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**Orchard Street announces first close of £400 million Impact Fund focused on decarbonisation, community investment and wellness**

*- Initial capital raised from Brunel Pension Partnership alongside Orchard Street co-investment-*

Orchard Street Investment Management LLP ('Orchard Street' or 'the Firm'), the UK focussed commercial property investment manager, announces the launch and first close of its inaugural Impact Fund, **Orchard Street Social and Environmental Impact Partnership** ('SEIP' or 'The Fund').

Just under £90 million has been committed at first close, with Brunel Pension Partnership, one of the UK's Local Government Pension Scheme pools, acting as the Fund's cornerstone investor on behalf of eight of its ten underlying local authority partner funds. This capital also includes co-investment committed by Orchard Street's partners and members of Orchard Street's senior team, demonstrating the Firm's personal and professional alignment of interests in creating investment opportunities that make an environmental and social difference.

The Fund, which has been approved by The Townsend Group, will target value-add real estate investment opportunities with the potential to generate a measurable social and environmental impact. Specifically, it will focus on the three impact areas of:

- **Decarbonising existing buildings** via an accelerated programme of refurbishment;
- **Investing in local communities**, using a proprietary place-based needs model to identify and respond to local social issues; and
- **Making buildings healthier** for those that live and work in them, for example through improving air quality, access to green space and wellness amenities.

Sector agnostic, the Fund will invest into its pipeline of UK wide opportunities that meet its stringent impact criteria. Orchard Street has also taken a market leading approach by linking 30% of its performance fees to the achievement of the Fund's specific impact objectives, thereby aligning itself directly not only to financial outcomes but also to important environmental and social goals.

Orchard Street has ensured that the Fund is guided by leaders in sustainability reporting and governance. These advisers include JLL Upstream Sustainability Services, the largest specialist sustainable property team in the UK, which advised on the development of the fund; Carbon Intelligence, part of Accenture, which will manage the ESG performance data for the Fund's assets; and

BlueMark, which will provide ongoing independent assurance of the Fund's impact objectives and reporting.

This strategy will build on Orchard Street's eighteen years of consistent outperformance and its strong track record in executing investment programmes, with £2 billion of investment over the last seven years. The Fund represents a new phase in Orchard Street's commitment to Responsible Investment, following the launch of the Firm's Net Zero Carbon Pathway in 2021, and the subsequent environmental success the business has achieved in reducing carbon emissions and increasing energy efficiency across its portfolio in its efforts to meet its ambitious targets.

In testament to the Firm's vision and experience in implementing successful sustainability-focused asset management initiatives, the Firm has recently delivered both West London's first operationally carbon neutral industrial estate and the UK's first refurbished office building to receive WELL Gold Shell & Core certification.

**Philip Gadsden, Portfolio Director of SEIP and Managing Partner at Orchard Street Investment Management, commented:** "One of the underlying drivers behind both our efforts as a business and the launch of this Fund is the forecast that 80% of the buildings that will exist in the UK by 2050 already exist now, underlining the impetus for immediate action to be taken today to remediate existing but underutilised buildings, and aligning the Fund with Article 8 of the SFDR\*.

"Buildings that offer top quality space and strong ESG credentials will continue to command the best rents and prices, with this Fund therefore providing not only an avenue for investors to enjoy strong financial returns but also a significant positive social and environmental impact. By fully integrating impact into our investment approach - with ambitious decarbonisation, wellbeing and community investment targets – the Fund will accelerate the property sector's decarbonisation, while maximising the value of buildings as a tool to promote health and community investment.

"The Fund was launched on the back of Orchard Street's strong credentials as a responsible investor and our excellent track record as an investor in the UK market. We are delighted to have attracted Brunel as the Fund's cornerstone investor and look forward to working closely with them as we take the next steps in converting our ambitions into successful outcomes."

**Vanessa Jacka, Portfolio Manager, Brunel Pension Partnership, added:** "Brunel and its clients are delighted to be seeding this enlightened fund launch, whereby manager performance returns are linked to specific Responsible Investment objectives. The Townsend Group has assisted Brunel and Orchard Street in securing a robust process for measuring and auditing outcomes, and we believe investors are well-placed to realise their financial and social targets as a result of Orchard Street's SEIP strategy."

**-Ends-**

\*The Fund does not invest in sustainable investments as defined under SFDR, which does not expressly allow for remediation and transition towards sustainability and instead requires the SFDR criteria for sustainability to be met from the time of acquisition, resulting in the alignment of the Fund with Article 8, SFDR (rather than Article 9, SFDR).

**For more information:**

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**Notes to Editors:**

**Orchard Street Investment Management**

Established in 2004, Orchard Street Investment Management LLP is a leading specialist commercial property investment manager, focused on the UK market with £4.2 billion of AUM (as at 30 June 2022). It acts on behalf of institutional clients world-wide to advise on investing in and the active management of property assets, including industrial warehouses, retail warehouses, and offices.