



ENDOWMENT IMPACT REPORT 2024

RATHBONES

 access-socialinvestment.org.uk

 [Access Blog](#)

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

 [@si_access](#)

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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 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 2023.

2023 IN REVIEW



MARTIN RICH

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

Conventional wisdom might suggest that in times of great uncertainty, investors of all shapes and sizes revert to more familiar and traditional investment strategies. And while this may be the case for many, I'm pleased to say it is categorically not the case for many foundations, including Access.

With the UK economy in 2023 still beset by poor performance across the board, there is undeniable value in sharing how our investments performed in a period of stagnant growth and stubbornly high inflation. This report underlines the ability of an impact portfolio to deliver both social and environmental impact as well as a financial return, even during difficult times.

Our approach during this period remained constant even during the changing economic climate – aligning our investments with our broad mission of driving more capital to charities and social enterprises. That means targeting as much finance as possible 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.

In 2023, our focus has continued to extend beyond portfolio management to advocating for broader change. Part of this has been supporting and amplifying the valuable work of others in this space – notably the Association of Charitable Foundations, the Impact Investing Institute and the Eiris Foundation. We have also

used our convening power to begin a conversation about driving behaviour change in respect of investments across charitable trusts and foundations.

This is also our second year measuring the carbon footprint of our holdings and we continue the important dialogue with our investment managers, Rathbones, on their long-standing strategic engagement programme to encourage corporate action on climate change and delivering net zero.

Looking ahead to 2024, we continue to explore how Access's new strategy may impact the decisions we make about our investments as we enter a new phase for the organisation.

Past performance is not a reliable indicator of future performance. The value of investments can go down as well as up and you could get back less than your original investment.



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 fixed income investments was something Rathbones had experience in through the Rathbone Ethical Bond Fund and the Rathbone Greenbank Global Sustainable Bond Fund, alongside Greenbank's 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.

2023 was another turbulent time for fixed income, but strong returns remained possible in areas of the market. The first half of the year saw the abrupt failure of several US banks, with concerns spreading across the Atlantic to hit the Swiss bank Credit Suisse. Ultimately the risks were contained through action by central banks and banking regulators, but knock on impacts across both corporate and sovereign debt markets took some time to settle. In times such as this, taking a long-term view of investments and focusing on the underlying fundamentals of each asset can help to find the signal within the noise.

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 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.

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 the 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.

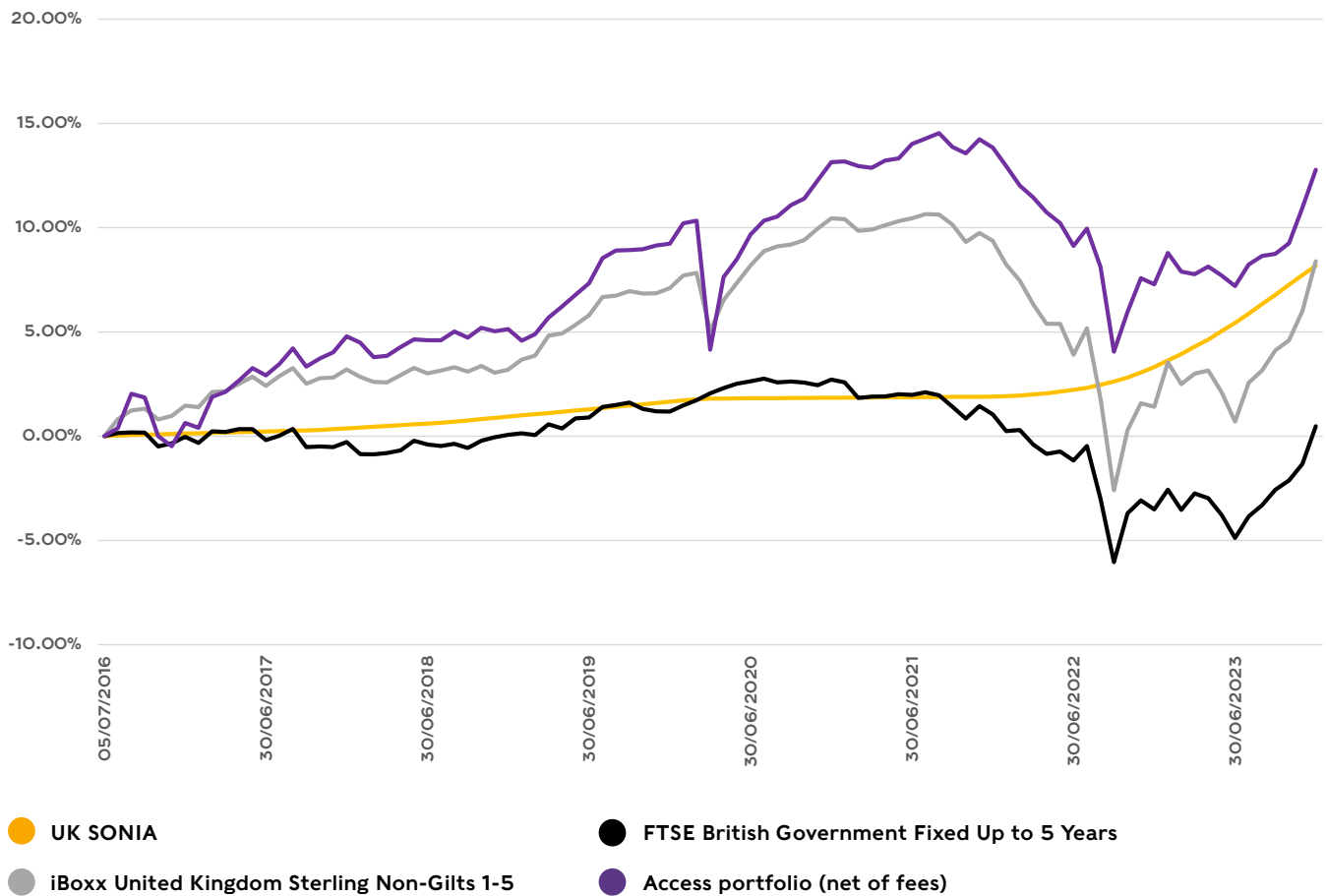
Despite these constraints, the proportion of the portfolio directly invested into UK charities and social enterprises delivering social impact remains significant – 35% at the end of 2023 – demonstrating it is possible to adopt a 'total impact' approach to investment, targeting high social and environmental impact while still achieving a financial return that has, to date, outperformed market benchmarks.

35%

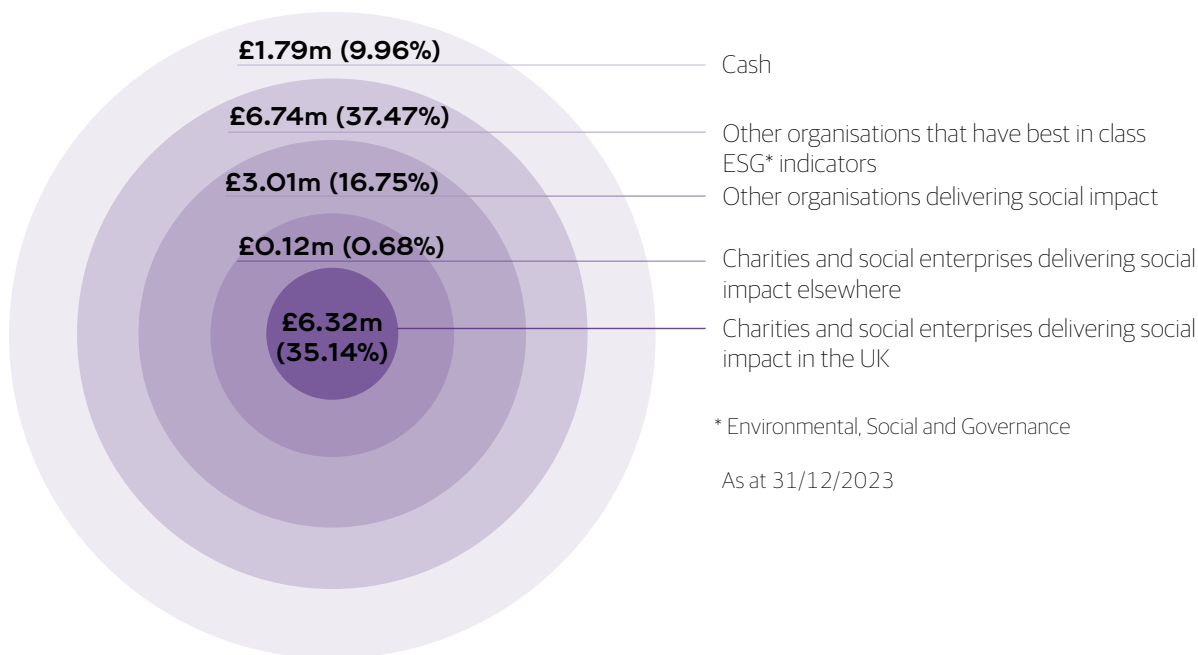
DIRECTLY INVESTED INTO UK CHARITIES AND SOCIAL ENTERPRISES

53%

DIRECTLY INVESTED IN ORGANISATIONS DELIVERING SOCIAL IMPACT



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.



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 we invest (investee impact)
2. How we choose to invest and the actions of the 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.

Past performance is not a reliable indicator of future performance. The value of investments can go down as well as up and you could get back less than your original investment.

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.

**“IN 2023, OUR FOCUS HAS CONTINUED
TO EXTEND BEYOND PORTFOLIO
MANAGEMENT TO ADVOCATING FOR
BROADER CHANGE.”**

— MARTIN RICH



WHO WE ARE



MARTIN RICH

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 COGLAN

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

Senior Fixed Income Research Analyst Rathbones



KATE ELLIOT

Head of Ethical, Sustainable and Impact Research Greenbank



OUR APPROACH

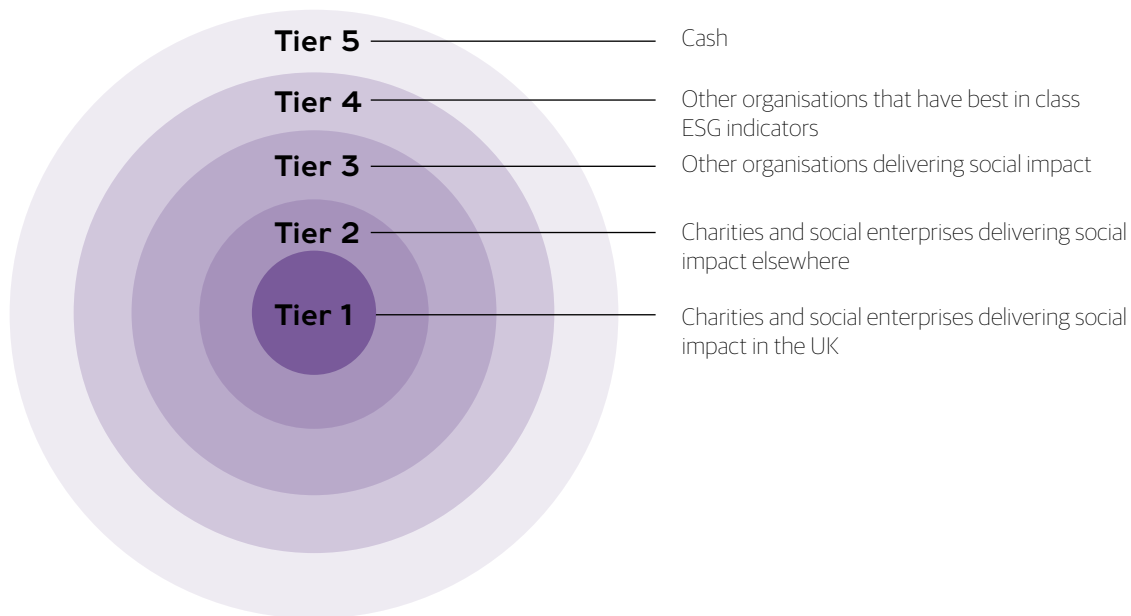
The overall mission of Access is to improve access to capital for charities and social enterprises helping them to be more financially resilient, self-reliant and ultimately have the potential to deliver greater social impact.

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

Greenbank¹ provides the impact analysis and reporting for the fund; it categorises underlying investments into one of the eight social and environmental themes outlined on page [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 [40](#).

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 and we ended 2023 at a similar level of 35% of the portfolio 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.

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

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).

INVESTEES IMPACT

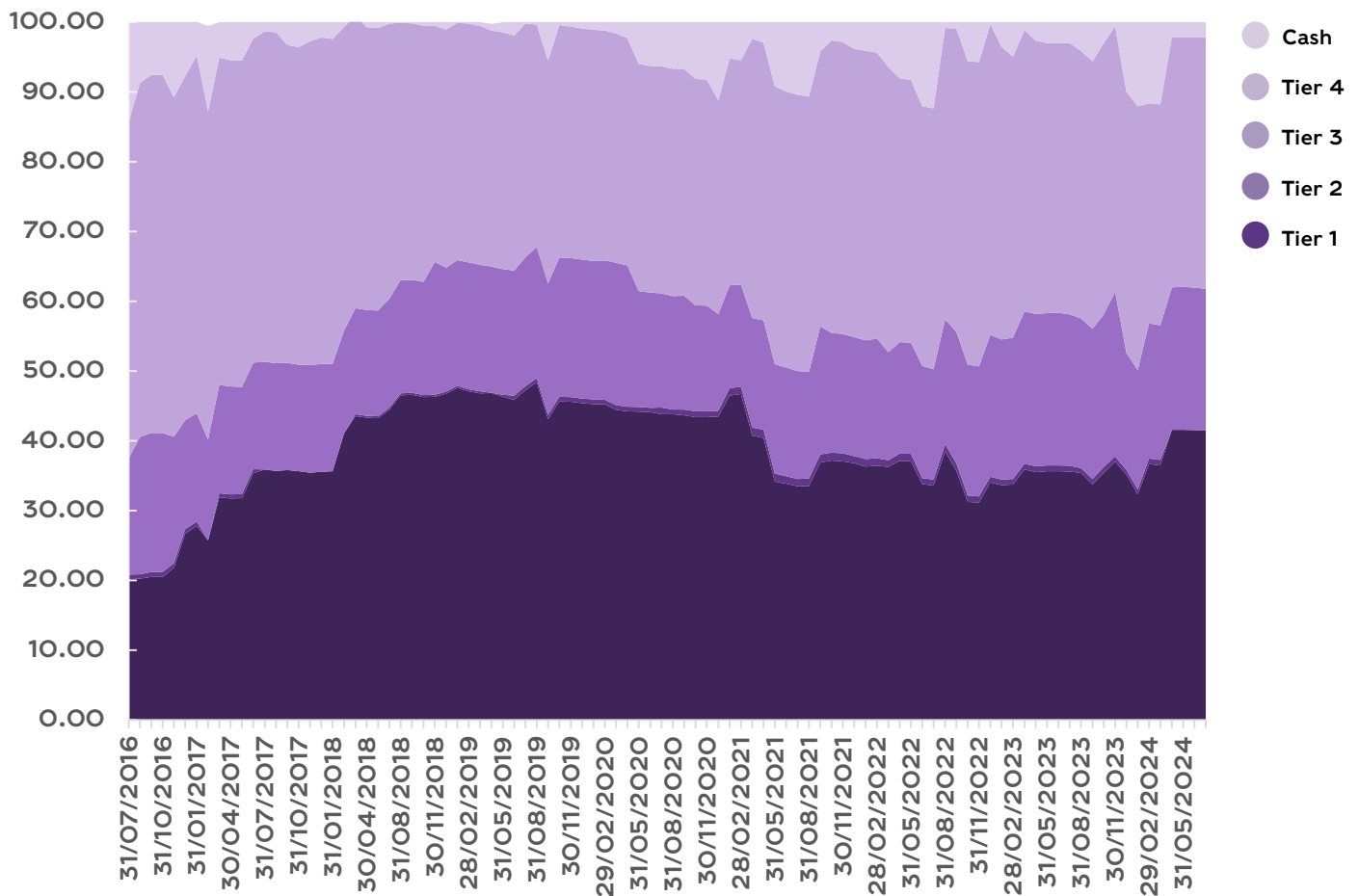
Access aims to invest as much as possible of the endowment fund in UK charities and social enterprises.

Outside these categories, investment in other types of organisations that are creating positive impact or which are viewed as having best in class environmental, social and governance (ESG) 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 here and later in the report, all scaled to take account of the size of Access’s investment in each organisation.

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

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.**

*To find out more visit: sdgs.un.org/goals

Rathbones' and Greenbank's products and services are not endorsed by the UN.

HEALTH AND WELLBEING

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



RESILIENT INSTITUTIONS

Strengthen well-functioning institutions that protect the rule of law and fundamental rights.



ENERGY AND CLIMATE

Support decarbonisation aligned to the Paris Agreement on climate change.



INNOVATION AND INFRASTRUCTURE

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



SUSTAINABLE DEVELOPMENT THEMES

HABITATS AND ECOSYSTEMS

Preserve and enhance natural systems by encouraging companies to have a net positive impact on biodiversity.



DECENT WORK

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



RESOURCE EFFICIENCY

Promote a circular economy that supports sustainable levels of consumption.

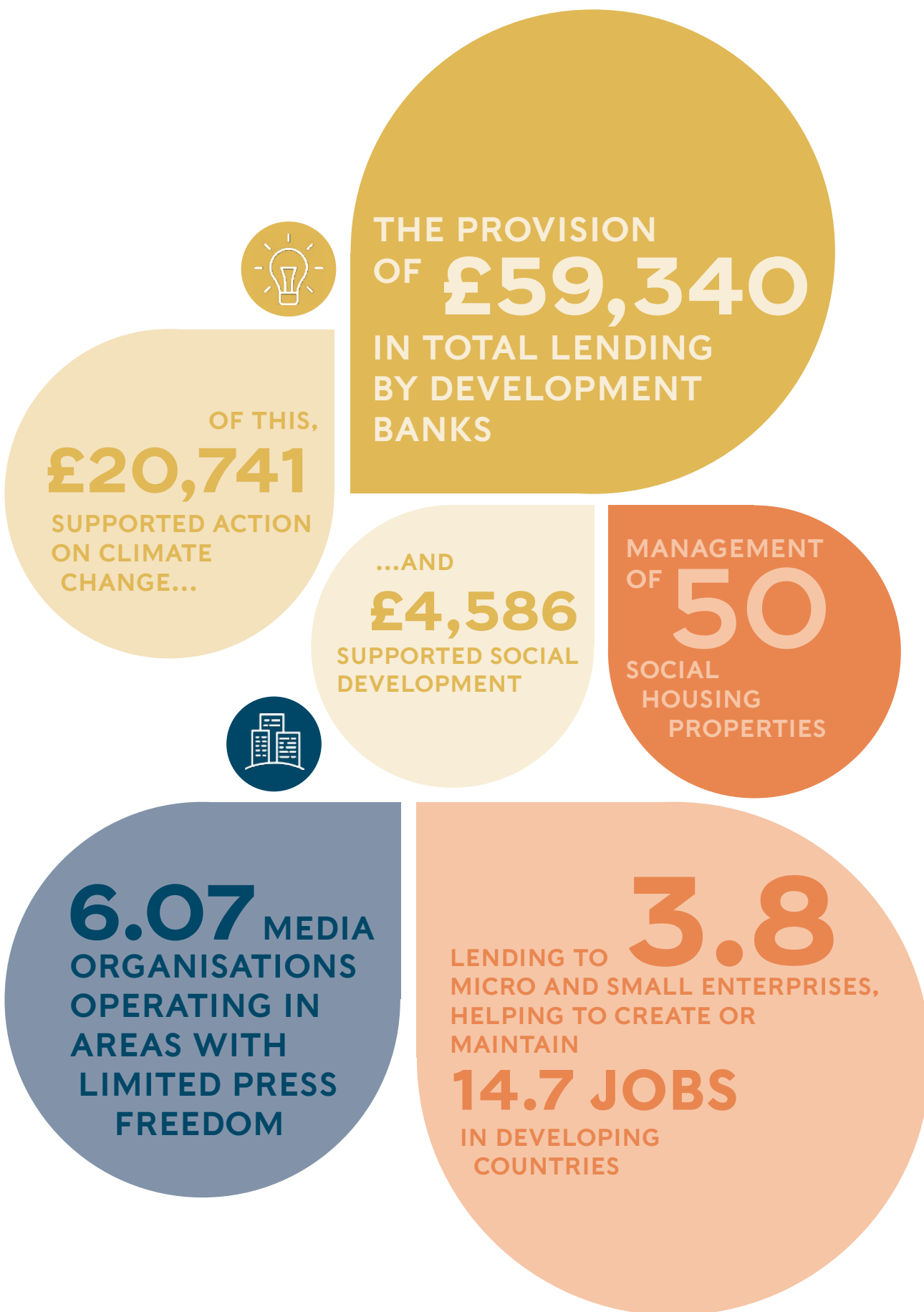


INCLUSIVE ECONOMIES

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



DURING 2022, THE FUND'S INVESTMENT IN ORGANISATIONS HAS SUPPORTED...



THE GENERATION
OF ENOUGH RENEWABLE
ENERGY TO POWER



122

AVERAGE UK
HOMES, AVOIDING

142 TONNES

OF GHG EMISSIONS

NEWS ORGANISATIONS
IN COUNTRIES WITH LIMITED
PRESS FREEDOM TO INCREASE
THEIR REACH BY

169%

ON AVERAGE
AFTER 5 YEARS

THE PROVISION
OF **\$8,677**
IN INVESTMENT TO
SUPPORT FINANCIAL
INCLUSION IN
DEVELOPING
COUNTRIES

THE PROVISION
OF SUPPORT OR
ACCOMMODATION TO

73 INDIVIDUALS
WITH LEARNING
DISABILITIES

THE PROVISION
OF MOBILITY
SOLUTIONS TO

50 INDIVIDUALS
WITH PHYSICAL
DISABILITIES



Source: Rathbones' analysis of annual/impact reports produced by underlying investments. For more information on how this information is calculated, see 'Impact methodology notes' on [page 40](#).

CASE STUDY: PLACES FOR PEOPLE

ACTIVITY

Originating from the North British Housing Association, Places for People (PfP) has grown into one of the UK's largest housing associations and is a major provider of property management, development and regeneration services. A network of subsidiary companies builds, manages, maintains and repairs properties and also provides ancillary services such as financing for first time buyers, supported accommodation, at-home care services, and job and training opportunities for tenants. PfP owns or manages more than 231,000 homes alongside 100 leisure facilities which help support the wellbeing of its customers.

ACCESS'S INVESTMENT

Access has invested in several bonds issued by PfP, including primary issuance, where the endowment's investment directly supported PfP's ongoing operations and expansion. Between 2016 and 2023, the number of homes managed by PfP increased from 152,000 (of which 52,000 were classed as affordable homes) to 231,000 (of which 142,500 were classed as affordable). This growth has occurred through a combination of acquisitions and developing new properties; in the year to March 2023, PfP developed 1,326 new homes.

INVESTOR IMPACT

During 2019 and 2020, Greenbank wrote to 20 social housing providers (including Places for People) 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. Places for People is now one of many housing associations to report against the SRS.



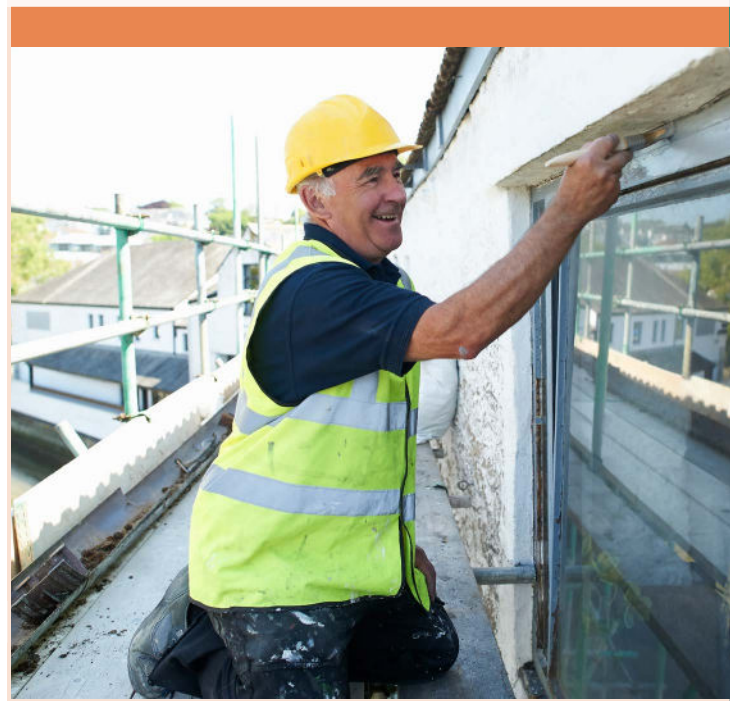
Sustainable investment theme:

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:





Sustainable investment theme:

RESILIENT INSTITUTIONS

This theme includes organisations that promote peace, justice and the rule of law 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 human rights impacts.

CASE STUDY: MEDIA DEVELOPMENT INVESTMENT FUND

ACTIVITY

Founded in 1995 as Media Development Loan Fund by journalists Sasa Vucinic and Stuart Auerbach, Media Development Investment Fund (MDIF) is a New York-registered not-for-profit corporation with public charity status. It provides affordable financing and technical assistance to independent news and information businesses in challenging environments, such as countries with a history of media oppression or concentrated ownership of media outlets, helping them to become financially sustainable.

ACCESS'S INVESTMENT

In March 2018, Access invested in a loan note issued by MDIF, with proceeds used to support subsequent loans and investments to media organisations within MDIF's portfolio. In 2022, MDIF's portfolio included 60 media organisations across 35 countries MDIF tracks the impact it has on its media organisation clients. It reported that, in the 5 years to 2023, clients were on average able to grow their revenues by 196% and grow their reach by 169%.

INVESTOR IMPACT

Investing in MDIF enabled Access to support a largely overlooked area of sustainable investment: support for a free press. MDIF offers a link between international investors and small scale media organisations, facilitating a flow of capital that would be otherwise unlikely to occur.



CASE STUDY: MOBILITY OPERATIONS

ACTIVITY

Motability Operations is the not-for-profit company that runs the Motability Car Scheme and the Powered Wheelchair and Scooter Scheme under contract to the Motability charity. The schemes enable people with disabilities in the UK to use their government-funded mobility allowances to lease a new car, powered wheelchair or scooter at affordable prices. Additional adaptations for disabled drivers or specially designed wheelchair accessible vehicles are also available through the scheme.

ACCESS'S INVESTMENT

Access has invested in several bonds issued by Motability Operations, helping to support the ongoing operation of the scheme. The Motability Scheme is open to people claiming the higher rate Mobility Component of the Disability Living Allowance or the enhanced rate of the Mobility Component of the Personal Independence Payment. Recipients of these allowances may choose to allocate all or part of them towards a new car, powered wheelchair or scooter. As of 2023, Motability was serving over 700,000 customers.

INVESTOR IMPACT

During 2022, Greenbank engaged with Motability regarding its delivery of value for money for customers and its policy on maintaining financial reserves. We were reassured by the group's approach to regularly benchmarking the cost of its services and the lower costs it can offer to customers due to it operating at scale. We have also engaged with the company regarding its approach to reducing greenhouse gas emissions. It has a number of measures in place to encourage customers to switch to electric vehicles, including a £300m fund to subsidise the cost of at home charge points being installed. Motability is also working with a design and engineering business to overcome technical challenges of making wheelchair accessible electric vehicles (as lowered floors can often interfere with the position of batteries).



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:



“THE IMPACTS OF THIS PORTFOLIO ARE WIDE-RANGING, WITH INVESTMENTS IN AREAS SUCH AS 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.”

— BRYN JONES



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 option².

² More information on Greenbank's stewardship and engagement activities can be found [here](#). Greenbank's latest engagement review can be found [here](#).

PORTFOLIO OVERVIEW

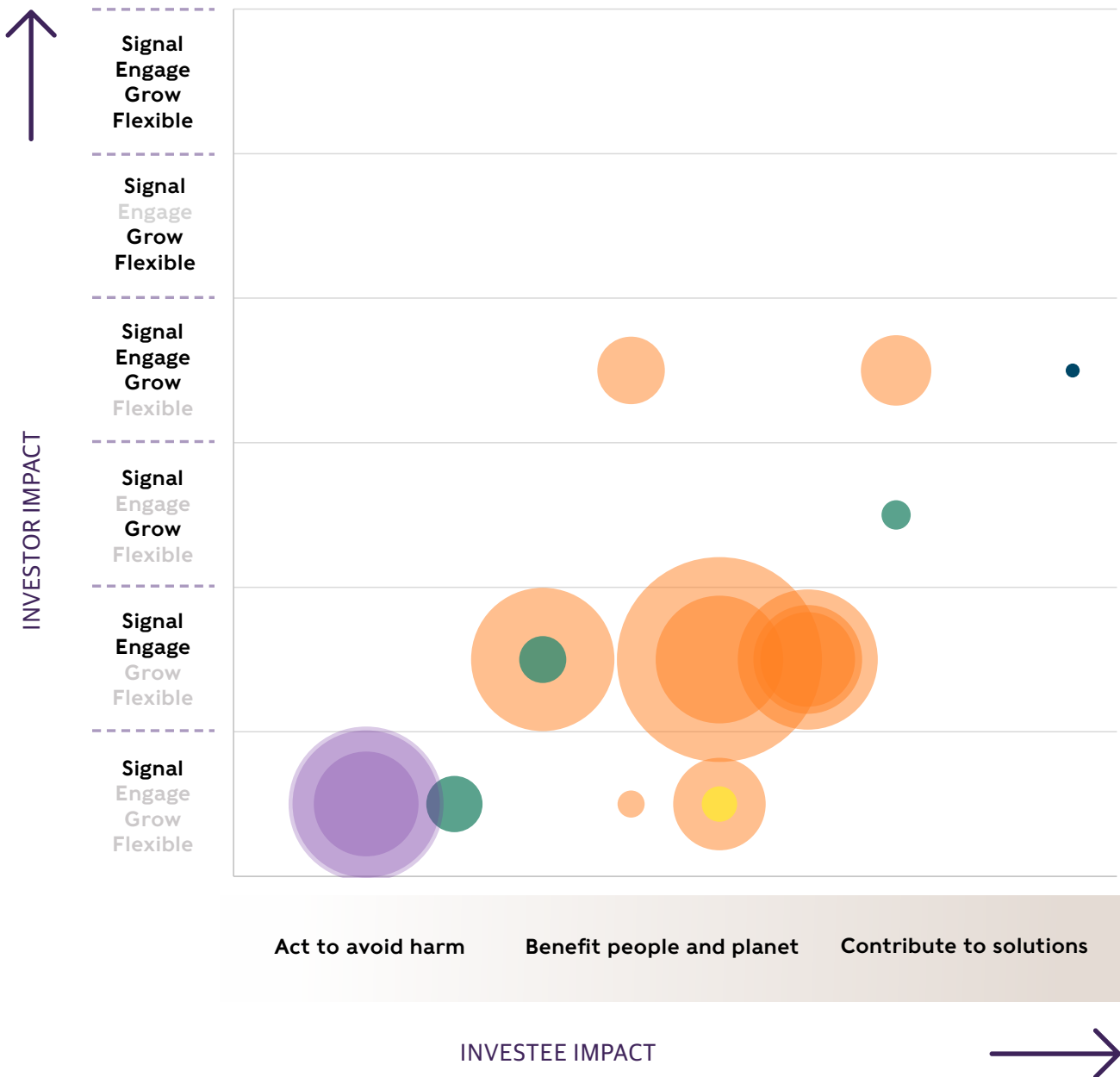
This chart brings together the elements that we have talked about on the previous pages. It shows the two dimensions of impact – investor impact and investee impact – combined in a single portfolio overview.

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

The size of the bubble indicates the percentage 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](#).

- **Inclusive economies**
- **Resilient institutions**
- **Energy and climate**
- **Innovation and infrastructure**
- **Collective – multiple themes**



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.

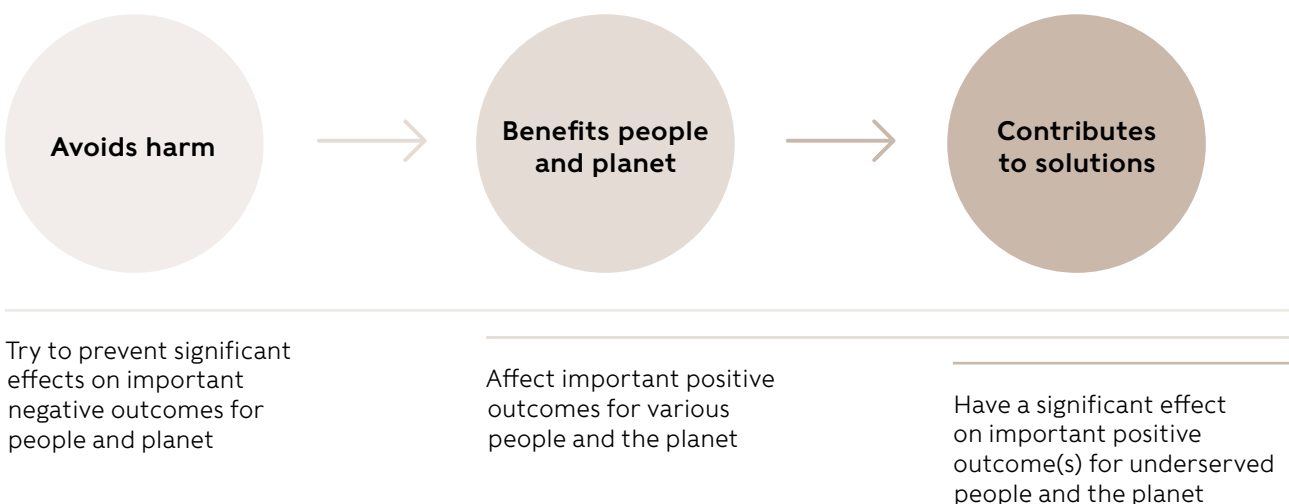
ENGAGE

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.

INVESTEES IMPACT



More information on categorising investee impact can be found on [page 11](#).

FINANCIAL RETURNS

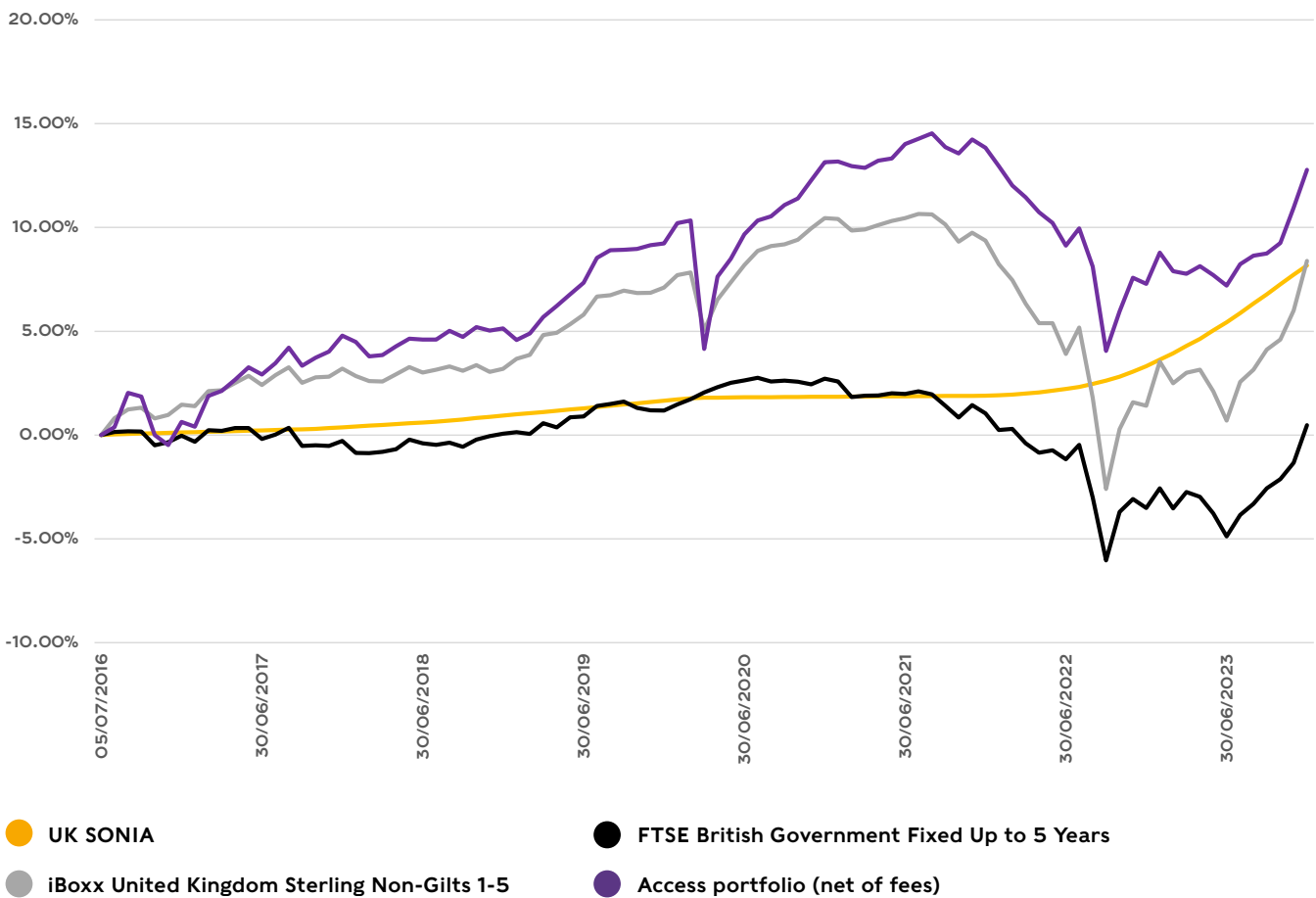
A key aim of Access's 'total impact' approach is to show that it is possible to invest in charities and social enterprises without undermining financial returns.

The charts below show the portfolio credit breakdown as at 31 December 2023.

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.

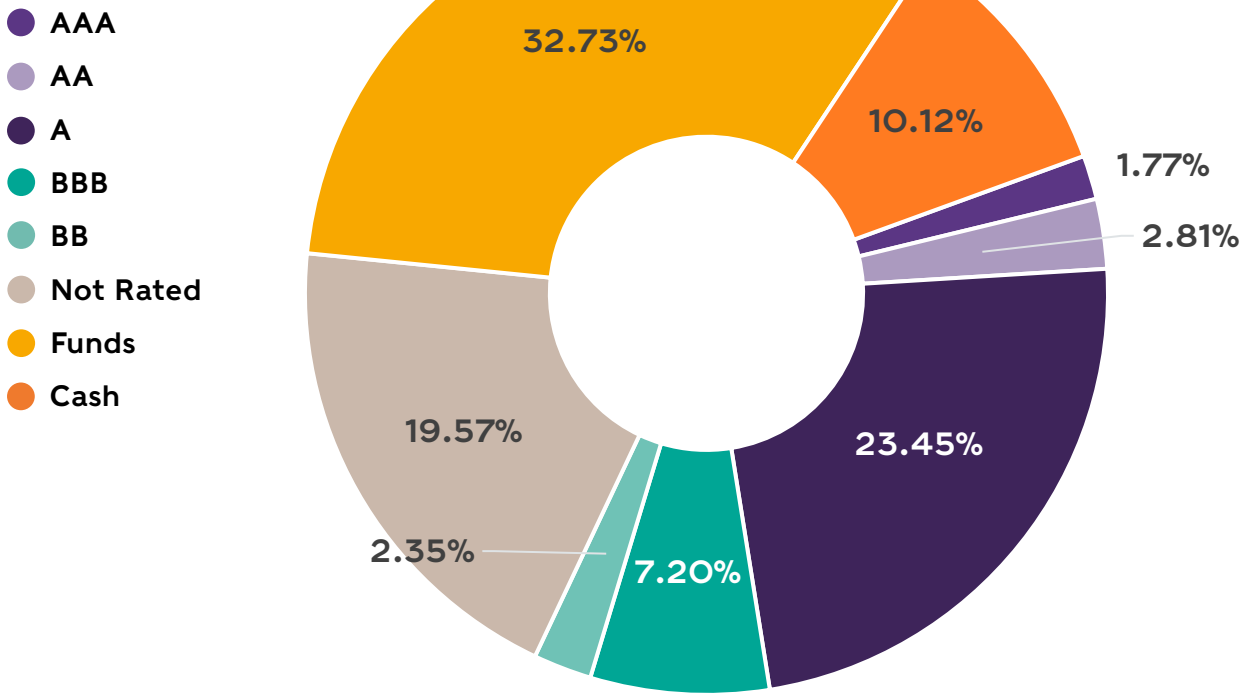
Liquidity (a measure of how easy it is to sell a particular investment and realise its value) has also been carefully managed. As shown below, the performance of the portfolio since inception is shown (after the cost of fees).



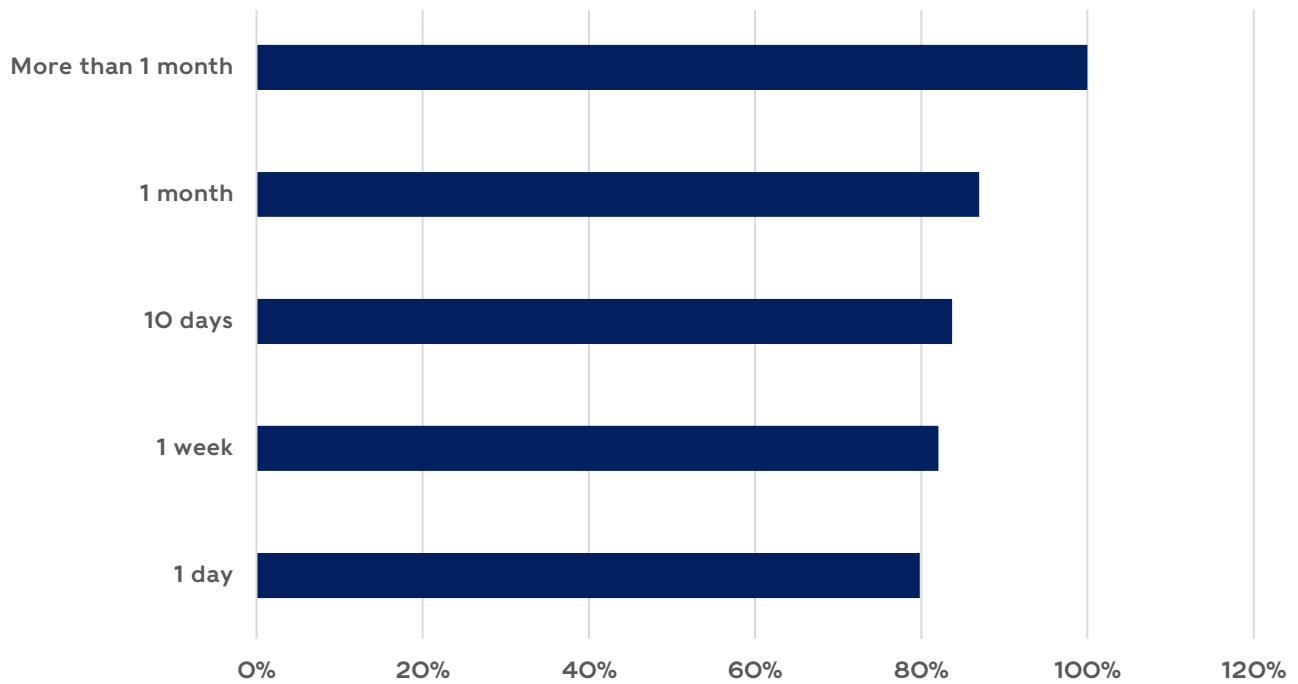
Source: Rathbones. These performance figures are calculated on a fully time weighted basis, incorporating any cash flows or stock movements in or out of the portfolio as at the date of the transaction. It is noted above whether performance is calculated prior to, or after, the deduction of any management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

Past performance is not a reliable indicator of future performance. The value of investments can go down as well as up and you could get back less than your original investment.

Portfolio credit breakdown



Cumulative liquidity generating capacity³



³Rathbones' estimate of the liquidity generating capacity of the fund, assuming a minimal cost (varies by bond) impact on sale price.



TOWARDS NET ZERO

Climate change continues to pose an overwhelming threat to our society, the environment, and the economy, disproportionately affecting vulnerable and marginalised communities.

To avoid the most catastrophic impacts, the world must urgently accelerate efforts to achieve net-zero greenhouse gas emissions by 2050 at the latest, and ideally far sooner. Despite growing awareness and some progress, the gap between current actions and the level of ambition required to meet this goal remains alarmingly wide. The window of opportunity to avert the worst outcomes is closing rapidly, demanding more immediate and transformative action from all sectors, with a focus on climate justice and equitable solutions.

Access remains 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 resulted in detailed engagement between Access and Rathbones to determine their approach. Rathbones 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 second time, allowing us to show progress over time.

As shown on the following page, the portfolio’s carbon footprint has increased from last year. This is primarily driven by our shrinking portfolio, as some lower carbon investments mature and higher-carbon investment therefore take a larger percentage of our portfolio. The carbon footprint of the portfolio remains below that of the market as a whole and also of a comparator index. We continue to monitor this closely.

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 several different ways in which one can calculate a portfolio carbon footprint and we have chosen to measure carbon intensity relative to the enterprise value of the organisations we invest in.

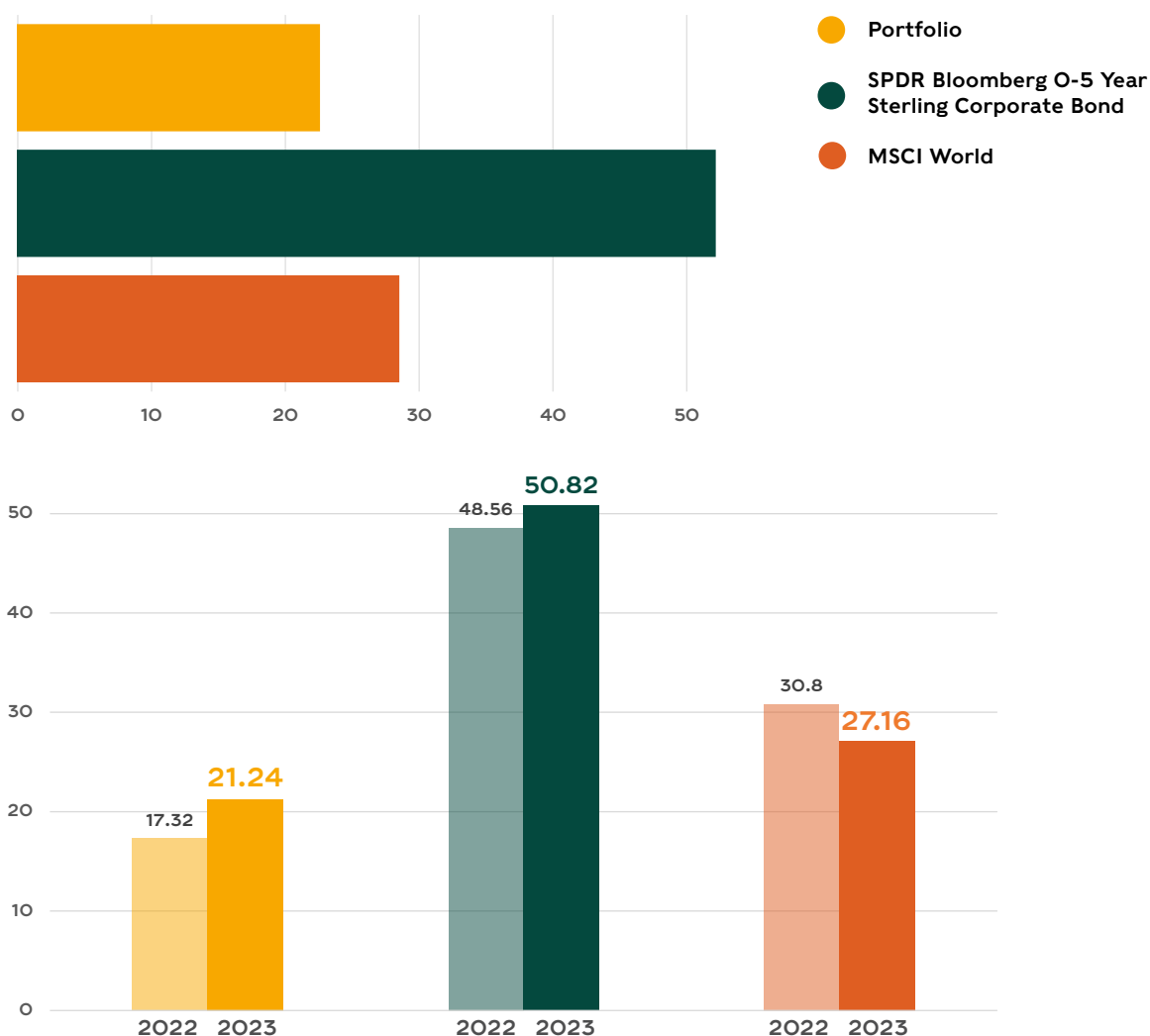
This methodology is commonly used for bond or multi-asset portfolios and is, in our opinion, a better indication of the true carbon intensity of the types of organisations we invest in than alternative models that use revenue to standardise intensity figures. In the chart, we show:

- The financed emissions (tonnes CO₂e 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.

Valuation date	31/12/2023
Total financed emissions (tCO₂e)	341
% total value included in calculations	89.36%
% estimates	3.46%

	tCO₂e / £m invested
Portfolio	21.24
SPDR Bloomberg 0-5 Year Sterling Corporate Bond	50.82
MSCI World	27.16

tCO₂e per £m invested



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.

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

Our reporting on the carbon footprint of our endowment portfolio is part of a wider push to look closely at our responsibilities across the board in light of the necessary drive to net zero. There is much yet to be done, but we are pleased with the start we have made and continue to investigate how best to refine and build on this.



BALANCING TRANSPARENCY WITH TRANSFORMATION

We continue to balance the requests we make for more information about the organisations we invest in – on their operations, impact and governance– with the desire to enable organisations to focus on delivering their missions and driving transformative change.



ADVOCATING FOR CHANGE

We will continue to advocate for broader change. This will build on our work across 2023 where we have been engaging more broadly on the issue of Responsible Investment. Where possible, we have been sharing our learnings and insight and are grateful to the Impact Investing Institute and the Association of Charitable Foundations for facilitating this and creating opportunities to learn from others. We were also pleased to co-host an event on 'Utilising Whole Endowments for Mission' with the Eiris Foundation and Friends Provident Foundation. We also brought together relevant bodies across the foundation space to discuss the need for greater collaboration.



EQUITY, DIVERSITY, AND INCLUSION

We continue to explore how the market can begin to address issues relating to equity, diversity and inclusion. In many cases, this data does not yet exist and any approaches to applying this lens to investments remain nascent. We are encouraged by the development of the Racial Equity Scorecard by the team at Pathway and were pleased to see early funding of this initiative via our Connect Fund initiative.



THE NEXT CHAPTER

With decisions about allocations from Dormant Assets expected imminently, 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 resources we are given and testing approaches that shift away from our fixed life approach to more uncertain timeframes.



APPENDIX A —

PORTFOLIO BREAKDOWN BY GREENBANK'S SUSTAINABLE DEVELOPMENT THEMES



INCLUSIVE ECONOMIES



RESILIENT INSTITUTIONS



ENERGY AND CLIMATE



INNOVATION AND INFRASTRUCTURE

Holdings within the portfolio are categorised according to the sustainable development theme where they have the strongest alignment. In 2023, this covered four of the eight sustainable development themes within Greenbank's framework. This narrower set of themes is a product of there being fewer individual portfolio holdings as bonds have redeemed over time. It is not a reflection of the priority that Access or Rathbones have placed on different aspects of sustainability.

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:

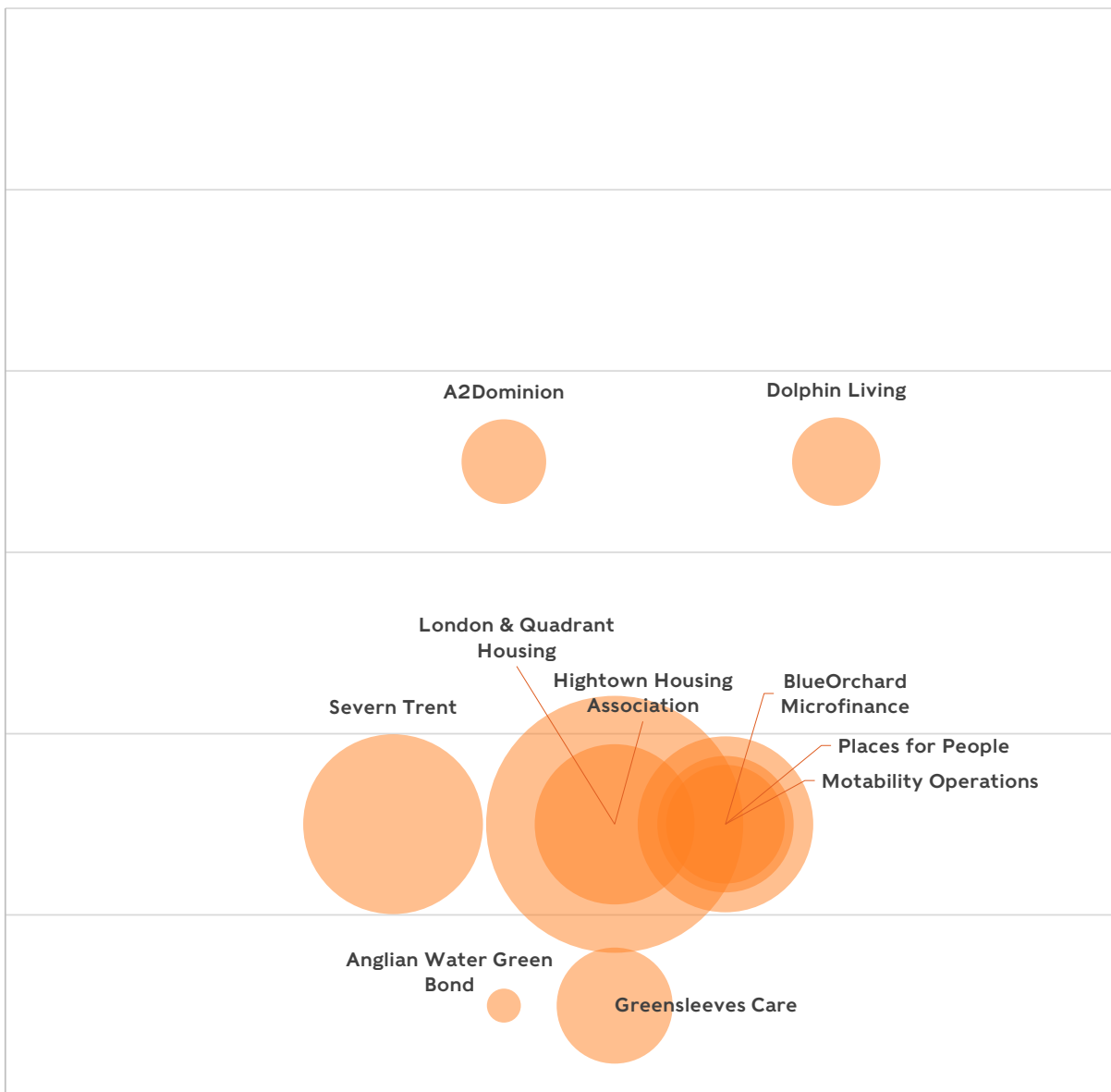
Basic needs — Organisations that provide social and affordable housing; provide water and sanitation services; help to alleviate poverty.

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.



INVESTOR IMPACT



INVESTEE IMPACT



Source: Rathbones, As at 31 December 2023

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.

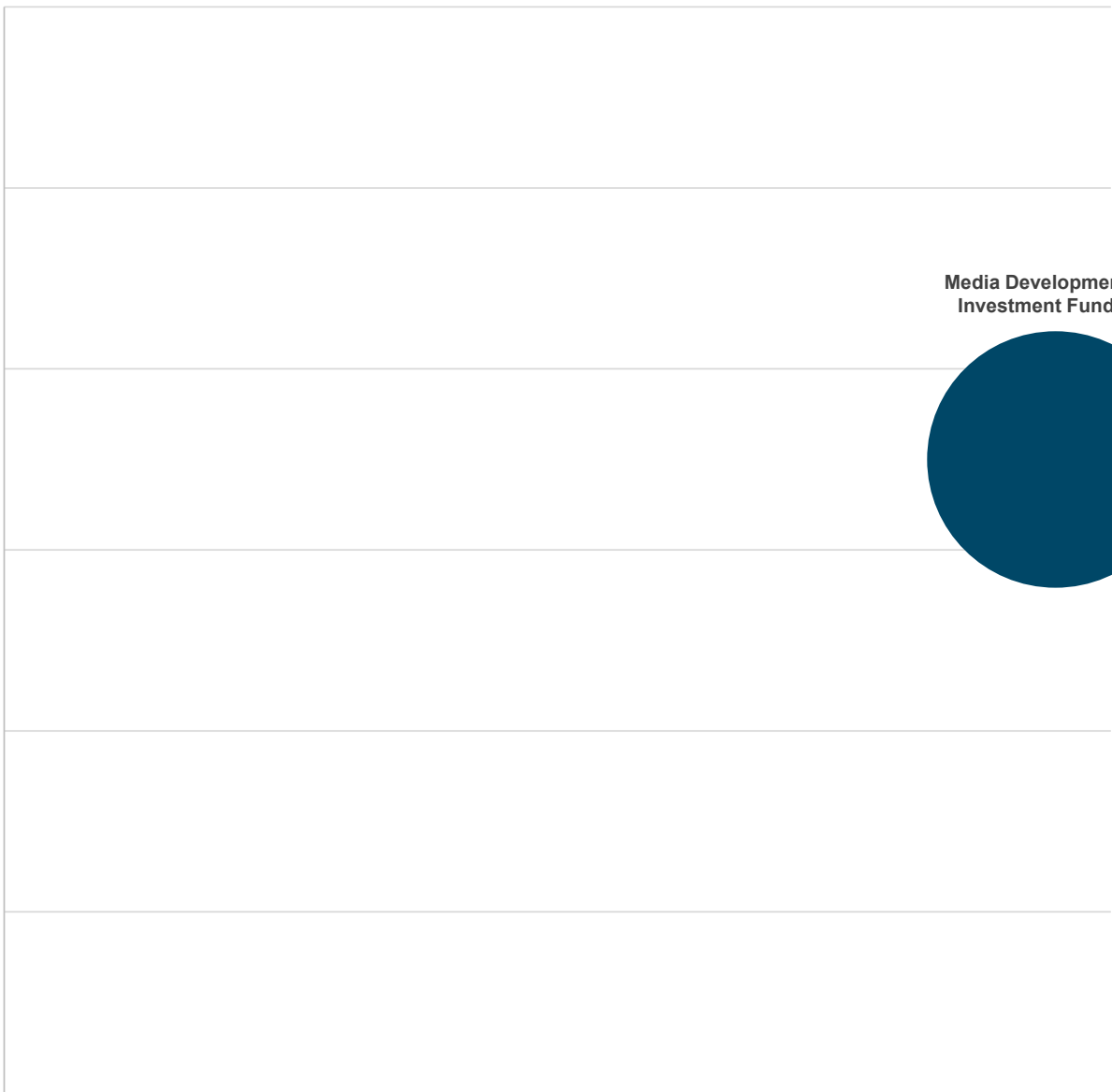
SUB-THEMES:

Participation and governance – Organisations that increase 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.



INVESTOR IMPACT



Media Development
Investment Fund



INVESTEES IMPACT



Source: Rathbones, As at 31 December 2023

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

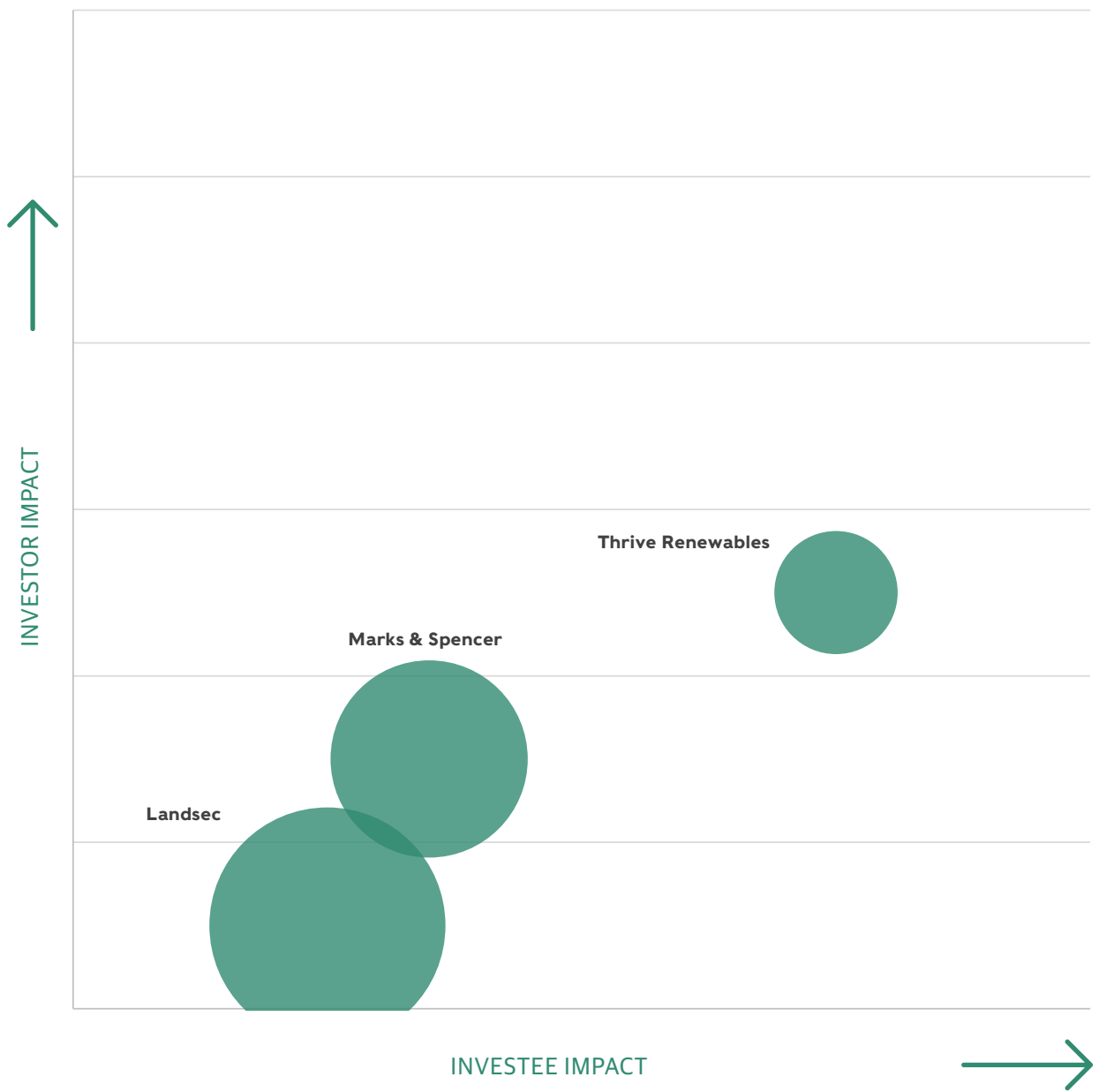
This theme includes organisations that are supporting positive climate action and energy security through the products and services they provide.

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).



Source: Rathbones, As at 31 December 2023

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.

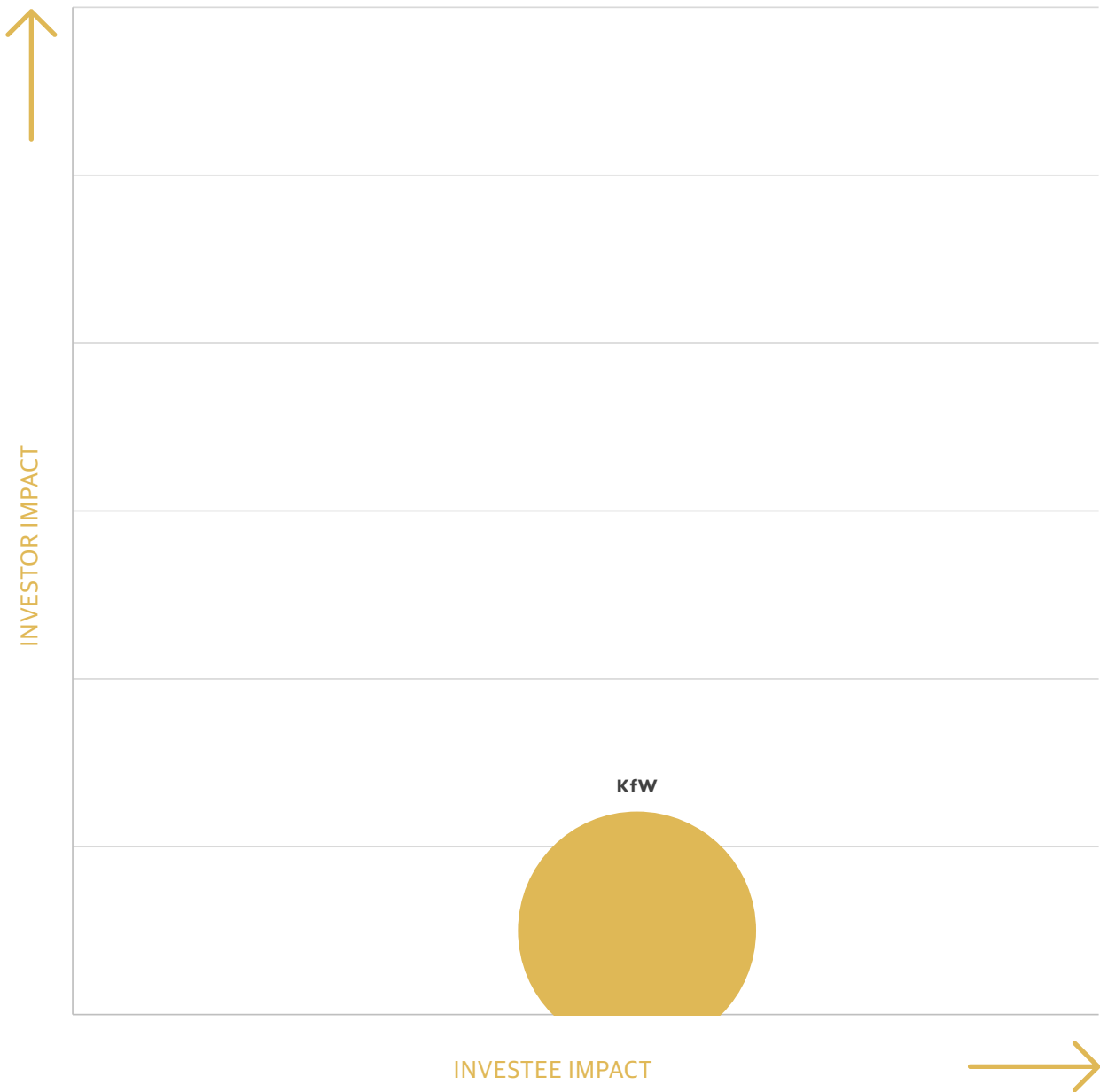
EXAMPLE ACTIVITIES

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.



Source: Rathbones, As at 31 December 2023

APPENDIX B — 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 C — FULL LIST OF UNDERLYING INVESTMENTS

%	Company name and security	Bull's eye tier	ABC	Impact score (0-9)	Investor contribution score (1-6)	Theme	Sub-theme
5.16	Abrdn Ethical Corporate Bond ABRDN OEIC V Ethical Corp Bond Instl Inc	4	A	1	2	Collectives (multiple themes)	Responsible
3.32	A2Dominion A2D FUNDING II PLC 4.5% Bonds 30/09/2026	1	C	4	4	Inclusive economies	Basic needs
7.63	Aegon Ethical Corporate Bond AEGON ASSET MGMT UK Ethical Corp Bond B Inc	4	A	1	2	Collectives (multiple themes)	Responsible
1.32	Anglian Water Green Bond ANGLIAN WATER SERVICES 1.625 Gtd Snr Sec MTN 10/08/25	3	B	4	1	Inclusive economies	Basic needs
6.9	BlueOrchard Microfinance BLUE ORCHARD INVESTMENT MGRS Microfinance D Fund Acc (GBP)	3	B	6	2	Inclusive economies	Inclusive economies
3.46	Dolphin Living DOLPHIN SQUARE CHARITABLE FD 4.25% Bond 6/07/2026	1	C	7	4	Inclusive economies	Basic needs
7.25	EdenTree Responsible & Sustainable Sterling Bond EDENTREE INV MGMT Resp & Sust Sterling Bd B Inc	4	A	1	2	Collectives (multiple themes)	Responsible
4.55	Greensleeves Care GREENSLEEVES HOMES TRUST 4.25% Bonds 30/03/2026	1	C	5	1	Inclusive economies	Inclusive economies
6.28	Hightown Housing Association HIGHTOWN PRAETORIAN & CHURCHES 4.4% Bond 30/04/2025	1	C	5	2	Inclusive economies	Basic needs
1.74	KfW KREDITANST FUR WIE 5.5% MTN 18/6/2025	3	B	5	1	Innovation and infrastructure	Supporting human wellbeing
2.76	Landsec LAND SECURITIES CAP MARKETS 1.974% MTN 8/02/2026	4	A	2	1	Energy and climate	Operational alignment (climate)
10.1	London & Quadrant Housing LONDON & QUADRANT HOUSING TST 2.625% Bond 5/05/2026	1	B	5	2	Inclusive economies	Basic needs
2.31	Marks & Spencer MARKS & SPENCER PLC 6% Bonds 12/06/2025	4	A	3	2	Energy and climate	Operational alignment (environmental management)

%	Company name and security	Bull's eye tier	ABC	Impact score (0-9)	Investor contribution score (1-6)	Theme	Sub-theme
0.68	Media Development Investment Fund MEDIA DEV INVESTMENT FUND 4% Bonds 31/12/2025	2	C	9	4	Resilient institutions	Participation and governance
4.65	Motability Operations MOTABILITY OPERATIONS GROUP 3.75% MTN 16/07/2026	1	C	6	2	Inclusive economies	Inclusive economies
5.35	Places for People PLACES FOR PEOPLE 2.875% Snr 17/08/2026	3	C	6	2	Inclusive economies	Basic needs
5.31	Royal London Ethical Bond ROYAL LONDON UNIT TRUST MGRS Ethical Bond Z Inc	4	A	1	2	Collectives (multiple themes)	Responsible
7.05	Severn Trent SEVERN TRENT UTILITIES FINANCE 6.125% Gtd Bds 26/02/2024	4	B	3	2	Inclusive economies	Basic needs
2.81	Thera THERA TRUST PLC 5.5% Bonds 31/03/24	1	C	9	6	Inclusive economies	Inclusive economies
1.44	Thrive Renewables THRIVE RENEWABLES 5% Fixed Rt Unsec Bd 31/03/24	3	C	7	3	Energy and climate	Climate action
9.96	Cash	4		0	0	/	/

ADDITIONAL INFORMATION

Information valid at date of publication.

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

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