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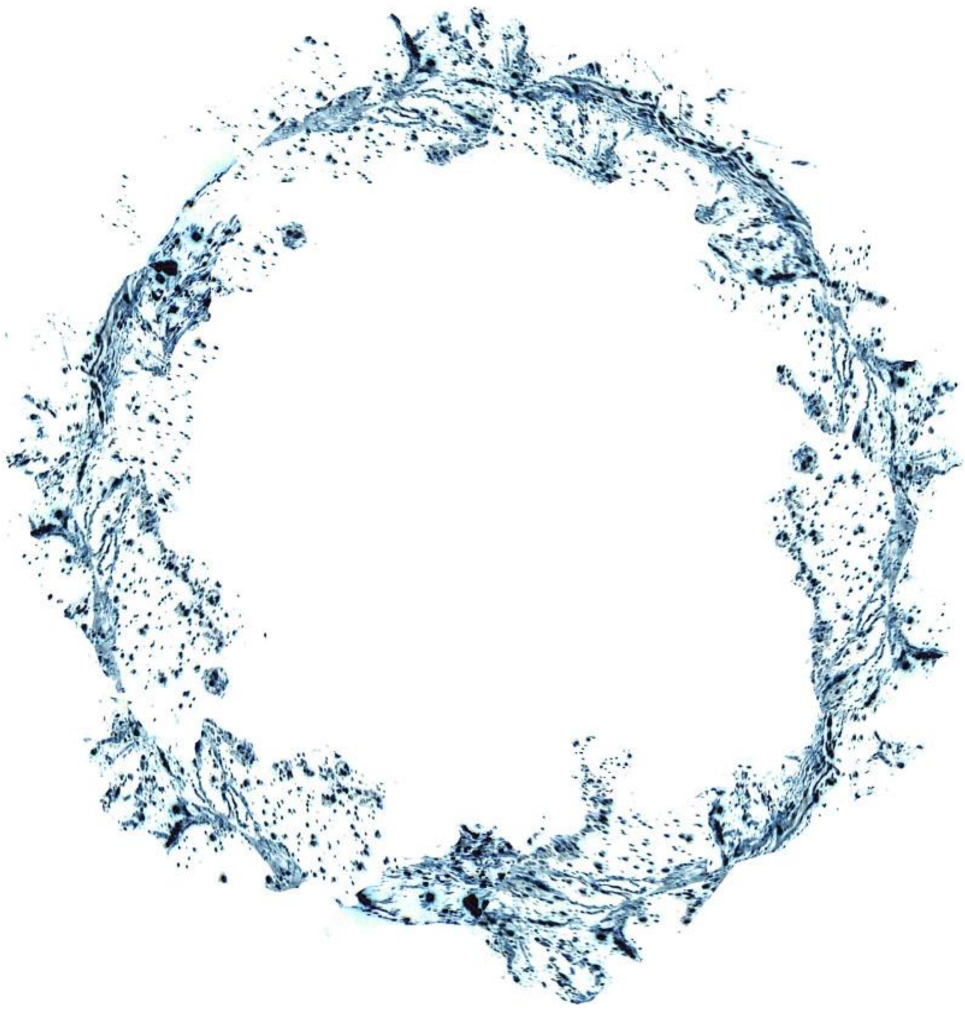


London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 31 March 2021

Deloitte Total Reward and Benefits Limited
June 2021

Contents

1 Market Background

Global Equities

Global equity markets continued to make gains in the first quarter of 2021. Cyclical sectors performed well supported by the anticipated surge in economic activity resulting from the rollout of COVID-19 vaccines, and the introduction of further fiscal stimulus in the US. These widespread equity market gains came against a backdrop of rising bond yields as investors weighed the possibility that monetary support could be reduced to combat an associated rise in inflation.

Over the first quarter, global equity markets delivered a return of 6.2% in local currency terms (or 3.8% in sterling terms). Sterling appreciated over the quarter, most notably against the euro, and to a lesser extent against the US dollar. All global regions made gains with Japan delivering the highest return of 9.3% (in local terms). Emerging Markets delivered the lowest return but still made gains of 4.1% (in local terms). At the sector level, all sectors, except Health Care (-2.4%), delivered positive returns. Telecommunications (10.5%) was the strongest performing sector, whilst Oil & Gas (10.2%) also performed strongly as investors bet on a significant rebound in economic activity.

UK equities delivered a positive return of 5.2% over the quarter, slightly underperforming overseas markets (in local terms). Underperformance was relatively minor compared to the recent past, with leading UK indices benefitting from the rotation into cyclical sectors. The more domestically focused FTSE 250 Index (5.4%) performed broadly in line with the more internationally focused FTSE 100 Index (5.0%) thanks in part to greater Brexit related certainty after the UK finally agreed a trade deal with the EU in late December 2020 thereby avoiding a “cliff-edge” Brexit.

Government bonds

UK nominal gilt yields rebounded sharply over the first quarter of 2021 – a common theme observed across government bonds globally - most notably at mid-to-long maturities, as investors anticipated that a return to higher economic growth and associated inflation pressure could lead to tighter future monetary policy. UK gilt yields were most volatile in February, and over the first quarter as a whole, nominal yields increased by 60-70 bps at mid-to-long maturities, whilst still increasing by c. 20-50 bps at the short-end. The All Stocks Gilt Index therefore delivered a large negative return of -7.2% over the quarter whilst the Over 15 year Index returned -12.5%.

Real yields on index-linked gilts also increased albeit to a lesser extent than nominal yields given inflation expectations also increased. The 30-40 bps increase in real yields at mid-to-long maturities contributed to a 6.3% fall in the All Stocks Index-Linked Gilts Index over the quarter.

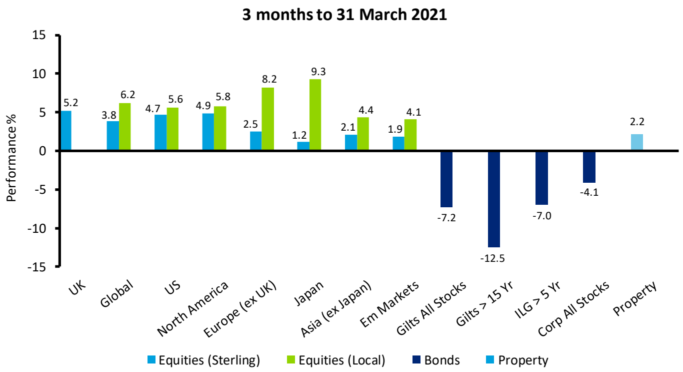
Corporate bonds

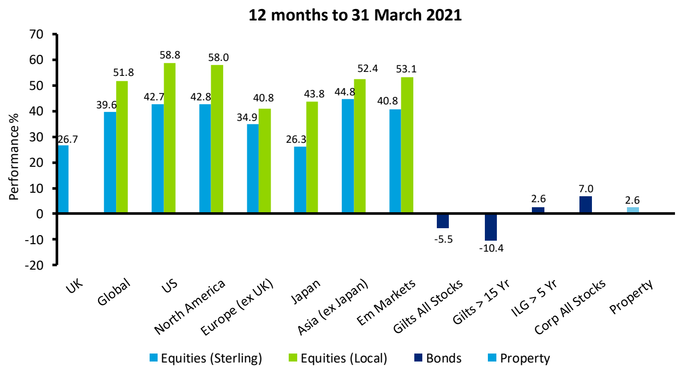
Sterling denominated corporate bond yields followed gilt yields higher over the first quarter. Credit spreads marginally narrowed however, remaining below historic average levels, as investors balanced the competing factors of an improving economic outlook against the implications of rising borrowing costs in a higher inflationary environment. The combination of relatively muted credit spread movements, but large increases in underlying gilt yields caused the iBoxx All Stocks Non-Gilt Index to return -4.1% over the three months to 31 March 2021.

Property

The MSCI UK All Property Index delivered a return of 2.2% over the first quarter, and a return of 2.6% over the 12 months to 31 March 2021. However, these figures should be caveated given the relatively low level of transaction activity that there has been compared to pre-pandemic levels. 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 impacts seem possible in the months ahead as the full economic damage from the pandemic becomes clear and structural economic changes crystallise.

Following the sharp increase of COVID-19 cases going into winter 2020/21, tighter restrictions were reimposed with a widespread lockdown across the UK for most of the first quarter of 2021, which has created a further strain on already cash-strapped businesses most notably in the retail, travel and hospitality sectors. Rent collection therefore continues to be an ongoing issue between tenants and landlords, albeit the vaccine rollout now gives tenants and landlords some hope of better future trading conditions to be able to tailor rent collection payment plans around. COVID-19 has also accelerated longer term structural economic trends such as the switch to online shopping, whilst future office demand has also become uncertain following the transition to remote-working and widespread desire for a 'blended' approach after the pandemic. As a result, there is a risk some companies may consolidate or down-size their office space and future demand for office space may therefore be impacted over the medium-term as office leases come up for renewal.





2 Performance Overview

2.1 Investment Performance to 31 March 2021

Breakdown of Fund Performance by Manager as at 31 March 2021 Fund	Manager	3 month	1 year	3 year p.a.	5 year p.a.
Equity Mandate					
	LCIV Global Equity Core Fund	1.5	n/a	n/a	n/a
MSCI AC World Index		3.6	n/a	n/a	n/a
Difference		-2.1	n/a	n/a	n/a
	LGIM Low Carbon Mandate	3.9	39.0	n/a	n/a
MSCI World Low Carbon Target Index		3.9	39.2	n/a	n/a
Difference		0.0	-0.2	n/a	n/a
Dynamic Asset Allocation					
	LCIV Absolute Return Fund	7.4	20.7	7.3	6.6
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.6	4.5
Difference		6.4	16.6	2.7	2.1
Global Bonds					
	LCIV Global Bond Fund	-3.1	9.5	n/a	n/a
Barclays Credit Index (Hedged)		-3.1	7.4	n/a	n/a
Difference		0.0	2.1	n/a	n/a
Secure Income					
	Partners Group MAC[3]	3.1	-8.3	0.0	2.2
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.6	4.5
Difference		2.1	-12.5	-4.6	-2.3
	Oak Hill Advisors	1.9	22.1	3.4	5.2
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.6	4.5
Difference		0.9	17.9	-1.2	0.7
	ASI MSPC Fund	0.4	n/a	n/a	n/a
Blended benchmark[5]		-1.7	n/a	n/a	n/a
Difference		2.1	n/a	n/a	n/a
	Partners Group Infra[3]	-1.7	10.3	12.3	7.8
	Aviva Infra Income[4]	-2.0	6.1	n/a	n/a
Inflation *Protection*					
	ASI Long Lease Property Fund	1.4	3.8	5.5	6.8
FT British Government All Stocks		-6.8	-3.7	4.5	4.9
Difference		8.1	7.5	1.1	1.9
Total Fund		2.9	21.9	7.8	8.6
Benchmark[1]		1.4	19.1	8.7	8.8
Difference		1.6	2.8	-0.9	-0.2

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 less than 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 31 December 2020, and the Invesco US Venture PSHP Fund IV performance has been provided to 30 September 2020.

[3] Partners Group Multi Asset Credit and Direct Infrastructure Fund performance provided to 28 February 2021.

[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 March 2021, 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 March 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Total Fund - Net of fees	2.9	21.9	7.8	8.6
Benchmark[(1)]	1.4	19.1	8.7	8.8
Net performance relative to benchmark	1.6	2.8	-0.9	-0.2

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

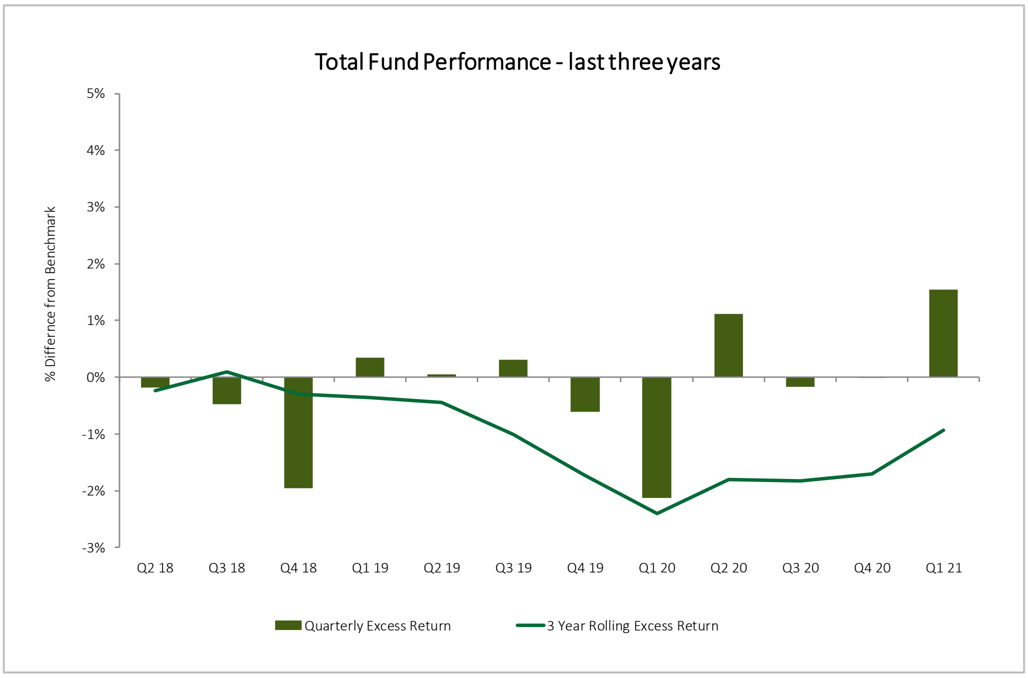
(1) Fixed weight benchmark

Over the quarter to 31 March 2021, the Total Fund delivered a positive absolute return of 2.9% on a net of fees basis, outperforming the fixed weight benchmark by 1.6%.

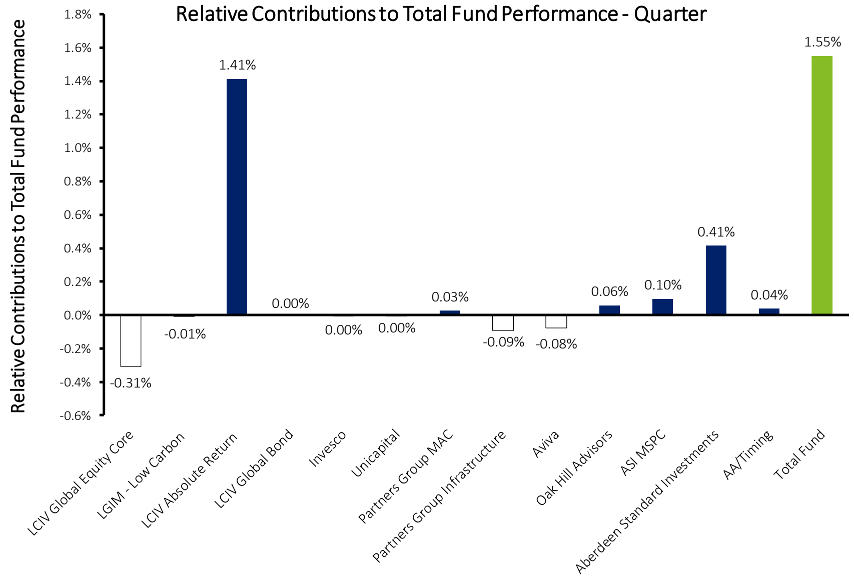
The Total Fund delivered a strong positive absolute return of 21.9% on a net of fees basis over the year to 31 March 2021, outperforming its fixed weight benchmark by 2.8%. However, over the longer three and five year periods to 31 March 2021, the Total Fund underperformed the fixed weight benchmark by 0.9% p.a. and 0.2% p.a. respectively, delivering positive absolute returns of 7.8% p.a. and 8.6% p.a. respectively on a net of fees basis.

Underperformance over the three year period to 31 March 2021 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.

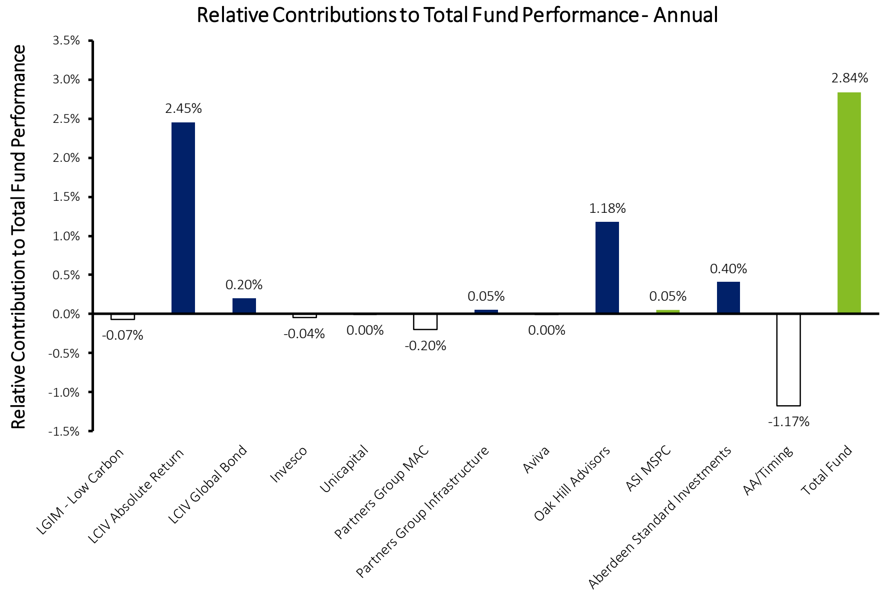
The chart below compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 31 March 2021. The 3-year rolling excess return remained negative over the first quarter of 2021.



3.2 Attribution of Performance to 31 March 2021



The Total Fund outperformed the fixed weight benchmark by c. 1.6% over the quarter to 31 March 2021. Outperformance was primarily driven by the LCIV Absolute Return Fund, which outperformed its cash-plus benchmark over the quarter. Please note, however, that we would expect relative performance differences over shorter time horizons where strategies are measured against cash-plus benchmarks. The ASI Long Lease Property Fund also contributed positively to outperformance, outperforming its gilt-based benchmark with gilt yields sharply over the first quarter of 2021. ASI did, however, underperform the wider property market over the three-month period. Total Fund relative outperformance was partially offset by the LCIV Global Equity Core Fund, which underperformed the broader equity market for the second quarter in succession, despite delivering positive absolute returns, due to its under allocation to cyclical stocks compared with the MSCI benchmark.



Over the year to 31 March 2021, the Fund outperformed its fixed weight benchmark by c. 2.8%. Outperformance over the year was primarily driven 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 over the year to 31 March 2021, and Oak Hill Advisors with the strategy's high yield bonds and leveraged loans exposures delivering positive returns over the year as credit spreads narrowed. 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 Fund, which has underperformed its cash-based benchmark over the year, and the M&G strategy, which underperformed its RPI-based benchmark over the period from the end of Q1 2020 to the point of disinvestment on 1 September 2020. The "AA/Timing" bar also includes the negative performance of the LCIV Global Equity Core Fund over the fourth quarter of 2020 and the first quarter of 2021 relative to its benchmark.

3.3 Asset Allocation

The table below shows the value of assets held by each manager as at 31 March 2021 alongside the Target Benchmark Allocation.

Manager	Asset Class	Actual Asset Allocation 31 Dec 2020 (£m)	31 Mar 2021 (£m)	31 Dec 2020 (%)	31 Mar 2021 (%)	Benchmark Allocation (%)
LCIV	Global Equity Core	172.4	174.8	14.5	14.4	15.0
LGIM	Low Carbon Equity (passive)	367.3	381.4	31.0	31.4	30.0
	Total Equity	**539.7**	**556.2**	**45.5**	**45.8**	**45.0**
LCIV	Absolute Return	261.8	280.7	22.1	23.1	10.0
LCIV	Global Bond	111.5	107.3	9.4	8.8	10.0
	Total Dynamic Asset Allocation	**373.4**	**388.0**	**31.5**	**32.0**	**20.0**
Partners Group[1]	Multi Asset Credit	14.7	13.9	1.2	1.1	0.0
Oak Hill Advisors	Diversified Credit Strategy	78.6	80.0	6.6	6.6	7.5
Partners Group[1]	Direct Infrastructure	30.3	32.0	2.6	2.6	5.0
Aviva	Infrastructure Income	26.6	25.5	2.2	2.1	2.5
Aberdeen Standard Investments	Multi Sector Private Credit	55.8	55.9	4.7	4.6	5.0
	Secure Income	**205.9**	**207.4**	**17.4**	**17.1**	**20.0**
Aberdeen Standard Investments	Long Lease Property	60.3	61.2	5.1	5.0	5.0
Alpha Real Capital	Ground Rents	-	-	-	-	5.0
Man GPM	Affordable Housing	-	-	-	-	2.5
	Total Inflation Protection	**60.3**	**61.2**	**5.1**	**5.0**	**15.0[2]**
Northern Trust	Trustee Bank Account	5.4	0.0	0.5	0.0	0.0
	Total[3]	**1,185.5**	**1,213.2**	**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 30 November 2020 and 28 February 2021).
[2] Includes 2.5% yet to be reallocated following the disinvestment from M&G. Funds currently held in Ruffer.
[3] Total Fund valuation includes £0.5m which is invested in private equity allocations with Invesco and Unicapital, with these investments currently in wind down.

The Fund's equity allocation remained overweight over the first quarter of 2021, with both strategies delivering positive absolute returns over the three-month period. While the Fund's secure income position remained underweight as at 31 March 2021, 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 a result of the Fund's high exposure to the UK commercial property market as well as the impact the global pandemic was having on commercial property and M&G's rental collection. 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 (c. £113m), managed by Ruffer, as a temporary allocation.

On 16 February 2021, a manager selection exercise was carried out by the Fund to replace the M&G Inflation Opportunities V Fund within the inflation protection allocation. The asset classes included ground rents, affordable housing and supported living by various managers, with the Sub-Committee deciding to allocate c. 5% to the Alpha Real Capital ("ARC") Index Linked Income Fund and a c. 2.5% allocation to the MAN GPM Community Housing Fund. Both allocations total to £90m and will be taken from the overweight Ruffer allocation (temporary hold for the M&G disinvestment proceeds).

The Fund's commitment with ARC was closed on 17 May 2021 with the full £60m expected to be drawn and deployed by Q4 2021 to Q1 2022. Man GPM held a first close on 2 June 2021 with an initial equalisation draw down request expected in early June and the full £30m expected to be drawn over the next 6 years across quarterly and deal-specific requests.

In addition, the Sub-Committee made a 'decision in principal' to allocate c. 2.5% to the Henley Secure Income Fund ("Henley SIPUT Fund") within the supported living asset class subject to Henley showing that certain factors and metrics had developed to a level the Sub-Committee were comfortable with within an appropriate time frame. Such factors and concerns have not been satisfied and with the fund holding a final close on 30 June 2021, the decision to invest was not taken.

3.4 Yield Analysis as at 31 March 2021

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

Manager	Asset Class	Yield as at 31 Mar 2021
LCIV	Global Equity Core	1.32%
LGIM	Low Carbon Equity	1.92%
LCIV	Absolute Return	0.92%
LCIV	Global Bond	2.96%
Partners Group	Multi-Asset Credit	6.20%
Oak Hill Advisors	Diversified Credit Strategy	5.00%
Aviva Investors	Infrastructure	7.90%[1]
Aberdeen Standard Investments	Long Lease Property	4.11%
	Total	**2.04%**

[1] Represents yield to 31 December 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	2
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 £11,088m within the 14 sub-funds (not including commitments to the London CIV Infrastructure Fund, London CIV Inflation Plus Fund, The London Fund, London CIV Renewable Infrastructure Fund and London CIV Private Debt Fund) as at 31 March 2021, an increase of £338m over the quarter primarily as a result of new London Borough investments in each of the LCIV Sustainable Equity Fund and the LCIV Absolute Return Fund over the quarter.

The total assets under oversight, including passive investments held outside the London CIV platform, was £25.0bn as at 31 March 2021, an increase of c. £1.7bn over the quarter with cumulative commitments of £1.4bn to the LCIV Infrastructure Fund, LCIV Inflation Plus Fund, The London Fund, LCIV Renewable Infrastructure Fund and LCIV Private Debt Fund.

[redacted]

[redacted]

[redacted]

[redacted]

Following quarter end, the London CIV appointed Hermes EOS as the firm's stewardship partner, with the aim to develop the London CIV's voting and engagement report. The London CIV and Hermes are currently collaborating to review the London CIV's risk management systems.

Personnel

Over the first quarter of 2021, the London CIV hired Andrea Wildsmith as Head of Risk and Performance. Andrea will lead on the newly acquired eVestment database, which will be used to help the investment team select and manage public investment. Andrea has 22 years' experience in a number of aspects of portfolio management and analytics.

Following quarter end, the London CIV are in the process of completing the procedure to hire a new Chair. The London CIV is not yet in a position to provide further information, but will likely make an official announcement in due course, should the background checks reveal no issues.

Following quarter end, on 12 April 2021, Alison Lee joined the London CIV as a new Responsible Investment Manager. Alison will support Jacqueline Jackson in developing the London CIV's commitment to responsible investment and long-term sustainable investment strategies. Alison joins from ADM Capital where she was responsible for ESG integration across a range of asset classes.

Also, following quarter end, Rob Hall, Head of Public Markets and Deputy Chief Investment Officer, announced that he will be leaving the firm by the end of June 2021. The London CIV has commenced the search to hire a new Head of Public Markets, with advertising for the new role commencing from 6 May 2021. In addition, following quarter end, the London CIV has confirmed that a new Senior Equities Portfolio Manager will join the firm on 12 July 2021.

Deloitte view – We are continuing to monitor developments on the business side as well as the new fund launches.

4.2 Morgan Stanley Investment Management

Business

The LCIV Global Equity Core Fund held assets under management of £512m as at 31 March 2021, an increase of £8m over the quarter.

The Morgan Stanley Global Sustain Fund, which the LCIV Global Equity Core Fund is based upon, held assets under management of $4.0bn as at 31 March 2021, representing an increase of c. $0.9bn over the first quarter of 2021 following new investments into the strategy.

Personnel

As announced last quarter, Dirk Hoffmann-Becking retired from MSIM and asset management on 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 included Financials and Consumer Discretionary, and as such the MSIM International Equity team has adjusted its sector coverage. Richard Perrott will cover Financials and Nathan Wong will expand his coverage of Consumer Discretionary stocks to cover Dirk's responsibilities. 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.

At a firm level, on 1 March 2021 Morgan Stanley completed its acquisition of Eaton Vance. Morgan Stanley has stated that the acquisition brings together two organisations with highly complementary strengths in investment management, distribution and client service, and the acquisition will further strengthen the solutions delivered to clients, consultants and business partners on a global basis.

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

4.3 LGIM

Business

As at 31 December 2020, Legal & General Investment Management ("LGIM") had assets under management ("AuM") of c. £1,279bn, an increase of c. £38bn since 30 June 2020. LGIM provides AuM updates biannually.

Personnel

There were no significant team or personnel changes over the first quarter of 2021.

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

4.4 Ruffer

Business

As at 31 March 2021, Ruffer held £22.3bn in assets under management, an increase of c. £1.3bn over the quarter.

Personnel

Myles Marmion, Ruffer's CFO, retired at the end of April 2021. Myles has been being replaced by Michael Gower, who joins Ruffer from Vanguard where he was CFO for their European and International business. Michael has been appointed as a member of the Management Board and the Executive Committee

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

PIMCO held £1.6tn in assets under management as at 31 March 2021, a decrease of c. £0.5tn over the quarter. The LCIV Global Bond Fund had assets under management of c. £343m as at 31 March 2021, representing a decrease of c. £11m over the quarter primarily as a result of negative market movements.

As reported last quarter, 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. Data within the HUB system will also be used by PIMCO's trading and analytics teams.

Personnel

There were no significant personnel changes to the Global Bond Fund over the first quarter of 2021.

At a wider firm level, PIMCO has announced the following changes over the quarter to 31 March 2021:

- In February 2021, PIMCO announced that Mohsen Fahmi, managing director and Portfolio Manager, has decided to retire from PIMCO at the end of 2021. Marc Seidner, managing director and CIO - Non-traditional Strategies, will oversee management of PIMCO's StocksPLUS strategy suite, with expanded contributions from the existing team comprised of Bryan Tsu and Jing Yang, both Executive Vice Presidents and Portfolio Managers and the co-PMs on the StocksPLUS suite with Mohsen. Marc, Bryan and Jing and other members of the team focused on non-benchmark strategies are well-placed to continue the success of the StocksPLUS suite and their roles reflect the team's approach to portfolio management. Mohsen is also part of the Dynamic Bond portfolio management team which includes senior portfolio managers Dan Ivascyn, Group CIO, Marc Seidner, CIO of Non-traditional, Mohit Mittal, managing director and Nidhi Nakra, Senior Vice President. The team will continue to work closely together, leveraging the entire firm for investment ideas.

- In March 2021, PIMCO announced that Jennifer Durham, managing director and Chief Compliance Officer, has decided to retire from PIMCO at the end of June 2021. Nadia Zakir, Executive Vice President and Deputy General Counsel, will become PIMCO's Chief Compliance Officer and Global Head of Compliance. Nadia will report to Sung-Hee Suh, managing director, whose current role as Global Head of Regulatory Risk and Compliance will expand to become PIMCO's General Counsel for Global Regulatory and Litigation.

- In March 2021, PIMCO announced that Michèle Flournoy, a U.S. defense policy advisor under two U.S. presidential administrations, would join PIMCO's Global Advisory Board. Michèle Flournoy served as Under Secretary of Defense for Policy under the Obama Administration and as Deputy Assistant Secretary of Defense for Strategy under the Clinton Administration. She is managing partner of WestExec Advisors, which she co-founded with U.S. Secretary of State Antony Blinken, and is the former Co-Founder and Chief Executive Officer of the Center for a New American Security (CNAS). In her role as Under Secretary of Defense for Policy, Michèle was the principal advisor to the Secretary of Defense in the formulation of national security and defense policy, oversight of military plans and operations, National Security Council deliberations and represented the U.S. in defense policy engagements around the world.

- In March 2021, PIMCO announced that Kimberley Stafford, managing director and Head of Asia-Pacific, will return to the U.S. mid-year to take up a new role as Global Head of the Product Strategy Group, overseeing PIMCO's product teams in both traditional and private strategies. Kim has served in almost every facet of the firm's business during her two decades working for PIMCO. Her expertise in managing client relationships will be helpful as PIMCO continues to evolve products and strategies for investors in traditional strategies and those seeking exposure to alternatives across PIMCO's private strategies. Alec Kersman, managing director and Head of U.S. GWM Strategic Accounts in New York, will relocate to Hong Kong to become the new Head of Asia-Pacific. Alec is well-equipped to build on the firm's growth in APAC given his proven capacity to develop new relationships with clients. He was instrumental in building PIMCO's Latin America business over more than a decade and, more recently, has played a major role in strengthening important strategic client relationships within U.S. GWM.

- In March 2021, PIMCO announced that David Fisher, managing director and Head of Traditional Product Strategies in Newport Beach, will relocate to New York to be Co-Head of U.S. GWM Strategic Accounts alongside Eric Sutherland, managing director and President of PIMCO Investments LLC. David, who has spent over 13 years in PIMCO's product teams and also serves on the board of PIMCO Closed End Funds, brings to his new role extensive knowledge of PIMCO's traditional product suite, a strong appreciation for the complex dynamics of the firm's major GWM client partnerships, and an analytical approach to business decisions. Eric's extensive experience in the wealth market, and deep industry and client relationships, complement David's talents.

- In March 2021, PIMCO announced that Ryan Korinke, managing director and Head of Hedge Fund and Quantitative Strategies, based in Hong Kong, will relocate back to Newport Beach and join PIMCO's Executive Office. Ryan has helped grow PIMCO's hedge fund business through periods of global volatility and changing investor sentiment. Ryan's detail-oriented and thoughtful approach has helped deepen many of the firm's relationships with hedge fund investors around the world.

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. Partners Group provides AuM updates biannually.

Multi Asset Credit

The Partners Group MAC Fund had a net asset value of c. £71.2m as at 31 March 2021, a decrease of £5.5m since the previous quarter end valuation at 31 December 2020 despite positive portfolio returns over the quarter, as a result of a £6.0m distribution issued back to investors in January 2021.

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 one further distribution over the quarter, as mentioned above, which totaled £6.0m across all investors. The London Borough of Hammersmith & Fulham Pension Fund received c. £1.2m from this distribution.

Following quarter end, on 29 April 2021, Partners Group issued a further distribution of £12.5m from the MAC Fund, shared between all investors. The London Borough of Hammersmith & Fulham Pension Fund received a total of c. £2.5m from this distribution.

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Direct Infrastructure

As at 31 March 2021, the Direct Infrastructure Fund had drawn down c. 64% of its total €1,081m commitment value for investment, with c. 92% of the total Direct Infrastructure Fund's portfolio committed to investment opportunities as at 31 March 2021.

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 ("ASI") Multi-Sector Private Credit Fund commitment value stood at £166m as at 31 March 2021, an increase of c. £28m over the quarter.

The MSPC Fund has a robust indicative pipeline of private credit assets and has closed on one commercial real estate debt whole loan asset and two private placement assets over the first quarter of 2021, with an infrastructure debt asset, three senior commercial real estate debt investments and another commercial real estate debt whole loan asset in documentation as at 10 May 2021.

ASI expects the composition of the investment portfolio to be in line with its target allocation by the third 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 ("OHA") held assets under management of c. $51bn as at 1 February 2021, an increase of c. $3bn since 1 November 2020.

As at 31 March 2021, the Diversified Credit Strategies Fund's net asset value stood at c. $4.8bn, a decrease in value of c. £0.1bn with c. $225m of this decrease attributable to net inflows.

Personnel

At managing director level and above, OHA saw three new joiners and one leaver over the first quarter of 2021.

Matthew Borstein joined OHA as a partner within Real Estate, Philip Muller was appointed as Chief Financial Officer in Europe, covering Corporate Accounting, and Jeff Muehlethaler joined as a Managing Director within the Client Coverage team. Meanwhile, Ardian Dauti, a Portfolio Manager and Managing Director within Mortgage Strategies, 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 March 2021, remaining unchanged over the first quarter of 2021 as no new commitments were received. As at 31 March 2021, the undrawn amount for the AIIIF was c. £4m.

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Personnel

As reported last quarter, 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 and work alongside Ian Berry, Aviva Investors' former Head of Infrastructure Equity. This announcement came shortly after it was revealed that Ian Berry had taken on a position at River & Mercantile to establish the infrastructure business there.

Aviva confirmed that each of the leavers had been placed on gardening leave with immediate effect, rather than working through their notice period, as River & Mercantile intends to launch a competitor product similar in structure to the AIIIF in the near future.

All three senior leavers were on the asset origination side and so the asset management team remains unchanged. The asset management team is responsible for ongoing management of the existing assets in the portfolio and is led by Ian Shervell. Aviva states that the existing assets within the AIIIF will not be impacted as the individuals leaving did not have asset management responsibilities. As the vast majority of the assets have already been sourced for AIIIF, these originators leaving will have a limited impact on the Fund, particularly as it is soft closing to new investors. Aviva highlights that it has already future funded c. £150m of assets for the AIIIF for which it has to find investors to fund and so will be originating a small number of assets ahead of the soft close of the AIIIF. Saying that, Allan did have a focus on biomass and waste assets which Aviva will be looking to replace as part of the hiring process.

Aviva is pivoting the business towards having a European infrastructure focus and intends to launch a climate focused euro renewables fund in the near future. The loss of originators would have more of an impact on future products being launched. Aviva intends to use this opportunity to onboard new hires with a renewable energy focus and with experience in origination across Europe.

While the leavers were senior originators within the Aviva team, the AIIIF continues to be led by Sean McLachlan as Co-Portfolio Manager, reporting to Darryl Murphy as Managing Director, and with support from Barry Fowler. They are also still supported by Jolanta Touzard and Isaac Vaz in their capacity as Directors.

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. There has been a focus on staff retention within the team and work has been carried out internally with the aim of team stability, through incentive programmes and setting a clear direction for the remaining team members for the future.

Aviva commenced the search for replacements immediately and, over the first quarter of 2021, has hired Charles Herriott as an associate director within the asset management team and Andrea Pelizzari as an associate within the origination team. Charles joins from Triple Point Investment Management, where he was Senior Asset Manager, and has a decade of experience in managing infrastructure and energy assets across a wide range of sectors. Andrea joins from SSE plc, where he worked in the corporate finance team that supported the distributed energy division of the company.

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4.10 Aberdeen Standard Investments – Long Lease Property

Business

As at 31 March 2021, the Aberdeen Standard Investments Long Lease Property Fund had a total fund value of c. £3.1bn, increasing by c. £0.4bn since 31 December 2020 largely as a result of four large purchases within the Fund over the first quarter of 2021 funded by drawing commitments from the queue of investors.

In a wider business update, Aberdeen Standard Investments announced on the 9th December 2020 that it agreed to acquire a 60% interest in Tritax Group LLP ('Tritax') with the aim to strengthen its offering in the growing logistics real estate market. While not immediately relevant to the Long Lease Property Fund, we include a summary of the acquisition below.

Tritax is a specialist logistics real estate fund manager with assets under management of approximately £5.1bn throughout the UK and Europe, with the acquisition strengthening the exposure of ASI Real Estate to the logistics sector. Tritax's management will lead a new Logistics team within ASI Real Estate and report in to Neil Slater (Global Head of Real Estate at ASI). It is expected that the Tritax team will bring enhanced expertise in the logistics space, including development capability and strong relationships in the investment and occupier markets, which ASI believes will improve its ability to access new deals.

ASI will initially acquire a 60% of ownership interest in Tritax, with both parties aligned on the future direction and growth trajectory of the business. The structure of the transaction ensures the long-term retention of existing Tritax clients, employees and partners. Tritax's dedicated teams will continue to service their existing mandates. The transaction is expected to close in Q2 2021, subject to the receipt of regulatory approvals.

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 12 May 2021, the Long Lease Property Fund had collected 95.8% of its Q1 2021 rent.

Personnel

There were no significant team or personnel changes over the quarter to 31 March 2021.

Deloitte View – We are closely monitoring the ASI Long Lease Property Fund following the announced departure of the Portfolio Manager, Richard Marshall – amid the substantial wider senior management restructure at ASI – given that Richard has been a key factor to the Fund's success and this development has the potential to change our view of the Fund. Another key issue that the team has been dealing with is the after-effects of COVID-19 with a number of tenants currently in arrears having made deferment requests. While we continue to have an overall positive view of the asset class and believe that income should return to normal in time, given this current issue, and the departure of Richard Marshall noted above, we will continue to monitor the Fund closely over the coming periods.

5 London CIV

5.1 Investment Performance to 31 March 2021

At the end of the first quarter of 2021, the assets under management within the 14 sub-funds of the London CIV was £11,088m with a further combined £1,381m committed to the Infrastructure, Inflation Plus, Renewable Infrastructure and Private Debt Funds, and The London Fund. The total assets under oversight (which includes passive investments held outside of the CIV platform) increased by c. £1.7bn to c. £25.0bn 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 31 Dec 2020 (£m)	Total AuM as at 31 Mar 2021 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	3,612	3,691	13	11/04/16
LCIV Global Equity	Global Equity	Newton	696	725	3	22/05/17
LCIV Global Equity Focus	Global Equity	Longview Partners	861	917	5	17/07/17
LCIV Global Equity Core Fund	Global Equity	Morgan Stanley Investment Management	504	512	2	21/08/20
LCIV Equity Income	Global Equity	Epoch Investment Partners	133	141	2	08/11/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	498	497	6	11/01/18
LCIV Sustainable Equity Fund	Global Equity	RBC Global Asset Management (UK)	625	693	5	18/04/18
LCIV Sustainable Equity Exclusion Fund	Global Equity	RBC Global Asset Management (UK)	385	390	2	11/03/20
LCIV Global Total Return	Diversified Growth Fund	Pyrford	274	241	3	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	670	657	7	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	910	1,018	9	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	123	124	2	16/12/16
LCIV MAC	Fixed Income	CQS	1,105	1,137	12	31/05/18
LCIV Global Bond	Fixed Income	PIMCO	354	343	3	30/11/18
Total			**10,750**	**11,088**		

Over the quarter, one new London Borough invested in the LCIV Sustainable Equity Fund and another invested in the LCIV Absolute Return Fund, while one investor disinvested from the LCIV Global Total Return Fund. Following quarter end, the LCIV Equity Income Fund's remaining two investors elected to disinvest from the sub-fund, with the proceeds set to be invested with a different London CIV sub-fund. As such, the LCIV Equity Income Fund will formally terminate in due course, once accruals, including withholding tax receivable, have been realised.

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 March 2021

	Last Quarter (%)
Net of fees	1.5
Benchmark (MSCI World Net Index)	3.6
Global Franchise Fund (net of fees)	0.7
Net Performance relative to Benchmark	-2.1

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

Over the quarter to 31 March 2021, the LCIV Global Equity Core Fund has delivered a positive return of 1.5% on a net of fees basis, underperforming the MSCI World Net Index by 2.1% over the three-month period.

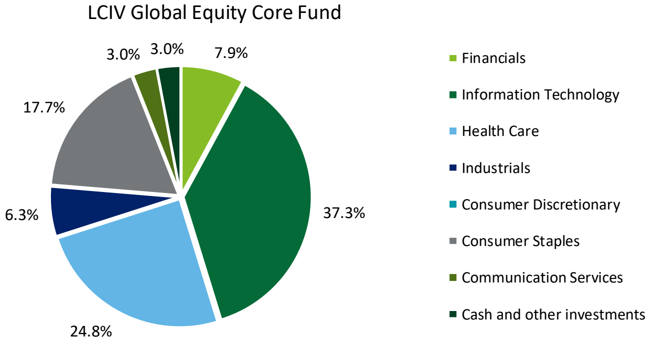
The LCIV Global Equity Core Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows. While such a portfolio is expected to prove beneficial during volatile periods, the underperformance relative to the broader equity market over the quarter can primarily be attributed to the strategy's under allocation to cyclical stocks, with a partial resumption of global economic activity providing a particular boost for cyclical industries. The Fund's overweight positions to Consumer Staples and Health Care, relative to the MSCI-based benchmark, also detracted from relative performance with both sector allocations delivering flat returns in what was more widely a positive quarter for equity markets.

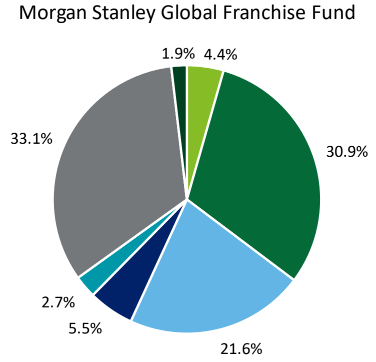
Morgan Stanley's positive absolute return over the quarter can be partially attributed to stock selection. In particular, the Fund's Alphabet holding has proved beneficial, with the company outperforming in recent periods. However, despite these positive returns, Morgan Stanley continues to reduce exposure to Alphabet due to the regulatory concerns faced by the company. The software company, SAP, was one of the largest detractors to performance for the second consecutive quarter, as a result of short-term headwinds following governance and business model changes. Morgan Stanley expects that SAP's transformation should lead to an improvement in the company's future earnings, and the manager continues to hold conviction in the stock.

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 focus on sustainability. As such, there exists a number of small differences in the characteristics of the two funds. The LCIV Global Equity Core Fund outperformed the Global Franchise Fund over the three month period to 31 March 2021, with outperformance attributed to a higher allocation to financials and technology, and a lower allocation to beverage companies which continued to be adversely impacted by continuing social distancing measures.

6.2 Portfolio Sector Breakdown at 31 March 2021

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 March 2021.





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 March 2021, the Global Franchise Fund portfolio held an allocation of c. 11% to 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 March 2021, compared with the Morgan Stanley Global Franchise Fund.

	LCIV Global Equity Core Fund	Global Franchise Fund
No. of Holdings	35	29
No. of Countries	7	5
No. of Sectors*	6	6
No. of Industries*	18	14

*Not including cash

Source: London CIV and Morgan Stanley

Holdings

The top 10 holdings in the Global Equity Core Fund account for c. 49.1% of the strategy and are detailed below.

Global Equity Core Fund Holding	% of NAV
Microsoft	7.2
Reckitt Benckiser	6.0
Visa	5.3
SAP	4.8
Henkel Vorzug	4.8
Accenture	4.8
Baxter International	4.4
Procter & Gamble	4.2
Automatic Data Processing	3.9
Medtronic	3.7
Total	**49.1***

Global Franchise Fund Holding	% of NAV
Microsoft	9.1
Philip Morris	8.5
Reckitt Benckiser	7.9
Visa	5.4
Accenture	5.1
Procter & Gamble	4.7
Baxter International	4.5
Automatic Data Processing	4.4
SAP	4.4
Abbott Laboratories	4.2
Total	**58.0***

*Note figures may not sum due to rounding

Source: London CIV and Morgan Stanley

Eight 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 March 2021

	Last Quarter (%)	One Year (%)
Net of fees	3.9	39.0
Benchmark (MSCI World Low Carbon Target)	3.9	39.2
MSCI World Equity Index	4.1	39.0
Net Performance relative to Benchmark	0.0	-0.2

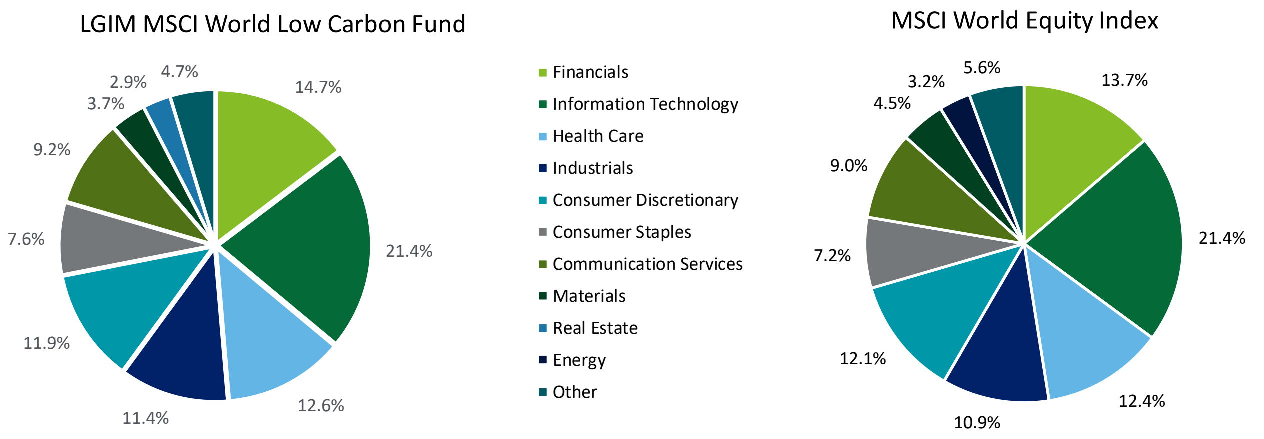
Source: LGIM and Northern Trust. Relative performance may not tie due to rounding.

Over the first quarter of 2021, the LGIM MSCI World Low Carbon Index Fund has successfully tracked its benchmark, delivering positive absolute returns of 3.9% on a net of fees basis. The strategy underperformed the MSCI World Equity Index benchmark by 0.2% over the quarter.

Over the one-year period to 31 March 2021, the LGIM MSCI World Low Carbon Index Fund delivered a strong positive absolute return of 39.0% on a net of fees basis, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.2%, and performing in line with the MSCI World Equity Index. The Fund's large positive absolute returns over the year can be attributed to the sustained recovery in global equity markets, with the sharp market downturn experienced in Q1 2020, following the initial outbreak of COVID-19, falling out of the 12 month measurement period.

7.2 Portfolio Sector Breakdown at 31 March 2021

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 March 2021.



Source: LGIM

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 materials and energy represents the low carbon nature of the Fund.

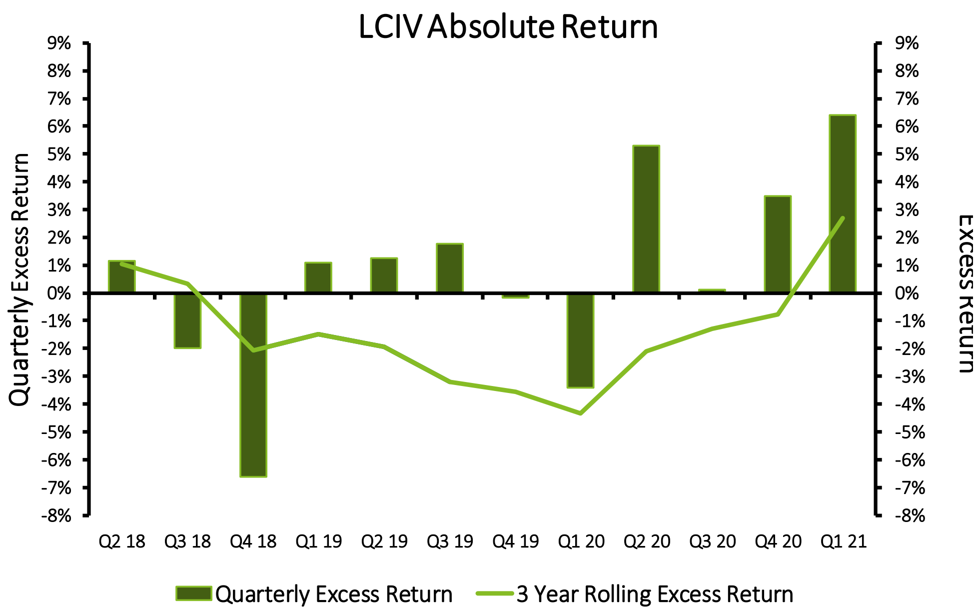
8 LCIV – Absolute Return

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 March 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	7.4	20.7	7.3	6.6
Target	1.0	4.1	4.6	4.5
Net performance relative to Target	6.4	16.6	2.7	2.1

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



The Absolute Return Fund returned 7.4% on a net of fees basis over the first quarter of 2021, outperforming its LIBOR+4% target by 6.4%. Over the year to 31 March 2021, the strategy has delivered a strong absolute return of 20.7% on a net of fees basis, outperforming its target by 16.6%. Over the longer three and five year periods to 31 March 2021, the strategy has delivered positive returns of 7.3% p.a. and 6.6% p.a. respectively on a net of fees basis, outperforming the LIBOR-based target by 2.7% p.a. and 2.1% p.a. respectively.

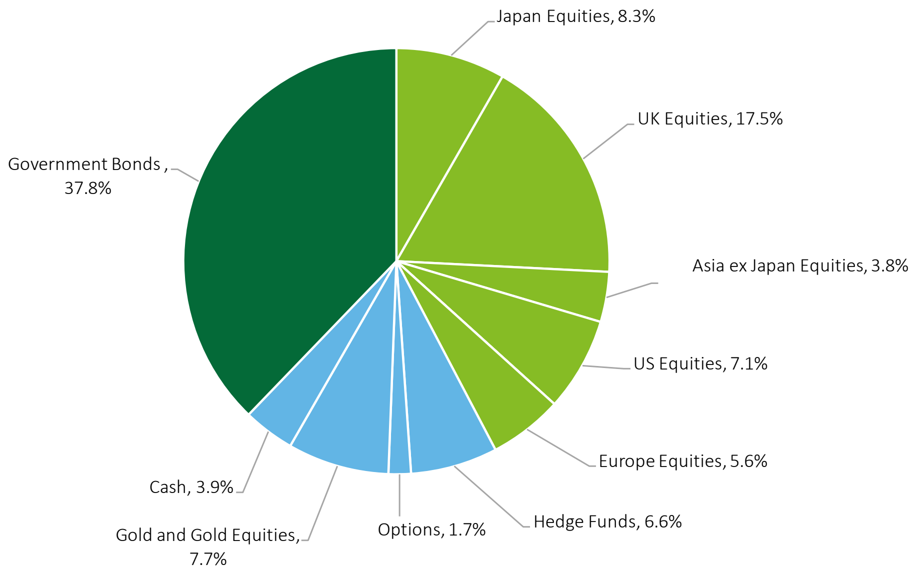
The strategy's equity selection was a key driver to positive performance, outperforming the wider market with the portfolio's average equity position rising by c. 14% over the quarter, compared with the c. 3% rise in the MSCI World Equity Index in sterling terms. With Ruffer anticipating that rising bond yields would hamper the progress of growth equities, the manager ensured that the portfolio's equity allocation held a tilt towards sectors with a stronger economic backdrop such as financials and energy stocks, with the strategy's UK stocks delivering particularly strong returns as a result of the successful start to the rollout of COVID-19 vaccinations.

Ruffer has gradually reduced the duration of the Absolute Return Fund's inflation-linked bond allocation, from around seven years in July 2020 to approximately zero at the beginning of the first quarter of 2021, through the use of interest rate options. This proved beneficial over the quarter to 31 March 2021. Rising yields resulted in decreases in value in the strategy's inflation-linked bonds, which make up a significant proportion of the portfolio, and in the strategy's gold allocations. However, these losses were more than offset by the interest rate options which rose in value in line with the rise in bond yields.

In addition, the strategy's bitcoin exposure doubled in price over the quarter, with Ruffer having previously made a small allocation to bitcoin over Q4 2020 via the Ruffer Illiquid Multi Strategies Fund. The bitcoin position serves 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. Ruffer took substantial profits in the allocation over the quarter with the strategy holding a c. 1% position to bitcoin as at 31 March 2021.

8.2 Asset Allocation

The chart below represents the asset allocation of the LCIV Absolute Return Fund portfolio as at 31 March 2021.



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 March 2021

	Last Quarter (%)	One Year (%)
Net of fees	-3.1	9.5
Benchmark	-3.1	7.4
Net Performance relative to Benchmark	0.0	2.1

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

Over the quarter to 31 March 2021 the LCIV Global Bond Fund delivered a negative return of -3.1% on a net of fees basis, in line with its Barclays Aggregate – Credit Index Hedged (GBP) Index. The strategy delivered a positive return of 9.5% over the year to 31 March 2021, outperforming the benchmark by 2.1%.

With credit yields rising over the first quarter of 2021, largely driven by inflation expectations driving underlying gilt yields higher, the LCIV Global Bond Fund delivered a negative return in line with the wider credit market. The steepening of the yield curve has proved to be a particular headwind for long duration investments at the higher end of the quality spectrum. PIMCO, believes that inflation expectations are higher than the likely eventual level, but has taken the decision to reduce the strategy's duration position to a neutral level.

The strategy's security selection added value relative to the index over the quarter, particularly within the Financials sector, with a number of allocations which had contributed most to the underperformance of 2020, delivering positive returns over the first three months of 2021.

PIMCO has recovered the majority of the underperformance recognised over the first quarter of 2020, primarily through the strategy's duration positioning, high yield and financials exposures, having considerably contributed to positive returns since the end of the first quarter of 2020, after representing key detractors to performance over Q1 2020.

The strategy experienced no defaults over the quarter, although 25 issues, representing c. 2.6% of the portfolio, were downgraded over the period with one of these issues (representing c. 0.1% of the portfolio) downgraded to sub-investment grade. PIMCO still holds longer-term 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

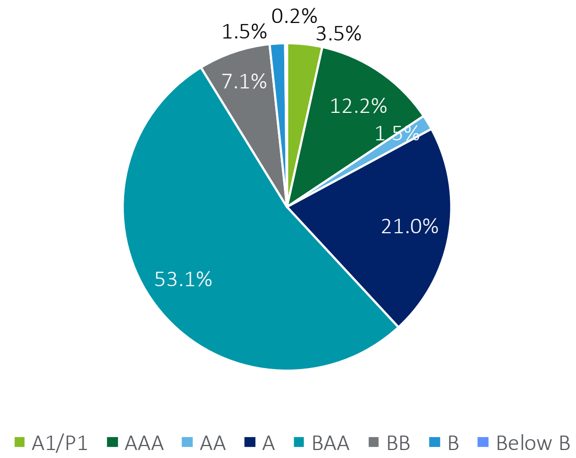
The table below summarises the Global Bond portfolio's key characteristics as at 31 March 2021.

	31 December 2020	31 March 2021
No. of Holdings	904	979
No. of Countries	45	45
Coupon	3.05	3.05
Effective Duration	6.92	6.71
Rating	A-	A-
Yield to Maturity (%)	1.79	2.67

Source: London CIV

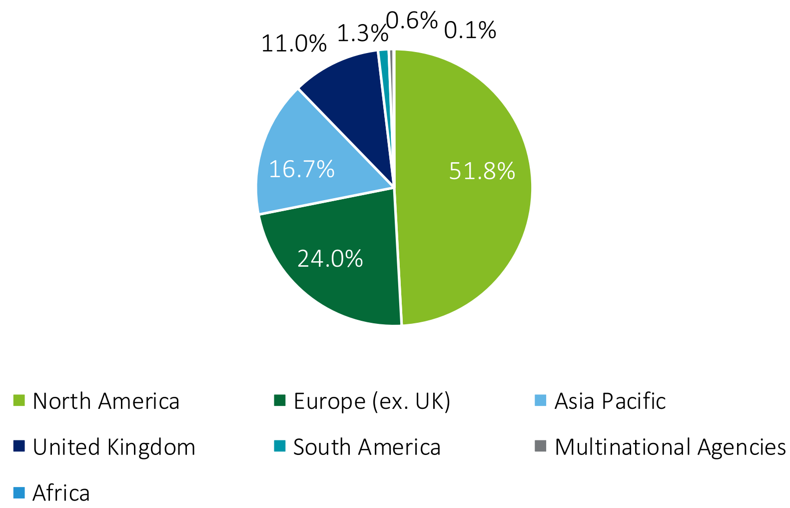
The number of holdings in the portfolio increased by 75 over the quarter, with the Global Bond Fund continuing to participate in an increased level of corporate debt issuance. As mentioned above, PIMCO has opted to reduce the strategy's overall duration positions to a more neutral level, with an underweight position to US duration countered, to some extent, by an overweight position to Emerging Markets.

The chart below represents the split of the Global Bond portfolio by credit rating. The Fund's investment grade holdings made up c. 91.2% of the portfolio as at 31 March 2021, a decrease of 0.4% 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.

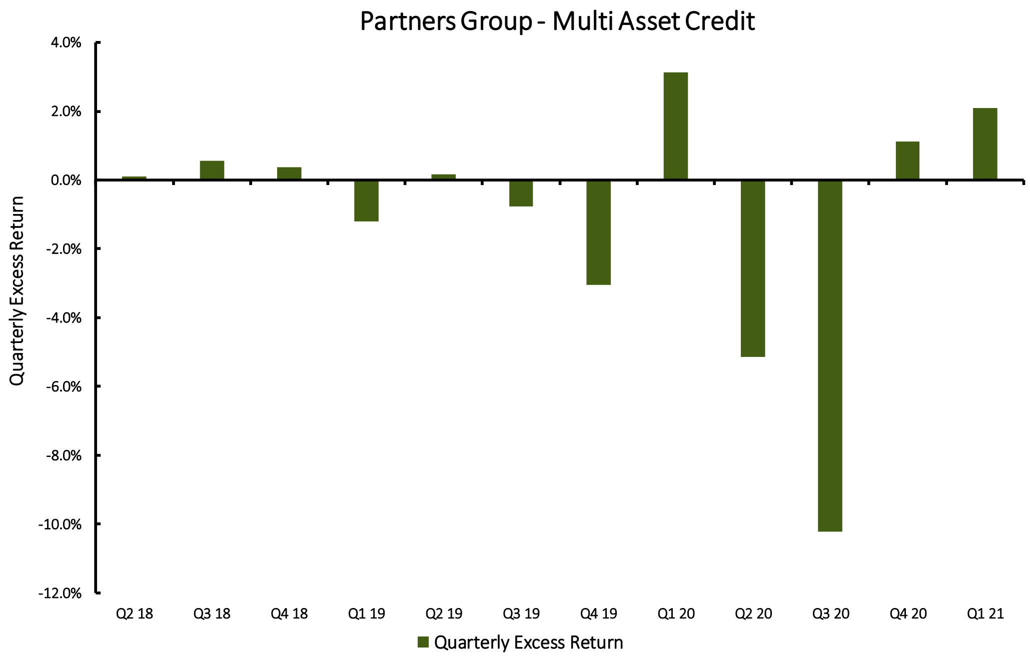
10 Partners Group – Multi Asset Credit

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 28 February 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	3.1	-8.3	0.0	2.2
Benchmark / Target	1.0	4.1	4.6	4.5
Net performance relative to Benchmark	2.1	-12.5	-4.6	-2.3

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



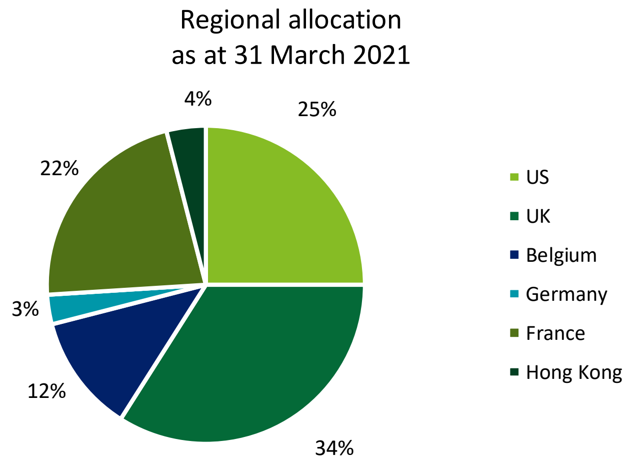
Please note, performance shown is to 28 February 2021.

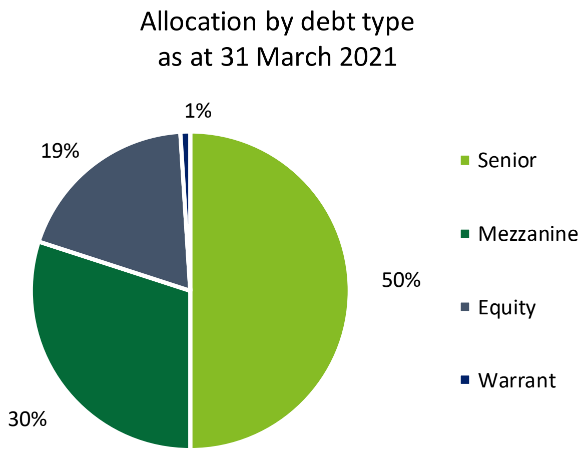
The Multi Asset Credit strategy delivered a positive return of 3.1% on a net of fees basis over the three month period to 28 February 2021, outperforming its 3 Month LIBOR +4% benchmark by 2.1%. Over the full first quarter to 31 March 2021, we expect the MAC Fund to have delivered a return of 0.7% on a net of fees basis, based on an estimation of the strategy's time-weighted rate of return using cashflow information – with the primary difference in return due to the month of December 2020 dropping out of the calculation period in what was a strong month for the Fund, returning 2.7%..

Over the year to 28 February 2021, the strategy has underperformed its benchmark by 12.5%, returning -8.3% on a net of fees basis. The negative performance can be primarily attributed to impairments to a number of the underlying investments of the portfolio, which were particularly impacted by the economic restrictions caused by COVID-19, such as the Cote Bistro debt investment in the hard-hit hospitality sector which experienced cashflow issues, and the investment subsequently suffered a significant write-down when Partners Group performed a 'pre packed administration' to purchase Cote Bistro's profitable assets into a newco with the aim to recover the business post COVID-19.

10.2 Asset Allocation

The charts below show the regional split of the Fund as at 31 March 2021.





Note: Based on information provided by Partners Group.

[redacted]

Investment	Description	Type of Debt	Tranche	Maturity Date	Current IRR (%)	NAV (£m)	% of Total NAV	Watchlist Rating
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	

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10.3 Fund Activity

As at 31 March 2021 the Partners Group Multi Asset Credit Fund had made 54 investments of which 44 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.

Over the second quarter of 2020, the distribution period of the Fund was extended an additional year to 28 July 2021 to facilitate the wind-down of the portfolio given the changes to the market over the first quarter of 2020. Furthermore, Partners Group has recently formally proposed a further three-year extension to allow more extended payback periods for a small group of (ten) tail investments whose cashflows have been particularly impacted by COVID-19 and require more time to recover to fully repay the loans extended to them - please see the Manager Update section of this report for further details.

Partners Group issued one further distribution over the quarter, with c. £1.2m distributed to the London Borough of Hammersmith & Fulham Pension Fund on 28 January 2021.

Following quarter end, on 29 April 2021, Partners Group issued a further distribution, with c. £2.5m distributed to the London Borough of Hammersmith & 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 March 2021

	Last Quarter (%)
Net of fees	0.4
Benchmark / Target	-1.7
Net performance relative to Benchmark	2.1

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

The ASI Multi Sector Private Credit Fund delivered a positive absolute return of 0.4% on a net of fees basis over the quarter to 31 March 2021, outperforming the blended benchmark by 2.1%. 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.

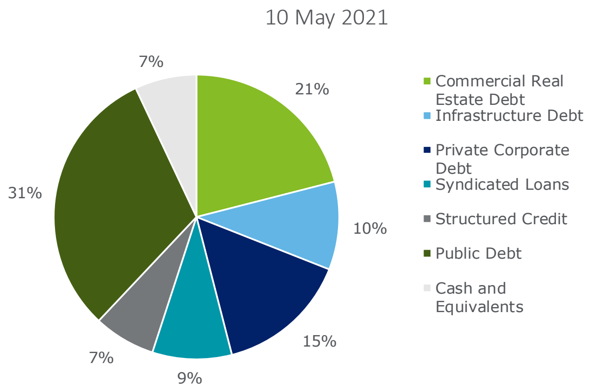
Once fully committed, the strategy will be measured against the ICE ML Sterling BBB Corporate Bond Index. While the strategy is in the process of deploying invested capital, the strategy is measured against a blended benchmark of 3 Month Sterling LIBOR and the ICE ML Sterling BBB Corporate Bond Index, 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 March 2021, 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.

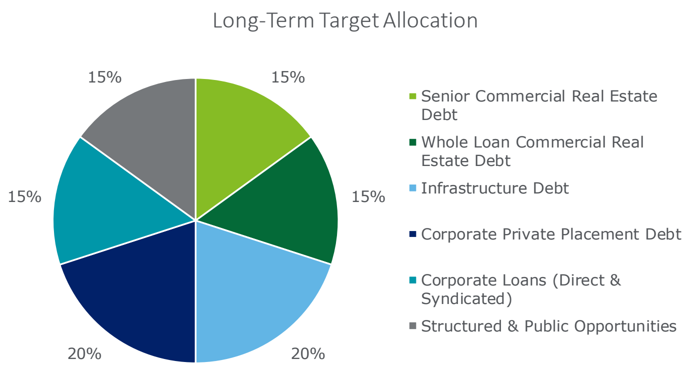
11.2 Portfolio Composition

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.

Asset Allocation

As at 10 May 2021, 68% of the MSPC Fund portfolio has been invested in illiquid assets that make up the long term portfolio, while the remaining 32% of the portfolio remains invested in a liquid transition portfolio in order to avoid a cash drag where the Fund has not fully deployed its committed capital. The charts below compare the asset allocation as at 10 May 2021 with that of the long-term target allocation.





Source: Aberdeen Standard Investments

[redacted]

[redacted]

Project Name	Date Completed	MSPC Investment	Total Debt Raised	Maturity	Credit Rating	Illiquidity Pick Up*	Yield
[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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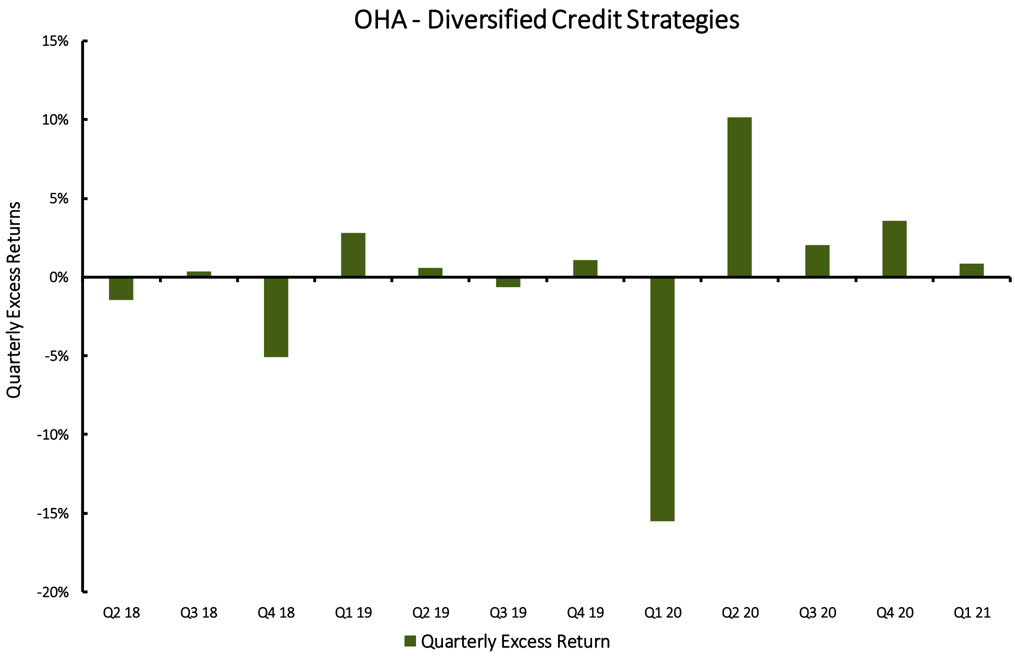
12 Oak Hill Advisors – Diversified Credit Strategies Fund

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 March 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.9	22.1	3.4	5.2
Benchmark / Target	1.0	4.1	4.6	4.5
Net Performance relative to Benchmark	0.9	17.9	-1.2	0.7

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



Over the first quarter of 2021, the Oak Hill Advisors Diversified Credit Strategies Fund delivered a positive absolute return of 1.9% on a net of fees basis, outperforming its 3 Month Sterling LIBOR +4% p.a. benchmark by 0.9%. Over the year to 31 March 2021, the strategy delivered a strong positive absolute return of 22.1% on a net of fees basis, outperforming the benchmark by 17.9% over the period, with the particularly volatile Q1 2020 returns, following the outbreak of COVID-19, falling out of the 12 month measurement period. As the strategy is measured against a cash-plus benchmark, we would expect relative performance differences over shorter time horizons.

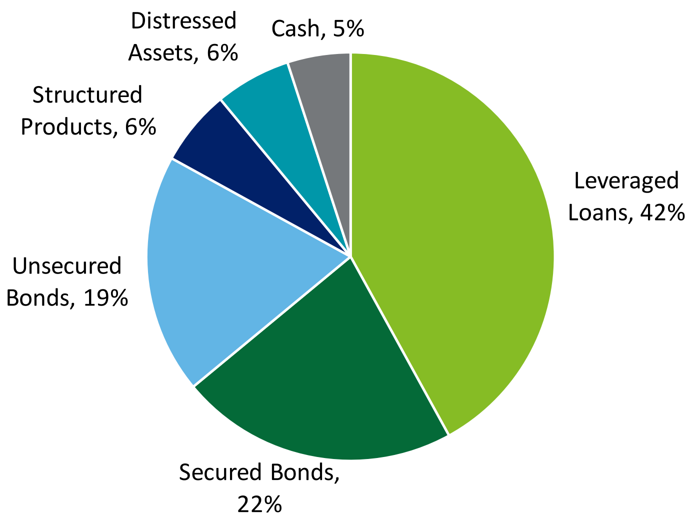
The strategy's high yield bonds and leveraged loans exposures delivered positive returns for the fourth quarter in succession, with US and European credit spreads continuing to narrow over the first quarter of 2021. The strategy's high yield and leveraged loans exposures have now more than made up the losses realised over the first quarter of 2020.

The strategy's distressed assets exposures, having negatively impacted fund performance over 2020 owing to elevated default risk given the severity of the COVID-19 economic impact and the potential for further economic damage from the implementation of increased lockdown restrictions, have noticeably contributed to positive performance over the quarter to 31 March 2021 as a result of the general relaxation in lockdown restrictions since the beginning of the calendar year.

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 March 2021.



Source: Oak Hill Advisors

Over the quarter, the Diversified Credit Strategies Fund simultaneously increased its allocation to leveraged loans whilst decreasing the portfolio's cash holdings.

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 March 2021

Activity

Partners Group closed on the acquisition of a significant equity stake in Telepass S.p.A ("Telepass"), a leading electronic toll collection services provider in Europe, over the first quarter of 2021, following agreement in October 2020. Following the acquisition, Partners Group has 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. The Direct Infrastructure Fund has committed €67.9m to Telepass.

In addition, in February 2021, Partners Group announced that it had agreed to acquire Resilient Infrastructure Group, a water infrastructure platform focused on acquiring, developing, financing and operating distributed water-related facilities in the US and China. The platform targets assets with highly contracted stable cash flows and operates in an attractive sector benefiting from strong market tailwinds due to transformative structural trends. Partners Group will work closely with Resilient's management team on key transformative initiatives, including expanding the platform through ground-up development projects and new acquisitions, implementing practices to increase operating efficiencies at acquired assets, and securing strategic partnerships to provide tailored solutions for municipal, institutional, commercial, and industrial customers. The Direct Infrastructure Fund has committed $37.4m to Resilient.

Also, in February 2021, Partners Group announced that it had agreed to acquire Parmaco Oy, a leading provider of premium quality modular education buildings in the Nordics. Parmaco designs, builds and leases fully assembled and ready-to-use quality wooden modular buildings that are used as schools and day care centers primarily in Finland and Sweden. At acquisition, Parmaco comprised 353 modular buildings, with a total leasable area of 280,000sqm that is able to host over 35,000 children. The Direct Infrastructure Fund has committed €80.3m to Parmaco Oy.

As at 31 March 2021, the total capacity of the Direct Infrastructure Fund was €1.08 billion. Of this, c. 92% has been committed to investments as at 31 March 2021, with 64% (c. €0.7bn) of the total capacity drawn down from investors as at 31 March 2021.

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 one capital call over the quarter to 31 March 2021, and a further capital call following quarter end:

- On 22 March 2021, the Fund issued a capital call for €102.7m, of which the London Borough of Hammersmith & Fulham was entitled to pay €5.3m. The capital call was issued to enable the Fund to invest in Telepass and Resilient Infrastructure Group; and

- Following quarter end, on 3 May 2021, the Fund issued a capital call for €48.6m, of which the London Borough of Hammersmith & Fulham was entitled to pay €2.5m. The capital call was issued to enable the Fund to invest in Parmaco Oy. Following this capital call, the Direct Infrastructure Fund was c. 68% drawn for investment.

The Fund issued no further distributions of capital over the first quarter of 2021.

Pipeline

Partners Group currently has 10 transactions in due diligence, representing investment opportunities totaling c. $4.2bn 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.

13.2 Investments Held

[redacted]

Investment	Description	Type	Sector	Country	Commitment Date	Watchlist Rating
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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14 Aviva Investors – Infrastructure Income

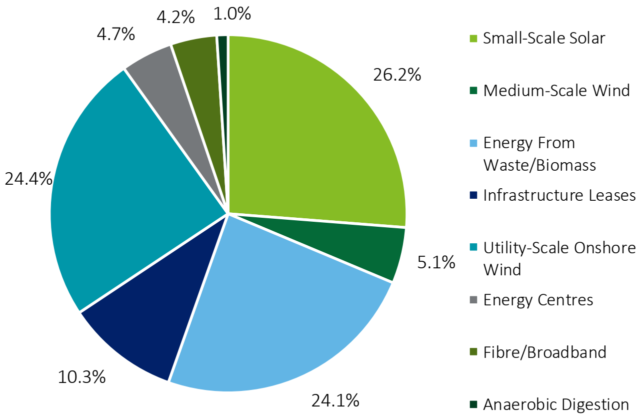
Aviva Investors was appointed to manage an infrastructure income mandate with the aim of outperforming the 3 month Sterling LIBOR benchmark by 6% p.a. The manager has an annual management fee and performance fee.

14.1 Infrastructure Income - Investment Performance to 31 December 2020

The Fund has recognised a decrease in valuation over the first quarter of 2021, with valuations negatively impacted by an increase in corporation tax alongside ongoing delays to some biomass operations.

Sector Breakdown

The chart below shows the split of the portfolio by sector as at 31 December 2020.



Source: Aviva Investors.

Small-scale solar and utility-scale onshore wind make up c. 51% of the portfolio.

Holdings

The top 10 holdings in the Infrastructure Income Fund account for c. 54.3% of the Fund and are detailed below.

Top 10 holdings as at 31 December 2020	Asset	Proportion of Fund
Brockloch Rig Wind Farm	Utility-scale Onshore Wind	7.6%
Biomass UK No.1	Energy from Waste	7.5%
Hooton Bio Power	Energy from Waste	6.8%
Biomass UK No.3	Energy from Waste	5.5%
Aviva Investors Energy Centres No.1	Energy Centres	4.8%
HomeSun	Small-scale Solar PV	4.7%
Turncole Wind Farm	Utility-scale Onshore Wind	4.4%
Biomass UK No.2	Energy from Waste	4.4%
Minnygap Energy	Utility-scale Onshore Wind	4.3%
EES Operations No.1	Small-scale Solar PV	4.3%
Total		**54.3%**

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

Source: Aviva Investors.

Pipeline

As at 31 March 2021, the queue for the Infrastructure Income Fund was c. £4m, with no new investor commitments received over the quarter. 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. £363.8m as at 31 December 2020 and are generally expected to reach a close within 9-12 months.

Aviva did not complete any transactions over the first quarter of 2021.

We reported last quarter that Aviva had confirmed that the Infrastructure Income Fund will "soft close" to investors once a further c. £350m of capital has been raised. In March, Aviva updated investors that it will now soft close the Fund once c. £325m has been raised – to meet c. £175m of existing commitments and obligations of the Fund, and to provide c. £150m of funding to extend the business plans of the existing fibre assets. More information can be found in the Manager Update section of this report.

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 March 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.4	3.8	5.5	6.8
Benchmark / Target	-6.8	-3.7	4.5	4.9
Net Performance relative to Benchmark	8.1	7.5	1.1	1.9

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

The ASI Long Lease Property Fund delivered an absolute return of 1.4% on a net of fees basis over the first quarter of 2021, outperforming its FT British Government All Stocks Index Benchmark by 8.1%.

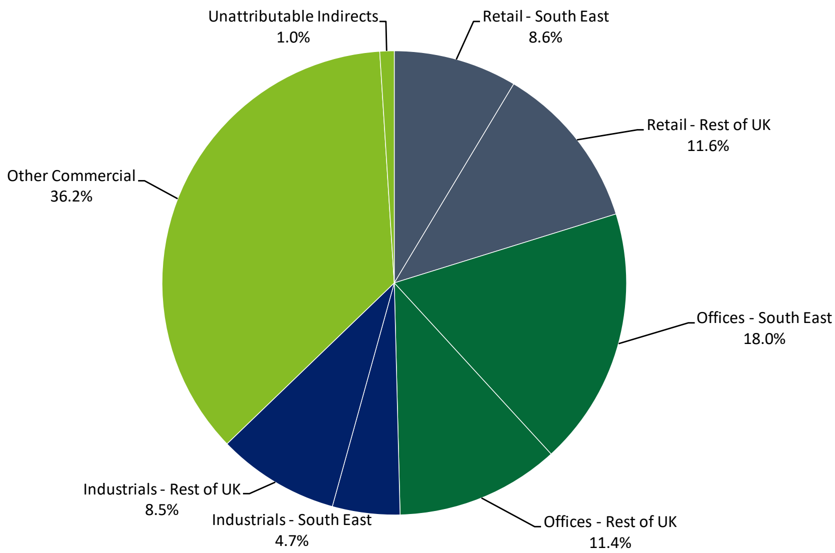
The Long Lease Property Fund has underperformed the wider property market, as measured by the MSCI (formerly IPD Monthly) UK All Property Index, by 0.7% over the quarter on a net of fees basis.

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 statistics remained relatively unchanged over the first quarter of 2021 as ASI realised Q1 collection rates of 95.8% (as at 12 May 2021). Over the first quarter of 2021, 1.3% of the Long Lease Property Fund's rental income was subject to deferment arrangements, with 2.9% unpaid or subject to ongoing discussions with tenants. As at 12 May 2021, ASI has collected 93.0% of its Q2 2021 rent (typically paid quarterly in advance), with 0.7% subject to deferment arrangements and 6.4% of rent unpaid or subject to ongoing discussions with tenants.

15.2 Portfolio Holdings

The sector allocation in the Long Lease Property Fund as at 31 March 2021 is shown in the graph below.



Over the quarter to 31 March 2021, the ASI Long Lease Property Fund's allocation to the office sector increased by 4.2% to 29.4%, owing to the Fund's acquisitions over the quarter, as discussed below. The allocations to the retail and industrials sectors decreased by 1.8% to 20.2% and by 1.4% to 13.2% respectively over the quarter, while the allocation to other commercial properties increased by 0.1% to 36.1%

The Long Lease Property Fund completed four acquisitions over the first quarter of 2021: an office in Bristol; a ground rent investment over a holiday park in Cornwall; a 50-year income strip in London; and a London office building that will be redeveloped to form the UK's largest blood sorting facility, totaling c. £370m and enabling ASI to draw down the entire existing investor queue. ASI states that these acquisitions have significantly increased the Fund's exposure to government-backed income and investment-grade covenants.

Two pre-let funding hotel projects which have had construction suspended in line with government advice, equating to 2.5% of total Fund value, remain in the construction phase. Also, the sale of the Interserve facilities management business was concluded over the first quarter of 2021.

Q1 and Q2 2021 rent collection, split by sector, as at 12 May 2021 is reflected in the table below:

Sector	Proportion of Fund as at 31 March 2021 (%)	Q1 2021 collection rate (%)	Q2 2021 collection rate (%)
Alternatives	6.1	100.0	100.0
Car Parks	3.7	100.0	100.0
Car Showrooms	2.9	100.0	78.6
Hotels	7.9	63.4	90.1
Industrial	15.0	100.0	88.0
Leisure	3.3	100.0	100.0
Public Houses	5.6	77.3	77.3
Offices	27.4	100.0	91.3
Student Accommodation	9.6	100.0	100.0
Supermarkets	18.5	100.0	100.0
Total	**100.0**	**95.8**	**93.0**

As at 31 March 2021, 0.9% of the Fund's NAV is invested in ground rents via an indirect holding in the ASI Ground Rent Fund, with 15.5% of the Fund invested in income strip assets.

The hotels and public houses sectors have expressed the poorest rental collection statistics over Q1 and Q2 2021 as at 12 May 2021. However, the Fund's investments in the leisure sector, previously the most impacted by the COVID-19 outbreak, have seen 100% rental collection statistics over Q1 and Q2 2021 as a result of a relaxation in lockdown restrictions.

As at 31 March 2021, six tenants have issued requests to ASI for rent deferment, representing 13.7% of Fund income:

- Marstons' plc deferred its rent payments for Q2 2020, to be repaid over 12 months. Q3 and Q4 2020 rent is to be paid monthly. However, with pubs starting to reopen, Marstons' has now largely cleared all of its previous deferred rent and will revert to quarterly payments from Q2 2021 onwards.

- Park Holidays had 50% of its rent deferred for Q2 2020 which was repaid in Q4. All payments are up to date as at 31 March 2021 and the company has received strong levels of bookings for 2021.

- Caprice (The Ivy) having previously re-opened, has again closed for trade. An 18 year lease extension has been negotiated in exchange for 3 months rent free.

- Z-hotels has re-opened. Rent has been deferred for Q2 2020, to be repaid over 12 months. Rent has been partially deferred for Q4 2020.

- Merlin Attractions' Legoland park and hotel is preparing to re-open. Rent deferment has been agreed for Q3 2020, having paid rent in full for Q2 and Q4.

- Napier University, following the impact of the loss of summer trade as a result of no summer schools and the cancellation of the Edinburgh Fringe Festival, alongside COVID-19 restrictions on the academic year, has deferred 50% of its Q3 2020 rent and 25% of its Q4 2020 rent.

ASI expects to collect 100% of rent due. ASI states it has only agreed to rent deferments and no rent free periods, except in a very limited number of situations where tenants have agreed to lease extensions.

The table below shows details of the top ten tenants in the fund measured by percentage of net rental income as at 31 March 2021:

Tenant	% Net Income	Credit Rating
Tesco	7.1	BBB
Secretary of State for Communities	5.8	AA
Whitbread	5.4	BBB
Sainsbury's	4.4	BB
Marston's	4.2	BB
Asda	3.6	BBB
Salford University	3.4	A
QVC	3.3	BB
Save the Children	3.3	BB
Lloyds Bank	3.2	AA
Total	**43.7***	

*Total may not equal sum of values due to rounding

As at 31 March 2021, the top 10 tenants contributed 43.7% of the total net income of the Fund. Of which 15.1% 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 increased from 24.3 years as at 31 December 2020 to 25.7 years as at 31 March 2021. The proportion of income with fixed, CPI or RPI rental increases rose by 0.7% over the quarter to 91.3%.

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
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
Alpha Real Capital	Ground Rents	5.0%	BoAML >5 Year UK Inflation-Linked Gilt Index +2.0%	17/05/21
Man GPM	Affordable / Supported Housing	2.5%	3 Month Sterling LIBOR +4% p.a. (Target)	02/06/21
TBC	TBC	2.5%	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

The table in this Appendix compares the annual management charges that the Fund is subject to for each of the funds held in the investment portfolio, and the market average annual management charges for each of these funds – detailing the ongoing investment fee savings that the Fund has been able to achieve.

Manager	Fund	Annual Management Charges (% p.a.)	Market Average Annual Management Charges (% p.a.)	Annual fee saving (£m)*
[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 – MiFID II Cost Summary

On 3 January 2018, the Markets in Financial Instruments Directive II ("MiFID II") was introduced. A key component of this legislation is for fund managers to disclose all costs incurred, with the view to increasing transparency. MiFID II Costs and Charges disclosures are performed annually and will be provided during the first quarterly report of each year. A summary over the year to 31 March 2021 can be found below:

CLIENT NAME: London Borough of Hammersmith & Fulham Pension Fund
Reporting Period: 1st April 2020 - 31st March 2021
Value of Scheme as at 31st March 2020: £1,006,397,078

<u>Aggregation of all Costs and Charges incurred during the reporting period:</u>

Cost Category	Amount (£)	% of investment as at 31 March 2021
Investment services and/or ancillary services	109,150	0.01
Third Party payments received by the Investment Firm	-	-
Investment product costs	7,498,283	0.75
Total costs and charges	**7,607,433**	**0.76**

Totals may not sum due to rounding.

Cumulative effect of costs and charges on return

The illustration below uses Reduction in Yield (RIY) methodology to show impact of the total costs you have incurred on the return of your investment. The amounts shown are the cumulative costs of investment services and products.

	Amount (£)	Percentage (%)
Cumulative effect of costs and charges on return	9,258,627	0.92

Annual performance figures sourced from Northern Trust.

<u>Description of the illustration.</u>
The following is an example of the cumulative effect of costs over time:
An investment portfolio with a beginning value of £1,006m, gaining an annual return of 22.3%, and subject to a fee of 0.76% per annum (calculated and paid monthly), would grow to £6,996m after 10 years.
In comparison, an investment portfolio with a beginning value of £1,006m, gaining an annual return of 22.3% but not subject to any fees would grow to £7,534m after 10 years.
The annualised returns over a 10-year period would be 22.3% (gross of fees) and 21.4% (net of fees).
Therefore, the cumulative impact of costs (fees) on investment return (reduction in yield) would be 0.90% per annum.

Appendix 5 – 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.

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