

## **PRESS RELEASE**

17 January 2007

### **Barclays to Become Cornerstone of Catalyst Fund**

Barclays has today (17 January) announced that it will invest £5 million into a pioneering £25+ million social investment fund managed by Catalyst Fund Management & Research.

Catalyst's new fund is aimed at institutional investors looking to maximise financial returns in sectors where backing successful businesses also generates social returns. The fund is expected to concentrate on the burgeoning "ethical consumerism" sector as well as education, health, alternative energy & the environment.

John Varley, Barclays Chief Executive, said: "We are excited by the potential of this innovative fund. Both the financial returns we anticipate and the opportunity to increase our presence in these rapidly growing sectors make this an attractive proposition for the bank.

"The fund's ambitions are also consistent with our corporate values. Our previous ventures in social investment funds have proved that it is possible to invest in socially viable projects and still make significant returns."

In 2005, Barclays invested in Bridges CDV Fund II, a £75 million venture capital fund with a social mission. Bridges, which received Government support for its first fund, invests in the most deprived 25% of areas in the country, and in businesses that demonstrate strong social benefits.

Catalyst believes its fund is the logical next step in an emerging market segment. "By proving you can make great returns in these sectors, we will be attracting further investment from mainstream investors into an area where investor success and social returns go hand-in-hand. Anita Roddick proved this was possible at The Body Shop—now we need to find the next few examples", said Rodney Schwartz, Founder of Catalyst.

Malcolm Gloak, Managing Director of the fund, said: "Our target sectors are all growing substantially faster than the UK economy, and the size and focus of our fund means that competition from other venture capitalists will be relatively limited. This, and Catalyst's substantial familiarity with these sectors, should assist us in identifying attractive prospects and generating high financial returns."

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The fund, when it is fully raised in 2008, will aim to invest between £500,000 to £4,500,000 in profitable UK-based businesses in the aforementioned sectors. It will utilise its substantial network to find potential investees and strengthen them with experienced Non-Executive Board Members.

Big Issue Invest, the investment arm of The Big Issue will be a partner with Catalyst in the fund and Clifford Chance is providing professional support. They will each bring a wide range of contacts and expertise to bear in helping to ensure that the fund is well-backed and best-positioned to be successful, further enhancing Catalyst's resources and networks.

### Ends

#### **About Barclays ([www.barclays.com](http://www.barclays.com))**

Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the USA, Africa and Asia. It is one of the largest financial services companies in the world by market capitalisation. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs over 127,000 people. Barclays moves, lends, invests and protects money for over 27 million customers and clients worldwide. For further information about Barclays, please visit our website [www.barclays.com](http://www.barclays.com)

#### **About Catalyst ([www.catfund.com](http://www.catfund.com))**

Catalyst exists to help social businesses succeed. Catalyst Fund I will invest in profitable UK-based businesses in the aforementioned sectors. In addition, Catalyst engages in research on these sectors which will be published through the information portal, [socialinvestments.com](http://socialinvestments.com), in March 2008. Catalyst also provides a wide variety of consultancy and advisory services to social businesses and social enterprises, predominantly in the UK. In addition, Catalyst hosts an annual conference for social business CEOs and selected investors and sponsors the "Catalyst in" series of trips to study and learn from social enterprises and businesses around the world. Catalyst's professionals also maintain the Social Business Blog and regularly lecture and participate in third party produced reports on social business and social enterprise, with a focus on the business and enterprise side.

For further information on Catalyst or the fund, please contact:

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