




# Endowment Impact report 2023

**RATHBONES**

 [access-socialinvestment.org.uk](https://access-socialinvestment.org.uk)

 [Access Blog](#)

 [Access — The Foundation for Social Investment](#)

 [@si\\_access](#)

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The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

## Context



Access works to make sure that charities and social enterprises can access the finance they need to sustain or grow their impact. A charitable foundation that launched in 2015, Access was designed to ‘disrupt’ the existing social investment market and widen its reach into places and communities that were previously excluded.

Access targets those most in need of patient and flexible investment through:

- Funding blended finance and enterprise development programmes in England.
- Sharing knowledge and data and translating it into practical insight that others can use.
- Mobilising others who share our goal of making capital work for communities.

Access takes a ‘total impact’ approach to managing all of their work, including the investments they hold within their portfolio.

Put simply, this means they look at all the different ways they can achieve impact, aligning the management of their assets with their mission, and focus their resources on areas that have the maximum impact.

We chose to work closely with Rathbones on the management of our endowment because of their long track record of making ethical investments and their ongoing commitment to sustainable and responsible investment.

## RATHBONES

Rathbones Investment Management Ltd (“Rathbones”) manages the investment of Access’s £60 million endowment.

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners.

Rathbones is committed to responsible investment, meaning they keep the future in mind when they make decisions today. They also focus on delivering tailored strategies to clients to match individual investment objectives and risk appetite. This heritage in responsible, tailored investing is aligned with Access’s desire to adopt an innovative ‘total impact’ approach to the portfolio.

Greenbank is Rathbones’ specialist ethical and sustainable investment team, with over 20 years’ experience in ethical and sustainable investing. Greenbank’s ethical, sustainable and impact research team analyses the sustainability performance of the Access portfolio.

This report summarises the impact of the portfolio in 2022.



# 2022 In review



**Martin Rich**  
Trustee and Chair of the Endowment Investment Committee  
Access – The Foundation for Social Investment

The design of Access’s investment portfolio reflects the requirement to spend our £60 million endowment over a 10-year period. However, since its incarnation in 2015 our commitment has been to achieve as much social impact as possible through our investments, rather than simply holding this money in the bank or in unconstrained mainstream funds before it is given in grants.

At its core, our approach is about aligning our investments with our broad mission of driving more capital to charities and social enterprises – targeting as much finance to socially and environmentally focused organisations via our “bull’s eye model”, while delivering the financial returns and cash flow we need to fund our grant making.

2022 was an extremely volatile year, both politically and economically. Courtesy of our strategy we have been relatively immune from some of the more extreme challenges, with, for example, no exposure to organisations associated with oil and gas production or those based in Russia. As fixed income investors we are exposed to rising interest rates, although this risk is reduced by holding most of our assets to maturity. We also

continue to monitor the impact of inflation as it impacts both the organisations we are invested in and those we seek to support through our work.

Nonetheless, with a ‘buy and hold’ approach our portfolio management strategy has remained relatively passive during 2022. We, of course, continue to monitor the overall portfolio with care – ensuring that our initial focus on both impact and financial returns continues to deliver against our mission. This includes, for the first time, an assessment of the carbon footprint of our holdings, as we look closely at responsibilities across the board in light of the necessary drive to net zero.

As ever we continue to evolve the way we approach this work at Access. We are learning from others as we go and seeking to increase our own transparency against a growing awareness that our impact lies not just in managing the endowment in this way, but in sharing how and why this approach enables us to have even greater impact and enhance the delivery of our mission by driving more capital to charities and social enterprises.



**Bryn Jones**  
Head of Fixed Income  
Rathbones Group Plc

## Rathbones

Rathbones has enjoyed working with Access – The Foundation for Social Investment to implement their forward-looking approach to investing a treasury pool of assets in an impactful way.

Helping clients to align their mission with their investments was something Rathbones had experience in through its bond investments in the Rathbone Ethical Bond fund and Rathbone Greenbank Investments’ experience in ethical and sustainable investment. Access’s role as a critical friend during our management of their endowment has helped us sharpen these processes as we continue to innovate and evolve our approach.

Whilst 2022 was a challenging period for investors in all asset types, the experience of Access’s Endowment Investment Committee and their understanding that the volatility experienced was, and remains, a function of market dynamics meant we have been able

to continue to generate a decent income from the portfolio as well as continue to deliver against Access’s social impact goals.

Rathbones takes pride in working with Access, and the alignment with our team’s principles in terms of diversity, inclusion and social impact.

The impacts of this portfolio are wide-ranging, with investments in areas such as health care, social housing, services for individuals with disabilities, community wind projects, elderly care, microfinance to support economic development in emerging economies, and affordable housing to name a few. Over the lifetime of the portfolio, we have found it to be possible to invest in this way without giving up investment return.

Past performance is not indicative of future performance and the value of investments may go down as well as up.

Executive summary

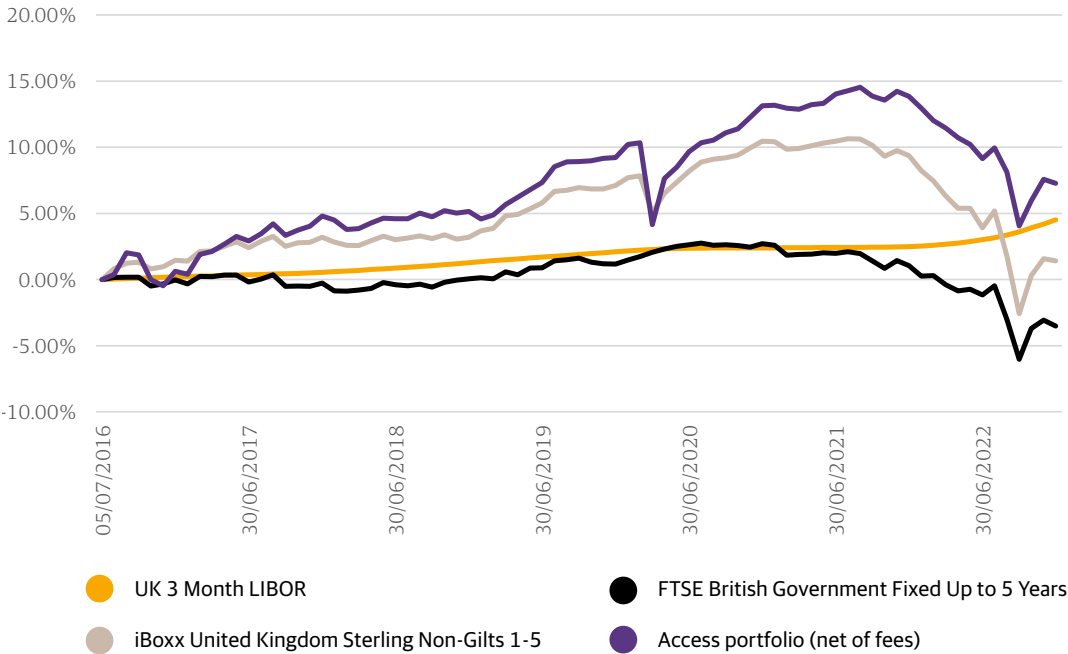
Access's endowment is managed to be spent down over a 10-year lifespan as grants are made.

This means that the overall size of the portfolio decreases over time as grant-making intentionally exceeds any financial returns achieved on the portfolio. It also restricts investments held in the portfolio as our investment managers seek to manage risk by aligning planned withdrawals from the portfolio with the redemption dates of the bonds we hold. As the lifetime of the endowment progresses, it becomes more challenging to find new bond issues that align with the endowment's spend down dates.

Despite these constraints, the proportion of the portfolio directly invested into UK charities and social enterprises delivering social impact remains significant — 34% at the end of 2022 — demonstrating it is possible to adopt a 'total impact' approach to investment, targeting high social and environmental impact while still achieving a financial return that has, to date, outperformed market benchmarks.

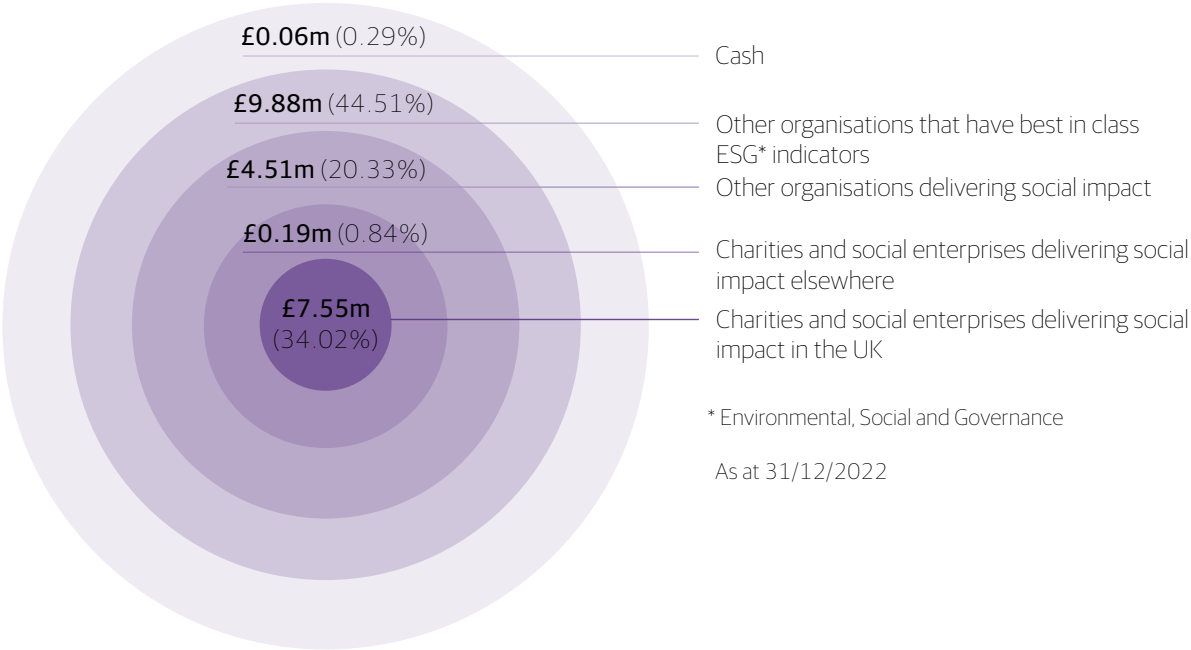
34%

Directly invested into UK charities and social enterprises



Source: Rathbones. These performance figures are calculated on a fully time weighted basis, incorporating any cash flows or stock movements in or out of the portfolio as at the date of the transaction. It is noted above whether performance is calculated prior to, or after, the deduction of any management fees.

Past performance is not indicative of future performance and the value of investments may go down as well as up.



\* Environmental, Social and Governance  
As at 31/12/2022

A note on impact

Throughout this report, you will see references to the impact of the portfolio. We are following the impact assessment and reporting framework developed by the [Impact Management Project](#) and the 3,000 enterprises, investors and experts who participated in the initiative.

This breaks impact down into two categories:

- 1. Supporting the positive impact generated by the organisations in which it invests (investee impact)
- 2. How it chooses to invest and the actions of its investment manager in growing and supporting the social investment market (investor impact).

When talking about the impact of the portfolio, we recognise that Access's investments and actions will not solve complex sustainability challenges alone. But they do sit in a broader ecosystem of change that is seeking to align to, and accelerate progress towards, a more sustainable world.

We are also aware of the dangers of investors 'over-claiming' the impact of investee organisations as our own. Where investee impact data is reported, this is to demonstrate the nature and type of positive impact delivered by the organisations which Access has invested in and supported.

A note on language

We know that some of this stuff can be quite confusing to a lay reader — and while we have tried to write this report using clear and straightforward language there are a number of terms that we use that bear explaining further:

**'Total Impact'** — this refers to the approach that Access takes to all our work. This means we look at all the different ways we can achieve impact beyond our direct programmes and consider the social and environmental impact it will have — notably in how we invest our endowment.

**'Bull's eye model'** — this is the concept we have used to guide our investments — where possible we want to invest as much as we can (within certain set parameters) in charities and social enterprises delivering social impact in the UK.

**'Endowment'** — refers to a donation of money or property where the resulting investment income is used for a specific purpose. Access was given a £60 million endowment by the Cabinet Office in 2015 to spend over ten years on funding programmes which help charities and social enterprises to engage with the social investment market and become investment ready.

**'Bond'** — this is a type of financial instrument. When an investor buys a bond, they are lending money to the issuer (often a company or government). In return, the issuer promises to pay a specified rate of interest and to repay the borrowed amount on a specific future date.



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At its core, our approach is about aligning our investments with our broad mission of driving more capital to charities and social enterprises... while delivering the financial returns and cash flow we need to fund our grant making.

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## Who we are



**Martin Rich**  
Trustee and Chair of the Endowment Investment Committee and Senior Independent Trustee  
Access — The Foundation for Social Investment



**Emilie Goodall**  
Trustee  
Access — The Foundation for Social Investment



**Naomi Friend**  
Independent member of the Endowment Investment Committee



**Katie Gordon**  
Independent member of the Endowment Investment Committee



**Seb Elsworth**  
CEO  
Access — The Foundation for Social Investment



**Chris Coghlan**  
Director of Finance (job share)  
Access — The Foundation for Social Investment



**Simon Cottee**  
Director of Finance (job share)  
Access — The Foundation for Social Investment



**Chloe Stables**  
Director of Partnerships and Advocacy  
Access — The Foundation for Social Investment



**Bryn Jones**  
Head of Fixed Income  
Rathbones



**Stuart Chilvers**  
Fund Manager  
Rathbones



**Sarra Hamizi**  
Credit Analyst  
Rathbones



**Kate Elliot**  
Head of Ethical, Sustainable and Impact Research  
Greenbank





## Our approach

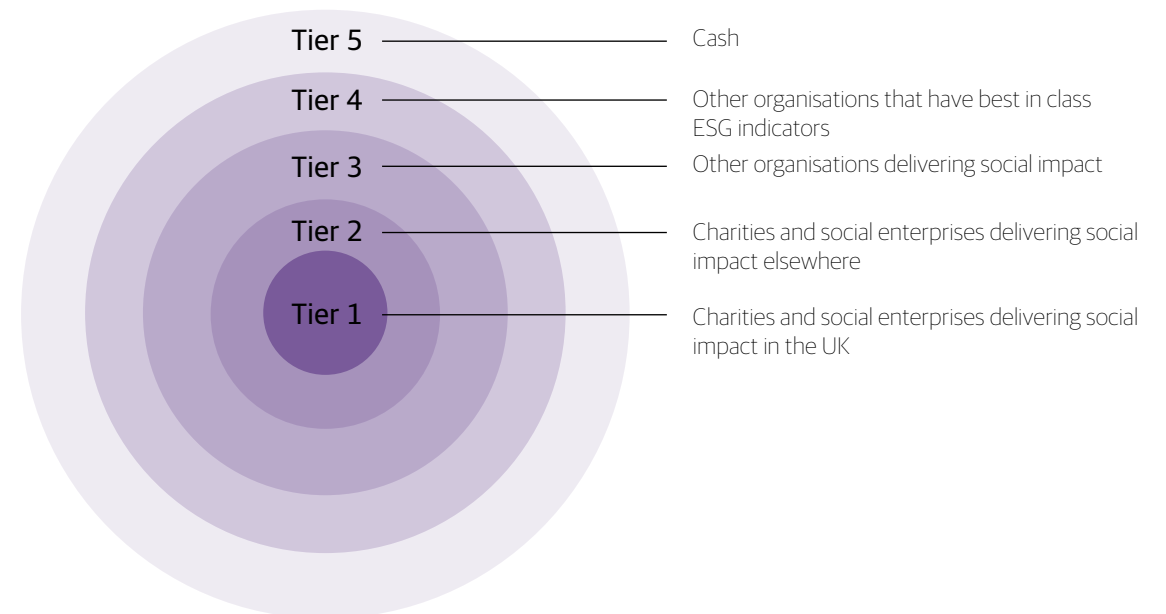
The overall mission of Access is to improve access to capital for charities and social enterprises helping them to be more financially resilient, self-reliant and ultimately have the potential to deliver greater social impact.

Access takes a 'total impact' approach to managing all of their work, including the investments they hold within their portfolio. Put simply, this means they look at all the different ways they can achieve impact, aligning the management of their assets with their impact and mission, and focus their resources on areas that have the maximum impact.

The endowment fund aims to:

- Invest as much as possible in UK charities and social enterprises.
- Allocate remaining funds to investments with as similar a social impact to UK charities and social enterprises as possible.
- Show that it is possible to invest in charities and social enterprises without undermining financial returns.

**In 2015 Access developed a set of priorities for how the endowment should be invested in alignment with their mission, and refer to this as the bull's eye model. The ambition being to invest as much of the capital in the endowment into the centre of the bull's eye as possible.**



While the ambition is to invest as much as possible in Tier 1 of the bull's eye, this is challenging for a number of reasons:

- **Flexibility/liquidity:** Access has a programme of grant giving over the lifespan of the endowment fund. To support this, funds from the portfolio must be accessible when they are needed. Liquidity is a term that refers to how easily an asset can be converted into cash without affecting its market price. Investments in Tier 1 are usually inherently illiquid and, if the entire portfolio were to be invested in such holdings, it may not be possible to meet Access's spending requirements or any changes to them.
- **Timing:** if restricted to just Tier 1 investments, it would be very difficult to invest funds in a timely manner as deal-flow in this area is generally varied and bond issues tend to be relatively small in size. It would also leave the portfolio overly exposed to a limited number of issuers, increasing the financial impact on the portfolio should an issuer encounter financial difficulties.

- **Market size:** while the ethical/charity bond market is growing, issuance can still be sporadic and secondary market liquidity (i.e. the ability to buy and sell the investment to other investors) can be challenging depending on order size.
- **Suitability:** the suitability of a given investment for different investors will depend on several factors such as risk appetite, time horizon, liquidity requirements and return expectations. These considerations affect how our investment managers select investments for the portfolio.

To complement the approach outlined above, Access also invests its capital held in cash under a 'total impact' approach. Capital is deposited with banks which lend within the four tiers of the bull's eye on a best-efforts basis, subject to the opportunity set available and other risk factors.



## Our impact

Greenbank<sup>1</sup> provides the impact analysis and reporting for the fund; it categorises underlying investments into one of the eight social and environmental themes outlined on pages [12-13](#).

Most investments within the portfolio will impact more than one theme but, for reporting purposes, only the primary theme is shown for each.

The following pages show key impact metrics across investments in each theme. The charts and figures show illustrative examples of the types of social impact being reported by organisations invested in by Rathbones on behalf of Access's endowment.

Impact methodology and notes can be found on page [46](#).

### Bull's eye over time

Over time, Access's ambition is to focus as much as possible of the capital in the endowment to being invested in the centre (Tier 1) of the bull's eye framework. Given the various constraints on the portfolio, Access's aim was that this could be 40% of the portfolio.

The chart opposite shows how the portfolio composition by bull's eye tier has changed over time.

In September 2016, there was an initial allocation in Tier 1 of 20.50%. This grew over time, as suitable new opportunities came to market and peaked at 48% in August 2019.

During 2021, the lack of new Tier 1 investments with suitable maturity dates meant allocation to this Tier fell below 40%. As at 31 December 2022, 34% of the portfolio was invested in Tier 1 organisations.

**Tier 1 allocation steadily rose to above 40% as the portfolio was being invested and for 2018, 2019 and 2020 remained above that level. More recently, as expected, the allocation has dropped back but, over the lifetime of the portfolio, we believe it has been demonstrated that it is possible to align endowment investment with organisational goals.**

### Categorising impact

The Access endowment fund creates a positive impact in two primary ways:

1. Supporting the positive impact generated by the organisations in which it invests (investee impact).
2. How it chooses to invest and the actions of its investment manager in growing and supporting the social investment market (investor impact).

### Investee impact

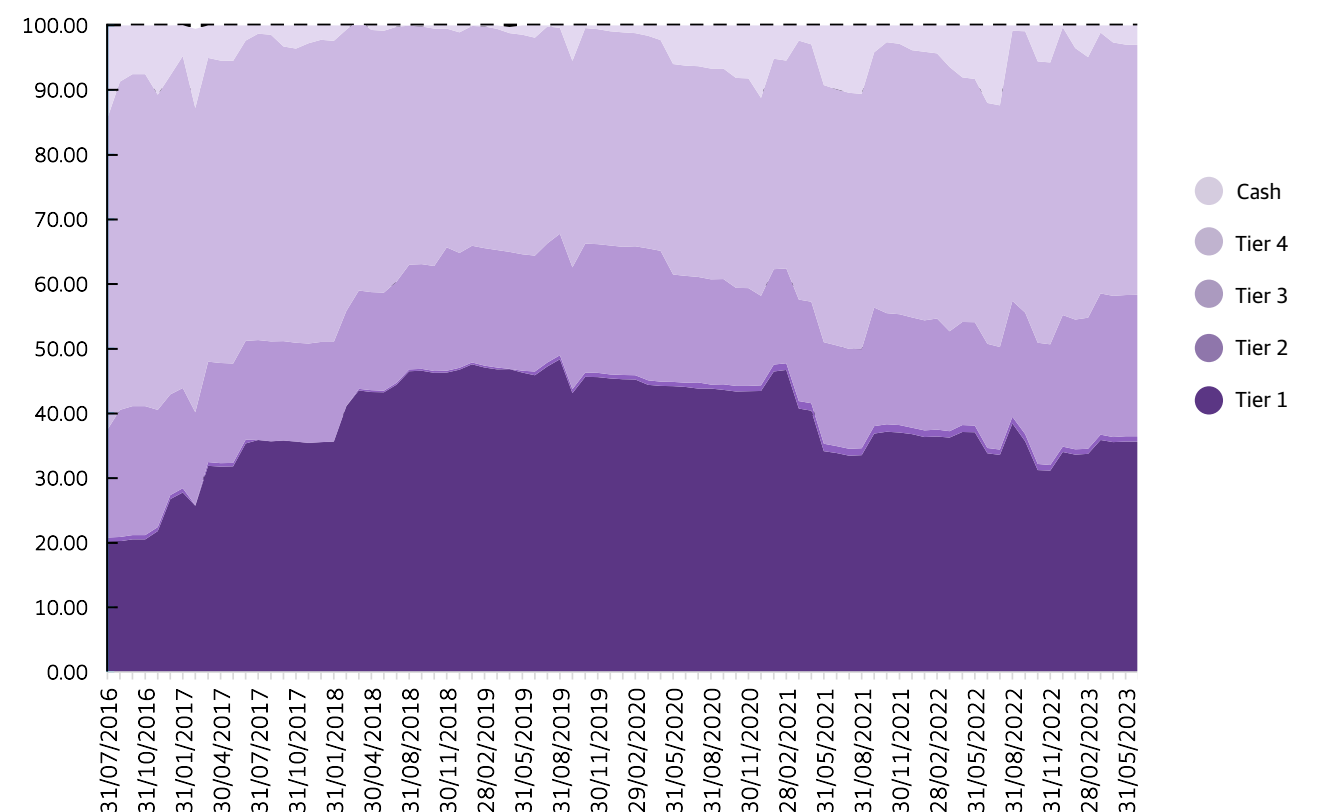
Access aims to invest as much as possible of the endowment fund in UK charities and social enterprises.

Outside these categories, investment in other types of organisation that are creating positive impact or which are viewed as having best in class ESG (environmental, social and governance) performance is targeted. There is an assumption that the investments

made into charities, social enterprises and other organisations generating social impact will result in a positive difference being made. But the scale and depth of this impact will vary and unintended consequences can arise. Rathbones monitors the ongoing impact performance of investee organisations to protect against mission drift and other impact risks.

Where quantifiable impact data is published by organisations, Rathbones has included examples on pages [14-15](#). This data is scaled to take account of the size of Access's investment in each organisation. For example, say Access's investment in Company A represents 1% of Company A's enterprise value. We would calculate 1% of Company A's overall impact to show impact data proportional to Access's investment.

Access is not directly claiming these impacts, but they recognise the role their investment has played in supporting investee organisations to deliver them.



Source: Rathbones

<sup>1</sup> Greenbank is the specialist ethical, sustainable and impact investment division of Rathbones Investment Management Ltd.



# The change we want to see

Our investment strategy categorises underlying investments into eight sustainable development themes based on what they do and how they operate. Here you can see how these themes relate to the UN's Sustainable Development Goals.

Adopted in 2015 by all member states of the United Nations, the Sustainable Development Goals are a blueprint to achieving a better and more sustainable future. Greenbank's eight themes align with this vision and focus in on the areas where companies and investments have the greatest potential to effect change.

This framework helps us to understand the positive impact our investments are having and enables us to drill down into impact data in a particular theme — using data sources such as their annual reports, impact reports, investor updates or websites.

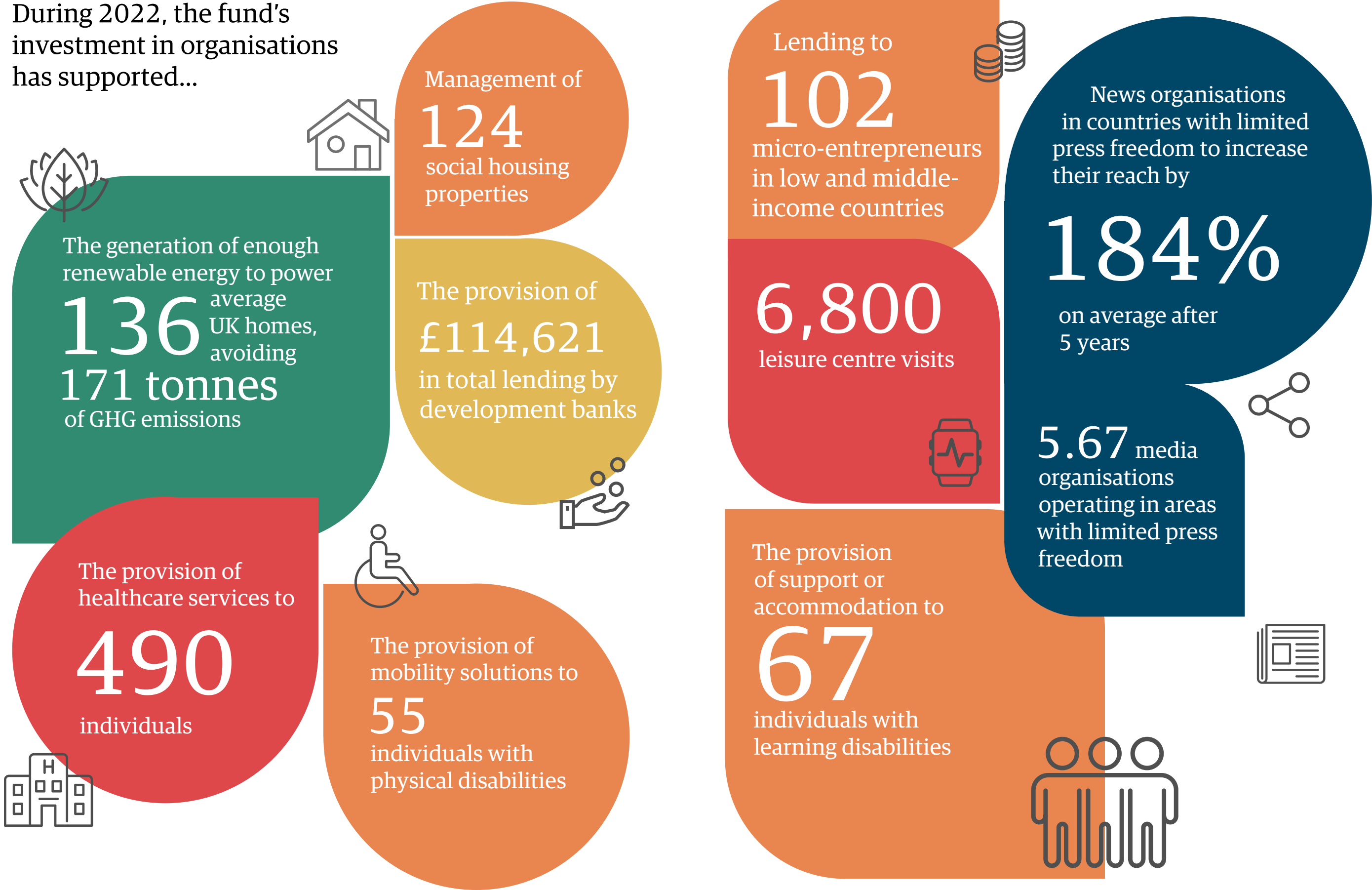
The following pages present our impact story as an investor that prioritises charities and social enterprises delivering social impact in the UK using both narrative and numbers. It gives a flavour of how individual investments relate to our overall strategy and how we seek to make our money work for positive social and environmental change.

There are a number of limitations to this though — and we remain mindful that this framework is far from perfect. Many organisations do not fit neatly into one particular impact theme. Reporting cycles do not always align. Data is hard to verify. Most importantly, we are not claiming investee impacts as our own but demonstrating the nature and type of impact delivered by the organisations we have supported.

“Greenbank's eight sustainable development themes align to the UN Sustainability Goals, and guide how we invest and engage with companies.”



During 2022, the fund's investment in organisations has supported...



Source: Rathbones' analysis of annual/impact reports produced by underlying investments



# Case study: Greensleeves Care



## Activity

Greensleeves Care is the operating name of Greensleeves Homes Trust, a registered charity providing residential care homes in the UK. Its 27 care homes offer a mix of residential and nursing care for the elderly, with an increasing focus on specialist dementia care. Greensleeves Home Trust emerged in 1997 from the Women's Royal Voluntary Service (WRVS, now the Royal Voluntary Service). Its name derives from the green sleeves that were part of the WRVS uniform. Greensleeves is committed to delivering high quality, person-centred care. A number of its care homes are accredited to the Eden Alternative framework, which is designed to shift the focus from purely medical needs to broader aspects of resident happiness and wellbeing.

## Access's investment

In March 2017, Greensleeves issued a bond via the Retail Charity Bonds platform, raising £50 million in financing to help expand the number of properties it manages and the number of care spaces it can offer. Access took part in this primary issuance, meaning the endowment's investment directly supported Greensleeves' operations and expansion. Between 2018 and 2022, Greensleeves increased its capacity from 872 care spaces across 22 care homes to 1,245 spaces across 27.

## Investor impact

Shortly after investment, Greenbank engaged with Greensleeves' management to encourage improvements in the charity's impact reporting. We encouraged the board to include clear information on the mission and to report performance indicators where possible alongside narrative commentary on activities occurring during the year. We also encouraged an open discussion of any challenges or risks that arose over the reporting period.

Sustainable investment theme:

## Inclusive economies

This theme includes organisations that are promoting access to basic services and supporting a more inclusive society through the products and services they provide.



Alignments:



# Case study: Thrive

## Activity

Thrive Renewables invests in clean energy projects across a diverse portfolio of renewable energy technologies which include wind, solar, small-scale hydro, energy storage and geothermal. Founded in 1994, it aims to help tackle climate change while connecting communities and members of the public to the low energy transition.

## Access's investment

In March 2017, Thrive Renewables issued an unsecured bond to raise additional finance for the expansion of its portfolio of renewable energy projects. Access took part in this primary issuance, meaning the endowment's investment directly supported Thrive Renewables' operations and expansion. The bond issue raised £9.6 million, with funds being used to finance the construction of new onshore wind and solar energy projects. Since 2017, Thrive Renewable's portfolio has increased from 64MW in generating capacity to 105MW in 2022.

## Investor impact

The bond issue is unsecured and unlisted, making it an illiquid high risk investment. However, due to the predictable cash flows from underlying assets, the management team's long track record, and Thrive's conservative use of debt, Rathbones felt this was an appropriate investment for Access's 'total impact' focus and would help to grow the impact market while delivering impact and the potential for financial returns.

Sustainable investment theme:

## Energy and climate

This theme includes organisations that are supporting positive climate action and energy security through the products and services they provide.

It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own environmental impacts.



Past performance is not indicative of future performance and the value of investments may go down as well as up.



## Case study: Hightown Housing Association



### Activity

Hightown is a housing association, operating in Hertfordshire, Buckinghamshire, Berkshire and Bedfordshire. In addition to managing a portfolio of general needs social housing, Hightown also provides specialist housing and support services to individuals with learning disabilities and mental health problems in addition to young people and those experiencing homelessness.

### Access's investment

In May 2015, Hightown raised £27 million through a bond issue via the Retail Charity Bonds platform. This was used to help expand Hightown's property portfolio and increase the number of people it is able to support with affordable housing or associated services. In 2015, Hightown owned or managed approximately 4,400 homes and has since expanded this to over 7,800 in 2022.

### Investor impact

During 2019 and 2020, Greenbank wrote to 20 social housing providers (including Hightown) to encourage better and more comparable disclosure of indicators related to safety and tenant wellbeing. A series of follow-up meetings was held to discuss challenges and share examples of best practice. In parallel, the Sustainable Reporting Standard for Social Housing (SRS) was being developed – we contributed to the development of the SRS methodology and highlighted its value to investee housing associations. Hightown is now one of many housing associations to report against the SRS.

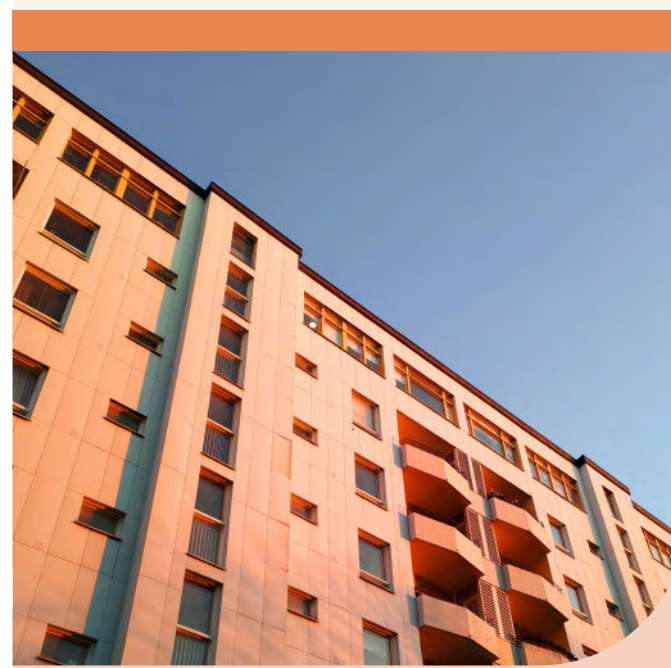
Sustainable investment theme:

### Inclusive economies

This theme includes organisations that are promoting access to basic services and supporting a more inclusive society through the products and services they provide.

**SUSTAINABLE  
DEVELOPMENT GOALS**

Alignments:



“

It is possible to deliver social and environmental impact while still achieving a financial return. We've been able to align our investments with our broad mission of driving more capital to the charity and social enterprise sector – targeting as much finance to social and environment-focused organisations via our Bull's Eye model while delivering the financial returns and cash flow we need to fund our grant making.

Seb Elsworth  
CEO, Access – The Foundation for Social Investment



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# Investor impacts

Access seeks to demonstrate that it is possible to adopt a 'total impact' approach to investment, targeting high social and environmental impact while still looking to achieve a financial return.

Access has worked with Rathbones and Greenbank's ESI research team to develop and refine approaches to impact measurement and reporting that can be applied to a diversified portfolio investing in both higher and lower impact organisations.

Access's investment managers also support organisations that may have been overlooked by mainstream financial markets.

Rathbones also actively advocate for improved impact reporting and sustainability practices – something referred to as engagement and stewardship. Engagement with companies can be an effective lever to bring about positive social and environmental outcomes.

## Since inception, on our behalf our investment managers have...

- Invested in 14 charities or social enterprises
- Signalled the importance of social and environmental policies, practices and reporting to all holdings, in addition to the wider market
- Engaged with 18 portfolio holdings on environmental, social or governance matters
- Helped to grow the market by investing in 7 new or previously overlooked opportunities offering attractive impact and financial opportunities

Source: Rathbones



## Greenbank ESG and sustainability assessments

ESG and sustainability analysis on all potential investments in the portfolio is conducted by the ethical, sustainable and impact research team at Greenbank. The team works closely with investment managers, highlighting stock specific ESG risks and opportunities, in addition to the potential investment impact of broader sustainability themes such as climate change or [decent work](#).

The team takes a holistic view of positive and negative impacts when assessing potential investments. This considers both what an organisation does (the products and services it provides) and how it operates (for example, how it treats its employees or manages its own climate impact) to arrive at a balanced view of whether it has an overall positive or negative impact on people and planet.



Ongoing monitoring of investee organisations helps to identify emerging issues or controversies. As companies change their activities, merge with others, or develop new policies and practices, their suitability and risks are likely to alter and will require review. These developments feed into investment decisions and engagement activity.



Engagement with companies is a vital part of our role as responsible investors and can be an effective lever to bring about positive social and environmental outcomes. For over 20 years, Greenbank has engaged in open and constructive dialogue with companies to address company-specific and systemic risks, encourage best practice, and improve social and environmental wellbeing.



When conducting engagement activity, Greenbank's ESI research team agrees objectives and reviews progress each quarter. They can then opt to escalate discussions and activities if necessary. While they aim to stay invested and make effective use of their shareholder voice and voting rights, divestment is always an option<sup>2</sup>.

<sup>2</sup> More information on Rathbones' stewardship activities can be found [here](#). Greenbank's latest engagement review can be found [here](#).

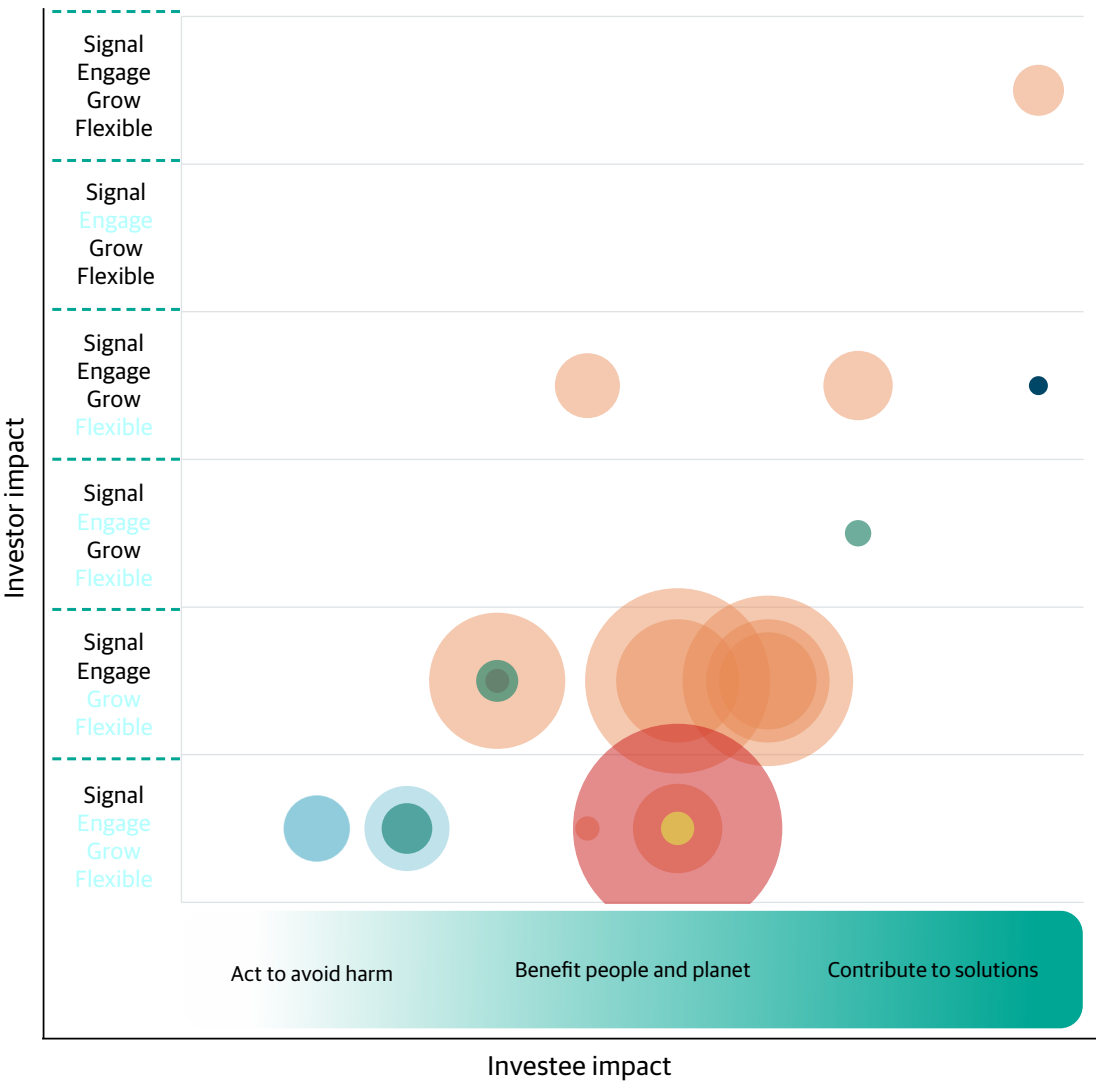
# Portfolio overview

This chart brings together the elements that we have talked about on the previous pages. It shows the two dimensions of impact – investor impact and investee impact – combined in a single portfolio overview.

This chart shows each holding categorised by both investee impact (x axis) and investor impact (y axis).

The size of the bubble indicates the % size of the holding within the portfolio. The colour of the bubble indicates the primary sustainability theme of the enterprise. More information on these sustainable development themes can be found in [Appendix A](#).

Further detail on portfolio holdings, including a break-down by sustainable development theme, can be found in [Appendix A](#).



Investor impact

Flexible

Provide flexible capital: recognise that certain types of enterprises will require acceptance of lower risk-adjusted return in order to generate certain kinds of impact.

Grow

Grow new/undersupplied capital markets: anchor or participate in new or previously overlooked opportunities that offer an attractive impact and financial opportunity.

Engage

Engage actively: use expertise and networks to improve the environmental/societal performance of businesses.

Signal

Signal that impact matters: choose not to invest in or to favour certain investments.

- Decent work

● Energy and climate

● Habitats and ecosystems

● Health and wellbeing

● Inclusive economies

● Innovation and infrastructure

● Resilient institutions

● Resource efficiency

● Collective – multiple themes

● Cash

Investee impact <sup>3</sup>		
Avoid harm	Benefits people and planet	
	Contributes to solutions	
Try to prevent significant effects on important negative outcomes for people and planet	Affect important positive outcomes for various people and the planet	Have a significant effect on important positive outcome(s) for underserved people and the planet

<sup>3</sup> More information on categorising investee impact can be found on page 11.



# Financial returns

A key aim of Access's 'total impact' approach is to show that it is possible to invest in charities and social enterprises without undermining the potential for financial returns.

The charts below show the portfolio credit breakdown as at 31 December 2022.

While there is a relatively high proportion of non-rated (NR) holdings – as would be expected in a portfolio focused on charities and social enterprises – there is a good spread of higher-rated issuers in the remainder of the portfolio, indicating risk can be effectively managed.

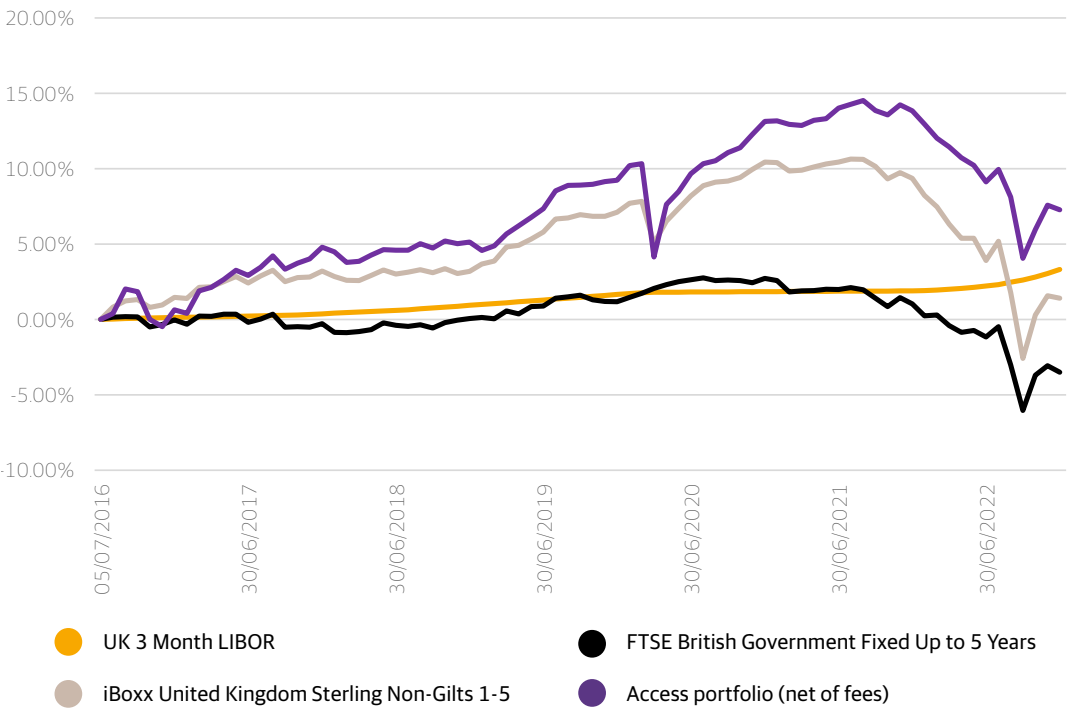
Bonds rated AAA-BBB are investment grade with AAA being considered those least likely to default.

Ratings agencies used are Moody's, S&P and Fitch.

Liquidity (a measure of how easy it is to sell a particular investment and realise its value) has also been carefully managed.

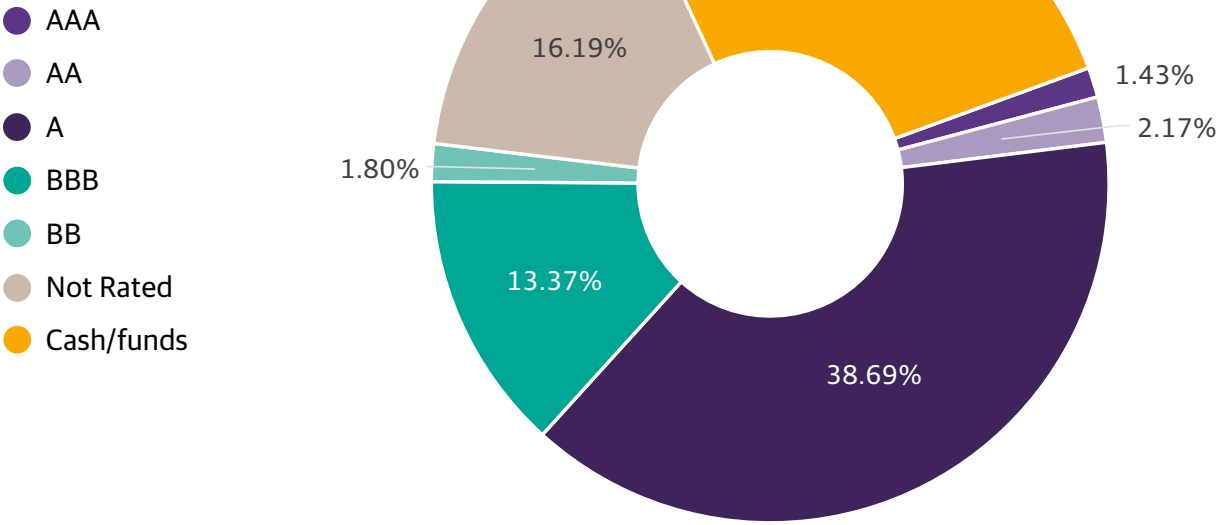
The performance of the portfolio since inception is shown below (after the cost of fees).

**Past performance is not indicative of future performance and the value of investments may go down as well as up.**

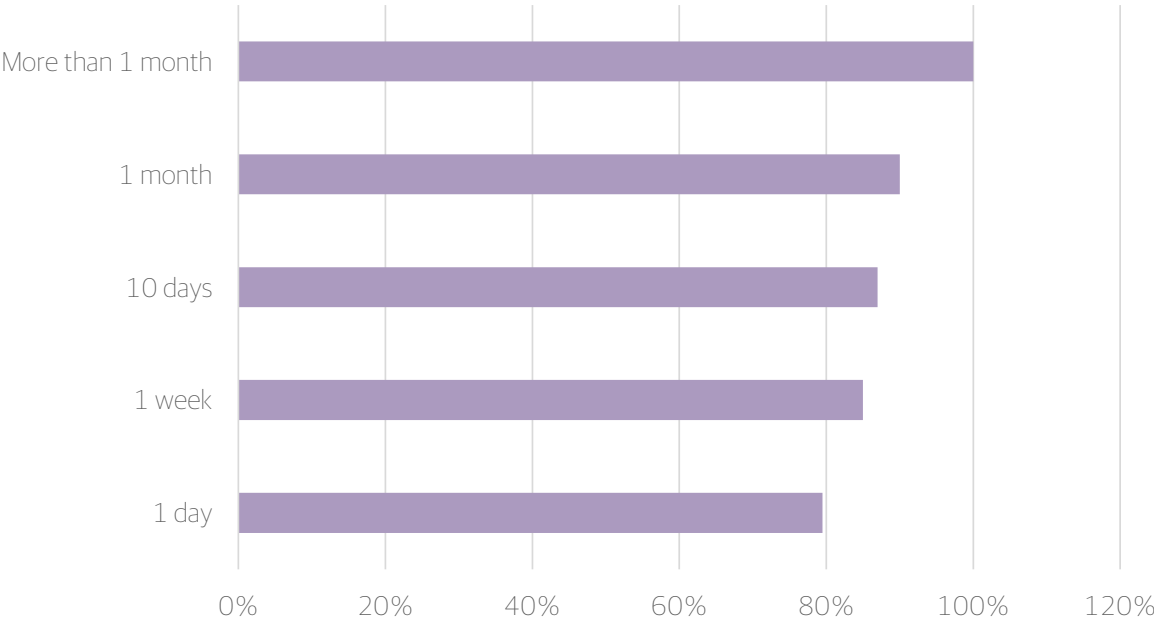


**Source:** Rathbones. These performance figures are calculated on a fully time weighted basis, incorporating any cash flows or stock movements in or out of the portfolio as at the date of the transaction. It is noted above whether performance is calculated prior to, or after, the deduction of any management fees.

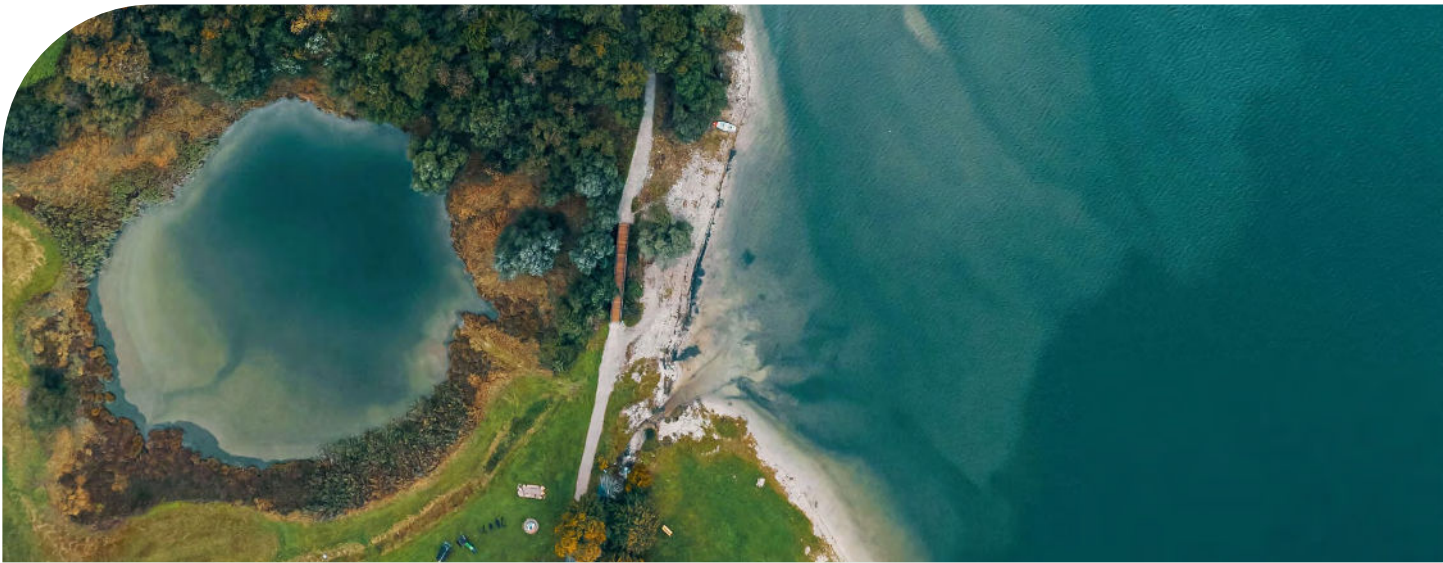
Portfolio credit breakdown



Cumulative liquidity generating capacity<sup>1</sup>



<sup>1</sup>Rathbones' estimate of the liquidity generating capacity of the fund, assuming a minimal cost (varies by bond) impact on sale price.  
<sup>1</sup>Estimated portion of the portfolio that can be sold over the given timeframe (note this is not on a pro-rata basis).



# Towards net zero

Climate change presents an existential threat to society, the environment and the global economy. In order to avoid the worst effects of climate change, the world needs to reach net zero greenhouse gas emissions by 2050 or sooner. However, the gap between actions and the ambition needed to reach net zero remains significant.

Access is a signatory to the [COP26 declaration](#). Asset owner climate expectations of asset management. This would mean adopting minimum standards in support of the Paris Agreement objective to keep global warming well below 2°C and preferably 1.5°C — the level considered ‘safe’ by the Intergovernmental Panel on Climate Change (IPCC). This commitment has resulted in detailed engagement between Access and Rathbones to determine their approach with both parties recognising the critical importance of climate change as an environmental, social and economic risk.

Rathbones itself also recognises the critical importance of climate change as an environmental, social and economic risk and have committed to reach net zero emissions across its operations by 2030 or sooner, and across its investments by 2050 or sooner. To encourage decarbonisation across investee companies, Rathbones engages with organisations both individually and via major collaborative initiatives such as Climate Action 100+.

## Portfolio carbon footprint

This year we are reporting the carbon footprint of the endowment portfolio for the first time. A portfolio carbon footprint provides a snapshot of the carbon intensity of the underlying investments and shows Access’s financed emissions via the portfolio.

A carbon footprint is only one part of a wider picture of climate risk and opportunity. For example, it does not measure the emissions avoided due to investments in renewable energy, nor does it capture the different targets and ambitions of our portfolio investments in reducing their own emissions over time. However, it provides transparency on our indirect climate impacts and the intensity of the portfolio relative to broader investment markets.

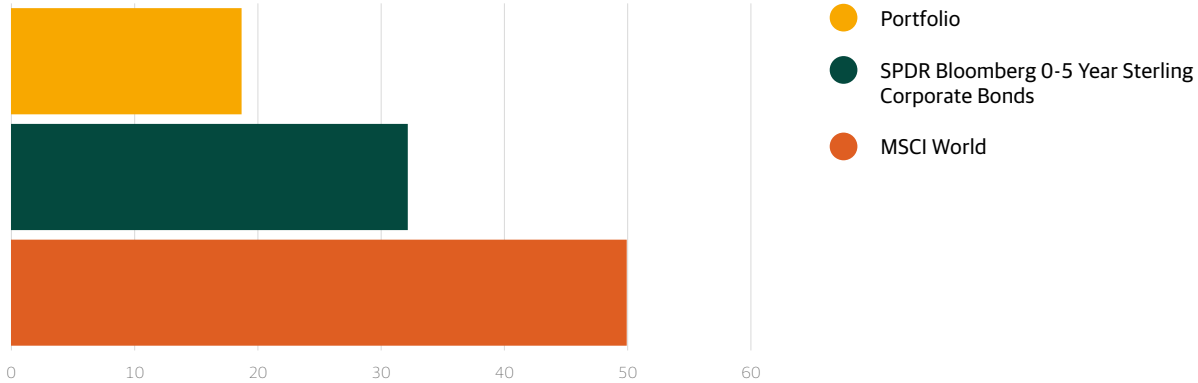
There are a number of different ways in which you can calculate a portfolio carbon footprint. We have chosen to measure carbon intensity relative to the enterprise value of the organisations we invest in. This

methodology is commonly used for bond or multi-asset portfolios and is, in our opinion, a better indication of the true carbon intensity of the types of organisation we invest in than alternative models that use revenue to standardise intensity figures.

In the chart, we show:

- The financed emissions (tonnes CO<sub>2</sub>e per £m invested) of Access’s portfolio.
- A comparator index of short-dated corporate bonds (SPDR Bloomberg 0-5 Year Sterling Corporate Bonds). This very broadly reflects Access’s investment universe, though it does not incorporate any ESG or ‘total impact’ considerations.
- A comparator index of global equities (MSCI World). This is not reflective of the types of investment that Access would make as it comprises shares rather than bonds, but it demonstrates the carbon intensity of the largest listed companies at a global scale.

tCO<sub>2</sub>e / £m invested



		tCO <sub>2</sub> e / £m invested	
Valuation date	31/12/2022	Portfolio	17.32
Total financed emissions (tCO <sub>2</sub> e)	335	SPDR Bloomberg 0-5 Year Sterling Corporate Bonds	30.80 -43.8%
% total value included in calculations	86.98%	MSCI World	48.56 -64.3%

Source: Rathbones



# Future outlook

Access remains focussed on our broad mission of driving more capital to the charity and social enterprise sector — targeting as much finance to social and environment-focused organisations via our bull's eye model while delivering the financial returns and cash flow we need to fund our grant making.

Past performance is not indicative of future performance and the value of investments may go down as well as up.

As we look towards the future, there are several key strategic drivers that will continue to guide our work in this area.



## Towards net zero

In 2022, we started to develop our approach to measuring the carbon footprint of our holdings — we know that this is only the first step on a long road taking us to net zero by 2050. Part of this is the continuation of Rathbones' long-standing strategic engagement programme to encourage corporate action on climate change and drive alignment to net zero emissions.



## Balancing transparency with transformation

We continue to balance the requests we have for more information about the organisations we invest in — on their operational and missional impact, governance structures, etc. — with the desire to enable organisations to focus on delivering their missions and driving transformative change.



## Advocating for change

Sharing our own approach is only the first step towards positively advocating for broader change. As ever with our work, we are not just thinking about our role but about the broader ecosystem and how foundations of all shapes and sizes approach the alignment of their resources with their mission. At Access, we have started to scope out how we can step up our work in this area, commissioning an external consultancy to help identify where we can have the most impact and look forward to testing ideas with our partners in 2023. Working alongside key players in this space, such as the Association of Charitable Foundations, we will also look for more opportunities to discuss the 'total impact' model and how others might adapt this approach.



## Equity, diversity, and inclusion

While there are limitations on what we can do within the existing portfolio, we are committed to ensuring we look closely at how our investments impact upon equity, diversity and inclusion, in particular in relation to the management of our endowment and the way in which our endowment may evolve in future.



## The next chapter

With the existing Access portfolio due to run its course by 2026, we are excited to explore whether we will have the opportunity to apply what we have learnt to future assets — creating yet more impact with the resource we are given and testing approaches that shift away from our fixed life approach to more uncertain timeframes.

Appendix A —  
Portfolio breakdown by  
sustainable development theme

-  Inclusive economies
-  Resilient institutions
-  Health and wellbeing
-  Decent work
-  Energy and climate
-  Innovation and infrastructure



# Greenbank sustainable development theme: Inclusive economies



Alignment to UN SDGs:



The challenge:

Economies can only be regarded as inclusive when they are equitable and sustainable. Individuals must be able to participate fully in economic life by being able to access and participate in markets as workers, consumers and business owners. However, social mobility to date has shown to be rigid for socially disadvantaged groups.

Global inequalities in income and wealth are severe and have been increasing throughout recent decades. However, inequality is not just restricted to income. Wide and often mutually reinforcing disparities are also evident elsewhere, including disparity in terms of rural/urban divide and nationality. Likewise, certain populations face limited access to productive resources and markets, social mobility and security, based on identity.

The change we want to see:

Promote an equitable economy in which there is expanded opportunity for shared prosperity.

Example activities

This theme includes organisations that are promoting access to basic services and supporting a more inclusive society through the products and services they provide.

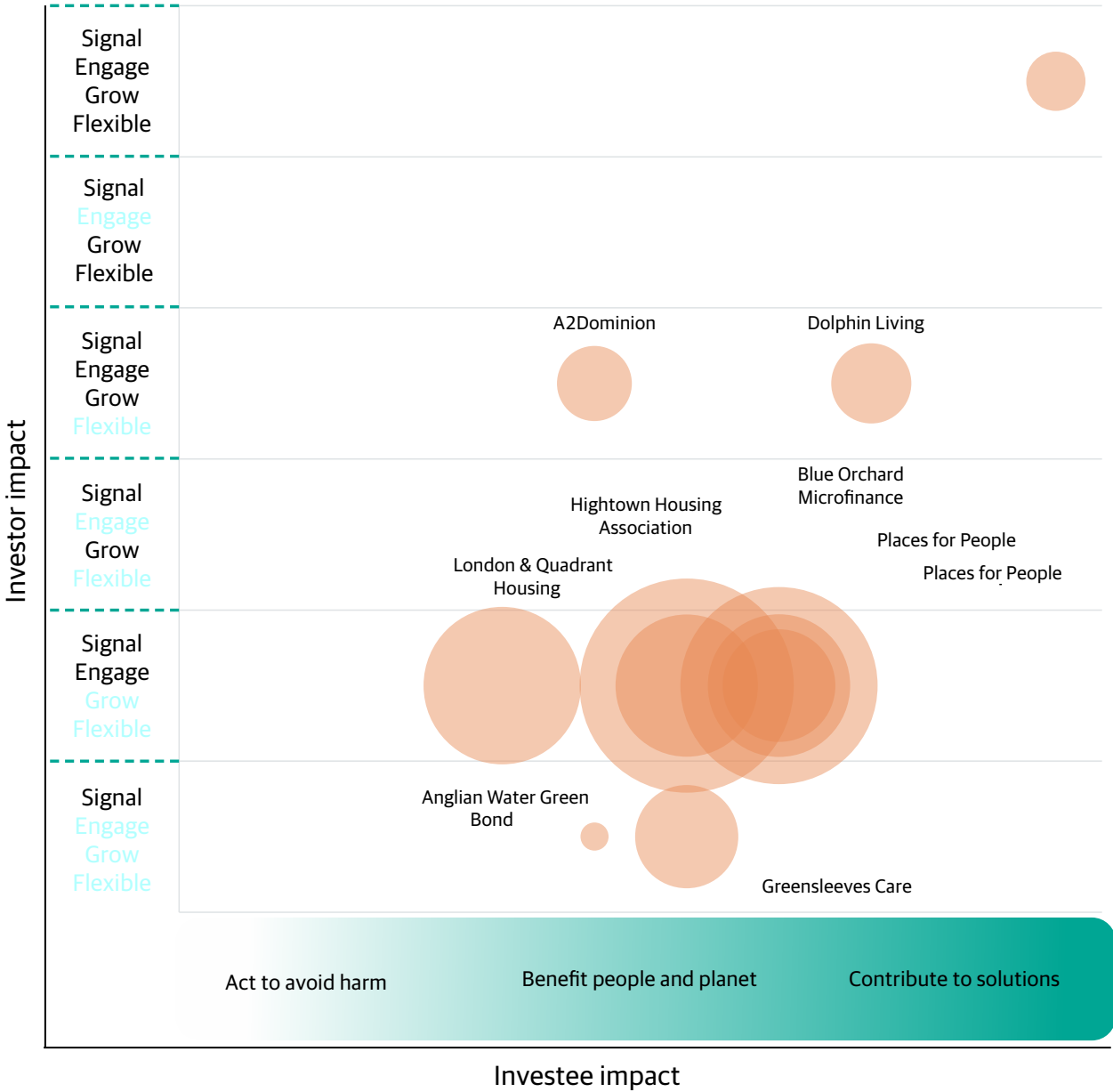
Sub-themes:

**Basic needs** — Organisations that provide social and affordable housing; provide water and sanitation services; help to alleviate poverty.

**Inclusive economies** — Organisations that support minority or conventionally excluded groups; support financial inclusion and social mobility; increase the availability, quality or ease of use of products and services for groups that face barriers to access.

**Training and education** — Organisations that provide educational products and services, particularly for underserved groups; support education and employment skills in emerging economies and the least developed countries.

Access Endowment investments:



Source: Rathbones  
As at 31 December 2022

# Greenbank sustainable development theme: Resilient institutions



Alignment to UN SDGs:



## The challenge

The rule of law, promotion of peace and the protection of fundamental rights are key enablers of sustainable development. Well-functioning institutions can ensure that the needs and rights of minority groups, disenfranchised sections of society and environmental public goods are protected and enhanced.

This can be a difficult theme for private companies and profit-seeking enterprises to align to, as many of the solutions arise from the public sector, NGOs and charitable organisations (and partnerships between these). However, it is important for all companies because functioning societies and governments provide the necessary infrastructure and policy security to underpin investment decisions and business activities.

## The change we want to see

Strengthen well-functioning institutions that protect the rule of law and fundamental rights  
 Example activities: This theme includes organisations that promote peace, justice and the rule of law through the products and services they provide.

## Sub-themes:

- Participation and governance –** Organisations that increasing access to communications and information that supports participation and governance (e.g. promotion of a free press, access to data that enables citizens to hold governments accountable)
- Operational alignment –** Organisations that support positive impacts via their policies, business strategies and management of their own human rights impacts.

## Access Endowment investments:

Investor impact	Signal Engage Grow Flexible			
	Signal Engage Grow Flexible			Media Development Investment Fund
	Signal Engage Grow Flexible			
	Signal Engage Grow Flexible			
	Signal Engage Grow Flexible			
	Signal Engage Grow Flexible			
		Act to avoid harm	Benefit people and planet	Contribute to solutions
		Investee impact		

Source: Rathbones  
 As at 31 December 2022



# Greenbank sustainable development theme: Health and wellbeing



Alignment to UN SDGs:



## The challenge

Health is a fundamental human right and a key indicator of sustainable development. Poor health threatens the rights of children to education, limits economic opportunities for men and women and increases poverty within communities and countries around the world.

In addition to being a cause of poverty, health is impacted by poverty and strongly connected to other aspects of sustainable development, including water and sanitation, gender equality, climate change and peace and stability.

## The change we want to see

Ensure companies do not undermine the health of their beneficiaries and encourage improved health outcomes.

## Example activities

This theme includes organisations that are supporting physical and mental wellbeing, or helping to prevent injuries and deaths, through the products and services they provide.

## Sub-themes:

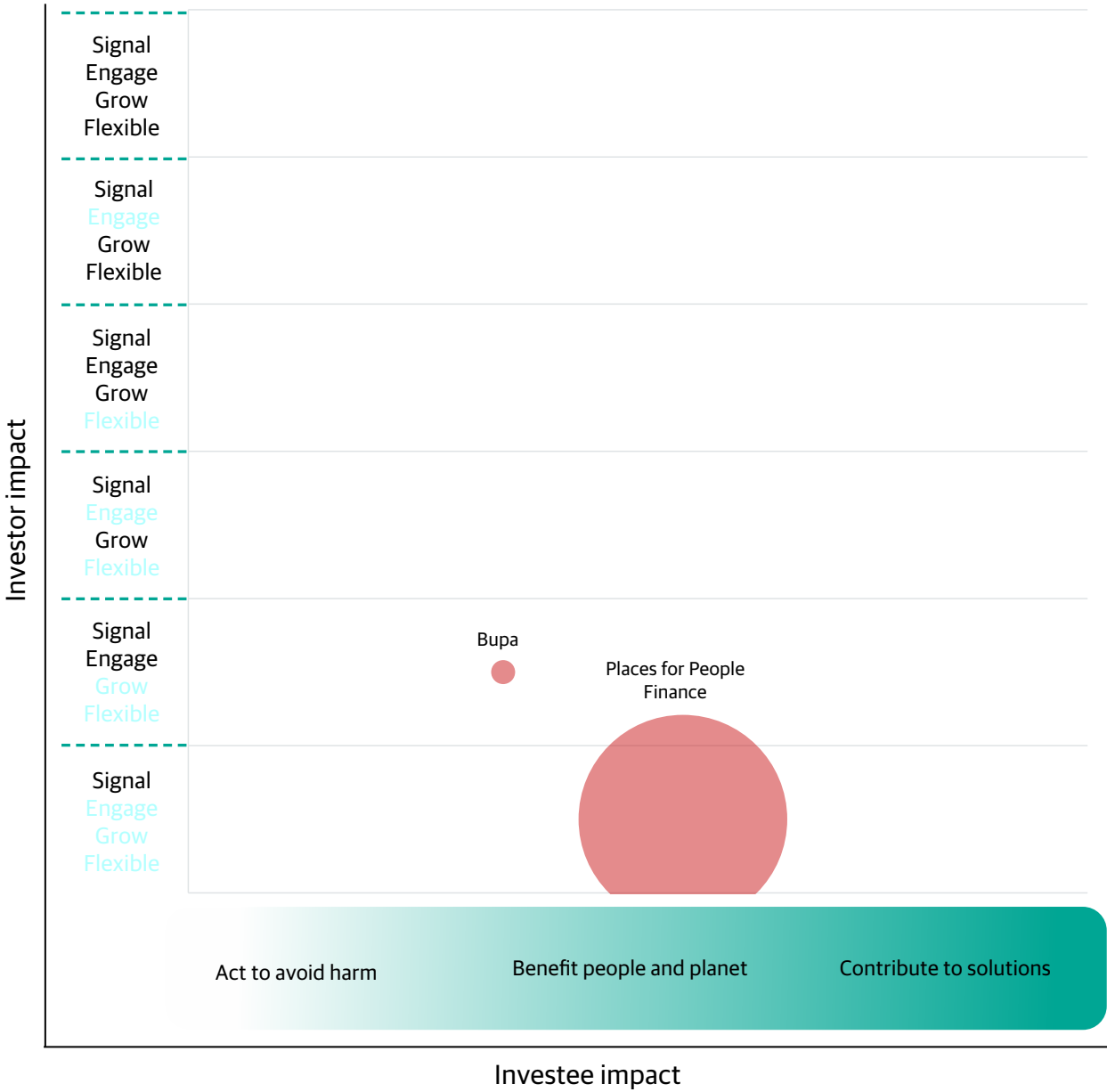
**Access to nutrition:** Organisations that provide healthy and affordable food.

**Healthcare access** — Organisations that support increased access to healthcare services and products, either through the research and development of new treatments or making existing treatments more affordable and accessible to underserved communities.

**Safety and protection** — Organisations that provide products and services that help prevent injuries and deaths, for example personal protective equipment or sensors for the detection of hazardous gasses.

**Sports and leisure** — The provision of equipment or services to support individuals undertaking exercise or other activities that promote physical and mental wellbeing.

## Access Endowment investments:



Source: Rathbones  
As at 31 December 2022

# Greenbank sustainable development theme: Decent work



Alignment to UN SDGs:



## The challenge

Decent work requires a reframing of the common perception of employees and workers as a cost to be minimised to one where they are seen as an asset to be valued and invested in. Employment alone can no longer be seen as a guaranteed route out of poverty – in the UK, a significant proportion of adults in poverty live in a household where at least one individual works.

This theme encompasses job creation, but places significant importance on the quality of jobs being maintained or created alongside the quantity. What counts as ‘decent work’ will vary between people. Some might love the flexibility of gig work, others might find it unsustainable and insecure. The key thing is that there is an appropriate balance of power between the individual and their employer.

## The change we want to see

Ensure proper emphasis on the quality of jobs being created and maintained alongside their quantity.

## Example activities

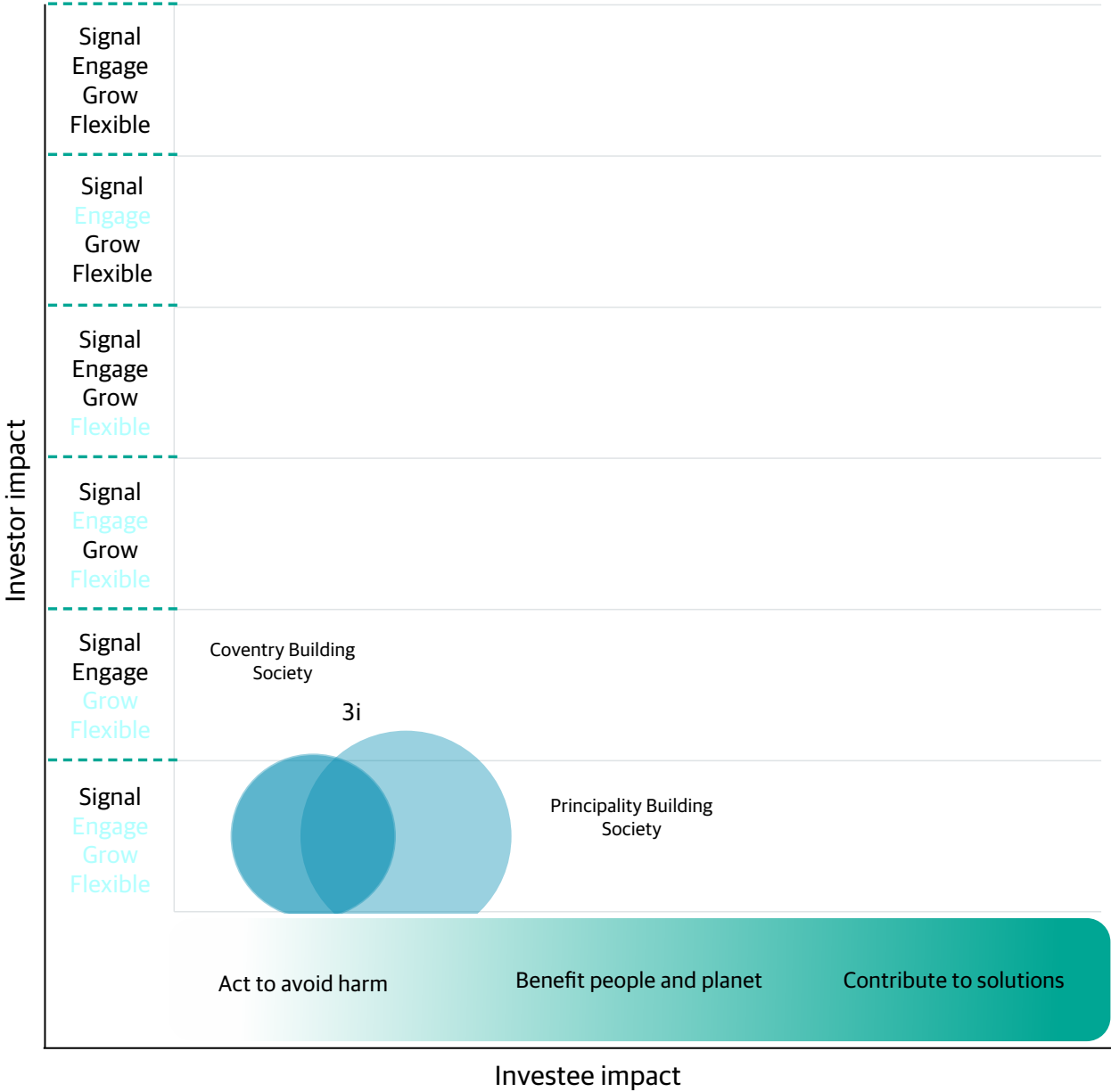
This theme includes organisations that are supporting the quantity and quality of jobs through the products and services they provide.

### Sub-themes:

**Decent work** – Organisations that support job creation and inclusive workplaces either directly or indirectly (e.g. through support for small and medium-sized enterprises).

**Operational alignment** – Organisations that support positive impacts via their policies, business strategies and management of their own employment practices (e.g. through factors such as living wages, employee engagement, safety and wellbeing, diversity and inclusion, training and development).

Access Endowment investments:



Source: Rathbones  
As at 31 December 2022



# Greenbank sustainable development theme: Energy and climate



Alignment to UN SDGs:



## The challenge

Without rapid adaptation and mitigating measures, climate change is expected to place human health and security at risk through more extreme weather events, wildfires and decreased air quality. Climate disruptions to agriculture and the water cycle have been increasing, with implications for global food and water security. Likewise, climate change threatens global biodiversity.

The world is significantly off-track to stay at or below the 2°C rise above pre-industrial levels called for in the Paris Agreement. Meeting this goal will require significant investment and fundamental changes to almost all areas of our economy and society.

## The change we want to see

Support decarbonisation aligned to the goals of the Paris Agreement on climate change  
Example activities: This theme includes organisations that are supporting positive climate action and energy security through the products and services they provide.

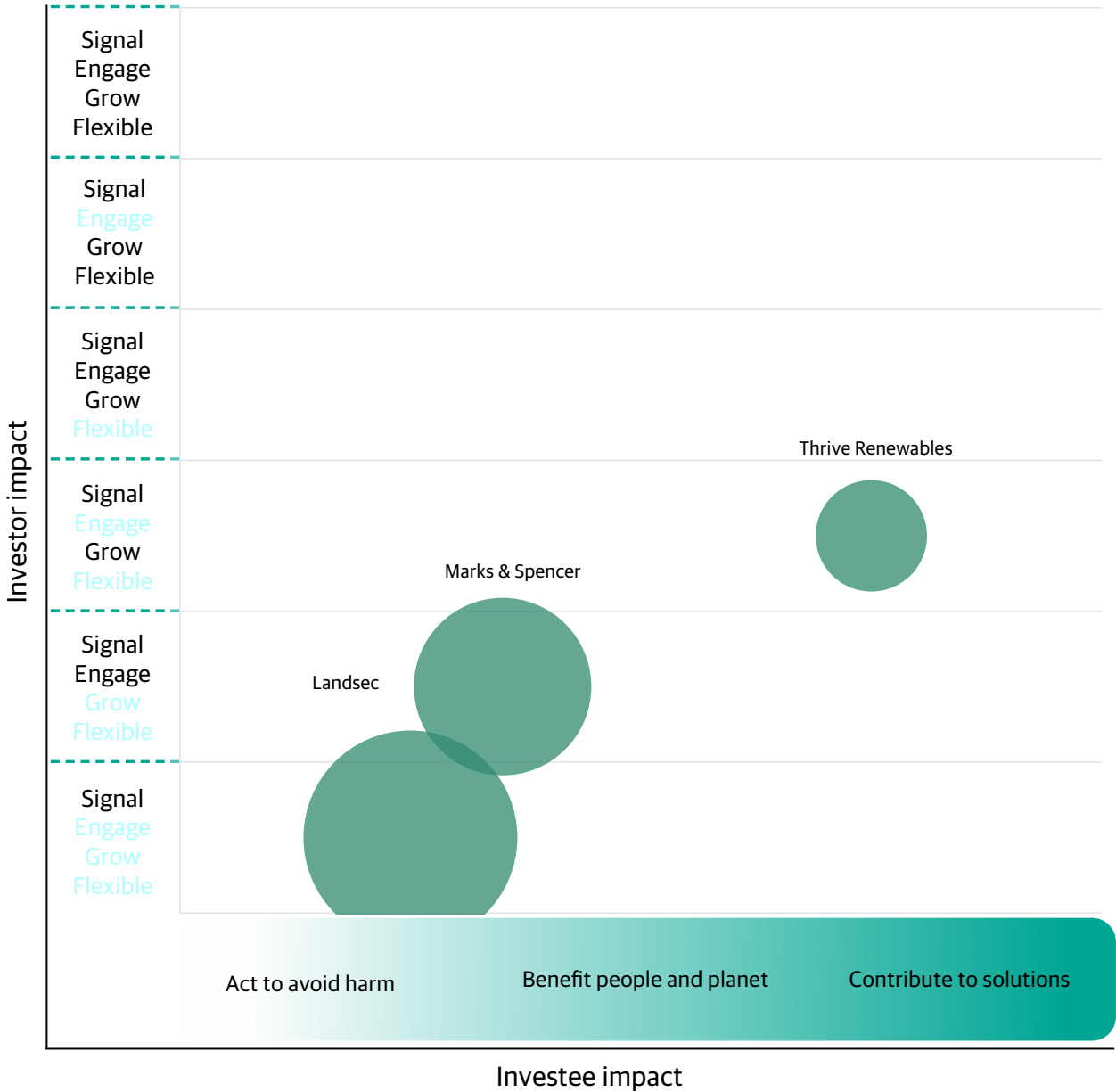
## Sub-themes:

**Climate action** — Organisations that support climate mitigation or adaptation through the products and services they provide. For example, renewable energy generation, energy storage technology, products for the control of storm- and flood-water).

**Energy security** — Organisations that help increase energy efficiency and reduce overall levels of energy demand. For example, insulation for buildings, building energy management systems, efficient heating and cooling equipment).

**Operational alignment** — Organisations that support positive impacts via their policies, business strategies and management of their own climate impacts (e.g. setting net zero targets and aligning business strategy, capital expenditure and executive remuneration with climate goals).

## Access Endowment investments:



Source: Rathbones  
As at 31 December 2022

# Greenbank sustainable development theme: Innovation and infrastructure



Alignment to UN SDGs:



## The challenge

To meet broader planetary and societal goals, the world needs to upgrade its infrastructure and advance industry through innovation. The climate and biodiversity challenge is stark and requires each facet of the global economy to pivot to a new industrial model. Current technologies and industrial processes are insufficient and need to adapt. This will require significant innovation.

People need access to decent quality infrastructure globally. Improvements in technologies and existing infrastructure are required to ensure this is feasible and affordable. This includes physical infrastructure to ensure a good quality of life but also digital infrastructure so that everyone can participate in the modern world.

## The change we want to see

Support infrastructure that is fit to achieve broader planetary and societal goals

## Example activities

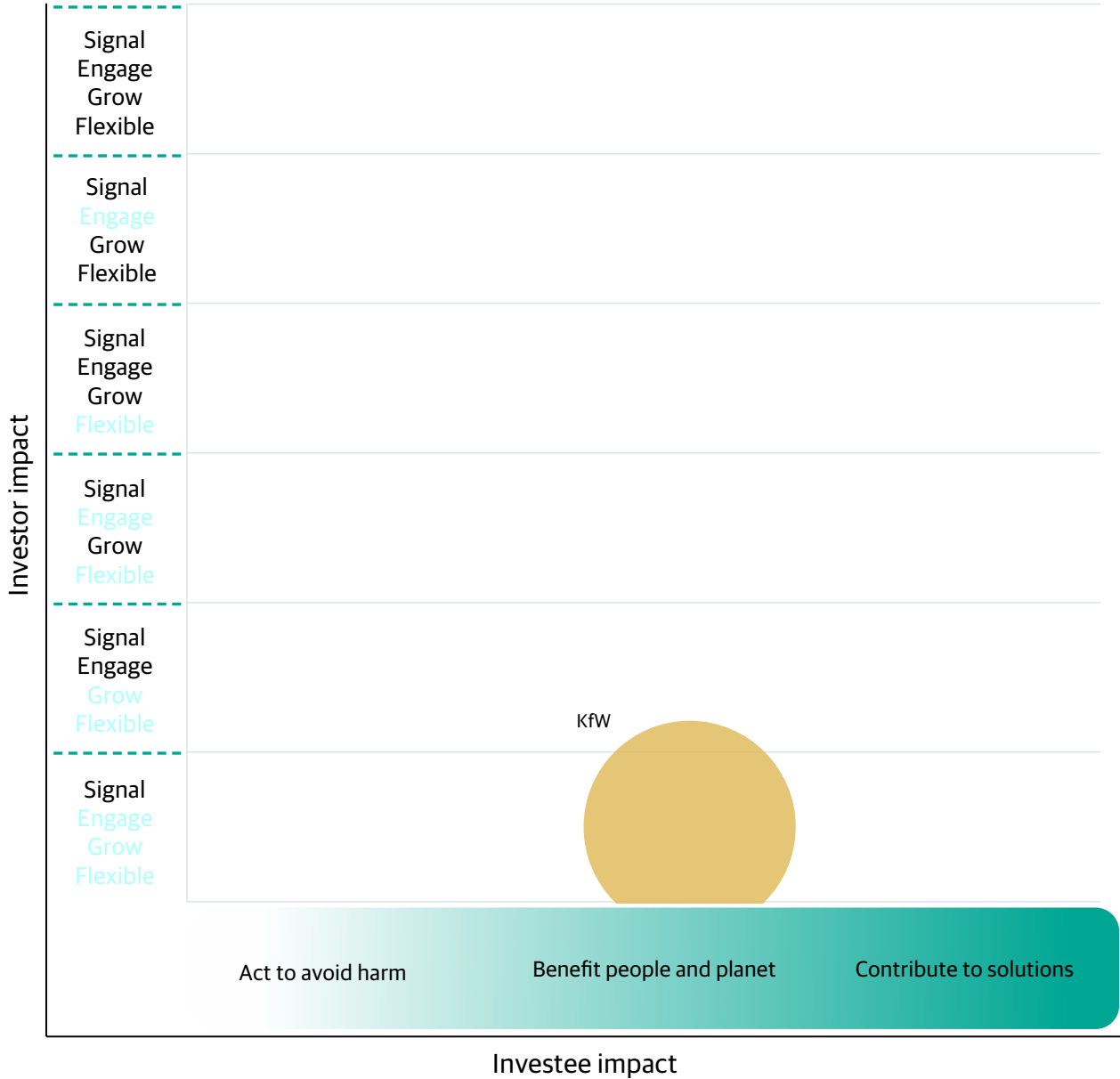
This theme includes organisations that are supporting environmental sustainability or human wellbeing through the products and services they provide. Organisations in this theme can often play a facilitating role in creating the environment or infrastructure needed for other organisations to deliver positive impact.

### Sub-themes:

**Supporting human wellbeing —** Organisations that directly or indirectly support social development, for example providers of communications infrastructure or healthcare technology

**Supporting environmental sustainability** — Organisations that directly or indirectly support environmental protection, for example design software that minimises waste in product design, or more efficient semiconductors and microchips.

Access Endowment investments:



Source: Rathbones  
As at 31 December 2022



# Appendix B – Underlying investments

%	Company name and security	Bull's eye tier	ABC	Impact score (0-9)	Investor contribution score (1-6)	Theme	Sub-theme
3.92	Abrdn Ethical Corporate Bond ABRDN OEIC V Ethical Corp Bond Instl Inc	4	A	1	2	Collectives (multiple themes)	Responsible
2.78	A2Dominion A2D FUNDING II PLC 4.5% Bonds 30/09/2026	1	C	4	4	Inclusive economies	Basic needs
5.82	Aegon Ethical Corporate Bond AEGON ASSET MGMT UK Ethical Corp Bond B Inc	4	A	1	2	Collectives (multiple themes)	Responsible
1.04	Anglian Water Green Bond ANGLIAN WATER SERVICES 1.625 Gtd Snr Sec MTN 10/08/25	3	B	4	1	Inclusive economies	Basic needs
5.28	BlueOrchard Microfinance BLUE ORCHARD INVESTMENT MGRS Microfinance D Fund Acc (GBP)	3	B	6	2	Inclusive economies	Inclusive economies
1.03	Bupa BUPA FINANCE PLC 5% Bonds 25/04/2023	4	B	3	2	Health and wellbeing	Healthcare access
2.81	Coventry Building Society COVENTRY BLDG SOCIETY 1.5% 23-Jan-23	4	A	1	1	Decent work	Operational alignment (employment)
2.97	Dolphin Living DOLPHIN SQUARE CHARITABLE FD 4.25% Bond 6/07/2026	1	C	7	4	Inclusive economies	Basic needs
5.67	EdenTree Responsible & Sustainable Sterling Bond EDENTREE INV MGMT Resp & Sust Sterling Bd B Inc	4	A	1	2	Collectives (multiple themes)	Responsible
3.82	Greensleeves Care GREENSLEEVES HOMES TRUST 4.25% Bonds 30/03/2026	1	C	5	1	Inclusive economies	Inclusive economies
5.27	Hightown Housing Association HIGHTOWN PRAETORIAN & CHURCHES 4.4% Bond 30/04/2025	4	C	5	2	Inclusive economies	Basic needs
2.86	3i 3I GROUP PLC 6.875% 09-Mar-23	4	B	1	1	Decent work	Decent work
1.43	KfW KREDITANST FUR WIE 5.5% MTN 18/6/2025	3	B	5	1	Innovation and infrastructure	Supporting human wellbeing
2.17	Landsec LAND SECURITIES CAP MARKETS 1.974% MTN 8/02/2026	4	A	2	1	Energy and climate	Operational alignment (climate)
7.93	London & Quadrant Housing LONDON & QUADRANT HOUSING TST 2.625% Bond 5/05/2026	1	B	5	2	Inclusive economies	Basic needs
1.8	Marks & Spencer MARKS & SPENCER PLC 6% Bonds 12/06/2025	4	A	3	2	Energy and climate	Operational alignment (environmental management)
0.81	Media Development Investment Fund MEDIA DEV INVESTMENT FUND 4% Bonds 31/12/2025	2	C	9	4	Resilient institutions	Participation and governance
3.7	Motability Operations MOTABILITY OPERATIONS GROUP 3.75% MTN 16/07/2026	1	C	6	2	Inclusive economies	Inclusive economies
7.3	Places for People PLACES FOR PEOPLE 5.09% Sec Bonds 31/07/2043	3	C	6	2	Inclusive economies	Basic needs
8.96	Places for People Finance PLACES FOR PEOPLE 4.25% Bonds 15/12/2023	1	B	5	1	Health and wellbeing	Sports and leisure
4.17	Places for People PLACES FOR PEOPLE 2.875% Snr 17/08/2026	3	C	6	2	Inclusive economies	Basic needs
3.65	Principality Building Society PRINCIPALITY BUILDING SOCIETY 2.375% Snr 23/11/2023	4	A	2	1	Decent work	Operational alignment (employment)
5.37	Royal London Ethical Bond ROYAL LONDON UNIT TRUST MGRS Ethical Bond Z Inc	4	A	1	2	Collectives (multiple themes)	Responsible
5.83	Severn Trent SEVERN TRENT UTILITIES FINANCE 6.125% Gtd Bds 26/02/2024	4	B	3	2	Inclusive economies	Basic needs
2.19	Thera THERA TRUST PLC 5.5% Bonds 31/03/24	4	C	9	6	Inclusive economies	Inclusive economies
1.13	Thrive Renewables THRIVE RENEWABLES 5% Fixed Rt Unsec Bd 31/03/24	3	C	7	3	Energy and climate	Climate action
*	Our Power OUR POWER SOCIAL PURPOSE 6.5% Uns Fxd Rt 31/1/21 (In Admin)	1	C	0	4	Inclusive economies	Basic needs
0.29	Cash	4		0	0		



# Appendix C – Impact methodology

## Impact methodology notes

- 1
- In this report, we show a selection of positive impact indicators, across multiple themes, for investments held in the portfolio.
- 2
- To calculate an estimate of the percentage share of each organisation's impact linked to Access's investment, we have divided Access's holding by the book value of each organisation's equity plus debt (as an indicator of the total size of that organisation).
- 3
- We originally explored the idea of using enterprise value as an indicator for the size of an organisation, but this was discounted due to difficulties in obtaining data and the unsuitability of this metric for banks and financial institutions.
- 4
- Impact data is taken from information reported by investee organisations. Sources include annual reports, impact reports, investor updates and company websites.
- 5
- Data will relate to different reporting years, not necessarily the calendar year, according to each organisation's reporting cycle.
- 6
- Data has not been independently verified by Access or its investment managers; any clear discrepancies in data will be queried with the investee organisation in question.
- 7
- We are aware of the dangers of investors 'over-claiming' the impact of investee organisations. We do not wish to imply that Access's investment in these organisations has directly facilitated the stated impact. Impact data is provided for illustrative purposes to demonstrate the nature and type of positive impact delivered by the organisations which Access has invested in and supported.

## The impact of underlying investments – impact methodology

### Developing a common language for impact

Intentions		Avoid harm	Benefit people and the planet	Contribute to solutions
Enterprises' goals across the 5 dimensions of impact	What	Important negative outcomes	Important positive outcomes	Specific important positive outcome(s) And
	How much	Marginal and for few	Various	Deep and/or for many and/or long-term
	Who	Underserved	Various	And Underserved
	Contribution	Likely same or better	Likely same or better	Likely better
	Risk	Various	Various	Various
		Try to prevent significant effects on important negative outcomes for underserved people and the planet	Have various effects on important positive outcomes for various people and the planet	Have a significant effect on specific important positive outcome(s) for underserved people or the planet

Source: Adapted from the Impact Management Project analysis

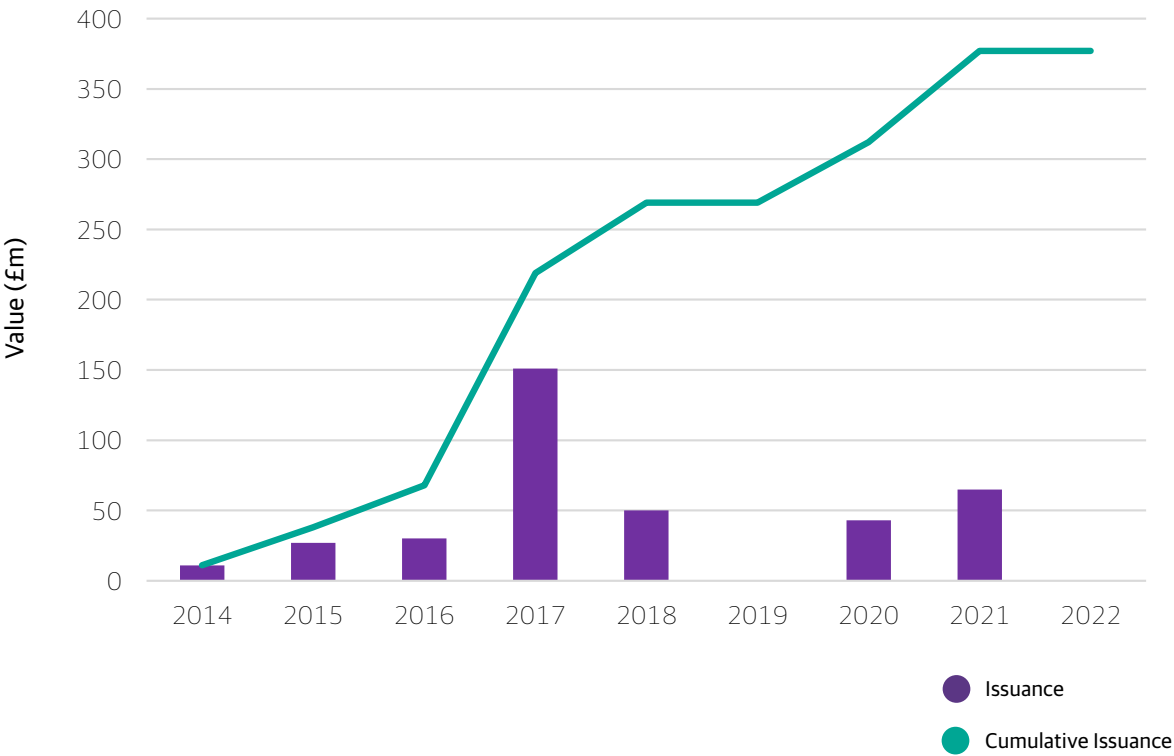




# Appendix D — Size of the retail charity bond market

This chart shows the annual and cumulative issuance of bonds via the Retail Charity Bond platform<sup>4</sup>. While this is one subset of the total charity bond market, it gives an indication of deal flow and growth of the market over time.

Bond issuance via Retail Charity Bonds Platform



<sup>4</sup> Retained bonds are included in the issuance figures at the original issuance date of the bond.

Source: Bloomberg, Retail Charity Bonds plc, Rathbones

# RATHBONES

## Additional information

Information valid at date of presentation.  
Tax regimes, bases and reliefs may change in the future.

Rathbones Group Plc is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange.

Issued and approved by Rathbones Investment Management Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registered office: Port of Liverpool Building, Pier Head, Liverpool, L3 1NW, Registered in England No. 01448919.

Rathbones, Greenbank and Greenbank Investments are trading names of Rathbones Investment Management Limited.

Rathbone Unit Trust Management Limited is authorised and regulated by the Financial Conduct Authority. Registered office: 8 Finsbury Circus, London EC2M 7AZ, Registered in England No. 02376568.

Access — The Foundation for Social Investment (Access) is a company limited by guarantee (registered in England) number 09153909. Registered charity number: 1159699. Registered office: New Fetter Place, 8-10 New Fetter Lane, London, EC4A 1AZ.

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