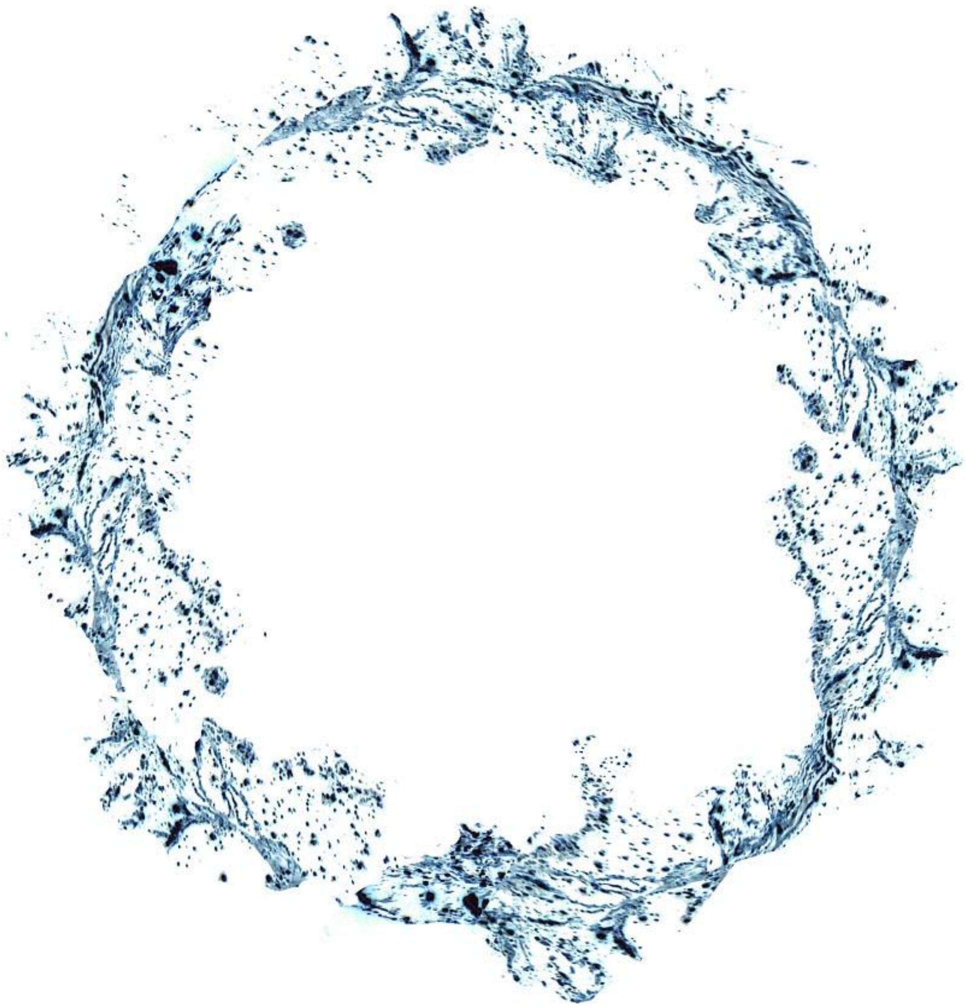
Deloitte.



London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 31 December 2020

Deloitte Total Reward and Benefits Limited
February 2021

Contents

1 Market Background

Global Equities

The fourth quarter of 2020 was a strong quarter for global equity markets thanks largely to greater clarity on a number of key macroeconomic issues including the COVID-19 vaccine breakthrough, which provided equity markets with a major boost, Joe Biden's victory in the US Election and the late agreement reached in Brexit talks.

In particular, the emergence of the first COVID-19 vaccines and their subsequent approval gave investors hope that the end of the pandemic was in sight and that the subsequent economic recovery might begin in earnest in 2021. In this regard, conviction in a swift and strong vaccine led economic rebound is high, and markets appeared to have largely shrugged-off a sharp rise in COVID-19 cases in both Europe and North America and the emergence of new more transmittable strains of COVID-19.

There were other factors supporting the rise in equity markets. A Biden victory in the US Presidential Election led to a rally in stock markets, as investors anticipated a more generous fiscal stimulus package and a more collaborative approach both globally and domestically. A $900bn US stimulus package was eventually signed into law late in December offering a range of measures including $325bn for small businesses and direct payments to individuals earning less than $75,000. Equity markets were further boosted by the news that a Brexit deal had been agreed on Christmas Eve that would facilitate a more orderly exit by the UK from the EU.

Over the fourth quarter as a whole, global equity markets delivered a return of 12.9% in local currency terms (or 8.5% in sterling terms). There continued to be a large dispersion in returns at a sector level as the large overall gains were led by Oil & Gas (26.5%) and Financials (20.3%) as investors anticipated a rebound in economic growth as newly approved vaccines are rolled out in 2021. These gains contrasted with Healthcare (-8.9%) and Technology (-4.1%), which experienced profit taking in the fourth quarter after performing strongly throughout 2020.

UK equities delivered a positive return of 12.6% over the quarter, outperforming overseas markets, due to the particular UK-centric boost from the last minute free-trade deal with the EU and its high concentration to outperforming sectors such as Oil & Gas and Financials. The more domestically focused FTSE 250 Index (18.8%) outperformed the FTSE 100 Index (10.9%) benefitting more strongly from the UK securing a future trade deal with the EU.

Government bonds

After rebounding in the third quarter from record lows, nominal gilt yields continued to rise over October and November before falling back in December 2020 following a resurgence in COVID-19 cases and the increased odds of negative UK base rates as the Bank of England considered its options in anticipation of a potential no deal scenario. Over the fourth quarter as a whole, nominal yields at mid-to-long maturities decreased marginally by up to 5 bps but were relatively unchanged at the short-end, remaining in negative territory as at 31 December 2020. The All Stocks Gilt Index subsequently delivered a modest positive return of 0.6% over the quarter.

Real yields on index-linked gilts also decreased, as falls for mid-to-long maturities were more pronounced (than for nominal gilts) decreasing by between 5-15 bps, while changes were minor at the short-end. As a result of the overall decrease in real yields, the All Stocks Index-Linked Gilts Index delivered a return of 1.2% over the fourth quarter of 2020.

Corporate bonds

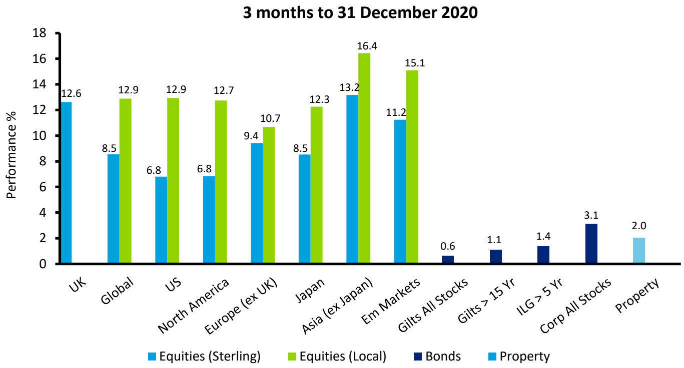
UK credit spreads narrowed further over the fourth quarter, with credit spreads falling by c. 30 bps, mirroring the investor confidence evident within equity markets. UK corporate bonds therefore outperformed equivalent gilts, and the iBoxx All Stocks Non-Gilt Index returned 3.1% over the three months to 31 December 2020.

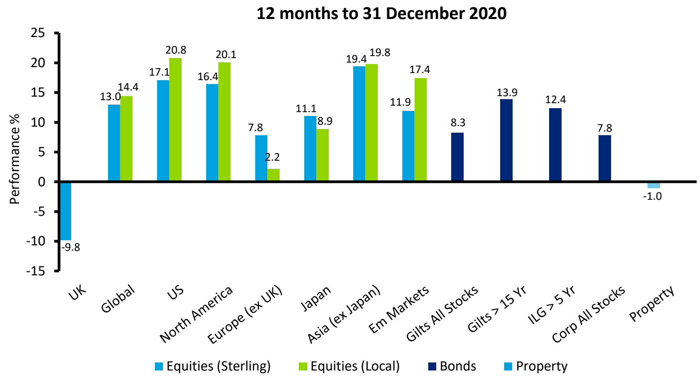
Whilst credit spreads have now fallen below their historic average levels, default risk remains elevated given the severity of COVID-19's economic impact to date, and the potential for further economic damage from the implementation of increased lockdown restrictions.

Property

The MSCI UK All Property Index delivered a return of 2.0% over the fourth quarter, and a negative return of -1.0% over the 12 months to 31 December 2020. However, these figures should be caveated given the relatively low level of transaction activity that there has been post COVID-19. Therefore, these performance figures reported in the initial quarters during the pandemic may not represent the full extent of the property market depreciation as a result of COVID-19, and further valuation falls seem possible in the months ahead.

Following looser restrictions in the summer/autumn, the sharp increase of COVID-19 cases going into winter 2020 led to restrictions being reimposed – with another lockdown anticipated in early 2021 - and this has created a further strain on already cash-strapped businesses particularly in the retail, travel and hospitality sectors. Rent collection is therefore anticipated to continue to be an ongoing issue between tenants and landlords into the new year. COVID-19 has also accelerated longer term structural trends such as the switch from high street shopping to online shopping, whilst future demand for central offices has become uncertain following the successful transition to remote-working and desire by many workers for a 'blended' approach in the future. As a result, future demand for central office space may be impacted over the medium-term as office leases come up for renewal.





2 Performance Overview

2.1 Investment Performance to 31 December 2020

Breakdown of Fund Performance by Manager as at 31 December 2020 Fund	Manager	3 month	1 year	3 year p.a.	5 year p.a.
Equity Mandate					
	LCIV Global Equity Core Fund	1.2	n/a	n/a	n/a
MSCI AC World Index		8.5	n/a	n/a	n/a
Difference		-7.3	n/a	n/a	n/a
	LGIM Low Carbon Mandate	8.0	13.4	n/a	n/a
MSCI World Low Carbon Target Index		8.0	13.5	n/a	n/a
Difference		0.0	-0.1	n/a	n/a
Dynamic Asset Allocation					
	LCIV Absolute Return Fund	4.5	9.9	3.8	5.2
3 Month Sterling LIBOR + 4% p.a.		1.0	4.3	4.6	4.5
Difference		3.5	5.6	-0.8	0.7
Global Bonds					
	LCIV Global Bond Fund	2.9	5.6	n/a	n/a
Barclays Credit Index (Hedged)		2.3	6.8	n/a	n/a
Difference		0.6	-1.2	n/a	n/a
Secure Income					
	Partners Group MAC[3]	2.1	-7.3	-0.8	2.2
3 Month Sterling LIBOR + 4% p.a.		1.0	4.3	4.6	4.5
Difference		1.1	-11.6	-5.4	-2.4
	Oak Hill Advisors	4.6	2.6	2.8	5.1
3 Month Sterling LIBOR + 4% p.a.		1.0	4.3	4.6	4.5
Difference		3.6	-1.7	-1.8	0.6
	ASI MSPC Fund	1.4	n/a	n/a	n/a
Blended benchmark[5]		2.1	n/a	n/a	n/a
Difference		-0.7	n/a	n/a	n/a
	Partners Group Infra[3]	6.7	23.2	12.7	8.2
	Aviva Infra Income[4]	1.5	2.8	n/a	n/a
Inflation *Protection*					
	ASI Long Lease Property Fund	1.3	4.0	5.6	6.8
FT British Government All Stocks		1.1	10.3	7.2	7.5
Difference		0.2	-6.2	-1.6	-0.7
Total Fund		4.5	8.1	5.8	8.3
Benchmark[1]		4.5	9.7	7.5	8.8
Difference		0.0	-1.6	-1.7	-0.5

Source: Northern Trust (Custodian). Figures are quoted net of fees. Differences may not tie due to rounding.

Please note that there also exists a residual private equity allocation to Invesco and Unicapital – this allocation makes up c. 0.1% of the Fund's total invested assets.

[1] The Total Assets benchmark is calculated using the fixed weight target asset allocation.

[2] The Invesco private equity allocation consists of an investment in the Invesco Partnership Fund V and the Invesco US Venture PSHP Fund IV. The Invesco Partnership Fund V performance has been provided to 30 September 2020, and the Invesco US Venture PSHP Fund IV performance has been provided to 30 June 2020.

[3] Partners Group Multi Asset Credit and Direct Infrastructure Fund performance provided to 30 November 2020.

[4] Aviva Investors performance figures provided by Northern Trust take into account a c. 2% income distribution from the Infrastructure Income Fund towards the end of each quarter.

[5] ASI MSPC Fund is measured against a blended benchmark of 3 Month Sterling LIBOR and the ICE ML Sterling BBB Corporate Bond Index while the strategy is in the process of deploying invested capital. The weight of the benchmark allocated to the ICE ML Sterling BBB Corporate Bond Index reflects the proportion of the Fund's investment in the MSPC Fund which has been deployed by ASI. Once the Fund's investment has been fully deployed, the MSPC Fund will be measured against a benchmark consisting 100% of the ICE ML Sterling BBB Corporate Bond Index. Over the quarter to 31 December 2020, the MSPC Fund was measured against a blended benchmark of 53.2% 3 Month Sterling LIBOR and 46.8% ICE ML Sterling BBB Corporate Bond Index.

3 Total Fund

3.1 Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Total Fund - Net of fees	4.5	8.1	5.8	8.3
Benchmark(1)	4.5	9.7	7.5	8.8
Net performance relative to benchmark	0.0	-1.6	-1.7	-0.5

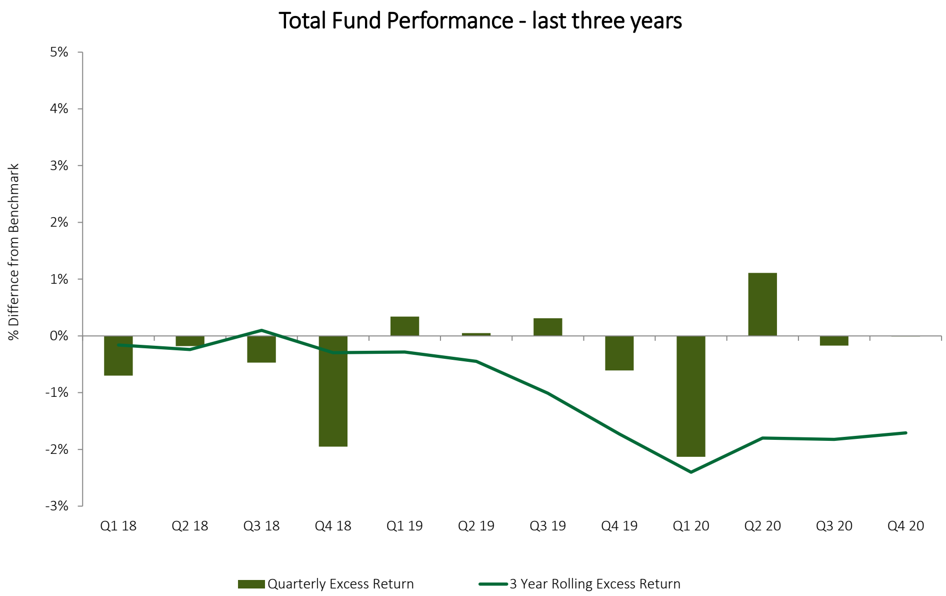
Source: Northern Trust. Relative performance may not sum due to rounding.
(1) Fixed weight benchmark

The Total Fund delivered a positive absolute return of 4.5% over the quarter to 31 December 2020 on a net of fees basis, performing broadly in line with the fixed weight benchmark.

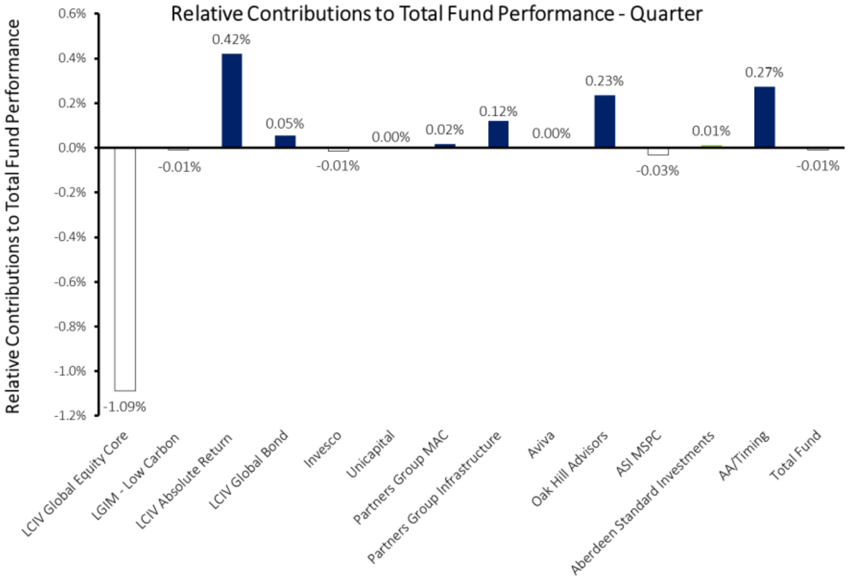
Over the year to 31 December 2020, the Total Fund delivered a positive absolute return of 8.1% on a net of fees basis, but underperformed the fixed weight benchmark by 1.6%. Over the longer three and five year periods to 31 December 2020, on a net of fees basis, the Total Fund delivered positive returns of 5.8% p.a. and 8.3% p.a. respectively, underperforming the fixed weight benchmark by 1.7% p.a. and 0.5% p.a. respectively.

Underperformance over the three year period to 31 December 2020 continues to be partially attributed to the Fund's allocation to the LCIV UK Equity Fund, which underperformed its FTSE-based benchmark by 5.2% p.a. on a net of fees basis over the three-year period until the point of disinvestment in December 2019.

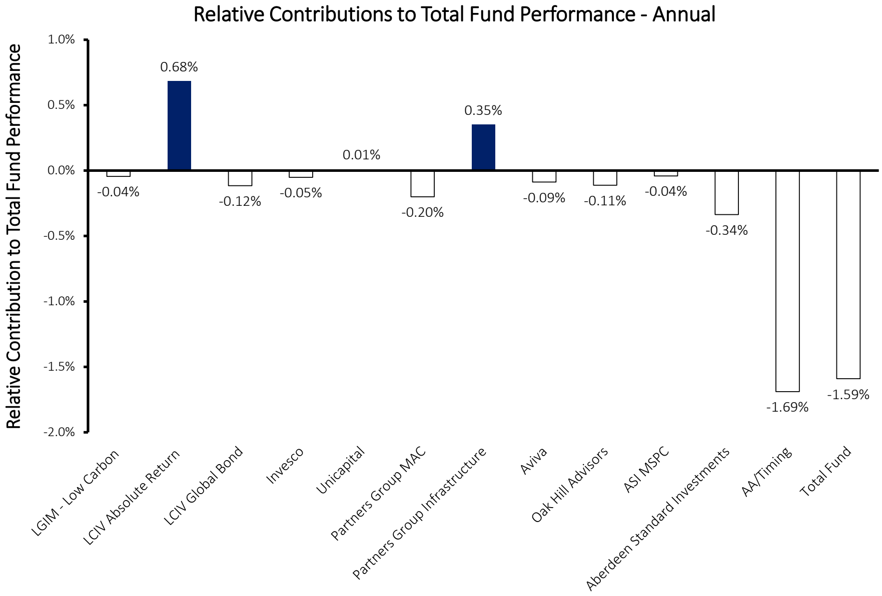
The chart below compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 31 December 2020. The 3-year rolling excess return remained negative over the fourth quarter of 2020.



3.2 Attribution of Performance to 31 December 2020



Over the quarter to 31 December 2020, the Fund marginally underperformed its fixed weight benchmark. It should be noted that, on an absolute basis, each of the Fund's investments delivered positive absolute returns over the quarter on a net of fees basis with the Invesco private equity fund being the only exception, which has provided negative absolute returns since the start of the COVID-19 pandemic. Total Fund relative underperformance was primarily driven by the LCIV Global Equity Core Fund, which underperformed the broader equity market over the fourth quarter of 2020, despite delivering positive absolute returns, due to its under allocation to cyclical stocks compared with the MSCI benchmark. Underperformance was largely offset by the LCIV Absolute Return Fund and Oak Hill Advisors, with both strategies outperforming their cash-plus benchmarks over the quarter. Please note that we would expect relative performance differences over shorter time horizons where strategies are measured against cash-plus benchmarks.



The Fund underperformed its fixed weight benchmark by 1.6% over the year to 31 December 2020. The large negative contribution provided by the "AA/Timing" bar represents the impact of the Fund having an overweight allocation to the Partners Group MAC and M&G strategies during a period of negative performance, and includes the negative performance of the LCIV Global Equity Core Fund over the fourth quarter of 2020 relative to its benchmark. The Partners Group MAC strategy underperformed its cash-plus benchmark over the year, while the M&G strategy underperformed its RPI-based benchmark over the period from the beginning of 2020 to the point of disinvestment on 1 September 2020. As the Partners Group MAC strategy is measured against a cash-plus benchmark, we would expect relative performance differences over shorter time horizons. The multi asset credit strategy continues to make distributions back to investors, but has been significantly impacted by the effects of COVID-19. Relative underperformance was partially offset by the LCIV Absolute Return Fund, with the manager's strategic allocations proving resilient across a variety of market environments, outperforming its benchmark over each separate quarter of 2020, and to a lesser extent by the Partners Group Infrastructure Fund which also outperformed its respective benchmark over the 12 month period.

3.3 Asset Allocation

The table below shows the value of assets held by each manager as at 31 December 2020 alongside the Target Benchmark Allocation.

Manager	Asset Class	Actual Asset Allocation				Benchmark Allocation (%)
		30 Sep 2020 (£m)	31 Dec 2020 (£m)	30 Sep 2020 (%)	31 Dec 2020 (%)	
LCIV	Global Equity Core	170.3	172.4	14.9	14.5	15.0
LGIM	Low Carbon Equity (passive)	340.2	367.3	29.8	31.0	30.0
	Total Equity	**510.5**	**539.7**	**44.7**	**45.5**	**45.0**
LCIV	Absolute Return	137.6	261.8	12.1	22.1	10.0
LCIV	Global Bond	109.1	111.5	9.6	9.4	10.0
	Total Dynamic Asset Allocation	**246.7**	**373.4**	**21.6**	**31.5**	**20.0**
Invesco	Private Equity	1.0	0.2	0.1	0.0	0.0
Unicapital	Private Equity	0.6	0.6	0.1	0.1	0.0
	Total Private Equity	**1.6**	**0.8**	**0.1**	**0.1**	**0.0**
Partners Group[1]	Multi Asset Credit	17.5	14.7	1.5	1.2	0.0
Oak Hill Advisors	Diversified Credit Strategy	75.1	78.6	6.6	6.6	7.5
Partners Group[1]	Direct Infrastructure	28.8	30.3	2.5	2.6	5.0
Aviva	Infrastructure Income	26.7	26.6	2.3	2.2	2.5
Aberdeen Standard Investments	Multi Sector Private Credit	55.0	55.8	4.8	4.7	5.0
	Secure Income	**203.3**	**205.9**	**17.8**	**17.4**	**20.0**
M&G[2]	Inflation Opportunities	114.3	0.0	10.0	0.0	0.0
Aberdeen Standard Investments	Long Lease Property	59.5	60.3	5.2	5.1	5.0
TBC	Ground Rents	-	-	-	-	5.0
TBC	Affordable / Supported Housing	-	-	-	-	5.0
	Total Inflation Protection	**173.8**	**60.3**	**15.2**	**5.1**	**15.0**
Northern Trust	Trustee Bank Account	5.4	5.4	0.5	0.5	0.0
	Total	**1,141.3**	**1,185.5**	**100.0**	**100.0**	**100.0**

Source: Northern Trust (Custodian) and have not been independently verified.
Figures may not sum to total due to rounding.
[1]Partners Group Multi Asset Credit and Direct Infrastructure valuations provided by Northern Trust with a month's lag (i.e. as at 31 August 2020 and 30 November 2020).
[2]Following the disinvestment from the M&G Inflation Opportunities V Fund on 1 September 2020, the divested amount was held in a cash account with M&G as at 30 September 2020.

The Fund's equity allocation moved from an underweight position to overweight over the fourth quarter of 2020, owing to the positive absolute returns achieved across both of the Fund's equity strategies, and outperforming the Total Fund as a whole.

The Fund's secure income position remained underweight as at 31 December 2020, with the Partners Group Direct Infrastructure Fund not yet fully drawn for investment.

On 1 September 2020, the Fund fully disinvested from the M&G Inflation Opportunities V Fund, with the decision to disinvest primarily a result of the Fund's high exposure to the UK commercial property market. On 1 October 2020, the disinvestment proceeds were subsequently received from M&G, and on 16 October 2020, the proceeds were transferred into the LCIV Absolute Return Fund, managed by Ruffer, as a temporary allocation while the Sub-Committee considers alternative inflation protection options. As such, until these proceeds have been invested into the new inflation protection mandates, the Fund's dynamic asset allocation will remain temporarily overweight.

A Ground Rents and Affordable / Supported Housing manager selection exercise is due to take place in respect of the inflation protection allocation post quarter-end on 16 February 2021. A shortlist of investment managers have been invited to present to the Sub-Committee.

3.4 Yield Analysis as at 31 December 2020

The following table shows the running yield on the Fund's investments:

Manager	Asset Class	Yield as at 31 Dec 2020
LCIV	Global Equity Core	1.45%
LGIM	Low Carbon Equity	2.03%
LCIV	Absolute Return	0.83%
LCIV	Global Bond	2.85%
Partners Group	Multi-Asset Credit	5.60%
Oak Hill Advisors	Diversified Credit Strategy	5.00%
Aviva Investors	Infrastructure	7.90%[1]
Aberdeen Standard Investments	Long Lease Property	4.24%
	Total	**2.09%**

[1]Represents yield to 30 September 2020.

4 Summary of Manager Ratings

The table below summarises Deloitte's ratings of the managers employed by the Fund and triggers against which managers should be reviewed.

Manager	Mandate	Triggers for Review	Rating
Morgan Stanley Investment Management	LCIV Global Equity Core	Loss of key personnel Change in investment approach Lack of control in growth of assets under management	1
LGIM	Low Carbon Equity	Major deviation from the benchmark return Significant loss of assets under management	1
Ruffer	LCIV Absolute Return	Departure of either of the co-portfolio managers from the business Any significant change in ownership structure	1
PIMCO	LCIV Global Bond	A significant increase or decrease to the assets under management Significant changes to the investment team responsible for the Fund	1
Partners Group	Multi Asset Credit	Significant changes to the investment team responsible for the Fund *Note the mandate is subject to a 7 year lock-up period	1
	Direct Infrastructure	Significant changes to the investment team responsible for the Fund. *Note the mandate is subject to a 10 year lock-up period	1
Oak Hill Partners	Diversified Credit Strategy	Significant changes to the investment team responsible for the Fund Significant changes to the liquidity of underlying holdings within the Fund	1
Aviva Investors	Infrastructure Income	Significant changes to the investment team responsible for the Fund	1
Aberdeen Standard Investments	Long Lease Property	Richard Marshall leaving the business or ceasing to be actively involved in the Fund without having gone through an appropriate hand-over A build up within the Fund of holdings with remaining lease lengths around 10 years	1
	Multi Sector Private Credit	Significant changes to the investment team responsible for the Fund	1

4.1 London CIV

Business

The London CIV had assets under management of £10,750m within the 14 sub-funds (not including commitments to the London CIV Infrastructure Fund, London CIV Inflation Plus Fund and The London Fund) as at 31 December 2020, an increase of £1,174m over the quarter as a result of positive market movements over the period in addition to the impact of new London Borough investments in each of the LCIV Sustainable Equity Fund and the LCIV Global Equity Core Fund over the quarter.

The total assets under oversight, including passive investments held outside the London CIV platform, was £23.3bn as at 31 December 2020, an increase of c. £2.9bn over the quarter with cumulative commitments of £0.6bn to the LCIV Infrastructure Fund, LCIV Inflation Plus Fund and the newly launched The London Fund.

The London Fund was successfully launched on 15 December 2020, with an initial seed investment of £100m by the London Pension Fund Authority and a further £50m expected from the same source during Q1 2021. The London Fund is the first collaborative fund launch between LGPS Pool companies (London CIV and LPPI). The London CIV has identified interest of a further £153m from its London Borough clients, with a second close planned in Q2 2021. The London Fund will focus on investing in real estate, infrastructure and growth capital sectors, with a secondary objective of generating a social benefit in Greater London.

In relation to the LCIV Global Bond Fund which the Fund currently invests in, the London CIV has been engaging with investors (current and future) in regards to the prospect of transitioning the Global Bond Fund into an ESG-focused version which will be more consistent with its investors' and the London CIV's ESG strategy. This coincides with PIMCO, the underlying manager of the LCIV Global Bond Fund, launching the GIS Climate Bond Fund which is dedicated to investments linked to combating global climate change.

COVID-19 Impact:

The London CIV's employees continue to work remotely, and are expected to remain so for the foreseeable future. The London CIV has continued to host monthly LCIV Business Updates to keep investors informed and up to date with regards to progress with mandate developments and fund launches. All 'Meet the Manager' sessions continue to go ahead as planned.

Personnel

Over the fourth quarter of 2020, the London CIV hired Vanessa Shia as Head of Private Markets. Vanessa will lead on the London CIV's infrastructure capabilities and will assist with the LCIV Inflation Plus Fund. Vanessa joined on 9 November 2020 and holds a wealth of experience in leading the integration of responsible investment and ESG principles throughout previous roles. Vanessa is expecting to commence maternity leave from February 2021, the London CIV is working with Vanessa to develop a cover plan for the period that she will be unavailable.

The London CIV also hired Gustave Loriot-Boserup as Responsible Investment Manager and Andrea Wildsmith as Head of Risk and Performance over the quarter. Gustave joined in December 2020 from Trucost, where he was responsible for environmental analytics across a range of asset classes. Gustave will work with Jacqueline Jackson in building out the London CIV's climate foot-printing and stewardship capabilities. Andrea will lead on the newly acquired eVestment database, which will be used to help the investment team select and manage public investment.

The London CIV is seeking to employ an equities investment manager, with advertising set to commence in due course.

Deloitte view – It is positive to see a permanent Chief Investment Officer and we hope for continued stability going forward. We are continuing to monitor developments on the business side as well as the new fund launches.

4.2 Morgan Stanley Investment Management

Business

As at 31 December 2020, the LCIV Global Equity Core Fund held assets under management of £504m, a substantial increase of £334m over the quarter primarily as a result of one new London Borough investor being added to the sub-fund.

The Morgan Stanley Global Sustain Fund, which the LCIV Global Equity Core Fund is based upon, held assets under management of $3.1bn as at 31 December 2020. This represents an increase of c. $1.1bn over the quarter since 30 September 2020 following new investments into the strategy.

COVID-19 Impact:

MSIM's international equity team switched to remote working at the beginning of the COVID-19 pandemic and has seen no interruption to business.

Personnel

Over the quarter, Dirk Hoffmann-Becking announced his plan to retire from MSIM and asset management, effective 31 March 2021. Going forward, Dirk will be sharing his time between pursuing his academic interests and consulting to banks. Dirk has been a portfolio manager across the MSIM International Equity team's strategies since 2013. His primary research coverage includes Financials and Consumer Discretionary, and as such the MSIM International Equity team has adjusted its sector coverage. Over the coming months Dirk will work to complete the transition of his research responsibilities, primarily to Richard Perrott who will cover Financials and Nathan Wong who will expand his coverage of Consumer Discretionary stocks. Over the next months, MSIM will also transition primary coverage of European Pharmaceuticals from Marcus Watson to Helena Miles, and add Fei Teng to coverage of other select Health Care, predominantly ex-US. Marcus will retain his existing US Health Care and IT coverage.

Over previous years, MSIM has focused on building an experienced and well-resourced team and believes the transition resulting from Dirk's retirement will be as seamless as possible for MSIM's clients.

Deloitte View - We continue to rate Morgan Stanley Investment Management positively for its active equity capabilities.

4.3 LGIM

Business

As at 30 June 2020, Legal & General Investment Management ("LGIM") had assets under management ("AuM") of c. £1,241m, an increase of c. £45m since 31 December 2019. (LGIM provides AuM updates biannually and the next 31 December 2020 AuM update will be released in late February/early March 2021.)

COVID-19 Impact and Reporting Issues:

Whilst only announced biannually, we expect LGIM's assets under management to have suffered a material fall from the COVID-19 market crash in early 2020.

More widely, LGIM had to adjust its business operations in light of the COVID-19 lockdown restrictions. LGIM reported that it enacted its business contingency planning, and that it had evolved to enable greater agile working for employees to ensure business continuity.

Despite enacting these contingency plans, we experienced a notably high number of reporting delays/concerns on a range of clients with LGIM during summer 2020 which LGIM cited were due to the impact of remote working and a spike in annual leave over the summer at a time of increased reporting requests in the aftermath of COVID-19. We have followed up with LGIM to gain assurance that the Fund receives timely information going forward and – if not fully back to the pre COVID-19 timelines - this has improved over the recent quarterly reporting cycle.

Personnel

At the time of writing this report, LGIM has not been able to provide information regarding any significant team or personnel changes to the Index team over the quarter.

Deloitte View - We continue to rate Legal & General positively for its passive capabilities.

4.4 Ruffer

Business

Ruffer held £21.0bn in assets under management as at 31 December 2020, an increase of c. £0.8bn over the quarter.

COVID-19 Impact:

In line with government guidance, Ruffer closed its London, Edinburgh and Paris offices in March 2020 in light of the COVID-19 pandemic, with all employees and partners successfully transitioning to remote working. All staff have been provided remote access to key systems such that portfolio management and dealing activities are not impacted. Prior to the move to remote working, Ruffer had successfully implemented a split workforce to test its systems which proved successful.

Personnel

There were no significant team or personnel changes to the Absolute Return Fund over the quarter.

Deloitte view – The Ruffer product is distinctive within the universe of diversified growth managers with the manager willing to take contrarian, long term positions, where necessary drawing on the expertise of external funds.

4.5 PIMCO

Business

As at 31 December 2020, PIMCO held £1.6tn in assets under management, an increase of c. £0.1tn over the quarter. The LCIV Global Bond Fund had assets under management of c. £354m as at 31 December 2020, representing an increase of c. £9m over the quarter primarily as a result of positive market movements.

Following quarter end, in January 2021, PIMCO announced that it was joining forces with Man Group, IHS Markit, State Street, Microsoft and McKinsey to form a new technology-led company, HUB, to build a cloud-based operating platform aimed at transforming asset managers' operations technology. PIMCO expects HUB, a greenfield platform, to transform the asset management industry's operating model by providing flexible and modular solutions across middle and back office functions, while reducing costs and mitigating risks. PIMCO believes that the platform will accelerate the move to a digital operating model, enabling managers to deliver innovative solutions to their clients in the short and long-term.

COVID-19 Impact:

There have been no notable changes to PIMCO's control environment, including trade flow and middle/back office processes which are maintaining the appropriate segregation of duty requirements and independent reconciliations.

PIMCO has also stated that there has been no changes to valuation methodology and has been in close contact with pricing vendors. Reporting of PIMCO's assets also remains within respective timelines and has not faced any dealing issues or delays due to COVID-19.

At a fund level, over the fourth quarter of 2020 the Global Bond Fund has witnessed no defaults in the portfolio as a result of COVID-19. 34 issues were downgraded over the quarter, representing c. 4.2% of the portfolio – of which 6 issues (c. 0.3% of the total portfolio) were downgraded to sub-investment grade, with PIMCO deciding to continue to hold all of these issues.

Personnel

There were no significant personnel changes to the Global Bond Fund over the fourth quarter.

More widely at a Firm level, in September 2020, PIMCO announced that Mark Carney, economist and former Governor of the Bank of England would be joining PIMCO's Global Advisory Board. PIMCO considers Mark's extensive experience, combined with his focus on transforming climate finance will make him a valuable addition to the Board.

Deloitte View – We continue to rate PIMCO highly for its global bond capabilities.

4.6 Partners Group

Business

Partners Group had total assets under management of c. $109bn as at 31 December 2020, representing an increase of c. $12.7bn since 30 June 2020.

COVID-19 Impact:

Following COVID-19 restrictions weighing on investments in the portfolio, the distributions of the MAC 2014 Fund have been extended by a year from July 2020 to July 2021 to support the cashflow of the underlying companies invested in over the short to medium term, which will in turn support the long-term performance of the Fund. While Partners Group previously intended to distribute as much capital as possible back to investors prior to this date, Partners Group has confirmed the possibility of further extending the program if deemed in the best interest of investors, as covered below.

More widely, Partners Group organised its Crisis Response Team and immediately put its business continuity plan into effect for a pandemic scenario in early 2020 that subsequently was borne out. The team was expanding to include both Partners Group CEO and CRO, to ensure that key business functions were represented and accounted for and holds daily calls for regular updates.

Partners Group has placed health and safety as its number one priority and has actioned temporary closure of the majority of offices, with those still open offering restricted numbers of workers with strict social distancing and hygiene protocols and has discouraged the use of public transport. Additionally, Partners Group has extended its remote working capabilities to ensure there is no interruption to business and restricted travel globally. Overall, Partners Group has stated that there have been no major interruptions to either critical or non-critical business functions to date.

Multi Asset Credit

The Partners Group MAC Fund had a net asset value of c. £76.7m at 31 December 2020, a decrease of £0.7m since the previous quarter end valuation at 30 September 2020 despite positive portfolio returns over the quarter, as a result of two distributions issued back to investors over the three month period.

The investment period for the 2014 MAC vintage finished at the end of July 2017, and the Fund continues to make distributions back to investors, with the Partners Group MAC Fund making two further distributions over the quarter, which totaled £4.0m and £0.3m respectively across all investors. The London Borough of Hammersmith & Fulham Pension Fund received a combined total of c. £0.8m from these distributions.

Following quarter end, on 28 January 2021, Partners Group issued a further distribution of £6m from the MAC Fund, shared between all investors. The London Borough of Hammersmith and Fulham Pension Fund received a total of c. £1.2m from this distribution.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

- [redacted]
- [redacted]

[redacted]

Direct Infrastructure

As at 31 December 2020, the Direct Infrastructure Fund had drawn down c. 54% of its total €1,081m commitment value for investment, with c. 81% of the total Direct Infrastructure Fund's portfolio committed to investment opportunities as at 30 November 2020.

Personnel

There were no significant team or personnel changes to the Multi Asset Credit or Direct Infrastructure Fund teams over the quarter.

Deloitte View - We continue to rate Partners Group for its private market capabilities.

4.7 Aberdeen Standard Investments – Multi-Sector Private Credit (“MSPC”)

Business

The Aberdeen Standard Investments Multi-Sector Private Credit Fund commitment value remained unchanged over the quarter, standing at c. £138m as at 31 December 2020.

The MSPC Fund has a robust indicative pipeline of private credit assets and has closed on two commercial real estate debt assets and three private placement assets over the fourth quarter of 2020, with another commercial real estate debt investment in documentation as at 20 January 2021.

COVID-19 Impact:

The MSPC Fund was launched in April 2020, following the initial onset of the COVID-19 pandemic. As such, the portfolio is able to be built up in a cautious and more ‘COVID-aware’ manner. All investments made to date are performing as expected, and ASI states that it does not have any loans in the MSPC Fund which are on its ‘watchlist’ or that have experienced credit downgrades.

After the initial uncertainty during the first ‘lockdown’ in Q2, ASI stated that deal flow picked up and continued throughout the third and fourth quarters of 2020. ASI recognises that the impact of the latest lockdown measures on deal-flow activity remains to be seen, but expects a higher level of deal flow across 2021 with opportunities already presenting themselves across numerous sectors over the first quarter of 2021.

Personnel

There were no significant team or personnel changes to the Multi-Sector Private Credit Fund over the quarter.

Deloitte View – We continue to rate Aberdeen Standard Investments for its private credit capabilities.

4.8 Oak Hill Advisors – Diversified Credit Strategies (“DCS”)

Business

Oak Hill Advisors held assets under management of c. $48bn as at 1 November 2020, an increase of c. $4bn since 1 July 2020.

As at 31 December 2020, the Diversified Credit Strategies Fund’s net asset value stood at c. $4.9bn, an increase in value of c. £0.7bn with c. $410m of this increase attributable to net inflows.

COVID-19 Impact:

As previously reported, during March 2020, Oak Hill Advisors enacted a formal initiative which included restrictions to all non-essential business travel, all travelers to carry a laptop and remote connectivity to enable remote working if needed. Oak Hill Advisors employees have been working remotely since 16 March, following a test of Oak Hill Advisors’ system capacity. This accompanied Oak Hill Advisors’ upgrade of its IT systems and infrastructure in early 2019.

Oak Hill Advisors has provided cross training between a couple of its offices to ensure that key operational functions have the necessary cover, for example to ensure trade/settlement and treasury functions have several people who can perform each task. Oak Hill Advisors performs weekly portfolio reviews to ensure each team is familiar with the mandate and positioning alongside each industry being covered by both senior and junior investment professionals should senior research professionals not be able to perform these tasks.

At a fund level, the DCS Fund has seen a wave a downgrades by rating agencies following the economic slowdown caused by COVID-19. Although, Oak Hill Advisors states that this has not materially changed the composition of the portfolio and the strategy has maintained the same average credit quality since the beginning of 2020.

Personnel

At managing director level and above, OHA advisors saw three new joiners and one leaver over the quarter.

David Light, Trevor Winstead and Christopher Mosher all joined OHA as Managing Directors within the Private Credit, Distressed Assets and Client Coverage teams respectively. Meanwhile Steven Wayne, a Portfolio Manager and Managing Director within Private Credit, left the firm over the quarter.

Deloitte view – We are comfortable with how the strategy is being managed and the level of risk within the strategy.

4.9 Aviva Investors

Business

The Aviva Investors Infrastructure Income Fund had a total subscription value of c. £1,268m as at 31 December 2020, reflecting an increase of c. £15m over the fourth quarter of 2020 as one new investor commitment was received. As at 31 December 2020, the undrawn amount for the AIIIF was c. £15m.

[redacted]

[redacted]

COVID-19 Impact:

Following the COVID-19 outbreak, the Aviva Investors Infrastructure Income Fund and its underlying assets have been valued in line with Aviva's usual valuation policy and methodology, with valuations over 2020 reflecting the potential impact on assets from COVID-19 related factors. Aviva has confirmed that it has not applied material uncertainty or suspended or delayed pricing or issuing units in the Fund.

At the onset of the pandemic, Aviva implemented a heightened asset monitoring process with weekly meetings with external asset management and service providers to identify and rectify any issues as quickly as possible.

Personnel

There were no significant team or personnel changes over the fourth quarter of 2020. However, following quarter end, in January 2021, Aviva announced that four members of the Infrastructure Equity team were to leave the firm. Allan Vlah (Director), Fergus Helliwell (Director), Anne-Sophie Eveno (Associate Director) and Dan Wilcockson (Graduate) resigned on 26 January 2021, to take up positions at River & Mercantile, to work alongside Ian Berry, Aviva Investors' former Head of Infrastructure Equity.

Aviva has confirmed that each of the aforementioned retiring members have been placed on gardening leave with immediate effect, rather than working through their notice period. Aviva plans to begin the search for their replacements immediately.

With regards to asset origination, Aviva has confirmed that appropriate senior level and sector coverage experience remains in place, ensuring these departures will have limited impact on the ongoing management of the fund, which will continue to be led by Sean McLachlan, and supported by Jolanta Touzard and Isaac Vaz in their capacity as Directors. Aviva states that the existing assets within the AIIIF, and the mandates managed by the Fund, will not be impacted; and that the individuals leaving did not have asset management responsibilities, which continues to be led by Ian Shervell.

In response to these team changes, Aviva has sought to assure investors that infrastructure continues to be a key strategic priority for its Real Assets platform.

Deloitte View – We are closely monitoring the impacts to the AIIIF following the proposal to soft-close the Fund and in light of the significant team changes at the beginning of 2021 noted above.

4.10 Aberdeen Standard Investments – Long Lease Property

Business

As at 31 December 2020, the Aberdeen Standard Investments Long Lease Property Fund had a total fund value of c. £2.7bn, increasing by c. £26m over the quarter.

COVID-19 Impact:

After removing the material valuation uncertainty clause and lifting the suspension on trading during the third quarter of 2020, the Long Lease Property Fund continues to trade as normal.

ASI continues to work with its tenants to discuss deferment arrangements where necessary. As at 15 January 2021, the Long Lease Property Fund had collected 95.8% of its Q4 2020 rent.

Personnel

The departure of Richard Marshall, former Portfolio Manager of the ASI Long Lease Property Fund took place during the fourth quarter in October 2020. Les Ross, who previously held the role of Deputy Portfolio Manager formally became the new Portfolio Manager from 1 August 2020. Whilst we view Les Ross as an experienced replacement, we acknowledge that Richard had held the position of Portfolio Manager of the ASI Long Lease Property Fund since 2006 and his contribution has been viewed as one of the key factors to the Fund's lasting success.

This change place as part of their wider restructure of the global real estate management team to align with the future direction of the business, and also followed the replacement of Keith Skeoch as CEO designate by Stephen Bird earlier in 2020.

Deloitte View – We are closely monitoring the changes to senior leadership at ASI. With regards to real estate and the Long Lease Property Fund specifically, whilst the departure of Richard Marshall was somewhat more of a surprise, Les Ross is the obvious replacement and is very experienced and well positioned to take over. That said, Richard's contribution to the fund was significant and we continue to closely monitor both the fund and wider business.

5 London CIV

5.1 Investment Performance to 31 December 2020

At the end of the fourth quarter of 2020, the assets under management within the 14 sub-funds of the London CIV was £10,750m with a further £606m committed to the Infrastructure and Inflation Plus Funds, and The London Fund. The total assets under oversight (which includes passive investments held outside of the CIV platform) increased by c. £2.9bn to c. £23.3bn over the quarter. The table below provides an overview of the sub-funds currently available on the London CIV platform.

Sub-fund	Asset Class	Manager	Total AuM as at 30 Sep 2020 (£m)	Total AuM as at 31 Dec 2020 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	3,322	3,612	13	11/04/16
LCIV Global Equity	Global Equity	Newton	665	696	3	22/05/17
LCIV Global Equity Focus	Global Equity	Longview Partners	785	861	5	17/07/17
LCIV Equity Income	Global Equity	Epoch Investment Partners	221	133	2	08/11/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	425	498	6	11/01/18
LCIV Sustainable Equity Fund	Global Equity	RBC Global Asset Management (UK)	499	625	4	18/04/18
LCIV Global Equity Core Fund	Global Equity	Morgan Stanley Investment Management	170	504	2	21/08/20
LCIV Sustainable Equity Exclusion Fund	Global Equity	RBC Global Asset Management (UK)	344	385	2	11/03/20
LCIV Global Total Return	Diversified Growth Fund	Pyrford	266	274	4	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	614	670	7	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	756	910	8	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	126	123	2	16/12/16
LCIV MAC	Fixed Income	CQS	1,037	1,105	12	31/05/18
LCIV Global Bond	Fixed Income	PIMCO	345	354	3	30/11/18
Total			**9,576**	**10,750**		

Over the quarter, one new London Borough invested in the LCIV Sustainable Equity Fund and another invested in the LCIV Global Equity Core Fund.

6 LCIV – Global Equity Core

Morgan Stanley Investment Management was appointed to manage an active equity portfolio with a focus on sustainability when selecting investment opportunities, held as a sub-fund on the London CIV platform from 30 September 2020. The aim of the fund is to outperform the MSCI AC World Index.

6.1 Global Equity Core – Investment Performance to 31 December 2020

	Last Quarter (%)
Net of fees	1.2
Benchmark (MSCI World Net Index)	8.5
Global Franchise Fund (net of fees)	0.0
Net Performance relative to Benchmark	-7.3

Source: Morgan Stanley and Northern Trust. Relative performance may not tie due to rounding.

Over the fourth quarter of 2020, the LCIV Global Equity Core Fund has delivered a positive return of 1.2% on a net of fees basis, but has underperformed the MSCI World Net Index by 7.3% over the period.

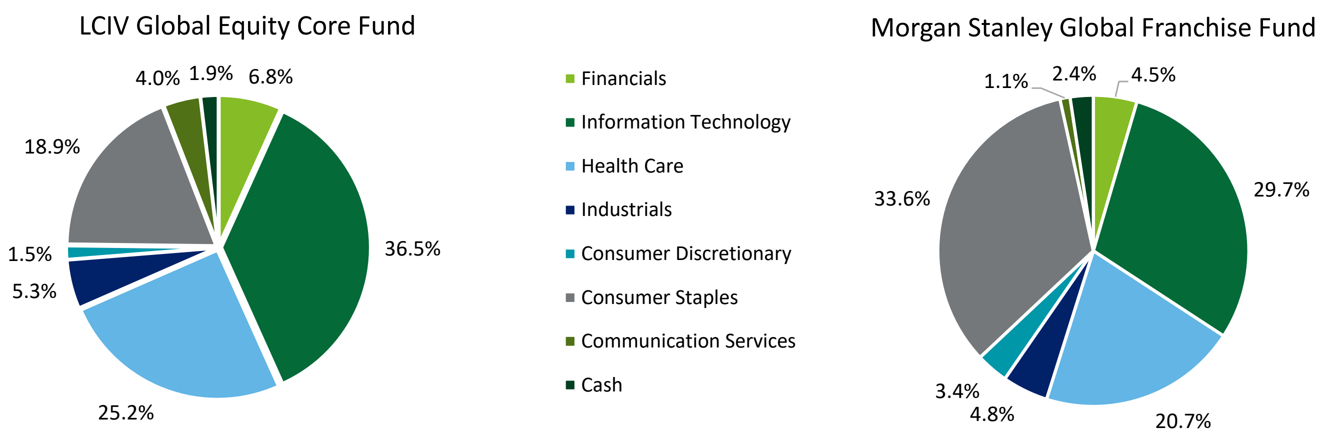
The LCIV Global Equity Core Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows. While such a portfolio is expected to prove beneficial during volatile periods, the underperformance relative to the broader equity market over the quarter can primarily be attributed to the strategy's under allocation to cyclical stocks, with investor risk appetite largely increasing over the quarter.

Stock selection also proved to be a detraction to recent relative performance, with two of the strategy's largest allocations, Reckitt Benckiser and SAP, providing negative returns over the quarter. Reckitt Benckiser faced specific pricing challenges over the three month period to 31 December 2020, while SAP underperformed as a result of governance and business model changes. It is expected that SAP's transformation should lead to an improvement in the company's future earnings.

The LCIV Global Equity Core Fund follows the same strategy and, in general, has the same investment principles as the Morgan Stanley Global Franchise Fund, but is subject to a greater number of restrictions, owing to the emphasis on sustainability. As such, there exists a number of marginal differences in the characteristics of the two funds. The LCIV Global Equity Core Fund has outperformed the Global Franchise Fund over the three month period to 31 December 2020, with outperformance attributed to a higher allocation to financials and technology, and a lower allocation to beverage companies which continued to be hit by social distancing measures.

6.2 Portfolio Sector Breakdown at 31 December 2020

The charts below compare the relative weightings of the sectors in the LCIV Global Equity Core Fund and the Morgan Stanley Global Franchise Fund as at 31 December 2020.



Source: London CIV and Morgan Stanley

The Global Equity Core strategy has a higher allocation to information technology, healthcare and financials, and a lower allocation to consumer staples due to its sustainable investment tilt.

As at 31 December 2020, the Global Franchise Fund portfolio is made up c. 10% of tobacco stocks. The Global Equity Core Fund is restricted from investing in tobacco, and hence holds a substantially smaller allocation to consumer staples.

6.3 Performance Analysis

The table below summarises the Global Equity Core Fund portfolio's key characteristics as at 31 December 2020, compared with the Morgan Stanley Global Franchise Fund.

	LCIV Global Equity Core Fund	Global Franchise Fund
No. of Holdings	41	31
No. of Countries	7	6
No. of Sectors*	6	7
No. of Industries*	19	14

*Not including cash

Source: London CIV and Morgan Stanley

Holdings

The top 10 holdings in the Global Equity Core Fund account for c. 48.8% of the strategy and are detailed below.

Global Equity Core Fund Holding	% of NAV
Microsoft	6.7
Reckitt Benckiser	6.1
Visa	5.6
SAP	5.1
Henkel Vorzug	4.9
Accenture	4.6
Procter & Gamble	4.2
Baxter International	3.9
Becton Dickinson	3.9
Medtronic	3.8
Total	**48.8***

Global Franchise Fund Holding	% of NAV
Microsoft	8.6
Reckitt Benckiser	8.0
Philip Morris	7.9
Visa	5.5
Accenture	4.8
Procter & Gamble	4.6
SAP	4.4
Baxter International	4.1
Danaher	4.0
Automatic Data Processing	3.9
Total	**55.8***

*Note figures may not sum due to rounding

Source: London CIV and Morgan Stanley

Seven stocks are consistently accounted for in the top ten holdings of both strategies.

7 Legal and General – World Low Carbon Equity

Legal and General Investment Management ("LGIM") was appointed on 18 December 2018 to manage a low carbon portfolio with the aim of replicating the performance of the MSCI World Low Carbon Target Index. The manager has an annual management fee, in addition to On Fund Costs.

7.1 World Low Carbon Equity – Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)
Net of fees	8.0	13.4
Benchmark (MSCI World Low Carbon Target)	8.0	13.5
MSCI World Equity Index	7.9	12.9
Net Performance relative to Benchmark	0.0	-0.1

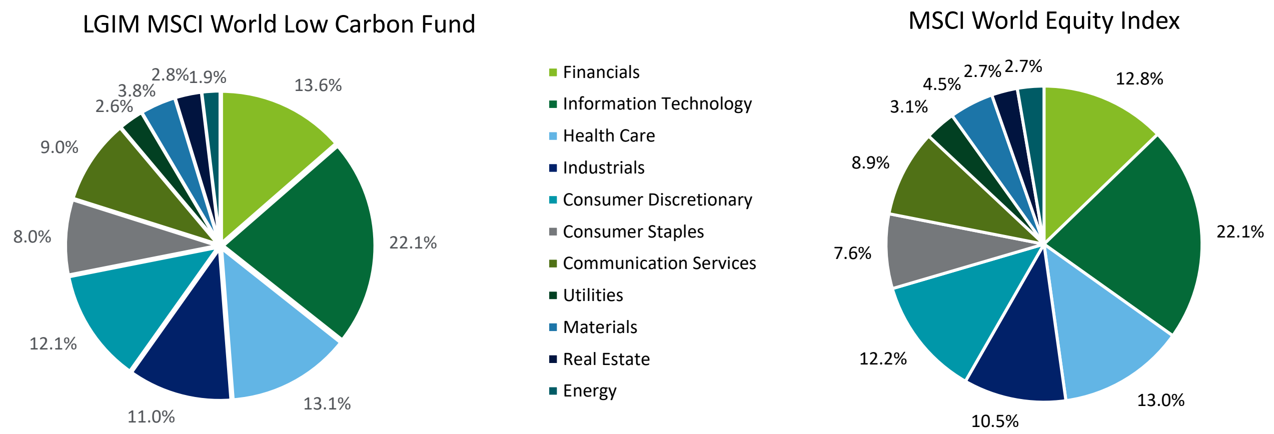
Source: LGIM and Northern Trust. Relative performance may not tie due to rounding.

Over the quarter to 31 December 2020, the LGIM MSCI World Low Carbon Index Fund has successfully tracked its benchmark, delivering positive absolute returns of 8.0% on a net of fees basis. The strategy outperformed the MSCI World Equity Index benchmark by 0.1% over the quarter.

Over the one-year period to 31 December 2020, the LGIM MSCI World Low Carbon Index Fund delivered a positive absolute return of 13.4% on a net of fees basis, marginally underperforming its benchmark by 0.1%. However, over the year, the sustainable-focused fund outperformed the MSCI World Equity Index by 0.5%, owing largely to the strategy's higher allocation to financials and industrials over Q1 2020, and lower allocation to energy, transport and materials, which was favourable positioning over the first quarter of 2020 when markets were particularly volatile following the outbreak of COVID-19.

7.2 Portfolio Sector Breakdown at 31 December 2020

The below charts compare the relative weightings of the sectors in the LGIM MSCI World Low Carbon Target Fund and the MSCI World Equity Index as at 31 December 2020.



The LGIM MSCI Low Carbon Target Fund has a larger allocation to financials and industrials than the MSCI World Equity Index, whilst the lower allocation to utilities, materials and energy represents the low carbon nature of the Fund.

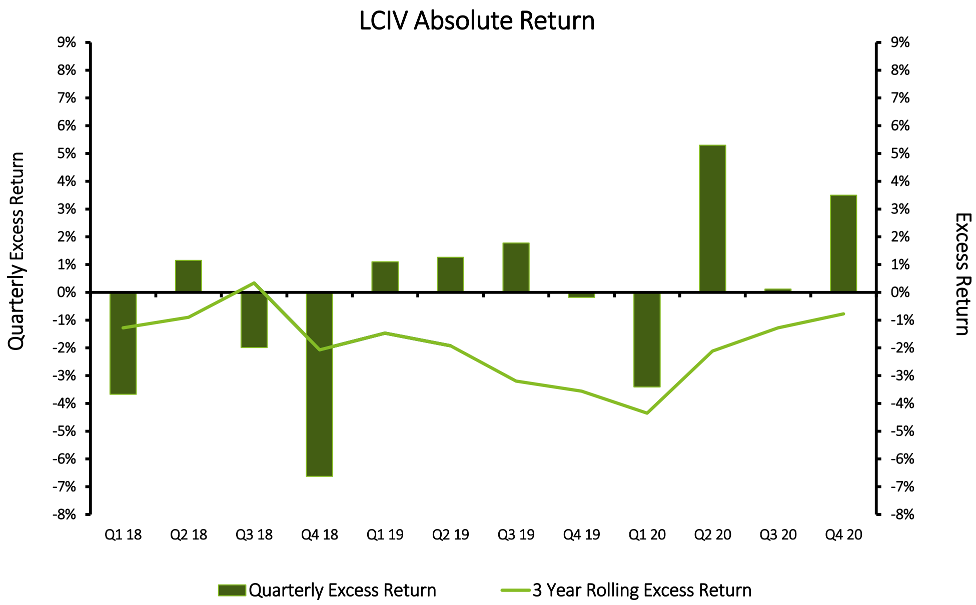
8 LCIV – Absolute Return

Ruffer was appointed to manage an absolute return mandate, held as a sub-fund under the London CIV platform from 21 June 2016, with the aim of outperforming the 3 month Sterling LIBOR benchmark by 4% p.a. The manager has a fixed fee based on the value of assets.

8.1 Dynamic Asset Allocation – Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.5	9.9	3.8	5.2
Target	1.0	4.3	4.6	4.5
Net performance relative to Target	3.5	5.6	-0.8	0.7

Source: Northern Trust. Relative performance may not tie due to rounding.



The Absolute Return Fund returned 4.5% on a net of fees basis over the fourth quarter of 2020, outperforming its LIBOR+4% target by 3.5%. The strategy has delivered an absolute return of 9.9% over the year to 31 December 2020 on a net of fees basis, outperforming its target by 5.6%. Over the longer three and five year periods to 31 December 2020, the strategy has delivered positive returns of 3.8% p.a. and 5.2% p.a. respectively on a net of fees basis, underperforming its target by 0.8% p.a. over the three year period, whilst outperforming the LIBOR-based target by 0.7% p.a. over the five year period to 31 December 2020.

Positive performance was largely driven by the strategy's equity exposure, with global equity markets rising over the fourth quarter of 2020 in light of an influx of multiple effective vaccines. Ruffer's equity holdings outperformed the wider market, owing to the strategy's bias towards recovery-sensitive stocks, with global cyclical and value equities rallying sharply over the quarter. Ruffer successfully added to the portfolio's economically-sensitive equities, including energy and financials, during the quarter, which contributed to the strategy's outperformance. The portfolio's UK-based equities also contributed positively to performance, following expectations of a trade deal being struck between the UK and the EU towards the end of 2020.

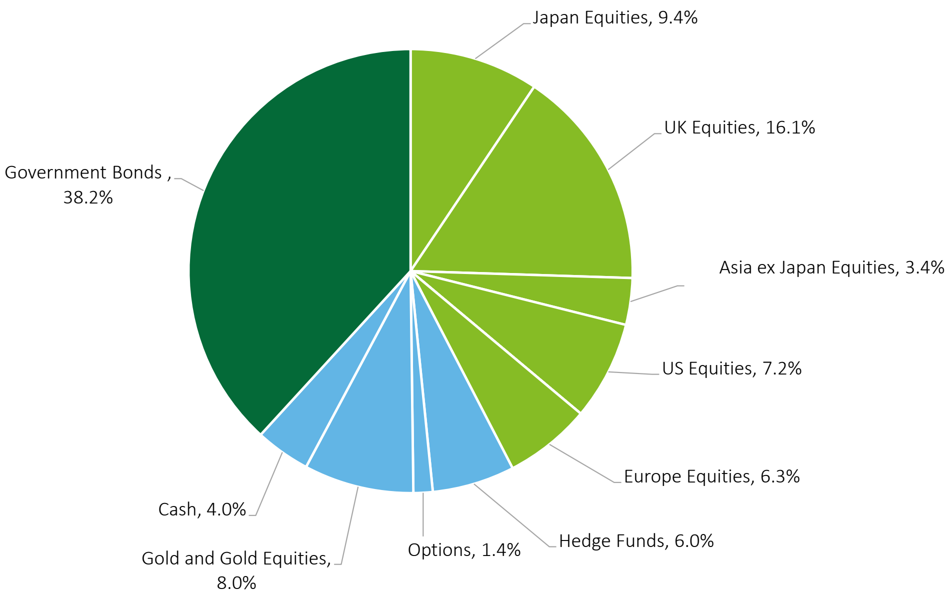
However, after driving positive returns over the second and third quarters of 2020, the strategy's gold and gold equities allocation detracted from performance over the three month period to 31 December 2020 despite falling real yields and a weak US dollar. This follows a surge in investor risk appetite, with investors rotating out of defensive strategies into riskier assets. Ruffer opted to take profits from a number of its gold-related holdings early in the quarter, with the gold and gold equities allocation reduced to 8% as at quarter end following a peak allocation of 12% at the beginning of August. This proved to be beneficial, with gold equities falling in value considerably over the quarter.

At the portfolio allocation level, the Absolute Return Fund's equity allocation stands at c. 42%, an increase of c. 9% over the quarter, with Ruffer taking the view that good news is amplified by the market whilst the market's reaction to negative news is somewhat understated.

Over the quarter, Ruffer also made a new small allocation to bitcoin, which represented c. 2% of the portfolio and was funded from the aforementioned gold sales. The position was added to the portfolio via the Ruffer Illiquid Multi Strategies Fund, with Ruffer observing that the allocation will serve as a hedge against inflation and general monetary instability, adding an additional layer of protection alongside the portfolio's inflation-linked bonds and gold allocations. The bitcoin investment is held in a segregated account by the world's largest custodian of digital assets, One River, and regulated under New York state banking laws. The asset is held separately from the holdings of other institutional clients and is covered by an industry-leading insurance policy.

8.2 Asset Allocation

The chart below represents the asset allocation of the LCIV Absolute Return Fund portfolio as at 31 December 2020.



Source: London CIV

9 LCIV – Global Bond

PIMCO was appointed on 8 May 2019 to manage a Global Bond mandate, held as a sub-fund under the London CIV platform from 30 November 2018. The aim of the Fund is to outperform the Barclays Aggregate – Credit Index Hedged (GBP) Index. The manager has a fixed fee based on the value of assets.

9.1 Global Bond – Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)
Net of fees	2.9	5.6
Benchmark	2.3	6.8
Net Performance relative to Benchmark	0.6	-1.2

Source: Northern Trust. Relative performance may not tie due to rounding.

Over the quarter to 31 December 2020, the LCIV Global Bond Fund returned 2.9% on a net of fees basis, outperforming its Barclays Aggregate – Credit Index Hedged (GBP) Index by 0.6%. The strategy delivered a positive return of 5.6% over the year to 31 December 2020, underperforming the benchmark by 1.2% primarily as a result of the extent of the underperformance relative to the benchmark over the first quarter of 2020. That said, the strategy's duration positioning, high yield and financials exposures have considerably contributed to positive returns since the end of the first quarter of 2020, after representing key detractors to performance over Q1 2020.

At a sector level, financials provided the largest positive contribution to performance over the quarter, particularly the banking sector with the portfolio's subordinated bank capital debt allocation delivering positive returns for the second consecutive quarter. This follows elevated investor risk appetite, with bank fundamentals expressing resilience over the quarter. Subordinated bank debt performance can also be partially attributable to the continued tightening of spreads over the three month period.

As with the third quarter of 2020, the strategy's overweight allocations to consumer finance and leasing companies proved beneficial relative to the benchmark, with cyclical sectors, particularly those with a heightened sensitivity to the impacts of the COVID-19 pandemic, outperforming more defensive sectors over the quarter to 31 December 2020 as cyclical sectors recognised a further degree of recovery.

The strategy experienced no defaults over the quarter, although 34 issues, representing c. 4.2% of the portfolio, were downgraded over the period with six of these issues, representing c. 0.3% of the portfolio, downgraded to sub investment grade. PIMCO still holds conviction in these issues, and has therefore continued to hold the positions.

The strategy remains relatively well positioned to cope with downgrades. The Global Bond Fund has the ability to hold up to 10% in sub-investment grade credit.

9.2 Performance Analysis

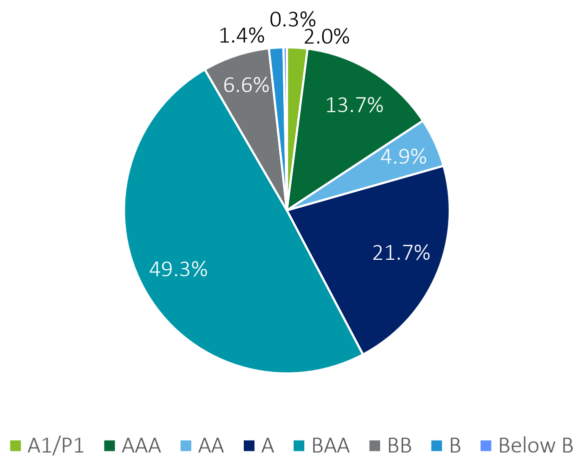
The table below summarises the Global Bond portfolio's key characteristics as at 31 December 2020.

	30 September 2020	31 December 2020
No. of Holdings	870	904
No. of Countries	45	45
Coupon	3.29	3.05
Effective Duration	7.08	6.92
Rating	A-	A-
Yield to Maturity (%)	2.57	1.79

Source: London CIV

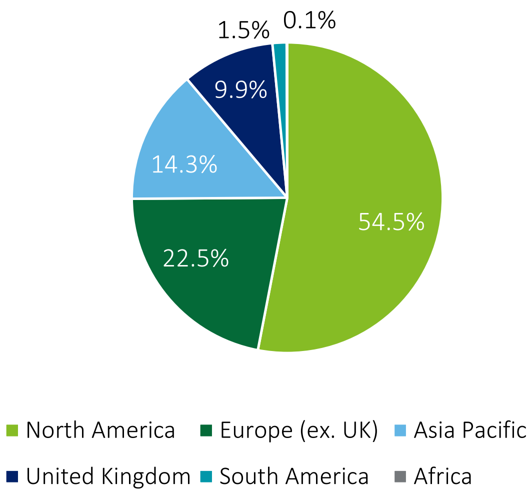
The number of holdings in the portfolio increased by 34 over the quarter, with the Global Bond Fund continuing to participate in an increased level of corporate debt issuance. PIMCO has increased its exposure to COVID-sensitive sectors over the quarter in an attempt to benefit from the current risk characteristics of the market, with risk appetite largely increasing, but remains highly selective in its approach to making allocations to cyclical investments.

The chart below represents the split of the Global Bond portfolio by credit rating. The Fund's investment grade holdings made up c. 91.6% of the portfolio as at 31 December 2020, an increase of 1.6% over the quarter, with the Fund predominately invested in BAA and A rated bonds.



Source: London CIV

The chart below represents the regional split of the Global Bond portfolio.



Source: London CIV

Note that figures do not sum to 100% due to short holdings in cash and currency forwards.

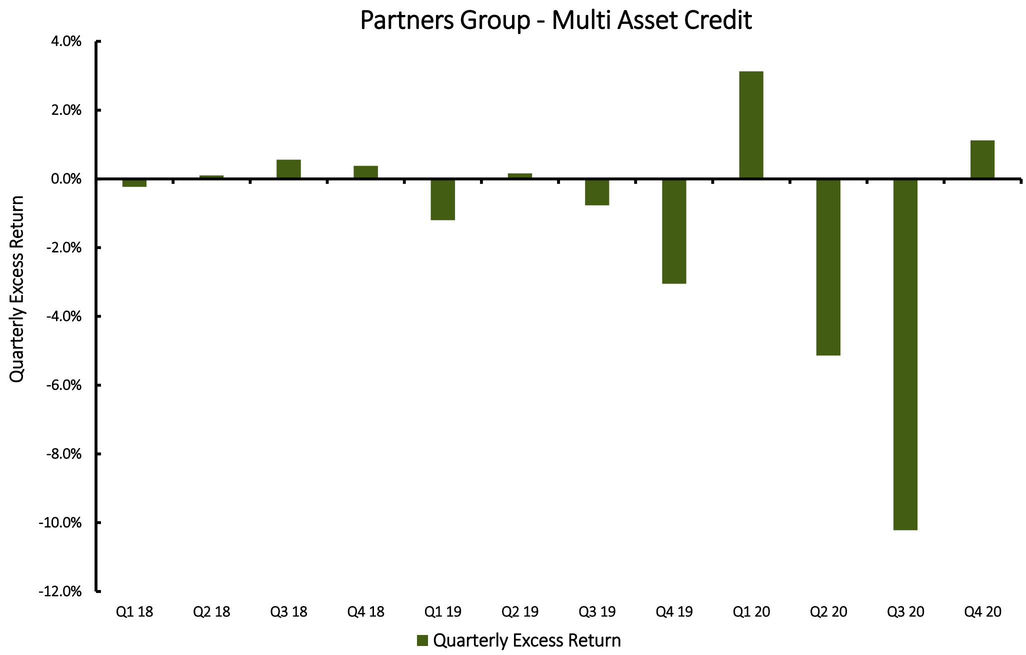
10 Partners Group – Multi Asset Credit

Partners Group was appointed to manage a multi asset credit mandate with the aim of outperforming the 3 month Sterling LIBOR benchmark by 4% p.a. The manager has an annual management fee and performance fee.

10.1 Multi Asset Credit - Investment Performance to 30 November 2020

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	2.1	-7.3	-0.8	2.2
Benchmark / Target	1.0	4.3	4.6	4.5
Net performance relative to Benchmark	1.1	-11.6	-5.4	-2.4

Source: Northern Trust. Relative performance may not tie due to rounding.



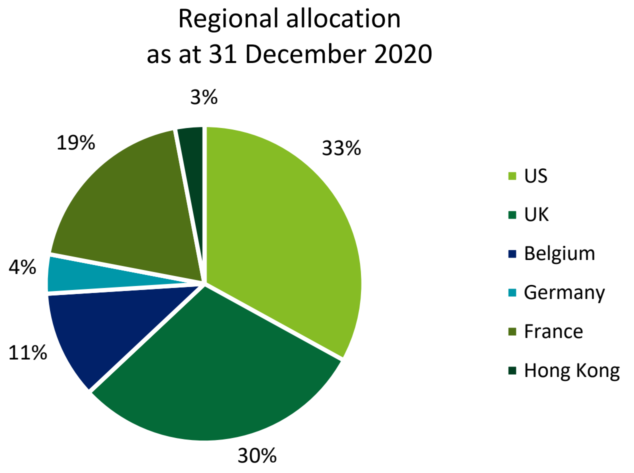
Please note, performance shown is to 30 November 2020.

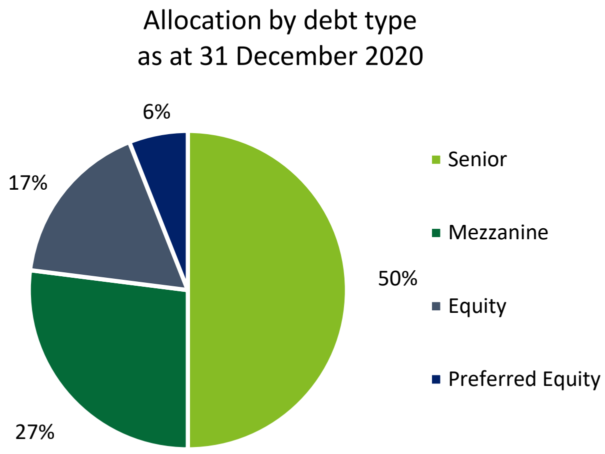
Over the three month period to 30 November 2020, the Multi Asset Credit strategy delivered a positive return of 2.1% on a net of fees basis, outperforming its 3 Month LIBOR +4% benchmark by 1.1%. Over the quarter to 31 December 2020, we expect the MAC Fund to have delivered a return of 4.8% on a net of fees basis, based on an estimation of the strategy's time-weighted rate of return using cashflow information.

Over the year to 30 November 2020, the strategy has underperformed its benchmark by 11.6%, returning -7.3% on a net of fees basis. The negative performance can be partially attributed to impairments to the underlying investments of the portfolio, as a result of the impact of COVID-19, alongside the particular impact from the write-down of the Cote Bistro debt allocation noted over the third quarter of 2020.

10.2 Asset Allocation

The charts below show the regional split of the Fund as at 31 December 2020.





Note: Based on information provided by Partners Group.

[redacted]

[redacted]

[redacted]

[redacted]

10.3 Fund Activity

As at 31 December 2020 the Partners Group Multi Asset Credit Fund had made 54 investments of which 42 have been fully realised. The Fund’s three-year investment period ended in July 2017 and therefore, any investments realised have subsequently been repaid to investors. .

[redacted]

Partners Group issued two distributions over the quarter, with a combined c. £0.8m distributed to the London Borough of Hammersmith and Fulham Pension Fund following distributions on 5 November 2020 and 30 December 2020.

Following quarter end, on 28 January 2021, Partners Group issued a further distribution, with £1.2m distributed to the London Borough of Hammersmith and Fulham Pension Fund.

11 Aberdeen Standard Investments – Multi-Sector Private Credit Fund

Aberdeen Standard Investments was appointed to manage a multi sector private credit mandate, with the Fund drawing down capital for investment on 8 April 2020. The Multi Sector Private Credit Fund aims to outperform the ICE ML Sterling BBB Corporate Bond Index once it has been fully deployed. The manager has a fixed annual management fee based on the value of investments.

11.1 Multi-Sector Private Credit - Investment Performance to 31 December 2020

	Last Quarter (%)
Net of fees	1.4
Benchmark / Target	2.1
Net performance relative to Benchmark	-0.7

Source: Northern Trust. Relative performance may not tie due to rounding.

The ASI Multi Sector Private Credit Fund delivered a positive absolute return of 1.4% on a net of fees basis over the quarter to 31 December 2020, underperforming the blended benchmark by 0.7%. The strategy continues to deploy invested capital, with non-deployed capital invested in a portfolio of cash and short term bonds until full investment is achieved.

Once fully committed, the strategy will be measured against the ICE ML Sterling BBB Corporate Bond Index. While the strategy is in the process of deploying invested capital, the strategy is measured against a blended benchmark of 3 Month Sterling LIBOR and the ICE ML Sterling BBB Corporate Bond Index, with the weight of the benchmark allocated to the ICE ML Sterling BBB Corporate Bond Index reflecting the proportion of the Fund's investment in the MSPC Fund which has been deployed by ASI. Over the quarter to 31 December 2020, the MSPC Fund has been measured against a benchmark of 53.2% 3 Month Sterling LIBOR and 46.8% ICE ML Sterling BBB Corporate Bond Index.

11.2 Portfolio Composition

Aberdeen Standard Investments aims to deploy invested capital in line with its long-term target asset allocation over two phases – an initial allocation via liquid opportunities, and a second phase made up of illiquid investments.

Phase 1 – Initial Asset Allocation

The target initial asset allocation, and allocation as at 20 January 2021, is provided in the table below:

	Target Phase 1 Allocation (%)	20 January 2021 Allocation (%)
Cash/Liquid Instruments		
Liquid ABS	10.0	6.7
Short Duration Fund	15.0	14.3
Cash	10.0	11.1
Corporate Loans		
Global Loans Fund	15.0	15.0
Public Opportunities		
Short Duration Corp Bonds (6 month duration)	15.0	11.3

IG Corp Bonds (3-4 year duration)	25.0	25.0
Structured Credit – Mezzanine ABS		
CMBS	5.0	0.0
CLO's	5.0	1.0

Source: Aberdeen Standard Investments

Phase 2 – Illiquid Investments

The table below provides details of the illiquid investments the strategy has invested in since inception, as at 20 January 2021:

Project Name	Date Completed	MSPC Investment	Total Debt Raised	Maturity	Credit Rating	Spread*	Yield
Infrastructure Debt							
Infra 1 (UK Smart Meter)	July 2020	£4.4m	£1.1bn (4.4% by ASI)	14 years (7-year WAL)	BBB	250 bps	2.6%
Commercial Real Estate Debt							
CREL 1 (Industrial)	July 2020	£3.2m	£44m (100% by ASI)	3 years	BBB	362 bps	3.7%
CREL 2 (Retail Park)	November 2020	£1.7m	£7.4m (100% by ASI)	5 years	A	415 bps	4.1%
CREL 3 (Retail Park)	December 2020	£2.2m	£26m (100% by ASI)	5 years	A	518 bps	5.2%
CREL 4	TBC	£2.1m	TBC	TBC	TBC	TBC	TBC
Private Placement							
PP 1 (Homebuilder)	November 2020	£1.6m	£100m (5% by ASI)	8 years	BBB	245 bps	2.5%
PP 2 (Manufacturer)	December 2020	€5.0m	€100m (5% by ASI)	8 years	BB+	396 bps	4.2%[1] (3.2% in EUR)
PP 3 (Utility)	November 2020	£4.0m	£50m (8% by ASI)	8 years	B+	495 bps	5.1%[1]

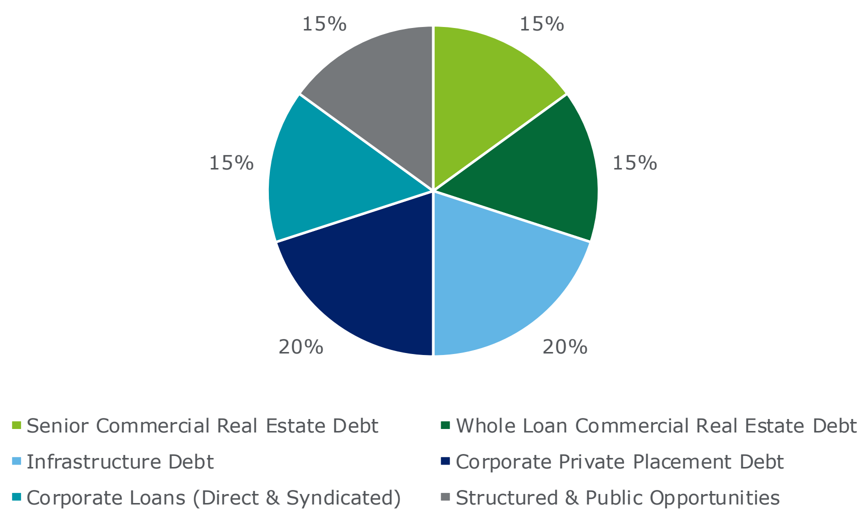
Source: Aberdeen Standard Investments

*Relative to 8 year gilts

[1]Expected yield

Long-Term Target Allocation

The long-term target allocation of the ASI MSPC Fund is shown below:



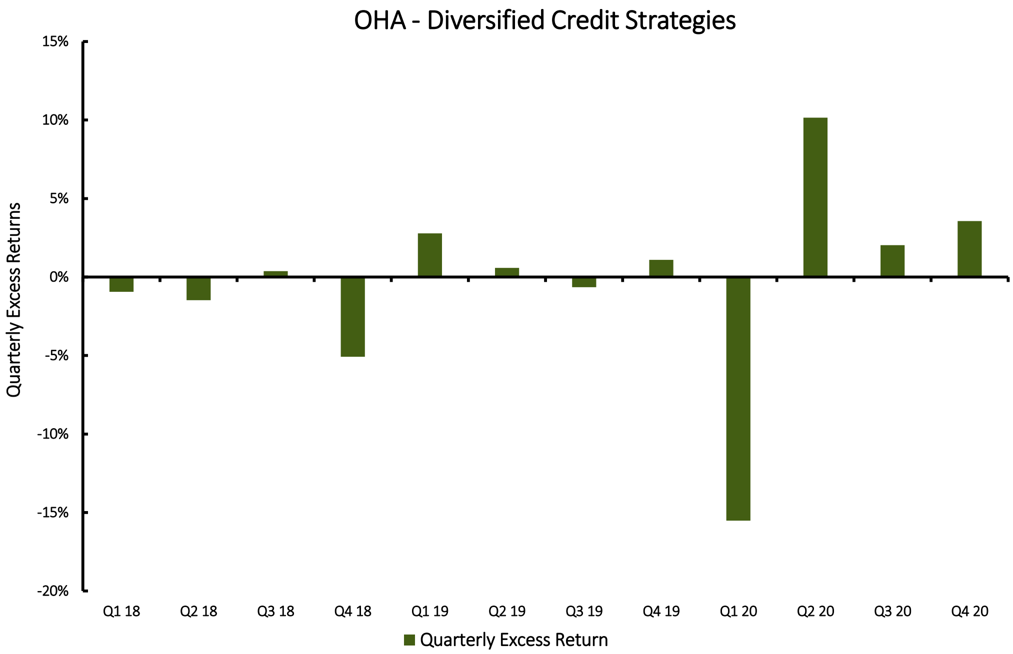
12 Oak Hill Advisors – Diversified Credit Strategies Fund

Oak Hill Advisors was appointed to manage a multi asset credit mandate with the aim of outperforming the 3 month Sterling LIBOR benchmark by 4% p.a. The manager has an annual management fee and performance fee.

12.1 Diversified Credit Strategies - Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.6	2.6	2.8	5.1
Benchmark / Target	1.0	4.3	4.6	4.5
Net Performance relative to Benchmark	3.6	-1.7	-1.8	0.6

Source: Northern Trust. Relative performance may not tie due to rounding.



The Oak Hill Advisors Diversified Credit Strategies Fund delivered a positive absolute return of 4.6% on a net of fees basis over the fourth quarter of 2020, outperforming its 3 Month Sterling LIBOR +4% p.a. benchmark by 3.6%. Over the year to 31 December 2020, the strategy delivered a positive absolute return of 2.6% on a net of fees basis, underperforming the benchmark by 1.7% over the period as a result of the extent of the strategy's underperformance over the first quarter of 2020. As the strategy is measured against a cash-plus benchmark, we would expect relative performance differences over shorter time horizons.

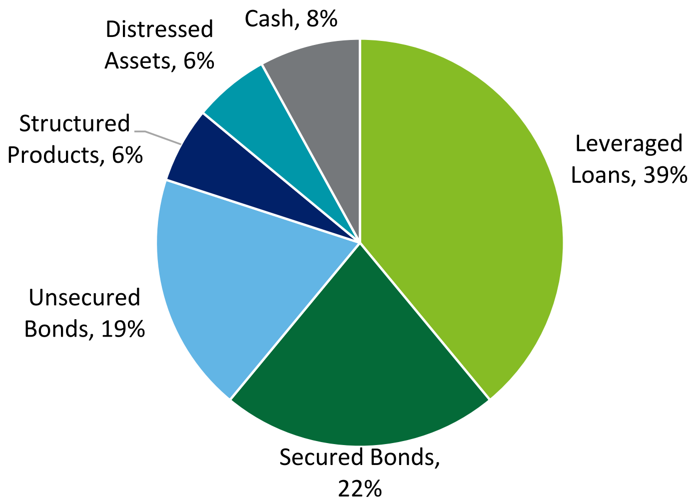
With credit spreads narrowing further over the quarter, the strategy's high yield bonds and leveraged loans exposures delivered positive returns for the third consecutive quarter. Over the year to 31 December 2020, the strategy's high yield bonds and leveraged loans allocations have now delivered positive returns of 11.3% and 4.5% respectively, reflecting that these asset classes have now more than made up the losses realised over the first quarter of 2020.

The strategy's distressed assets exposures have negatively impacted fund performance over the year, owing to elevated default risk given the severity of the COVID-19 economic impact to date, and the potential for further economic damage from the implementation of increased lockdown restrictions. The Diversified Credit Strategies Fund has held an average allocation of c. 10% to distressed assets over 2020.

Oak Hill Advisors does not track the number of defaults within its portfolio. The strategy's opportunistic nature means that the fund can take on restructuring opportunities for issuers. However, the manager does track when an issuer becomes "non-performing". Oak Hill Advisors has stated that no positions in the portfolio became "non-performing" over the quarter.

12.2 Asset Allocation

The below chart shows the composition of the Diversified Credit Strategies Fund's Portfolio as at 31 December 2020.



Source: Oak Hill Advisors

Over the quarter, the Diversified Credit Strategies Fund decreased its allocation to leveraged loans and secured bonds, whilst increasing the portfolio's cash holding and its allocation to distressed assets.

13 Partners Group – Direct Infrastructure

Partners Group was appointed to manage a global infrastructure mandate with the aim of outperforming the 3 month Sterling LIBOR benchmark by 8% p.a. The manager has an annual management fee and performance fee.

13.1 Direct Infrastructure - Investment Performance to 31 December 2020

Activity

In October 2020, Partners Group announced that it had agreed to acquire a significant equity stake in Telepass S.p.A ("Telepass"), a leading electronic toll collection services provider in Europe. Following the acquisition, Partners Group will become joint owner of Telepass with its current investor Atlantia, a global leader in the transport sector. The transaction values Telepass at an enterprise value of over €2bn. Partners Group is yet to confirm the proportion of this acquisition that will be allocated to the Direct Infrastructure Fund's portfolio.

As at 31 December 2020, the total capacity of the Direct Infrastructure Fund was €1.08 billion. Of this, c. 81% (c. €0.9bn) has been committed to investments as at 30 November 2020, with 54% (c. €0.6bn) of the total capacity drawn down from investors as at 31 December 2020.

The Partners Group Direct Infrastructure Fund's portfolio is made up primarily of investments that have no direct correlation to GDP. The remaining assets have limited correlation with GDP, however these assets provide an essential service with contract-based structures and high barriers to entry. As such, Partners Group sees no immediate causes for concern as a result of the COVID-19 pandemic.

Capital Calls and Distributions

The Fund issued no further capital calls over the fourth quarter of 2020, but issued two distributions of capital:

- On 18 December 2020, the Fund issued a €15.0m distribution, of which the London Borough of Hammersmith & Fulham Pension Fund received c. €0.8m. The distribution represents a return of capital, resulting from the proceeds stemming from the sale of Partners Group's 50% equity stake in Covage, a leading open-access fiber infrastructure platform in France. The sale of the stake in Covage is a significant step towards the full divestment of the 2016 acquisition of Axia NetMedia Corporation; and

- On 21 December 2020, the Fund issued a c. €35.0m distribution, of which the London Borough of Hammersmith & Fulham Pension Fund received c. €1.8m. The distribution is related to dividends in respect of the 50% equity stake in Covage.

Pipeline

Partners Group currently has 21 transactions in due diligence, representing investment opportunities totalling c. $8.5bn across the whole group. The opportunities are predominately within the Communication, Energy Infrastructure, Renewable Power and Transportation sectors, with c. 85% of the pipeline split between Europe and North America.

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

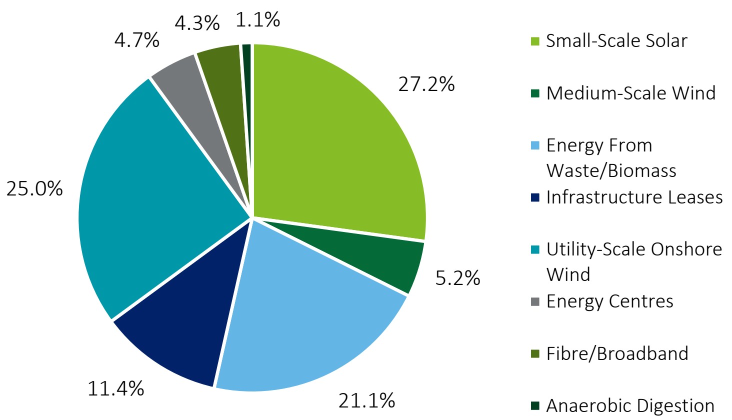
14 Aviva Investors – Infrastructure Income

Aviva Investors was appointed to manage an infrastructure income mandate with the aim of outperforming the 3 month Sterling LIBOR benchmark by 6% p.a. The manager has an annual management fee and performance fee.

14.1 Infrastructure Income - Investment Performance to 30 September 2020

Sector Breakdown

The chart below shows the split of the portfolio by sector as at 30 September 2020.



Source: Aviva Investors.

Small-scale solar and utility-scale onshore wind make up c. 52% of the portfolio.

Holdings

The top 10 holdings in the Infrastructure Income Fund account for c. 51.9% of the Fund and are detailed below.

Top 10 holdings as at 30 September 2020	Asset	Proportion of Fund
Brockloch Rig Wind Farm	Utility-scale Onshore Wind	7.8%
Hooton Bio Power	Energy from Waste	6.7%
Biomass UK No.3	Energy from Waste	5.7%
HomeSun	Small-scale Solar PV	4.8%
Aviva Investors Energy Centres No.1	Energy Centres	4.8%
Turncole Wind Farm	Utility-scale Onshore Wind	4.5%
Biomass UK No.1	Energy from Waste	4.5%
EES Operations No.1	Small-scale Solar PV	4.4%
Biomass UK No.2	Energy from Waste	4.4%
Minnygap Energy	Utility-scale Onshore Wind	4.4%
Total		**51.9%**

Note: The numbers in this table may not sum due to rounding.
Source: Aviva Investors.

Pipeline

As at 31 December 2020, the queue for the Infrastructure Income Fund was c. £15m, with one new investor, a UK defined benefit pension scheme, being onboarded. Aviva currently has a "priority pipeline", representing transactions which the Fund has exclusivity on, are in due diligence for or are strongly positioned to complete on due to Aviva's leading position in the relevant sector or relationship with the opportunity partner. The opportunities within the priority pipeline amounted to c. £209.4m as at 30 September 2020 and are generally expected to reach a close within 9-12 months.

Over the quarter to 31 December 2020, Aviva completed two small infrastructure leases as part of a continued pipeline of similar deals with Horus for a total consideration of £1.4m.

As highlighted in the Manager Update section of this report, Aviva has confirmed that the Infrastructure Income Fund will "soft close" to investors once a further £350m of capital has been raised, equating to a total fund net asset value of c. £1.7bn.

COVID-19 Impact

Following the COVID-19 outbreak, the Aviva Investors Infrastructure Income Fund and its underlying assets have been valued in line with Aviva's usual valuation policy and methodology, with the 2020 valuations reflecting the potential impact on assets from COVID-19 related factors. Aviva has confirmed that it has not applied material uncertainty or suspended pricing or issuing units in the Fund.

The strategy has proven to be resilient during the COVID-19 pandemic. All sectors were designated by the government as key sectors and there was therefore no requirement to cease operations. As the majority of the assets in the portfolio were obtained on an unlevered basis, any additional financial risk that may arise from levered assets has been mitigated.

Aviva has confirmed that the overall COVID-19 impact on the portfolio remains low, although there has been some supply chain disruption. In particular, Aviva has recognised lengthening of construction schedules for the Newport energy from waste plant, some disruption to feedstock supplies for biomass, and delays in roll-out of fibre connections to the home following social distancing considerations. Aviva has, however, confirmed that these assets continue to remain operational and fund distributions have been maintained.

Further details of the impact on each sector can be found in the table below, which has been provided by Aviva.

Sector	Aviva view on impact
Small-scale solar	Low impact, as revenue comes from assets with low operational complexity and low counterparty risk alongside income coming from regulated sources.
Medium-scale wind	Low impact, as revenue comes from assets with low operational complexity and low counterparty risk alongside income coming from regulated sources.
Energy from waste	Moderate impact, primarily as a result of power price volatility and supply chain disruption with insufficient staff to supply assets and operate assets.
Infrastructure leases	Low impact as lease structures are collateralised against assets.
Utility-scale onshore wind	Low impact as revenue comes from assets with low operational complexity and low counterparty risk with a mix of regulated income and power price exposure.
Energy centres	Low impact as lease structures are collateralised against assets and the counterparty is the public sector.
Fibre broadband	Low impact as installed network operated remotely with capacity to increase network growth already in place. Some construction projects suffered some delays in rolling-out new assets, however this is not expected to increase costs but will delay the planned roll out schedule. A potential positive of the COVID-19 pandemic is the increased demand for ultrafast connectivity.
Biogas	Low impact, as revenue comes from regulated and/or contractual sources, with demand unaffected.

15 Aberdeen Standard Investments – Long Lease Property

Aberdeen Standard Investments was appointed to manage a long lease property mandate with the aim of outperforming the FT British Government All Stocks Index benchmark by 2.0% p.a. The manager has an annual management fee.

15.1 Long Lease Property - Investment Performance to 31 December 2020

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.3	4.0	5.6	6.8
Benchmark / Target	1.1	10.3	7.2	7.5
Net Performance relative to Benchmark	0.2	-6.2	-1.6	-0.7

Source: Northern Trust. Relative performance may not tie due to rounding.

Over the fourth quarter of 2020, the ASI Long Lease Property Fund delivered an absolute return of 1.3% on a net of fees basis, outperforming its FT British Government All Stocks Index Benchmark by 0.2%.

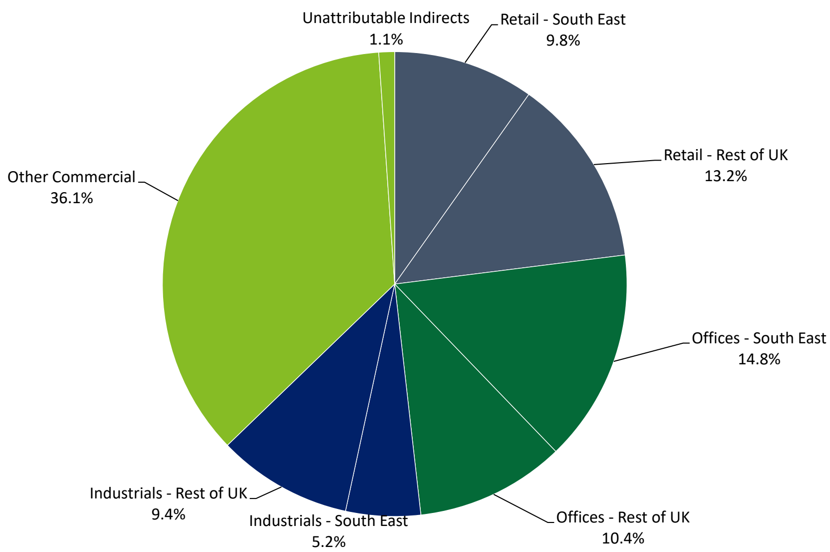
The Long Lease Property Fund has underperformed the wider property market, as measured by the MSCI (formerly IPD Monthly) UK All Property Index, by 0.7% over the quarter on a net of fees basis.

After removing the material valuation uncertainty clause and lifting the suspension on trading during the third quarter of 2020, the Long Lease Property Fund continues to trade as normal.

Rent collection marginally increased over the fourth quarter of 2020 compared to Q3 as ASI realised Q4 collection rates of 95.8% compared with 95.3% over the third quarter of 2020, as at 15 January 2021. Over the fourth quarter of 2020, 3.2% of the Long Lease Property Fund's rental income is subject to deferment arrangements, with 1.0% unpaid or subject to ongoing discussions with tenants. As at 22 January 2021, ASI has collected 80.5% of its Q1 2021 rent, with 12.6% subject to deferment arrangements and 11.5% of rent unpaid or subject to ongoing discussions with tenants as at 15 January 2021.

15.2 Portfolio Holdings

The sector allocation in the Long Lease Property Fund as at 31 December 2020 is shown in the graph below.



Over the quarter to 31 December 2020, the ASI Long Lease Property Fund's allocation to the office and retail sectors decreased by 0.4% and 0.1% to 25.2% and 23.0% respectively. The allocations to industrials and other commercial properties increased by 0.3% to 14.6% and by 1.3% to 35.9% respectively over the quarter.

Q4 2020 and Q1 2021 rent collection, split by sector, as at 22 January 2021 is reflected in the table below:

Sector	Proportion of Fund (%)	Q4 2020 collection rate (%)	Q1 2021 collection rate (%)
Alternatives	6.1	100.0	63.5
Car Parks	3.7	100.0	100.0
Car Showrooms	2.9	100.0	40.1
Hotels	7.9	75.2	36.9
Industrial	15.0	100.0	60.6
Leisure	3.3	100.0	100.0
Public Houses	5.6	77.3	11.3
Offices	27.4	100.0	95.4
Student Accommodation	9.6	100.0	70.5
Supermarkets	18.5	100.0	100.0
Total	**100.0**	**95.8**	**80.5**

The hotels and public houses sectors have expressed the poorest rental collection statistics over Q4 2020 and Q1 2021 as at 22 January 2021, whilst the student accommodation sector continues to be impacted by COVID-19. However, the leisure sector, previously the most impacted by the COVID-19 outbreak, has seen 100% rental collection statistics over Q4 2020 and Q1 2021 as lockdown restrictions were eased.

As at 31 December 2020, six tenants have issued requests to ASI for rent deferment, representing 13.7% of Fund income:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

The table below shows details of the top ten tenants in the fund measured by percentage of net rental income as at 31 December 2020:

Tenant	% Net Income	Credit Rating
Tesco	7.8	BBB
Whitbread	5.8	BBB
Sainsbury's	4.8	BB
Marston's	4.5	BB
Asda	3.9	BBB
Salford University	3.7	A
QVC	3.5	BB
Save the Children	3.5	BB
Lloyds Bank	3.4	AA
Poundland	3.4	B
Total	**44.2***	

*Total may not equal sum of values due to rounding

As at 31 December 2020, the top 10 tenants contributed 44.2% of the total net income of the Fund. Of which 16.5% of the net income came from the supermarket sector, with Tesco, Sainsbury's and Asda continuing to make up a significant proportion of the Fund at quarter end.

The unexpired lease term decreased from 24.5 years as at 30 September 2020 to 24.3 years as at 31 December 2020. The proportion of income with fixed, CPI or RPI rental increases rose by 0.1% over the quarter to 90.6%. The UK Statistics Authority have recommended aligning RPI methodology with that of CPIH by 2030. ASI will be submitting a formal response within the consultation period, which has been extended to August 2021. In January 2021, it was announced that the earliest that the change can take place had been pushed back from 2025 to 2030.

Appendix 1 – Fund and Manager Benchmarks

The tables in this Appendix detail the benchmarks and outperformance targets, for the Total Fund and each individual manager.

Total Fund

Inception: 31 December 1999.

Manager	Asset Class	Allocation	Benchmark	Inception Date
LCIV	Global Equity Core	15.0%	MSCI AC World Index	30/09/20
LGIM	Low Carbon Target	30.0%	MSCI World Low Carbon Target Index	18/12/18
Ruffer	Dynamic Asset Allocation	10.0%	3 Month Sterling LIBOR +4% p.a.	31/07/08
PIMCO	Global Bond	10.0%	Barclays Global Aggregate – Credit Index Hedged (GBP)	09/05/19
Invesco	Private Equity	0.0%	n/a	30/09/09
Unigestion	Private Equity	0.0%	n/a	30/09/09
Partners Group	Multi Asset Credit	0.0%	3 Month Sterling LIBOR +4% p.a.	28/01/15
Oak Hill Advisors	Multi Asset Credit	7.5%	3 Month Sterling LIBOR +4% p.a.	01/05/15
Aberdeen Standard Investments	Multi Sector Private Credit	5.0%	3 Month Sterling LIBOR / ICE ML Sterling BBB Corporate Bond Index	08/04/2020
Partners Group	Infrastructure Fund	5.0%	3 Month Sterling LIBOR +8% p.a.	31/08/15
Aviva Investors	Infrastructure Income Fund	2.5%	3 Month Sterling LIBOR +6% p.a.	23/05/18
Aberdeen Standard Investments	Long Lease Property	5.0%	FT British Government All Stocks Index +2.0%	09/04/15
TBC	Ground Rents	5.0%	TBC	TBC
TBC	Affordable / Supported Housing	5.0%	TBC	TBC
	Total	**100.0%**		

Appendix 2 – Manager Ratings

Based on our manager research process, we assign ratings to the investment managers for specific products or services. The ratings are based on a combination of quantitative and qualitative factors, where the inputs for the qualitative factors come from a series of focused meetings with the investment managers. The ratings reflect our expectations of the future performance of the particular product or service, based on an assessment of:

- The manager's business management;
- The sources of ideas that go to form the portfolio ("alpha generation");
- The process for including the ideas into the portfolio ("alpha harnessing"); and
- How the performance is delivered to the clients.

On the basis of the research and analysis, managers are rated from 1 (most positive) to 4 (most negative), where managers rated 1 are considered most likely to deliver outperformance, net of fees, on a reasonably consistent basis. Managers rated 1 will typically form the basis of any manager selection short-lists.

Where there are developments with an investment manager that cause an element of uncertainty we will make the rating provisional for a short period of time, while we carry out further assessment of the situation.

Appendix 3 – Fee Benchmarking

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

Appendix 4 – Risk Warnings & Disclosures

- Past performance is not necessarily a guide to the future.
- The value of investments may fall as well as rise and you may not get back the amount invested.
- Income from investments may fluctuate in value.
- Where charges are deducted from capital, the capital may be eroded or future growth constrained.
- Investors should be aware that changing investment strategy will incur some costs.
- Any recommendation in this report should not be viewed as a guarantee regarding the future performance of the products or strategy.

Our advice will be specific to your current circumstances and intentions and therefore will not be suitable for use at any other time, in different circumstances or to achieve other aims or for the use of others. Accordingly, you should only use the advice for the intended purpose.

Our advice must not be copied or recited to any other person than you and no other person is entitled to rely on our advice for any purpose. We do not owe or accept any responsibility, liability or duty towards any person other than you.

Deloitte Total Reward and Benefits Limited is authorised and regulated by the Financial Conduct Authority.

Deloitte.