

Dear friends

This time last year, we referred to a 2023 Harvard study on impact investing. The study found that only one in ten (12%) funds with an impact label were making investments that could be considered “additional”. In other words, the vast majority of so-called “impact funds” were investing in projects that traditional commercial capital was funding anyway.

SASC has always set out to be additional in this sense. We don't just try to identify exceptional organisations to support. We also aim to provide support of a different kind. We want our support to do something different from what is available elsewhere. Our vision says that “finance should serve communities and people”. More specifically, through SASH we aim to support charities' resilience, by helping them to buy housing in a low risk way.

Leaders of the organisations we fund have always willingly backed our claim that what we do is different. In the feature article of this year's report we provide some figures that illustrate the point in more concrete terms of pounds and pence.

The first SASH fund is now just over half way through its life. That gives us a five-year window in which we can show the effect SASH funding has had. SASH I has supported twenty exceptional organisations. By their nature (all of which are non-profit organisations) they have limited or

no access to the kind of funding that allows most organisations to grow and/or control their own destinies in a low-risk way.

SASH funding fills that gap. It gives these organisations an option to buy property in a way that does not create financial risks that are unacceptable for organisations that do not have shareholders and through them access to long term capital.

Thirty years ago, owning property may have mattered less for these organisations. Housing was plentiful; local councils owned properties they were willing to rent; housing associations were under less pressure from their regulator to focus on profitability. All that has now changed.

Each of the non-profit organisations SASH supports plays a vital role in its local social infrastructure. Local authorities depend on the services they provide. But the organisations' ability to help is hampered by lack of access to the right kind of housing.

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The way our SASH funds help organisations buy housing in a low risk way brings two benefits to the organisations we support: one obvious, one more subtle. The obvious benefit involves growth: buying property may be a way for an organisation to expand the services it offers and so support more people.

But that is not the only benefit that comes from a delivery organisation owning some of the properties it uses. Owning can also bring more subtle, less tangible benefits. As we noted last year, a supported housing charity that owns some of the properties it uses to deliver services increases the control it has over its own destiny. That in turn will likely make the organisation more credible in the eyes of key stakeholders such as local authorities and commissioners. Suppose a SASH borrower buys properties without expanding the services it provides. Even though it has not grown its services, the organisation is still cementing its control over its own destiny and becoming a more credible counterparty.

The feature article later in this report (*Helping charities grow property ownership with less risk*) discusses some of these issues in more detail. Two CEOs of organisations who have used SASH loans to buy property give their own perspective in interviews.

The wider environment keeps hurling challenges at the organisations we work with. Even so, we're glad to be able to report that through 2025 and up to the time of writing, sixteen remarkable organisations have benefited from the funding that SASH II investors have provided, and the fund is now fully committed.

Thank you to all of our investors, non-profit partners, Board and team for the work that helps to deliver SASC's mission.

Scott Greenhalgh
Chair

Mark Bickford
Former CEO