

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 9 September 2025

Subject: Resonance Impact Evergreen Fund Investment Proposal

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Responsible Director: Phil Triggs, Director of Treasury and Pensions

SUMMARY

This paper provides the Pension Fund Committee with an overview of a local impact investment opportunity in the Resonance Impact Evergreen Fund.

RECOMMENDATIONS

1. The Pension Fund Committee is recommended to approve an investment of £50m in the Resonance Impact Evergreen Fund subject to the final due diligence report from Isio being supportive of the investment.
 2. The Pension Fund Committee is recommended to delegate authority for the completion of the investment upon receipt of a positive due diligence report to the Director of Treasury and Pensions in consultation with the Chair.
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Wards Affected: None.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

None.

Legal Implications

None.

DETAILED ANALYSIS

Resonance Impact Evergreen Fund Investment Proposal.

1. Appendix 1 sets out the due diligence Isio has conducted on the Resonance proposal to date, including an overview of the portfolio and its key objectives.
2. Resonance has a track record of delivering effective solutions in the underserved part of the housing market that is transitional housing and temporary accommodation through closed ended funds. This will be its first evergreen fund, the details and risks of which are outlined in Appendix 1.
3. The Fund seeks to return a 6% IRR on a rolling ten-year basis with a targeted 3% distribution yield, generating secure income for the pension fund.
4. Additionally, the pension fund can agree through a side letter agreement where its allocation should be invested as well as provide for the use of the underlying assets for the administering authority on a nominations basis.
5. This means that provided suitable properties within the specified parameters set out within the side letter can be acquired in a timely manner. The administering authority can work with the registered provider Notting Hill Genesis to use the units acquired for temporary accommodation.
6. This ensures the investment achieves the desired outcome of attaining local status, while also helping to support a significant London wide issue through increasing local housing supply.
7. The outcome is an achievement of the government's objective of support for UK local investment.
8. Appendix 2 provides an overview of the impact Resonance has made through its previous and existing funds and a clear demonstration of its tenant first design.

Risk Management Implications

1. Risks are contained in the Isio due diligence report.

List of Appendices

Appendix 1: Isio due diligence

Appendix 2: Resonance Social Impact Report 2023/24