

Social Investment Policy Statement (SIPS)

1. Background

- 1.1 In 2021, The Board of Trustees agreed to ring-fence £5M of the Foundation's investable assets, to be deployed on a 'test and learn' basis, to use specifically for the purpose of making social investments. In doing so, it accepted the financial opportunity cost of not investing this allocation with the primary objective of financial return.
- 1.2 Our social investments are made with the dual purpose of supporting our mission and delivering a financial return, in line with our understanding of the [Charity Commission's current guidance \(CC14\)](#) on social investments.
- 1.3 This policy has been revised based on a review of the learning acquired since the publication of the original policy in 2021 (as amended in 2024).

2. Investment mandate

- 2.1 The Vivensa Foundation seeks to fund the remarkable science and radical social change needed for people in the UK to age well by supporting purpose-driven researchers, health and care professionals and community innovators who are working to transform our experience of later life.
- 2.2 Over time, we aspire to use all of our assets to support that mission and have set out in Section 3 of our [Investment Policy Statement](#) our current objectives for each segment of our investment portfolio. Our objectives for the social investment element of the portfolio are to support innovative approaches to addressing societal challenges that are likely to result in below market level financial returns for investors, focusing on intentional impact solutions that align with the Foundation's mission.
- 2.3 We expect to invest directly in purpose-driven organisations and projects that support our mission, or indirectly by providing capital through funds or via intermediaries.
- 2.4 Whilst direct investments are likely to have stronger alignment to our mission, we will not preclude investing in themed funds (or pooled structures) that may provide the opportunity to invest in substantially mission-aligned ideas and solutions to which the Foundation may not have easy direct access or have the necessary expertise to evaluate.

- 2.5 We expect that the form of investment may vary, depending on the nature of the proposal and stage in the innovation lifecycle. When we refer to ‘investment’, we mean a range of financial mechanisms including, but not limited to, repayable grants, low interest loans, revenue participation arrangements, outcomes-based contracts or equity investments.
- 2.6 We aim to work closely with our investees throughout the investment life cycle, providing access to our networks, insights and connections, as well as providing financial support.
- 2.7 We aim to deploy the £5M allocation fully by 2030, with the ambition to recycle and reinvest any proceeds received, on an on-going basis.
- 2.8 The Board, at its discretion, may consider increasing the allocation beyond £5M as the existing allocation becomes fully committed, to enable the Foundation to continue to support social investment opportunities in the future.

3. Investment objectives

3.1 Social impact objectives

- 3.1.1 With direct social investments, we are seeking interventions and solutions that deliver, or have the potential to deliver, improved health and well-being outcomes in later life, in accordance with our charitable mission. Examples might include innovative provision of models of care or other supportive services for older people, products or services that have the potential to deliver improved later life health or well-being outcomes, or to prevent commonly acquired ageing-related conditions and diseases from occurring or to delay their occurrence. Our [Strategic Framework](#), which we refresh from time to time, sets out our priority themes.
- 3.1.2 For pooled investment structures, we expect that the underlying investments will *substantially* support our mission. However, we recognise that a fund strategy may be broader than specifically improving health and well-being outcomes in later life.
- 3.1.3 Each individual social investment proposal will need to outline how it contributes to supporting our mission. We expect that there will be a range of alignment, with some more strongly aligned than others.

3.2 Risk appetite

- 3.2.1 We understand that to achieve the social outcomes we are looking for, we may have to tolerate higher risk than in our wider investment portfolio owing to the focus on new, and often untested-at-scale, approaches. We are willing to invest

in opportunities that may yet be unproven in terms of financial return, however, there must be strong evidence of the potential to deliver social impact in line with our mission.

- 3.2.2 While hoping to maximise the amount of capital returned for re-investment, we can tolerate a maximum loss of 50% of the nominal value of the overall allocation over a 10-year time horizon.
- 3.2.3 We aim to limit our concentration risk by restricting the maximum single social investment within this part of the portfolio to 20% of the overall allocation.
- 3.2.4 We understand that supporting high-risk propositions may result in some investments not performing, either in financial or social impact terms, as anticipated. We will, where possible, share our learning openly, as set out in our charitable objects.

3.3 **Financial return objectives**

- 3.3.1 We deploy our capital across a full spectrum of approaches to support our mission. Our grants have an implicit financial return objective of -100% (i.e. full capital loss), while our investments have a financial return objective of 4% +CPI. We believe that our social investments will have a stronger mission-related impact than our main investment portfolio, with a financial return objective that therefore sits closer to the grants end of the spectrum.
- 3.3.2 We aim to recycle any proceeds received from our social investments and re-invest them and therefore hope to maximise the amount of capital that can be reinvested in the long-term.
- 3.3.3 We will take a portfolio approach, which allows for a range of expected investment returns across individual investments. This encompasses investing in opportunities where there is an expectation of some capital loss, but where we have a reasonable belief, based on the available evidence and our grant-making experience and expertise, that there will be sufficient social impact generated in line with our mission to justify the reduced financial return.
- 3.3.4 We may also invest in propositions seeking a 'risk-adjusted market-rate of return', if we judge the social impact indicated to be generated to be sufficiently aligned to our mission.

4. Governance

- 4.1 The Social Investment Committee has delegated authority from the Board of Trustees to make financing decisions for individual transactions valued up to £1M. Any

transactions valued at more than £1M must be approved by the Board in advance of an offer being made.

- 4.2 Investment opportunities are reviewed and assessed during scheduled meetings throughout the year, co-opting the support of external advisors, consultants, and relevant experts where appropriate.
- 4.3 Investees must submit agreed reporting information on a periodic basis, with the performance of the social investment portfolio monitored by the Committee on a quarterly basis. A detailed review of individual investments may be conducted on an *ad-hoc* basis when required.
- 4.4 Where there are concerns (including but not limited to impact on reputation, planned financial return or social impact) about a direct social investment, the Committee reserves the right to call for a review with the investee. If the concerns cannot be addressed to the satisfaction of the Committee, the Committee reserves the right to trigger divestment plans in accordance with the agreement.
- 4.5 The Social Investment Policy Statement is reviewed annually and is published online, with summary details of each investment being included within the Foundation's Annual Report and Account.

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