

Alpha Real Capital

ALPHA REAL CAPITAL PREDICTS INCREASE IN SOCIAL REAL ESTATE INVESTING FROM LOCAL GOVERNMENT PENSION SCHEME INVESTORS

Alpha Real Capital (“Alpha”), the specialist manager of secure income real assets, believes more Local Government Pension Scheme (LGPS) investors are set to increase their focus on social real estate, both regionally and nationally.

Alpha says investing in social real estate, also often referred as social infrastructure, can work particularly well for pension funds seeking to deliver a positive impact without sacrificing financial returns. It says this can be achieved nationally or on a more targeted basis, such as within a defined geography as part of a place based impact investment strategy.

Social real estate offers long-term, inflation-linked income streams which are underpinned by robust, demographically driven fundamentals with the following outcomes:

- It delivers the vital infrastructure that communities rely upon, improving capacity and quality as well as enhancing the environmental sustainability of the built environment
- Investments can be made with local priorities and needs in mind
- Investors can work with local stakeholders to align interests, creating a shared impact for the benefit of local people and places

Alpha offers LGPS and other institutional investors the opportunity to combine a bespoke local portfolio run under a segregated mandate, with access to its national open-ended pooled fund. By adopting a combined ‘core and satellite’ approach, investors can access the benefits that a larger portfolio can deliver. This includes enhanced diversification, swifter deployment and greater liquidity.

Head of Social Real Estate at Alpha Real Capital, Adrian D’Enrico, said: “A distinct and added dimension to social real estate investing for LGPS funds is that underlying scheme members can observe – and potentially benefit from – the tangible impact that the investments can deliver. Indeed, if only 5% of LGPS investors’ combined assets were allocated to local investment (as has recently been proposed by the Government), this would unlock as much as £16 billion for investment – more than matching the £4.8 billion Levelling Up Fund and other similar Government initiatives ⁽¹⁾.”

Head of Client Solutions at Alpha Real Capital, Boris Mikhailov, said: “Investments in social real estate across housing, healthcare and education sectors provide a unique opportunity for investors looking to meet their financial objectives, whilst making a social impact. The approach can be targeted or spread broadly at a national level whilst both these approaches deliver financial benefits and social impact, there is a growing appetite for a hybrid national and regional approach that may be especially suited to LGPS funds wishing to deliver impacts in the local community while building a suitably diversified portfolio. Currently it is possible to generate in excess of 6% p.a. over comparable index-

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linked gilts whilst receiving high quality inflation-linked income and delivering c.£5 to £7+ of social value for every £1 invested.”

Phillip Rose, CEO, Alpha Real Capital said: "With £1.2billion successfully deployed into social infrastructure already, Alpha is ideally positioned to help LGPS funds invest both locally and nationally."

For more details on Alpha Real Capital’s focus on place-based investing visit the link below:

[Social real estate: delivering local and national impact](#)

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Notes to editors:

⁽¹⁾ Scaling Up Institutional Investment For Place Based Impact, Impact Investment Institute White Paper (May 2021)

For further information contact Phil Anderson at Perception A

Phone: +44 (0)7767 491 519 | Email: phil@perceptiona.com

About Alpha Real Capital (www.alpharealcapital.com)

Alpha is a specialist real assets investment manager focussed on secure income strategies. The firm invests in UK and European assets with predictable secure long-term cash flows. Alpha provides market leading and innovative real asset solutions across a range of investments such as commercial ground rents, UK renewable infrastructure, social infrastructure, and secured lending, combining operational real asset experience and credit expertise.

Alpha has a 160 plus strong professional team with £4.6 billion of assets under management, including capital commitments – of which over £1bn is in social assets.

Alpha operates across diversified investment markets: listed and unlisted investment vehicles, open and closed ended property vehicles, UK, and European funds, working with large institutional investors and wealth managers.

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