

FUNDING LONDON

We channel funding from Europe and the UK, through appointed fund managers to sustainable and ambitious London businesses. Returns generated from the funds go straight back into the London ecosystem, making investment available to the next generation.

We recognise the significant role SMEs play in London's economy, not least being the creation of jobs and prosperity. But we also recognise the hurdles that business founders and management teams have to clear before securing growth capital. With many SMEs still struggling to access finance, we bridge the London funding gap and enable real opportunities for sustainable growth.

Funding London launches competitive process to select partners for new 'Greater London Investment Fund' - supported by European Regional Development Fund.

23 March 2018

*Funding London** has launched the procurement process to select four co-investment partners for its proposed new £100m 'Fund of Funds'(FoF). The new 'FoF' will provide loan and equity finance for London's SMEs, through investment in four sub-funds**.

The FoF will be financed via a loan to be concluded with the European Investment Bank, grants from the ERDF (European Regional Development Fund)*** 2014-2020 Programme and the London Waste & Recycling Board, and Funding London's legacies.

Through the procurement exercise, *Funding London* (the Authority) is seeking FCA-authorized fund management organisations to enter into Limited Partnership Agreements (LPA) to manage and invest the capital. The selected fund management organisation will be tasked with targeting SMEs in specific

sectors and to deliver the required investment levels and other objectives.

The duration of each LPA will be ten years with an option to extend for a further year with the agreement of the Authority. There will be an investment period of five years which will terminate by 31 December 2023.

The Fund of Funds' objectives are;

1. To provide investment finance to SMEs with excellent growth prospects who continue to be caught in the finance gap;
2. To invest £100m in 234 SMEs across four different investment products and to leverage further investment from private sector investors participating in syndicated rounds;
3. To create at least 3,700 new jobs in London as a result of this investment;
4. To help develop the Circular Economy (CE) ecosystem by supporting early stage CE businesses; and

- To invest according to sound commercial principles; thereby ensuring the funds generate a return and therefore grow the capital base.

The Procurement Process;

The timetable for submission is as follows;

- The link to **TfL’s e-tendering portal** for access to the procurement documents will be available after **28th March 2018**; Interested parties can email info@fundinglondon.co.uk. These interested parties will be alerted once the link is live.
- A “Bidders event” to explain the process in more detail is scheduled for the morning of **13th April 2018**.
- We intend to select preferred partners by **30 June 2018** with contracts to be finalised as soon as possible thereafter
- We aim for the funds to start investing during the Autumn of 2018

More details on the tender process will be released over the coming days. If you would like to be kept informed of developments, please contact Gary Seed at TfL.

Chief Executive of Funding London, Maggie Rodriguez-Piza, said “We are excited by the launch of our new £100m Fund of Fund. We now look forward to working closely with the successful bidders to continue to support the London SME ecosystem and enable our new fund of funds, to reach an even wider range of businesses.”

ENDS

NOTES:

Funding London** was established in 2004 by the then Mayor of London under the name SME Wholesale Finance (London) Limited, with the specific long-term mandate to support the Economic Development Strategy for London through its SME funding activities. Since it’s founding, Funding London continues to channel funding from Europe and the UK through appointed fund managers to sustainable and ambitious London SMEs caught in the funding gap. Funding London is a subsidiary of the GLA (Greater London Authority)*

For more information on Funding London <http://fundinglondon.co.uk/>

****Sub-Funds**

Sub-funds	Amounts to be invested in SME’s
Early Stage Venture and Circular Economy Fund (pre-series A to series A equity funding)	£45m
Smaller Loan Fund for Established SMEs	£25m
Large Loan Fund for Established SMEs	£25m
Micro Loan Fund	£5m
Total investment across fund of funds	£100m

*****European Regional Development Fund**
The FoF will receive up to £32m of funding from the England European Regional Development Fund (ERDF) as part of the

European Structural and Investment Funds Growth Programme 2014-2020. The Greater London Authority is the Intermediate Body for ERDF in London. Established by the European Union ERDF funds help local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community regenerations. For more information <https://www.gov.uk/european-growth-funding>

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