

British Strategic Investment Fund deploys capital in five investments delivering a positive social impact

London, 14 February 2019 - Gresham House PLC (“Gresham House”), the specialist alternative asset manager, today announces its British Strategic Investment Fund (“BSIF” or “the Fund”) made five investments during 2018. As a result, the Fund has deployed over 45% of its committed capital to date.

BSIF invests in the housing and infrastructure sectors, both identified by the UK Government as structurally important areas requiring local investment. As a closed-ended fund with a 12-year time horizon, BSIF invests with a long-term view into these important sectors. The Fund targets an 8-10% annual net return including a minimum income yield of 5-6%* per annum.

Sustainable investing forms a key part of BSIF’s investment philosophy. As well as seeking superior, risk-adjusted returns, a positive social impact is a necessary requirement for every investment driving our ability to generate a “double bottom-line” return for clients.

To date, the Fund has £165 million of commitments from institutional investors including Local Government Pension Schemes (“LGPS”). Where relevant BSIF offers investors the opportunity for co-investment, in their own communities as well as further afield. BSIF is targeting a final close during 2019.

Investments include:

Housing investments

- **Private Rented Sector (“PRS”) Platform:** BSIF has established a PRS platform that is targeting the UK’s ‘key worker’ demographic. To achieve this, the platform invests in mostly new-build high-quality, but good ‘value-for-money’ rental accommodation, that will be located close to key areas of employment regionally. The platform aims to address the undersupply of affordably priced rental accommodation as a result of the shifts in housing tenure.

Infrastructure investments

- **Energy Storage Systems:** BSIF’s first investment was as the sole outside investor in the financing of 30 megawatts of an operational utility-scale energy storage system project. The project provides services to the National Grid to support grid stability as well as delivering the essential infrastructure required to enable Great Britain’s increasing reliance on intermittent sources of renewable energy such as wind and solar.
- **Wind Farm:** BSIF has acquired Wathegar 2 wind farm, which is the Fund’s first renewable energy project investment. The project is close to the first Wathegar wind farm, located near Wick in North East Scotland, which is also managed by Gresham House Asset Management. Both wind farms enjoy high capacity factors typical of the area and support the UK’s transition to renewable energy.

- **Vertical Farming Project:** BSIF has made an investment into a platform to develop indoor, controlled environment ‘vertical farm’ projects that grow herbs and leafy greens on multiple storeys. The BSIF team identified an early mover advantage with vertical farming which is significantly more efficient and cost effective than traditional farming while using mature technology. Vertical farming also has positive social and environmental benefits which include using 70+% less water, 95+% less land and no fertilizers or antibiotics. It also reduces “food miles” by ensuring year-round local production, avoiding the need for imports and security of supply.

Ben Guest, Lead Fund Manager for BSIF, said: “We are pleased to have now deployed capital in a number of investments that provide our LPs with exposure to the UK housing and infrastructure markets in a differentiated way. Not only are we confident that our investments will generate attractive risk-adjusted returns, they will also deliver a positive social impact in sustainable investments. We believe that we are well positioned to benefit from the rapidly changing landscape in the UK, focusing on sectors supported by long-term demographic, lifestyle, regulatory and technological trends while avoiding those facing the most political risk in the short to medium term. In our view the housing and infrastructure sectors remain an exciting space for investment in the future. The team now has a track record of over ten years in these private asset areas and the opportunity continues to grow.”

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About Gresham House

Gresham House plc is an AIM quoted specialist alternative asset manager providing funds, direct investments and tailored investment solutions, including co-investment across a range of highly differentiated alternative investment strategies.

Our expertise includes strategic public and private equity (private assets), forestry, renewable energy, housing and infrastructure.

The Group aims to deliver sustainable financial returns and is committed to building long-term partnerships with clients, (institutions, family offices, high-net-worth individuals, charities and endowments and private individuals) to help them achieve their financial goals.

Shareholder value creation will be driven by long-term growth in earnings as a result of increasing AUM and returns from invested capital.

www.greshamhouse.com

1.1 The Investment Memorandum states 3-5% but 5-6% is based on current income projections once projects have stabilised and the Fund is fully invested.