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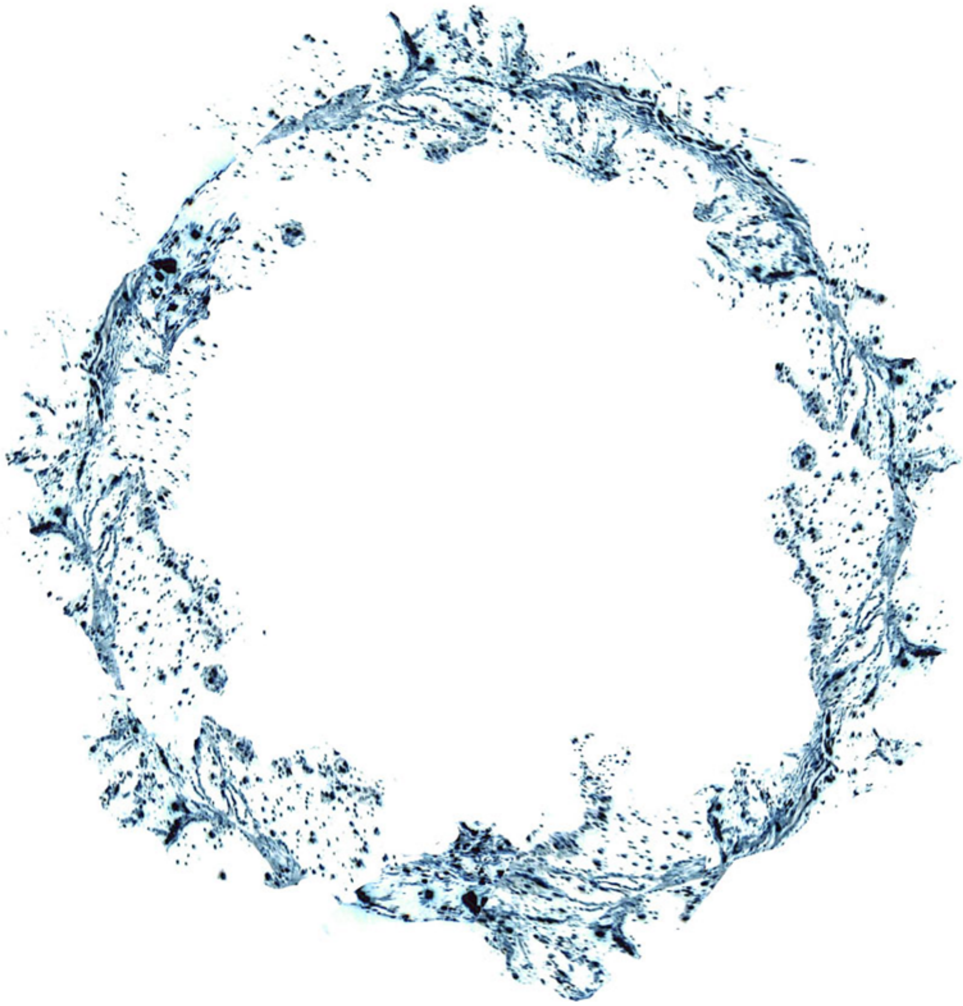


London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 30 September 2021

Deloitte Total Reward and Benefits Limited
November 2021

Contents

1 Market Background

Global Equities

Performance across global developed markets was relatively flat over the third quarter of 2021, with declines in September erasing prior gains. Since 30 June 2021, investors have grown increasingly concerned with rising inflation with both Federal Reserve and Bank of England policymakers discussing rate rises and the tightening of monetary policy more generally. Natural gas and fuel shortages impacted the UK towards the end of the quarter, and businesses globally have confirmed that supply chain disruption and labour constraints are limiting output. Emerging Market equities underperformed over the quarter as concerns grew around repeated intervention by the Chinese government and the ability of Evergrande and other property companies to service its debts.

Over the third quarter of 2021, global equity markets fell slightly with the FTSE All World Index returning -0.2% in local currency terms. Sterling depreciation benefitted unhedged investors with the same index returning 1.5% in sterling terms. Performance across most global regions was fairly muted with the exception of Japan, which delivered the highest return of 5.0% (local terms), and the Asia Pacific region (excluding Japan), which was the worst performing region, returning -6.3% (local terms). The issues in China also caused Emerging Market equities to underperform.

UK equities delivered a positive return of 2.2% over the quarter, outperforming overseas markets. Positive relative performance was mainly due to sector biases in the UK market with the relatively large exposure the Oil & Gas sector benefitting from the sharp rise in gas and oil prices.

Government bonds

UK nominal gilt yields increased over the quarter across all maturities. The rise was driven by higher inflation expectations. UK consumer price inflation increased to 3.2% over the year to the end of August, its highest level since 2012. The Bank of England is forecasting a further rise in inflation with the Monetary Policy Committee suggesting a tightening of monetary policy may be imminent. The All Stocks Gilts Index therefore delivered a return of -1.8% over the quarter, whilst the Over 15-year Index delivered a return of -2.8%.

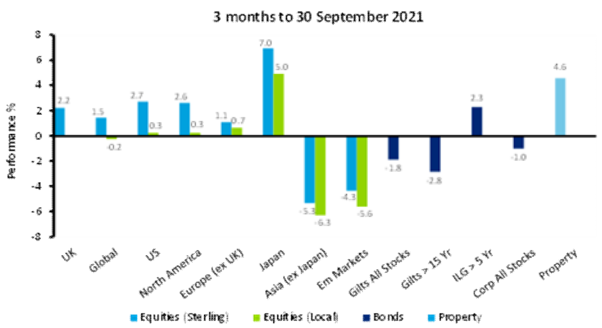
Real yields decreased by up to 50 bps for shorter maturities as inflation expectations moved sharply higher. At medium to longer maturities, the falls in real yields were more muted. The All Stocks Index-Linked Gilts Index delivered a return of 2.3% over the third quarter.

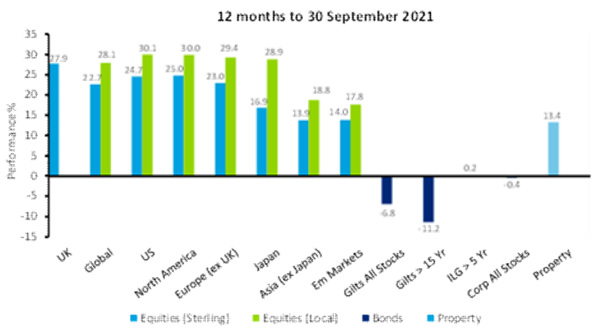
Corporate bonds

Sterling denominated corporate bond yields followed nominal gilt yields higher over the third quarter. However, robust corporate earnings contributed to a marginal fall in credit spreads. The iBoxx All Stocks Non-Gilt Index returned -1.0% over the three months to 30 September 2021.

Property

The MSCI UK All Property Index delivered a return of 4.6% over the third quarter, and a return of 13.4% over the 12 months to 30 September 2021. The industrial sector continues to lead the way, benefitting from trends including the switch to online shopping, which have accelerated as a result of the pandemic. UK monthly property transactions have certainly increased over the past 12 months and returns have been strong. However, investors should not lose sight of the continued issues around rental collections and the previous accumulation of rent arrears.





2 Performance Overview

2.1 Investment Performance to 30 September 2021

Breakdown of Fund Performance by Manager as at 30 September 2021 Fund	Manager	3 month	1 year	3 year p.a.	5 year p.a.
Equity Mandate					
	LCIV Global Equity Core Fund	2.4	11.7	n/a	n/a
MSCI AC World Index		1.4	22.2	n/a	n/a
Difference		1.0	-10.5	n/a	n/a
	LGIM Low Carbon Mandate	2.4	23.7	n/a	n/a
MSCI World Low Carbon Target Index		2.5	23.9	n/a	n/a
Difference		0.0	-0.1	n/a	n/a
Dynamic Asset Allocation					
	LCIV Absolute Return Fund	0.5	13.6	7.2	4.7
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.5	4.5
Difference		-0.5	9.5	2.7	0.2
Global Bonds					
	LCIV Global Bond Fund	0.1	2.5	n/a	n/a
Barclays Credit Index (Hedged)		0.0	1.2	n/a	n/a
Difference		0.1	1.3	n/a	n/a
Secure Income					
	Partners Group MAC[2]	5.9	27.1	5.4	5.5
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.5	4.5
Difference		4.9	23.0	0.9	1.1
	Oak Hill Advisors	0.9	9.4	3.9	3.8
3 Month Sterling LIBOR + 4% p.a.		1.0	4.1	4.5	4.5
Difference		-0.1	5.3	-0.5	-0.6
	ASI MSPC Fund	0.1	2.8	n/a	n/a
Blended benchmark[4]		-0.4	1.0	n/a	n/a
Difference		0.4	1.8	n/a	n/a
	Partners Group Infra[2]	5.4	15.6	14.2	7.6
	Aviva Infra Income[3]	3.6	1.3	2.8	n/a
Inflation *Protection*					
	ASI Long Lease Property Fund	4.2	9.6	6.5	7.8
FT British Government All Stocks		-1.3	-4.7	5.0	3.2
Difference		5.5	14.3	1.4	4.6
Total Fund		1.7	14.1	7.9	7.6
Benchmark[1]		1.3	11.8	8.4	8.3
Difference		0.5	2.2	-0.5	-0.7

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] Partners Group Multi Asset Credit and Direct Infrastructure Fund performance provided to 31 August 2021.
[3] Aviva Investors performance figures provided by Northern Trust take into account a c. 1% income distribution from the Infrastructure Income Fund towards the end of each quarter.
[4] 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 30 September 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 30 September 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Total Fund - Net of fees	1.7	14.1	7.9	7.6
Benchmark(1)	1.3	11.8	8.4	8.3
Net performance relative to benchmark	0.5	2.2	-0.5	-0.6

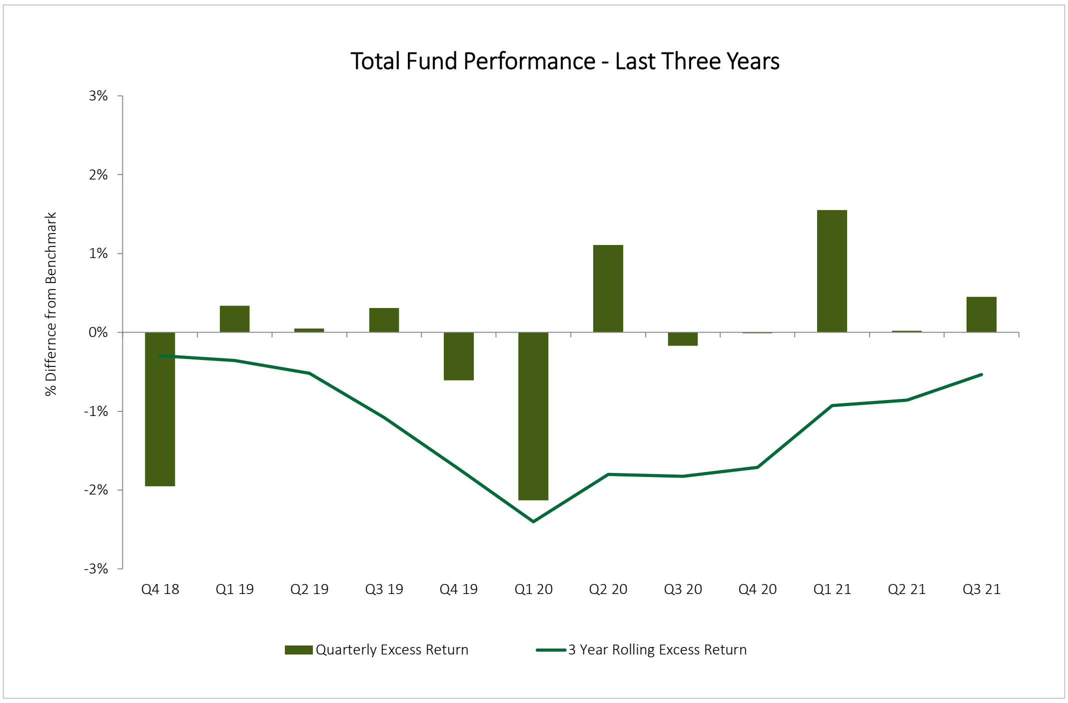
Source: Northern Trust. Relative performance may not sum due to rounding.
(1) Fixed weight benchmark

Over the third quarter of 2021, the Total Fund delivered a positive absolute return of 1.7% on a net of fees basis, outperforming the fixed weight benchmark by 0.5%.

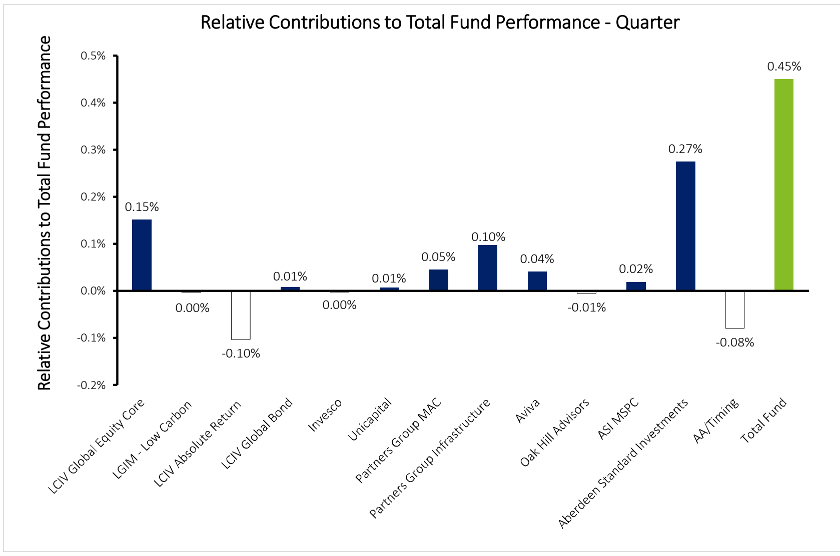
Over the year to 30 September 2021, the Total Fund delivered a positive absolute return of 14.1% on a net of fees basis, outperforming its fixed weight benchmark by 2.2%. The Total Fund delivered positive absolute returns of 7.9% p.a. and 7.6% p.a. on a net of fees basis over the longer three and five year periods to 30 September 2021 respectively, underperforming the fixed weight benchmark by 0.5% p.a. and 0.6% p.a. respectively.

Underperformance over the three year period to 30 September 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.

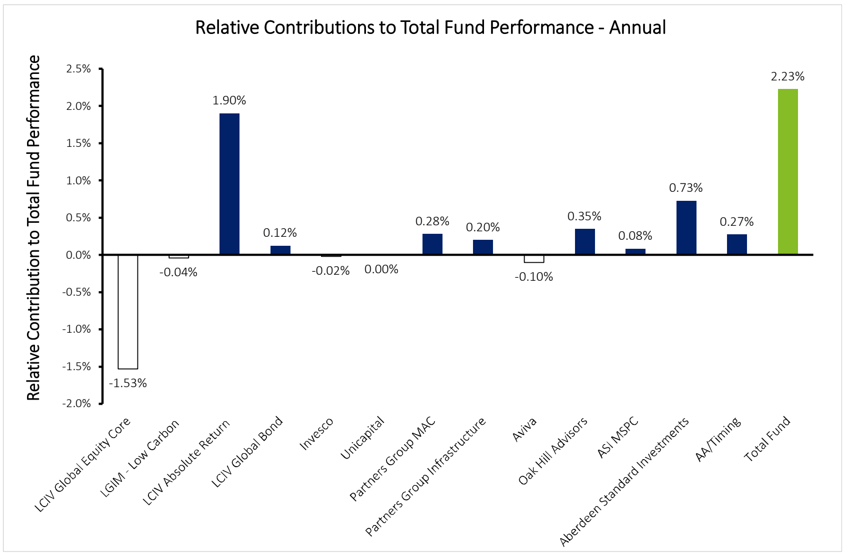
The chart below compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 30 September 2021. The 3-year rolling excess return remained negative over the third quarter of 2021.



3.2 Attribution of Performance to 30 September 2021



The Total Fund outperformed its fixed weight benchmark by c. 0.5% over the quarter to 30 September 2021. Outperformance was primarily driven by the ASI Long Lease Property Fund, having outperformed its government bond-based benchmark over the third quarter of 2021 with the wider UK property market, in general, delivering positive returns over a period of rising gilt yields. Outperformance can also be partially attributed to the LCIV Global Equity Core Fund, which outperformed the wider global equity market over the quarter with the strategy's bias to high quality stocks proving beneficial over the three-month period. Outperformance was partially offset by the LCIV Absolute Return Fund, having underperformed 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.



Over the year to 30 September 2021, the Total Fund outperformed its fixed weight benchmark by c. 2.2% with outperformance over the year primarily driven by the LCIV Absolute Return Fund, having delivered large levels of outperformance over the first two quarters of the year to 30 September 2021, with the manager's strategic allocations proving resilient across a variety of market environments. Outperformance can also be attributed to the ASI Long Lease Property Fund, having outperformed its gilts-based benchmark over the year, and the Oak Hill Advisors Diversified Credit Strategies Fund, having outperformed its cash-plus benchmark over the year with the strategy's high yield bonds and leveraged loans exposures delivering positive returns as credit spreads narrowed. Despite delivering a positive absolute return of 11.7% on a net of fees basis, the LCIV Global Equity Core Fund has provided the largest detraction to outperformance over the year to 30 September 2021 having underperformed its MSCI-based benchmark over a twelve-month period where cyclical stocks, which the strategy holds a low allocation to, have rallied.

3.3 Asset Allocation

The table below shows the value of assets held by each manager as at 30 September 2021 alongside the Target Benchmark Allocation.

Manager	Asset Class	Actual Asset Allocation				
		30 June 2021 (£m)	30 Sept 2021 (£m)	30 June 2021 (%)	30 Sept 2021 (%)	Benchmark Allocation (%)
LCIV	Global Equity Core	181.4	185.1	14.4	14.5	15.0
LGIM	Low Carbon Equity (passive)	410.9	421.0	32.6	33.0	30.0
	Total Equity	**592.3**	**606.0**	**47.0**	**47.5**	**45.0**
LCIV	Absolute Return	282.6	272.8	22.4	21.4	10.0
LCIV	Global Bond	109.6	109.0	8.7	8.5	10.0
	Total Dynamic Asset Allocation	**392.2**	**381.8**	**31.1**	**29.9**	**20.0**
Partners Group[1]	Multi Asset Credit	11.7	7.4	0.9	0.6	0.0
Oak Hill Advisors	Diversified Credit Strategy	81.4	82.2	6.5	6.4	7.5
Partners Group[1]	Direct Infrastructure	35.6	38.4	2.8	3.0	5.0
Aviva	Infrastructure Income	24.9	25.7	2.0	2.0	2.5
Aberdeen Standard Investments	Multi Sector Private Credit	56.5	56.3	4.5	4.4	5.0
	Secure Income	**210.0**	**210.1**	**16.7**	**16.5**	**20.0**
Aberdeen Standard Investments	Long Lease Property	62.6	65.3	5.0	5.1	5.0
Alpha Real Capital	Ground Rents	-	-	-	-	5.0
Man GPM	Affordable Housing	-	7.6	-	0.6	2.5
	Total Inflation Protection	**62.6**	**72.9**	**5.0**	**5.7**	**15.0[2]**
Northern Trust	Trustee Bank Account	3.1	5.8	0.2	0.5	0.0
	Total[3]	**1,260.6**	**1,276.8**	**100.0**	**100.0**	**100.0**

Source: Northern Trust (Custodian) and have not been independently verified.
Figures may not sum to total due to rounding.
[1] Partners Group Multi Asset Credit and Direct Infrastructure valuations provided by Northern Trust with a month's lag (i.e. as at 31 May 2021 and 31 August 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 £0.1m which is invested in private equity allocations with Invesco and Unicapital, with these investments currently in wind down.

Over the quarter to 30 September 2021, the Fund's overweight equity allocation increased further with both equity strategies delivering positive absolute returns over the three-month period. With the Partners Group Direct Infrastructure Fund not yet fully drawn for investment, the Fund's secure income position remained underweight as at 30 September 2021.

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 during Q1 2022. The Fund's commitment with Man GPM was closed on 2 June 2021 with the full £30m expected to be drawn over the next 6 years across quarterly and deal-specific requests. As reported last quarter, Man GPM issued an initial draw down request, including equalisation payment, on 18 June 2021 for £3.6m (£3.0m for investments). However, Northern Trust has accounted for this initial drawdown in July 2021 and therefore the Man GPM allocation in the table above as at 30 June 2021 is nil. Man GPM issued three draw down requests over the third quarter of 2021 for a total of £5.1m (£4.4m for investments), with the Fund's commitment c. 29% drawn for investment as at 30 September 2021. The Man GPM drawdown requests have been funded from the LCIV Absolute Return Fund.

3.4 Yield Analysis as at 30 September 2021

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

Manager	Asset Class	Yield as at 30 Sept 2021
LCIV	Global Equity Core	1.27%
LGIM	Low Carbon Equity	1.76%
LCIV	Absolute Return	1.50%
LCIV	Global Bond	2.78%
Partners Group	Multi-Asset Credit	5.70%
Oak Hill Advisors	Diversified Credit Strategy	5.30%
Aviva Investors	Infrastructure	6.40%[1]
Aberdeen Standard Investments	Long Lease Property	3.85%
	Total	2.02%

[1] Represents yield to 30 June 2021.

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	Les Ross 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 Investment in lower yielding or poorer quality assets than expected	1
	Multi Sector Private Credit	Significant changes to the investment team responsible for the Fund	1
Alpha Real Capital	Ground Rents	Significant changes to the investment team responsible for the Fund	1
Man GPM	Affordable Housing	Significant changes to the investment team responsible for the Fund *Note the mandate is subject to a 10 year lock-up period	1

4.1 London CIV

Business

The London CIV had assets under management of £12,575m 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 30 September 2021, an increase of £445m over the quarter primarily as a result of new London Borough investments in the LCIV Global Alpha Paris Aligned Fund, the LCIV Sustainable Equity Fund and the LCIV Emerging Market Fund.

As at 30 September 2021, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £25.9bn, a decrease of c. £0.8bn over the quarter. Cumulative additional commitments to the London CIV's private market funds totaled £387.5m over the third quarter of 2021, with total commitments raised by the private market funds standing at £1.8bn as at 30 September 2021.

LCIV Passive Equity Progressive Paris Aligned (“PEPPA”) Sub Fund

Having undertaken a manager selection exercise in July 2021 the London CIV has selected an investment manager to manage the LCIV Passive Equity Progressive Paris Aligned (“PEPPA”) Sub Fund, a low carbon passive equity mandate, having initially sent an RFP to nine prospective managers. The Passive Equity Progressive Paris Aligned Fund is now ready for launch, having received FCA approval and having agreed the terms of the IMA with the investment manager. The PEPPA Sub Fund has attracted two initial investors with combined contributions of £495m, which the London CIV expects to be invested in the Fund by the end of 2021. The London CIV expects demand for the passive low carbon equity strategy to total between £0.9bn and £1.1bn.

The PEPPA Sub Fund’s investment objective is to track the performance of the S&P Developed Ex-Korea LargeMidCap Paris-Aligned Climate Index with a tracking error of less than 0.5% p.a. The Index has c. 800 holdings with no exposure to Korea or Emerging Markets. The Sub Fund will implement a low carbon factor-based investment approach, targeting the following factors: carbon intensity; climate alignment; green revenues; and ESG scoring, omitting coal, oil and gas, and all UN exclusions from the portfolio.

Personnel

As reported last quarter, on 12 July 2021, Yiannis Vairamis was appointed as Senior Equities Portfolio Manager. Yiannis has over 13 years of experience in the financial services industry, having previously been employed by Railpen, Russell and Hymans Robertson.

On 6 September 2021, London CIV appointed Rob Treich as Head of Public Markets. Rob joins the team having previously worked for Coal Pension Trustee, Mercer and Mellon Bank.

The London CIV is also looking to hire a Senior Portfolio Manager for Private Markets, alongside three analysts to work across the London CIV’s private market funds.

Additionally, over the quarter, Vanessa Shia, Head of Private Markets returned from maternity leave, while it was announced that Jacqueline Jackson, Head of Responsible Investment will take maternity leave from November 2021. The London CIV has confirmed that plans are in place for cover during Jacqueline’s period of leave.

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 c. £552m as at 30 September 2021, an increase of c. £13m over the quarter.

The Morgan Stanley Global Sustain Fund, which the LCIV Global Equity Core Fund is based upon, held assets under management of c. $4.5bn as at 30 September 2021, representing an increase of c. $0.2bn over the third quarter of 2021 as a result of positive market movements.

Personnel

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

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

4.3 LGIM

Business

As at 30 June 2021, Legal & General Investment Management (“LGIM”) had assets under management (“AuM”) of c. £1,327bn, an increase of c. £48bn since 31 December 2020. Note, LGIM provides AuM updates biannually.

Personnel

Zahra Vinamnwala joined LGIM's Index team as an Investment Analyst over the quarter.

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

4.4 Ruffer

Business

As at 30 September 2021, Ruffer held c. £23.2bn in assets under management, an increase of c. £0.2bn over the quarter.

Personnel

Paula Walter, Ruffer's COO, officially left Ruffer on 30 September 2021. Ruffer has stated that there has been no change in the day-to-day running of the firm and Paula's executive responsibilities will, at least initially, be covered by two members of the Executive Committee. Ruffer has not yet decided whether to recruit a direct replacement for Paula.

On 6 July 2021, as reported last quarter, Aled Smith joined Ruffer as Deputy CIO. Aled will lead Ruffer's macro team and work alongside Henry Maxey and Jonathan Ruffer to help shape asset allocation. Aled joins Ruffer from J O Hambro Capital Management where he was an Investment Director. His primary responsibility included launching new funds and products and building a new asset management arm focused on responsible investing. As part of this move, Ruffer's responsible investment team now reports into Aled as Deputy CIO, further improving the ongoing integration of Ruffer's responsible investment efforts and investment process.

Additionally, Franziska Jahn-Madell, Responsible Investment Director, left Ruffer over the quarter to join a competitor. Throughout Fran's time at Ruffer, she built a responsible investment team beneath her and worked to embed ESG considerations within Ruffer's research and investment process. Ruffer's engagement and stewardship processes will continue to be driven by Alexia Palacios and Lorena Cebuc, who have been working alongside Fran. As noted above, the responsible investment team now reports to Deputy CIO, Aled Smith.

Lastly, David Ballance, co-manager of the Absolute Return Fund since 2006 and leading member of Ruffer's institutional client team, has announced his intention to retire on 31 March 2022. Jos North, who joined Steve Russell and David in managing the Absolute Return Fund in 2019 and sits on Ruffer's asset allocation committee, will continue to co-manage the strategy, while Henry Maxey and Jonathan Ruffer will continue to lead the investment process. Where David leads individual client relationships, these will be transitioned across Ruffer's institutional team with the process commencing in the coming weeks.

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. We will continue to monitor the Absolute Return Fund and the portfolio management team going forward following David Ballance's departure, but we are comfortable that the portfolio management team, supported by Henry Maxey and Jonathan Ruffer, continues to be appropriate.

4.5 PIMCO

Business

PIMCO held c. £1.7tn in assets under management as at 30 September 2021, an increase of c. £0.1tn over the quarter. The LCIV Global Bond Fund had assets under management of c. £496m as at 30 September 2021, remaining relatively unchanged over the quarter.

Personnel

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

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. $119bn as at 30 June 2021, representing an increase of c. $10bn since 31 December 2020. Note, Partners Group provides AuM updates biannually.

Multi Asset Credit

As at 30 September 2021, the Partners Group MAC Fund had a net asset value of c. £43.5m, a decrease of c. £22.3m since the previous quarter end valuation at 30 June 2021 despite positive portfolio returns over the quarter, as a result of a combined £25.0m of distributions issued back to investors over the quarter.

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 three further distributions over the quarter, as mentioned above, which combined totaled £25.0m across all investors. The London Borough of Hammersmith & Fulham Pension Fund received a total of c. £4.9m from these distributions combined.

Direct Infrastructure

As at 30 September 2021, the Direct Infrastructure Fund had drawn down c. 68% of its total €1,081m commitment value for investment, with c. 101% of the total Direct Infrastructure Fund's portfolio committed to investment opportunities as at 30 September 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 £194m as at 25 October 2021, an increase of c. £28m since 30 June 2021.

ASI expects a further c. £18m in commitments to be added to the MSPC Fund around April 2022.

The MSPC Fund has a robust indicative pipeline of private credit assets and has closed on one senior mixed used commercial real estate asset over the third quarter of 2021, and one business services private placement debt asset and one construction equipment leasing company private placement debt asset following quarter end.

Personnel

There were no significant team or personnel changes to the Multi-Sector Private Credit Fund over the third quarter of 2021.

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. $53bn as at 1 August 2021, remaining relatively unchanged since 1 May 2021.

As at 30 September 2021, the Diversified Credit Strategies Fund's net asset value stood at c. $5.0bn, remaining relatively unchanged over the quarter. The Diversified Credit Strategies Fund saw approximately $52m of net cash inflows during the third quarter of 2021.

On 28 October 2021, OHA announced that the firm had entered into an agreement to be acquired by T. Rowe Price, Inc. ("T. Rowe Price"), a global asset management firm with c. $1.6tn in assets under management. OHA has confirmed that the transaction will not change OHA's day-to-day operations, and that OHA will operate as a standalone business within T. Rowe Price, remaining under the OHA brand. There will also be no change to the team managing the Diversified Credit Strategies Fund and there will be no redundancies as part of the transaction. Glen August will remain as CEO of OHA and will join the Board of T. Rowe Price and all OHA partners will sign 5-year employment agreements.

Personnel

At Managing Director level and above, OHA saw two new joiners and one leaver over the third quarter of 2021. Pooja Vivek joined as Managing Director in the Consumer Sector team and Prasanth Nair joined as Managing Director in the Structured Financing and Capital Markets team, while Jared Weisman, Managing Director in the Distressed team, left OHA over the quarter.

Deloitte view – We are comfortable with how the strategy is being managed and the level of risk within the strategy. We have a meeting scheduled with OHA to discuss the recent acquisition and will monitor developments closely.

4.9 Aviva Investors

Business

The Aviva Investors Infrastructure Income Fund (the "AIIIF") had a total subscription value of c. £1,292m as at 30 September 2021, an increase of c. £25m over the third quarter of 2021. As at 30 September 2021, the undrawn amount for the AIIIF was £25m, following an additional commitment from an existing investor.

Personnel

There were no significant team or personnel changes over the quarter to 30 September 2021, with one new associate, Spyridon Kazianis, joining the team over the three-month period.

In addition, as reported last quarter, Aviva Investors is also currently undertaking hiring processes for two Directors.

Deloitte View – Further change and instability within the AIIIF team is a concern following the loss of Ian Berry in December 2019, particularly the loss of another Director over the second quarter of 2021. However, the AIIIF is almost entirely invested and the assets within the portfolio will be held until maturity so the loss of senior originators within the team is not expected to have a significant impact on the existing asset portfolio given the soft close of the fund. The asset management team servicing the existing portfolio of investments remains strong and unchanged which provides some comfort to existing investors. Any leavers from the asset management team would be a cause for concern.

4.10 Aberdeen Standard Investments – Long Lease Property

Business

As at 30 September 2021, the Aberdeen Standard Investments Long Lease Property Fund had a total fund value of c. £3.3bn, increasing by c. £0.1bn since 30 June 2021.

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 4 November 2021, the Long Lease Property Fund had collected 98.9% of its Q3 2021 rent with none of the Long Lease Property Fund's rental income subject to deferment arrangements.

Personnel

There were no significant team or personnel changes over the quarter to 30 September 2021.

Deloitte View – We continue to rate Aberdeen Standard Investments positively for its long lease property capabilities.

4.11 Alpha Real Capital

Business

As at 30 September 2021, Alpha Real Capital's total assets under management stood at £4.4bn.

The Alpha Real Capital Index Linked Income Fund's net asset value stood at £1,767m as at 30 June 2021, with the Fund's NAV as at 30 September 2021 not yet available. Alpha Real Capital expects to be able to draw down the London Borough of Hammersmith & Fulham's commitment over the first quarter of 2022.

Personnel

There were no significant personnel changes over the third quarter of 2021.

Deloitte view – We continue to rate Alpha Real Capital for its ground rent property capabilities.

4.12 Man GPM

Business

Man GPM held a total of c. $3.5bn in assets under management as at 30 September 2021, including commitments and dry powder, an increase of c. $0.1bn over the quarter. The Community Housing Fund's NAV stood at c. £14.9m as at 30 June 2021, with the Fund's NAV at 30 September 2021 not yet available.

As at 30 September 2021, commitments to the Community Housing Fund totaled £135m, with no new commitments received over the quarter. The Fund's total capacity is £400m. Man GPM issued a £1.5m capital call to the London Borough of Hammersmith & Fulham Pension Fund on 12 July 2021, a £1.3m capital call on 30 August 2021 and a £2.3m capital call on 10 September 2021.

Following quarter end, on 26 October 2021, Man GPM issued a further capital call to the London Borough of Hammersmith & Fulham Pension Fund for £1.1m. Following payment, the Fund's total commitment is c. 32% drawn for investment.

Personnel

There were no significant personnel changes over the quarter to 30 September 2021.

Following quarter end, in October 2021, Poly Bradshaw joined Man GPM as a dedicated Project Manager, reflecting Man GPM's commitment to building out the team over time. Poly has joined from London & Quadrant and will be immediately involved in the ongoing delivery of all sites in contract.

Deloitte view – We continue to rate Man GPM for its affordable housing capabilities.

5 London CIV

5.1 Investment Performance to 30 September 2021

The assets under management within the 14 sub-funds of the London CIV was £12,575m as at 30 September 2021, with a further combined £1.8m committed to the London CIV's private market funds. The total assets under oversight (which includes passive investments held outside of the CIV platform) decreased by c. £0.8bn to c. £25.9bn over the quarter. The table below provides an overview of the sub-funds currently available on the London CIV platform.

Sub-fund	Asset Class	Manager	Total AuM as at 30 June 2021 (£m)	Total AuM as at 30 Sept 2021 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	3,521	2,730	11	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	501	1,377	6	13/04/21
LCIV Global Equity	Global Equity	Newton	769	787	3	22/05/17
LCIV Global Equity Core Fund	Global Equity	Morgan Stanley Investment Management	539	552	2	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	930	964	5	17/07/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	513	582	7	11/01/18
LCIV Sustainable Equity Fund	Global Equity	RBC Global Asset Management (UK)	971	1,246	8	18/04/18
LCIV Sustainable Equity Exclusion Fund	Global Equity	RBC Global Asset Management (UK)	449	430	3	11/03/20
LCIV Global Total Return	Diversified Growth Fund	Pyrford	244	244	3	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	689	695	7	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	1,122	1,117	10	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	226	181	2	16/12/16
LCIV MAC	Fixed Income	CQS	1,160	1,174	12	31/05/18
LCIV Global Bond	Fixed Income	PIMCO	496	496	5	30/11/18
Total			**12,130**	**12,575**		

Over the quarter to 30 September 2021, three investors transferred a total of £578m from the LCIV Global Alpha Growth Fund to the LCIV Global Alpha Growth Paris Aligned Fund, with a further additional new investor added to the LCIV Global Alpha Growth Paris Aligned Fund over the three-month period, funded from assets held outside of the London CIV platform.

Additionally, over the quarter, two London Boroughs invested into the LCIV Sustainable Equity Sub Fund and an additional London Borough invested in the LCIV Emerging Market Equity Fund, while one London Borough disinvested from the LCIV Real Return Fund.

6 LCIV – Global Equity Core

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

6.1 Global Equity Core – Investment Performance to 30 September 2021

	Last Quarter (%)	One Year (%)
Net of fees	2.4	11.7
Benchmark (MSCI World Net Index)	1.4	22.2
Global Franchise Fund (net of fees)	3.6	13.0
Net Performance relative to Benchmark	1.0	-10.5

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

Over the quarter to 30 September 2021, the LCIV Global Equity Core Fund delivered a positive return of 2.4% on a net of fees basis, outperforming the MSCI World Net Index by 1.0%. Over the longer twelve-month period to 30 September 2021, the strategy has underperformed its benchmark by 10.5%, delivering a positive absolute return of 11.7% on a net of fees basis.

The LCIV Global Equity Core Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows, and the strategy therefore has a low allocation to cyclical stocks. Underperformance relative to the MSCI-based benchmark over the year can therefore primarily be attributed to a cyclical-led recovery in equity markets.

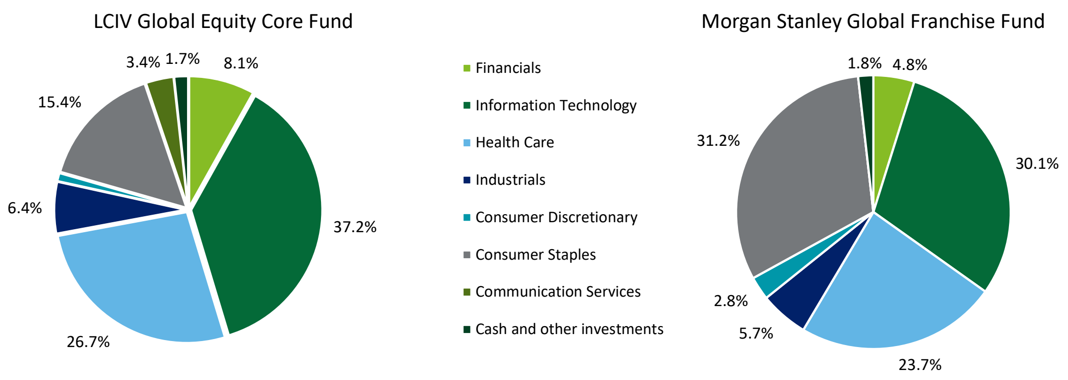
The portfolio is, however, expected to prove beneficial during volatile periods. Over the quarter to 30 September 2021, the wider global equity market delivered modest returns in comparison with recent periods with increased inflationary worries driving a reduction in earnings expectations. In this scenario, the strategy has outperformed the wider market with the stable earnings profile and high-quality characteristics of the underlying stocks proving favourable, relative to cyclical companies.

Over the quarter to 30 September 2021, the Global Equity Core Fund's healthcare and communications services exposures were the best performers. Particularly, both Danaher and Thermo Fisher have proven to be more resilient than expected, with the manager initially concerned that activity levels would reduce as the volume of COVID-related work declined.

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 its key focus on sustainability. As such, there exists a number of small differences in the characteristics of the two funds. Over the quarter to 30 September 2021, the LCIV Global Equity Core Fund underperformed the Global Franchise Fund by 1.2%, with underperformance largely attributed to a lower allocation to consumer staples companies, with beverage and tobacco companies benefitting from increased global social activity, having been adversely impacted by previous social distancing measures.

6.2 Portfolio Sector Breakdown at 30 September 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 30 September 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 intentional tilt towards sustainable investments.

As at 30 September 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 30 September 2021, compared with the Morgan Stanley Global Franchise Fund.

	LCIV Global Equity Core Fund	Global Franchise Fund
No. of Holdings	38	31
No. of Countries	7	5
No. of Sectors*	6	6
No. of Industries*	18	13

*Not including cash

Source: London CIV and Morgan Stanley

Holdings

The top 10 holdings in the Global Equity Core Fund account for c. 47.7% of the strategy and are detailed below.

Global Equity Core Fund Holding	% of NAV
Microsoft	7.5
Visa	5.3
SAP	5.1
Reckitt Benckiser	5.0
Accenture	4.7
Baxter International	4.3
Becton Dickinson	4.2
Danaher	4.0
Thermo Fisher Scientific	3.9
Abbott Laboratories	3.8
Total	47.7*

Global Franchise Fund Holding	% of NAV
Microsoft	9.5
Philip Morris	8.4
Reckitt Benckiser	6.5
Visa	5.2
Danaher	4.8
Accenture	4.8
Thermo Fisher Scientific	4.7
Procter & Gamble	4.5
SAP	4.5
Abbott Laboratories	4.3
Total	57.2*

*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 30 September 2021

	Last Quarter (%)	One Year (%)
Net of fees	2.4	23.7
Benchmark (MSCI World Low Carbon Target)	2.5	23.9
MSCI World Equity Index	2.6	24.0
Net Performance relative to Benchmark	0.0	-0.1

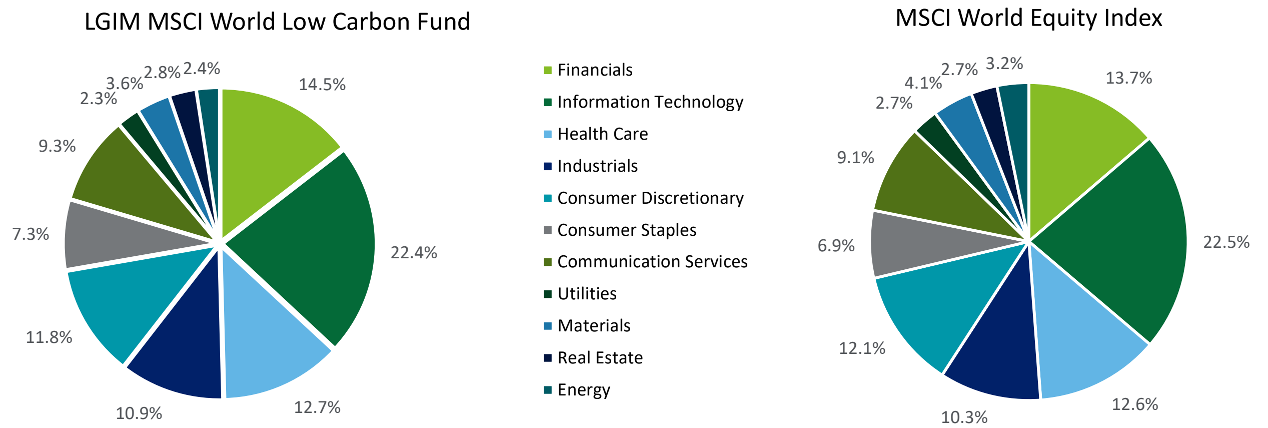
Source: LGIM and Northern Trust. Relative performance may not tie due to rounding.

Over the third quarter of 2021, the LGIM MSCI World Low Carbon Index Fund delivered a positive absolute return of 2.4% on a net of fees basis, slightly underperforming its benchmark and the MSCI World Equity Index benchmark.

The LGIM MSCI World Low Carbon Index Fund delivered a strong positive absolute return of 23.7% on a net of fees basis over the one-year-period to 30 September 2021, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.1%, while underperforming the broader MSCI World Equity Index by 0.3% on a net of fees basis over the year. The Fund's large positive absolute return over the year can be attributed to the widely sustained recovery in global equity markets following the onset of the COVID-19 pandemic over the first quarter of 2020, with global equity markets delivering positive returns over each of the four separate quarters to 30 September 2021.

7.2 Portfolio Sector Breakdown at 30 September 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 30 September 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 relatively lower allocation to materials and energy represents the 'low carbon' nature of the Fund.

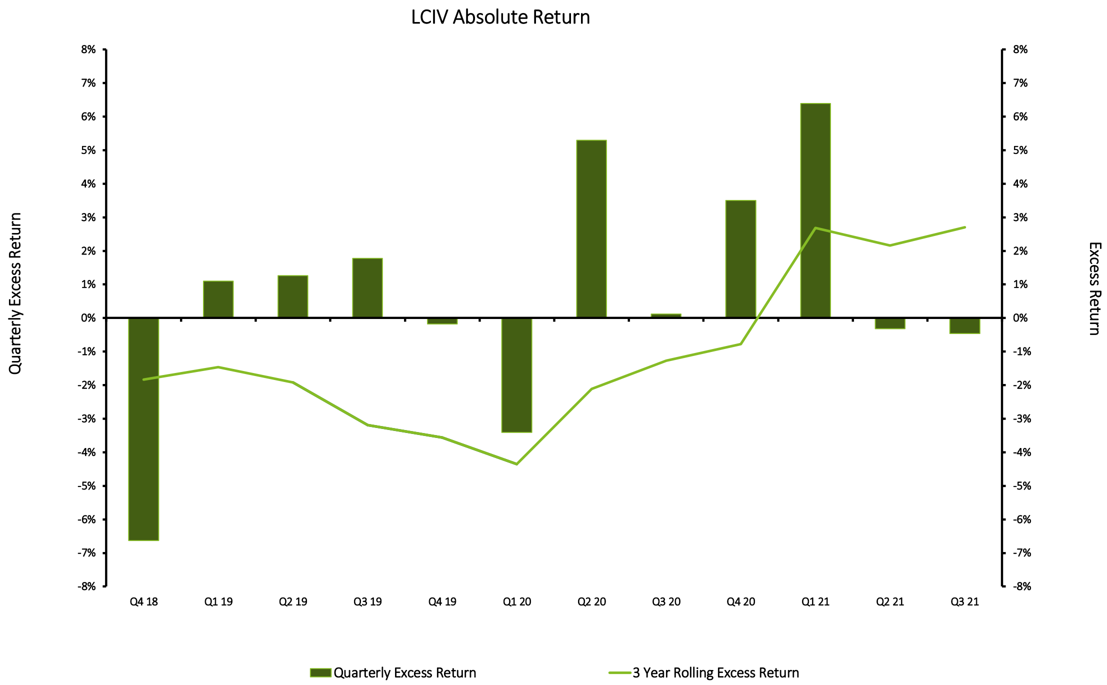
8 LCIV – Absolute Return

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 30 September 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.5	13.6	7.2	4.7
Target	1.0	4.1	4.5	4.5
Net performance relative to Target	-0.5	9.5	2.7	0.2

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



The Absolute Return Fund returned 0.5% on a net of fees basis over the quarter to 30 September 2021, underperforming its LIBOR+4% target by 0.5%. The strategy has delivered a strong absolute return of 13.6% on a net of fees basis over the year to 30 September 2021, outperforming its target by 9.5%. Over the longer three and five year periods to 30 September 2021, the strategy has delivered positive returns of 7.2% p.a. and 4.7% p.a. respectively on a net of fees basis, outperforming the LIBOR-based target by 2.7% p.a. and 0.2% p.a. respectively.

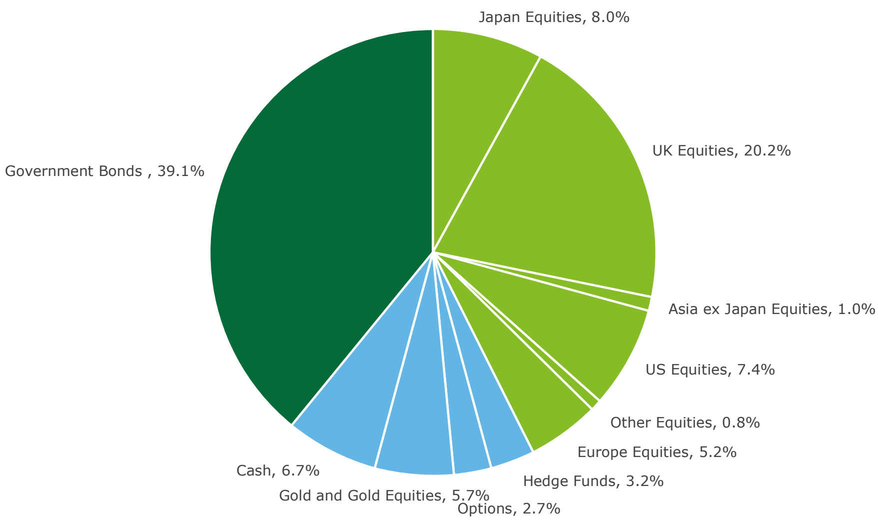
Over a volatile quarter, the Absolute Return Fund generated an overall modest positive return on an absolute basis with the strategy's inflation-linked bonds delivering positive returns over the first two months of the quarter as bond yields fell slightly and inflation expectations were tempered by central banks, partially offset by the portfolio's downside protection option strategies. While heightened inflationary concerns led to the portfolio's downside protection option strategies boosting performance in September, alongside selective energy and financials equity exposures, with the portfolio's interest rate options and energy stock exposure strategically raised in August in time to take part in the oil price and natural gas price surge.

In late August, the manager took profits on the portfolio's long-dated UK inflation-linked bonds to reduce the fund's bond positioning which, combined with the effects of increasing the exposure to protection strategies against higher bond yields, reduced the portfolio net duration to zero.

The strategy's gold and gold equities exposure provided the largest detraction to performance over the quarter. Overall, bond yields rose over the three-month period to 30 September 2021, which coupled with an appreciating US dollar led to a decline in gold pricing, with gold mining equities underperforming the gold price.

8.2 Asset Allocation

The chart below represents the asset allocation of the LCIV Absolute Return Fund portfolio as at 30 September 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 30 September 2021

	Last Quarter (%)	One Year (%)
Net of fees	0.1	2.5
Benchmark	0.0	1.2
Net Performance relative to Benchmark	0.1	1.3

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

The LCIV Global Bond Fund delivered an absolute return of 0.1% on a net of fees basis over the quarter to 30 September 2021, outperforming the Barclays Aggregate – Credit Index Hedged (GBP) Index by 0.1%. Over the year to 30 September 2021, the strategy delivered a positive return of 2.5%, outperforming the benchmark by 1.3%.

With government bond yields rising over the third quarter of 2021, driven by higher inflation expectations and widespread belief that monetary policy may be tightened, credit spreads were steady as a result of robust corporate earnings. As such, the wider credit market delivered a marginal positive return over the three-month period, with the Global Bond Fund, albeit marginally, outperforming its peers owing primarily to the portfolio's overweight positioning and positive credit selection in financials. The strategy's overweight European subordinated bank debt exposure in particular provided a positive contribution to outperformance, alongside the strategy's REIT positions with the manager adding exposure to property companies over the course of the year.

The Global Bond Fund's additional exposure to spreads gained through futures contracts also contributed to outperformance, however, the strategy's exposure to emerging market debt detracted from returns following the deteriorating outlook for Chinese real estate developers. PIMCO reduced the strategy's duration over the quarter, which proved beneficial as yields rose across the curve, while the strategy's security selection also added value over the quarter, particularly within the transportation sector as economies continued to reopen.

The strategy experienced no defaults over the quarter, although 4 issues, representing c. 0.1% of the portfolio, were downgraded to sub-investment grade over the period. These four securities are issued by the same corporate issuer, Standard Industries Inc., whose credit rating was downgraded by S&P from BBB- to BB+ citing the company's intention to distribute $3.2bn in dividends to its parent. PIMCO recommendation is to continue holding the position, as a result of the company's strong business performance with further upside likely to be realised, whilst noting that this recommendation may change if market conditions or company specific circumstances change. 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 per its mandate.

9.2 Performance Analysis

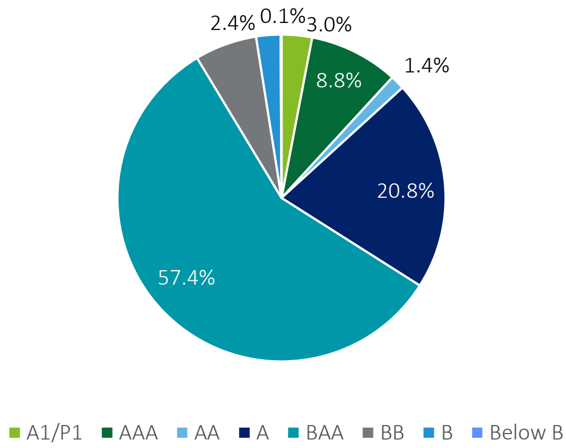
The table below summarises the Global Bond portfolio's key characteristics as at 30 September 2021.

	30 June 2021	30 Sept 2021
No. of Holdings	1,047	1,113
No. of Countries	45	48
Coupon	2.60	2.85
Effective Duration	7.22	6.82
Rating	A-	BAA+
Yield to Maturity (%)	2.39	2.60

Source: London CIV

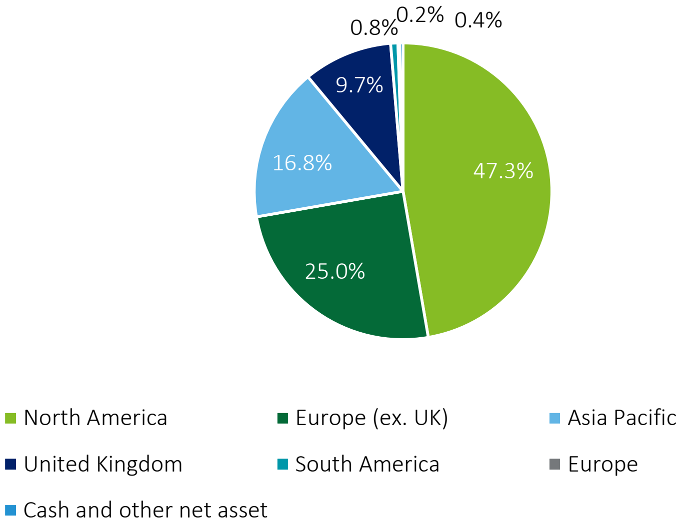
The number of holdings in the portfolio increased by 66 over the quarter, with the Global Bond Fund continuing to participate in an increased level of corporate debt issuance. After opting to increase the strategy's overall duration positions over the second quarter of 2021, PIMCO decreased the portfolio's effective duration position over the quarter by 0.4 years.

The chart below represents the split of the Global Bond portfolio by credit rating. The Fund's investment grade holdings made up c. 91.4% of the portfolio as at 30 September 2021, a decrease of 1.2% 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.

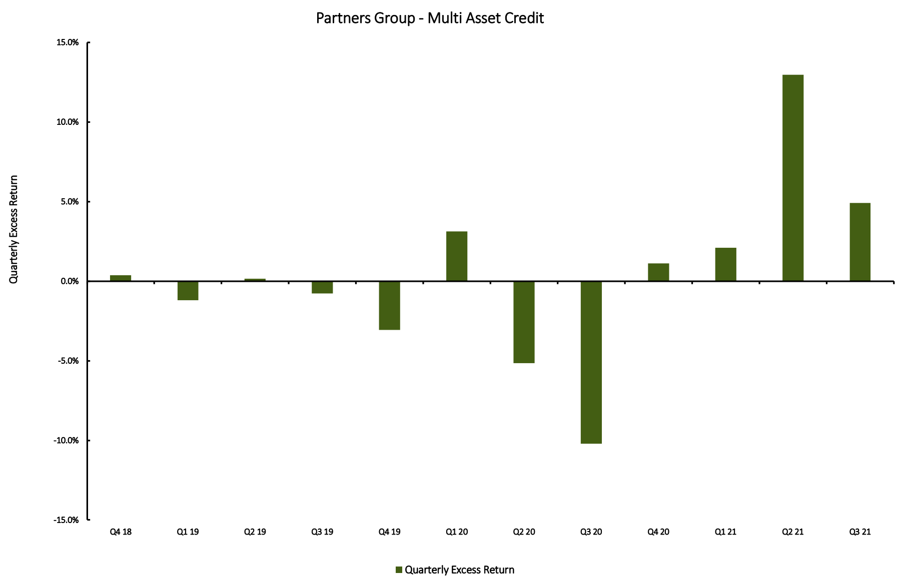
10 Partners Group – Multi Asset Credit

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 31 August 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	5.9	27.1	5.4	5.5
Benchmark / Target	1.0	4.1	4.5	4.5
Net performance relative to Benchmark	4.9	23.0	0.9	1.1

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



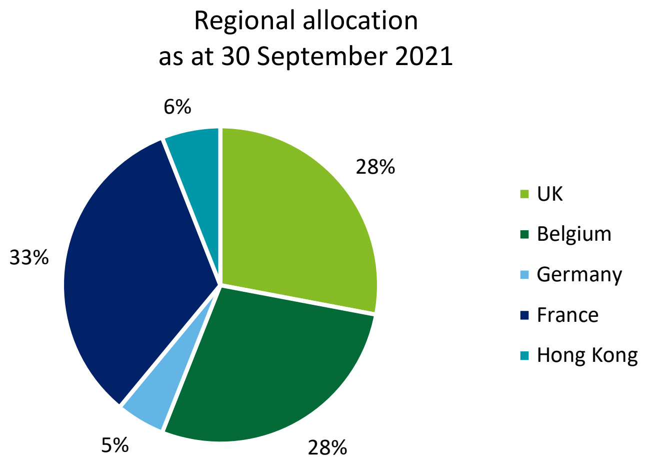
Please note, performance shown is to 31 August 2021.

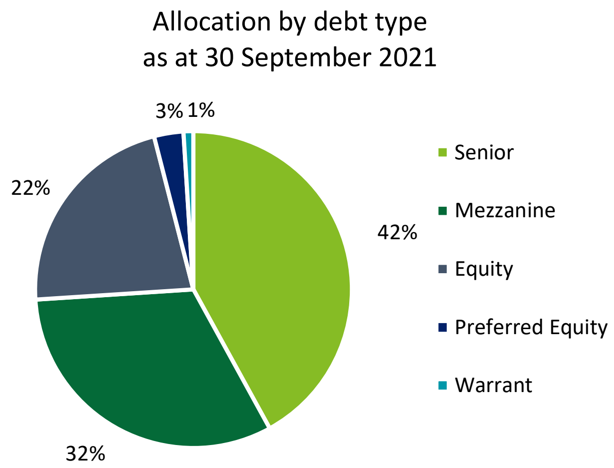
Over the three-month period to 31 August 2021, the Multi Asset Credit strategy delivered a positive return of 5.9% on a net of fees basis, outperforming its 3 Month LIBOR +4% benchmark by 4.9%.

The strategy has delivered a strong positive return of 27.1% on a net of fees basis over the year to 31 August 2021, outperforming its benchmark by 23.0%. The recent strong performance represents the rebound in performance of the strategy's tail investments which the Fund lifespan was extended for, which were initially particularly impacted by the economic restrictions caused by COVID-19, and have recently rebounded as anticipated following the recent reversal and easing of these restrictions in spring and summer 2021. An example of this has been Cote Bistro, the Fund's investment in a French restaurant chain in the UK, which experienced cashflow issues during lockdown and Partners Group performed a 'pre packed administration' to transfer its debt holding for an equity stake in the 'newco' in order to maintain the business, which has subsequently benefitted from the large pent-up demand to dine out after the lifting of restrictions, resulting in strong positive performance over the second quarter of 2021.

10.2 Asset Allocation

The charts below show the regional split and allocation by debt type of the Fund as at 30 September 2021.





Note: Based on information provided by Partners Group.

10.3 Fund Activity

The Partners Group Multi Asset Credit Fund had made 54 investments, of which 47 have been fully realised as at 30 September 2021 following one further full realisation and one partial realisation made over the third quarter of 2021.

The Fund's three-year investment period ended in July 2017 and therefore, any investments realised have subsequently been repaid to investors. In January 2021, Partners Group 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.

The strategy has already returned over 90% of the capital and is expected to deliver an overall return on capital of c. 4%, in line with the 4-6% target return despite the unforeseen impact of COVID-19 – however this expected return is contingent on the tail investments above being given longer to repay.

This further three-year extension was formally approved in May 2021, and subsequent recent performance on the tail investments has been strong as these COVID-19/GDP sensitive investments have rebounded benefitting from the recent easing of economic restrictions over spring/summer 2021 as anticipated.

Over the third quarter of 2021, Partners Group issued three further distributions with c. £1.0m, c. £3.5m and c. £0.4m distributed to the London Borough of Hammersmith & Fulham Pension Fund on 29 July 2021, 7 September 2021 and 28 September 2021 respectively.

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 30 September 2021

	Last Quarter (%)	One Year (%)
Net of fees	0.1	2.8
Benchmark / Target	-0.4	1.0
Net performance relative to Benchmark	0.4	1.8

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

Over the quarter to 30 September 2021, the ASI Multi Sector Private Credit Fund delivered a modest positive absolute return of 0.1% on a net of fees basis, outperforming the blended benchmark by 0.4%. Over the year to 30 September 2021, ASI returned 2.8% on a net of fees basis, outperforming the blended benchmark by 1.8%. 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 30 September 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.

Illiquid Investments

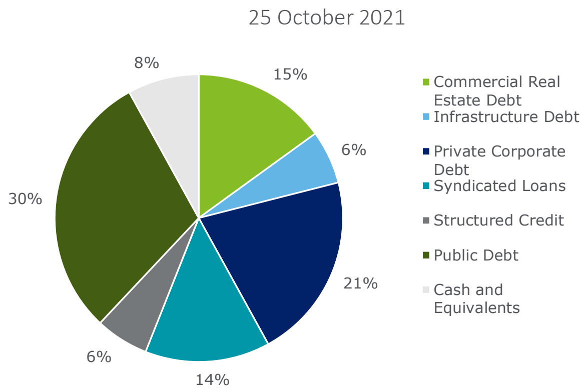
As at 25 October 2021, the MSPC Fund portfolio consists of 17 private assets:

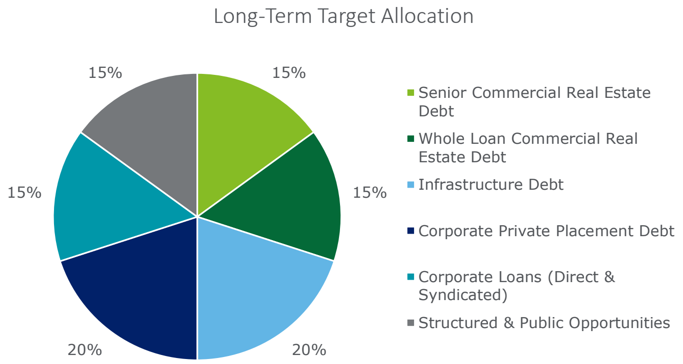
- 2 infrastructure debt investments;
- 7 senior real estate debts investments;
- 1 whole loan real estate debt investment; and
- 7 private corporate debt investments.

ASI has a strong pipeline of opportunities with a further deal in documentation as at 25 October 2021, and expects the target allocation to be achieved over the fourth quarter of 2021.

Asset Allocation

As at 25 October 2021, 67% of the MSPC Fund portfolio has been invested in illiquid assets that make up the long term portfolio, while the remaining 33% 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 25 October 2021 with that of the long-term target allocation.





Source: Aberdeen Standard Investments

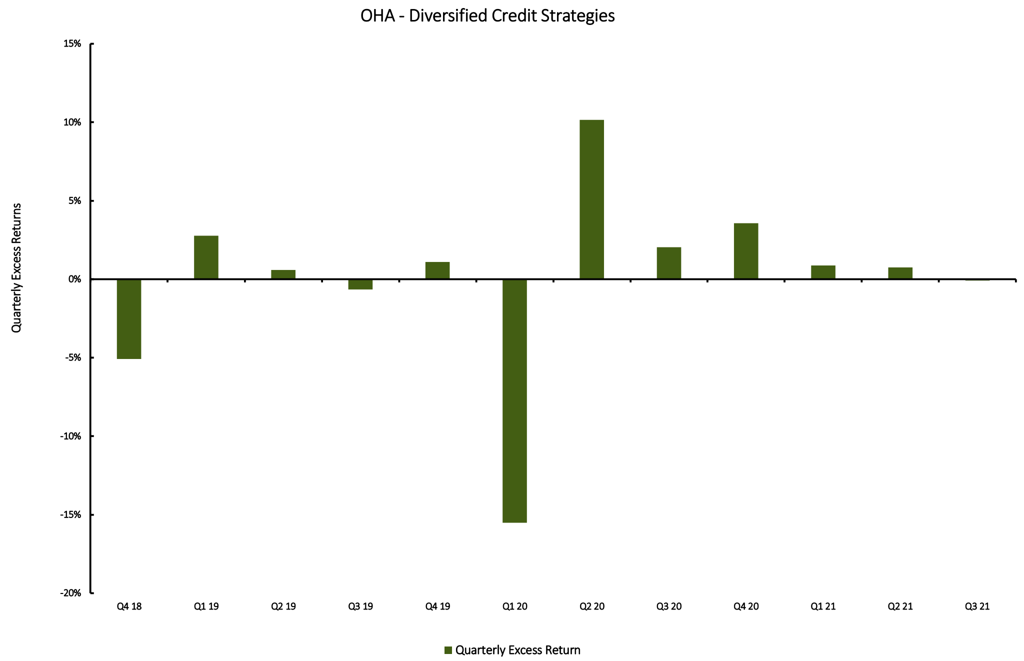
12 Oak Hill Advisors – Diversified Credit Strategies Fund

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 30 September 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.9	9.4	3.9	3.8
Benchmark / Target	1.0	4.1	4.5	4.5
Net Performance relative to Benchmark	-0.1	5.3	-0.5	-0.6

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



Over the third quarter of 2021, the Oak Hill Advisors Diversified Credit Strategies Fund delivered a positive absolute return of 0.9% on a net of fees basis, slightly underperforming its 3 Month Sterling LIBOR +4% p.a. benchmark by 0.1%. The strategy delivered a positive absolute return of 9.4% on a net of fees basis over the year to 30 September 2021, outperforming the benchmark by 5.3%. As the strategy is measured against a cash-plus benchmark, we would expect relative performance differences over shorter time horizons.

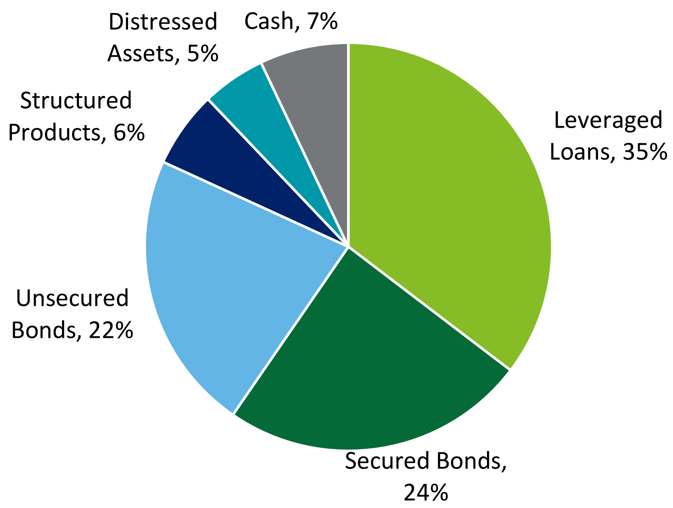
The strategy's high yield bonds and leveraged loans exposures continued to deliver positive returns over the third quarter of 2021, with US and European credit spreads remaining relatively stable as a result of robust corporate earnings, despite a rise in underlying bond yields.

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 since the beginning of the calendar year as a result of the initial anticipation of and subsequent realisation of the relaxation in lockdown restrictions over the first half of 2021.

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 30 September 2021.



Source: Oak Hill Advisors

Over the quarter, the Diversified Credit Strategies Fund increased its allocation to unsecured bonds by 4% whilst decreasing both the portfolio's allocation to leveraged loans and secured bonds by 2% each.

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 30 September 2021

Activity

There were no further acquisitions over the third quarter of 2021. As at 30 September 2021 the Partners Group Direct Infrastructure Fund had made 22 investments of which 3 have been fully realised.

The Direct Infrastructure Fund's investment period ended on 30 September 2021 and the Fund will therefore make no further investments going forward.

As at 30 September 2021, the total capacity of the Partners Group Direct Infrastructure Fund was €1.08 billion. Of this, c. 101% has been committed to investments as at 30 September 2021, with 68% (c. €0.7bn) of the total capacity drawn down from investors as at 30 September 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 cause for concern regarding the Fund as a result of the COVID-19 pandemic.

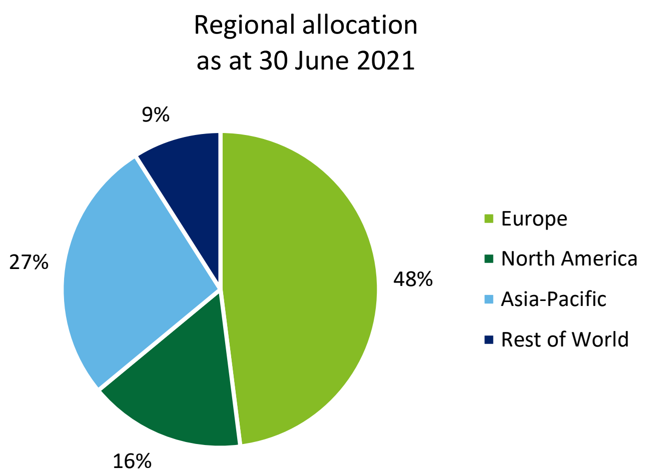
Capital Calls and Distributions

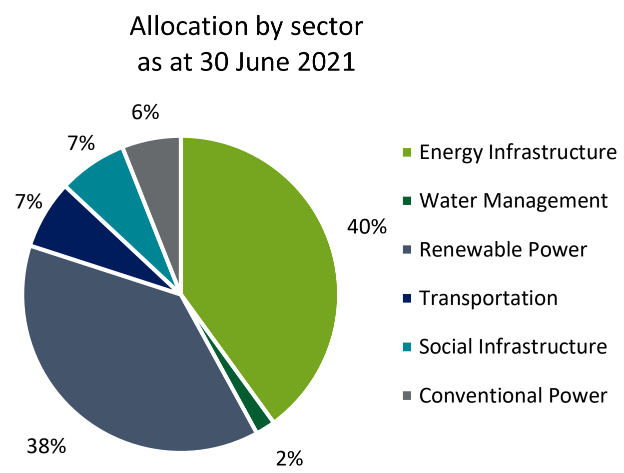
The Fund issued one capital call over the quarter to 30 September 2021:

- On 23 July 2021, the Fund issued a capital call for €21.6m, of which the London Borough of Hammersmith & Fulham Pension Fund was entitled to pay €1.1m.

13.2 Investments Held

The charts below show the regional split of the Direct Infrastructure Fund and a breakdown of the Fund by infrastructure sector as at 30 June 2021.





Note: Based on information provided by Partners Group.

14 Aviva Investors – Infrastructure Income

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

14.1 Infrastructure Income - Investment Performance to 30 June 2021

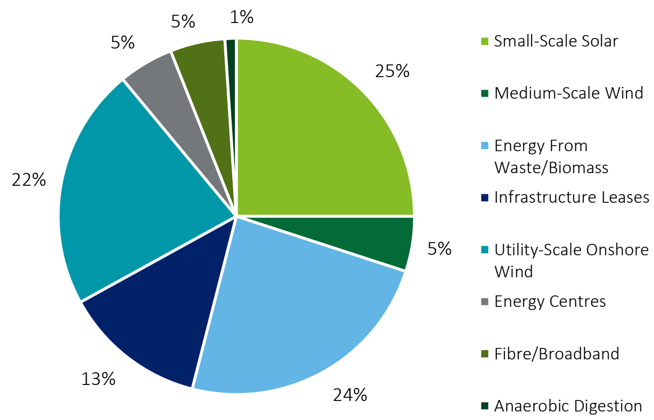
Over the third quarter of 2021, one of the strategy's underlying assets, the Barry Biomass plant, has received an Enforcement Notice against the plant. The biomass plant, a wood incinerator, was authorised to begin construction in 2018 despite protests and petitions by locals in the Vale of Glamorgan area over pollution fears. Earlier in 2021, it was recognised that there had been some inconsistencies between the approved design of the plant and what had actually been built, with Aviva committing to address and resolve the issues and operations recommenced in August. On 1 September, as a result of these inconsistencies, the local council issued the aforementioned Enforcement Notice against the plant which, when served, will give the plant 28 days to remedy the planning breaches or appeal the notice. Aviva expects to appeal the notice. Aviva has stated its belief that the plant will only be removed if Aviva does not work to resolve the issues, which Aviva is working to do.

In addition, a construction stage Energy from Waste project has experienced supply chain disruption and delays in recent periods as a result of the COVID-19 pandemic and the corresponding lockdown procedures. Aviva is currently reviewing the project's business plan with the main contractor. Also, management of the ongoing legal dispute with the Fund's former contractor on three biomass assets continues, with the process timetable delayed and the final hearing for all three plants expected to take place in 2023.

The income distribution of the Fund was 6.4% over the year to 30 June 2021, which sits just below the 7-8% p.a. range targeted by Aviva, with the decrease in yield attributed to identified commissioning defects in the Fund's biomass assets, with these assets therefore not currently operating at full capacity, leading to a revision of Aviva's construction timeline. Distributions are underpinned by operational revenue generated from the Fund's assets. Aviva has confirmed that a rectification programme is in place. It is expected that the plants will operate on an improving intermittent basis for the remainder of 2021 and early 2022, with the plants not expected to operate at full capacity until Q3 2022. Once these assets reach their specified capacity, the associated revenues will increase accordingly, and distributions are expected to return to within Aviva's target range of 7-8% p.a.

Sector Breakdown

The chart below shows the split of the portfolio by sector as at 30 June 2021.



Source: Aviva Investors.

Small-scale solar and utility-scale onshore wind make up c. 47% of the portfolio.

Transactions and Pipeline

The Infrastructure Income Fund received an additional £25m commitment from an existing investor over the quarter.

Aviva did not complete any transactions over the third quarter of 2021 but there exists c. £175m of existing contractual commitments and obligations within the Fund, across three energy from waste assets, two infrastructure leases, one energy centre – all in the construction phase, and three operational fibre/broadband assets.

Ahead of the soft close of the Fund, Aviva has had verbal confirmation from existing investors looking to commit additional capital, with a number of other existing investors agreeing to re-invest income, in order to satisfy the £175m of pre-agreed contractual commitments. We are awaiting further information and confirmation of this.

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 30 September 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.2	9.6	6.5	7.8
Benchmark / Target	-1.3	-4.7	5.0	3.2
Net Performance relative to Benchmark	5.5	14.3	1.4	4.6

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

Over the quarter to 30 September 2021, the ASI Long Lease Property Fund delivered an absolute return of 4.2% on a net of fees basis, outperforming the FT British Government All Stocks Index Benchmark by 5.5%.

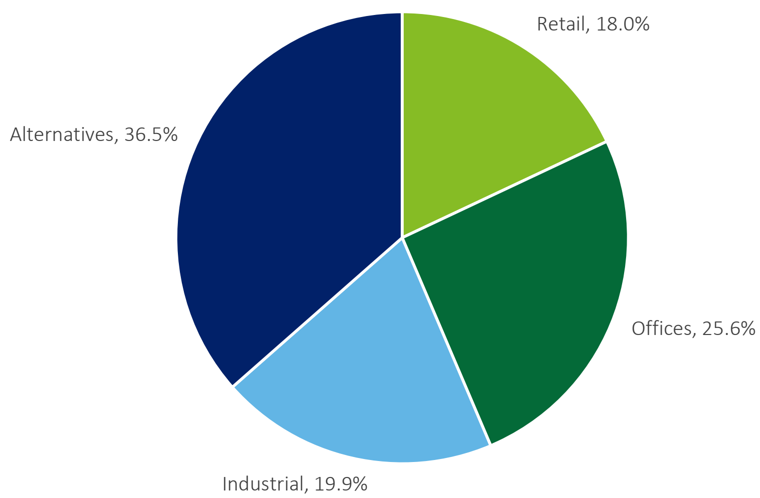
The Long Lease Property Fund has underperformed the wider property market, as measured by the MSCI (formerly IPD Monthly) UK All Property Index, by 0.4% over the third quarter of 2021, largely as a result of the strategy's underweight position to the industrial sector, relative to the wider property market, which delivered positive returns over the third quarter of 2021.

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 improved slightly over the third quarter of 2021 as ASI realised Q3 collection rates of 98.9% (as at 4 November 2021). Over the third quarter of 2021, none of the Long Lease Property Fund's rental income was subject to deferment arrangements, with 1.1% unpaid or subject to ongoing discussions with tenants. As at 4 November 2021, ASI had collected 98.6% of its Q4 2021 rent, with no income subject to deferment arrangements and 1.4% 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 30 September 2021 is shown in the graph below.



Source: ASI.

At the time of writing, ASI has not been able to provide a detailed breakdown of the Long Lease Property Fund's assets as at 30 September 2021, or confirmation of any transactions that have taken place over the third quarter of 2021.

Q3 and Q4 2021 rent collection, split by sector, as at 4 November 2021 is reflected in the table below:

Sector	Proportion of Fund as at 30 September 2021 (%)	Q3 2021 collection rate (%)	Q4 2021 collection rate (%)
Alternatives	6.0	100.0	100.0
Car Parks	3.7	100.0	100.0
Car Showrooms	3.2	100.0	100.0
Hotels	7.8	90.1	90.1
Industrial	14.7	100.0	100.0
Leisure	3.3	90.0	95.0
Public Houses	5.5	100.0	100.0
Offices	29.6	100.0	100.0
Student Accommodation	8.1	100.0	94.0
Supermarkets	18.2	100.0	100.0
Total	**100.0**	**98.9**	**98.6**

As at 30 September 2021, 1.0% of the Fund's NAV is invested in ground rents via an indirect holding in the ASI Ground Rent Fund, with 17.1% of the Fund invested in income strip assets.

The hotels and leisure sectors have expressed the poorest rental collection statistics over the third and fourth quarters of 2021 as at 4 November 2021, with the student accommodation sector also expressing poor rental collection statistics over Q4 2021 as at 4 November 2021.

ASI has stated that the majority of the Long Lease Property Fund's underlying tenants have reverted to paying rent as per their lease terms, with no Q3 or Q4 2021 rental income subject to deferment arrangements as at 4 November 2021.

ASI has now collected over 99% of 2020 rents, and the majority of outstanding rent in 2021 has been reduced to a small number of tenants, including Marstons', continuing with monthly repayments for the time being with all rent expected to be collected in due course. There has been no write-off of any outstanding rent, or rent-free periods agreed.

The table below shows details of the top ten tenants in the fund measured by percentage of net rental income as at 30 September 2021:

Tenant	% Net Income	Credit Rating
Whitbread	5.6	BBB
Viapath	5.0	AA
Tesco	4.9	BBB
Sainsbury's	4.6	BB
Marston's	4.4	BB
Asda	3.7	BBB
Salford University	3.6	A
Secretary of State for Communities	3.5	AA
QVC	3.4	BB
Lloyds Bank	3.3	AA
Total	41.9*	

*Total may not equal sum of values due to rounding

As at 30 September 2021, the top 10 tenants contributed 41.9% of the total net income of the Fund. Of which 13.2% 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 25.2 years as at 30 June 2021 to 25.7 years as at 30 September 2021. The proportion of income with fixed, CPI or RPI rental increases remained relatively unchanged over the quarter at 91.1%.

16 Alpha Real Capital

Alpha Real Capital was appointed to manage a ground rents mandate with the aim of outperforming the BoAML Long-Dated UK Inflation-Linked Gilts Index benchmark by 2.0% p.a. over a 5 year period. The manager has an annual management fee.

16.1 Index Linked Income – Illustrative Investment Performance to 30 September 2021

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	2.4	6.0	5.0
Benchmark / Target	2.8	2.3	8.3
Net Performance relative to Benchmark	-0.4	3.7	-3.3

Source: Alpha Real Capital. Relative performance may not tie due to rounding.

Note, Scheme investment not yet drawn – performance figures for illustrative purposes only.

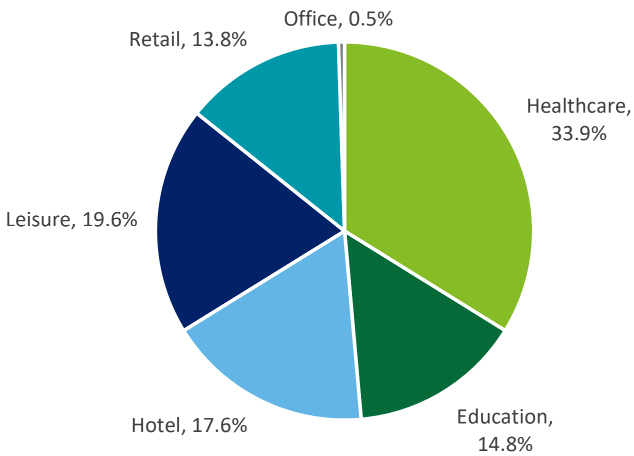
The London Borough of Hammersmith & Fulham's commitment has not yet been drawn for investment by Alpha Real Capital. The Fund's full £60m commitment is expected to be drawn and deployed during the first quarter of 2022. As such, please note that the performance of the Alpha Real Capital Index Linked Income Fund displayed in the table above is for illustration purposes only.

The Index Linked Income Fund has delivered a positive return of 2.4% on a net of fees basis over the quarter to 30 September 2021, but has underperformed its BoAML Long-Dated UK Inflation-Linked Gilts Index +2% by 0.4% with real yields falling over the third quarter of 2021.

Alpha Real Capital has collected c. 88% of the Fund's Q3 2021 rental income, remaining relatively unchanged compared to the second quarter of 2021, having agreed deferrals or holding active discussions with tenants concerning overdue rent. Where deferrals are agreed, extended credit charges are applied to the rents with an expectation that this income will be received in the short to medium term.

16.2 Portfolio Holdings

The sector allocation in the Index Linked Income Fund as at 30 September 2021 is shown in the graph below.



Source: Alpha Real Capital. Totals may not sum to 100% due to rounding.

Alpha Real Capital made no further acquisitions or sales over the third quarter of 2021. As at 13 October 2021, Alpha Real Capital is in the process of executing one further investment, a £75m portfolio of 99 UK pubs, with a further £1.6bn of opportunities under consideration across an extensive pipeline, diversified by sector and location.

The table below shows details of the top ten holdings in the Fund measured by value as at 30 June 2021 (note at the time of writing 30 September data was not available):

Tenant	Value (%)	Credit Rating
Leonardo Hotels	16.0	A1
Elysium Healthcare	12.0	Baa1
Parkdean	10.0	A3
HC One	8.5	A3
Dobbies Garden Centres	8.5	Baa2
PGL	6.0	Baa3
Away Resorts	5.6	Baa1
Busy Bees	4.4	A3
Kingsway Hall	4.1	A3
CareTech	3.9	Baa1
Total	79.0	

Source: Alpha Real Capital. Totals may not sum due to rounding.

The top 10 holdings in the Index Linked Income Fund accounted for c. 79.0% of the Fund as at 30 June 2021, with asset details as at 30 September 2021 not yet available at the time of writing.

The average lease length stood at 139 years as at 30 September 2021, remaining relatively unchanged over the quarter while the Index Linked Income Fund's portfolio continues to be 100% linked to RPI with no fixed rent reviews in the portfolio.

17 Man GPM

Man GPM was appointed to manage an affordable housing mandate following the manager selection exercise in February 2021. The manager has an annual management fee.

17.1 Community Housing Fund - Investment Performance to 30 September 2021

Capital Calls and Distributions

The Fund issued three capital calls over the quarter to 30 September 2021:

- Man GPM issued a £1.5m capital call to the London Borough of Hammersmith & Fulham Pension Fund on 12 July 2021. The request consisted of c. £1.1m for investments and c. £0.5m for expenses;

- Man GPM issued a £1.3m capital call to the London Borough of Hammersmith & Fulham Pension Fund on 30 August 2021, with the entire drawdown amount issued to fund investments; and

- Man GPM issued a £2.3m capital call to the London Borough of Hammersmith & Fulham Pension Fund on 10 September 2021. The request consisted of c. £2.1m for investments and c. £0.2m for expenses.

As such, as at 30 September 2021, the London Borough of Hammersmith & Fulham Pension Fund's commitment was c. 29% drawn for investment.

Following quarter end, on 26 October 2021, Man GPM issued a further capital call for £1.1m to be paid by the London Borough of Hammersmith & Fulham Pension Fund, consisting entirely of capital drawn for investments into the portfolio. Following payment of this capital call, the London Borough of Hammersmith & Fulham Pension Fund's commitment was c. 32% drawn for investment.

Man GPM expects to draw capital into the Fund on a quarterly basis in addition to ad hoc drawdown requests to fund specific investments.

Activity

Man GPM agreed terms on one project over the third quarter of 2021:

- Campbell Wharf, Milton Keynes – a forward fund of 79 flats in a single block close to the city centre, with 100% affordable rent targeted at key worker and median income households. The investment has been completed and Man GPM is holding discussions on a 10 year operating lease to a local Housing Association. Gross project cost of £22m.

Following this investment, the Community Housing Fund has now committed c. £95m across four affordable housing assets, with a fifth site expected to complete in November 2021 which would increase the Fund's commitment level to c. £120m.

Man GPM has stated that all projects are proceeding broadly in-line with expectations.

Pipeline

At the time of writing, Man GPM has been unable to provide an updated list of pipeline opportunities. As at end July 2021, Man GPM's pipeline investment opportunities included a list of seven developments, including Campbell Wharf, with an estimated combined gross project cost of £278m where the manager is in negotiations with the vendor with an offer either accepted or preferred bidder status gained, alongside three favourable investment opportunities with an estimated combined gross project cost of £168m where Man GPM holds a positive view on returns and investment thesis, having completed initial due diligence, with an offer not yet accepted by the vendor.

17.2 Investments Held

The table below shows a list of the projects currently undertaken by Man GPM Community Housing Fund as at 30 June 2021.

Investment	Number of Homes	Number of Affordable Homes	Expected Total Commitment – Gross (£m)	Expected Total Commitment – Net (£m)	Total Capital Drawn and Invested to Date (£m)
Alconbury Weald	95	95 (100%)	22.4	12.0	4.8
Grantham	227	186 (82%)	38.0	17.0	4.8
Lewes	41	39 (95%)	12.9	10.5	1.2
Total	363	320 (88%)	73.3	39.5	10.8

Source: Man GPM

At the time of writing, Man GPM has been unable to provide an updated list of projects as at 30 September 2021. Therefore, the table above does not include Campbell Wharf, which was completed over the third quarter of 2021, and the total capital drawn and invested by the Community Housing Fund may have increased.

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 – 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.

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