

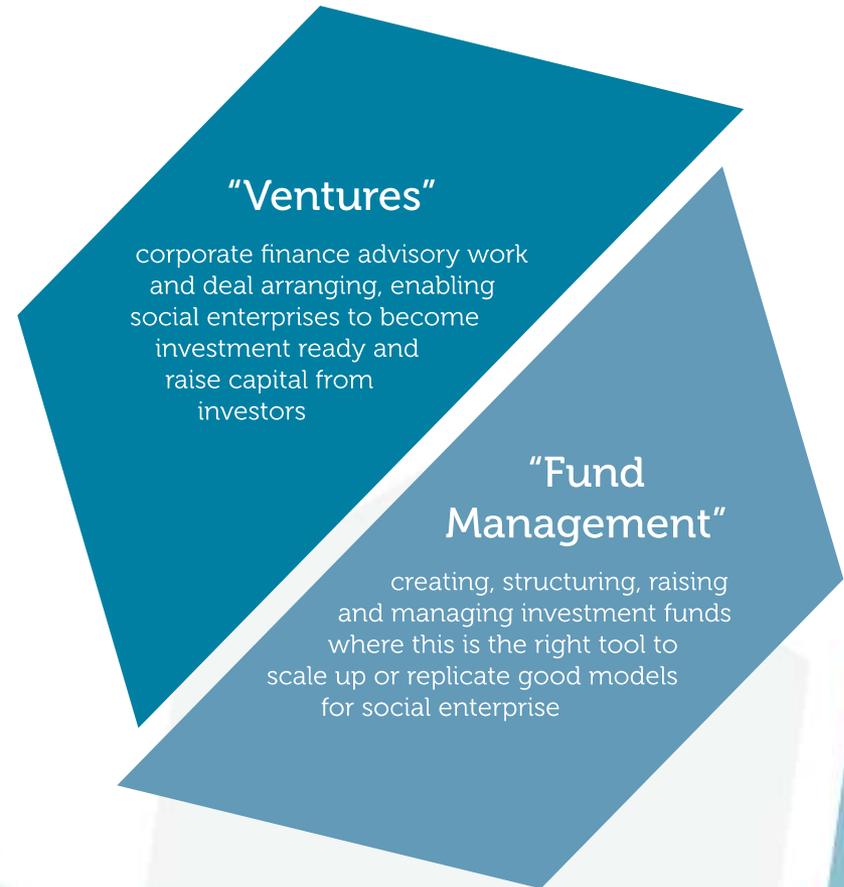
National Homelessness Property Fund (NHPF)



Resonance Profile



- Social impact investment company
- Established since 2002
- FCA Authorised Fund Manager
- c. £170m Funds Under Management
- 8 operational impact investment funds
- Team of over 30 with finance, property and social enterprise experience
- Offices in London, Manchester, Bristol, Birmingham and Cornwall



Our mission is to connect capital and social enterprise

Nacro Profile



- National Registered Housing Provider and Social Justice Charity
- Campaigns and influences for change to improve lives and communities
- Works nationally and locally
- Track record of working with homeless families and individuals
- Delivers housing and well being, education, health and justice services to a range of vulnerable people

Growing, Award Winning Initiative

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	Real Lettings Property Fund (RLPF1)	National Homelessness Property Fund (NHPF)	Real Lettings Property Fund 2 (RLPF2)	Total
Launched	2013	2015	2017	
Geography	London	National	London	
Current Fund	£57m	£38m	£60m	£155m
No. of Homes	260	200	200	660
Return (IRR)	6%	6%	5%	

Selected Awards



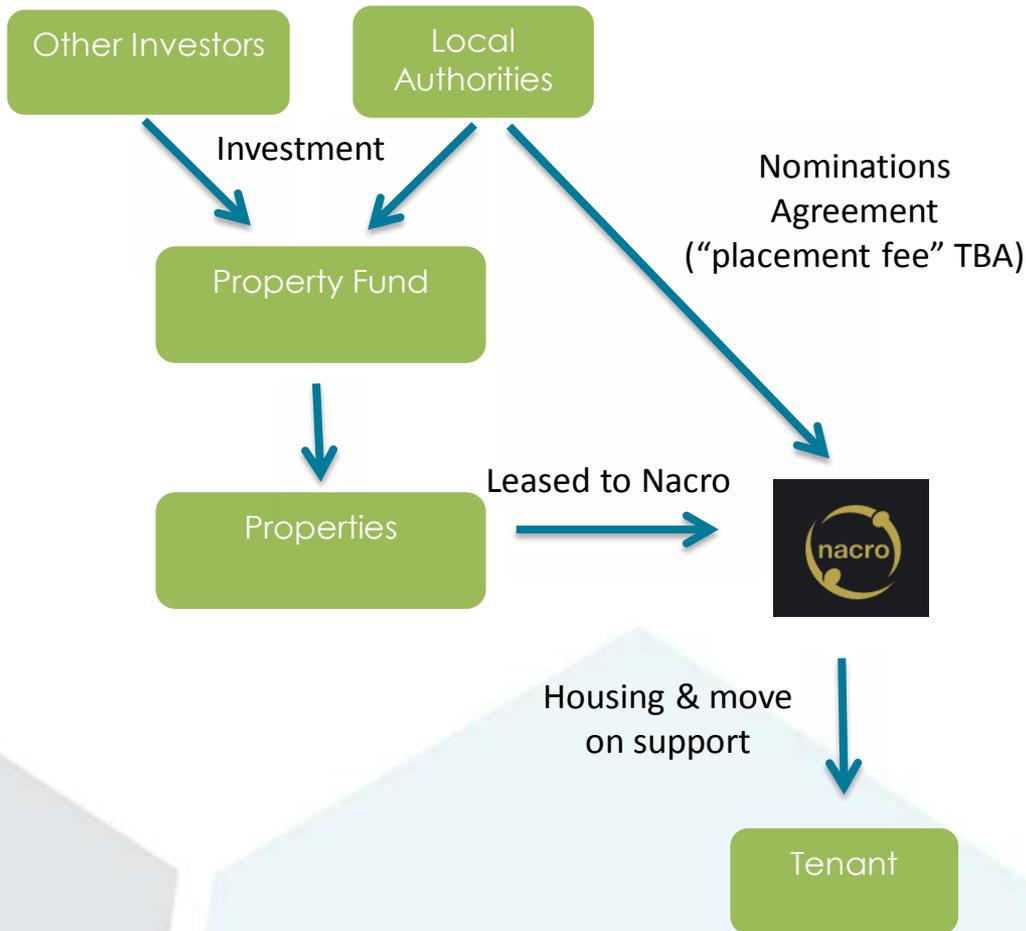
The Sustainable City Awards



- ✓ significant social impacts in the area of homelessness
- ✓ commercial risk-adjusted returns of c 6% IRR
- ✓ significant savings on temporary accommodation
- ✓ 7 local authorities have invested £100m to date*

Current LA investors – Bristol, Milton Keynes, Oxford, Croydon, Lambeth, Westminster & Greater London Authority

Fund Structure



- Value for Local Authority**
- ✓ £5m investment will create £10m portfolio
 - ✓ Significant savings on temporary accommodation
 - ✓ Financial return on investment into the Fund
 - ✓ Outcome based sustainable solution
 - ✓ Discharge of duty

- Value for Tenant**
- ✓ Nacro support into independent living
 - ✓ More affordable rents based on LHA
 - ✓ Not caught in "benefit trap"
 - ✓ Housing exceeds Decent Homes Standard
 - ✓ Option to buy home at the end of the Fund

Nacro Tenant Support



- ✓ Detailed assessment of the client's suitability for the service
- ✓ One point of contact for the tenant for both assessment and resettlement
- ✓ Tenancy sign up (including explanation of rights and responsibilities)
- ✓ Tenancy set up (utilities, benefits, council tax, grant applications, furniture sourcing)
- ✓ Ongoing advice and guidance
- ✓ Referral to employment, training and education support
- ✓ 'under one roof' – Nacro manages all housing management and support services. If a client misses a rent payment, we can provide support to get back on track. In maintaining the properties, our staff pick up on un-reported issues
- ✓ Signposting to external agencies where appropriate
- ✓ Monday – Friday tenant helpline (with out of hours service)
- ✓ Tenancy checks to ensure tenant is still managing in tenancy/home
- ✓ Tight void/arrears management – we don't let tenants accrue arrears
- ✓ A tenant capability tool is used to assess the progress of the tenants across a range of factors. It is scored on a 1-10 scale based on discussion and consensus between the tenant and worker. There is a full review at 52 weeks. In the 2nd year, additional focus is placed on move-on, including budgeting and additional guidance to help move on.

Measuring Social Impact

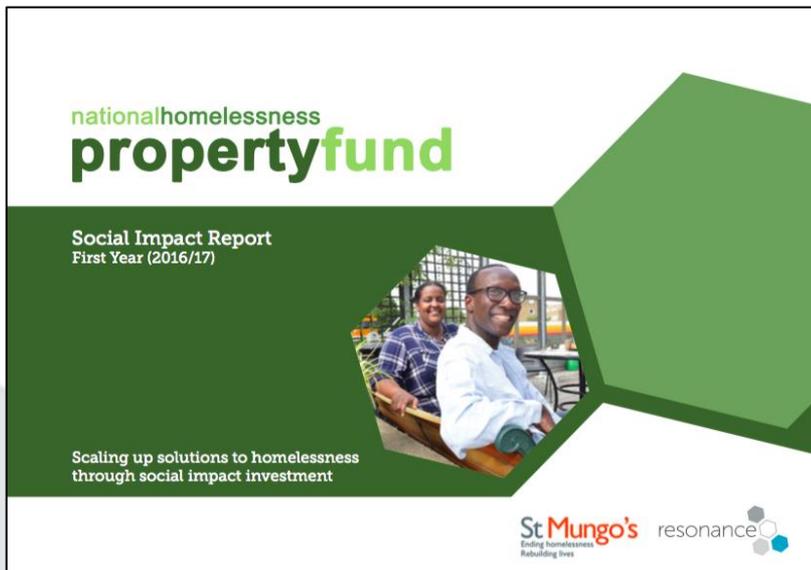


What we measure

1. Improving housing opportunities
2. Progressing towards work
3. Improving resilience against homelessness

Some highlights

- ✓ 100% tenancies maintained for at least 6 months
- ✓ 98% homes kept in good or very good condition
- ✓ 67% of tenants fully up-to-date with bills and rent
- ✓ 78% employed or making progress towards work
- ✓ Most tenants report better support networks and feel confident in meeting new people in their local area



Selected Investors to Date

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CROYDON

GREATER LONDON AUTHORITY



PANAHPUR
Can Money Sing?



City Bridge Trust

The City of London Corporation's Charity



JRF JOSEPH ROWNTREE FOUNDATION



HNW individuals

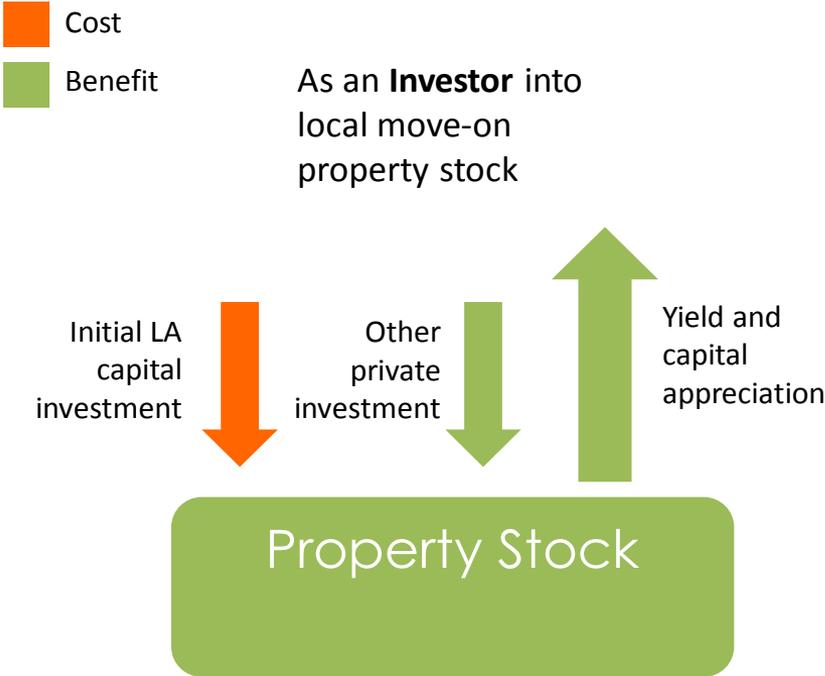


Key Terms for Investors

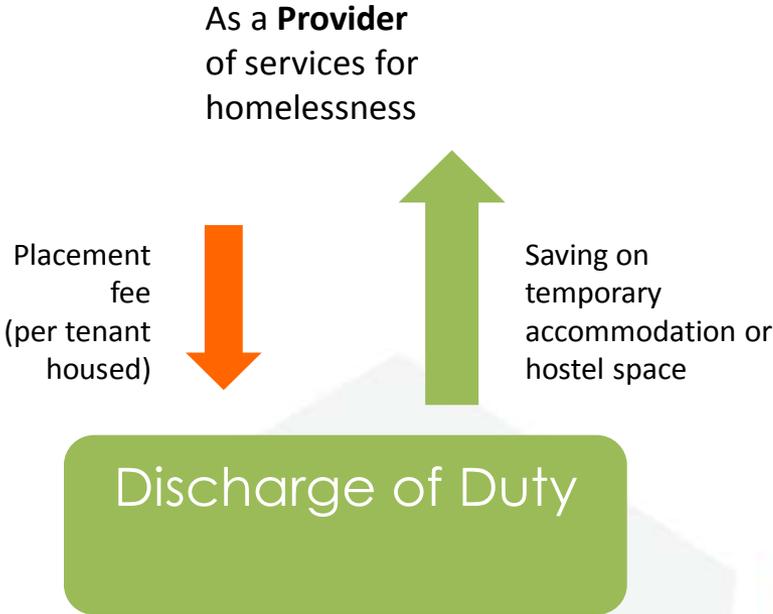


Target Size	£60m - £100m (next close early 2018) Currently £38 million (first close Dec 15)
Term / structure	7 years (from Dec 15) / Limited Partnership
Expected returns	c.6% IRR net of costs Cash yield of c.3% Lower risk profile than traditional Resi fund: 5 year leases (no void / operational maintenance risk), no significant development risk, no gearing
Assets	Direct investment in residential property with 5 year leases to Charity Partners Targeted locations around UK (other than London)
Impact	Breaking down barriers in access to Private Rented Sector for those on the journey out of homelessness

Local Authority - Cost v Benefit



- Creation of a portfolio of suitable move-on accommodation in the area
- Potential to lever in private sector investment
- Delivering low-risk steady investment returns on public capital



- Predictable stream of nominations for suitable tenants
- Immediate savings on temporary accommodation costs
- Better progression and outcomes for vulnerable tenants

LA Investment - Routes Available



LAs can invest in the Fund from three potential sources:

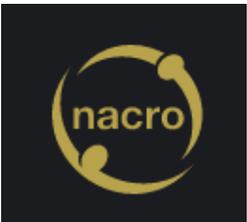
- 1) **Capital budget** since these are investments which might otherwise have been required into direct housing investments to address housing policy issues.
- 2) **Treasury funds** since an investment in the fund can be shown to be a commercial risk-adjusted return (low risk) and may fit with guidelines for investment of treasury funds.
- 3) **LA Pension fund** since an investment in the fund can be shown to be a commercial risk-adjusted return (low risk) and there may be a strategic imperative for investment in projects which bring long term social benefits to the area.

LA Investing v Direct Purchase



The Fund offers a number of key advantages to LAs over direct purchase of properties:

- 1. More “Bang for Buck”**, because LA investment in the fund could bring in additional private sector investment
- 2. Speed of response**, because the fund can quickly establish a pipeline of suitable properties and begin to assist the LA with its temporary accommodation burden
- 3. “Discharge of duty”** is possible to Private Rented Sector properties in fund, whereas LAs cannot discharge into their own stock
- 4. Quality of accommodation, strength of covenant and track record**
 - properties meet or exceed Decent Homes Standards
 - Nacro backs the initiative with its infrastructure, processes and specialist experience in this area
 - Nacro’s track record of successful tenancies and strong focus on supporting people to make more permanent / move on arrangements
- 4. LAs retain influence** over location and property type (through Nominations Agreement with Nacro) and also over key strategic parameters of fund (through fund governance arrangements)
- 5. Limits LA risk** in relation to voids, bad debts and maintenance costs, since these are taken by Nacro



**Resonance is committed to supporting the development of a
robust and accessible social investment capital market**

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