

The Community Shares Booster Fund

A synopsis for institutional investors

September 2021



Over the past decade, community shares have created homes for the homeless, helped fans to own their football clubs, and saved hundreds of vital community buildings and spaces. To date £180 million has been raised by more than 113,000 investors in 480 community businesses across the UK. To support the sector, the Booster Fund, delivered by Co-operatives UK, invests in some of the most exciting and radical community projects in the country. It has established governance and process, mobilises UK-wide expertise and has played a leading role in market development. We're inviting more institutional investors to expand the opportunity for community shares across the UK. Read this synopsis, our full brochure and get in touch at communityshares@uk.coop to find out how you can get involved.

Synopsis

Fund Holder and Manager	Co-operatives UK Limited (registered in England as a registered society under the Co-operative and Community Benefit Societies Act 2014. Reg No. 2783R. Vat Reg. 147 8611 47). The capital is held by Co-operatives UK, solely utilised under the Community Shares Booster Fund.
Financial instrument	Wholesale grant to Co-operatives UK to onward invest as withdrawable share capital.
Nominal value	£0.00 – anchor institutional investment made to Co-operatives UK without recourse for the funder to receive any return. To scale-up and transition towards a unique cyclical evergreen investment fund for the co-operative, community business and community shares markets.
Investment amount	Minimum £100,000 per anchor institutional investor. There is currently no upper limit per anchor institutional investor.
Use of funds	Typically institutional investments into the Booster Fund are used to provide business development grants to develop the share offers which then provide a high quality pipeline for Booster's equity investments. The split between grant and equity can be discussed between Co-operatives UK with the anchor institutional investor, alongside their own social mission and funding criteria. A proportion of the overall investment is allocated to Co-operatives UK to administer and manage the Booster Fund portfolio.
Redemption rights	£0.00 - anchor institutional investors provide capital in order to scale-up and transition towards a unique cyclical evergreen Booster Fund. Future rounds of institutional investment may attract financial returns but this round is not yet offering a financial return on investment.
Exit strategy	Not applicable for anchor institutional investors.
Transferability	Non-transferable.
Targeted interest rate	Investments will be made into community owned businesses that aim to offer an average of 2.5% return on community shares investment. The returns from these investments will be retained by Co-operatives UK's Booster Fund to promptly re-invest into the next cohort of community owned businesses that meet the criteria of the anchor investors.
Risk mitigation	Co-operatives UK does not make investments into businesses that would exceed 50% of the total member investment. Booster investments are made on the same terms and conditions as set out in the share offer document, on pari passu terms with other community investors. The (withdrawable, non-transferable) community shares capital invested by Co-operatives UK rank equally, benefit from the same rights and are subjected to the same obligations as those of other community investors. As with all community shares investments, all investments are capital at risk with no recourse to the Financial Ombudsman. This means that although the value of the investment cannot go up, it can go down. Therefore, in this early stage of portfolio development, the Community Shares Booster is not offering a return to anchor institutional investors.
Security	Unsecured
Voting rights	Non-voting
Conversion	Non-convertible
Liquidation	Upon liquidation of Co-operatives UK, Community Shares Booster Fund anchor institutional investors do not hold any rights to a return of capital.
Right of first refusal	To existing Community Shares Booster Fund anchor institutional investors.
Fund manager	Co-operatives UK is a society registered with the Financial Conduct Authority and is permitted to invest in community shares within its activities of the Community Shares Booster Fund, which is a minor part of its overall trading activities.