



Social Enterprise Investment Fund II Annual Impact Report 2022/23



**Tackling
inequality
in the cost of
living crisis**

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Letter from the Head of Investments



The 2022/2023 financial year has been **another challenging year** for our investees and the customer groups they serve with the ongoing toll of the cost of living crisis. This crisis is acutely felt by the worst off in society. For this reason, **our work of investing in and supporting social enterprises** that tackle social inequality, particularly through this Fund, is **needed now more than ever.**

Through the Big Issue Invest Social Enterprise Investment Fund II LP (“SEIF II”) we have continued to support the 11 organisations in our portfolio, that have collectively worked with 55,000 individuals in 2022/23.

The investment period of SEIF II ended in October 2021 and the Fund life expires in October 2027. Altogether, SEIF II has made investments into 16 impactful organisations since inception, committing 99% of its capital and deploying £23.1 million to date. As at 31 March 2023, SEIF II has returned £3.86 million of original committed capital to investors in the form of capital and income distributions, including £1.47 million in the year to 31 March 2023.

The challenging environment has meant we have had to make or maintain impairments in our portfolio. Our team are focused on supporting and realising the potential of the remaining active investments, providing technical assistance tailored to each organisation to facilitate the development and growth of the investee businesses and their social aims.

In this report we look at the ways in which the SEIF II portfolio is tackling inequality and cover how Big Issue Invest generates impact over the lifetime of an investment beyond just the initial financing provided to investees. James Potter, SEIF II Investment Director, takes

us through some learnings from the Fund including where we see opportunities to continue being an impactful investor. It’s these lessons that are critical for us as we grow BII Fund Management in parallel to the wider UK social investment market.

We extend our gratitude to all the stakeholders whose support makes the delivery of this Fund and its social impact possible.

Lars Hagelmann
Head of Investments
September 2023

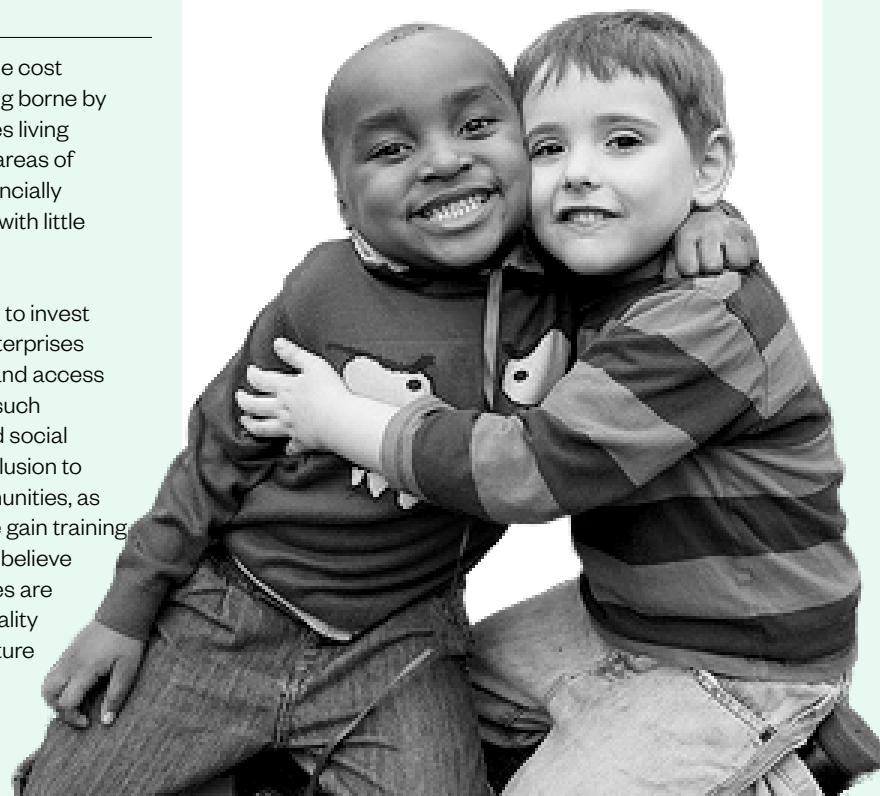
Tackling inequality in the cost of living crisis

High inflation and rapidly surging prices on essentials such as food and energy are pushing more people into poverty. Over a tenth of all households in England (around 7 million people) are in fuel poverty¹ and almost 3 million people used food banks in the past year, a staggering rise from just under 26,000 in 2008. These disturbing statistics are not just the result of rising costs, but rather pre-existing inequalities in income and opportunities that have continued to widen over time.

The UK has one of the highest levels of income inequality amongst industrialised nations². While the whole country is grappling with unprecedented levels of hardship,

the worst effects of the cost of living crisis are being borne by individuals and families living in the most deprived areas of the UK, already in financially precarious situations with little to no savings³.

SEIF II was developed to invest in and scale social enterprises that provide and expand access to essential services such as housing, health and social care, and financial inclusion to disadvantaged communities, as well as helping people gain training and employment. We believe these types of services are key to reducing inequality for the current and future generations.



Where we invest



SEIF II is funding organisations in the most deprived areas of the UK:

88%

of the portfolio **operates in deprived areas** (6 or below as per the indices of multiple deprivation).

Who benefits from our investments



Impact is targeted to underserved communities

>50%

of the portfolio is **working with people who are in poverty, financially excluded, and/or living in precarious housing or homeless**

One third of the portfolio is **supporting people** with various physical and mental health needs.

What social change are we making



Investments are focused on outcome areas that **tackle the root causes of poverty and inequality**.

To date, SEIF II has invested into **16 organisations** through **21 investments** that are:

- **Expanding access and affordability of essential services** and products such as health and social care, financial products, and quality housing
- **Confronting low income and job insecurity** through training and supported employment opportunities.



¹ Research Briefing: Fuel poverty in the UK

² The Scale of Economic Inequality in the UK

³ JRF: London, the North of England, and Scotland hit hardest by the crisis of spiralling prices

Homes For Good

How social investment from SEIF II is **tackling inequality and poverty** through quality housing.

For too long some costs of living have been unacceptably high and out of reach for too many people, chief amongst them being housing. Undersupply of social housing and lack of affordable renting options in the private rented sector have prolonged and deepened the issue of homelessness. The cost of living crisis is now mounting additional financial pressure onto already stretched low income households, increasing the risk of debt, eviction, and homelessness.

One organisation whose work is directly tackling this is Homes For Good (HFG). HFG is an award winning social private landlord and lettings agency in the private rental sector (PRS), who buy neglected homes and renovate them to a high standard, then let them to people on low incomes.

SEIF II has invested £1 million equity alongside £2.5 million debt financing to support their growth and impact by increasing their property portfolio.

HFG provides a solution to the lack of affordable, high-quality housing to those on low incomes in Glasgow and Ayrshire by providing secure, supportive, and sustainable housing to vulnerable people.



DID YOU KNOW

HFG won the World Habitat Awards, which are the world's leading housing awards recognising and highlighting innovative, outstanding and revolutionary housing ideas, projects and programmes from across the world.

Leilani Farha, Global Director of The Shift and a final judge of the World Habitat Awards, summed it up well by saying: "Homes for Good challenges the idea that a good return on investment in housing requires steep rents. Instead, they've developed an effective business model investing in buildings which they upgrade and provide at affordable rates for people with the lowest incomes. At a time when decent, low-cost housing is scant, Homes for Good is exactly the type of social enterprise the world needs more of." ⁴

Demographic breakdown of tenants in HFG properties

50%

Unemployed

50%

Receiving benefits

89%

Prior housing needs

14%

Students

⁴ [Homes for Good, a letting agency with a difference, wins prestigious global award!](#)

SEIF II Fund Summary

The Social Enterprise Investment Fund II (SEIF II) has been operating since October 2015 and has **provided 21 investments into 16 different social purpose organisations** across the UK to date.

Number of investments*

21

*Street UK, Moneyline, Five Lamps, Village Underground, HCT and Homes For Good have had multiple investments from SEIF II.



Total reach in 22/23

55,000

service users



Total value of committed capital

£23,738,717

Headline Impact figures

>24,000



adults provided with health or social care services

including 754,008 hours of service delivered to 1,667 adults with physical and learning disabilities, 64% of these clients were living in the most deprived areas of the UK (IMD 1-3)

>1,300



adults and young people supported with employment services or employment and training workshops

including 333 people with mental health conditions supported into employment

>£19,000,000

the value of affordable loans provided to individuals who are financially excluded

including 90% of customers who avoided a high-cost lender⁵, translating to savings of over £2 million from one provider alone⁶.



IMP Rating

Benefit stakeholders

5

Contribute to solutions

9

Contribute to solutions / Benefit Stakeholders

2

Primary SDG alignment

31%



19%



19%



13%



13%



5%



Investment map

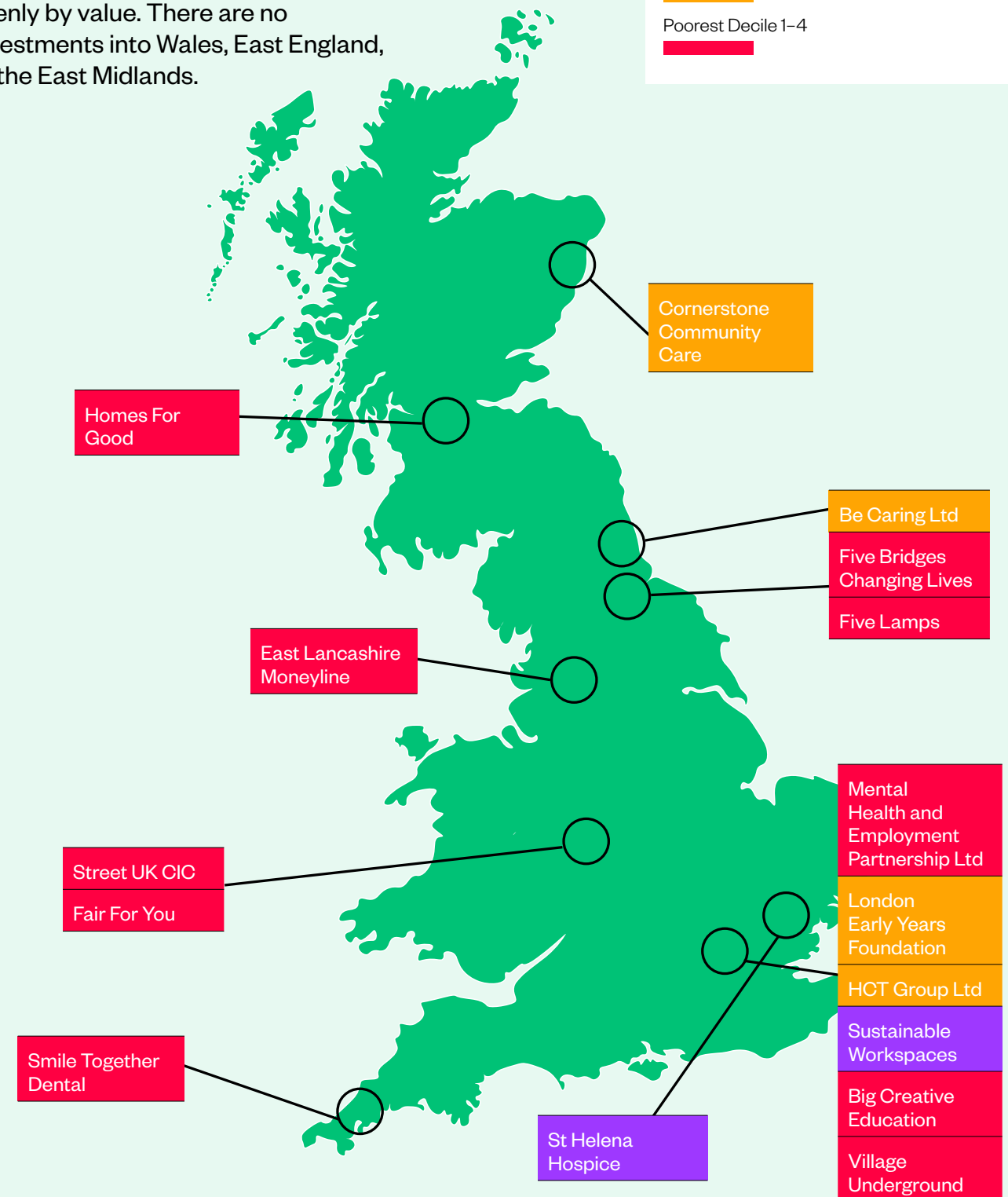
The SEIF II is invested into eight UK regions and Scotland with the majority in **London (38%)** and **Scotland (13%)**. Investment into other regions in the UK are dispersed evenly by value. There are no investments into Wales, East England, or the East Midlands.

Map Key: Index of Multiple Deprivation

Upper Middle and Upper Decile 7-10

Middle Decile 5-6

Poorest Decile 1-4



⁵ Data from Five Lamps.

⁶ Data from East Lancashire Moneyline.



Learnings from SEIF II



SEIF II funding has enabled organisations to **grow, trial and test new solutions**, while remaining impact focused. It has also been an exciting fund for Big Issue Invest that has enabled us to continue to **evolve our impact-first investment approach**. James Potter, Investment Director of SEIF II, talks us through some of our learnings.

What are you particularly proud of with SEIF II?

The amazing impact of the investments we have made. SEIF II has invested across many sectors, from health and social care, through to housing and community infrastructure, all of which tackle the underlying causes of inequality. The aim of the Fund has been to develop and expand different business and impact models and learn from that. Some have fared better than others in terms of financial performance, but for all of them social impact has been at the heart of the investment, so I'm very proud of that. We have also learnt a lot about what works well for social investment, and which sectors may be challenging without additional support.

Where has SEIF II faced the most challenges?

The Fund has been operating in quite challenging times from Covid-19 to the cost-of-living crisis. Throughout this period, our investees' social models have been put to the test and we have seen some of our investments into Community Development Finance Institutions (CDFIs) particularly hard hit. This is an important sector as access to financial services, particularly affordable credit, is a key tool in supporting people out of poverty. The growth of the CDFI sector has been part of a responsible finance movement which has facilitated financial access for millions of people and directly challenged the high-cost, unethical payday lenders that people would turn to when faced with no other alternatives.

Why do you think that's been the case?

Covid-19 and the cost of living crisis has had a huge impact on people's economic wellbeing and prosperity across the UK, vastly increasing the need for affordable credit. For example, Five Lamps saw applications for loans increase by more than 200% in the financial year 22/23 over the previous year. You might think the increase in demand is a benefit for CDFIs, but what we are seeing is an increase in

ineligible applications, which creates additional cost per successful loan and indicates the growing scale of people in financial hardship. For the last reporting period just 1% of applications were successfully converted into loans, this is a significant drop compared to 25% in 2018. Many CDFIs are now having to make the difficult choice between staying on mission and risking their viability or changing their social model by serving a different customer base. Despite this, all of our CDFI investments continued to deliver impactful loans to their user base during and following the Covid pandemic.

What have you learnt from this?

What it comes down to is servicing the hardest to reach and least bankable customers with borrowed money that has a cost against it, no matter how small, is unlikely to be viable in the long-term. Even up to the past decade, grant funding from local authorities was a significant source of funding for CDFIs in the UK, supporting them to build their balance sheets and leverage additional funding streams. As public budgets have been cut, these grants have all but disappeared.

We've seen that some models can be adapted to work around these changes – for example where the CDFIs are not providing cash loans but loans for white goods, as Fair For You (FFY) does. FFY is able to complement the interest income generated from their customers with supplementary commission from commercial organisations whose goods their loans fund, and they have effectively built an incremental revenue stream akin to recurring grant funding.

Ultimately, what we see here is some models require more government support and funding, particularly during more challenging times. In the US where the CDFI sector is an established and integral part of the social fabric, this is largely due to their access to funding. One of the

'COVID-19 and cost-of-living crisis has had a huge impact on people's economic wellbeing and prosperity across the UK, **vastly increasing the need for affordable credit.**'

most crucial sources of funding is the federal CDFI Fund, administered by the Department of the Treasury⁷. The CDFI Fund makes capital grants, equity investments, and awards to fund technical assistance and organizational capacity-building⁸. There is also a Bank Enterprise Award Program, which rewards banks for making investments in CDFIs and deprived communities. Responsible Finance make several practical recommendations to support the sustainability and scaling of CDFIs here in the UK including retaining an SME Loan Guarantee Scheme, increasing the allocation of Dormant Assets to community finance, and urging an update to the Community Investment Tax Relief (CITR)⁹.

DID YOU KNOW

What are CDFIs?

■ Community Development Finance Institutions (CDFIs) are financial institutions that provide credit and financial services to underserved markets and populations, providing loans and advances significantly undercutting the rates provided by high-cost, short-term credit providers.

The SEIF II invested in four CDFIs providing savings, affordable credit, white goods financing, and financial advice to customers who are financially excluded from mainstream debt services, and/or provide debt advice services and signposting. These organisations are based across the UK, all operating in the top 40% deciles of deprivation.



The Five Lamps Organisation

What's next?

Our immediate next steps, alongside actively managing the SEIF II portfolio, is to launch our next fund. **We want to continue to provide growth financing to social enterprises, but on a bigger scale.** We will be investing with bigger ticket sizes into organisations with social missions in areas where our portfolio has already demonstrated that social investment can drive quality outcomes and deliver a financial return. These include health and social care, housing, and community infrastructure.

This is an exciting opportunity because at these bigger sizes we are not just pulling in support from traditional social investors but **welcoming more commercial and mainstream institutional funders.** This has the benefit of **drawing more money into the social investment pool and making it available for the social enterprises we support.** For commercial funders it is giving them a chance to discover a new asset class with impact first diligence making it unique in the market and therefore, going further than just managing ESG risks, all whilst delivering financial returns.

⁷ <https://www.fdic.gov/resources/bankers/affordable-mortgage-lending-center/guide/part-1-docs/cdfi-overview.pdf> ⁸ <https://cdfi.org/what-are-cdfis/>

⁹ Responsible finance changes lives – 2022 Impact Report

Impact along the investment journey

BII has been investing into social enterprises since the inception of the SEIF II predecessor fund SEIF I in 2010, and has gathered **over a decade of experience and knowledge** in providing **flexible and patient finance**. Crucially, our impact goes beyond just providing money: we strive to support, engage, and influence organisations to deliver and prioritise social impact at every stage of investment.

From the start: driving innovation and challenging the status quo



1 SEIF II funding is being used to trial alternative delivery models across key outcome areas, adapting to the needs of the people served as opposed to replicating the status quo. Our investees are making use of technology to tap into efficiencies, delivering new models of care, and challenging assumptions that have excluded select groups in an effort to close and prevent further inequality gaps.

Our Investment Team provide the upfront technical support and additional capacity as required by investees to realise their innovative solutions. Through co-developing relevant KPIs and/or developing metrics in line with the desired social impact of a deal, we are supporting social business models to drive social outcomes.

Village Underground (VU)

Social impact at the heart of an infrastructure investment

The founder of VU is driven by a mission to bring derelict buildings and previously neglected spaces back into use for the benefit of the community. The latest venture, Earth (Evolutionary Arts Hackney), has transformed the decades abandoned Savoy theatre in Dalston, to a multi-cultural centre comprising of three spaces. These play host to all sorts of creative events and performances from comedies and concerts to meet-ups and markets.

As a social investor with a deep impact focus, funding and technical support provided by BII has influenced and shaped the structure of the deal to be more impactful. In collaboration with the VU team, the BII team identified what additional projects VU can be doing to support the local community and set targets for this work as part of the investment contract. For example, VU hosts emerging artists and provides lower priced/free tickets as part of its programme of high quality, affordable, and inclusive cultural events.

VU also works with young people, particularly those who are socially excluded or disengaged from education, to help them pursue a career in the entertainment and live music industries and support positive community participation. Their latest impact figures shows 89 young people completed their youth music programmes and 120 half-days of paid work were completed by 'youth practitioners'.

Throughout: Governance and stewardship of investments

2 We are a hands-on investor, continuing close engagement and providing support throughout the lifetime of the investment. Through relevant after-care and performance management, BII influences better business practices and delivery of outcomes, whilst balancing this relationship with one of an overly burdensome or extractive investor. This active involvement gives BII a unique standing as a social investor.

Hackney Community Transport

Focus on preserving jobs and community services



The HCT Group was set up in 1982 to provide local communities with accessible, low-cost transport. HCT grew considerably since the 1980s to a peak of around 1,900 employees in 2019. BII had a long relationship with the company, funding their growth ambitions since 2006. HCT delivered impact on several fronts including operating community transport routes, running school buses for SEN children, and providing training and employment opportunities for people out of work. Unfortunately, HCT began to experience performance and financial difficulties that hindered the viability of the business and despite significant efforts to overcome these, the trustees determined a whole business

sale of the commercial assets was the best course forward.

BII was an engaged stakeholder throughout, including providing a bridge loan without which the eventual sale of the organisation would not have been possible. The emphasis at this point was on preserving as many jobs as possible and keeping as many transport contracts as possible operational. In late 2022, the sale process was completed, and the remaining parts of the business fell into administration. We are pleased to note that the vast majority (1,081 of 1,259 that is 87% of the 5 main legal entities) of front-line jobs were saved and the majority of community transport/school routes have been transferred to alternative operators with minimal interruption.

3 Part of the investment journey is preparing for an eventual exit, and co-planning and managing the process with the organisation. This will look different for different businesses, with a focus on not just realising the financial success of the deal, but also the sustainability of the business and its social impact model. Not all investments will end in a success story, and here BII works with all stakeholders to manage the investment accordingly.

An impactful exit

SEIF II – Investment Portfolio

| Investee | UN SDG | Primary Customer Group | Committed Capital |
|--|---|---|-------------------|
| Mental Health and Employment Partnership Ltd | 3 - Good health and well-being | Mental health needs and conditions | £400,000 |
| Be Caring Ltd* | 3 - Good health and well-being | Physical disabilities or sensory impairments | £820,000 |
| London Early Years Foundation* | 4 - Inclusive and quality education | Vulnerable children | £250,000 |
| East Lancashire Moneyline | 1 - No Poverty | Living in poverty and/or financial exclusion | £2,050,000 |
| East Lancashire Moneyline | 1 - No Poverty | Living in poverty and/or financial exclusion | £1,000,000 |
| HCT Group Ltd* | 11 - Sustainable cities and communities | Physical disabilities or sensory impairments | £2,641,670 |
| HCT Group Ltd* | 11 - Sustainable cities and communities | Physical disabilities or sensory impairments | £155,760 |
| Cornerstone Community Care | 3 - Good health and well-being | Learning disabilities and other neurodivergence | £500,000 |
| Street UK CIC* | 1 - No Poverty | Living in poverty and/or financial exclusion | £850,000 |
| Fair For You | 1 - No Poverty | Living in poverty and/or financial exclusion | £1,000,000 |
| Big Creative Education | 4 - Inclusive and quality education | Vulnerable young people | £600,000 |
| Village Underground* | 8 - Decent work and economic growth | Vulnerable young people | £675,000 |
| Village Underground | 8 - Decent work and economic growth | Vulnerable young people | £3,250,000 |
| Five Bridges Changing Lives* | 11 - Sustainable cities and communities | Living in precarious housing or homeless | £131,250 |
| Five Lamps | 1 - No Poverty | Living in poverty and/or financial exclusion | £1,250,000 |
| Smile Together Dental | 3 - Good health and well-being | Living in poverty and/or financial exclusion | £1,000,000 |
| St Helena Hospice | 3 - Good health and well-being | Health condition or life-threatening illness | £250,000 |
| Homes For Good | 11 - Sustainable cities and communities | Living in precarious housing or homeless | £1,005,000 |
| Homes For Good | 11 - Sustainable cities and communities | Living in precarious housing or homeless | £2,510,037 |
| Sustainable Workspaces | 13 - Climate action | Living in poverty and/or financial exclusion | £3,400,000 |
| Total | | | £23,738,717 |

The investment period of the Fund has now come to an end and no further transactions were made in the last financial year. To date, 7 investments have repaid their original loans and exited the Fund, including £820,000 in the fiscal period 2022/23

*Have been exited

SEIF II Portfolio Annual Outcomes

| Investment | Mission | Target Beneficiaries | Target Outcomes | Target Indicators | Achieved value (2022/23) |
|---|---|--|---|--|---|
| Mental Health and Employment Partnership Ltd (MHEP) | To assist people with long-standing mental health conditions achieve competitive, paid employment through Individual Placement Support services as an integral part of their treatment. | Adults with severe mental health conditions, and who are long-term unemployed. | People with mental health conditions achieve and sustain employment. | Referrals | 1,415 |
| | | | | Users engaged | 968 |
| | | | | Job starts | 333 |
| | | | | Job sustainments | 229 |
| | | | | Health outcomes | 39 |
| Be Caring Ltd¹ | To become the UK's leading employee owned provider of high quality health and social care services. | Adults with physical and learning disabilities. | - Service users experience improved physical health - More older people are able to manage their mental health and live a self-fulfilled independent life - Higher retention of staff and better quality of care delivered. | No. of clients | 1,667 total 64% of clients in IMD 1-3 |
| | | | | No. of hours of service delivered to clients | 754,008 |
| | | | | % of salaried carer staff paid in shifts | 96% |
| | | | | No. of employee representatives at board (through the Voice) | 1 |
| | | | | Staff rate of turnover | Average length of service 2.6 years |
| | | | | Staff satisfaction rate | 96% |
| | | | | client satisfaction rate | 85% |
| | | | | | |
| East Lancashire Moneyline | To relieve poverty by providing appropriate financial services, promotion of financial inclusion and debt advice services. | Low-income individuals and households. | Improved access to support, advice and appropriate / affordable financial products and services. | Number of new customers | 2,413 |
| | | | | Gross lending £ | £4,218,030 |
| | | | | Number of loans issued during year | 7,137 |
| | | | | Average gross loan value | £591 |
| | | | | Interest savings vs. home credit | £2,319,917 |
| | | | | Number of savings accounts open | 12,220 |
| | | | | Total amount deposited as savings by customers | £857,487 |
| | | | | | |
| Cornerstone Community Care | To promote community service for persons who through disability, lack of care, infirmity or otherwise may require such a service. | Adults and children with physical or learning disabilities, or caring needs. | Service users experience improved physical health / More older people are able to manage their mental health and live a self-fulfilled independent life. | Number of people receiving care and support | 1,299 |
| | | | | % annual staff turnover | 26.3% |
| | | | | % of customers who feel Cornerstone makes a positive difference to their lives | Customers happy with Cornerstone: 94% Customers who would recommend: 90% |
| | | | | % of Care Inspectorate assessments rated 5 (very good) or 6 (excellent) | 30% |

SEIF II Portfolio Annual Outcomes

| Investment | Mission | Target Beneficiaries | Target Outcomes | Target Indicators | Achieved value (2022/23) |
|-------------------------------------|---|---|---|---|-------------------------------------|
| Fair For You ² | To offer a real alternative to high cost lenders and rent-to-own (RTO) stores, and offer a very practical way to address poverty by removing the premium when buying essential items for the home. | Low-income individuals and households. | Improved access to support, advice, and appropriate and affordable financial products and services. | Current active loans | 44,259 |
| | | | | Number of loans issued during year | 89,000 |
| | | | | Total value of loan book (£) | £7,683,576 |
| | | | | Gross lending £ | £15,275,000 |
| | | | | Average loan value | £172 |
| Big Creative Education ³ | To transform the lives of young people through inspirational teaching, and by providing exceptional access to career opportunities in the creative industries. | Young people from disadvantaged backgrounds and low-income communities. | Suitable employment, education or training opportunities with ongoing support as needed to maintain them. | No. of apprentices in off the job training in creative works | 80 |
| | | | | No. of trainees working in creative works, trained by SMEs at Creative Works | 10 |
| | | | | No. of apprentices working in creative works | 6 |
| | | | | General progression tracking | 93% of those contactable |
| | | | | Progression tracking data after apprenticeship into jobs, further education or training | 85% |
| | | | | No. of employability programmes delivered and no. of attendees | 194 |
| | | | | Progression tracking data after employability trainings | 53% after 4 weeks |
| | | | | Hours of business support provided to creative works' clients | 41 hrs with Lightcliffe consultants |
| | | | | No. of formal touch point/ industry meeting days provided | 1 |
| Village Underground | To create opportunity through music, to engage young people in positive activity, open up routes into employment within the creative industries and offer a high standard of training to people of all backgrounds. | Young people from disadvantaged backgrounds and low-income communities. | Suitable employment, education or training and ongoing support, where necessary. | No. of cohorts per annum accessing the youth music programmes | 11 |
| | | | | No. of young people per annum completing the youth music programmes | 89 |
| | | | | No. half days of work completed by paid 'youth practitioners' (delivered by at least 2 YPs) | 120 |

SEIF II Portfolio Annual Outcomes

| Investment | Mission | Target Beneficiaries | Target Outcomes | Target Indicators | Achieved value (2022/23) |
|-----------------------|--|---|--|---|--------------------------|
| Five Lamps | To transform lives, raise aspirations and remove barriers to social, economic and financial inclusion. | Low-income individuals and households. | Appropriate access to financial advice, products or services. | Total number of personal loans approved | 5877 |
| | | | | % Applications converting into loans | 1% |
| | | | | Average credit score of borrowers | 557 |
| | | | | Average savings per customer (compared to relevant HCSTC provider) - new loans | £53 |
| | | | | Average savings per customer (compared to relevant HCSTC provider) - additional loans | £53 |
| Smile Together Dental | Aims to create healthier happier communities by delivering Dentistry with social impact. | Under-served population of Southwest England, fishing communities, children and people with disabilities. | Increased provision of dental services to people across Cornwall. | Number of patients seen in emergency appointments | 14,357 |
| | | | | Number of special care patients seen | 2,167 |
| | | | Increased amount of accessible dental treatment brought to those who need it most. | Number of patients reached within fishing communities | 103 |
| | | | | Number of new patients registered with Brighter Dental | 559 |
| | | | | Improved access to dental care ratio | 4.3% |
| | | | All Smile Together patients continue to receive high quality dentistry care. | Smile Together "Friends and Family" score | 99.8% |
| | | | | "Clinical Training Ratio" | >3 times |
| | | | Reduce tooth decay through intervention and education. | Number of pupils receiving campaign support | 1,184 |
| | | | | Number of pupils receiving council funded support | 2,669 |
| | | | | | |

SEIF II Portfolio Annual Outcomes

| Investment | Mission | Target Beneficiaries | Target Outcomes | Target Indicators | Achieved value (2022/23) |
|-------------------|--|--|---|---|---|
| St Helena Hospice | To enable local people with an incurable illness to live well and die with dignity and choice. | People in need of end of life care, and living in underserved communities. | Maintain occupancy levels for St Helena patients. | Bed Occupancy % | 77% |
| | | | All St Helena patients continue to receive high quality care. | IWGC Rating (out of 5.00) | 4.9 |
| | | | Increased funds raised for hospice partners and wider charity sector through St Helena lotteries. | Your Hospice Lottery: Gross Income | £4,014,665 |
| | | | | Your Hospice Lottery: Number of Partners | 17 |
| | | | | Make a Smile Lottery: Gross Income | £1,474,422 |
| | | | | Make a Smile Lottery: Number of Partners | 18 |
| Homes For Good | To create secure, quality homes for vulnerable tenants and enable landlords to successfully manage their investments whilst placing emphasis on the welfare of the tenant. | Adults who are homeless or in insecure housing, low income individuals and households. | Increased number of low income individuals have access to quality housing. | Total % of social tenants in HFG properties | 92% |
| | | | | Demographic breakdown of tenants in HFG properties | 50% unemployed, 50% benefits, 89% prior housing needs, 14% students, 8% earn over Glasgow living wage. 244 tenants w/ 52 children |
| | | | | % tenants economically inactive or unemployed | 28% |
| | | | | % tenants in low-income work | 50% |
| | | | | | |
| | | | HFG maintains numbers of affordable properties available for individuals on low incomes. | HFG rental pricing: % of properties below LHA rates; within range of LHA rates; % above LHA rates | Above LHA rate = 8% Within LHA range (+/- 5%) = 17% Below LHA rate = 75% |
| | | | | Total # housing stock within HFG portfolio | 216 |
| | | | HFG maintains levels of support for tenants with support needs. | % of tenants with support needs being supported by HFG | 92% |

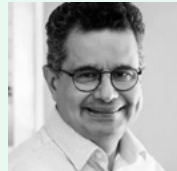
¹Be Caring have fully repaid the loan as of late 2022.
²Fair for You data refers to Jan-Dec 2022
³Big Creative have repaid as of April 2023. Final outcomes shown are for Aug-April 22-23.
⁴Outcomes on Sustainable Workspaces' support are as of March 2023, while data on member feedback and demographic backgrounds of member leaders is for the year to January 2023

SEIF II Portfolio Annual Outcomes

| Investment | Mission | Target Beneficiaries | Target Outcomes | Target Indicators | Achieved value (2022/23) |
|-------------------------------------|--|--|---|--|---|
| Sustainable Workspaces ⁴ | Mitigate climate change and resource scarcity. | People living in poverty and/or financial exclusion. | Provision of affordable workspace for environmentally focused organisations. | % below the £/fixed desk of a premium, benchmark competitor in immediate area. | 33% |
| | | | Provision of business support to non-corporate members of SW improves their capacity. | # hours or monetary value of pro bono support provided to non-corporate member organisations. | 209 hours |
| | | | | Degree to which SW training and support has provided value to members. | 85.8% of respondents rated SW's support at a 7 or higher. 57.2% rated it at 8 or higher. |
| | | | Provision of affordable workspace for people on low incomes and from diverse demographic backgrounds improving accessibility in the industry. | % or value of subsidised membership discounts . | 40% |
| | | | | # or value of memberships earned from organisations that are: a) asset or mission-locked and/or b) (1) primarily and (2) secondarily aligned with SDGs. | a) 28.6% of member companies were asset or mission-locked b)100% of members aligned with UN SDG. |
| | | | | % of membership or value of membership revenues earned from organisations that are led by: • Females • BAME individuals • Folks working with disabilities • Folks with Lived Experience in the issue addressed by the business | 23% Female-led 23% BAME-led 9% Disabled-led 23% Lived Experience led |

Acknowledgements

Directors of the General Partner



■ Danyal Sattar CEO

Big Issue Invest CEO since 2018, with more than 25 years' experience in the social and ethical investment, charitable and impact investment sectors.



■ Nigel Kershaw OBE

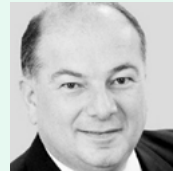
Nigel Kershaw joined The Big Issue in 1994, eventually becoming its CEO and now sits as Group Chair. Alongside Big Issue founder Lord John Bird, Nigel launched Big Issue Invest in 2004. Nigel is also the co-founder of The Big Exchange.



■ Stephen Howard LVO

Stephen Howard is the chair of Power to Change after retiring as chief executive of Business in the Community after 10 years in post. Stephen's other roles include chair of Thames Reach and trustee of Big Society Capital.

Investment Advisory Committee



■ Tim Farazmand (Chair)

Tim has worked for over 30 years in private equity. He currently chairs the Palatine Impact Fund, POB Partners and Estio and holds various other Board positions.



■ Sara Redford

Sara is an experienced social investor, and has spent over a decade structuring debt and quasi-equity solutions to support private equity backed management buyouts across Europe.



■ Georg Stratenwerth

Georg Stratenwerth spent most of his career in private equity. He currently serves as a member of the Ashoka support network and on the Board of Trustees of ClientEarth, where he heads the Finance and Investment Committee.



■ Jeremy Rogers

From 1998 to 2008 Jeremy Rogers was at JP Morgan, becoming the youngest MD in JP Morgan's history. He is now chief investment officer for Big Society Capital and is also a senior adviser to the Rockefeller Foundation's Innovative Finance programme.



■ John Gilligan

John Gilligan has worked in the private equity and venture capital industry for more than 30 years. He is director of the Oxford Saïd Finance Lab at Saïd Business School, University of Oxford. John is also a visiting professor at Imperial College Business School.

Fund Management Team



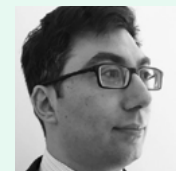
■ Lars Hagelmann

Head of Fund Operations & Portfolio Management



■ Mark Lovell

Head of the Outcomes Investment Fund



■ Alex Rammos

Head of Compliance



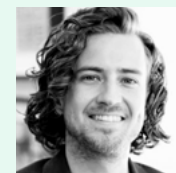
■ James Potter

Investment Director



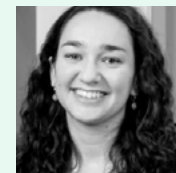
■ Sarah Faber

Investment Director



■ Ben Tiplady

Investment Manager



■ Rebecca Moss

Investment Associate



■ Farai Nyadundu

Investment Analyst

Impact Team



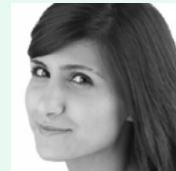
■ Sasha Afanasieva

Head of Impact and ESG



■ Rhys Corley-Morgan

Director of Impact for Group



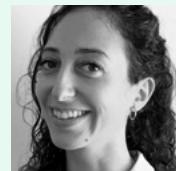
■ Lizan Kawa

Senior Impact Manager for Investment



■ Ilana Darrant

Impact Officer



■ Carolina Cirillo

Business Development Manager



Fund Information

General Partner:

Big Issue Social Investments Limited 113-115 Fonthill Road
Finsbury Park London Great Britain N4 3HH

Directors of the General Partner:

Nigel Kershaw OBE, Stephen Howard, Danyal Sattar

Manager:

Big Issue Invest Fund Management Ltd 113-115 Fonthill Road
Finsbury Park London Great Britain N4 3HH

Directors of the Manager:

Pete Flynn (Chair), John Gilligan, Danyal Sattar,
Melanie Tillotson

Limited Partnership Registration Number: LP017947

Registered Office: 113-115 Fonthill Road Finsbury Park London Great Britain N4 3HH

Cover illustration by Jamie Portch

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