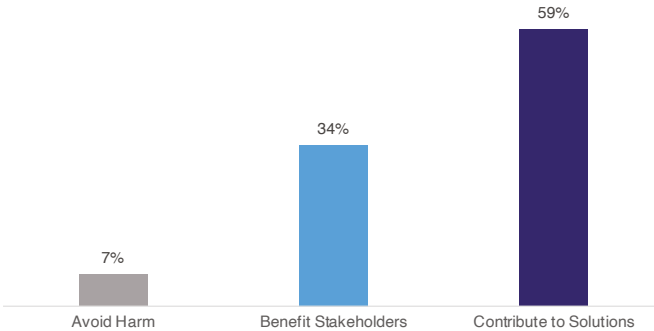
IMPACT MANAGEMENT PROJECT CLASSIFICATION⁸ (by value)

Almost 60% of the portfolio by value is classified as Contributing to Solutions where it is addressing social or environmental challenge not caused by the organisation, by improving the wellbeing of one or more group of people and/ or the condition of the natural environment.

34% of the portfolio is classified as Benefitting Stakeholders, where the organisation is acting to reduce harm and maintain the wellbeing of one or more group of people and/or the condition of the natural environment.

7% of the portfolio is rated as Avoid Harm, where the organisation is improving its sustainable performance.

The Fund team is reviewing the current IMN rating methodology to ensure it is aligned with the latest guidance published by the Impact Frontiers and following the Fund’s social philosophy. An update on this will be included in the next report.



8. See [Impact Frontiers](#) for definitions of the Impact Management Norms.

TYPE OF POSITIVE SOCIAL OUTCOME

SOCIAL OUTCOMES (by value)

The Fund remains diversified across its eight outcome categories, with higher concentration in the five main outcome categories, predominantly: Utilities and Environment (30%), Affordable Housing and Property (increased to 24% from 18% last year), Transport and Communications Infrastructure (15%); and to a lesser extent Health and Social Care (13%), and Financial Inclusion (11%). These five categories comprise more than 90% of the Fund's investment value. Utilities and the Environment has continued to be a dominant category, reflecting its pertinence as a critical service during the cost-of-living crisis.

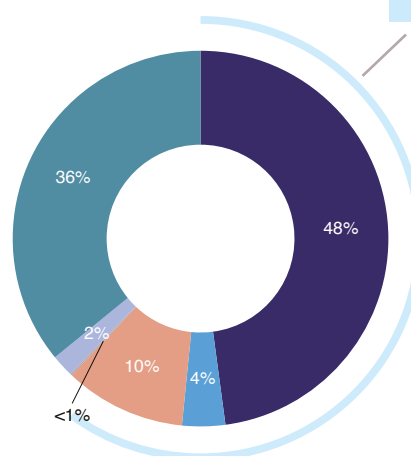
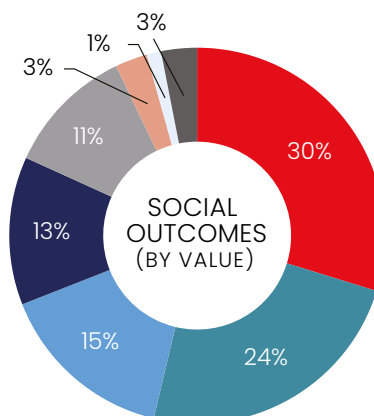
The weighting in the Community Services outcome area has been declining over time, due to fewer bond issues directly targeting community benefit from main service providers such as charities and local authorities. However, we do see more bonds providing outcomes for communities as a secondary benefit, particularly from housing associations.

Similarly with Education, Learning and Skills – there have been no further issuances from universities.

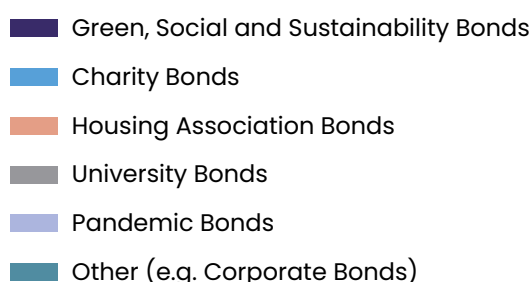
BONDS WITH SOCIAL INTENTIONALITY (by value)

The proportion of the Fund invested in bonds with social intentionality, defined as use of proceeds or from "pure-play" issuers (such as universities and housing associations) has once again increased over the 12 months to June 2024 from 59% to 64%. This includes green, social and sustainability bonds, those issued by charities, housing associations and universities, as well as pandemic bonds issued to support populations affected by Covid-19. Other bonds are general corporate purpose bonds issued by businesses and other organisations.

The increase is driven by a lot more activity in green, social and sustainability bonds, which now represent 48% of the fund, up from 46%, as well as housing association bonds increasing from 7% to 10% of the Fund's value. While charity bonds remained at 4%, consistent with previous years. The remaining 36% do not have their social intentionality defined, rather than having no social benefit.



64 % of the portfolio have social intentionality



TARGET POPULATION

As part of the analysis for this report, Big Issue Group has assessed which potential groups of people may be most affected through the eight Outcome Areas that the UK Social Bond Fund invests across.

These target populations are particularly relevant to the social bonds held by the Fund, where the outcomes affect specific target groups, as aligned with the categories provided in the 2023 ICMA Social Bond Principles. They also reflect the groups affected by green bonds, especially where social co-benefits are listed.



(%) – portfolio value

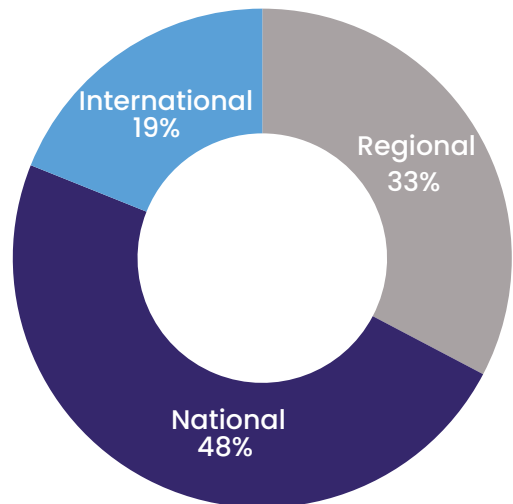
*Unemployed and vulnerable groups affected by transition to net zero is a new addition to the ICMA list of target populations in the 2023 Social Bond Principles. The Fund team has been actively engaging with ICMA to add this group in the 2023 edition (see page 30 for details on the Fund's engagement activities).

SOCIAL GEOGRAPHY (BY VALUE)

Social geography is defined as where the proceeds are spent to the benefit of social outcomes. Bonds with regional and national geography may be from issuers based within and outside of the UK, who are investing in projects in the country. International bonds, on the other hand, are investing in development outside the UK and may include UK-domiciled global issuers, where investment is not targeting national or regional development. The Fund targets 66% of the portfolio to be domiciled in the UK and for 80% of portfolio by value to be driving social outcomes nationally or regionally in the UK. Currently 80% of the portfolio is domiciled in the UK, and 81% of the portfolio delivers positive social outcomes in the UK.

The Fund's investments continue to be primarily concentrated in the UK, with a particular focus on driving inclusive development and tackling regional inequality by targeting areas outside the Greater South East.

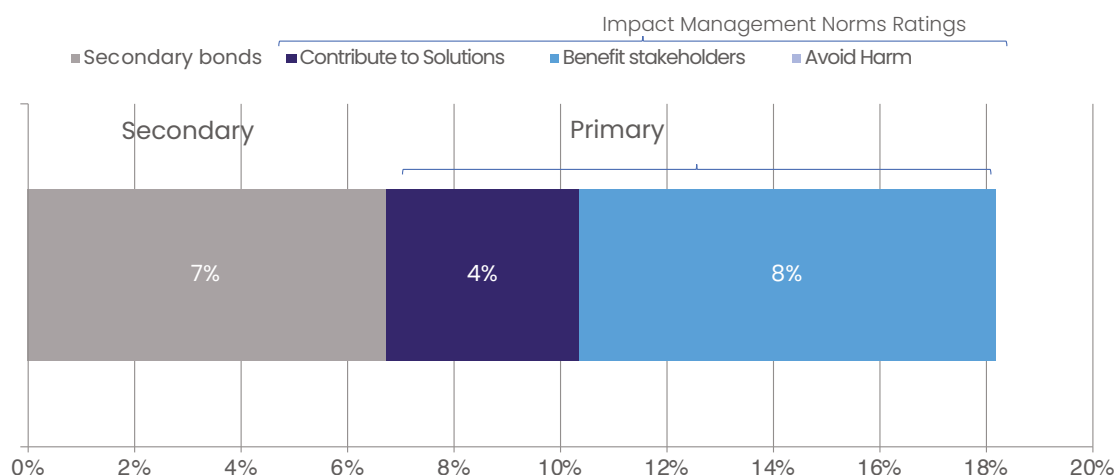
19% of the Fund targets development outcomes internationally, including in countries in Europe, Africa, and Latin America through international bonds. The Fund's allocation to these bonds has remained constant from 19% in 2023. While these bonds do not directly support UK development, the Fund holds these bonds to facilitate financial objectives such as liquidity and returns. Some of the holdings are also strong examples of social bonds in terms of the approach to achieve or measure social outcomes.



CONTRIBUTION THROUGH DIRECT INVESTMENT (BY VALUE)

The most direct contribution of the Fund's activities is the investment in primary issuance: under 19% of the portfolio as at June 2024 was allocated to newly added bonds to the portfolio, of which almost two-thirds were primary issuances. A majority of the primary bonds were rated B – Benefit Stakeholders according to Impact Management Norms, with no bonds in the Avoid Harm category.

2024 ISSUANCES IN PRIMARY AND SECONDARY MARKETS
(BY VALUE)

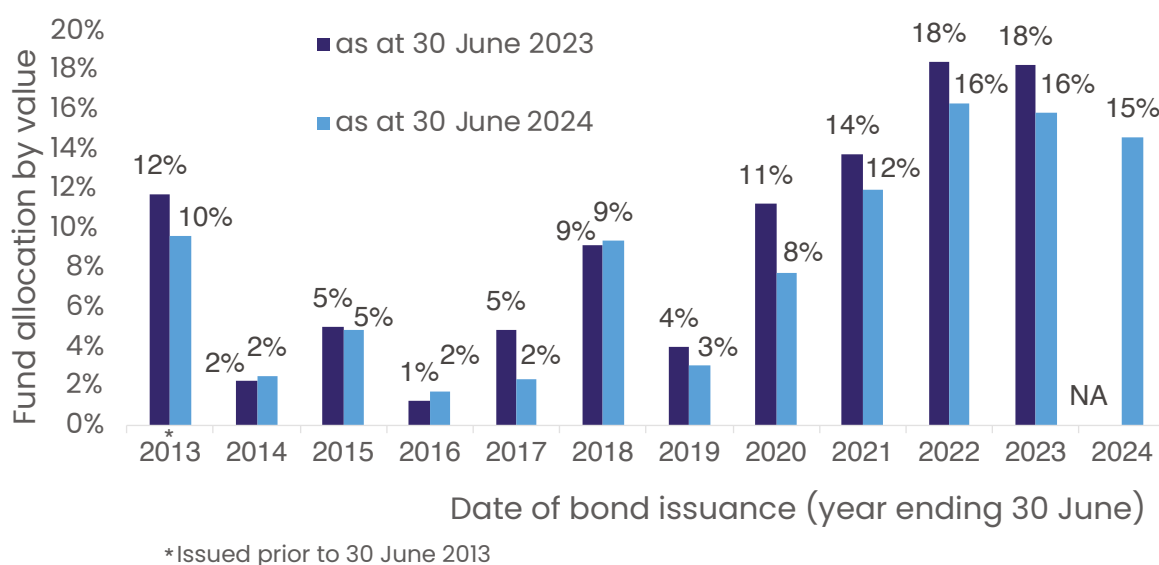


ALIGNMENT TO MORE RECENT ISSUANCES (BY VALUE)

Although bonds may have varying timelines for their funded projects to contribute to the economy and society, the time passed since the issuance date, remains a helpful benchmark to gauge how direct the investment's contribution to the desired outcomes have been. Newly issued bonds, where proceeds are allocated to new projects instead of refinancing older ones, are more likely to still generate economic and positive social outcomes. Conversely, bonds issued several years ago are likely to have already had their intended effects.

As at June 2024, the Fund's allocation to bonds issued in the last three years was 47%, while last year, this figure was 50%. This in part reflects the issuance activity over the last few years: 2022 was a record year in terms of issuance of use of proceeds bonds. Allocation to bonds that have been issued more than five years ago has declined slightly from 34% in 2023 to 33% in 2024.

2023 & 2024 DATE OF ISSUANCE (BY VALUE)



INVESTMENT FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT IN THE UK

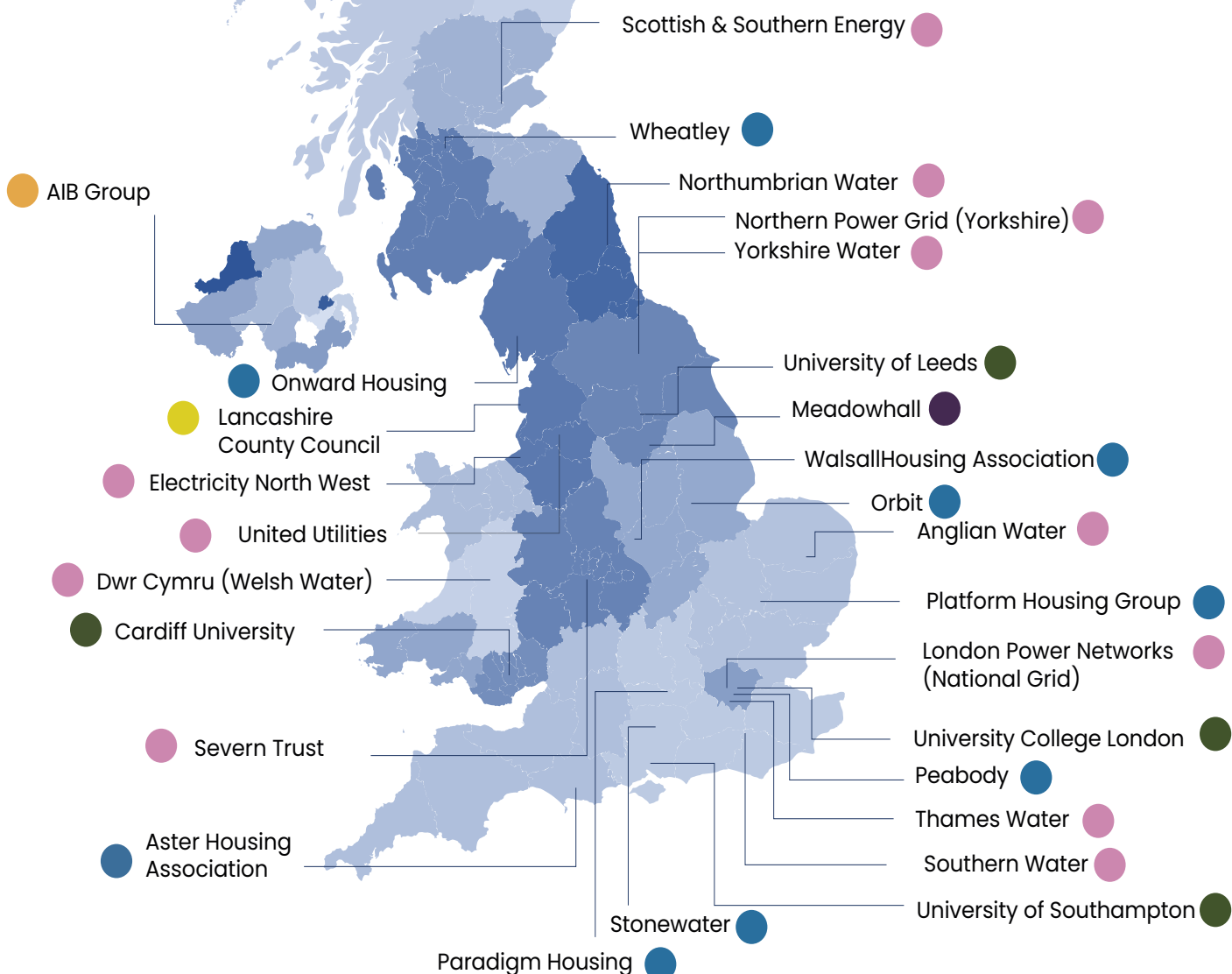
The map shows selected regionally focused bonds held as of June 2024. Most regional bonds fall into the Affordable Housing or Utilities sectors in the UK. Other notable outcome areas that frequently have local or regional bonds are Education, Learning and Skills, with some university bonds, and Community Services.

Social Outcome Areas

- Affordable Housing
- Community Services
- Education, Learning and Skills
- Employment and Training
- Financial Inclusion
- Health Care
- Transport and Utilities

Landscape of Social Need

The darkest shades of blue show the UK's most deprived areas.



Sources: English Indices of Deprivation (2019), Northern Ireland Multiple Deprivation Measure (2017), Scottish Index of Multiple Deprivation (2020) and Welsh Indices of Deprivation (2019). Measure % of Local Authorities neighbourhoods (LSOAs) in the 20% most deprived nationally.

AN OVERVIEW OF JOBS PERFORMANCE

8 DECENT WORK AND ECONOMIC GROWTH



Good jobs bring earnings quality, security, progression and fulfilment. This section analyses the concentration of the Fund's investments in sectors of the economy that perform favourably on good job creation.

One of the key factors that contributes to inclusive growth is access to good jobs. The Fund specifically aims to achieve this through investing in bonds that are actively helping to create and maintain jobs, aligned with UN SDG 8 – Decent Work and Economic Growth.

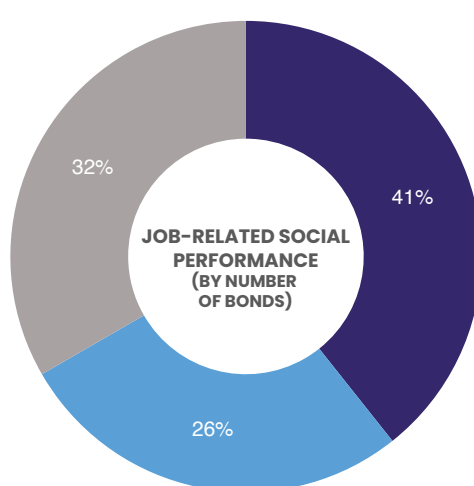
The Fund is also indirectly contributing to decent job creation by allocating capital to UK sectors that have favourable employment dynamics. For example, a number of issuers that align with the Health and Social Care Outcome Area are in the Professional, Scientific and Technical Activities industry, such as the Wellcome Trust. This sector is one of the largest by the number of employees and has relatively high median wages. This sector is also a main

employer in the most deprived regions of the UK with over 50% of workforce employed in North West, Yorkshire and the Humber, West Midlands and London. On the other hand, it has a relatively large gender wage gap and is also experiencing a high vacancy rate. It also had a moderate jobs growth of 1%.

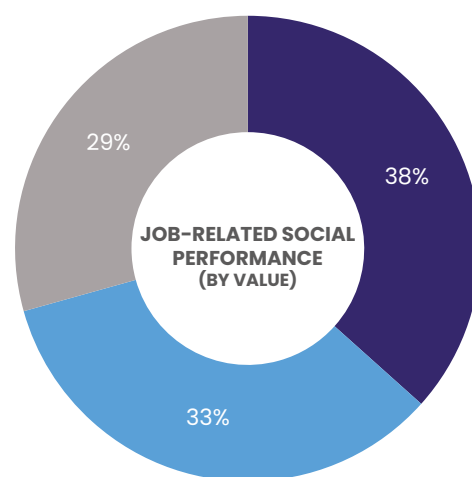
The Big Issue Group's Job Assessment Methodology (JAM) analyses the Fund's portfolio across sectors of the economy which have been shown to positively contribute to good job creation.

According to the JAM, 82 out of 121 UK-based bonds were in sectors that have a favourable good jobs performance. This represents 71% by value of the UK-based holdings and 57% of the total Fund value. These favourable sectors include Information and Communication, Professional, Scientific and Technical Activities, as well as Real Estate Activities.

To this end, the fund engages with relevant sectors, particularly utilities and industrials, to advocate for retraining and upskilling of current employees to meet the needs of the green economic transition and reduce the risk of thousands of workers being made redundant.



■ Most favourable
■ Favourable
■ Less favourable



■ Most favourable
■ Favourable
■ Less favourable

The JAM uses four criteria to analyse the 'good jobs' performance of sectors:

- Employment Generation: size and growth of the sector's direct workforce, with preference for larger and faster growing sectors
- Wage Quality: higher median earnings in the sector and lower gender pay gap
- Geography: concentration of the sector's employment in areas of high economic deprivation
- Vacancy and inactivity rates: low vacancy ratio and low levels of inactivity as indicators for effective retention of employees.

Sectors by Good Job Performance	
Most favourable	Information and Communication Real Estate Activities Professional, Scientific, and Technical Activities Other services
Favourable	Accommodation and Food Services Financial and Insurance Activities Administrative and Support Services Arts, Entertainment and Recreation Transportation and Storage
Less favourable	Construction Utilities Wholesale and Retail Trade Education Water and Waste Health and Social Work Mining and Quarrying Public Administration and Defence Manufacturing Agriculture, Forestry and Fishing

Employment Generation

16%

of Fund by value concentrated in sectors with favourable employment scale and/or growth profiles. This has declined from 29% as one of the key sectors – Real Estate Activities which is relevant for the Affordable Housing outcome area has had slower growth in jobs and therefore ranked less favourably in comparison to last year.

Wage Quality

43%

of the portfolio is held in sectors with favourable median earnings and lower gender pay gap. This has gone up from 33%, led by improvement median wages and gender pay gap in the Real Estate Activities.

Geography

51%

by portfolio value is in sectors with a strong employer presence in the most deprived areas of the UK, based on the percentage of households living below average income.⁹

Vacancy and inactivity rates

50%

of portfolio value in sectors that have relatively low vacancy ratios and inactivity rates.

9. [Department for Work and Pensions, 2022/23 data](#)

INFLUENCE AND ENGAGEMENT

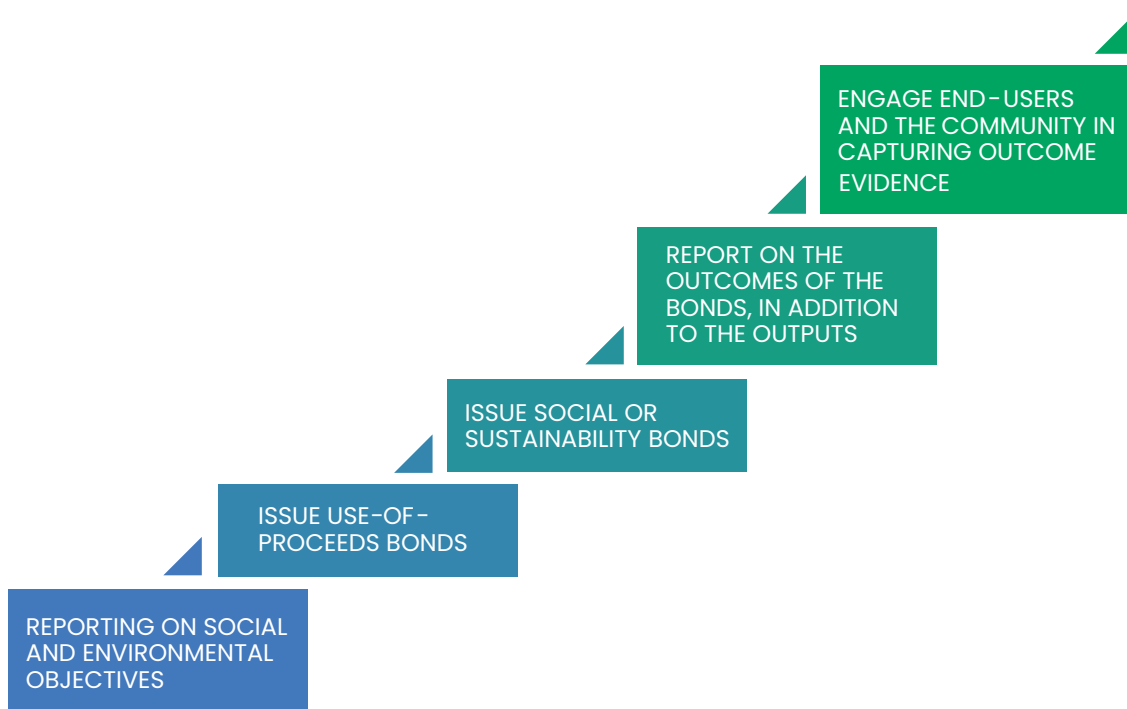
DRIVING GREATER SOCIAL OUTCOMES

The Fund plays a critical role in engaging and influencing bond issuers to facilitate more capital to solutions that drive inclusive development. This goes beyond just increasing bond issuances—it focuses on promoting targeted, high-quality issuances with strong governance, social outcomes measurement, and transparent reporting. Through active dialogue and drawing on demonstrable progress to date, the Fund advocates for greater transparency, improved governance, and continues to champion prioritising social outcomes.

The Fund leverages its influence on the spectrum of issuers, from supporting the inaugural launch of best in class and/or green bond, to exploring more outcomes focussed bonds aligned with the Just Transition. It advocates for the issuance of more social bonds with ambitious targets, and ensuring the voices of affected communities are included in social outcomes reporting, for example through case studies and intentional data collection.

This proactive approach ensures that the Fund acts as a constructive capital provider, investing in critical, yet often, chronically underfunded areas that benefit both society and the environment. By fostering a more responsible bond market and ensuring it is funding solutions, the Fund addresses intractable challenges, such as those in the utilities sector, bringing together key stakeholders to drive sustainable change. In contrast to purely profit-motivated funders, who may be unwilling, or unable to engage in these difficult social issues.

The diagram below summarises the spectrum of issuers and stages for engagement.



03 PERFORMANCE BY SOCIAL OUTCOME

AFFORDABLE HOUSING AND PROPERTY

INCREASING THE PROVISION OF QUALITY, AFFORDABLE HOMES FOR LOW-INCOME AND VULNERABLE HOUSEHOLDS



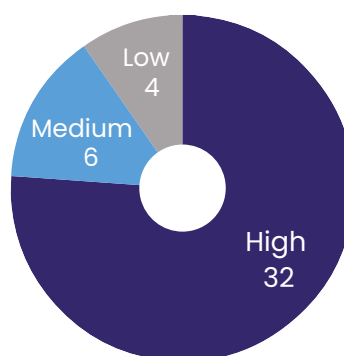
42 HOLDINGS



35 ISSUERS



£84m INVESTED
24% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

The UK has had a longstanding housing affordability crisis. In the 12 months to September 2023, the average (median) house price to earnings in England was 8.3 times income, meaning that the median house cost over eight times annual income, nearly doubling from 4.5 times since the mid-90s.

Historically, the rate of housebuilding has not kept up with population growth. An estimated 8.4m people in England live in an unaffordable, insecure or unsuitable home, according to a National Housing Federation study in 2019.¹⁰ The government and other sources have estimated that around 300,000 new homes per year are needed. Whilst new housing additions have risen from a low point of 125,000 in 2012-13, the target has not been attained in any year since then. Housebuilding recovered slightly after Covid-19 but recovery has since stagnated. Inflation affecting the cost of materials and labour, higher interest rates, planning delays and new regulatory requirements has weakened both demand and supply.¹¹

The increased numbers of people unable to afford to buy on the open market, has raised demand for affordable housing, which can be described as subsidised housing that meets the needs of those who cannot afford to secure decent housing on the open market either to rent or buy. Affordable housing covers first-time

buyer discounts, affordable home ownership and shared ownership as well as different levels of subsidised rent ranging from social rent to affordable rent. The numbers of households on local authority waiting lists have jumped 6% over the last year and the current numbers – 1.3m – represent the highest numbers of households waiting since 2014.

The Department for Levelling Up, Housing and Communities reported that there were 63,605 affordable homes delivered for both purchase and rent in 2022-23 accounting for 27 percent of all new additions to the housing stock.¹² However levels of affordable house-building have also stagnated over the last year, as housing associations have reduced pipelines due to weakened demand for market level housing, which cross-subsidise affordable house-building. Moreover, the ratio of social rent to less affordable forms of affordable housing has shifted towards fewer homes for social rent as a result of policy and funding decisions over time.

10. [National Housing Federation, September 2019](#)

11. [Joseph Rowntree Foundation, February 2023](#)

12. [House of Lords Library, April 2024](#)

The housing crisis in the UK has fuelled higher rental costs, overcrowding and puts more people at risk of poor quality and insecure housing and poverty, which in turn affect health and wellbeing. Addressing the housing crisis by reinvigorating the supply of affordable, good quality would contribute towards lower public spending on benefits, homelessness, health, improve children's life chances as well as create jobs in the construction and associated sectors.

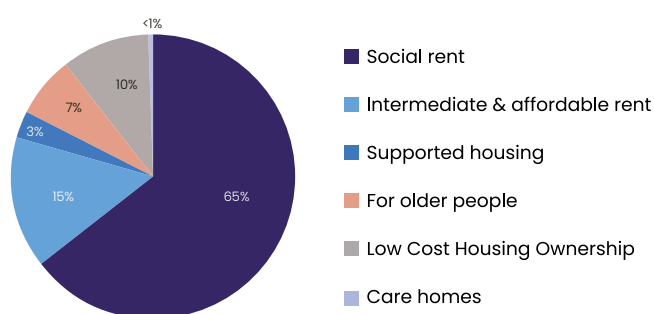
HOUSING ASSOCIATION HOLDINGS

The Fund holds bonds from 19 Housing Associations. In total, these organisations own and manage 772,264 regulated properties¹³. See the breakdown on the right and [Annex 4](#) for more details.

The Fund added three newly-issued bonds this year within the "Affordable Housing and Property" outcome, all receiving a High Social Performance rating:

- Paradigm Housing issued a sustainability bond;
- Places for People issued sustainability bond;
- Affordable Homes Guarantee Scheme bond to provide government-guaranteed loans to support the development of new affordable housing.

TOTAL PORTFOLIO HOUSING STOCK OF HOUSING ASSOCIATIONS IN THE FUND (by provision type)



EXAMPLE TARGET POPULATIONS

Living below the poverty line – households where income is below the 60% of the median household income after housing costs for that year in the UK. This population is impacted by the provision of social housing – government-subsidised rent for people on low income. They are the only form of housing where rents are linked to local income, making it the most affordable housing available. More than two thirds of housing stock held by the housing associations held by the Fund are providing social rent accommodation.

Socio-economic status – individuals who require emergency housing or supported housing due to their socio-economic status such as migrants.

Underserved people – includes people who are unable to afford housing at market value in their local area and have to move away from their communities.

13. [Regulator of Social Housing \(RSH\)](#). Note that total does not include Wheatley Housing Association and ClwydAlyn as they are based in Scotland and Wales respectively and have their own regulatory bodies so the data for these organisations has not been disclosed to the RSH. Golden Lane Housing and Hightown Housing Association were funded through bonds issued by RCB Bonds.

PARADIGM HOUSING – SUSTAINABILITY BOND

AFFORDABLE HOUSING AND PROPERTY

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



Paradigm provides affordable homes for rent and shared ownership in an area of the UK particularly affected by housing affordability. It manages nearly 17,000 homes in Buckinghamshire, Hertfordshire and Bedfordshire spanning 30 local authority areas for more than 36,000 people. Paradigm delivered 504 new homes in 2023-24 an increase over the previous year's total of 446. Of these 315 were for affordable rent, 167 were shared ownership and 22 were for social rent. They remain on track to meet their target of 1,950 new homes over five years to 2026.

Around 78% of its homes are for social or affordable rent and 18% are available for low-cost home ownership. Paradigm tenants pay a rent that is on average 62% of market levels (as defined by the government's Local Housing Allowance). This discount is expected to increase next year in line with the announced increase in the LHA.

Around 96% Paradigm's homes for rent have an EPC B with the rest at EPC C. Over 700 retrofit assessment surveys were carried out and works carried out in 17 homes with defective cavity insulation. The average score for Paradigm homes according to the UK government's energy efficiency indicators (SAP) is above national average for all homes as well as 2.63% above average for housing associations.

During 2023-24 Paradigm invested £265,600 in formal support programmes offering debt advice, financial support, mental health and community support, careers advice and energy efficiency help. Customers who were supported by Citizens Advice cleared over £121,700 of debt. In total 952 customers were referred to these programmes or projects which yielded identified benefits with an estimated value of £573,700.

Impact Management Norms	
What	This is the second sustainability bond issuance, at £250m, that follows on from the first one issued in 2021 and is used for refinancing and bolstering liquidity.
Who	People who cannot afford to rent or purchase homes on the open market in their local area (Buckinghamshire, Hertfordshire and Bedfordshire).
How much	1,950 new homes to be built (400 a year), the majority of all homes new and existing to have an EPC rating of C and above and customer satisfaction metrics.
Contribution	Funding from the bond bolsters Paradigm's liquidity and allows them to keep funding their development programme. £100m of the £250m sustainability bond was retained for liquidity, and the rest was used to refinance previous projects. As such the bond indirectly contributes to the company's development programme.
Risk	Efficiency risks – unmitigated rising costs pose risks to projects Execution risks – projects financed by bond may not be completed be delayed or may not achieve their intended goals.

COMMUNITY SERVICES

IMPROVING THE AVAILABILITY OF COMMUNITY SERVICES FOR PEOPLE WITH SPECIFIC SOCIAL NEEDS



2 HOLDINGS



2 ISSUERS



£4m INVESTED
1% of total amount invested



**SOCIAL PERFORMANCE
ASSESSMENT**
(BY NUMBER OF BONDS)

The Fund holds two bonds in the Community Services outcome area: Lancashire County Council and Inter-American Development Bank. Both bonds were issued more than four years ago. Issuers in this outcome area would be local authorities and charities who provide public services, particularly in more deprived areas of the country. This sector has been facing significant financial constraints in the last decade, making it more challenging to invest in, as reflected in low weighting of direct investments in the Community Services outcome area.

It is important to note that social housing providers also play an important role in providing community support. While being able to access stable affordable housing reduces the risk of poverty, around 46% of social renters remain in low income after housing costs, compared to 12% of owner-occupiers¹⁴.

Working age social tenants are also less economically active; they are more likely to be in part-time work than full-time work, twice as likely to be unemployed than private renters, and more likely to be unable to work due to a long-term limiting illness or disability. Barriers to employment include lack of education qualifications, digital exclusion, poor physical and mental health, inadequate or expensive transport links and lack of affordable childcare.

Social housing providers recognise that they are uniquely well-positioned to support their tenants into employment and financial inclusion. They are increasingly leveraging their role as local place-makers to offer a wide range of services for their tenants, from financial counselling to providing employment advice, educational and training and employment opportunities. Many work in partnership with other local organisations, to shape local places and economies and are themselves major local employers who create local jobs in their organisations, support programmes and supply chains.

EXAMPLE TARGET POPULATIONS

Ageing populations, people with disabilities and other vulnerable groups – in the next 25 years the number of people older than 85 will double to 2.6m in the UK. Ageing population means that there is higher demand for social care, as well as health services. Substantial expenditure from local authorities' goes towards social care.

Underserved, owing to a lack of quality access to essential goods and services – particularly in emerging markets, bonds that fund community services are impacting those populations that do not have access to essential goods and services, such as health and education or transport infrastructure.

Migrants and /or displaced persons – in the past, the Fund held bonds that supported migrants or other vulnerable groups in integration within the local communities, with services such as housing, training and employment.

14. [The Institute for Fiscal Studies \(IFS\), June 2023](#)

PLACES FOR PEOPLE – SUSTAINABILITY BOND

COMMUNITY SERVICES (SECONDARY OUTCOME AFTER AFFORDABLE HOUSING)

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



Places for people is one of largest nation-wide property development, management and leisure social enterprises in the UK. They specialise in developing sustainable places and take an infrastructure-led approach to housing – ensuring that homes and neighbourhoods have physical and social/community infrastructure such as schools, shops, green spaces, leisure facilities, community spaces, transport links, healthcare, recycling and waste. The group own or manage 240,000 properties of which over 70,000 are social or affordable homes and work in partnership with other major housing providers on place-making and regeneration projects that create local job opportunities. They operate 100 leisure facilities, working with local authority partners to deliver health and wellbeing programmes for all.

Places for people support its customers through a variety of services spanning financial and digital inclusion, employment, training, health and wellbeing. Their inaugural bond (£300m) enabled 3,303 new buildings to be built, of which 918 were green, and refurbished 1,425 further homes. In 2022 their regulated businesses generated a social value of £140.5m, supporting over 9,500 homeless people or at risk of homelessness, over 5,000 into education, employment or training, and over 7000 into digital and financial inclusion. In 2020-21 its community investment fund provided over £550,000 to local charities to support foodbanks, homelessness prevention services and the refurbishment of outdoor playgrounds.

The proceeds from the Sustainability bonds are used for the development of affordable housing, ensuring that they are energy efficient with both social and environmental metrics. Hence this bond's primary outcome area is affordable housing, yet it indirectly contributes to the Community Services outcome area through the support services across its customer base. For this reason, we have used this case study to illustrate how affordable housing can also contribute to community services.

Impact Management Norms	
What	The bond finances the development of affordable housing, green building and renovation/retrofitting of existing homes for energy efficiency (EPC C and above).
Who	Low- and moderate-income households including supported living.
How much	New homes delivered, number of new available for affordable housing and number of customers impacted, rent relative to market rent, number of new homes with EPC B and above, percentage of homes with EPC C and above, number of homes retrofitted.
Contribution	Funding from the bond helps Places for People refinance their debt and will be used to invest in improving the safety and quality of existing homes and also to provide new and much-needed affordable housing under the Group's Strategic Partnership with Homes England. The sustainable bond framework does not specify how much of the bond will be used to refinance existing projects.
Risk	Efficiency risks – unmitigated rising costs pose risks to projects. Execution risks – projects financed by bond may not be completed be delayed or may not achieve their intended goals.

EDUCATION, LEARNING AND SKILLS

SUPPORTING WIDER PARTICIPATION IN HIGHER EDUCATION WITH A FOCUS ON PROMOTING SOCIAL MOBILITY



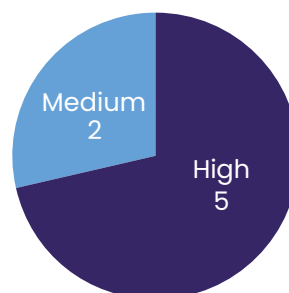
7 HOLDINGS



7 ISSUERS



£11m INVESTED
3% of total amount invested



**SOCIAL PERFORMANCE
ASSESSMENT**
(BY NUMBER OF BONDS)

Education is a critical factor in helping people access better jobs, live better lives and is foundational for creating more inclusive economies and societies.

Despite substantial progress towards increasing basic levels of education globally, large differences in educational outcomes still exist. Around the world 58m children of primary school age are not in school.

Within OECD countries, educational outcomes show a strong link to socio-economic backgrounds. In the last round of PISA tests, socio-economically advantaged students scored 93 points more in mathematics than disadvantaged students on average across OECD countries. In the UK pupils eligible for free school meals (a measure of socio-economic need) are much less likely than other pupils to go into higher education, particularly to highly ranked universities and are also much more likely to drop out in their first year.¹⁵

Adequate levels of funding are a precondition for providing high-quality education. Countries that spend more on education as a percentage of GDP have been shown to achieve better educational outcomes. Well-targeted spending raises educational attainment by providing better facilities and adequate levels of educational support which have a greater benefit for

pupils from lower socio-economic groups as well as vulnerable pupils such as those diagnosed with special education needs and those experiencing poor mental health, whose numbers have increased significantly in recent years in the UK.

A current challenge common to the UK and many other OECD countries is a shortage of teachers. In the UK the number of teachers in state-funded schools has not increased in response to growing pupil numbers and vacancies have risen over the last decade.

In the UK spending on school buildings has been declining for several decades. Consequently, many school buildings are in poor condition and in need of maintenance.¹⁶ The UK's annual capital spend on education has declined by 50% on average since 2009.¹⁷ Good school facilities have been shown to have a positive effect on educational attainment and student wellbeing, and because students from lower socio-economic backgrounds are more likely to be in poor school facilities, can also promote more equity in outcomes.

15. [PISA](#) is the OECD's assessment of the skills and knowledge of 15-year-old students in mathematics, reading and science. Carried out every three years, eighty-one countries and economies took part in the 2022 assessment.

16. [The Institute for Fiscal Studies \(IFS\), September 2023](#)

17. [OECD, 2021](#)

The Fund has invested in the social bond from KBC with the aim of making major improvements to Belgian school infrastructure by building and upgrading schools. According to the OECD the share of capital expenditure in Belgium on all levels below tertiary education is one of the smallest among OECD and partner countries with available data¹⁸. The case study on the following page illustrates how corporate bonds can provide public sector funding, including for the education system.

The Fund retains bonds a number of UK universities (University College London, Cardiff University, University of Southampton, University of Leeds) as well as Pearson Education. It also holds a social bond from Banque Federative Du Credit Mutuel – which finances and refinances loans linked to social projects, in particular access to education and professional training.

EXAMPLE TARGET POPULATIONS

Uneducated population – programmes funded by some of the bonds in the Education Learning and Skills included digital courses and vocational programmes that improve the skills of individuals who are unable to get to school or access mainstream education or struggle in the traditional classroom environment.

Excluded and/or marginalised populations and /or communities, women and/or sexual and gender minorities, people with disabilities – some of the issuers selected by the Fund (e.g. universities) are aiming to improve diversity of students by monitoring representation and running outreach and inclusion programmes to broaden the base of applicants. The diversity is considered from protected characteristics such as disability, gender and ethnicity as well as socio-economic background of individuals.

18. [OECD, Belgium, 2024](#)

KBC GROUP – SOCIAL BOND

EDUCATION, LEARNING AND SKILLS

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



The KBC group is a Belgian-based bank and insurance group that provides finance and insurance for the healthcare and education sectors in Belgium.

The bond allocates €499m, around a third of the total, to refinancing public schools throughout all of Belgium. The objectives of this bond are increasing access to good quality education for the 2.7m school student population and reducing educational inequalities.

The amount raised will go towards construction, extension or refurbishment of equipment and infrastructures and dedicated programmes, furniture, learning materials and other equipment. One of the schools taking part in this bond, the Egied Van Broeckhoven School, opened this year with 100 students and will offer secondary school education for 860 students in the multicultural district around the West station in Sint-Jans-Molenbeek, Brussels. It has a specific focus on getting students ready for the job market, addressing local youth unemployment and it makes its spaces available for community use outside of school hours.

This bond was selected to illustrate how businesses can support and invest into social sectors such as education and healthcare.

Impact Management Norms	
What	The bond refinances assets in the healthcare and education sectors in Belgium – a third of the bond is allocated to financing the provision of infrastructure and equipment in schools.
Who	The general public accessing state/public schools and free private schools in Belgium. The public school population (kindergarten, primary and secondary) of Belgium in 2020-21 is just over 2.7m.
How much	This is the second social bond issued by KBC but the first to invest in refinancing of educational infrastructure. Currently around 95% of the bond is for allocated for infrastructure and 5% for equipment.
Contribution	Good infrastructure and facilities as well as equipment will enable more students to access quality education and help reduce educational inequalities. The bond may be used to refinance existing projects – no target for refinancing has been set in the social bond framework.
Risk	Efficiency risks – unmitigated rising costs pose risks to projects. Execution risks – projects financed by bond may not be completed be delayed or may not achieve their intended goals. Stakeholder risk – infrastructure investment may not be distributed in ways that reduce educational inequalities.

EMPLOYMENT AND TRAINING

SUPPORTING INCLUSIVE JOB GROWTH



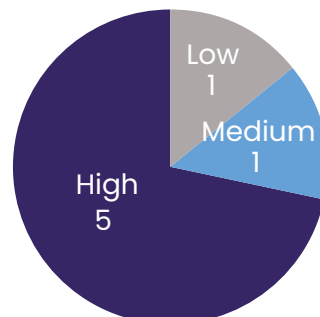
7 HOLDINGS



7 ISSUERS



£10m INVESTED
3% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

The UK's current employment rate of 75% compares relatively well with many other OECD countries and has been rising over the last 30 years helping reduce disparities between groups and areas over time. However, inequalities in access to employment still persist with those from certain ethnic backgrounds, namely, those Arab, Black and Asian being 3 to 4 times more likely to be unemployed than non-disabled white adults¹⁹. Minority ethnic workers are disproportionately paid low wages and are more significantly likely to be in insecure work such as shift work²⁰.

Whilst UK unemployment rates remain historically low, the number of working-age people who are economically inactive – those who are out of work and not looking for work – is rising. From December 2023 to February 2024, over 9m people or 22.2% of the population of a working age were economically inactive, the highest level reported since 2012. Long-term sickness is the biggest cause of economic inactivity and not confined to older workers. The number of 18–24-year-olds not working due to ill health has doubled in a decade, rising from 94,000 in 2012 to 185,000 in 2022.²¹

The UK has been experiencing skills shortages and low levels of productivity for some time. Over 73% of businesses report skills shortages and job vacancies due to skills shortages have doubled between 2017 and 2022 to over 500,000, prevalent in the hospitality, health and social work, business services, and wholesale and retail sectors.

A decline in investment in skills has accompanied this trend and is reflected in cuts to public expenditure on adult education and a reduction in employer investment in skills which declined by 19% per employee, in real terms, between 2011 and 2022. Wage stagnation, low pay and poor pay progression are also prevalent features of the current UK labour market.

Moving towards sustainable economic growth and improved productivity in the UK requires a workforce with the requisite skills to meet the current and future needs of business and to navigate the changing world of work. Employers who are well placed to contribute are ones that develop talent and address inequalities in employment and advancement.

EXAMPLE TARGET POPULATIONS

Unemployed and vulnerable groups affected by net zero transition – investment to provide training and jobs to individuals, particularly those in low deprivation areas or in industries that are more likely to be affected by the net zero transition.

Women and/or sexual and gender minorities – the Fund has invested in bonds that are tackling lack of representation of women across certain sectors in the UK, as well as in emerging economies. For example, lower proportion of entrepreneurs are women. Women also face barriers to employment after having children and some of the programmes aim to tackle that by providing funding, training or other support to help women back into employment.

Underserved, owing to a lack of quality access to essential goods and services – some communities face barriers to employment as a result of lack of access to key services such as transportation or digital connectivity.

19. [Office of National Statistics, January 2024](#)

20. [Living Wage Foundation, November 2022](#)

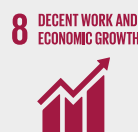
21. [House of Commons Library, April 2024](#)

COMPASS GROUP – SUSTAINABILITY BOND

EMPLOYMENT AND TRAINING

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



The Compass Group is a British food services company that operates in over 35 countries and employs over 550,000 people worldwide. It is one of the largest employers in the UK, with over 60,000 employees in the UK and Ireland.

Compass Group has been selected as a case study as it is a good example of a major employer with substantial supply chains in many local communities across the UK, taking steps to proactively create good jobs, improve representation of diverse and minority employees and suppliers and provide training for employers, suppliers and local communities in equality and diversity, health and wellbeing and sustainable practices such as food waste and pollution reduction.

Compass Group's sustainability bonds, as outlined in the sustainability framework, are allocated to green projects such purchase of goods which are certified Sustainable, Fairtrade or Organic and animal welfare standards, projects related to food waste avoidance, reduction of plastic waste and roll out of renewable energy. The social initiatives focus on access to healthy food, such as healthy

eating projects, agriculture technology and in kind-donations of food. Finally, the sustainability framework focuses on purchasing products from diverse-led social enterprises and small and medium enterprises (SMEs), local suppliers and providing training and development for culinary teams and supporting farmers in decarbonising farming practices and towards regenerative agriculture.

At corporate level, Compass Group UK and Ireland announced a Social Promise in 2022 to address barriers to progression amongst disadvantaged and underrepresented groups. This is accompanied by a roadmap that sets out milestones towards achieving gender, ethnicity and social-economic representation up to senior management levels within the company in line with the UK population by 2027 and 2030 and the creation of 5,000 apprenticeships by then.

Impact Management Norms	
What	Responsible sourcing, purchase of products from local and diverse suppliers, sustainable expenditure which supports decarbonisation within the Group's value chain.
Who	Local communities, women and Black, Asian and minoritised ethnic groups, vulnerable groups, local and diverse suppliers including farmers.
How much	The framework does not state what proportion of the proceeds will be allocated to projects that support diverse-led suppliers, local SMEs or farmers.
Contribution	More representation of local diversity in the workforce and supply chain, and more training to improve skills and sustainable practices can contribute to local employment, economic growth and prepare local communities for a just transition. The sustainability bond may be used to refinance existing projects for up to 36 months before the issue date.
Risk	Execution risk: insufficient number of local suppliers to meet Equity, Diversity and Inclusion and sustainability targets. Evidence risk: performance is based on the amount spent on the project, rather than outcomes.

FINANCIAL INCLUSION

IMPROVING ACCESS TO AFFORDABLE FINANCIAL SERVICES FOR ALL



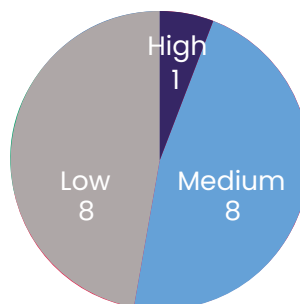
17 HOLDINGS



9 ISSUERS



£39m INVESTED
11% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

Financial inclusion aims to create a fair financial system where everyone can manage their money, save, borrow responsibly, and plan for the future. It empowers individuals and businesses by providing the financial tools necessary to enhance economic wellbeing, reduce poverty, and promote growth.

In the UK, financial inclusion is increasingly critical, with 20.2m adults now classified as financially under-served—a 50% increase in less than a decade²². Without access to essential financial services, many people struggle to fully participate in the economy, leading to a cycle of debt, exclusion, and poverty.

Rising debt levels and financial insecurity are driving millions toward financial exclusion in the UK. Research by Fair4All Finance identifies six financially vulnerable groups, including homeowners with long-term debt, low-income families, and young adults unable to save²³. Around 3.5m homeowners and renters are burdened by above-average, long-term debt from multiple sources, using personal loans to cover rent or mortgage payments and relying on high-cost payday loans. Of these, 1.3m were previously not in financial difficulty.

The most troubling growth has been in families in “crisis positions,” heavily reliant on credit for basic needs, now at 3.9m—a 12% rise in just one year.

One in three working-age families, and nearly half of low-income families, lack basic ‘rainy day’ savings of at least £1,000²⁴. This was starkly revealed during the cost-of-living crisis, as families with limited savings were twice as likely to use credit cards, overdrafts, or formal loans to meet daily expenses. Additionally, high living costs and low savings are preventing young people from saving for a home, while high rents trap them in a cycle where they can’t accumulate the savings needed for a deposit, creating a “generation of renters.” Those without access to affordable financial services often face barriers to obtaining insurance, leaving them exposed to risks like health emergencies or property loss, which can lead to income loss and deeper financial hardship.

EXAMPLE TARGET POPULATIONS

Underserved, owing to a lack of quality access to essential goods and services – financial services and banking is an essential good that some groups have reduced access to. For example, people on low incomes or self-employed, older population, people who have no credit history (e.g. young professionals). The products provided are mostly mortgages for purchase or refurbishment of property to improve energy efficiency and/or reduce energy use.

²². [PwC, and TotallyMoney, 2022](#)

²³. [Fair 4 All Finance, July 2024](#)

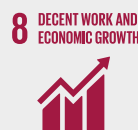
²⁴. [Resolution Foundation, February 2024](#)

COVENTRY BUILDING SOCIETY – GENERAL CORPORATE PURPOSE BOND

FINANCIAL INCLUSION

IMP CLASSIFICATION – BENEFITS STAKEHOLDERS

FUND SOCIAL INTENSITY RATING – MEDIUM



Coventry Building Society is a mutual building society providing savings and residential mortgages, lending more than £50bn to over two million customers. It has been chosen as our case study in financial inclusion because of their focus on helping first-time buyers onto the housing ladder and their support for the most disadvantaged and vulnerable to become more financially resilient.

In 2023, difficult market conditions saw UK lending to first time buyers fall by 24% overall. Although Coventry Building Society fell short of their target to lend to 10,000 first time house buyers it still achieved an increase in first time buyer lending by 17%, supporting over 6,300 households into a first home.

Coventry Building Society supports borrowers who may be facing financial difficulties and has established a working group which champions the needs of vulnerable customers. This year, arrears fees and Consent to Let fees were removed to further reduce the financial burden. Trained Vulnerable Customer Experts are embedded in customer facing teams and in head office functions to ensure appropriate support and explore all possible solutions to stave off repossession. Despite a substantial rise in calls to customer services over the last two years, waiting times of under 2 minutes were maintained.

It also provides funding and support through their Better Foundations programme to local partners who help the most disadvantaged and vulnerable towards financial sustainability and inclusion by providing debt and legal advice in cases of eviction and working with social enterprises that provide food and other forms of support.²⁵

This bond was selected as a case study to illustrate medium intensity-rated bonds. The rating reflects that the bond is general corporate purpose, where proceeds have not been specified, however the issuer's business is strongly aligned to the social outcome area – in this case, financial inclusion.

Impact Management Norms	
What	Mortgages to purchase housing and financial savings products.
Who	First time home buyers and mortgage and savings holders across the U.K. Indirectly, renters who benefit from housing supply financed through buy to let mortgages.
How much	The bond does not specify how many will be targeted but they have a target of lending to 10,000 first time home buyers a year. The value of the business is split evenly between its mortgage book and its savings business. With the upcoming acquisition of the Co-operative bank the proportion represented by prime owner-occupied mortgages will increase.
Contribution	CBS is in the top ten of U.K. mortgage lenders by outstanding balance, accounting for 2.9% of total UK balance. The bond does not have specified use of proceeds but is used to fund general operations of the business.
Risk	External risk: economic uncertainty may affect the allocation of investment. Alignment risk: the bond proceeds are not allocated to projects that target underserved communities.

25. [Coventry Building Society, 2024](#)

HEALTH AND SOCIAL CARE

SUPPORTING UNIVERSAL ACCESS TO HIGH QUALITY HEALTH AND SOCIAL CARE SERVICES



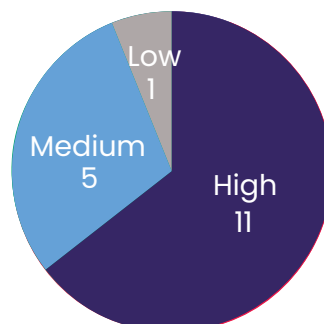
17 HOLDINGS



11 ISSUERS



£44m INVESTED
13% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

The last two centuries has seen significant increases in global life expectancy and more people leading healthier lives. Falling rates of child and maternal mortality in poorer countries due to better access to healthcare have been a key factor²⁶.

However gaps remain – there is an 18-year gap in average life expectancy between low-income countries such as many Sub-Saharan African countries as compared to the world's richest countries.²⁷

In addition, health inequalities within countries that affect different socio-economic groups, gender and people of different ethnicity in both rich and poor ones can also be substantial, and are even, in some cases as severe as the inequalities between countries. In the UK, there is on average an 18-year gap in healthy life expectancy between those who live in the most deprived areas and those who live in the least deprived areas.²⁸ The causes of ill health and death between rich and poor countries are quite different. Non-communicable diseases such as heart disease, cancer take the largest share of the overall burden of disease in richer countries, and many display strong links to diet, lifestyle and other social determinants.

Communicable diseases such as malaria, HIV/AIDs, tuberculosis and other infectious diseases are the primary health challenge in poorer countries, causing 9.5m deaths every year.²⁹ A combination of factors, including poor sanitation, limited access to healthcare, inadequate vaccination coverage, poverty and malnutrition explain their continuing prevalence.

A comprehensive response towards better, more equitable health outcomes is many faceted, and involves public health and preventative measures that addresses public infrastructure as well as wide-ranging social and environmental factors. Institutions and companies have a major role to play as well in developing vaccines, drugs and other innovative treatments and in advocating and providing for the health and wellbeing of employees and communities.

26. [World Health Organisation, The Global Health Observatory](#)

27. [World Health Organisation, 2019](#)

28. [Office for National Statistics, 2018-2020](#)

29. [Our World in Data, February 2024](#)

EXAMPLE TARGET POPULATIONS

People with disabilities, ageing population or other vulnerable groups – access to healthcare is particularly critical for these groups in the UK, where the NHS is under increasing strain. Investment to enhance access includes financing specialist equipment or facilities, particularly those used to treat specific physical and/or learning conditions, and rehabilitation services for drugs and alcohol-related conditions. This could also include funding residential care facilities for elderly and people with specific health conditions.

Underserved, owing to a lack of quality access to essential goods and services – the Fund made investments in bonds that provided access to healthcare in emerging economies, particularly during the Covid-19 pandemic, where some bonds funded the immunisations in low-income countries.

WELLCOME TRUST – GENERAL CORPORATE PURPOSE

HEALTH AND SOCIAL CARE

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



The Wellcome Trust is a charitable foundation that funds health research and the implementation of evidence-based health solutions and has a focus on high-risk high-contribution projects. In 2023, it spent £1.7bn across its programmes of work, up from £1.4bn in 2022. It has set a target of supporting at least one new pharmacological, one new non-pharmacological, and one new digital intervention in use by 2032.

The Wellcome Trust was selected as a case study to showcase investment in the research, development of and promoting access to and take up of drugs for infectious diseases that afflict poorer countries and are unlikely to be as commercially attractive for other pharmaceuticals to pursue.

A major part of Wellcome Trust funding goes towards cutting-edge research whose impact can take time to materialise. In 2023 a new malaria vaccine, funded over many years by the Wellcome Trust, was approved by the WHO and will be introduced in several African countries in 2024, potentially preventing thousands of deaths. The Trust is collaborating with the Bill and Melinda Gates foundation to support trials of a new tuberculosis vaccine – the first in 100 years – which could counteract the rise of drug-resistant tuberculosis a major cause of global death and disease. In 2023, it launched a funding call on the use of the oral cholera vaccine and supported the WHO's newly launched International Pathogen Surveillance Network, providing support for low- and middle-income countries developing or piloting innovative genomic surveillance approaches. It also launched a new funding scheme on the impact of climate change on health outcomes, focusing on the populations and communities most at risk.

The Wellcome Trust is committed to ensuring that those it supports are reflective of the diversity of global populations and that the research it funds is inclusive in design and practice. Following findings of disparities in grants funded by geography and ethnicity and that 86% of clinical trial participants were white, the Trust set a target in 2019 of 15% of funding committee members from BAME communities which has now been achieved and extended and plans to introduce more diversity and inclusion initiatives in its funding practices in the coming year as part of its new ESG strategy.

Impact Management Norms	
What	Science-based health research and implementation of urgent health solutions.
Who	Individuals in need of health solutions, particularly those populations most at risk of not accessing them.
How much	No information on the planned allocation of the bond is. In 2022–23, it awarded grants to researchers based at 460 organisations across 75 countries. Just over half were to teams in the UK, and around 25% in middle- and lower-income countries.
Contribution	The Wellcome Trust funds high-impact high risk research and implementation activities that ensure access, particularly for vulnerable populations. The nature, impact timeline and target beneficiaries of the research and activities they fund are less likely to be undertaken by commercial organisations. Without Wellcome Trust funding, breakthroughs such as human genome sequencing and advances in malaria treatment may not have happened.
Risk	Stakeholder risk: Funded research and the health solutions that it generates may not be accessible to those who need them most.

TRANSPORT AND COMMUNICATIONS INFRASTRUCTURE

ENSURING UNIVERSAL ACCESS TO BASIC INFRASTRUCTURE AND SERVICES



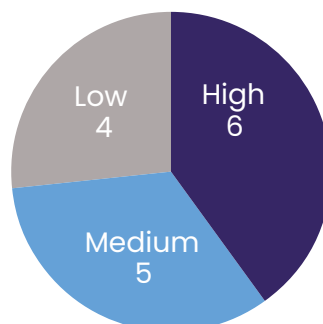
15 HOLDINGS



12 ISSUERS



£53m INVESTED
15% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

The Fund invests in this outcome class to improve transport and communications infrastructure across the UK. Both are key to inclusive economic development, with each enhancing the other's impact. Effective communication improves transportation planning and efficiency, while strong transport networks enable the expansion of digital connectivity, particularly in underserved and remote areas.

Rural communities often face physical and digital connectivity challenges, leading to social isolation and hindering access to education, healthcare, and employment opportunities. Furthermore, approximately 5m people, or 8% of UK population fall below the poverty line due to the financial burden of transportation costs³⁰. These challenges deepen existing inequities, worsening outcomes for the most underserved. For example, lack of communication and transport infrastructure in the UK create significant barriers for disabled people, limiting mobility and independence through inaccessible public transport, lack of accessible parking, and poor pedestrian pathways.

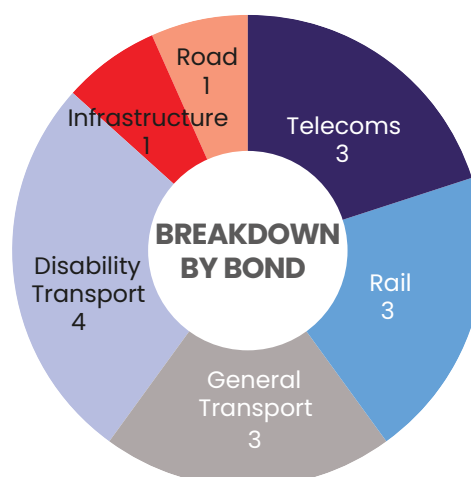
Investment in this outcome area can bridge geographic isolation and reduce social inequalities across the country by ensuring that all individuals, regardless of location or socioeconomic status have equal access to information and services, including providing rural communities with resources often concentrated in urban areas.

Over the years, the Fund has invested in several Motability issuances, and it is currently the fourth major issuer in the portfolio at 2.8%.

Motability provides a leasing service of cars, scooters, or powered wheelchairs for disabled people paid for by the disability allowance.

Investing in futureproofing infrastructure also ensures that access to transport does not come at a cost to the environment. The Fund holds the UK Green Gilts, which funds public investment in electric vehicle charging infrastructure and green buses. This is the largest issuer in terms of investment value of the portfolio at 4.8%.

The Fund also invests to support infrastructure development in more economically disadvantaged countries. The bond from Japan International Corporation Agency aims to improve access to affordable and reliable transportation for people and goods as well as promote sustainable transportation modes such as walking, cycling and public transportation.



30. [Blavatnik School of Government, University of Oxford, May 2024](#)

EXAMPLE TARGET POPULATIONS

People with disabilities – improved accessibility of transport infrastructure has a significant impact on socio-economic outcomes, such as access to education and employment and health and wellbeing. The Fund holds bonds from Motability, who provide cars, Wheelchair Accessible Vehicles, scooters and powered wheelchairs to meet disabled customers' needs.

Vulnerable groups affected by net zero transition – providing training to workers who may be affected by the decarbonisation of the UK transport industry.

Underserved, owing to a lack of quality access to essential goods and services – lack of infrastructure in rural and/or high deprivation communities within and outside the UK enables these groups of people to access education and employment opportunities, as well as reduce social isolation.

ARQIVA – GENERAL CORPORATE PURPOSE BOND

TRANSPORT AND COMMUNICATIONS INFRASTRUCTURE

IMP CLASSIFICATION – BENEFIT STAKEHOLDERS

FUND SOCIAL INTENSITY RATING – LOW

arqiva



Arqiva provides critical media and satellite data and communications infrastructure services across the UK. It is the sole provider of digital terrestrial television broadcast transmission services and radio broadcasting services in the UK maintaining 1,450 TV transmission sites that provide 98.5% national coverage in TV, radio and other services. Arqiva is also a market leader in digital platform and home satellite distribution.

The Fund holds Arqiva's general corporate purpose bond, which has been rated low as there were no specified use of proceeds and the corporate does not explicitly target underserved communities. This bond has also been included as a case study to provide an example of one of the low-rated bonds held by the Fund.

Broadcast TV remains the most popular TV platform and is relied upon more heavily by vulnerable groups in society, i.e. those on lower incomes, lacking digital skills, and in more rural areas as they are less able to access content via paid channels. Customers include major broadcasters such as the BBC, ITV, BSkyB and the independent radio groups, major telco providers including the UK's five mobile network operators, and the emergency services.

Arqiva also operates one of the two largest smart water meter networks that provide high-quality data to shape consumer consumption and identify leaks. It has enabled Anglian Water to save 10 litres per property per day by fixing leaks identified through smart water meter data. Thames Water has seen a 13% reduction in water consumption among customers with a smart water meter.

In 2023 Arqiva increased its focus on sustainability, joining the Science Based Targets Initiative (SBTi) and completing the GRESB assessment. In 2024 it set net zero targets for 2031 and 2040 and set goals for action on biodiversity and circular resource use. A new Head of Sustainability joined the company in January 2024.

Impact Management Norms	
What	Digital broadcasting services, digital connectivity and smart watering meter networks for the UK population.
Who	Whole UK population, especially those on lower incomes, in rural areas and are less digitally adept.
How much	No information on allocation of bond.
Contribution	Arguably, lower quality of broadcast digital infrastructure that would impact how well informed and connected the UK population, particularly those that depend on TV and radio for news and other information.
Risk	Efficiency risks – unmitigated rising costs pose risks to projects. Execution risks – projects financed by bond may not be completed be delayed or may not achieve their intended goals.

UTILITIES AND ENVIRONMENT

SUPPORTING THE PROVISION OF AFFORDABLE AND SUSTAINABLE WATER, ENERGY AND OTHER ESSENTIAL SERVICES



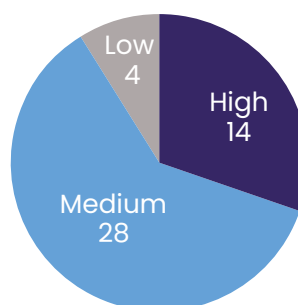
46 HOLDINGS



31 ISSUERS



£104m INVESTED
29% of total amount invested



SOCIAL PERFORMANCE ASSESSMENT
(BY NUMBER OF BONDS)

Rising utility costs, including water bills, are a significant contributor to poverty in the UK. Nearly 9m households in England were living in fuel poverty in 2023, meaning they spent more than 10% of their income on heating³¹. This is a stark increase from previous years, largely due to soaring energy prices.

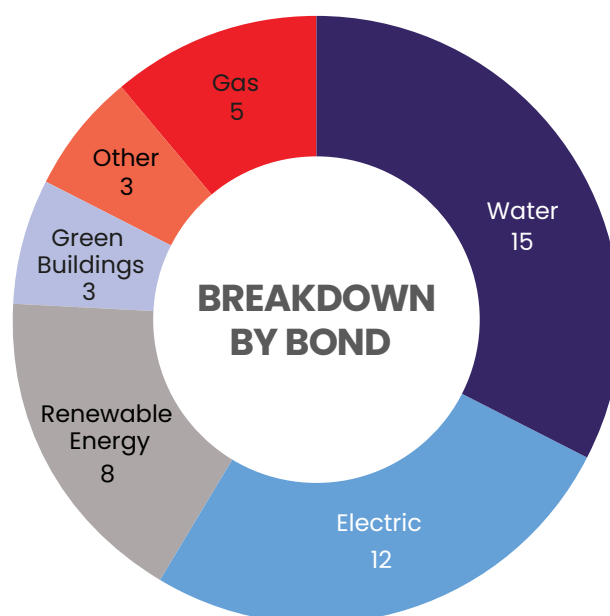
Additionally, water bills have also been rising, adding further strain to household budgets. Ofwat's cost of living survey shows that over 50% of water bill payers struggled to pay one or more bills fairly frequently over the last year³². For many low-income families, the combination of high energy and water costs forces them to make difficult choices, such as forgoing food or essential medical care, to afford these necessities. This has a devastating impact on their overall wellbeing and can trap them in a cycle of poverty.

The Fund invests in utility companies that are providing support to disadvantaged and vulnerable people, including grants, reduced bills and advice to ensure that essential services remain affordable for those who may otherwise struggle to meet their energy and water bills.

While these initiatives are led by the regulators, who request utility companies to outline their plans to support users, the Fund engages with the companies to further improve the level of support provided.

Other holdings in this outcome area focus on investment in renewable energy and green buildings, as well as transitioning the gas network to low-carbon alternatives.

14 new bonds issued in the past 12 months have been added to the portfolio, out of those one was a general corporate purpose bond, and the rest were either green or sustainability bonds. Water, electric and renewable energy are the main sectors for investment.



31. [Department for Energy Security & Net Zero, February 202](#)

32. [Ofwat, July 2024](#)

EXAMPLE TARGET POPULATIONS

Underserved, owing to a lack of quality access to essential goods and services – investment is key to ensuring that people have access to key utilities, such as clean water.

Living below the poverty line – people living in fuel or water poverty, where the bills are greater than 10% and 5% of net income, respectively. Research by Ofwat shows that more customers are struggling with household bills and that two-thirds expect their situation to worsen in the coming year.

EUROPEAN INVESTMENT BANK – SUSTAINABILITY BOND

UTILITIES AND ENVIRONMENT

IMP CLASSIFICATION – CONTRIBUTE TO SOLUTIONS

FUND SOCIAL INTENSITY RATING – HIGH



The European Investment Bank (EIB), the lending arm of the European Union is a major finance provider, particularly in the field of climate finance, being the first institution to issue a green bond in 2007. Since then it has raised over €100bn in Climate Awareness bonds and Sustainability Awareness Bonds (classified as sustainability bond by the Fund).

Sustainability bonds are to finance social and environmental objectives that go beyond climate change mitigation, covering access such as access to sustainable use of water and marine resources, biodiversity, education, health services, sanitation, natural risk disaster management and social and affordable housing.

In 2023, the EIB issued €1.5bn of Sustainability Awareness Bonds and disbursed €3.1bn to 104 projects in 35 countries, of which €2.8bn were allocated to 73 projects in 15 EU Member States, and €292m to 31 projects in 20 countries beyond the European Union.

Sustainability bonds-funded projects are estimated on completion to benefit in total 1.2m students, of which 35,000 are from disadvantaged socio-economic backgrounds, access to health services for 8.8m people, improved emergency responses for 76m people, safe drinking water and improved sanitation for 50m people and reduced flood risk for 1.9m people, and more affordable housing for over 2,300 people. Examples include a £700m loan for the construction of the Thames Tideway tunnel which follows the route of the river Thames to capture sewage discharge, and financing the Mulonga water and sewerage company in Zambia to improve access to water and sanitation, including in peri-urban and low-cost areas.

This bond is an example of some of the international holdings of the Fund, and showcases how these issuers can have a positive contribution on the UK development.

Impact Management Norms	
What	Social and environmental objective complementary to climate mitigation such as access to clean water, waste management and sanitation, natural disaster risk management solutions, sustainable use of water and marine resources, education and social housing.
Who	Whole populations in 35 countries, including those who are from disadvantaged backgrounds, middle to low-income countries and in deprived or rural areas.
How much	No information – currently under allocation, however prior projects have benefited millions of people with access to health, education, safe drinking water and sanitation.
Contribution	The EIB's ability to leverage finance at favourable pricing enables it to offer competitive market rates to clients who might otherwise find it difficult to access finance for their projects. In some areas the EIB has contributed to improving conditions for tens of millions of people globally.
Risk	Efficiency risks – unmitigated rising costs pose risks to projects. Execution risks – projects financed by bond may not be completed be delayed or may not achieve their intended goals.

04 FORWARD LOOK

For a decade now, the Fund has operated with the aim of supporting more inclusive and sustainable development and growth, primarily in the UK: inclusive in terms of reaching disadvantaged groups as well as balancing out geographical disparities. Over that time, the Fund has seen its risk profile evolve, becoming more diversified while maintaining a focus on addressing pressing social issues.

■ REFLECTIONS FROM THE LAST 10 YEARS

Over the past decade, the CT UK Social Bond Fund has been a trailblazer, leading the way in integrating mainstream finance with social investment, demonstrating that public market investments can deliver both social change and financial returns.

The Fund has been active and responsive through global challenges like the Covid-19 pandemic the Ukraine conflict, and the UK's ongoing cost-of-living crisis, which has disproportionately affected vulnerable households.

The Social Bond Fund team embrace their role in driving innovation in the sector and have worked closely with issuers, International Capital Market Association (ICMA), and other organisations to develop standards and guidelines, and encourage issues of social and other sustainability bonds.

Since the publication of ICMA's 2021 guide on using sustainable debt to promote gender equality, the issuance of gender bonds has grown, including initiatives by multilateral organisations like the Asian Development Bank. Notably, in March 2023, NatWest Group issued a €500 million social bond to support women-led businesses, inspired by the Rose Review, highlighting the potential £250 billion economic impact if women matched men in entrepreneurship. We welcome these initiatives and look forward to seeing further progress.

The Fund has also seen many other successes over the last ten years, particularly in advocating for including "community voice"—engaging directly with marginalised communities—to validate the impact on those affected, ensuring transparency and accountability in achieving meaningful social outcomes. We are pleased to see several bond issuers adopting this practice, yielding insightful findings that have created a valuable feedback loop to enhance offerings and improve future outcomes.

Work is on-going to support and advocate for exploring the use of blue bonds, or another relevant vehicle that provides a targeted financial mechanism to address the specific challenges facing the oceans, promoting sustainability, conservation, and responsible management of marine resources. Last year, the report covered the need for the issuance of UK-based blue bonds, given the social and economic challenges for UK's coastal communities, as well as pressure on water and waste infrastructure. We have not seen any to date but the team is continuing to encourage relevant issuers to consider this type of bond.

As per last year's report, the Fund continues to support the use of social bonds to provide a source of funding of public sector projects. The UK government was the single largest issuer of sustainable bonds globally with \$8bn raised in the first three quarters of 2024.³³

■ FUND PRIORITIES FOR THE YEAR AHEAD

The Fund addresses a wide spectrum of needs across multiple outcome areas, with a continued focus on directing capital toward beneficial solutions. By attracting both retail and institutional investors, the Fund has grown to a size that reflects the strong demand from

both groups. A key priority moving forward is to sustain and expand engagement, raising awareness about the role of assets in the public market in driving social and environmental outcomes.

33. Linklaters, November 2024

■ TACKLING GEOGRAPHIC INEQUALITIES

Local authorities and pension funds are showing a growing appetite for place-based investing, with an increasing focus on investments that directly benefit their local communities. This geographically-led approach is aimed at addressing specific regional and systemic inequalities that drive and exacerbate poor outcomes, including deprivation and low socio-economic conditions. For example in the UK, health inequalities manifest in stark differences in life expectancy, with individuals in more deprived areas, particularly in parts of the North, living up to a decade less than those in wealthier regions like the South³⁴.

Issuers could leverage different data sets, including using ethnicity data can enable a more comprehensive understanding of the unique drivers of inequality for specific groups, leading to more targeted, inclusive solutions. For example, NatWest uses a proprietary methodology to target 30% most deprived Local Authority Units, which uses Unemployment Claimant data and Gross Value Added per head data, to allocate loans from their Employment-focused Social Bond.

Government funding can play a pivotal role in catalysing social investment through public-private partnerships and encouraging the issuance of more municipal bonds focused on social outcomes, rather than traditional gilts, to further enhance local social development.

■ USE OF PROCEED BONDS FOR UTILITY COMPANIES

The Fund continues to advocate for sustainability bonds and green bonds with social co-benefits to finance transformation to a low-carbon economy and better environmental performance that also provides training and employment opportunities for workers impacted by this transition. This is particularly relevant for the issuers in the Utilities sector. Defined use of proceeds bonds like this ensures that investment is used to develop infrastructure and workforce, thus improving productivity.

In our last report, we talked about our efforts to engaging the sector to issue blue bonds – these are bonds to finance the sustainable blue economy.

Disappointingly, despite the increased exposure and continuing controversy surrounding water companies in the UK, no blue bonds have yet been issued.

They can also be used to tackle regional inequalities, as blue bonds can support coastal communities providing new economic opportunities for deprived communities, whilst proceeds can be used to improve marine and coastal ecosystem management and restoration.

Nevertheless, water companies have been increasingly issuing green and sustainability bonds, rather than general corporate purpose bonds such as Severn Trent and Southern Water.

■ SUSTAINABILITY DISCLOSURE REQUIREMENTS (SDR) AND OTHER REGULATIONS

New regulations that bring both clarity and assurance to institutional and retail investors are welcomed and should drive more investor demand. This demand should lead to more funds coming into this space, leading to more competition, potentially translating to more favourable bond rates and ultimately channelling additional capital towards solutions. But this all hinges on the financial viability of these funds, a primary and key consideration for all investors, including impact-first investors. In the current market, where supply of social bond issuances meeting the Fund requirements has been limited, work has been ongoing to build a sufficiently diversified portfolio that balances market demands with the urgency of delivering measurable social impact.

This balance will be top of mind for all new Funds and investors. The fund is unlabelled (as at November 2024), but given the beneficial social objective, the fund expects to apply for appropriate sustainable label under SDR.

34. Life expectancy is 76 years in Blackpool and 86 years in Kensington, London. The King's Fund, February 2024

ANNEX 1: SOCIAL ASSESSMENT METHODOLOGY

The CT UK Social Bond Fund is a positively screened, actively managed fund. Each bond is assessed and selected for its potential to deliver positive societal benefits through use of proceeds. The Fund's assessment methodology ensures that social considerations are fully integrated into investment decision-making and on-going fund management. This is a continually evolving methodology that reflects a developing understanding of impact.

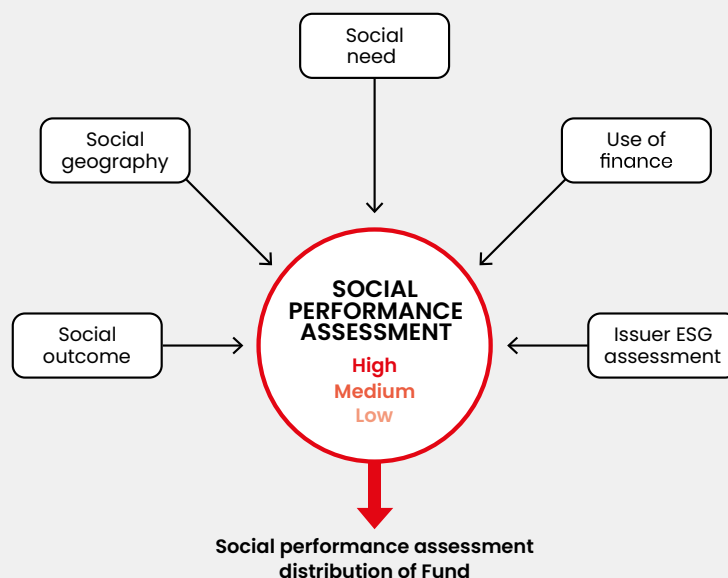
1. DEFINING THE UNIVERSE: TARGETING EIGHT SOCIAL OUTCOME CATEGORIES

Investment is directed towards eight core social outcomes groupings with the following aims:

Social Outcome Category	Primary Outcomes	Typical Bond Issuers
Affordable Housing and Property	Increased supply of affordable, good quality homes, particularly for people on low incomes, key workers and students.	<ul style="list-style-type: none">- Registered social landlords and property developers
Community Services	Increased access to community facilities and services that improve individual and local wellbeing.	<ul style="list-style-type: none">- Charities- Local authorities- Development organisations
Education, Learning and Skills	Supporting wider participation in higher education and promoting social mobility; increasing quality of education for all.	<ul style="list-style-type: none">- Universities- Providers of educational services and learning materials
Employment and Training	Supporting provision of good jobs, particularly in areas of high unemployment; improved employment opportunities and skills development for young people.	<ul style="list-style-type: none">- Large UK businesses
Financial Inclusion	Universal access to affordable financial services that support decent standards of living.	<ul style="list-style-type: none">- Banks and financial institutions, including mutuals
Health and Social Care	Improving quality and accessibility of health and social care facilities and services; facilitating financing of healthcare services through insurance products.	<ul style="list-style-type: none">- Large providers of health and care services and related services, including research, property development and financial products
Transport and Communications Infrastructure	Improvements in the quality and access to transport and communications infrastructure and services, particularly outside London and the Greater South East.	<ul style="list-style-type: none">- Transport and telecommunications companies
Utilities and the Environment	Supporting the provision of affordable and sustainable utilities provision, including water, waste and energy services.	<ul style="list-style-type: none">- Utility companies- Development finance institutions

2. ANALYSING SOCIAL PERFORMANCE

The Fund's team carries out a social due diligence of all eligible bonds prior to investment and provides an overall social performance rating (High, Medium or Low). The assessment has five dimensions:



SOCIAL PERFORMANCE ASSESSMENT DISTRIBUTION OF FUND

i. Social outcome: analysis is made of both the primary outcome classification e.g. provision of transport infrastructure, and the secondary outcome (e.g. job creation). A higher rating is given to bonds that have clear intentionality to create positive social outcomes and have specified defined and measurable output and outcome metrics.

ii. Social geography: the extent to which the project or activities financed by the bond has a geographical footprint that benefits disadvantaged communities and the UK's poorer regions.

iii. Social need: the extent to which the bond directly targets people and communities most in social need. A higher rating is given to bonds which benefit specific disadvantaged groups, for example, low-income households or people with disabilities. It was previously referred to as Social Intensity.

iv. Use of proceeds: the Fund favours "specific use-of-proceeds", which means the financing is exclusively channelled to pre-identified projects with social or environmental outcomes, rather than bonds issued for general corporate purposes. The Fund also favours new bond issues where it can contribute to growing a new or under-supplied capital market, such as for charities.

v. ESG rating of the Issuer: the bond should have an Issuer with a good Environmental, Social and Governance (ESG) credentials. Columbia Threadneedle's Investment teams carry out this assessment using its own well developed ESG methodology and approach.

Each bond's overall Social Performance Rating is based on combining its scores for the five different assessment criteria. The Fund's portfolio includes a mix of bonds with High, Medium and Low social performance ratings. The Fund's overall social performance target is to have at least two-thirds of bonds rated as High and Medium social performance.

EXAMPLE ASSESSMENT: ASTER TREASURY SUSTAINABILITY BOND

SOCIAL PERFORMANCE RATING: HIGH

<p>Social outcome: construction of new affordable housing developments where units meet minimum EPC C rating. Average rental cost of the properties is approximately half of the average regional market value and units are expected to be rented out to people on low incomes, including those on universal credit.</p>	<p>Social need: Targeting low-income population in need of shelter or a place to call home, also providing assistance to tenants with financial literacy, emergency support, mental health awareness, elderly support and work and skills boosting workshops.</p>
<p>Social geography: based in the UK, across South of England. This area may not have high levels of deprivation, however given the high market costs of housing, there is a critical need for affordable housing.</p>	<p>Use of proceeds: ringfenced to finance affordable housing including construction and refurbishment of social housing buildings for those on low incomes.</p>
<p>ESG rating: strong ESG credentials, seeking to improve energy efficiency of homes, focus on customer satisfaction (strong governance focus) with no known controversies.</p>	

Aster is a housing association owning and operating 36,500 units across 50 local authority areas. The group comprises 68% units for social/affordable rent, 15% supported housing and 10% shared ownership.

Aster Treasury's corporate vision is that *"Everyone has a home"*. Additional customer support systems make up a key part of their 2030 goals, with a vision of improving and bettering lives:

- Investing £1.5 million into improving areas where customers live in 2022-23
- Providing assistance and emergency support with financial literacy e.g. benefits applications, budgeting, bank account opening & savings
- Supporting those out of work with skills improvement and confidence building & developing entrepreneurial capabilities
- Reducing loneliness in older people through volunteering initiatives
- Raising awareness of mental health through training courses
- Housing first initiative provides people experiencing homelessness with a stable home from which they can rebuild their lives.

Cutting across numerous outcome classifications of the Fund, Big Issue Group's Jobs Assessment Methodology (JAM) is also used to provide an approximate assessment of the Fund's overall supportiveness of inclusive job growth in the UK. This is done by analysing the concentration of the Fund's investments in sectors of the economy that perform favourably on good job creation.

The JAM analyses the 'good jobs' performance of sectors using four criteria:

- Employment Generation: size and growth of the sector's direct workforce, with preference for larger and faster growing sectors
- Wage Quality: higher median earnings in the sector and low the gender pay gap
- Geography: concentration of the sector's employment in areas of high economic deprivation
- Vacancy and inactivity rates: low vacancy ratio and low levels of inactivity as indicators for effective retention of employees.

The Impact Management Norms classification has been applied to the portfolio.

3. MONITORING AND REPORTING

A **Social Advisory Committee (SAC)** meets quarterly to review, advise and challenge individual bond social assessments, assess risks and provide advice on sector developments and development of the social assessment methodology. The Committee comprises an independent Chair (Simon Bond, who previously managed the Fund), Big Issue Group appointed members (Nigel Kershaw OBE, Chair of The Big Issue Group, Karen Wilson, Senior Impact Advisor, and Sasha Afanasieva, Head of Impact and ESG Advisory at Big Issue Invest) and two Columbia Threadneedle Investments members (Sally Springer, Senior Thematic Research Analyst, Global Research and Tammie Tang, Fund Manager). See Annex 5 for biographies.

Performance monitoring

Columbia Threadneedle monitors the financial and social performance of the bonds on an ongoing basis. All bonds are subject to a reassessment of their social rating on the fourth anniversary of their inclusion in the Fund. Policies and procedures are in place to address situations where ESG risks have arisen. Should serious issues arise Columbia Threadneedle will seek evidence. This may include engagement with the company to reassess the social characteristics. A special SAC meeting may be convened to discuss the holding. If the Committee decides that a holding no longer meets the social and reputational requirements of the Fund, the Fund manager will outline an appropriate action plan to the Committee. This is likely to include reducing or eliminating the holding, mindful of both the social and financial goals of the Fund, in the best interests of investors.

Annual reporting

Big Issue Group monitor and analyse social performance data, where available, and report on social performance annually through this report.

The Fund does not claim direct attribution for positive social outcome creation. However, it contributes this through its investment decision-making. The greatest contribution to positive social outcomes is made when the Fund invests in new issues that are rated High from a social performance perspective.

The quality of social measurement and management varies across the Fund's portfolio. Organisations issuing bonds for a specific social purpose, or pure-play social investments such as registered social housing providers and charities, typically track and report on results achieved with well-defined metrics. For bonds that are issued for general corporate purposes, and which have a more indirect social contribution, we report relevant performance data in this report.

Both Big Issue Group and Columbia Threadneedle recognise that the impact measurement is an emerging field. We are committed to being actively engaged in this field and will continue to review and refine our approach in line with industry developments and global standards, as well as the emergence of improved impact reporting by bond issuers.

ANNEX 2: FULL LIST OF BOND ISSUERS

Please note that some bond issuers appear more than once if they have issued more than one bond that is aligned with more than one Outcome Classification.

Name of Issuer	Social Assessment
Affordable Housing and Property	
Affordable Housing Guarantee Scheme	High
Annington Finance	High
Aster Housing Association	High
Blend	High
Bromford Housing Association	High
Clarion Housing	High
ClwydAlyn	High
Council of Europe Development Bank	High
Home Group	High
Jigsaw	High
Longhurst Group	High
NatWest Group	High
Onward Housing	High
Orbit	High
Paradigm Housing Group	High
Paragon	High
Peabody Trust	High
Places for People Homes	High
Platform Housing Group	High
RCB Bonds	High
RHP	High
Stonewater	High
The Guinness Partnership	High
The Housing Finance Corporation	High
Walsall Housing Association	High
Wheatley Housing Association	High
Yorkshire Building Society	High
Erste Group Bank	Medium
Incommunities Group	Medium
NewRiver	Medium
Places for People Homes	Medium
PRS Housing Agency	Medium
Liberty Living	Low
UNITE Group	Low
UNITE UK Student Accommodation Fund (USAF)	Low
Community Services	
Inter-American Development Bank	High
Lancashire County Council	High
Education, Learning and Skills	
Banque Federative Du Credit Mutuel	High

Cardiff University	High
KBC Group	High
University College London	High
University of Leeds	High
Pearson Education	Medium
University of Southampton	Medium
Employment and Training	
Asian Development Bank	High
Compass Group	High
Council of Europe Development Bank	High
Intesa Sanpaolo	High
NatWest Group	High
Meadowhall	Medium
John Lewis	Low
Financial Inclusion	
Yorkshire Building Society	High
Co-Operative Bank	Medium
Coventry Building Society	Medium
Credit Agricole	Medium
Nationwide Building Society	Medium
Permanent TSB Group	Low
Legal and General	Low
Pension Insurance Corporation	Low
Royal London	Low
Health and Social Care	
Allied Irish Banks	High
European Investment Bank	High
International Bank for Reconstruction and Development	High
International Development Association	High
International Finance Facility for Immunisation	High
Wellcome Trust	High
AstraZeneca	Medium
Becton Dickinson	Medium
BUPA	Medium
Welltower	Medium
Octagon Healthcare Funding (Norwich and Norfolk)	Low
Transport and Communications Infrastructure	
BBC Pacific Quay	High
Japan International Cooperation Agency	High
Metropolitan Thames Valley	High
Motability	High
Community Finance (GLA)	Medium

Eversholt	Medium
LCR Finance	Medium
UK Green Gilt	Medium
Arqiva	Low
Automobile Association	Low
BT	Low
Network Rail	Low
Utilities and the Environment	
Anglian Water	High
Dwr Cymru (Welsh Water)	High
Electricity North West	High
European Investment Bank	High
Severn Trent	High
Southern Water	High
Thames Tideway Tunnel (Bazalgette)	High
Triodos	High
United Utilities	High
Yorkshire Water	High
ABN AMRO	Medium
Barclays	Medium
Cadent	Medium
Co-Operative Bank	Medium
Electricity North West	Medium
Iberdrola	Medium
Lloyds Banking Group	Medium
National Grid	Medium
Nordea	Medium
Northern Gas Networks	Medium
Northern Powergrid Yorkshire	Medium
Northumbrian Water Services	Medium
Scottish and Southern Energy (SSE)	Medium
South Eastern Power	Medium
Suez Group	Medium
Telefonica Europe	Medium
Thames Water	Medium
Commerzbank	Low
DS Smith	Low
SEGRO	Low
Tesco	Low

ANNEX 3: SUMMARY OF THREE-YEAR TRENDS

		2022	2023	2024
Portfolio	Value (£ million)	372.3	396.0	367.0
	Number of bonds	217	185	153
	Number of Issuers	127	127	107
	Top 25 Issuers (% of Fund by Value)	56.4	55.1	58.1

		2022 (% of bond)	2022 (% of value)	2023 (% of bond)	2023 (% of value)	2024 (% of bond)	2024 (% of value)
Social Performance	High	43.3	46.9	45.9	44.5	49.7	47.6
	Medium	36.9	38.7	34.1	42.7	35.9	41.8
	Low	19.8	14.4	20.0	12.7	14.4	10.7
Social Outcomes	Affordable Housing and Property	22.6	19.2	25.9	18.4	27.5	23.9
	Community Services	1.8	2.5	1.1	1.6	1.3	1.2
	Education, Learning and Skills	2.8	1.2	4.3	2.2	4.6	3.1
	Employment and Training	5.1	2.3	4.3	1.9	4.6	2.8
	Financial Inclusion	10.6	11.5	9.7	12.7	11.1	11.1
	Health and Social Care	15.2	17.1	13.0	16.0	11.1	12.7
	Transport and Communication Infrastructure	11.1	17.7	10.3	15.6	9.8	15.3
	Utilities and the Environment	30.9	28.4	31.4	31.6	30.1	29.8
Social Geography	Regional	37.3	30.4	41.1	35.6	37.3	32.7
	National	44.7	53.4	40.0	44.8	41.8	48.4
	International	18.0	16.1	18.9	19.6	20.9	18.9

Regional Geography	Outside of GSE	54.3	53.2	59.2	61.9	63.2	62.5
	Midlands and South West	9.9	8.7	11.8	8.7	8.8	4.1
	North	18.5	17.3	17.1	19.4	21.1	15.8
	Scotland and Northern Ireland	4.9	4.8	11.8	12.9	10.5	18.0
	Wales	8.6	7.0	6.6	5.6	8.8	7.0
	Multi-Regional	12.3	15.3	11.8	15.2	14.0	17.6
	Greater South East	45.7	46.8	40.8	38.1	36.8	37.5
Job Performance	Favourable Overall Jobs Performance ³⁵	59.8	70.1	66.7	61.5	67.8	71.4

35. 2022 methodology has been revised to include job vacancy and economic inactivity as part of the sector assessment.

ANNEX 4: REGISTERED HOUSING PROVIDERS – DATA ANALYSIS

Bond Issuer	Total Number of regulated units owned and managed	Social rent %	Intermediate and affordable rent %	Supported housing %	For older people %	Low cost home ownership %	Care homes %
Aster Housing Association	38,328	55.9%	16.0%	3.9%	10.8%	12.7%	0.7%
Bromford Housing Association	43,158	71.9%	9.8%	1.9%	5.9%	10.2%	0.3%
Clarion Housing	109,691	67.7%	14.5%	1.6%	6.0%	10.1%	0.1%
Golden Lane Housing*	2,671	0.0%	0.0%	97.6%	0.0%	0.0%	2.4%
The Guinness Partnership	61,301	62.9%	11.8%	1.3%	12.9%	11.0%	0.1%
Hightown Housing Association*	7,410	33.5%	41.3%	6.9%	1.1%	16.5%	0.7%
Home Group	47,642	64.0%	17.5%	8.6%	3.2%	6.5%	0.2%
Incommunities Group	21,524	81.6%	14.1%	0.3%	3.3%	0.7%	0.0%
Jigsaw	34,985	63.1%	21.9%	1.9%	9.1%	3.9%	0.0%
Longhurst Group	22,589	68.6%	12.8%	2.2%	5.2%	11.0%	0.2%
Onward Housing	29,715	68.3%	7.5%	6.5%	13.0%	4.4%	0.2%
Orbit	46,085	52.2%	14.8%	1.4%	5.9%	25.7%	0.0%
Paradigm Housing Group	14,974	61.2%	19.4%	0.9%	0.2%	18.4%	0.0%
Paragon	22,017	62.6%	15.8%	2.9%	10.3%	8.0%	0.3%
Peabody Trust	94,383	67.6%	12.4%	4.1%	2.8%	13.0%	0.1%
Places for People Homes	74,735	68.4%	15.0%	4.4%	6.2%	5.9%	0.2%
Platform Housing Group	46,420	61.6%	17.9%	0.7%	6.4%	13.4%	0.0%
Stonewater	33,320	64.6%	15.4%	2.0%	7.2%	10.6%	0.1%
Walsall Housing Association	21,316	84.5%	11.9%	0.4%	0.0%	3.2%	0.0%
TOTAL/AVERAGE	772,264	61.1%	15.3%	7.9%	5.8%	9.7%	0.3%

Source: Regulator of Social Housing (RSH), Private Registered Provider Social Housing Stock in England: Statistical Data Return (SDR) 2023. Note: Wheatley Housing Association and ClwydAllyn Housing Association have not been included in this dataset though both have bonds held by the Fund. This is because Wheatley HA is a Scottish organisation and ClwydAllyn is a Welsh organisation. Both Scotland and Wales have their own regulatory bodies for social housing and so data for these organisations was not disclosed to the RSH for the SDR.

* Golden Lane Housing and Hightown Housing Associations were funded through bonds issued by RCB Bonds.

ANNEX 5: BIOGRAPHIES

CURRENT MEMBERS OF SOCIAL ADVISORY COMMITTEE³⁶

Simon Bond

Independent Chair of the Social Advisory Committee

Simon Bond joined Columbia Threadneedle in 2003 as a Senior Fund manager to manage institutional Investment Grade Credit Funds. Simon conceived of, launched and managed the CT UK Social Bond Fund since its inception in 2013, as well as the Threadneedle (Lux) European Social Bond Fund launched in 2017. Simon retired from the firm in March 2023, whereupon he joined the Social Advisory Committees for the three CTI Social Bond Funds, as chair for the UK Fund.

Prior to joining the Columbia Threadneedle, Simon managed £6bn in his role as the Senior UK Credit Fund Manager for AXA. He also worked for GE Insurance as a Portfolio Manager, Provident Mutual as a Fixed Income Analyst and Hambros Bank as an Investment Accountant and Pension Fund Investment Administrator.

Simon has over 37 years' experience in the investment industry, with the last 32 years specialising in corporate credit. Simon is a board member and Lead Expert at the Impact Investing Institute. He is also a Visiting Senior Fellow at the Grantham Research Institute on Climate Change and the Environment, established by the London School of Economics and Political Science.

Simon sits on the Responsible Investment Advisory Council of Columbia Threadneedle and the Examination Panel of the CFA level 4 Impact Certificate. Simon Continues to advise Big Issue on impact investment in public markets..

Nigel Kershaw OBE

Chair of the Big Issue Group

Nigel Kershaw OBE is a leading social entrepreneur and impact investor. He is Chair of The Big Issue Group (BIG) and is co-founder of Big Issue Invest and The fimpact mpa.

He joined BIG in 1994, subsequently becoming its CEO and Group Chair. In 2005 Nigel and Lord John Bird, co-founder of The Big Issue launched Big Issue Invest, a "social merchant bank" which invested in 140 social enterprises across the UK in 2023.

Nigel co-founded The Big Exchange, a transformative, fair, accessible, and transparent investment platform.

Since 1974 Nigel founded three printing and publishing co-operatives. He trained and has worked as a 4-colour lithographic printer, systems analyst, and trade union official. In 2010, he was awarded an OBE for services to Social Enterprise.

36. Members of the Social Advisory Committee as at September 2024. We would like to thank Iain Richards, who stepped down from the committee, for his contribution.

Tammie Tang

Executive Director, Lead Portfolio Manager for
Social Bond Funds

Tammie Tang is Executive Director in the Fixed Income team with a focus on investment grade credit, having joined the company in 2012. She is lead portfolio manager for Columbia Threadneedle's UK, European and global social bond strategies, as well as various institutional UK credit strategies and the Threadneedle Pensions Corporate Bond Fund.

Tammie previously worked at JPMorgan in New York, where she held roles in structuring, trading and portfolio management within more complex interest rate and credit derivative products for the bank's asset management and insurance clients. Tammie started her career at PricewaterhouseCoopers, Sydney, in an actuarial consulting role where she provided detailed pricing, valuation and statistical modelling work for insurance clients.

Tammie holds a Master of Statistics from the University of New South Wales and is a Fellow of the Institute of Actuaries Australia. She is also a trustee for the Columbia Threadneedle Foundation where we work closely with long-term charity partners to drive social change.

Sasha Afanasieva

Head of Impact and ESG Advisory,
Big Issue Invest

Sasha Afanasieva joined Big Issue Invest in April 2022. Sasha is an impact management specialist and social entrepreneur with a background in investment banking.

Prior to joining Big Issue Invest, Sasha founded Blubel, an award-winning social enterprise, where she led the development of an innovative tech product from an idea to full market launch. Blubel received funding from the European Space Agency, Department for Transport as well as private investors. As an impact consultant, she advised over 50 organisations including investors, corporates and social enterprises, developing impact and ESG data analysis, constructing methodologies and reporting.

Sasha started her career in investment banking, working at Merrill Lynch and GP Bullhound. She holds an Economics and Management degree from the University of Oxford and is a fellow of the On Purpose social enterprise leadership programme.

Sally Springer

Senior Thematic Research Analyst, Global Research, Columbia Threadneedle Investments

Sally joined Columbia Threadneedle Investments in 2022. As part of global research, Sally focuses on thematic research, analysing the risks and opportunities arising from the transition in human capital and demographic change across sectors and industries. She collaborates closely with investment teams and engages with companies most exposed to these themes.

She previously worked as an equity research analyst and an industry policy lead for responsible investment regulation and legislation. Sally studied at the University of Warwick (BSc Economics) and gained the CFA charter in 2003.

Karen E. Wilson

Big Issue Group Senior Impact Advisor

Karen works as a Senior Advisor on sustainability and impact strategies with a focus on finance. She bridges the private, public and academic sectors, including have served as a Senior Advisor to the OECD on sustainable finance, impact investment and measurement and where she co-led the launch of the Impact Management Platform.

She holds a number of board and advisory roles and, since 2022, she has been a Global Impact Leader at the Sorenson Impact Institute. Karen teaches at leading business schools and universities, including London Business School where she is an Affiliate Faculty member.

She received, with honours, a Bachelors of Science in Mathematics and Management from Carnegie Mellon University and an MBA from Harvard Business School..



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This report was written by
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