

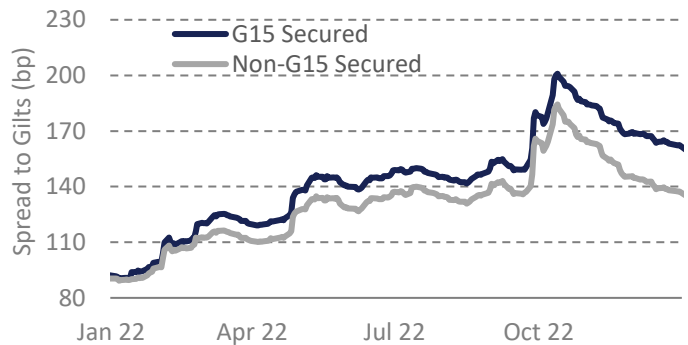
2022: Near historical volatility

- The combination of enduring repercussions of the COVID-19 pandemic, the Russian invasion of Ukraine, extreme price fluctuations in commodities / currency and political meltdown (in the UK at least); companies needed to navigate an extremely challenging 2022 when considering capital raising
- Gilt yields finished the year >250bps higher and UK centric spreads climbed 50% from where they began the year. When the political turmoil in the UK was at its most critical, gilt yields were up 400bps and spreads had effectively doubled. Whilst things calmed down in Q4, the reputational damage had already been inflicted
- Looking ahead to 2023, we continue to expect a challenging economic environment with a global recession the most probable outcome at this stage. In a world of rather complex geopolitical dynamics, how central banks wrestle back the initiative from persistently high inflation will determine how shallow the expected recession will be and indeed, how long it will last

30-year Gilt Yields



Social Housing Credit Spreads



Key Themes for Newbridge

Delegation

- Whilst new issuance volumes for the year were down 46%, we supported >£550m of new funding in the bond market
- With markets as volatile as they have been, windows of opportunities present themselves at short notice
- Parameters to react intraday with delegated authority often yielded the most favourable outcome

Core lenders

- Rate fluctuations triggered sizable mark-to-market moves and enabled housing associations to break relationships with non-core lenders
- Timing the break could result in a positive recording in the SOCI

Disclosure

- In uncertain times, continue to over communicate, especially given the media focus the sector has recently experienced
- Offer multiple chances to hear from management in a year
- Regarding our investor relations service, three new investors joined in 2022, 10 issuers subscribed in total

 £150m tap of 2050 July 2022	 Multiple retained bond placements 2022
 £75m retained bond sale January 2022	 £300m 14yr sustainability bond January 2022

 Housing Association October 2022	 Housing Association December 2022
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Investor Relations Subscribers



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