

Security Trustees for UK Social Investments

Research Report

Made possible with funding from

The Connect Fund

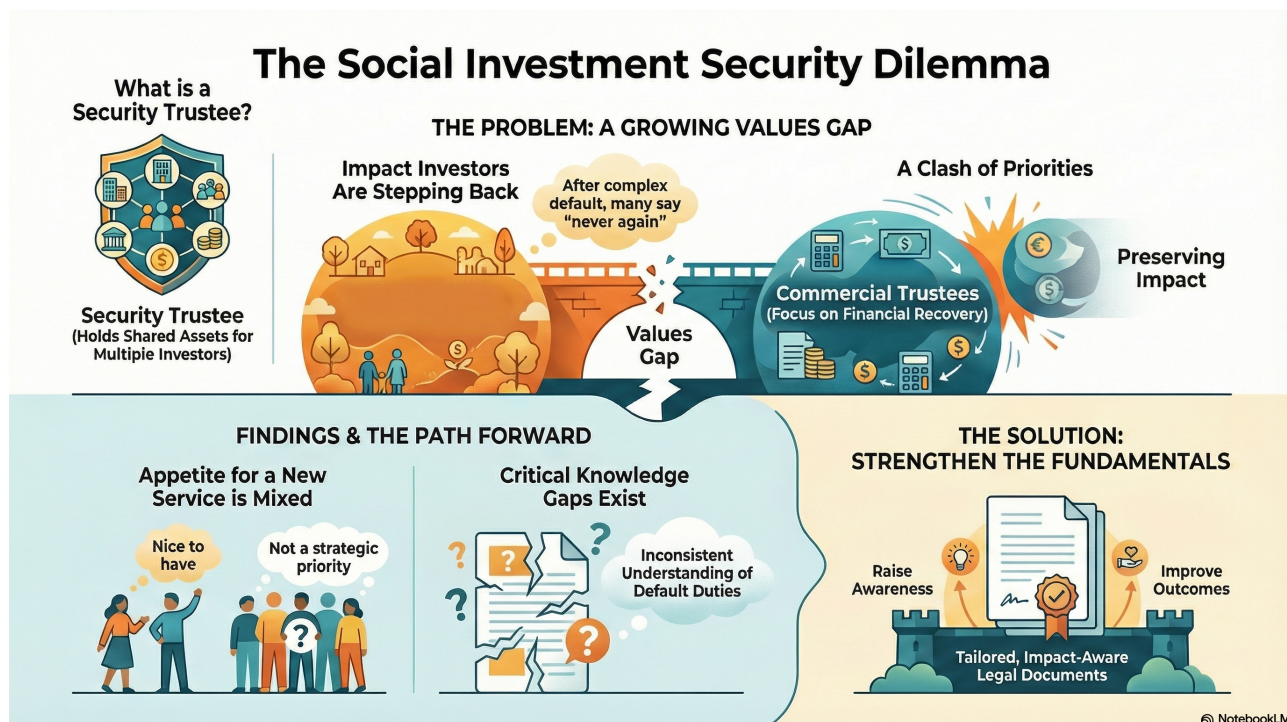
January 2026

Contents

1	Executive Summary: Feasibility of a Specialist Security Trustee Service for UK Social Investments	3
2	Introduction	4
2.1	Background	5
2.2	The role of a security trustee	5
2.2.1	Core Functions of a Security Trustee	6
2.2.2	Common types of Secured Assets	6
2.3	Regulatory framework	7
3	Survey Results	7
3.1	Overview	7
3.2	Survey respondents - who took part?	8
3.2.1	Which of the following best describes your organisation?	8
3.2.2	How many employees does your organisation have?	9
3.2.3	Approximately, what percentage of the total employees focus on social investment in some capacity?	10
3.2.4	Would you describe social investment as the main activity undertaken by your organisation?	11
3.3	Types of social investments and experience	12
3.3.1	Which of the following best describes the type of investments your organisation tends to consider	12
3.3.2	What size of social investment would your organisation typically consider?	13
3.3.3	Approximately how many social investments has your organisation made/received/advised on to date?	14
3.3.4	How would you describe your tolerance for financial risk?	15
3.3.5	What type of entities does your organisation tend to invest in or would consider investing in?	16
3.3.6	What type of social investments would your organisation consider?	17
3.4	Security trustees - understanding and experience	18
3.4.1	How familiar are you with the concept of a security trustee in a social investment context?	18
3.4.2	How confident do you feel that you (and your organisation) understand the role and responsibilities of a security trustee in a default scenario?	19
3.4.3	From your understanding, what are the core responsibilities of a security trustee?	20
3.4.4	How important do you think it is for investors to understand the role and responsibilities of a security trustee?	21
3.4.5	Has your organisation ever been involved in any social investments that require a security trustee?	21
3.4.6	If yes, who was appointed to the role of security trustee?	23
3.4.7	What type of social investment was it that required a security trustee?	24
3.4.8	What sort of assets formed the majority of the security?	25
3.4.9	Have you, or your organisation, ever experienced a situation where a security trustee was required to act on behalf of investors in the event of a default?	26
3.4.10	How did you find the experience working with the security trustee in a default scenario?	27
3.5	Security trustee preferences	28

3.5.1	Who would be your preferred option to take on the role of security trustee in a social investment?	28
3.5.2	What attributes do you think are the most important for a security trustee in a social investment scenario?	29
3.5.3	In the event of a default, where would you place the balance between social impact and financial return?	30
3.5.4	In the event of a default, where would you place the balance between borrower priorities and investor priorities?	31
3.5.5	Do you think there is a need for a specialist security trustee service that understands the UK social investment market and the balance between the financial and social interests of investors and borrowers?	32
4	Interviews	32
4.1	Current landscape	33
4.1.1	Orientation questions	33
4.1.2	Security trustee involvement	34
4.1.3	Conflicts of interest	36
4.2	Core problems and challenges	37
4.3	Specialist social impact security trustee service	40
4.3.1	Qualities and skills needed	40
4.3.2	Saving the social good	41
4.3.3	Governance and operational model	41
4.3.4	Cost model	42
4.3.5	Market demand	42
5	Conclusion	43
5.1	The central tension	43
5.2	Mechanical vs relational role	43
5.3	Recommendations	44
5.4	Final word	44
A	Surveys	44

The Social Investment Security Dilemma



1 Executive Summary: Feasibility of a Specialist Security Trustee Service for UK Social Investments

This research report investigates the necessity and feasibility of a specialized security trustee service tailored for the UK social investment market, exploring whether the current reliance on “accidental” investor-trustees or “impact-blind” commercial providers is sustainable.

The Core Problem

A security trustee is appointed to hold and manage security interests on behalf of multiple investors in syndicated loans or bond issuances. Historically, lead social investors frequently volunteered for this role to save costs; however, this practice is in sharp decline. Investors who have navigated the legal and administrative complexities of a default scenario often adopt a “never again” stance, leading to a shortage of mission-aligned trustees.

The alternative - commercial third-party providers - presents several challenges:

- **Lack of Alignment:** They often lack familiarity with impact goals and may be associated with activities that social investors find objectionable.
- **Fiduciary Conflict:** Their primary duty is traditionally interpreted as maximizing financial recovery, which may clash with social investors’ desires to pursue “workout” solutions that preserve social impact at the expense of a slower or lower financial return.
- **Passivity and Cost:** They are often viewed as expensive “insurance policies” that remain passive until a crisis occurs, at which point they may be “paralyzed with indecision” and reliant on costly external advisors.

Key Research Insights

- **No Specialist Provider Exists:** There is currently no known UK-based provider offering a security

trustee service specifically aligned with the values and unique characteristics of social and impact investing.

- **Mixed Market Understanding:** While social investors generally grasp the purpose of a security trustee, there is significant confusion regarding specific legal responsibilities, particularly the fact that the role is strictly administrative and holds no advisory function.
- **Documentation Friction:** Current legal arrangements are often based on generic, “off-the-shelf” commercial templates inserted late in the deal process. These are rarely tailored to reflect the mission-driven purpose of the borrower or the motivations of the investors, leading to complexity during defaults.
- **Evolving Market Structures:** Some parts of the market are shifting away from syndicated structures toward independent, larger investments to avoid the need for coordination, while trusts and foundations continue to rely on co-investment models.

Market Demand and Governance

The research found no universal or immediate demand for a dedicated specialist entity. While stakeholders generally regard a specialist service as a “nice to have,” it is not currently viewed as a strategic priority. Opinion on the governance model is divided; some favour a service embedded within the social sector to ensure empathy for beneficiaries, while others (particularly advisors) advocate for independence to avoid “implied conflicts of interest” when a trustee is also an investor.

Strategic Recommendations

Rather than large-scale reform or the immediate establishment of a new entity, the report suggests several targeted improvements to strengthen market fundamentals:

1. **Tailored Documentation:** Develop sector-specific legal templates that reflect social investment values and explicitly outline expectations in default scenarios.
2. **Education and Guidance:** Raise awareness of the security trustee’s role through clearer, sector-wide guidance to reduce friction during deal-making.
3. **Specialist Agents:** Explore the use of specialist agents – experienced in defaults and familiar with social impact – who can support investors during complex workouts without necessarily fulfilling the formal, mechanical role of a trustee.

Conclusion

While a dedicated service would remove a significant “pain point,” there are challenges with setting one up, that would require creative solutions.

2 Introduction

This report presents the findings from research into security trustees for the UK social investment market. The research aimed to uncover current availability, attitudes, understanding and experience of security trustees in the UK social investment marketplace. The research comprised desk research, a survey of market participants and a series of in-depth stakeholder interviews.

This research was guided by four objectives:

- Identify any existing UK providers of Security Trustee services that demonstrate a clear alignment with the principles and priorities of impact-focused investments.
- Assess the level of understanding within the social investment market about the role of a Security Trustee, particularly its responsibilities in the event of a default.

- Gather stakeholder views on the potential demand for a dedicated Security Trustee service tailored to the needs of the UK social investment market.
- Share findings and recommendations with the wider social investment sector.

The information presented in this report is based on a combination of desk-based research, a sector-wide survey, and one-to-one stakeholder interviews.

Research was funded by The Connect Fund.

In line with our commitment to open research, the survey, analysis tools and charts are available in a public access Github repository, <https://github.com/i-for-change/security-trustee-research>.

2.1 Background

Many social investments are structured as secured loans. When there are multiple investors, such as in a syndicated loan or when debt is issued to a number of bondholders, a Security Trustee is often appointed to hold and manage the security interests on behalf of all investors. In the event of a default, the Security Trustee is authorised to act on behalf of the investor group, with the authority to enforce the security and distribute proceeds in line with the agreed investment terms.

In many historic social investment deals, one of the lead investors would volunteer to take on the role of Security Trustee. However, this practice is becoming less common. Investors who have been through the complexities of managing a default often decide not to take on the responsibility again.

A common alternative is to appoint a third-party Security Trustee, typically a commercial provider with experience in conventional finance but limited exposure to social or impact investing. While this approach relieves individual investors of the responsibility, it introduces additional costs; the security trustee remains in the background and is not actively involved in the relationship between the borrower and investors unless a default occurs. This passivity, together with the Security Trustee's lack of familiarity with impact goals or the values driving social investors can lead to disagreement and create additional complexity when collective decision-making is needed during a default scenario. This lack of familiarity is compounded by a potential legal conflict: the trustee's primary fiduciary duty is normally understood to be solely about money, a duty which may be perceived to directly oppose the investors' desire to pursue a 'workout' solution that preserves social impact at the cost of a slower or potentially lower financial return.

2.2 The role of a security trustee

A Security Trustee is appointed to hold and manage security interests on behalf of a group of investors or lenders. This role is commonly required in financial transactions involving multiple investors—such as syndicated loans, bond issuances, or structured finance deals—where it would be inefficient or impractical for each investor to hold individual security.

Appointing a Security Trustee improves the efficiency and coordination of secured transactions. It ensures that security interests are properly managed and, if necessary, enforced in the event of a default. When acting as a single point of contact, the trustee simplifies communication between the borrower and multiple investors and reduces administrative complexity.

Specialist Security Trustees often bring legal and operational expertise in managing and enforcing security rights, lending credibility and reliability to the financing arrangement.

2.2.1 Core Functions of a Security Trustee

The primary responsibilities of a Security Trustee include:

- **Holding the security in trust.** Legally holds the collateral or security on behalf of all investors, maintaining legal title.
- **Managing the security.** Carries out administrative duties such as maintaining records, monitoring compliance with the security agreement, and providing updates to stakeholders.
- **Enforcing rights in default scenarios.** Takes action to protect the interests of investors if the borrower defaults on their obligations. If the borrower defaults, the trustee can enforce the security rights—this may involve seizing and selling secured assets on behalf of the investor group, or liaising with administrators or receivers where relevant.
- **Distributing proceeds.** Ensures that any proceeds from enforcement actions are distributed to investors in accordance with the terms of the security agreement.

Using a Security Trustee also avoids the need to establish separate, individual security arrangements with each investor, which can be legally complex, costly, and inefficient.

Investors frequently want someone, perhaps the Security Trustee, to perform additional functions, such as:

- **Advising on restructuring or workout options.** Providing guidance and recommendations to investors in the run up to, and during a default scenario, helping them navigate complex decisions about restructuring or recovery strategies. This may include balancing financial returns with the desire to preserve social impact, and working with the borrower and insolvency practitioners.
- **Facilitating communication.** Acting as a liaison between different investors and the borrower, ensuring that all parties are kept informed and that communication is clear and consistent.
- **Coordinating investor actions.** Organising and managing meetings, votes, and decisions among investors, particularly in situations where collective action is required.
- **Acting as an intermediary.** Serving as a central point of communication between investors and other parties, including the borrower, legal advisors, insolvency practitioners, etc. This role helps to streamline processes and reduces the need for each investor to act individually.
- **Providing expertise.** Offering specialised knowledge and experience in managing security arrangements, particularly in complex or distressed situations.
- **Brokering consensus.** Helping to build agreement among investors, particularly when there are differing priorities or perspectives on how to handle a default situation.

2.2.2 Common types of Secured Assets

A Security Trustee may manage and enforce security interests over a wide range of asset types, including but not limited to:

- Property-Related Assets - Mortgages, real estate, or land
- Receivables and Inventory - Trade receivables or physical stock
- Shares and Equity Stakes - Ownership interests in businesses
- Cash and Bank Deposits - Liquid funds held in accounts
- Equipment and Machinery - Physical assets used in operations
- Intellectual Property - Patents, trademarks, and copyrights
- Investments - Bonds, securities, or other financial instruments

It is not unusual to have a debenture over the entire business, which may include a combination of the above asset types, plus other, perhaps intangible, assets.

2.3 Regulatory framework

The matters in the section are complex, and we present a very abbreviated summary. This section must not be relied upon as legal or regulatory advice. Readers should seek their own legal advice on any specific matters.

Whether a Security Trustee is required to be regulated by the Financial Conduct Authority (FCA) depends on the specific activities they undertake:

- The core function of holding and managing security on behalf of investors is not typically regulated under the Financial Services and Markets Act 2000 (FSMA).¹
- However, during enforcement of security in a default scenario, taking control of certain financial assets (e.g., shares, bonds) may involve regulated activities can, depending on how it is done, trigger the regulatory activity of “safeguarding”.
- Indeed, various of the other activities that a Security Trustee might be asked to perform could be considered regulated activities under FSMA. For example, advising on restructuring options or coordinating investor actions may fall within the scope of regulated activities (e.g., advising on investments or arranging deals in investments).
- Enabling a level of discretionary decision-making on behalf of investors, e.g. to balance impact and finance, could also trigger regulatory requirements.

3 Survey Results

3.1 Overview

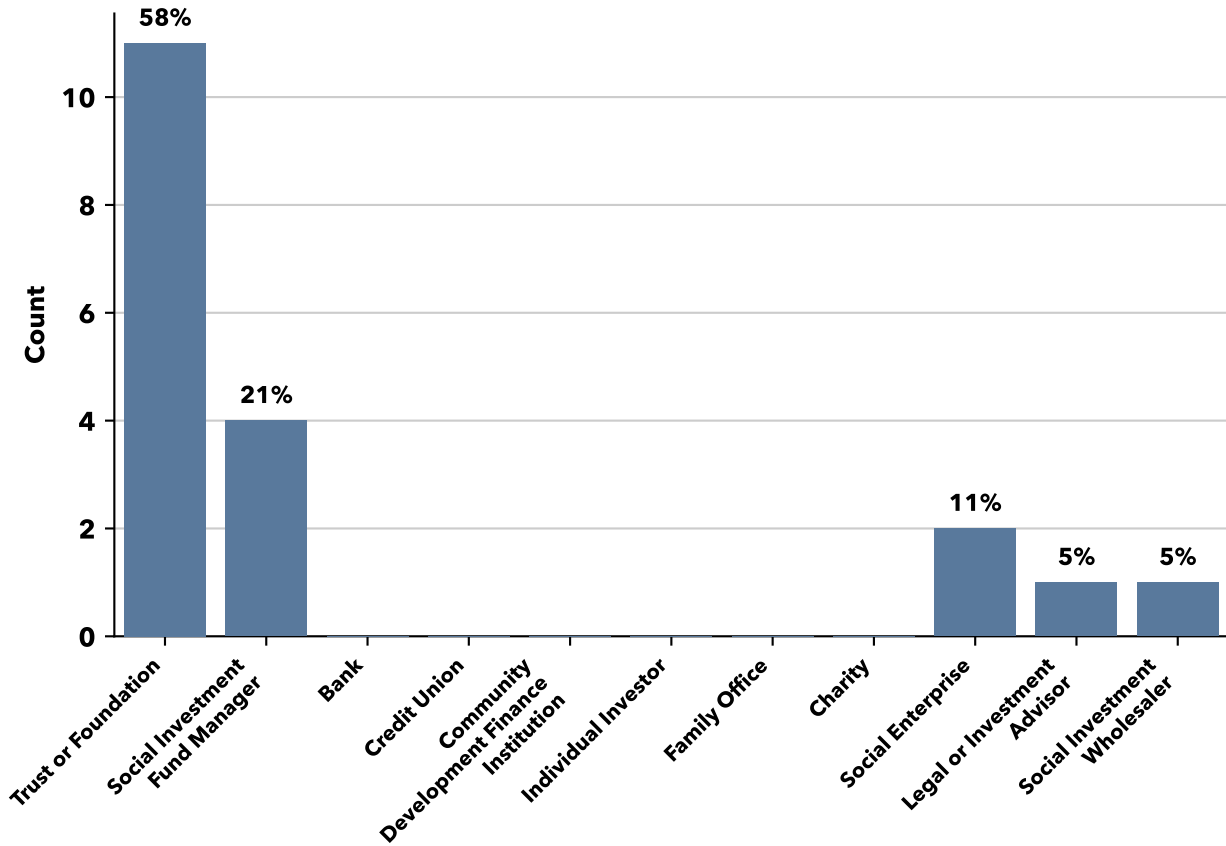
The survey was available from 21 August 2025 to 29 September 2025, and was publicised through direct e-mail and via LinkedIn, where posts on the subject received 1,576 impressions. A copy of the survey can be found in the appendix. We received a total of 19 completed surveys.

Below, each survey question is presented with a corresponding visualisation and a brief explanation of what the chart shows.

¹FCA writes, “Being a security trustee does not require FCA Authorisation <https://www.fca.org.uk/news/news-stories/sentor-solutions-commercial-ltd-consumer-warning>.” (accessed 30 September 2025).

3.2 Survey respondents - who took part?

3.2.1 Which of the following best describes your organisation?

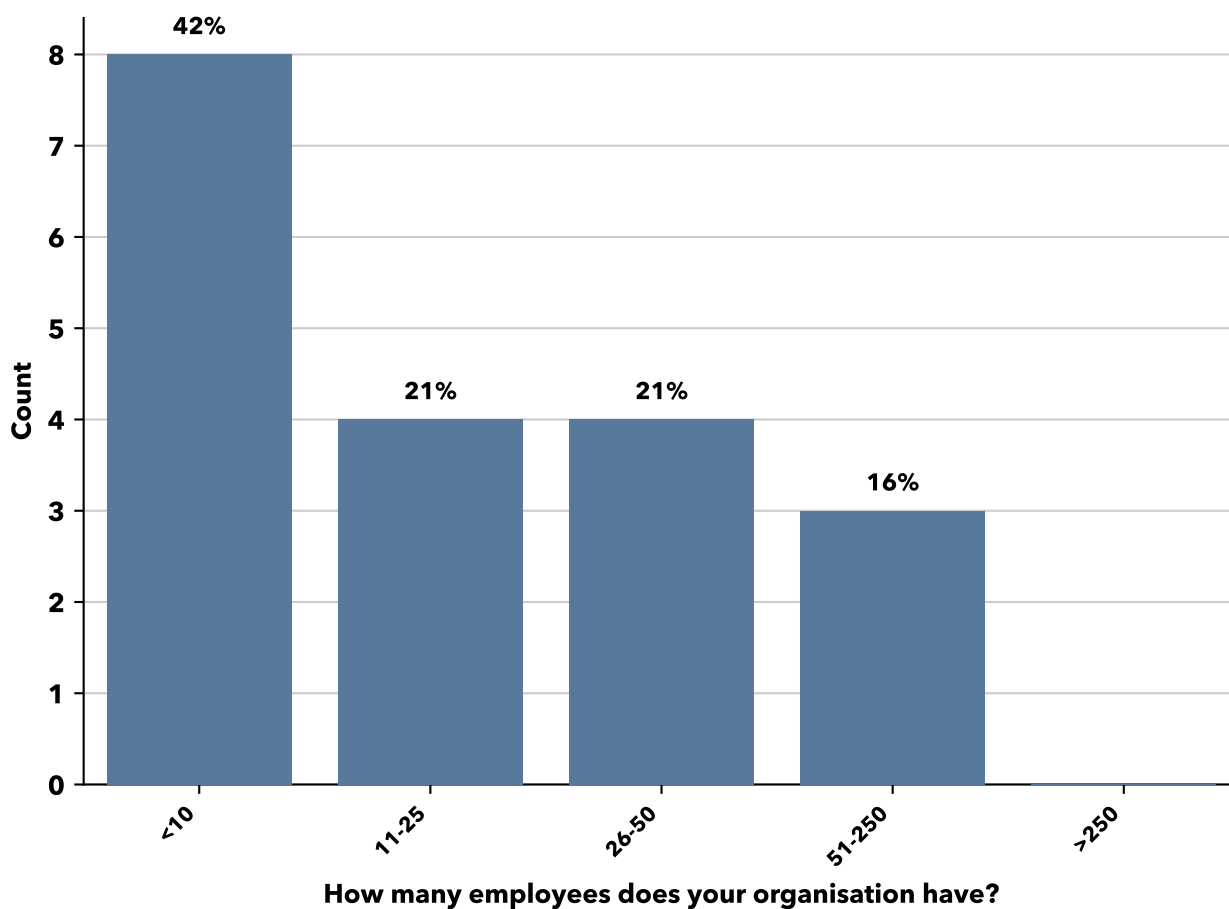


Which of the following best describes your organisation?

This chart shows the types of organisations represented in the survey, highlighting the diversity of participants in the social investment market.

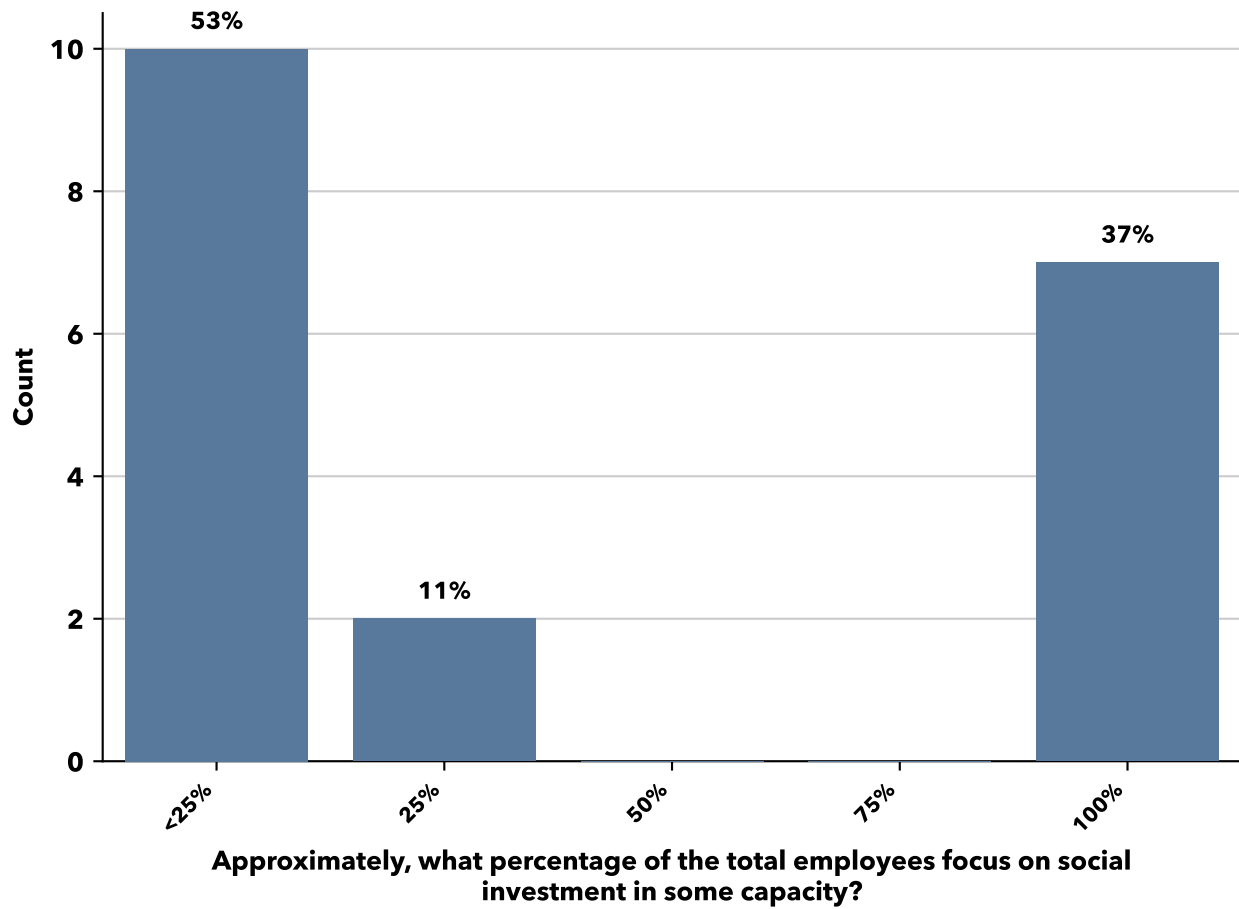
Although we sought to get input from a wide range of market participants, the vast majority of respondents were from trusts and foundations (61%). Other types of organisations represented were social investment fund managers, social enterprises, and legal or investment advisors.

3.2.2 How many employees does your organisation have?



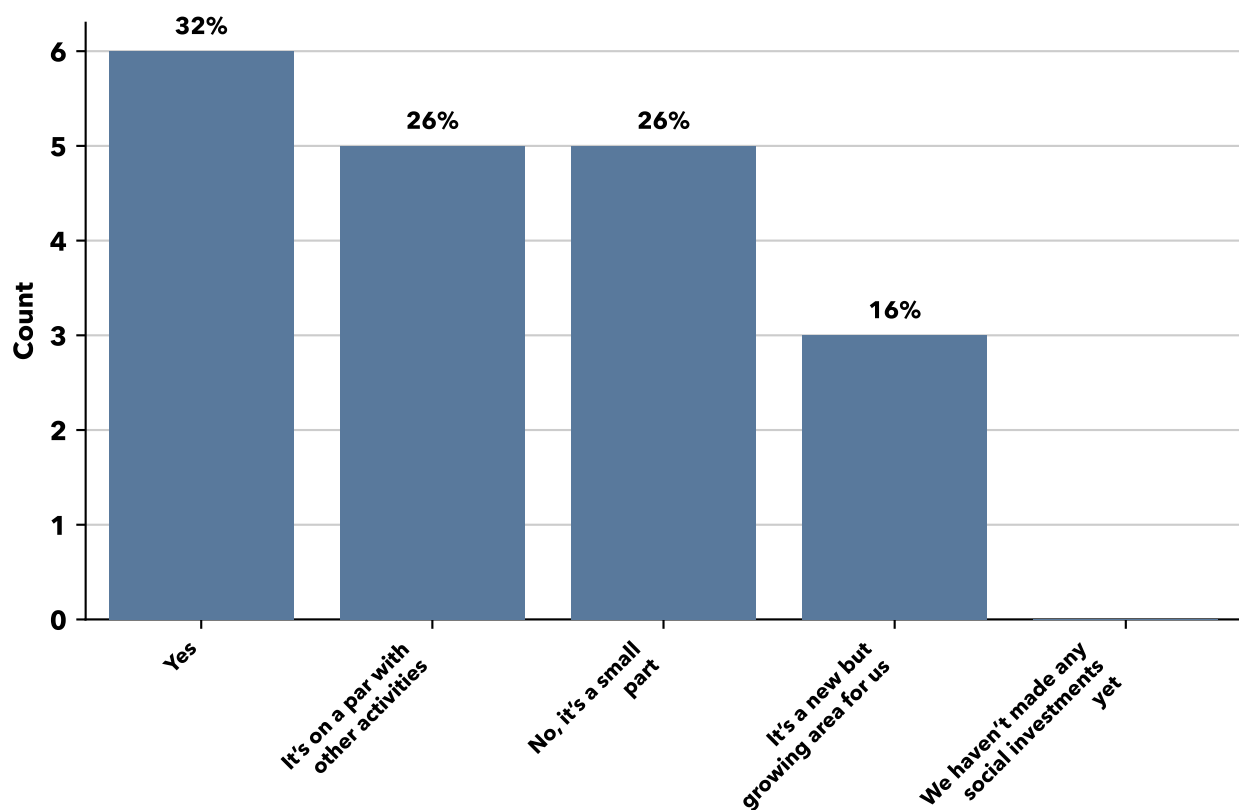
This visualisation illustrates the size distribution of organisations, providing context for the scale of social investment activity. This question was not available to people who identified as individual investors.

3.2.3 Approximately, what percentage of the total employees focus on social investment in some capacity?



This chart shows the proportion of staff involved in social investment, indicating organisational commitment to this area.

3.2.4 Would you describe social investment as the main activity undertaken by your organisation?

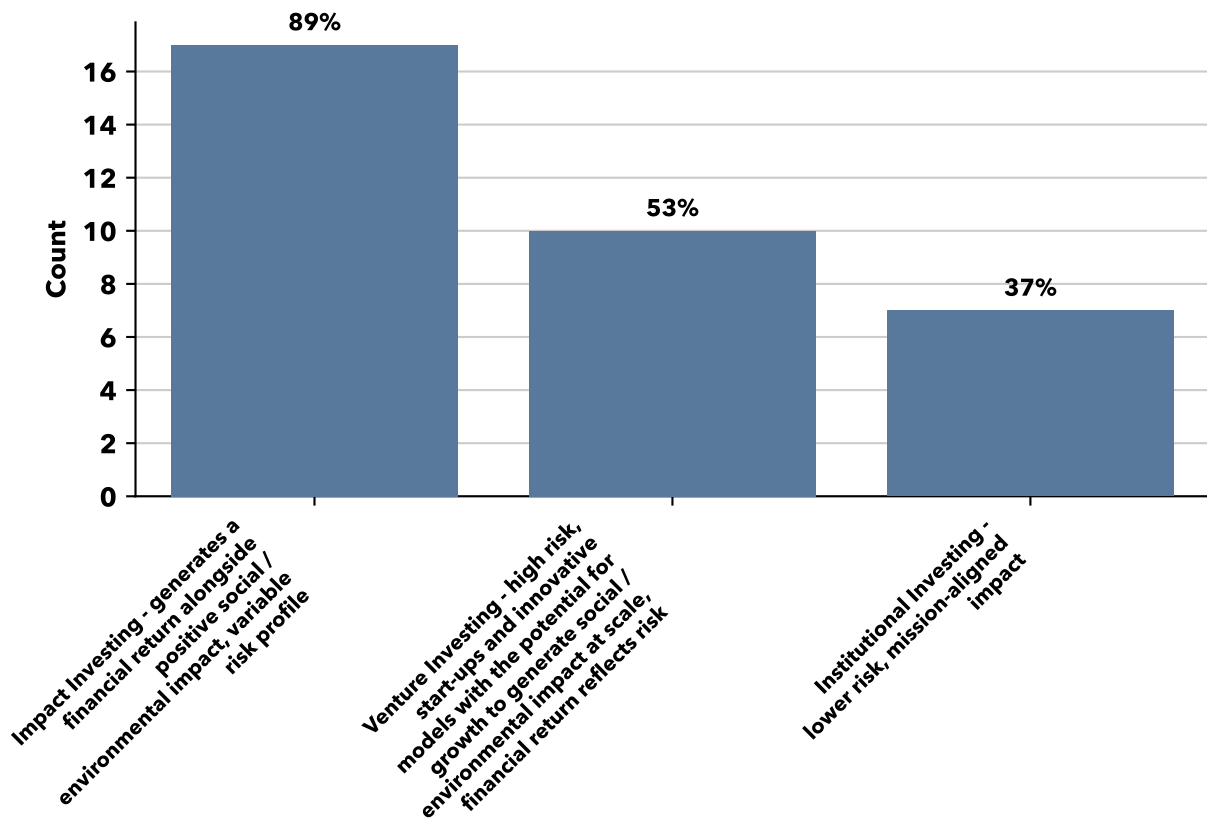


Would you describe social investment as the main activity undertaken by your organisation?

This visualisation reveals whether social investment is a core, equal, or minor activity for respondents.

3.3 Types of social investments and experience

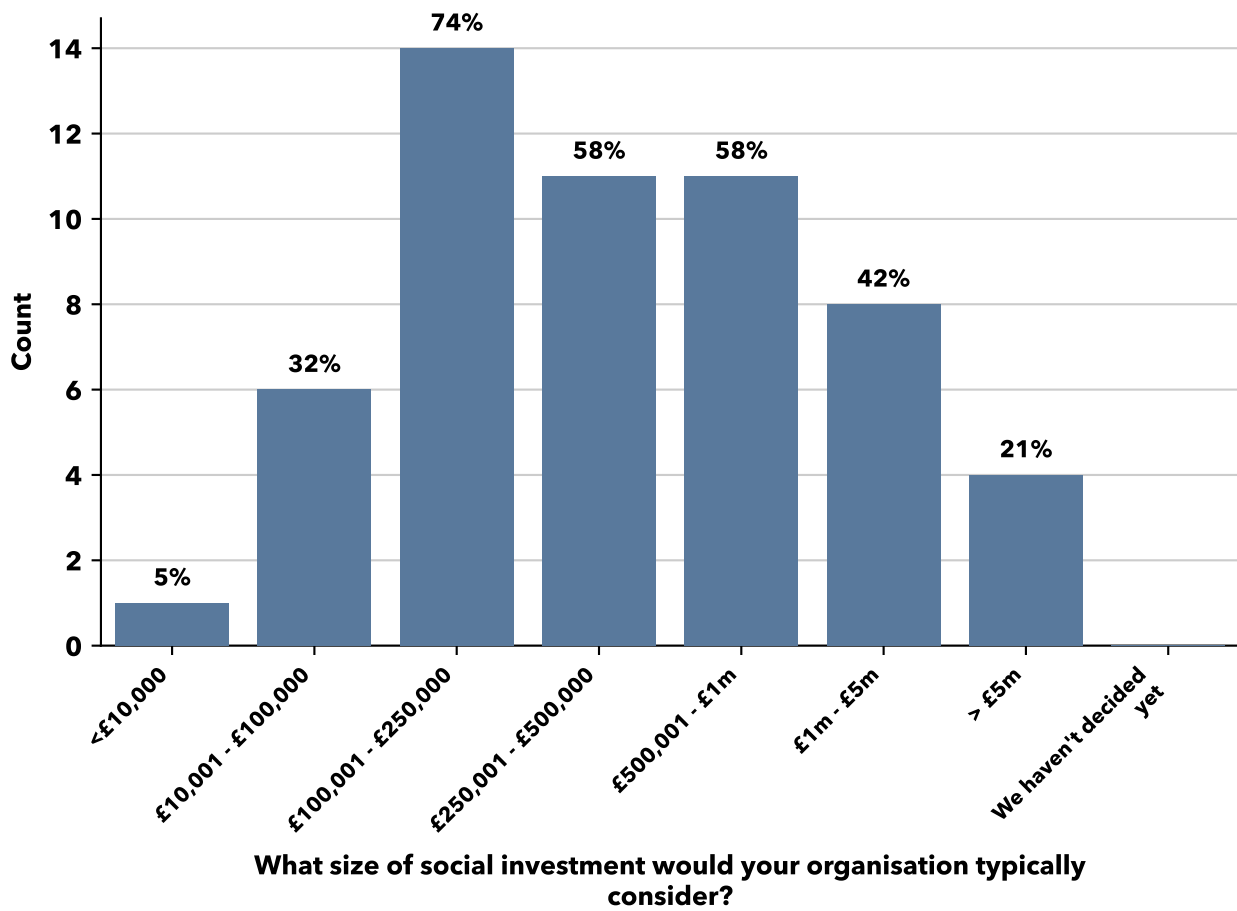
3.3.1 Which of the following best describes the type of investments your organisation tends to consider



Which of the following best describes the type of investments your organisation tends to consider

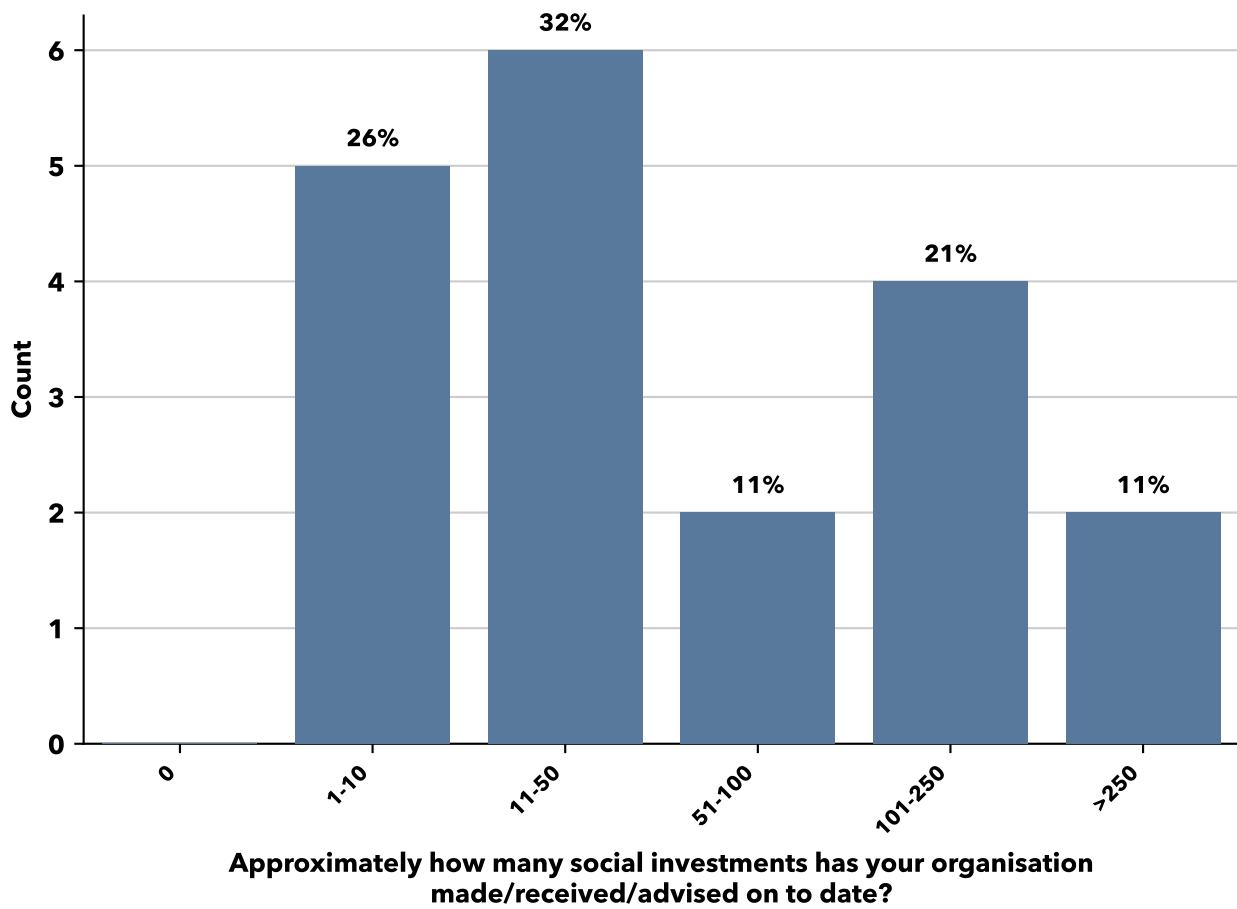
This chart shows the types of investments considered, such as impact, venture, or institutional investing. Respondents could pick multiple answers.

3.3.2 What size of social investment would your organisation typically consider?



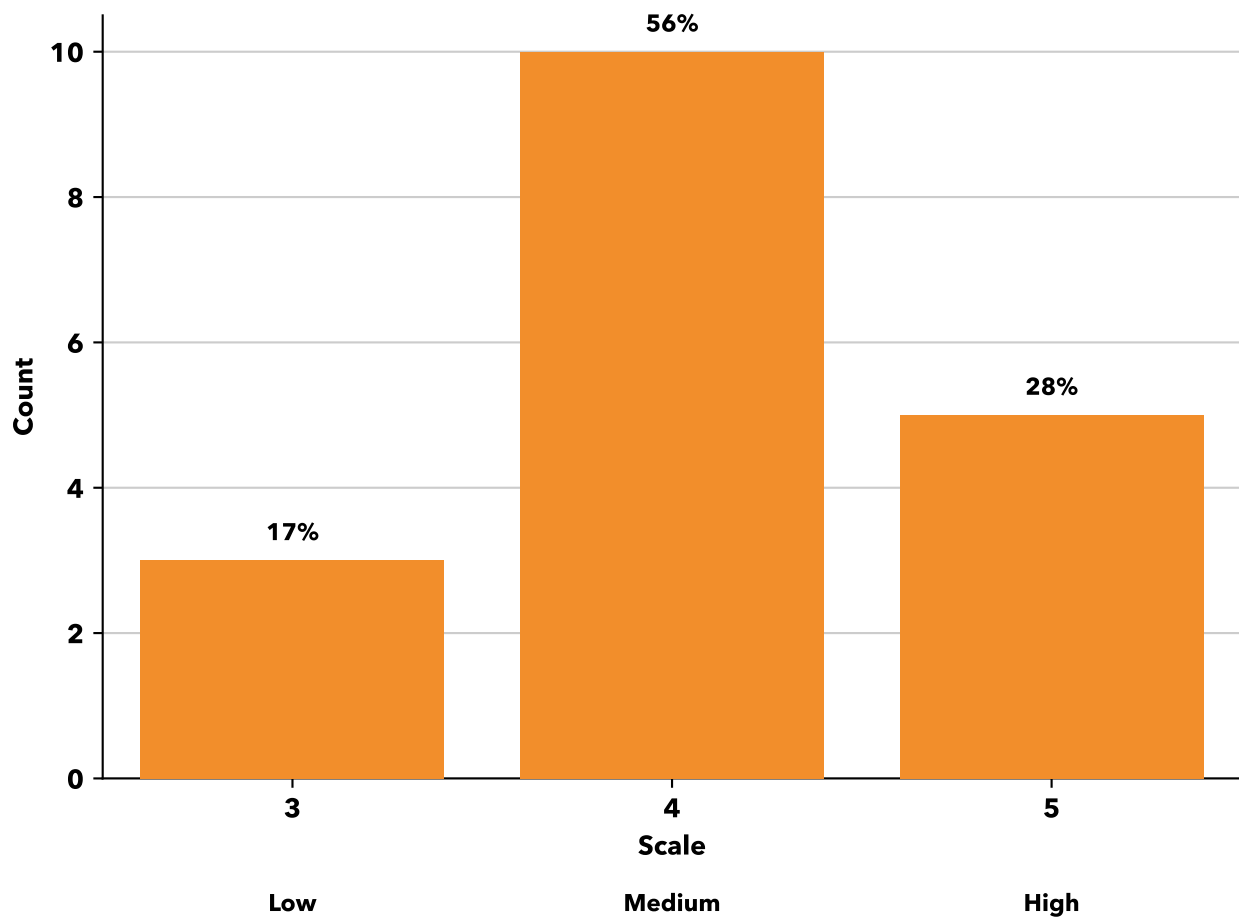
This visualisation displays the typical investment sizes, highlighting the financial scale of activity. Respondents could pick multiple answers.

3.3.3 Approximately how many social investments has your organisation made/received/advised on to date?



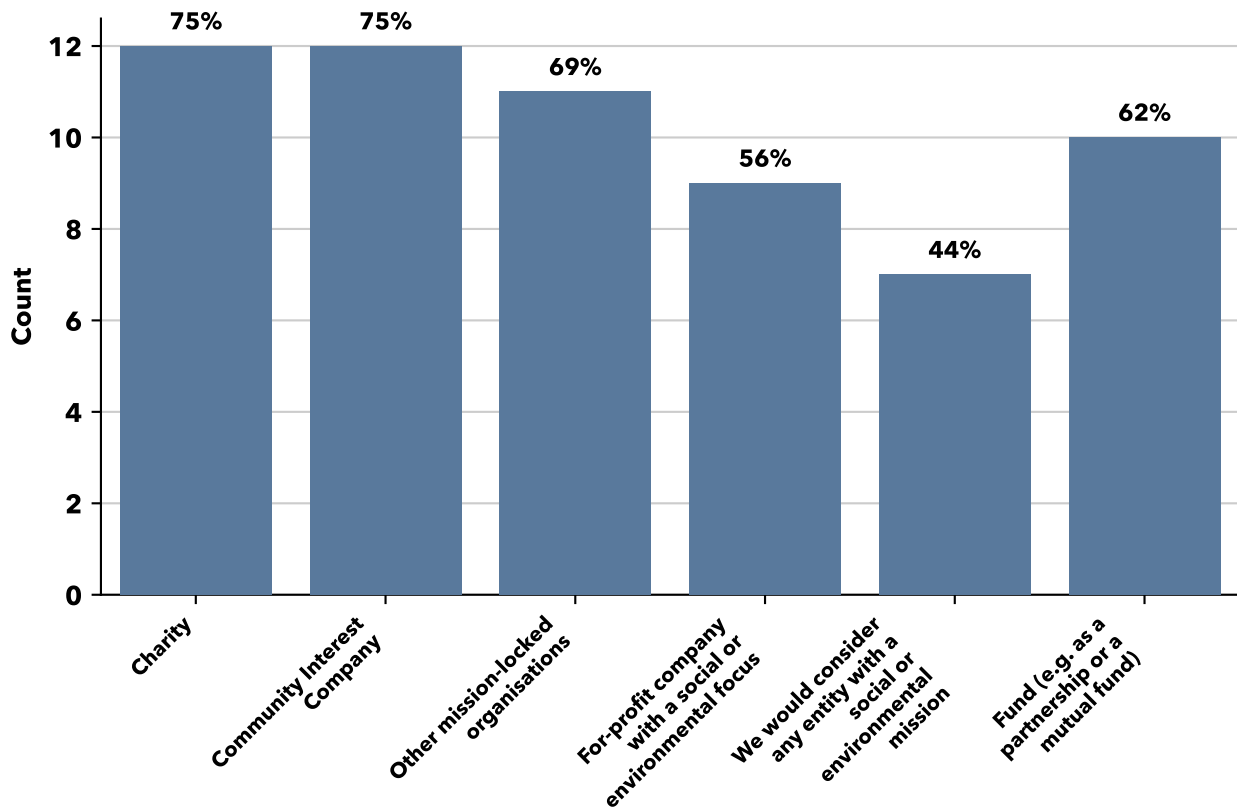
This chart shows the experience level of organisations in social investment.

3.3.4 How would you describe your tolerance for financial risk?



This visualisation illustrates the risk appetite of respondents in the context of social/impact investments. This question was not available to "Legal or Investment Advisor" respondents.

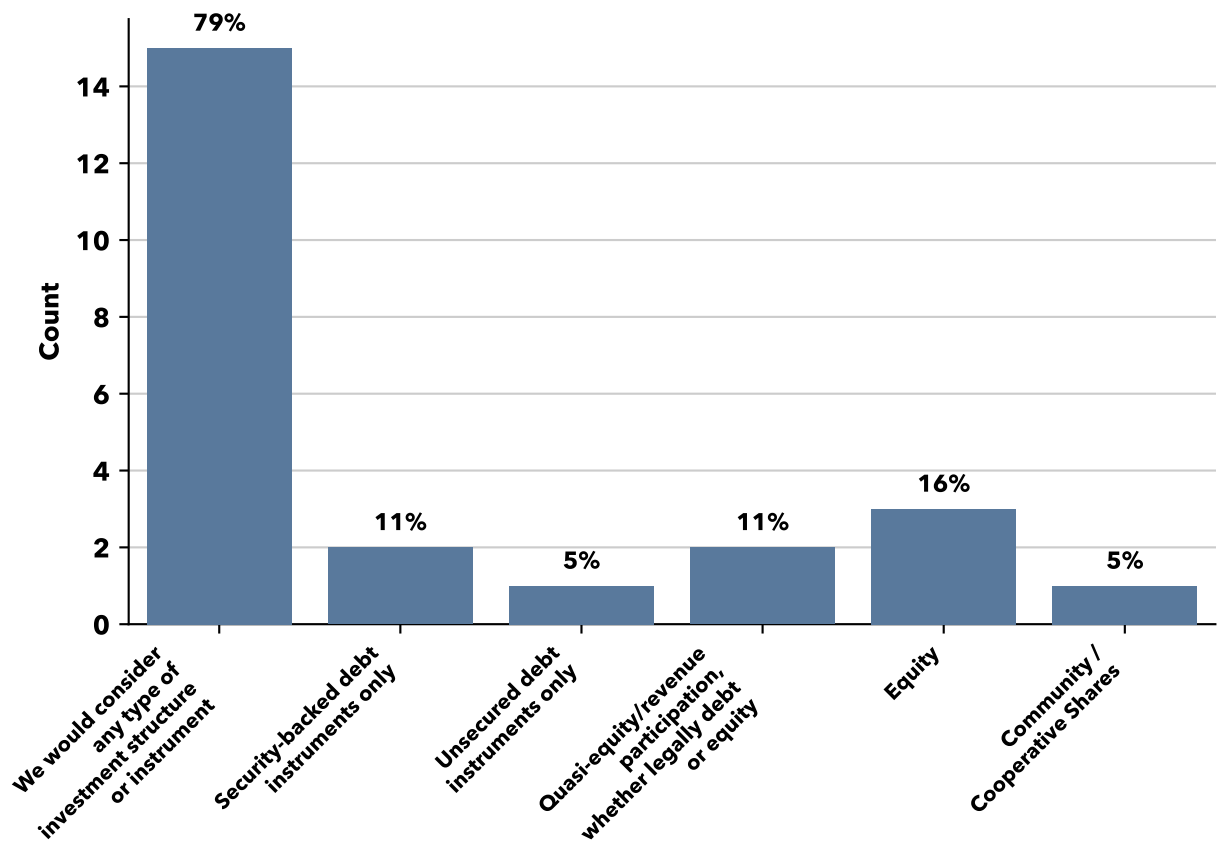
3.3.5 What type of entities does your organisation tend to invest in or would consider investing in?



What type of entities does your organisation tend to invest in or would consider investing in?

This chart shows the types of entities considered for investment, such as charities, CICs, or for-profit companies with a social focus. This question was not available to respondents who classified themselves as "Charity", "Social Enterprise", or "Legal or Investment Advisor".

3.3.6 What type of social investments would your organisation consider?

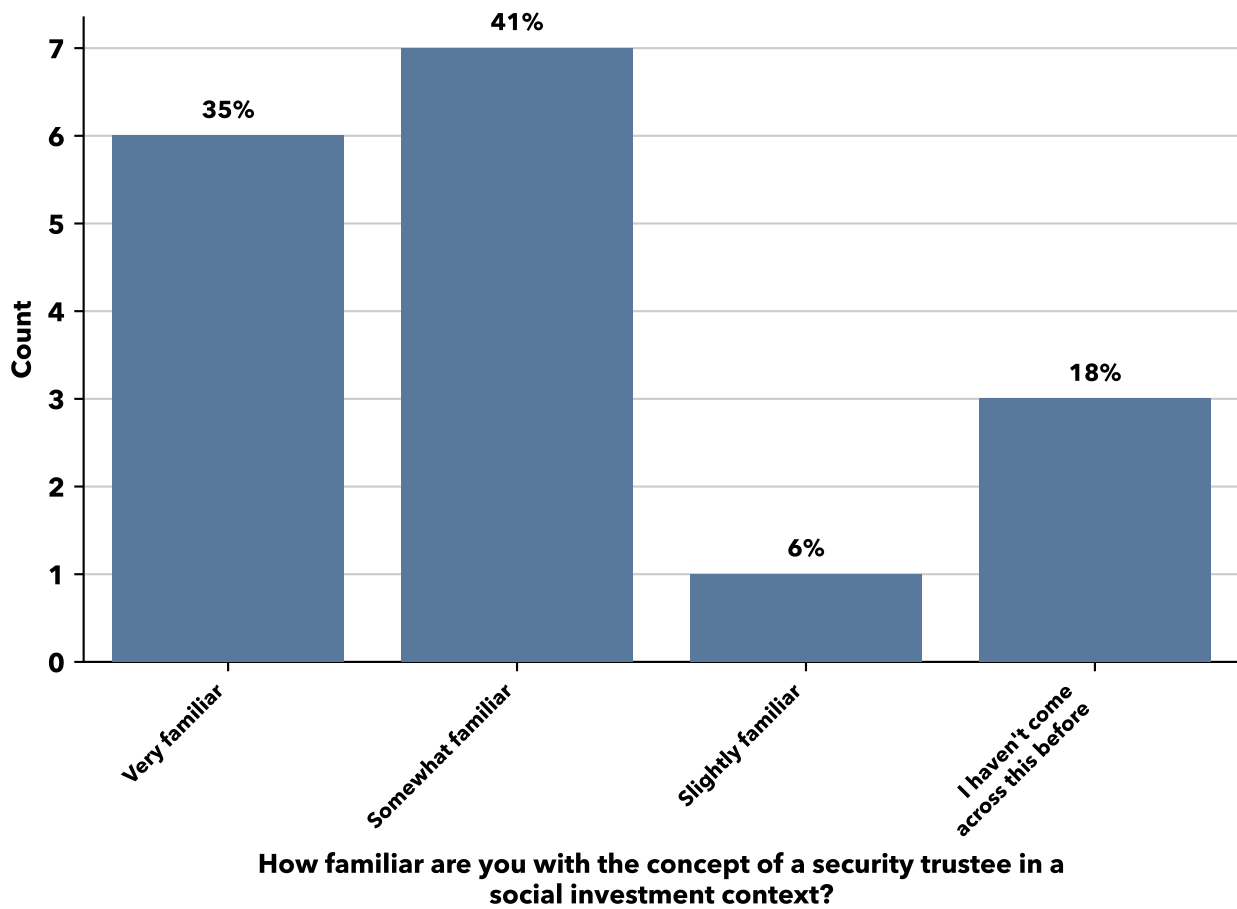


What type of social investments would your organisation consider?

This visualisation displays the range of investment structures and instruments considered by respondents.

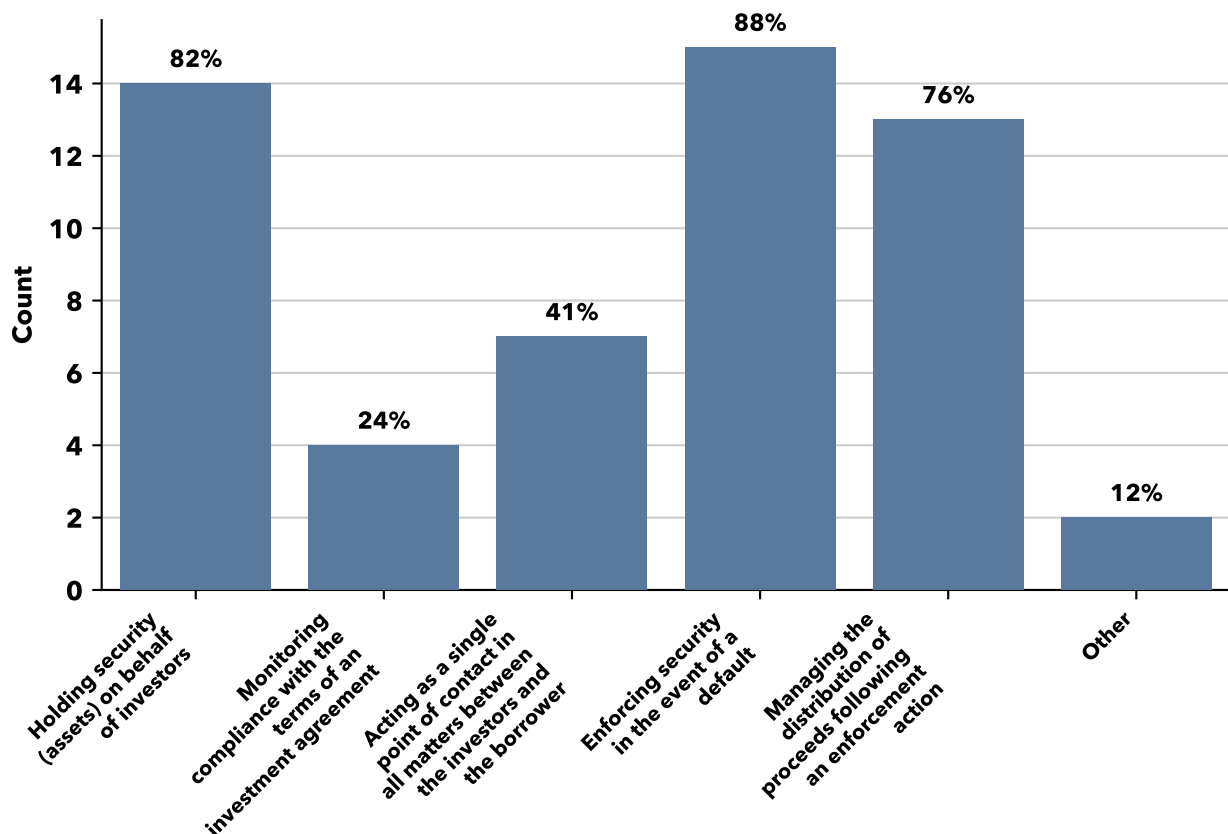
3.4 Security trustees - understanding and experience

3.4.1 How familiar are you with the concept of a security trustee in a social investment context?



This chart shows the claimed level of familiarity with security trustees among participants. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

3.4.3 From your understanding, what are the core responsibilities of a security trustee?



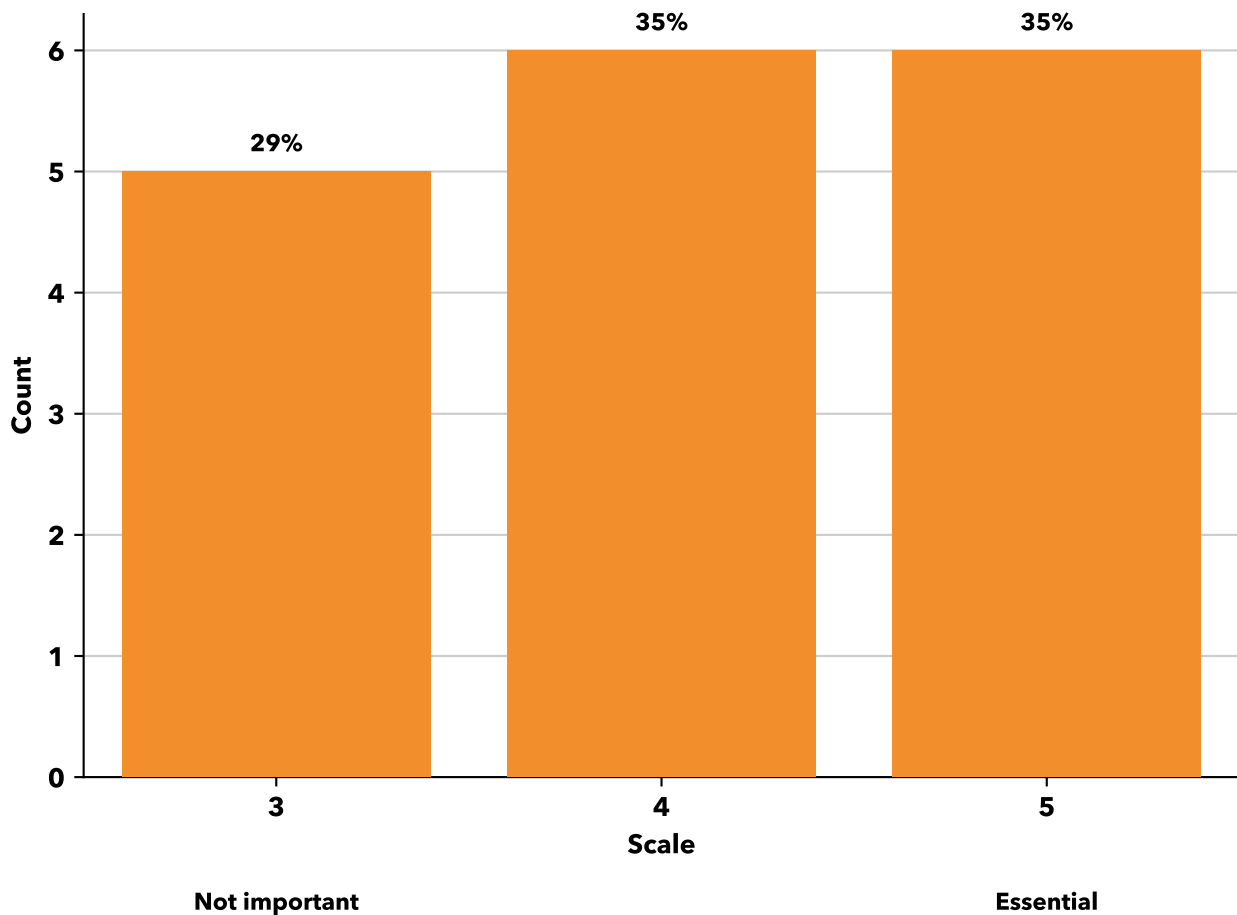
From your understanding, what are the core responsibilities of a security trustee?

This chart shows which responsibilities are most commonly associated with security trustees by respondents. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

The two people who selected "Other" specified:

- "Acting to co-ordinate creditors and find consensus where needed"
- "Co-ordinating arrangement with receiver/administrator, registering position of those with a financial interest, communicating receiver/administrator materials to interested parties"

3.4.4 How important do you think it is for investors to understand the role and responsibilities of a security trustee?



This visualisation highlights the perceived importance of investor understanding of security trustee roles. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

3.4.5 Has your organisation ever been involved in any social investments that require a security trustee?

This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

The actual question asked differed slightly depending on the type of organisation responding (investor, investee, advisor). The questions each faced were: "Has your organisation ever held, or does it currently hold, any social investments that require a security trustee?", "Has your organisation ever issued any social investments that require a security trustee?", and "Has your organisation ever advised on any social investments that require a security trustee?".

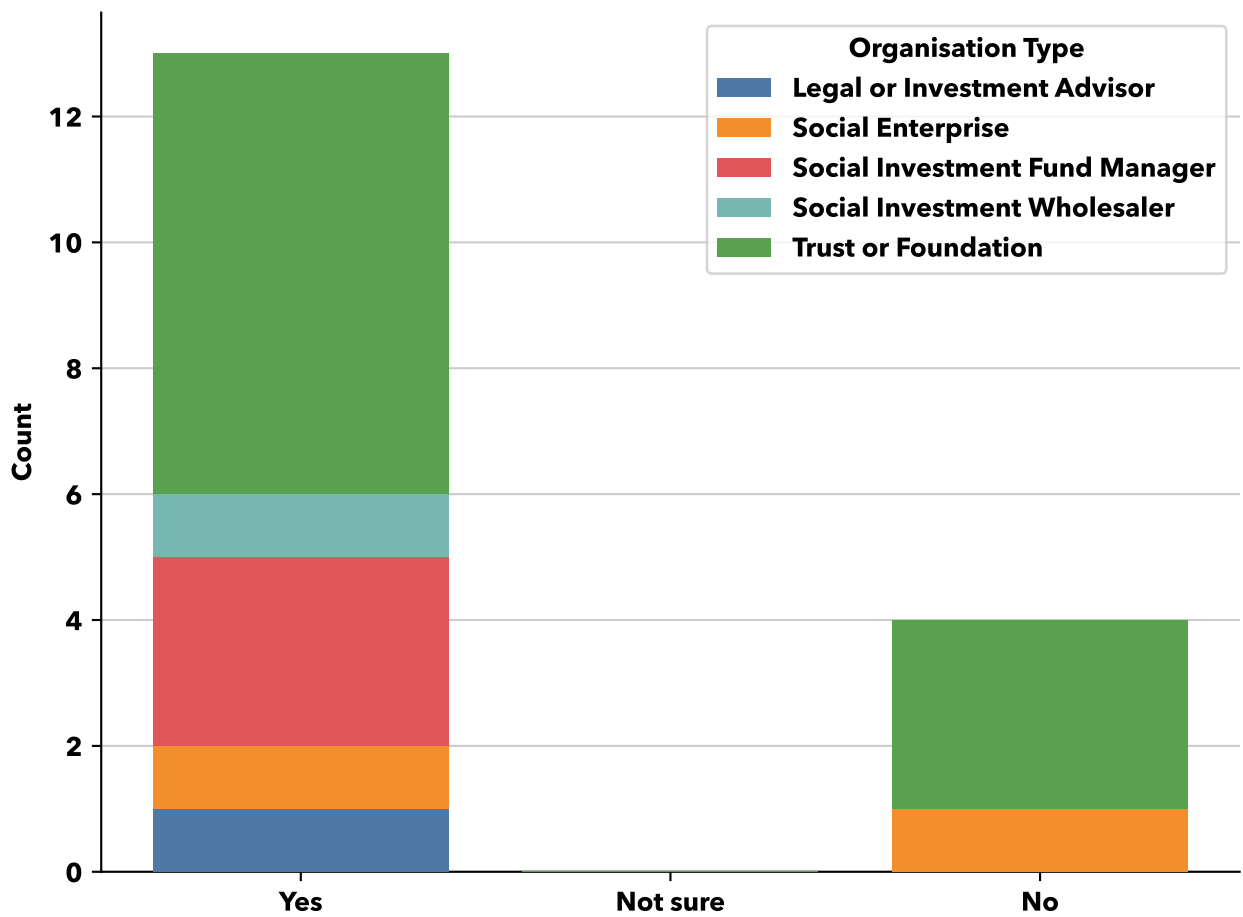
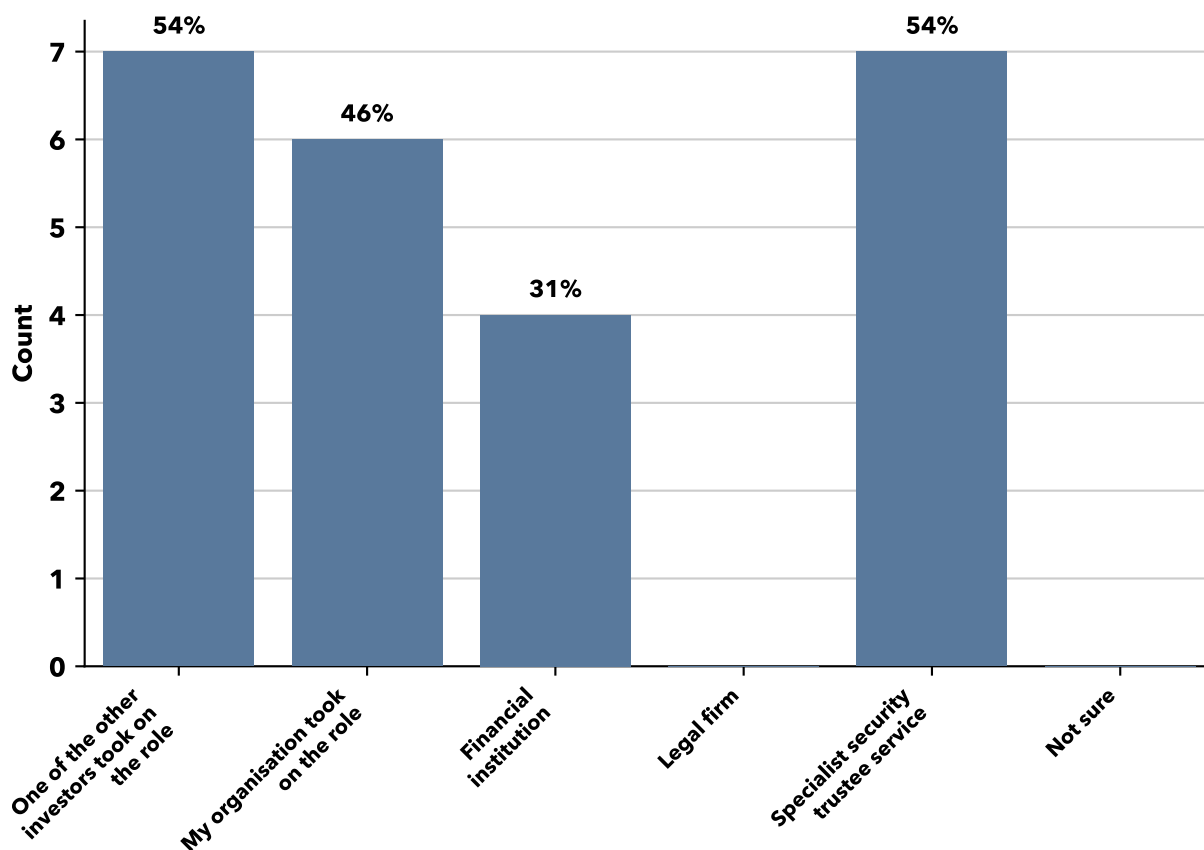


Figure 1: Has your organisation ever been involved in any social investments that require a security trustee?

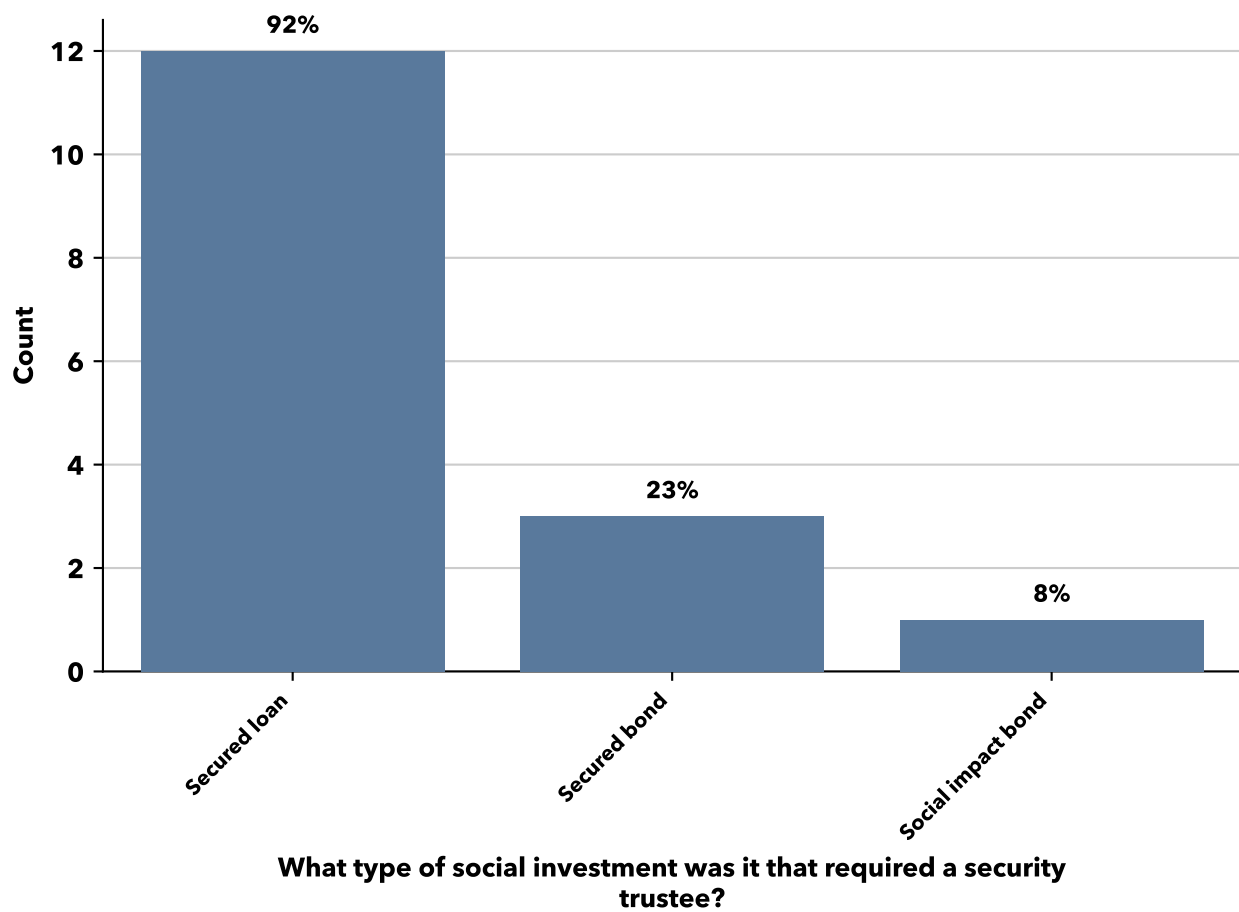
3.4.6 If yes, who was appointed to the role of security trustee?



If yes, who was appointed to the role of security trustee?

This visualisation shows who typically takes on the role of security trustee in practice. This question was only made available to respondents who said they had been involved in a social investment that required a security trustee. Respondents could select multiple answers.

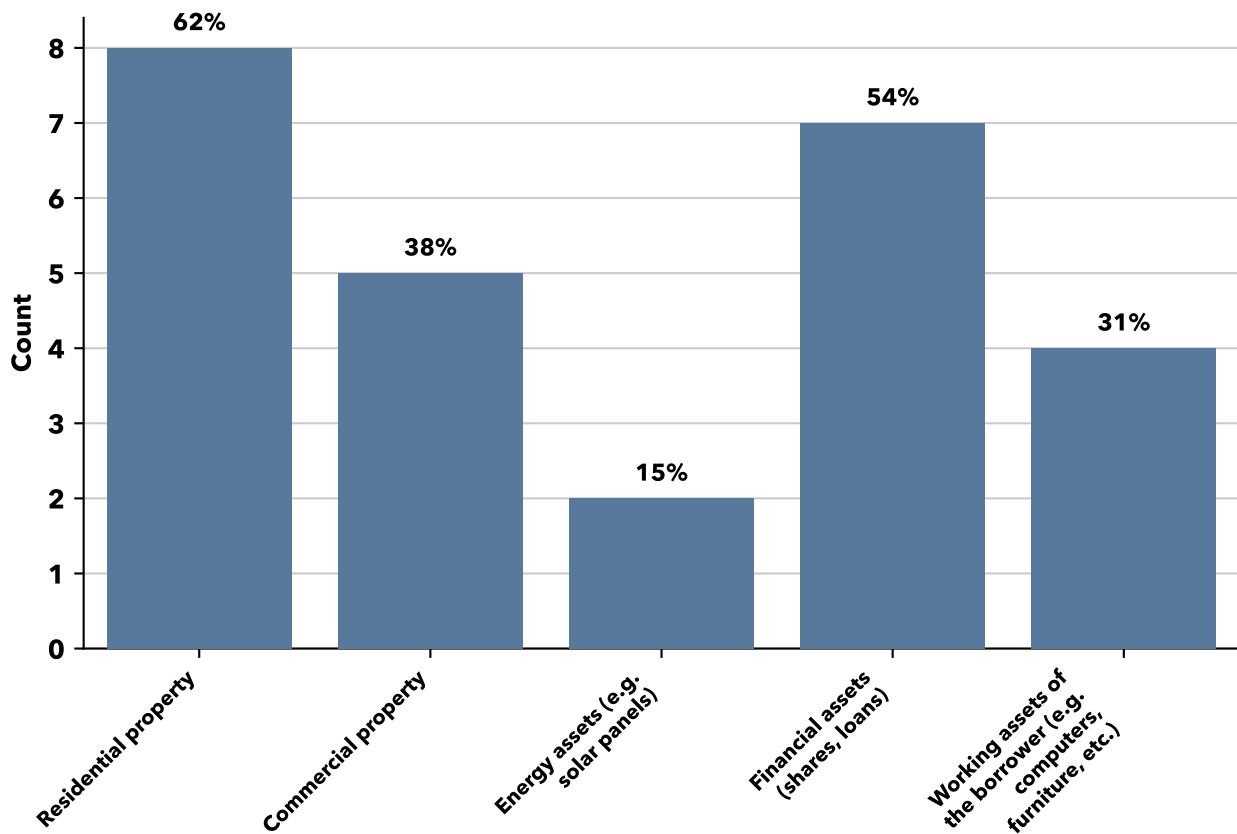
3.4.7 What type of social investment was it that required a security trustee?



This chart displays the types of investments that most often require a security trustee. This question was only made available to respondents who said they had been involved in a social investment that required a security trustee.

One respondent who selected "Other" specified "Debt with junior and senior lenders".

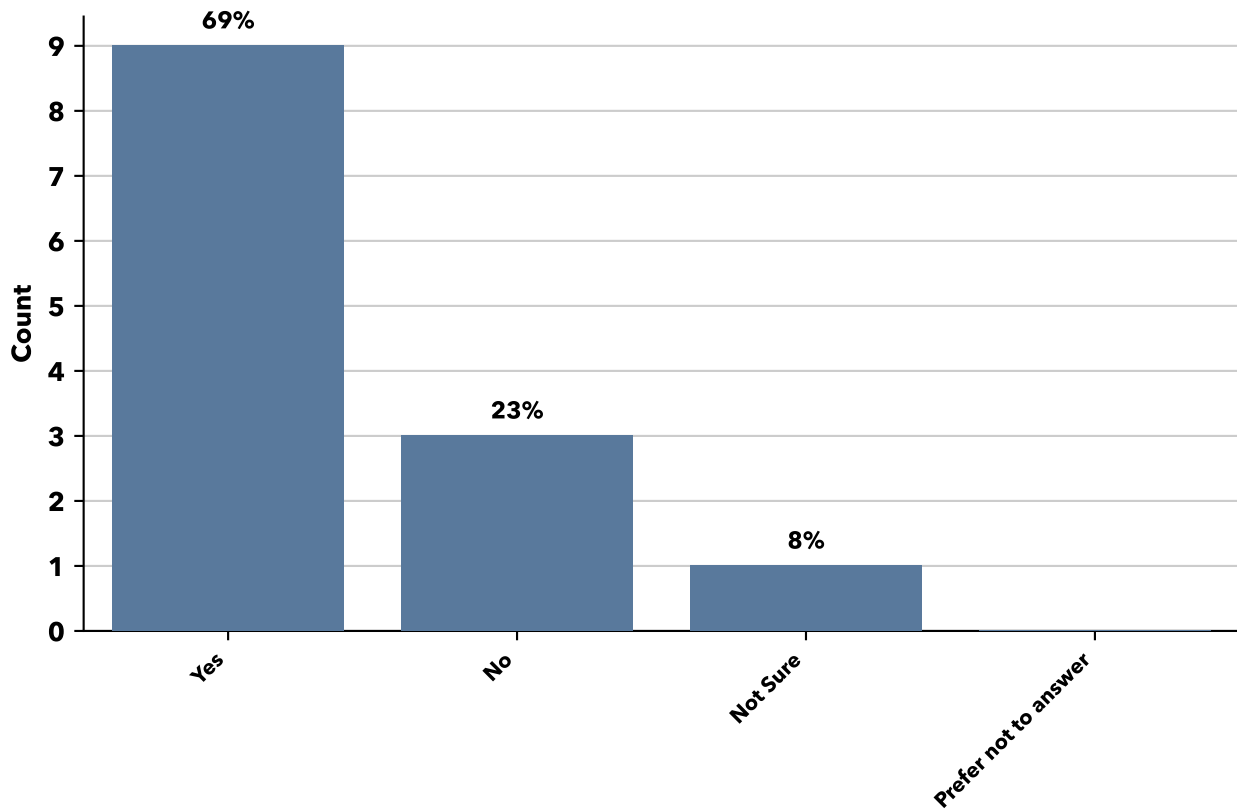
3.4.8 What sort of assets formed the majority of the security?



What sort of assets formed the majority of the security?

This visualisation shows the types of assets most commonly used as security. Respondents could select multiple answers. This question was only made available to respondents who said they had been involved in a social investment that required a security trustee.

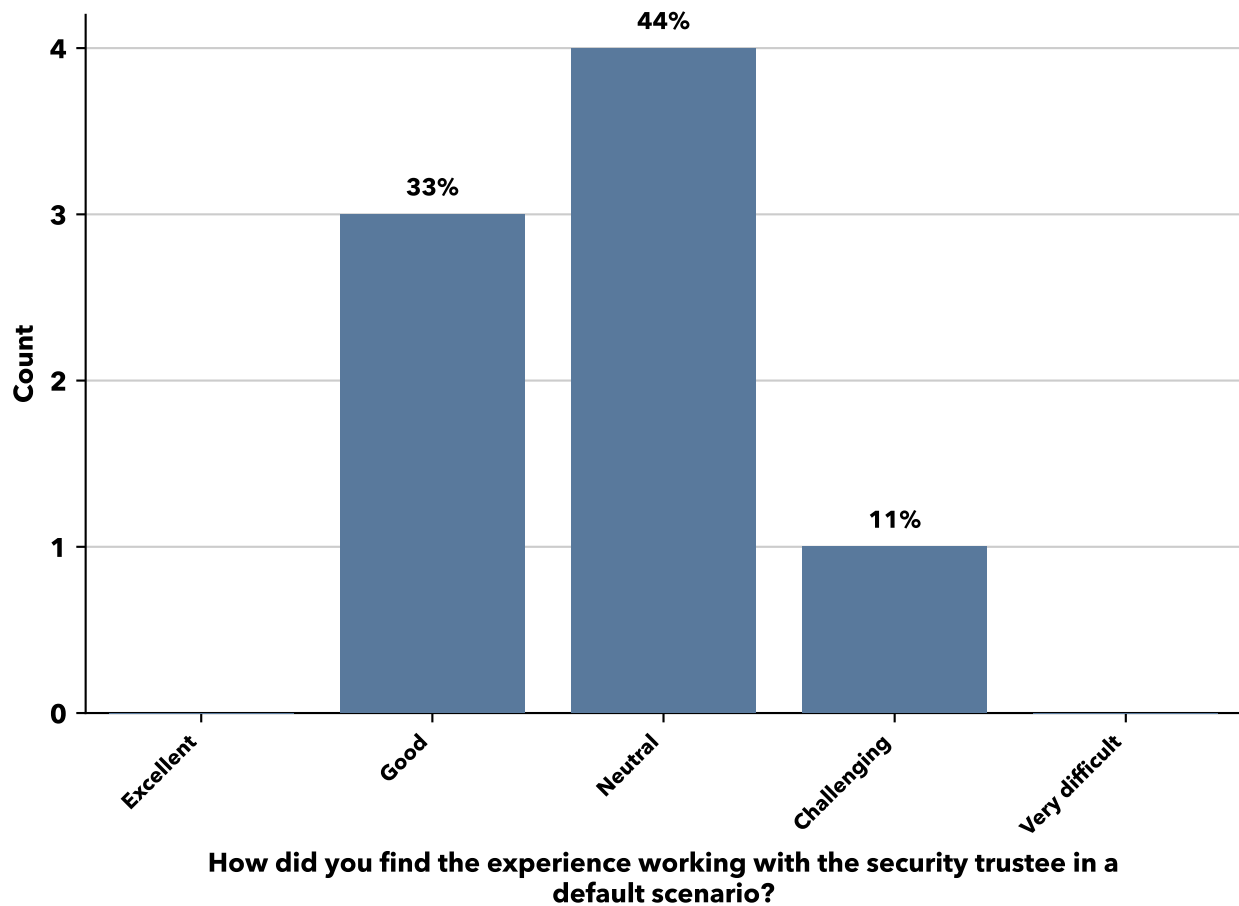
3.4.9 Have you, or your organisation, ever experienced a situation where a security trustee was required to act on behalf of investors in the event of a default?



Have you, or your organisation, ever experienced a situation where a security trustee was required to act on behalf of investors in the event of a default?

This chart shows the frequency of default scenarios requiring security trustee action. This question was only made available to respondents who said they had been involved in a social investment that required a security trustee.

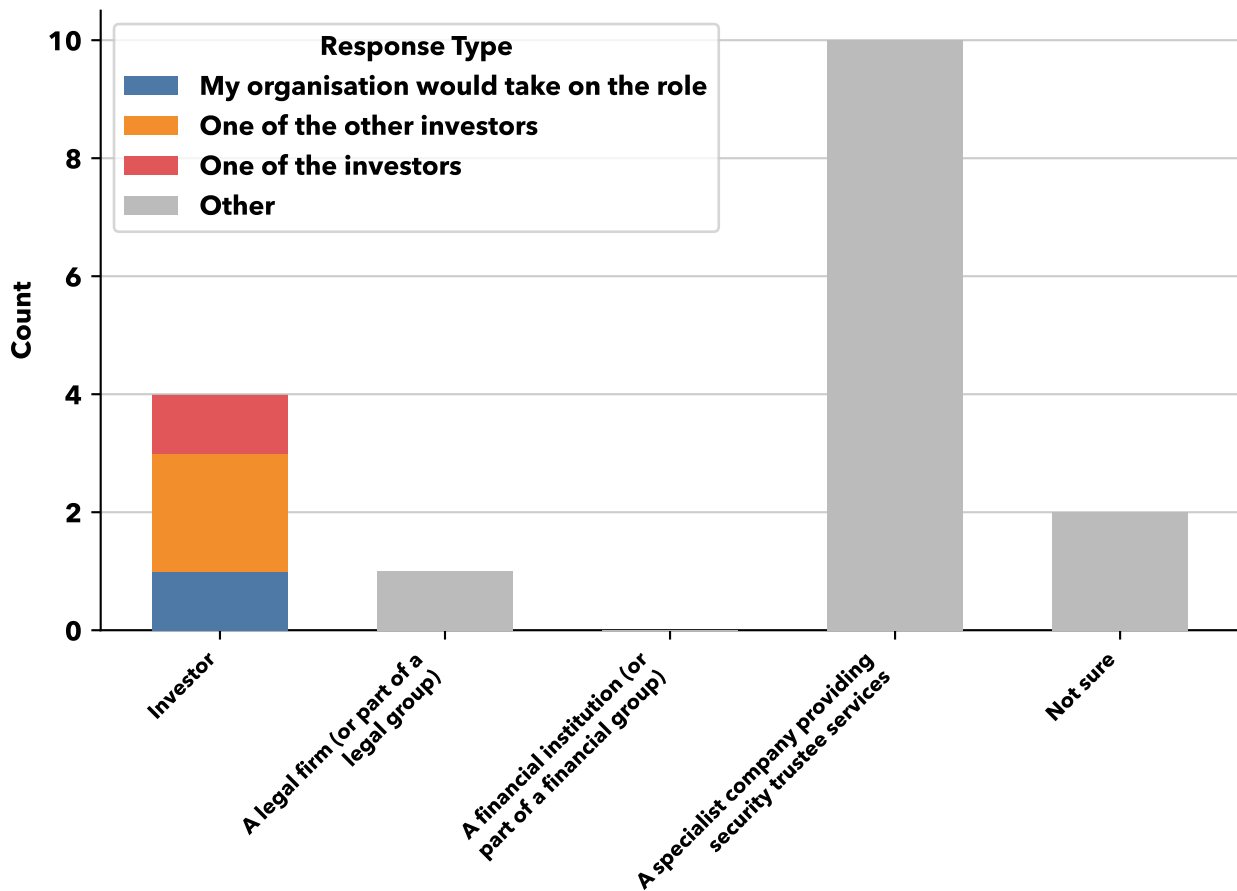
3.4.10 How did you find the experience working with the security trustee in a default scenario?



This visualisation displays respondent satisfaction with security trustee performance in default scenarios. This question was only made available to respondents who said they had experiences a situation where a security trustee was required to act.

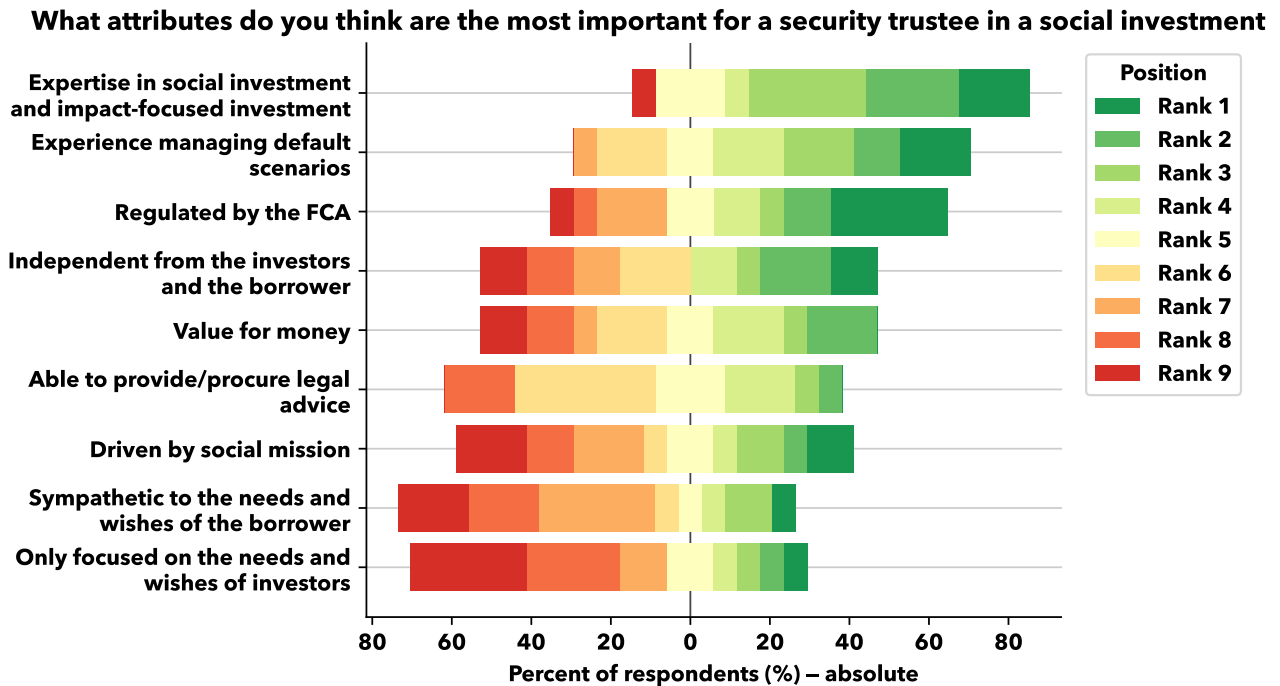
3.5 Security trustee preferences

3.5.1 Who would be your preferred option to take on the role of security trustee in a social investment?



This chart shows preferences for who should act as security trustee. This question was only made available to respondents who said they would consider an investment type that might require a security trustee. Potential investors were given the option to distinguish between taking the role on themselves, or it being done by a different investor.

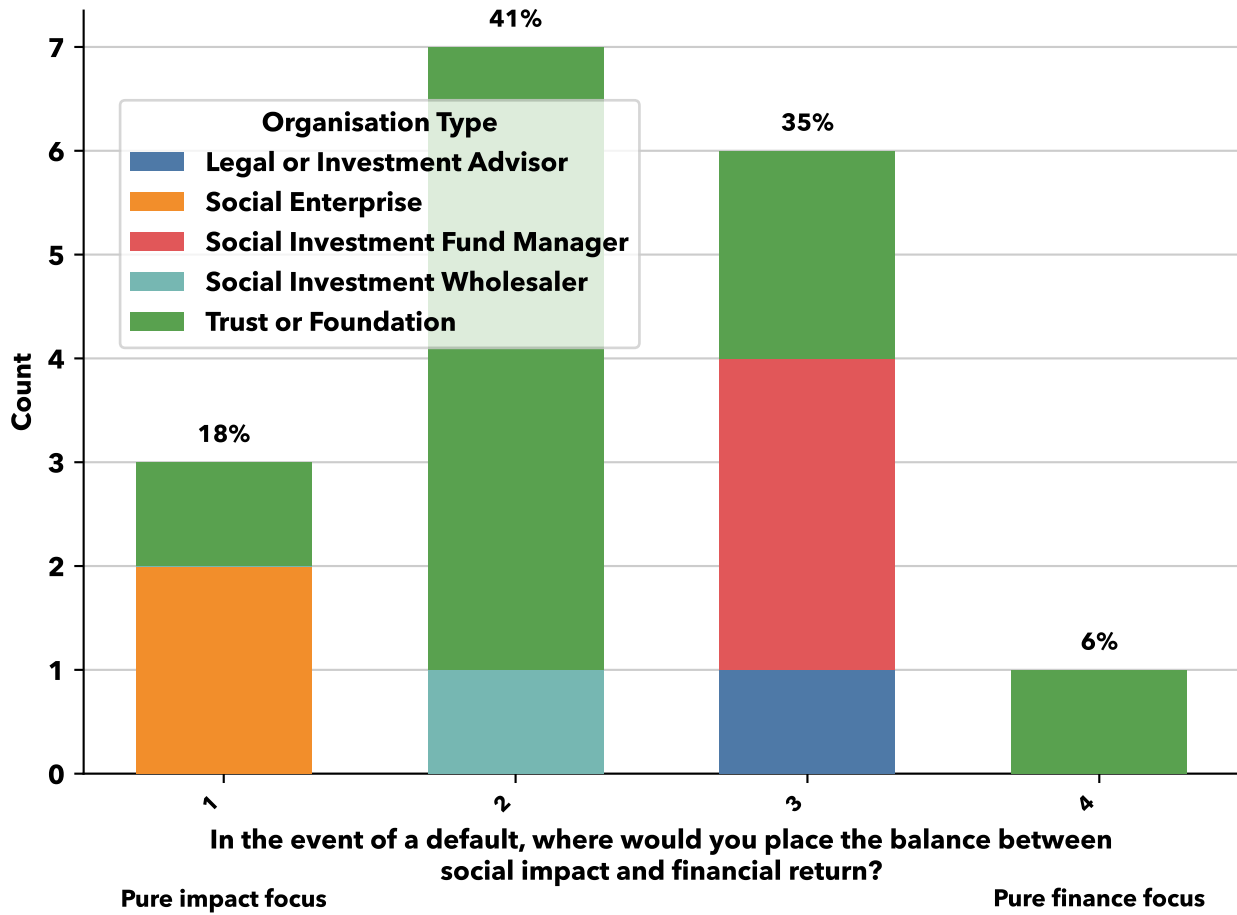
3.5.2 What attributes do you think are the most important for a security trustee in a social investment scenario?



This visualisation displays the attributes ranked most important for security trustees. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

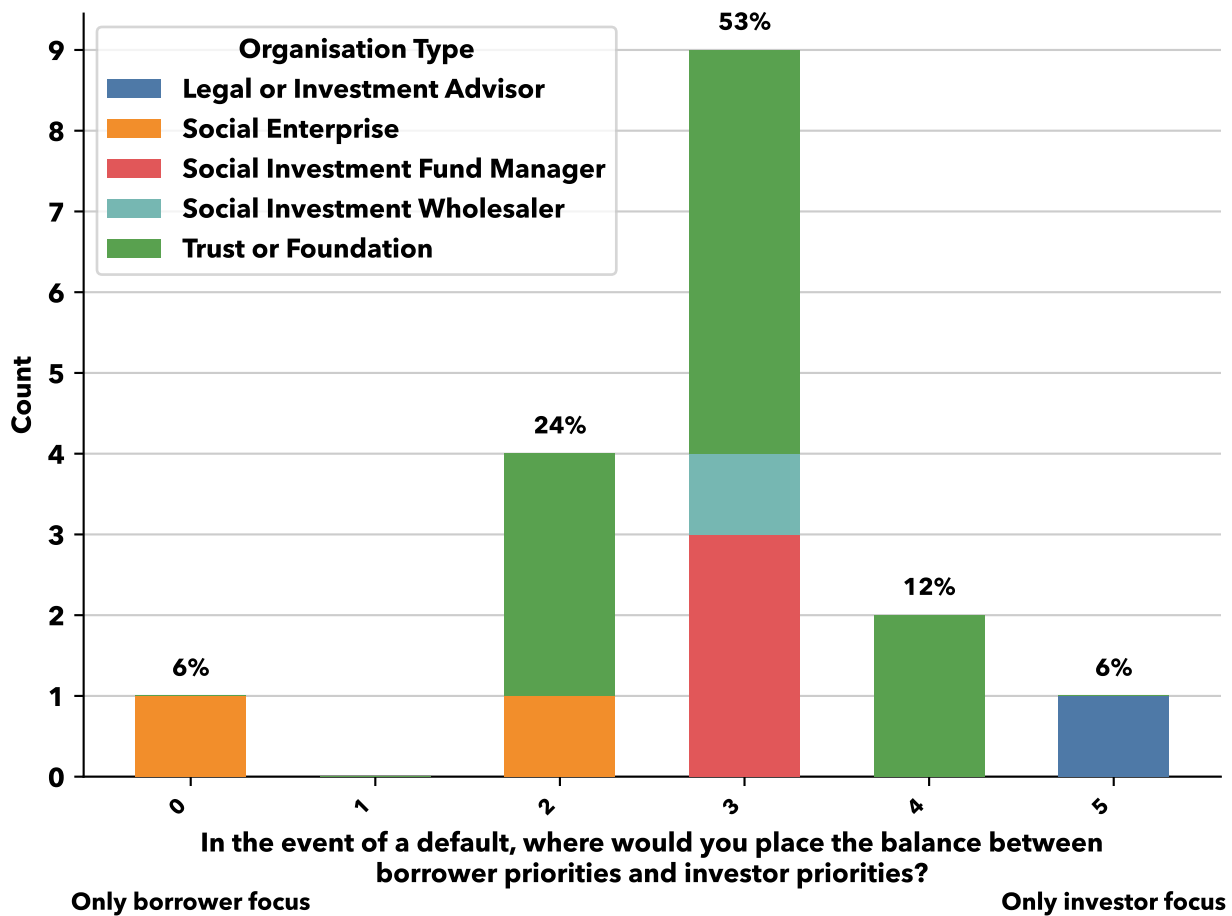
It takes a moment to understand what this type of diagram is showing. We asked people to rank at least the top 3 attributed they felt a security trustee should have. They could rank more if they wished. The chart shows how often each attribute was ranked in each position, offset into those ranked above 5 and those ranked below. It highlights that the three most desired attributes are “Expertise in social investment and impact-focused investment”, “Experience managing default scenarios”, and “Regulated by the FCA”.

3.5.3 In the event of a default, where would you place the balance between social impact and financial return?



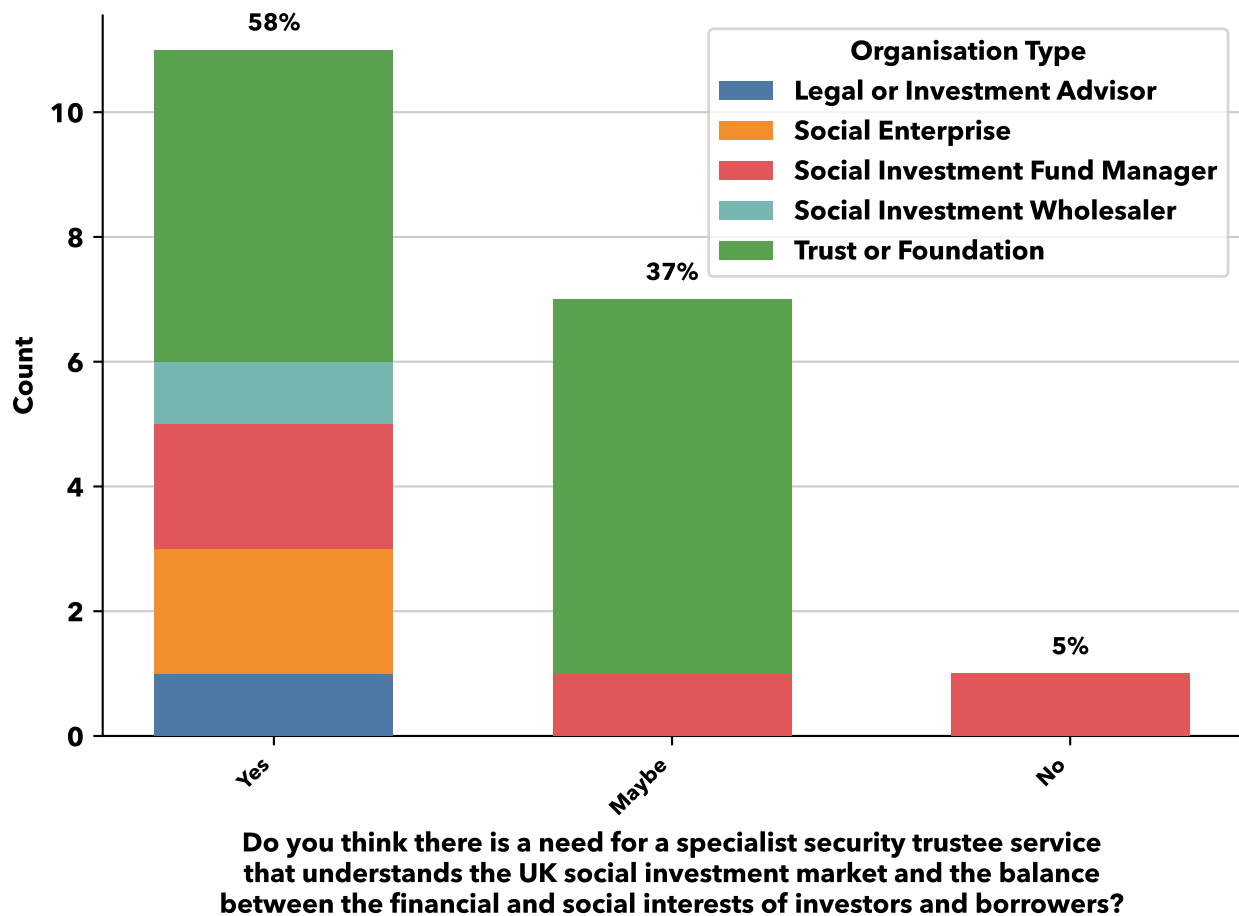
This chart shows respondent views on balancing social impact and financial return in default scenarios. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

3.5.4 In the event of a default, where would you place the balance between borrower priorities and investor priorities?



This visualisation illustrates how respondents balance borrower and investor priorities in default situations. This question was only made available to respondents who said they would consider an investment type that might require a security trustee.

3.5.5 Do you think there is a need for a specialist security trustee service that understands the UK social investment market and the balance between the financial and social interests of investors and borrowers?



This chart shows the perceived need for a specialist security trustee service.

4 Interviews

We conducted seven in-depth interviews with a selection of market participants to explore their views on security trustees in more detail. Interviewees included social investors, social enterprises, legal advisors, and intermediaries. The interviews provided qualitative insights that complemented the survey findings.

We structured the interviews around three key themes: the current landscape of security trustees in social investment, core problems and challenges faced by market participants, and thoughts on a specialist social impact security trustee service.

4.1 Current landscape

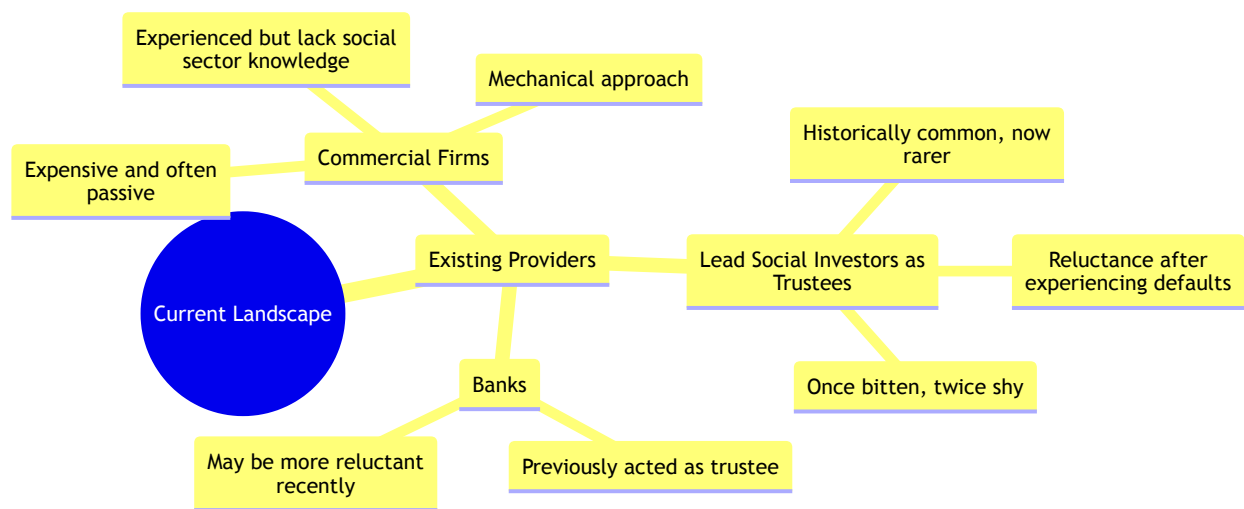


Figure 2: Mind map showing key themes from interviews about the current landscape of security trustees in social investment

4.1.1 Orientation questions

We asked:

What comes to mind when you think about social investments that have involved a security trustee? Can you share a specific example or two?

- Follow-up: What was your role or your organisation's role in that specific investment?
- Follow-up: Are you aware of any deals that didn't go ahead because of problems with appointing or paying for a security trustee?

The interviewees fell into three primary categories: social investors who often find themselves forced into the role of security trustee; investees who implicitly or explicitly pay for the service; and technical experts who manage the legal or insolvency aspects.

4.1.1.1 Social investors - the reluctant security trustees

A significant portion of the interviewees were investment directors or managers at major social impact funds and foundations. Their organisations often take on the security trustee role not by choice, but out of necessity to save costs or because commercial options don't seem to be a good fit.

- One participant manages social impact funds and noted that their organisation often acts as a lender but inherited the trustee role. They explained: "often we're the biggest lender... I guess there was no one else available to do it: we just ended up having to do it". They noted they have tried to use independent trustees, but borrowers have refused, likely due to cost or trust issues.
- Another participant views the security trustee role as an "insurance policy". They admit that while their organisation has taken the role in the past, investors are often "the worst people to do this job ourselves" because of the tension between being "nice" and enforcing security.

- This participant confirmed that their organisation received internal legal advice that they “wouldn’t take on security trustee responsibility” due to “general risk aversion” and capacity constraints.
- Finally, one participant described “inheriting an investment... where we were the security trustee,” noting that their organisation took the role because “we don’t want to pay, someone externally to do it”.

4.1.1.2 The Investee (The Borrower)

This participant represented the borrower’s perspective. They highlighted the high cost of commercial trustees and note that their senior lender (a bank) acted as the trustee because a specific employee “had the knowledge,” but upon that employee’s retirement, “the knowledge... is not there any more”.

4.1.1.3 The Technical Experts

- One provided a regulatory perspective, noting that their organisation has acted as a security trustee in investments alongside “small foundations... because it just wouldn’t be feasible” for smaller players to fulfil the role.
- The other, who specialises in restructuring. They observed that commercial security trustees are often “paralyzed with indecision” because they lack expertise in the specific social investment context and fear liability.

4.1.1.4 Lack of a security trustee?

None of the interviewees could identify a specific deal that failed solely because a security trustee could not be appointed. One participant noted that they had had a lucky escape, as a security trustee would have added £150,000 to the cost of a deal that would not have been able to bear it. Outside of the interviews, we are aware of a deal where one investor would not go ahead without a security trustee, but the others were unwilling to take give up the cost to pay for one; although the deal did happen, it was at smaller size thst it would otherwise have been.

4.1.2 Security trustee involvement

We asked:

In examples you’ve seen, has the security trustee been involved prior during the life of the transaction - when things were going well with the investment? What sort of involvement? Was it what you would have hoped for?

What about when things have started to go wrong, if you have an example? Has their involvement been as expected? Did you want them to do more or less, or do things differently? Or was it great as it was...?

- Follow-up: You gave an example where things went [well/badly] - do you have another example where things went [the other way]?

The interviewees described the involvement of security trustees as shifting dramatically between the “quiet” phases of an investment and the “distressed” phases.

4.1.2.1 During the life of the transaction - when things are going well

Interviewees generally described the security trustee role during the “good times” as largely invisible, administrative, or “academic.”

- Just an invoice: Several investors noted that commercial security trustees had almost no active role when investments were performing. An investor noted that a commercial trustee was merely “submitting invoices for its fee” and completing basic paperwork. An investee echoed this, stating that their security trustee “sit there, and that’s it”, although they noted that the setup process involving them was “extremely time-consuming” and expensive.
- Purely academic: Another investor explained that their organisation took on the security trustee role almost casually, viewing it as “broadly... academic” and purely a requirement to get the deal done, without expecting the role to ever “come into force”.
- When the security trustee was also a fellow social investor, the involvement was viewed differently. One investor observed that this arrangement felt “healthier” because the security trustee “understand[s] the other investors and what their intentions are,” rather than being “just a name in the legals and an invoice”.
- One of the technical experts noted that in successful deals, the security trustee’s only real involvement was the mechanical task of releasing security when underlying investments were realised.

4.1.2.2 When things start to go wrong

When investments faced difficulties, the experience varied significantly depending on whether the trustee was a commercial entity or a mission-aligned social investor.

- Commercial “Paralysis”: The technical expert offered a critical view of commercial trustees in distressed situations, describing them as often “paralyzed with indecision.” He noted they frequently refuse to make decisions without explicit instruction or “run to the hills for an advisor,” adding significant costs for work that should be under their remit.
- The “Double Cost” Problem: An investor expressed frustration that even when a security trustee was in place, investors often had to hire independent consultants to manage the situation anyway. He explained, “you sort of hope that you wouldn’t have to, because that’s basically the security trustee’s job,” resulting in a “double cost” for the investors.
- The “Active” Social Investor: Conversely, when a social investor acted as the trustee, they were often highly proactive. An investor described his approach in distressed scenarios as seeking to “convene, an outcome that was good for us” and acting far more proactively than an independent agent to find solutions. Another investor praised this approach in a specific deal, noting the security trustee did significant work to “convene investors to consider options” before insolvency occurred.
- Conflict and Burden: However, for the social investors forced into this role, the experience was often negative. A investor who has acted as a security trustee described their experience as “hard work” and “messy,” noting that they felt a conflict between representing their own organisation and the wider investor group. Another stated, “They admitted, “We are the worst people to do this job ourselves, probably.”

Participants provided specific examples comparing different deals or providers to highlight how the security trustee experience can vary. We group these into “Went well”, “Neutral”, and “Went badly” categories:

Went well:

- The interviewee described a situation where their organisation was the senior lender and security trustee. Because they had “significant exposure” and “skin in the game,” they were proactive in managing the distress and trying to create a “softer landing” for the investee
- A technical expert has examples of commercial providers who were “sensible” or have “restructuring teams” that allow for “cross-pollination” of skills, making them effective in complex situations
- An investor praised another investor who took a security trustee role because the “ethos for the work” was different—they sought to protect investors without maximizing commercial return at the expense of impact

Neutral:

- An investor cited a deal where they were a junior lender and security trustee. When it became clear they wouldn’t make a recovery, they decided “there just wasn’t any point” in devoting time to it. They told the borrower they would have to start charging fees or the borrower should find a commercial trustee, noting, “we can’t cover our costs from this loan... we’ll need to charge for the role”
- An investor felt that in one deal, with a commercial security trustee, that while they were not impact-oriented and would likely have taken a “straightforward commercial perspective,” the investors were not concerned because the deal structure was simple and they did not expect to need to call on the services

Went badly:

- One interviewee described a commercial security trustee, saying they were “a bit of a pain to deal with” because they “won’t make a decision” and wait for advisors to tell them what to do

4.1.3 Conflicts of interest

We asked:

Have you ever felt that the security trustee was in a position of tension or conflict?

- Did they have a position where there might have been a conflict of interest (e.g. because they were an investor and a security trustee)? How did that play out?
- Did they ever act in a way that required them to balance matters of impact and finance? Or where there was an opportunity to do this, even if they didn’t? Can you explain?

Interviewees generally agreed that holding the role of security trustee while simultaneously being an investor creates significant potential for conflict, though experiences of how this played out varied.

- One interviewee, who acted as both investor and security trustee, described feeling “absolutely” in a position of conflict during a distressed deal. They noted that as the situation deteriorated, the relationship between the parties fractured, and it became increasingly difficult to represent their own organisation’s views as an investor while holding the neutral position of security trustee. They admitted, “it did feel like, increasingly, I couldn’t represent [my organisation] and be the security trustee on equal footing”. *Another investor acknowledged that when a lender acts as the security agent, they are by definition interested in one specific piece of the debt. They noted that the organisation has a “strategic interest to do what it can... around that part of the debt stack,” meaning they are not truly an independent agent
- An investor observed that while they had not personally seen the conflict play out, it is a “major source of potential tension.” They noted that if an investor acts as trustee, they will inevitably

represent their own interests alongside the group's.

- Another added that in their specific examples, the conflict did not compromise the outcome because the “credit ranking was clear” and the effort felt collaborative rather than competitive.
- One of the technical experts argued that independent trustees are often preferred specifically to avoid this issue. They noted that independent agents “don’t have a conflict... [and] will... be sometimes a little bit more pragmatic” regarding waivers or undertakings, whereas commercial banks that sold the debt but kept the trustee role often act “under sufferance”

The tension between maximizing financial recovery and preserving social impact (e.g., housing for vulnerable people) was a central theme. Interviewees described situations where they had to make “horrible decisions” or negotiate with commercial entities that did not understand social value.

- An investor security trustee explained that while they have a fiduciary duty to return capital to investors, they actively try to “create a softer landing” for distressed organisations. They aim to limit the impact on employees or services before insolvency occurs, which an independent commercial agent might not do.
- Another recounted being reprimanded by solicitors for being “way too nice” during a distressed deal. The investors had agreed to repayment holidays to try to save the social impact, but the legal advice was that this generosity had delayed the inevitable and that they should have “locked it down much quicker.” The interviewee admitted they were looking at the situation “too much through the social lens” when the financial reality was already terminal.
- An investor highlighted the ethical difficulty of enforcing security on property used to house vulnerable people. They stated that the “number one priority” is protecting those people, even before financial recovery, but acknowledged this is a “really difficult situation” involving tension between different investors’ risk appetites.
- Another interviewee expressed worry that a strictly commercial trustee would prioritize a quick sale over a transition plan for vulnerable tenants. They feared a commercial agent “will make more money by not having that conversation” about impact
- The technical expert noted that a commercial security trustee’s duty is strictly to “maximise value”. They explained that a security trustee would likely expose themselves to liability if they proactively suggested a lower financial return to save social impact. To prioritize impact over finance, the trustee would need “explicit direction” from the lenders to protect themselves from dissenters suing for the loss of value.

4.2 Core problems and challenges

We asked all interviewees:

Security trustees can serve a purely mechanical function, yet are often expected to do more than this. What are your observations on what they would ideally do?

There was a strong consensus that while the commercial reality of a security trustee is often “logistical” or “mechanical”, the ideal security trustee in the social investment market would function as a proactive convener, diplomat, and impact guardian.

Here are the key observations on what a security trustee would ideally do:

1. Act as a diplomat and convener - The most frequently cited ideal function is that of a mediator who coordinates the various stakeholders.
2. Be proactive rather than “paralyzed” - Interviewees contrasted the ideal behaviour with the current reality of commercial trustees who are often “paralyzed with indecision” and “run to the hills for an advisor” when difficulties arise. One investor described the ideal skills as: having

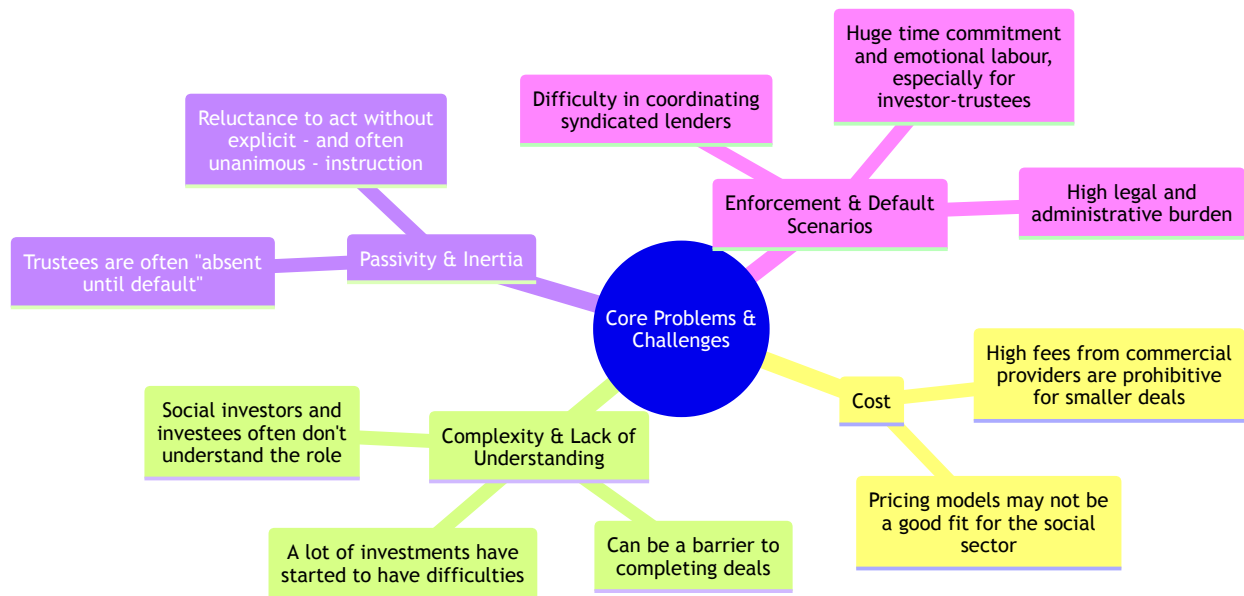


Figure 3: Mind map showing key themes from interviews about core problems and challenges with security trustees in social investment

a “can-do attitude” and being prepared to “roll their sleeves up and be proactive in terms of finding solutions”. A technical expert noted that when a borrower asks for concessions or indulgences, the security trustee needs to take a role in recommending a course of action, rather than waiting passively for instructions.

3. Provide “impact-aligned” guidance - Ideally, the security trustee would understand the “dual aim” of the investors (financial return and social impact) without needing to be educated during a crisis. Examples included hopes that a security trustee would not just houses with vulnerable tenants but agree on “transition plans” for them (e.g., a 6-month plan) to avoid immediate homelessness. Another interviewee believed an ideal security trustee would approach issues from a starting point that understands investors’ priorities, helping to “balance impact investors’ priorities appropriately” and manage reputational issues.
4. Educational support for investors - Because many social investors are not technical experts in restructuring or insolvency, the ideal security trustee acts as a knowledgeable guide. One investor emphasized the need for “clarity of kindly communications,” supporting investors who have different degrees of financial fluency. Another observed that investors often do not understand the role of a security trustee until it is too late; an ideal trustee would be “approachable” and able to explain legal implications to the group.
5. Restructuring expertise - For one interviewee, the ideal trustee would not just be an administrative cost, but should instead bring forward ideas to save the business, rather than just being someone you pay to “do nothing” until a disaster strikes.

For investors we followed up with:

1. From your perspective as an investor, what are the key areas where you feel security trustee services could be improved to better meet the specific needs of impact-led investments?
2. How might a dedicated security trustee service, focused on the values and needs of the UK social investment market, influence your organisation’s willingness or approach to

making secured social investments?

Investors identified several critical areas where current security trustee services fall short and where a specialized service could offer significant improvements:

- A major friction point is the cost model. One investor noted that the mainstream market is built for much larger deal sizes (e.g., £3-10 million), whereas social investment deals are often smaller (e.g., £1 million). Adding a commercial security agent's fees to these smaller transactions makes them financially unviable. Another interviewee agreed that cost is a "huge issue" for investees when structuring deals. Ideally, a service would prevent investors from having to take on the role "for free" while remaining affordable.
- Investors said they want a trustee who understands the "dual aim" of the sector—financial return and social impact—without needing to be educated during a crisis. One emphasized that a security trustee should understand the "principles behind this deal" rather than just "ruthlessly trying to force us to the front of the asset recovery queue". Another echoed this, calling for a service that is "impact favourable or impact sympathetic," avoiding the standard commercial perspective that maximizes return at the expense of impact.

The consensus among the interviewed investors is that while a dedicated service would remove significant friction, it is unlikely to be the sole determinant for entering into secured investments.

- Most investors view a specialized service as a solution to an annoyance rather than a prerequisite for investing. One described it as a "very nice to have," but stated it "wouldn't sway us whether we would or wouldn't invest," noting they have previously used commercial providers despite them not being impact-oriented. Another agreed, calling the current lack of a specialist service a "pain point, but it's not a deal-breaker".
- While established investors might cope without it, one investor suggested that a specialized service could be crucial for bringing in new social investors, e.g. smaller foundations, into the market. He views it as a way to help these organizations engage in property-backed, high-impact deals by removing the barrier of navigating complex legal roles they do not understand.
- One observation was that some funds now prefer to be sole lenders, precisely because of the pain of working in multi-party transactions. However, they acknowledged that for the wider market, finding a credible alternative to investors taking the role themselves is necessary if syndicated deals are to continue.
- A point of caution was mentioned by one investor: as fewer social investors are willing to take on the trustee role today due to the "onerous responsibility" involved, a specialized service is essential simply to "boost capacity" and ensure that deals do not stall because no one is willing or able to hold the security.

For investees, we asked:

1. As an investee, how have your interactions with security trustees, or the knowledge that one was involved, affected your organisation's operations or strategic decisions?
2. What are your thoughts on how a security trustee service could be structured or operated to be more supportive of investee organisations and their social missions, especially in difficult times?

The most significant impact cited was financial: the cost of engaging a commercial security trustee is prohibitive, and so that forces alternative solutions. They went on to say that due to the goodwill of their investors, they have been able to manage, but that may not always be the case.

Another issue raised for property-backed investments was that the process of satisfying the security

requirements (surveys, valuations, legal searches) was “extremely time-consuming” and expensive. The investee expressed a clear desire for a service that prioritizes “impact protection” over purely mechanical asset recovery, particularly regarding vulnerable beneficiaries.

When presented with options, one interviewee “definitely” preferred a model “embedded in the social sector” or owned by it, rather than a commercial entity, believing this would ensure they “care about their clients”.

And we asked advisors and intermediaries:

1. In your professional capacity working with impact organisations, have you observed anything that makes you think that a specialized security trustee service would have an advantage over a generic commercial service?
2. What specific features or approaches would you recommend for a dedicated security trustee service that services the social impact sector?

The advisors and intermediaries echoed many of the points above around, alignment, balance and cost. In addition, they highlighted:

- Independent trustees—as opposed to banks holding the role “under sufferance”—tended to be “more pragmatic” when dealing with waivers or undertakings
- The importance of independence to avoid conflicts of interest. One noted that when a lender also holds the trustee role, they are often conflicted, whereas an independent agent avoids “implied conflict of interest” and can facilitate decision-making more effectively.
- That a significant issue was the use of “defective security trustee agreements” based on old templates. They recommended that a specialized service must ensure documentation is fit for purpose and looks at the “nuances of actually the structure,” rather than using generic “sweet pitch” templates
- One interviewee drew a parallel to an insolvency practitioner they had worked with who was “very impact-aligned.” They noted that this focus helped reach solutions that satisfied impact-focused stakeholders, suggesting a security trustee should emulate this approach.

4.3 Specialist social impact security trustee service

4.3.1 Qualities and skills needed

We asked:

Thinking about what you’ve experienced and your ideas, what are the most important qualities or skills a special security trustee service for the UK social investment market would need to have to work well and be valuable? Think about things that would make you want to choose them as a security trustee.

When asked what qualities would make a specialist security trustee valuable, interviewees prioritized a combination of technical competence, diplomacy, and sector-specific empathy, all of which have been discussed previously. The key additional point was that despite the need for soft skills, technical rigour remained essential. A technical expert noted that the security trustee must ensure documentation is not merely a “template” but fit for (social) purpose. An investor echoed this, stating the trustee must be “professional at doing what the documentation tells them”.

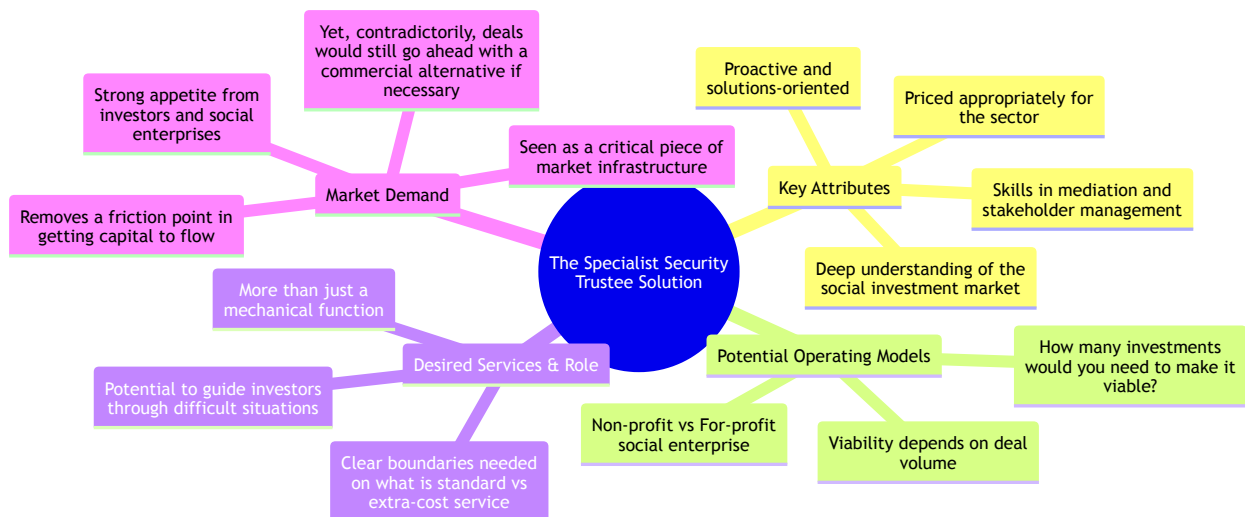


Figure 4: Mind map showing key themes from interviews about a specialist social impact security trustee service

4.3.2 Saving the social good

We asked:

Imagine a situation where this special social investment security trustee is involved because an investment is going wrong. How important is it that this service actively tries to save the social good being done, at the same time as sorting out the money side for investors?

As discussed above, interviewees strongly felt that a specialist security trustee must actively seek to preserve social impact alongside financial recovery. They emphasized that this dual mandate is not just desirable but essential for the role to be credible in the social investment market. The technical expert noted the difficulties in doing this – when this clashes, or might be perceived to clash with their fiduciary duty.

4.3.3 Governance and operational model

We asked:

Thinking now about governance and operational model – would you want it embedded in the sector, perhaps even owned by the sector at large, or would you want it more distant and independent? Or something else?

Views on the ideal structure were mixed, with a general preference for independence over sector ownership to avoid conflicts of interest.

- **Embedded vs. Independent:** An investee expressed a strong preference for a model “embedded in the social sector” or owned by it, believing this would ensure the provider cared about the clients. Conversely, an investor argued that independence was preferable to avoid “unintended conflict of interest,” suggesting a privately owned specialist would be better than one owned by a sector body like Better Society Capital.
- **Lack of appetite for ownership:** Several interviewees noted that trusts and foundations generally do not like owning operating businesses. One stated they did not think there was

“appetite” for the sector to own the service, viewing it as a problem that was “not big enough” to warrant such an intervention.

- Hybrid approach: One interviewee suggested a middle ground: an entity that was independent (to maintain commercial rigour) but driven by knowledge of the sector’s motivations. Another suggested a simple “memorandum of understanding” between frequent co-investors might suffice in place of a formal entity

4.3.4 Cost model

We asked:

Security trustees typically have little work to do until something goes wrong - and then it can be a lot of work. Do you feel that it would be better to have a steady fee that runs through the whole deal, or for charges to flex dynamically - low costs when things are going well, with escalating costs when there is a problem?

Interviewees largely favoured a steady “insurance-style” fee to avoid compounding financial distress, though some were open to hybrid models.

- The “insurance” model: An investor argued that a steady fee was “fairer” and safer. They noted that a dynamic model—where costs escalate when things go wrong—would “compound the risk” and potentially affect decision-making during a crisis.
- The “gold package” hybrid: One interviewee suggested a model similar to an extended car warranty: a flat rate for the standard mechanical role, with clear boundaries where the service could escalate to an “enhanced” or “gold package” fee if significant extra work (like mediation) was required.
- Cash flow concerns: An investee argued that ongoing fees reduce impact while the organization is healthy. They preferred a model where costs were “deducted from the final amounts” during a recovery event, rather than draining operational cash flow.
- Commercial viability: An investor noted that the mainstream market struggles to make security trustee economics work on small deal sizes (e.g., under £1 million), making any fee structure difficult to justify without grant subsidy or aggregation

4.3.5 Market demand

We asked:

Do you think fixing problems with security trustees actually matters to the social investment sector, or is it just too boring for people to care about?

The consensus was that while the issue is a “pain point,” it is often viewed as a niche operational annoyance rather than a strategic priority:

- A “Nice to have”: One investor described the solution as a “very nice to have,” but admitted it would not be a “deal-breaker” that determined whether they invested or not,.
- Lack of awareness: An investee noted that the sector suffers from a “lack of understanding” about what a security trustee actually does, suggesting that many people do not know enough to care until it is too late,.
- A barrier for new entrants: While experienced investors might cope without it, one interviewee noted that a specialist service could help bring new investors (like smaller foundations) into the market by removing the complexity of legal roles they do not understand.

- Declining relevance for some: One investor observed that because syndicated deals have proven so difficult (“too many cooks”), there are now funds that avoid them entirely. They wondered if therefore, the issue had become “academic”. (We would suggest this this is precisely why a specialist service is needed to enable syndicated deals to continue.)

5 Conclusion

This research set out to explore the feasibility of a specialist Security Trustee service for the UK social investment market. It sought to test the assumption that no impact-focused alternative to large commercial providers exists, and to determine if there is sufficient market demand to justify creating one. The findings confirm the initial hypothesis: there is currently no dedicated, impact-aligned Security Trustee operating in the UK market. However, the research reveals a nuanced picture regarding the demand for a solution.

5.1 The central tension

The central tension identified by this research is that while the current lack of a specialist provider is a significant “pain point,” it is rarely a “deal-breaker”.

- For Investors: Security Trustee services are viewed as an “insurance policy”—a necessary cost that they hope never to use. While commercial providers are often criticized for being expensive, passive, or “paralyzed with indecision” during defaults, established investors are largely resigned to using them or managing the risk internally. Consequently, while a specialist service is widely regarded as “nice to have,” there is no overwhelming commercial imperative from investors to drive its creation immediately.
- For Investees: The impact is more acute. High fees from commercial providers can actively alter deal structures, forcing them to seek lenders who will forego security to keep projects viable.

5.2 Mechanical vs relational role

A critical finding is the gap between the legal role of a Security Trustee and the desired role. Legally, the role is administrative and mechanical. However, in distress scenarios, the sector desires a “diplomat” or “convener” who can mediate between conflicting investor interests and balance financial recovery with social impact. If the market genuinely moves away from syndicated deals toward sole-lender or unitranche models to avoid complexity, the demand for a standalone Security Trustee may soften. However, it is an open question as to whether this is an artefact of the lack of sector support for syndicated deals, thus constraining social investment capital, or an inevitable consequence of sector maturity.

5.3 Recommendations

While the research suggests that establishing a standalone, for-profit specialist security trustee service may struggle for commercial viability due to low deal volumes and small transaction sizes, there are clear, actionable steps the sector can take to mitigate current risks:

1. Standardised impact documentation: A significant source of friction is “defective” or generic legal templates that do not account for social impact. The sector should collaborate to develop open-source or standard clauses for security agreements that explicitly define how impact should be weighed against financial recovery in default scenarios.
2. Capacity building and education: Many market participants admit to a lack of understanding regarding the trustee’s role until a default occurs. Guidance notes and sector training, perhaps via the SIIG, would help align expectations and ensure security arrangements are considered earlier in the deal structuring process.

5.4 Final word

There is a clear gap in the market infrastructure: the current “mechanical” commercial model does not serve the nuanced needs of social investment. However, the solution is likely not a new, standalone business entity, which would struggle with the “feast or famine” nature of the work. That is not to say that no solution is possible, just that it would need additional creativity to avoid this problem.

A Surveys

Security Trustee Survey

1 Which of the following best describes your organisation?*

- A Trust or Foundation
- B Social Investment Fund Manager
- C Bank
- D Credit Union
- E Community Development Finance Institution
- F Individual Investor
- G Family Office
- H Charity
- I Social Enterprise
- J Legal or Investment Advisor

If this = F:
Jump to 3

2 How many employees does your organisation have?*

- A <10
- B 11-25
- C 26-50
- D 51-250
- E >250

3 Approximately, what percentage of the total employees focus on social investment in some capacity?*

- A 100%
- B 75%
- C 50%
- D 25%
- E <25%

4 Would you describe social investment as the main activity undertaken by your organisation?*

- A Yes
- B It's on a par with other activities

- C No, it's a small part
- D It's a new but growing area for us
- E We haven't made any social investments yet

5 Which of the following best describes the type of investments your organisation tends to consider?*

Select all that apply

- A **Impact Investing** - generates a financial return alongside positive social / environmental impact, variable risk profile
- B **Venture Investing** - high risk, start-ups and innovative models with the potential for growth to generate social / environmental impact at scale, financial return reflects risk
- C **Institutional Investing** - lower risk, mission-aligned impact

6 What size of social investment would your organisation typically consider?*

Select all that apply

- A <£10,000
- B £10,001 - £100,000
- C £100,001 - £250,000
- D £250,001 - £500,000
- E £500,001 - £1m
- F £1m - £5m
- G £5m
- H We haven't decided yet

7 Approximately how many social investments has your organisation made/received/advised on to date?*

- A 0
- B 1-10
- C 11-50
- D 51-100

If 1 = J:
Jump to 10

- E 101-250
- F >250

8 How would you describe your tolerance for financial risk?
In the context of social/impact investments

If 1 = H or 1 = I:
Jump to 10

9 What type of entities does your organisation tend to invest in or would consider investing in? *

Select all that apply

- A Charity
- B Community Interest Company
- C Other mission-locked organisations
- D For-profit company with a social or environmental focus
- E We would consider any entity with a social or environmental mission
- F Fund (e.g. as a partnership or a mutual fund)

10 What type of social investments would your organisation consider? *

Select all that apply

- A We would consider any type of investment structure or instrument
- B Security-backed debt instruments only
- C Unsecured debt instruments only
- D Quasi-equity/revenue participation, whether legally debt or equity
- E Equity
- F Community / Cooperative Shares

If this ≠ A and this ≠ B and this ≠ D:
Jump to 30

11 How familiar are you with the concept of a security trustee in a social investment context? *

A security trustee is a body appointed to hold and manage security interests on behalf of investors. It is typically needed in financial transactions involving multiple lenders or investors.

- A Very familiar
- B Somewhat familiar

- B
- C Slightly familiar
- D I haven't come across this before

12 How confident do you feel that you (and your organisation) understand the role and responsibilities of a security trustee in a default scenario?

Responsibilities may include the level of authority afforded to a security trustee to act on behalf of investors

13 From your understanding, what are the core responsibilities of a security trustee? *

Select all that apply

- A Holding security (assets) on behalf of investors
- B Monitoring compliance with the terms of an investment agreement
- C Acting as a single point of contact in all matters between the investors and the borrower
- D Enforcing security in the event of a default
- E Managing the distribution of proceeds following an enforcement action
- F Other

If this = F:
Jump to 14
Always:
Jump to 15

14 You said that there were 'other' core responsibilities of a security trustee. Please provide further details

15 How important do you think it is for investors to understand the role and responsibilities of a security trustee? *

If 1 = H or 1 = I or 1 = J:
Jump to 17

16 Who would be your preferred option to take on the role of security trustee in a social investment?

This questions assumes the security trustee would be responsible for the interests of all investors

- A My organisation would take on the role
- B One of the other investors

Always:
Jump to 18

- C A legal firm (or part of a legal group)
- D A financial institution (or part of a financial group)
- E A specialist company providing security trustee services
- F Not sure

17 Who would be your preferred option to take on the role of security trustee in a social investment?

This question assumes the security trustee would be responsible for the interests of all investors

- A One of the investors
- B A legal firm (or part of a legal group)
- C A financial institution (or part of a financial group)
- D A specialist company providing security trustee services
- E Not sure

18 What attributes do you think are the most important for a security trustee in a social investment scenario?*

Rank the following from most to least important. Please rank at least your top 3.

- A Experience managing default scenarios
- B Expertise in social investment and impact-focused investment
- C Value for money
- D Regulated by the FCA
- E Independent from the investors and the borrower
- F Able to provide/procure legal advice
- G Driven by social mission
- H Sympathetic to the needs and wishes of the borrower
- I Only focused on the needs and wishes of investors

19 In the event of a default, where would you place the balance between social impact and financial return?

20 In the event of a default, where would you place the balance between borrower priorities and investor priorities?*

If 1 = H or 1 = I:
Jump to 22
If 1 = J:
Jump to 23
Always:
Jump to 21

21 Has your organisation ever held, or does it currently hold, any social investments that require a security trustee?*

- A Yes If this = A:
Jump to 24
- B No Always:
Jump to 30
- C Not sure

22 Has your organisation ever issued any social investments that require a security trustee?*

- A Yes If this = A:
Jump to 24
- B No Always:
Jump to 30
- C Not sure

23 Has your organisation ever advised on any social investments that require a security trustee?*

- A Yes If this = A:
Jump to 24
- B No Always:
Jump to 30
- C Not sure

24 If yes, who was appointed to the role of security trustee?

Select all that apply if your organisation has multiple investments involving a security trustee

- A One of the other investors took on the role
- B My organisation took on the role
- C Financial institution
- D Legal firm
- E Specialist security trustee service
- F Not sure

25 What type of social investment was it that required a security trustee?

Select all that apply if your organisation has multiple investments involving a security trustee

- A Secured loan
- B Secured bond
- C Social impact bond

26 What sort of assets formed the majority of the security?

Select all that apply if your organisation has multiple investments involving a security trustee

- A Residential property
- B Commercial property
- C Energy assets (e.g. solar panels)
- D Financial assets (shares, loans)
- E Working assets of the borrower (e.g. computers, furniture, etc.)

27 Have you, or your organisation, ever experienced a situation where a security trustee was required to act on behalf of investors in the event of a default?*

- A Yes
 - B No
 - C Not Sure
 - D Prefer not to answer
- If this = A:
Jump to 28
- Always:
Jump to 30

28 How did you find the experience working with the security trustee in a default scenario?

- A Excellent
 - B Good
 - C Neutral
 - D Challenging
 - E Very difficult
- If this = D or this = E:
Jump to 29
- Always:
Jump to 30

29 Please elaborate on any challenges or difficulties faced

We understand that these matters are sensitive - please try to focus on challenges or difficulties that could have been avoided knowing what you know now.

30

Do you think there is a need for a specialist security trustee service that understands the UK social investment market and the balance between the financial and social interests of investors and borrowers?

- A Yes
- B No
- C Maybe

31 Please share any final thoughts, insights or ideas about the role of security trustees in the social investment market.

Always:
Jump to 32

32 If you are happy to disclose your name and organisation, please enter your e-mail

By entering your e-mail address you consent to us processing it for the purposes of this research. We will not attribute anything to you or your organisation without permission. You can withdraw your consent at any time by contacting info@i-for-change.co.uk.

If this ≠ :
Jump to 33

Always:
Jump to Thank you

33 Would you like us to e-mail you when the research results are published?

- Yes
- No