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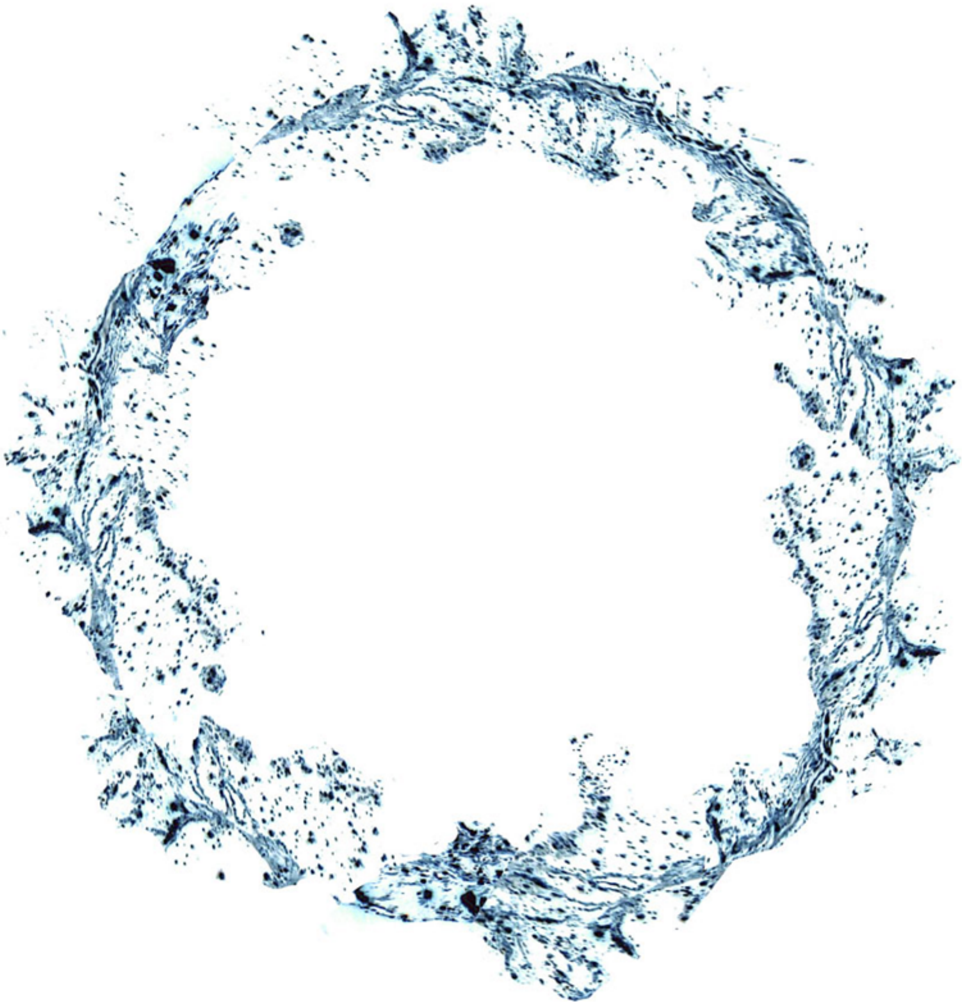


London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 31 March 2022

Deloitte Total Reward and Benefits Limited
May 2022

Contents

1 Market Background

Global Equities

Global equity markets were particularly volatile over the first quarter of 2022, triggered by Russia's invasion of Ukraine in late February. Sanctions imposed on Russia effectively reduced the supply of key commodities such as oil, gas and wheat, causing their prices to soar. The rise in energy prices and the further disruption to global supply chains is expected to push inflation to even higher levels and dampen economic activity.

With inflation rising to historically significant levels, central banks have been forced to tighten monetary policy - the Bank of England raised the UK base rate twice over the quarter. Investment markets are now pricing in more aggressive normalisation of monetary policy, with minutes from the recent meeting of the Federal Reserve Open Market Committee seemingly reinforcing these expectations. The European Central Bank has proceeded more cautiously but now plans to end net bond purchases by the end of September and indicated that a first interest rate rise is possible this year.

Investor concerns aren't limited to the Ukraine conflict and higher inflation. China's commitment to its zero-tolerance approach in the face of a new wave of COVID-19 infections, is expected to impact global economic activity and add to existing supply chain issues.

Over the first quarter of 2022, global equity markets performed negatively with the FTSE All World Index returning -4.6% in local currency terms. Performance across most global regions was negative with the exception of UK which delivered a return of 0.5% thanks primarily to its significant exposure to the energy, mining, and banking sectors.

European markets performed particularly poorly due to the region's significant economic ties to Russia. The region's equities returned -10.3% over the quarter in local currency terms. US technology stocks were particularly badly impacted by the expectations of accelerated monetary policy tightening, contributing to a c. 5% fall in US listed stocks. Asia Pacific markets and Emerging Market equities also performed negatively over the quarter, partly as a result of China related concerns. The FTSE All World Asia Pacific ex-Japan index returned -4.4% in local currency terms and the FTSE Emerging Markets index returned -5.5% in local currency terms.

Government bonds

UK nominal gilt yields increased over the quarter across all maturities as the Bank of England raised the UK base rate to 0.75% and inflation expectations increased. UK consumer price inflation is forecast to reach 8.7% in late 2022 having been previously forecast to peak at 4.4%. The All Stocks Gilts Index delivered a return of -7.2% over the quarter, whilst the longer-dated Over 15-year Index delivered a return of -12.3%.

Real yields on index-linked gilts moved in a similar fashion to their nominal equivalents, rising by up to 40 bps. The All Stocks Index-Linked Gilts Index delivered a return of -5.5% over the first quarter.

Corporate bonds

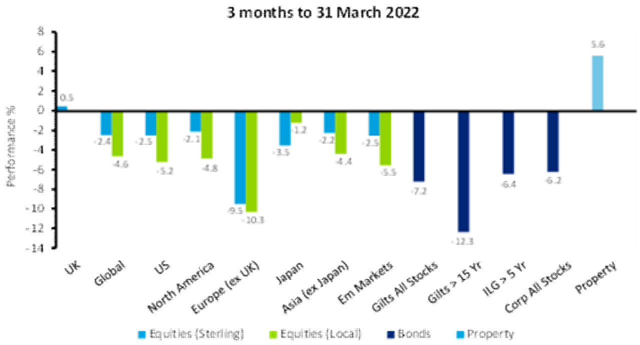
Credit spreads on sterling denominated corporate bonds widened over the quarter in response to higher inflation expectations and a weaker economic outlook. The iBoxx All Stocks Non-Gilt Index returned -6.2% over the three months to 31 March 2022, underperforming gilts of equivalent duration.

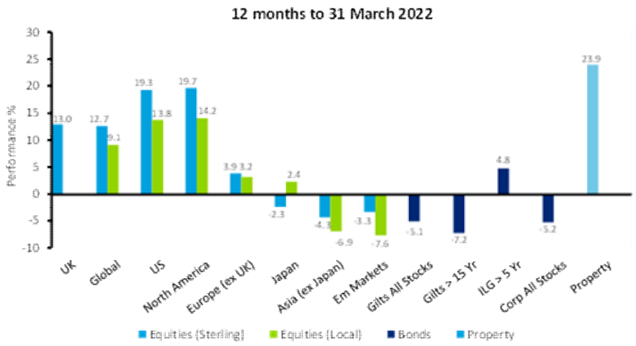
Property

The MSCI UK All Property Index delivered a return of 5.6% over the first quarter, and a return of 23.9% over the 12 months to 31 March 2022. The industrial sector continues to lead the way with a quarterly return of 8.4%, whilst the office sector continued to underperform, returning 1.7%. The retail sector was the second-highest performing sector over the quarter, delivering a return of 6.1%.

Responsible Investing

The ongoing conflict in Ukraine is expected to accelerate the clean-energy transition as the UK and other European nations made plans to reduce their dependence on Russian oil and gas. The European Union announced plans to be independent from Russian fossil fuels before 2030 through energy saving methods and expansion of wind and solar power. The MSCI World ESG Focus Index delivered a return of -5.7% over the three-month period underperforming the wider MSCI World Index by c. 0.5%, largely due to being overweight the technology sector and underweight oil and gas stocks.





2 Performance Overview

2.1 Investment Performance to 31 March 2022

Breakdown of Fund Performance by Manager as at 31 March 2022 Fund	Manager	3 month	1 year	3 year p.a.	5 year p.a.
Equity Mandate					
	LCIV Global Equity Core Fund	-6.3	11.1	n/a	n/a
MSCI AC World Index		-2.6	12.4	n/a	n/a
Difference		-3.6	-1.3	n/a	n/a
	LGIM Low Carbon Mandate	-2.5	15.5	15.3	n/a
MSCI World Low Carbon Target Index		-2.5	15.6	15.4	n/a
Difference		0.0	-0.1	-0.1	n/a
Dynamic Asset Allocation					
	LCIV Absolute Return Fund	4.4	7.3	10.5	5.5
3 Month Sterling SONIA + 4% p.a.		1.1	4.2	4.4	4.5
Difference		3.4	3.1	6.1	1.0
Global Bonds					
	LCIV Global Bond Fund	-7.1	-4.6	n/a	n/a
Barclays Credit Index (Hedged)		-7.0	-5.1	n/a	n/a
Difference		-0.1	0.5	n/a	n/a
Secure Income					
	Partners Group MAC[2]	4.0	34.6	8.7	7.1
3 Month Sterling SONIA + 4% p.a.		1.1	4.2	4.4	4.5
Difference		2.9	30.5	4.4	2.7
	Oak Hill Advisors	-0.4	2.8	4.0	3.2
3 Month Sterling SONIA + 4% p.a.		1.1	4.2	4.4	4.5
Difference		-1.5	-1.3	-0.4	-1.3
	abrdn MSPC Fund	-0.1	0.9	n/a	n/a
Blended benchmark4		-4.4	-3.8	n/a	n/a
Difference		4.3	4.8	n/a	n/a
	Partners Group Infra[2]	6.5	22.3	17.5	9.4
	Aviva Infra Income[3]	4.1	9.9	3.1	n/a
Inflation *Protection*					
	abrdn Long Lease Property Fund	5.9	14.0	7.8	8.1
FT British Government All Stocks		-6.7	-2.6	1.6	2.6
Difference		12.6	16.6	6.2	5.5
Affordable Housing					
	Man GPM	0.0	n/a	n/a	n/a
3 Month Sterling SONIA + 4% p.a.		1.1	n/a	n/a	n/a
Difference		-1.1	n/a	n/a	n/a
Total Fund		-0.8	9.8	9.4	6.9
Benchmark[1]		-1.9	7.3	8.6	7.4
Difference		1.1	2.5	0.8	-0.5

Source: Northern Trust (Custodian). Figures are quoted net of fees. Differences may not tie due to rounding.
Please note that there also exists a residual private equity allocation to Invesco and Unicapital – this allocation makes up 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 28 February 2022.
[3] Aviva Investors performance figures provided by Northern Trust take into account a c. 1.6% income distribution from the Infrastructure Income Fund towards the end of each quarter.
[4] abrdn MSPC Fund is measured against a blended benchmark of 3 Month Sterling SONIA 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 abrdn. 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 2022, the MSPC Fund was measured against a blended benchmark of 33% 3 Month Sterling SONIA and 67% ICE ML Sterling BBB Corporate Bond Index.

3 Total Fund

3.1 Investment Performance to 31 March 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Total Fund - Net of fees	-0.8	9.8	9.4	6.9
Benchmark(1)	-1.9	7.3	8.6	7.4
Net performance relative to benchmark	1.1	2.5	0.8	-0.5

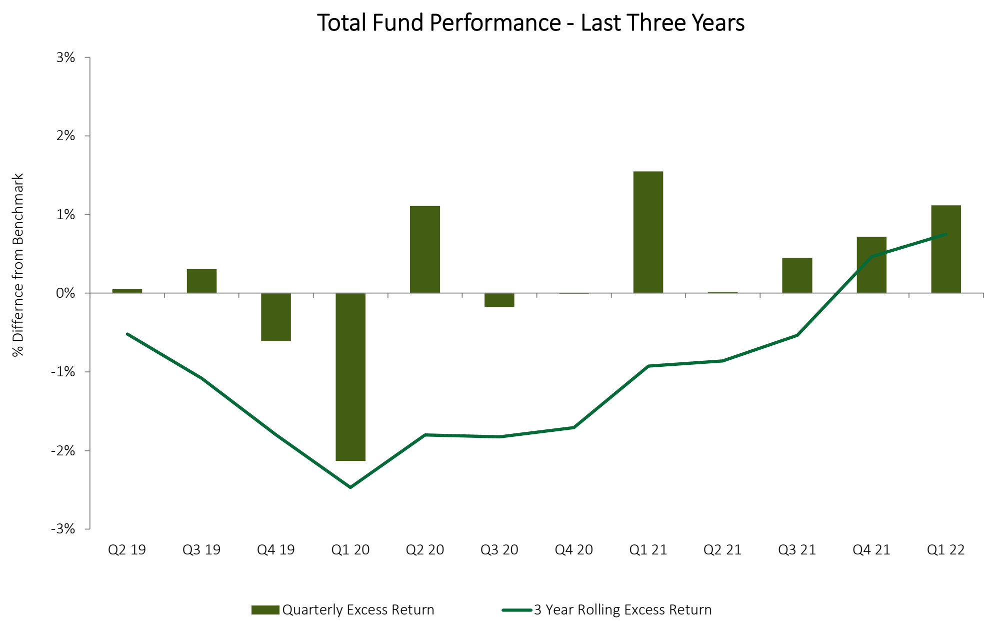
Source: Northern Trust. Relative performance may not sum due to rounding.

(1) Fixed weight benchmark

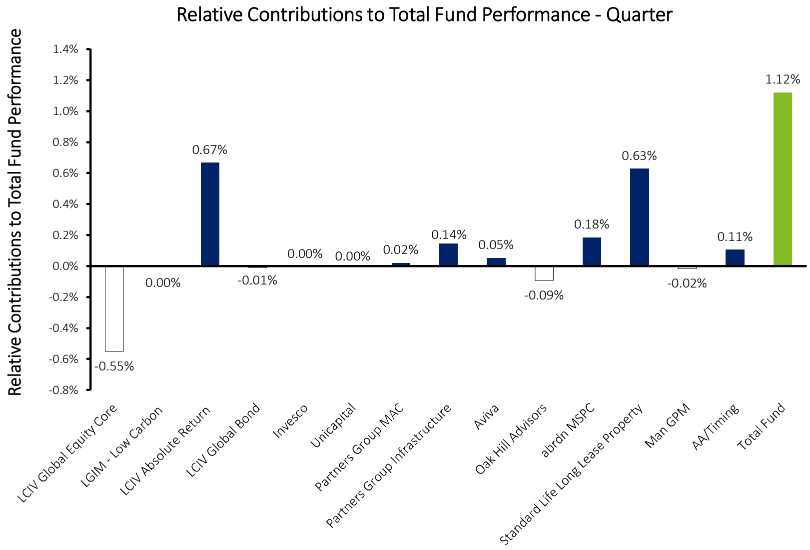
Over the quarter to 31 March 2022, the Total Fund delivered a negative absolute return of -0.8% on a net of fees basis, outperforming the fixed weight benchmark by 1.1%.

Over the year to 31 March 2022, the Total Fund delivered a positive absolute return of 9.8% on a net of fees basis, outperforming its fixed weight benchmark by 2.5%. The Total Fund delivered positive absolute returns of 9.4% p.a. and 6.9% p.a. on a net of fees basis over the longer three and five year periods to 31 March 2022 respectively, outperforming the fixed weight benchmark by 0.8% p.a. over the three year period and underperforming the fixed weight benchmark by 0.5% p.a. over the five years to 31 March 2022.

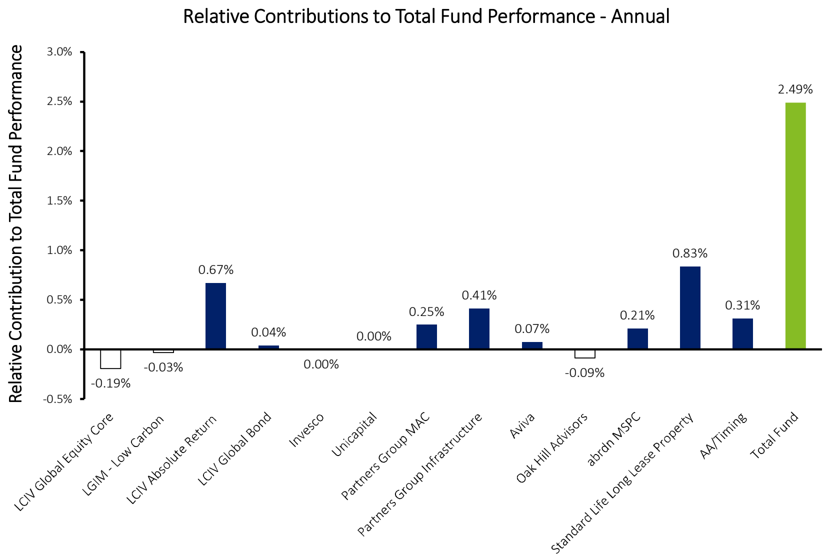
The chart below compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 31 March 2022. The 3-year rolling excess return remained positive over the first quarter of 2022.



3.2 Attribution of Performance to 31 March 2022



The Fund outperformed its fixed weight benchmark by c. 1.1%, over the quarter to 31 March 2022 with outperformance primarily driven by the LCIV Absolute Return Fund and the Standard Life Long Lease Property Fund, managed by abrdn. The LCIV Absolute Return Fund outperformed its cash-plus target over the first quarter of 2022 with the manager's protection positions proving beneficial over a volatile quarter, while the Standard Life Long Lease Property Fund outperformed its gilts-based benchmark over the quarter owing to a noticeable rise in gilt yields over the three-month period. Outperformance was partially offset by the LCIV Global Equity Core Fund, having underperformed its MSCI benchmark over the quarter. The positive attribution represented by the "AA/Timing" bar primarily reflects the impact of the Fund's overweight allocation to the LCIV Absolute Return Fund, managed by Ruffer, with the Fund delivering positive absolute returns over the quarter.



Over the year to 31 March 2022, the Fund outperformed its fixed weight benchmark by c. 2.5% with outperformance over the twelve month period primarily driven by the Standard Life Long Lease Property Fund owing to a rise in gilt yields over the year, and the LCIV Absolute Return Fund, with the strategy's equity and inflation-linked bonds positioning proving beneficial over the first stages of the year and the manager's protection positions aiding outperformance over the year's latter stages.

3.3 Asset Allocation

The table below shows the value of assets held by each manager as at 31 March 2022 alongside the Target Benchmark Allocation.

Manager	Asset Class	Actual Asset Allocation 31 Dec 2021 (£m)	31 March 2022 (£m)	31 Dec 2021 (%)	31 March 2022 (%)	Benchmark Allocation (%)
LCIV	Global Equity Core	201.3	188.6	15.2	14.3	15.0
LGIM	Low Carbon Equity (passive)	448.1	405.5	33.9	30.7	30.0
	Total Equity	**649.4**	**594.1**	**49.1**	**45.0**	**45.0**
LCIV	Absolute Return	261.7	270.9	19.8	20.5	10.0
LCIV	Global Bond	108.1	99.8	8.2	7.6	10.0
	Total Dynamic Asset Allocation	**369.8**	**370.7**	**28.0**	**28.1**	**20.0**
Partners Group[1]	Multi Asset Credit	8.0	8.0	0.6	0.6	0.0
Oak Hill Advisors	Diversified Credit Strategies	82.6	66.3	6.3	5.0	5.0
Partners Group[1]	Direct Infrastructure	42.7	45.5	3.2	3.4	5.0
Aviva	Infrastructure Income	25.9	26.6	2.0	2.0	2.5
abrdn	Multi Sector Private Credit	56.0	55.7	4.2	4.2	5.0
Darwin Alternatives	Leisure Development Fund	-	32.6	-	2.5	2.5
	Secure Income	**215.2**	**234.6**	**16.3**	**17.8**	**20.0**
abrdn	Long Lease Property	65.9	69.8	5.0	5.3	5.0
Alpha Real Capital	Ground Rents	-	-	-	-	5.0
Man GPM	Affordable Housing	19.7	18.2	1.5	1.4	2.5
	Total Inflation Protection	**85.6**	**88.0**	**6.5**	**6.7**	**15.0[2]**
Northern Trust	Trustee Bank Account	0.3	32.1	0.0	2.4	0.0
	Total[3]	**1,320.5**	**1,319.7**	**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 2021 and 28 February 2022).
[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.

As reported last quarter, at the 23 November 2021 Pension Fund Committee Meeting, the Committee agreed to invest 2.5% of the Fund's total allocation in the Darwin Alternatives Leisure Development Fund as part of the secure income portfolio, reducing the Oak Hill Advisors allocation by 2.5% to 5.0%. The Fund's £32m commitment to Darwin was drawn for investment during January 2022, funded initially from the LGIM MSCI World Low Carbon Index Fund. The Fund disinvested £16m from the Oak Hill Advisors Diversified Credit Strategies Fund during March 2022, with the proceeds held in the Trustee Bank Account as at quarter end.

There remains 2.5% of the Fund's strategic benchmark to be allocated to inflation protection (from the M&G Inflation Opportunities disinvestment). This is currently being held in the LCIV Absolute Return Fund.

The Fund's commitment with Alpha Real Capital was closed on 17 May 2021, with the Fund having committed £60m to the strategy. Following quarter end, Alpha Real Capital issued a draw down request for £25m to be paid by 1 June 2022.

Man GPM issued a distribution of £6.0m to the Fund, including an equalisation payment of £5.8m to reflect the impact of new investors committing to the strategy at the most recent close, and one further draw down request for £4.5m over the first quarter of 2022. Following quarter end, in early May 2022 Man GPM issued a further distribution of £2.7m to the Fund, including an equalisation payment of £2.6m. As such, following receipt of the May equalisation payment, the Fund's commitment is c. 64% drawn for investment. The Man GPM drawdown requests have been funded from the LCIV Absolute Return Fund.

The Fund's bank balance, held in an account managed by Northern Trust, increased by c. £32m over the first quarter of 2022. This can primarily be attributed to the aforementioned £16m disinvestment from Oak Hill Advisors and the £6m distribution payment from Man GPM, alongside distributions issued by a number of the Fund's other investments.

3.4 Yield Analysis as at 31 March 2022

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

Manager	Asset Class	Yield as at 31 March 2022
LCIV	Global Equity Core	1.25%
LGIM	Low Carbon Equity	1.76%
LCIV	Absolute Return	1.90%
LCIV	Global Bond	4.09%
Partners Group	Multi-Asset Credit	7.70%[2]
Oak Hill Advisors	Diversified Credit Strategy	7.10%
Aviva Investors	Infrastructure	5.40%[1]
abrdn	Long Lease Property	3.75%
	Total	2.13%

[1]Represents yield to 31 December 2021.

[2]Represents yield to 28 February 2022.

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
Darwin Alternatives	Leisure Development Fund	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
abrdn	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 £13,206m within the 16 sub-funds (not including commitments to the private markets strategies) as at 31 March 2022, a decrease of £671m despite net flows of £232m into the London CIV platform, primarily as a result of negative market returns over a volatile first quarter of 2022. The positive net flows over the quarter can be partially attributed to the impact of three investors seeding the LCIV Alternative Credit Fund, which launched on 31 January 2022.

As at 31 March 2022, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £26.7bn, a decrease of c. £2.9bn over the quarter. Cumulative additional commitments to the London CIV's public market funds totaled £232m over the first quarter of 2022, with total commitments raised by the private market funds standing at £2.2bn of which £771m had been drawn as at 31 March 2022.

Over the quarter, the London CIV announced that the planned adjustments to the LCIV Global Bond Fund, which the Fund currently invests in, are expected to complete by mid-July 2022. As part of the adjustments, further integration of ESG criteria will be taken account of within the Sub Fund's investment process. The London CIV has confirmed that the broad risk/return profile, investment objective, benchmark and prospectus of the Sub Fund will remain unchanged.

Personnel

Two investment analysts, Sahil Arora and Zakariya Mansha joined the London CIV Investment Team over the first quarter of 2022. Sahil and Zakariya will assist with the monitoring of London CIV platform funds.

Following quarter end, in April 2022, Cameron McMullen, Client Director and CEO, announced he has informed the London CIV Board of his intention to retire from the role at the end of March 2023. Cameron intends to step back from a full-time role, exploring an alternative challenge. Cameron will remain in his role until March 2023 and will support the London CIV during the transition period.

Following quarter end, in May 2022, the London CIV announced four new hires. Naomi Brown joined the Fund Accounting Team, Christiana Omoroga joined the Risk and Compliance Team, Marie-Chantel Ahagbuje joined the Governance Team and Victoria Morris joined the Client Services Team.

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. £563m as at 31 March 2022, a decrease of c. £38m over the quarter.

As at 31 March 2022, the Morgan Stanley Global Sustain Fund, which the LCIV Global Equity Core Fund is based upon, held assets under management of c. $4.9bn, representing a decrease of c. $0.2bn over the first quarter of 2022 as a result of negative market movements.

Personnel

There were no significant personnel changes to the Morgan Stanley Global Sustain Fund over the first quarter of 2022.

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

4.3 LGIM

Business

As at 31 December 2021, Legal & General Investment Management ("LGIM") had assets under management ("AuM") of c. £1,421bn, an increase of c. £94bn since 30 June 2021. Note, LGIM provides AuM updates biannually.

Personnel

Over the first quarter of 2022, Kurt Morriesen joined LGIM as the Head of Investment Stewardship. Kurt joins LGIM from the United Nation Development Programme with over 15 years of impact investment and ESG strategy experience in international organisations, such as the World Bank, and private firms specialising in sustainable investments.

Within the Index business, Russell Jones was appointed as the Head of Index Equities, EMEA, taking on David Barron's previous responsibilities for the day-to-day management of the Index Equity team in London following David's return to Chicago as Head of US Index Solutions.

Additionally, over the quarter, Sacha Mirza was appointed to a newly created role as Head of Index Analytics and Technology, reporting directly to Howie Li, Global Head of Index Funds and ETFs. Sacha will transition into this new role over the remainder of 2022 ensuring a smooth handover of his current portfolio management responsibilities to the existing Index Equity team in London. To aid this transition, the team plan to hire an additional fund manager resource in the coming months.

Both Russell and Sacha have been with LGIM for an extended period and are very well positioned to steward and grow the business in their respective new roles.

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

4.4 Ruffer

Business

As at 31 March 2022, Ruffer held c. £26.0bn in assets under management, an increase of c. £2.0bn over the quarter.

Personnel

Following an announcement in 2021, as planned, David Ballance, co-manager of the Absolute Return Fund since 2006 and leading member of Ruffer's institutional client team, retired 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. David's individual client relationships have been transitioned across Ruffer's institutional team.

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. $2.0tn in assets under management as at 31 March 2022, a decrease of $0.2tn over the quarter as a result of negative market movements. The LCIV Global Bond Fund had assets under management of c. £639m as at 31 March 2022, a decrease of £50m over the first quarter of 2022.

Personnel

There were no significant personnel changes to the Global Bond Fund over the first quarter of 2022.

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

4.6 Partners Group

Business

Partners Group held total assets under management of c. $127bn as at 31 December 2021, representing an increase of c. $8bn since 30 June 2021. Note, Partners Group provides AuM updates biannually.

Multi Asset Credit

The Partners Group MAC Fund's net asset value stood at c. £41.5m as at 31 March 2022, a decrease of c. £0.3m since the previous quarter end valuation at 31 December 2021 with positive portfolio returns over the quarter offset by a distribution of capital which totaled £1.5m split across all investors.

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. As mentioned above, Partners Group issued one further distribution over the quarter, with £1.5m distributed on 31 January 2022, split across all investors.

Direct Infrastructure

As at 31 March 2022, the Direct Infrastructure Fund had drawn down c. 80% of its total €1,081m commitment value for investment, with c. 100% of the total Direct Infrastructure Fund's portfolio committed to investment opportunities as at 31 March 2022.

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 abrdn – Multi-Sector Private Credit ("MSPC")

Business

The abrdn Multi-Sector Private Credit Fund ("MSPC") commitment value stood at £176m as at 17 May 2022, remaining unchanged over the period since 10 February 2022.

The MSPC Fund has a robust indicative pipeline of private credit assets and has closed on two commercial real estate senior debt assets and one private corporate debt investment over the first quarter of 2022, with 91% of the MSPC Fund portfolio now invested in assets that will make up the long term portfolio as at 31 March 2022.

Personnel

There were no significant team or personnel changes to the Multi-Sector Private Credit Fund over the first quarter of 2022.

Deloitte View – We continue to rate abrdn for its private credit capabilities.

4.8 Darwin Alternatives – Leisure Development Fund

Business

At the 23 November 2021 Pension Fund Committee Meeting, the Committee agreed to invest 2.5% of the Fund's total allocation in the Darwin Alternatives Leisure Development Fund as part of the secure income portfolio. Over the first quarter of 2022, the Fund's £32m commitment to Darwin was drawn for investment in January 2022.

Darwin Alternatives held assets under management of c. £998m as at 31 March 2022, with the Leisure Development Fund's net asset value standing at c. £218m as at quarter end.

Personnel

Over the quarter, Dean Ricks joined Darwin Alternatives as a Development Director. Dean will assist in site acquisitions and will oversee project design and construction across Darwin Alternative's funds. Dean joins from Stantec, where we worked as a Buildings Director, overseeing regional operations and multi-disciplinary project delivery throughout the UK.

Deloitte View – We continue to rate Darwin Alternatives positively for its leisure property sector capabilities.

4.9 Oak Hill Advisors – Diversified Credit Strategies ("DCS")

Business

Oak Hill Advisors ("OHA") held assets under management of c. $57bn as at 31 March 2022, an increase of c. $2bn over the first quarter of 2022.

The Diversified Credit Strategies Fund's net asset value stood at c. $4.8bn as at 31 March 2022, decreasing by $0.2bn over the quarter. The Diversified Credit Strategies Fund saw approximately $179m of net cash outflows during the first quarter of 2022.

Personnel

In January 2022, Michael Blumstein, Oak Hill Advisors' Chief Operating Officer, left the firm. Michael's responsibilities have been spread across various members of OHA's business team.

In February 2022, Oak Hill Advisors hired Jeffrey Cohen, Managing Director & Head of ESG and Sustainability. Jeffrey joins the firm's ESG committee and will work closely with the firm's investment team and portfolio companies to further develop sustainability metrics across its portfolios as well as develop ESG-related investment solutions. Prior to joining Oak Hill Advisors, Jeffrey was director of capital markets integration and head of private investments initiatives at the Sustainability Accounting Standards Board Foundation.

Deloitte view – We are comfortable with how the strategy is being managed and the level of risk within the strategy. We currently foresee no impacts on the DCS Fund's investment following OHA's acquisition by T. Rowe Price in December 2021, but we will continue to monitor developments closely.

4.10 Aviva Investors

Business

The Aviva Investors Infrastructure Income Fund (the "AIIIF") had a total subscription value of c. £1,446m as at 31 March 2022, an increase of c. £138m over the first quarter of 2022.

As at 31 March 2022, the undrawn amount for the AIIIF was £61.9m, following total additional commitments of £153.9m over the quarter, primarily from existing investors with £15m committed by a new investor who had been onboarding for over a year with initial discussions preceding the soft close decision.

Over the quarter, Aviva announced to all current investors that the minimum £175m funding requirement has been reached and the soft close therefore completed.

Personnel

Over the quarter, Adam Irwin was appointed as Director in the Infrastructure Equity Origination team. Adam joins Aviva Investors having spent six years at Equitix where he led and managed energy and renewables investments into the UK and European regions, closing Equitix's first deals in Portuguese, Spanish, French, German, CEE, and Nordic markets. Prior to that Adam worked with Darryl Murphy at KPMG in the Corporate Finance Infrastructure team, advising on M&A transactions predominantly in the offshore wind sector. Adam will help drive origination for the Real Assets Climate Transition Fund.

Deloitte View – We have removed the AIIIF from our preferred list of funds. This means we no longer consider AIIIF as a preferred or suitable fund in its asset class. We provide the rationale for this change in view within a separate note entitled "Aviva Investors Infrastructure Income Fund – Rating Change" and we have outlined potential liquidity options available to the Fund in a separate note entitled "Aviva Investors Infrastructure Income Fund – Liquidity Options".

4.11 abrdn – Long Lease Property

Business

The Standard Life Long Lease Property Fund, managed by abrdn, had a total fund value of c. £3.5bn as at 31 March 2021, an increase of c. £0.1bn since 31 December 2021.

Personnel

There were no significant team or personnel changes over the quarter to 31 March 2022.

Deloitte View – We continue to rate abrdn positively for its long lease property capabilities.

4.12 Alpha Real Capital

Business

As at 31 March 2022, Alpha Real Capital's total assets under management stood at £4.7bn, an increase of £0.2bn over the quarter.

The Alpha Real Capital Index Linked Income Fund's net asset value stood at £1,950m as at 31 March 2022, an increase of £71m since 31 December 2021.

The Fund's commitment with Alpha Real Capital was closed on 17 May 2021, with the Fund having committed £60m to the strategy. Following quarter end, Alpha Real Capital issued a draw down request for £25m to be paid by 1 June 2022.

Personnel

There were no significant personnel changes over the first quarter of 2022.

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

4.13 Man GPM

Business

Man GPM held a total of c. $3.7bn in assets under management as at 31 March 2022, including commitments, an increase of c. $0.1bn over the quarter. The Community Housing Fund's NAV stood at c. £88.0m as at 31 December 2021, an increase of £50.5m over the fourth quarter of 2021.

Commitments to the Community Housing Fund now total £220m, with a further £5m of commitments under documentation as at the end of May 2022. The Fund's total capacity is £400m.

Over the quarter, Man GPM issued a distribution of £6.0m to the Fund on 16 February 2022, including an equalisation payment of £5.8m to reflect the impact of new investors committing to the strategy at the most recent close, and one further draw down request of £4.5m for payment by 25 March 2022. In addition, following quarter end, Man GPM issued a further distribution of £2.7m to the Fund on 3 May 2022, including an equalisation payment of £2.6m. As such, following receipt of the 3 May equalisation payment, the Fund's total commitment is c. 64% drawn for investment.

Personnel

Ian Jackson, Investment Director, announced his departure from Man GPM in April 2022 to accept a board-level role with a large UK housebuilder. Ian is not moving to a direct competitor of the Community Housing Fund and will continue in his role at Man GPM over the three month notice period. While Ian is listed as one of the three key persons on the Community Housing Fund, his departure does not trigger a Key Person Event as his role as a key person is shared with Tom Shaw. Man GPM has commenced the recruitment process for Ian's replacement.

Deloitte view – We continue to rate Man GPM for its affordable housing capabilities. While Ian Jackson's departure does not trigger a Key Person Event, we will monitor any implications his departure may have on fund raising and deployment within the strategy.

5 London CIV

5.1 Investment Performance to 31 March 2022

At 31 March 2022, the assets under management within the 16 sub-funds of the London CIV stood at £13,206m, with a further combined £2.2m committed to the London CIV's private market funds. The total assets under oversight (which includes passive investments held outside of the London CIV platform) decreased by c. £2.9bn to c. £26.7bn 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 2021 (£m)	Total AuM as at 31 Mar 2022 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	2,642	2,314	10	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	1,375	1,175	6	13/04/21
LCIV Global Equity	Global Equity	Newton	782	747	3	22/05/17
LCIV Global Equity Core	Global Equity	Morgan Stanley Investment Management	601	563	2	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	1,001	893	5	17/07/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	557	523	7	11/01/18
LCIV Sustainable Equity	Global Equity	RBC Global Asset Management (UK)	1,468	1,344	8	18/04/18
LCIV Sustainable Equity Exclusion	Global Equity	RBC Global Asset Management (UK)	481	437	3	11/03/20
LCIV PEPPA	Global Equity	State Street Global Advisors	533	504	2	01/12/2021
LCIV Global Total Return	Diversified Growth Fund	Pyrford	230	228	3	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	912	952	9	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	1,205	1,308	11	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	187	179	2	16/12/16
LCIV MAC	Fixed Income	CQS & PIMCO	1,215	1,008	11	31/05/18
LCIV Global Bond	Fixed Income	PIMCO	689	639	7	30/11/18
LCIV Alternative Credit	Fixed Income	CQS	n/a	391	3	31/01/2022
Total			13,877	13,206		

Source: London CIV

Over the quarter to 31 March 2022, there were three seed investors into the LCIV Alternative Credit Sub Fund, totaling £386m, transitioned from the LCIV Multi Asset Credit Sub Fund, whilst one new London Borough investor was added to the Multi Asset

Credit Sub Fund. In addition, one new investor was added to the LCIV Diversified Growth Sub Fund and one new investor was added to the LCIV Absolute Return Sub Fund over the quarter.

Three London Boroughs committed to transition their investments in the LCIV Global Alpha Growth Sub Fund to the LCIV Global Alpha Growth Paris Aligned Sub Fund over the quarter, with one investor disinvesting from the LCIV Global Alpha Growth Sub Fund over the three-month period and the remaining transitions to take place following quarter end.

5.2 Private Markets

The table below provides an overview of the London CIV's private markets investments as at 31 December 2021.

Sub-fund	Total Commitment as at 31 Dec 2021 (£'000)	Called to Date (£'000)	Undrawn Commitments (£'000)	Fund Value as at 31 Dec 2021 (£'000)	Number of London CIV clients	Inception Date
LCIV Infrastructure Fund	399,000	153,578	245,422	155,890	6	31/10/2019
LCIV Inflation Plus Fund	202,000	168,262	33,738	164,350	3	11/06/2020
LCIV Renewable Infrastructure Fund	682,500	178,422	504,078	175,571	10	29/03/2021
LCIV Private Debt Fund	540,000	171,896	368,104	172,582	7	29/03/2021
The London Fund	195,000	24,156	170,844	23,729	2	15/12/2020

Source: London CIV

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 2022

	Last Quarter (%)	One Year (%)
Net of fees	-6.3	11.1
Benchmark (MSCI World Net Index)	-2.6	12.4
Global Franchise Fund (net of fees)	-5.3	16.3
Net Performance relative to Benchmark	-3.6	-1.3

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

The LCIV Global Equity Core Fund delivered a negative return of -6.3% on a net of fees basis over the quarter to 31 March 2022, underperforming the MSCI World Net Index by 3.6%. Over the longer twelve-month period to 31 March 2022, the strategy has underperformed its benchmark by 1.3%, delivering a positive absolute return of 11.1% on a net of fees basis.

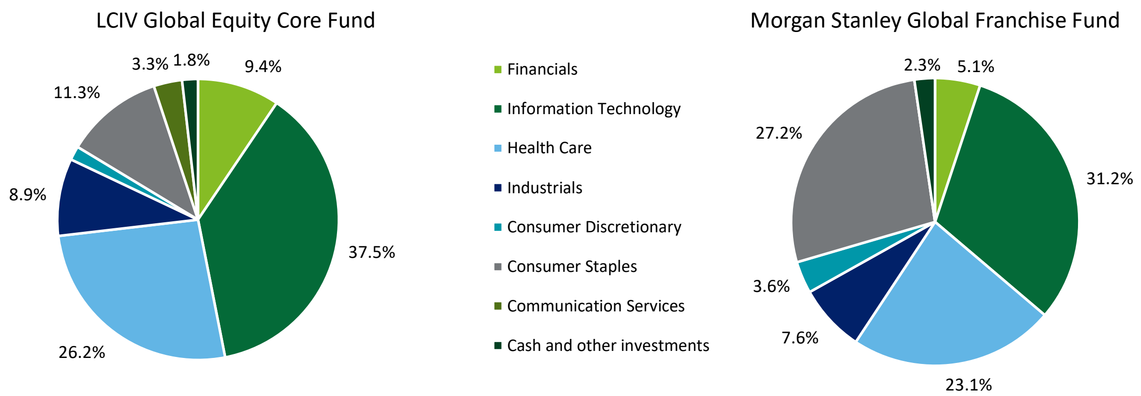
The LCIV Global Equity Core Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows, and the strategy therefore has a low allocation to cyclical stocks. The strategy's bias to high quality companies proved beneficial relative to the wider global equity market over the first half of the quarter, demonstrating strong downside protection, with the portfolio faring well against a backdrop of high inflation concerns and interest rate rises.

However, the LCIV Global Equity Core Fund significantly underperformed the wider market over the second half of the quarter, following Russia's invasion of Ukraine. Underperformance over this period was primarily driven by the strategy's underweight position to commodities and energy related stocks relative to the MSCI benchmark, with these sectors performing well following the commencement of the conflict.

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. The LCIV Global Equity Core Fund underperformed the Global Franchise Fund by 1.0% over the quarter, with underperformance largely attributed to a lower allocation to consumer staples companies, with beverage and tobacco companies continuing to benefit from increased global social activity, having been adversely impacted by previous social distancing measures.

6.2 Portfolio Sector Breakdown at 31 March 2022

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 2022.



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.

The Global Franchise Fund portfolio held an allocation of c. 9% to tobacco stocks as at 31 March 2022. 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 2022, compared with the Morgan Stanley Global Franchise Fund.

	LCIV Global Equity Core Fund	Global Franchise Fund
No. of Holdings	40	32
No. of Countries	8	5
No. of Sectors*	6	6
No. of Industries*	17	14

*Not including cash

Source: London CIV and Morgan Stanley

Holdings

The top 10 holdings in the Global Equity Core Fund account for c. 46.6% of the strategy and are detailed below.

Global Equity Core Fund Holding	% of NAV
Microsoft	7.3
Visa	5.6
Reckitt Benckiser	4.7
Accenture	4.5
SAP	4.5
Danaher	4.3
Thermo Fisher Scientific	4.2
Baxter International	4.0
Abbott Laboratories	3.8
Constellation Software	3.6
Total	**46.6***

Global Franchise Fund Holding	% of NAV
Microsoft	9.2
Philip Morris	8.2
Reckitt Benckiser	6.2
Visa	5.7
Danaher	5.0
Thermo Fisher Scientific	4.8
Accenture	4.7
SAP	4.4
Abbott Laboratories	4.3
Baxter International	4.1
Total	**56.6***

*Note figures may not sum due to rounding

Source: London CIV and Morgan Stanley

Nine 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 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	-2.5	15.5	15.3
Benchmark (MSCI World Low Carbon Target)	-2.5	15.6	15.4
MSCI World Equity Index	-2.3	15.9	15.1
Net Performance relative to Benchmark	0.0	-0.1	-0.1

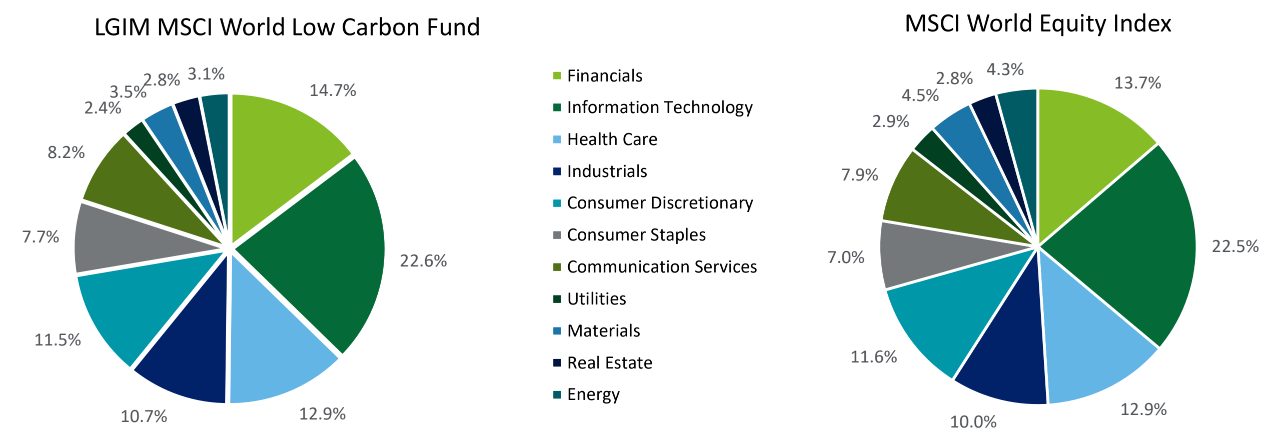
Source: LGIM and Northern Trust. Relative performance may not tie due to rounding.

The LGIM MSCI World Low Carbon Index Fund delivered a negative absolute return of -2.5% on a net of fees basis over the quarter to 31 March 2022, performing broadly in line with its MSCI World Low Carbon Target benchmark but underperforming the MSCI World Equity Index by 0.2%.

Over the one-year-period to 31 March 2022, the LGIM MSCI World Low Carbon Index Fund delivered an absolute return of 15.5% on a net of fees basis, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.1%, while underperforming the broader MSCI World Equity Index by 0.4% on a net of fees basis over the year. Over the longer three-year period, the strategy delivered a return of 15.3% p.a. on a net of fees basis, slightly underperforming its benchmark by 0.1% p.a. but outperforming the wider MSCI World Equity Index by 0.2% p.a. over the period.

7.2 Portfolio Sector Breakdown at 31 March 2022

The below charts compare the relative weightings of the sectors in the LGIM MSCI World Low Carbon Index Fund and the MSCI World Equity Index as at 31 March 2022.



Source: LGIM

The LGIM MSCI Low Carbon Index 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.

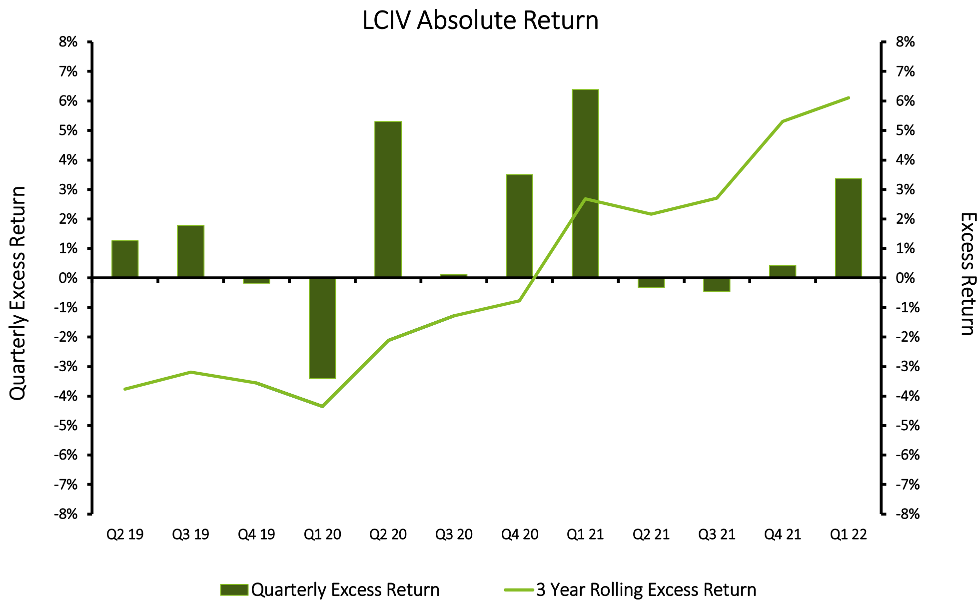
8 LCIV – Absolute Return

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 SONIA 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 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.4	7.3	10.5	5.5
Target	1.1	4.2	4.4	4.5
Net performance relative to Target	3.4	3.1	6.1	1.0

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



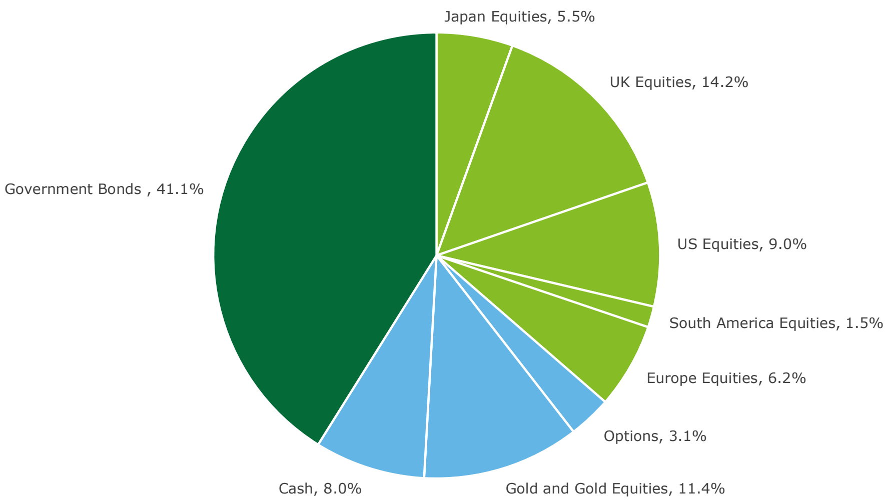
The Absolute Return Fund returned 4.4% on a net of fees basis over the quarter to 31 March 2022, outperforming its SONIA+4% target by 3.4%. The strategy has delivered an absolute return of 7.3% on a net of fees basis over the year to 31 March 2022, outperforming its target by 3.1%. Over the longer three and five year periods to 31 March 2022, the strategy has delivered positive returns of 10.5% p.a. and 5.5% p.a. respectively on a net of fees basis, outperforming the SONIA-based target by 6.1% p.a. and 1.0% p.a. respectively.

The Absolute Return Fund's downside protection strategies proved beneficial over a volatile quarter, with the strategy's interest rate options, equity options and credit protections contributing significantly to outperformance. Meanwhile, the manager's equity selection also boosted relative returns, with the portfolio's relatively defensive equity position absent of any of the growth and technology stocks which recognised significant reductions following Russia's invasion of Ukraine, while the Absolute Return Fund's commodity equities performed strongly as energy prices rose. The manager reduced portfolio risk during the early stages of the quarter, trimming its equity positioning and adding additional protections to the portfolio and, over the latter stages of the quarter following the beginning of the conflict in Ukraine, Ruffer took profits from its interest rate option positions and simultaneously reduced portfolio risk further, switching into defensive equity positions.

Relative performance was also boosted by the lack of any conventional bonds within the portfolio, however the Absolute Return Fund's long-dated UK inflation-linked bonds positioning provided the largest detraction to relative performance over the quarter with yields rising significantly. The manager reduced its inflation-linked bonds holdings during the quarter, adding further to its gold allocation.

8.2 Asset Allocation

The chart below represents the asset allocation of the LCIV Absolute Return Fund portfolio as at 31 March 2022.



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 2022

	Last Quarter (%)	One Year (%)
Net of fees	-7.1	-4.6
Benchmark	-7.0	-5.1
Net Performance relative to Benchmark	-0.1	0.5

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

Over the quarter to 31 March 2022, the LCIV Global Bond Fund delivered a negative absolute return of -7.1% on a net of fees basis, slightly underperforming the Barclays Aggregate – Credit Index Hedged (GBP) Index by 0.1%. Over the year to 31 March 2022, the strategy delivered a negative return of -4.6%, but has outperformed the benchmark by 0.5%.

The LCIV Global Bond Fund delivered a negative absolute return over the first quarter of 2022 with global investment grade bond markets suffering their worst quarter since 1990 against a backdrop of rising inflation and tightening monetary policy. The Global Bond Fund's spread strategies contributed significantly to negative returns following widening in both investment grade and high yield spreads, offset slightly by the strategy's short duration relative to the benchmark.

The LCIV Global Bond Fund's emerging market security selection significantly detracted from performance. Specifically, the overweight allocation to Russian quasi sovereign issuers including Sberbank and Gazprom, and the manager's poorly timed decision to seek sovereign debt exposure through the use of a credit default swap, prior to the Ukraine conflict, proved detrimental. The strategy's overweight Chinese corporates position also detracted from performance, with the Chinese real estate sector continuing to come under pressure.

The LCIV Global Bond Fund held a c. 0.5% exposure to Russia as at 31 March 2022. The majority of this exposure is expected to be removed from the portfolio by 10 July 2022, as part of the transition to an ESG-focused strategy. The manager, PIMCO, is prohibited from purchasing any new Russian or Belarusian issues.

The strategy experienced no defaults over the quarter. 43 issues, representing c. 3% of the portfolio, were downgraded over the quarter with 4 Russian issuers downgraded to sub-investment grade over the period. PIMCO's ability to divest from these Russian issuers will be dependent on market conditions, however the manager has marked down the valuation of these positions to zero. PIMCO maintains that the lowered ratings of the non-Russian investments do not reflect the fundamentals of the issues, and aims to hold on to the majority of these issues. 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 31 March 2022.

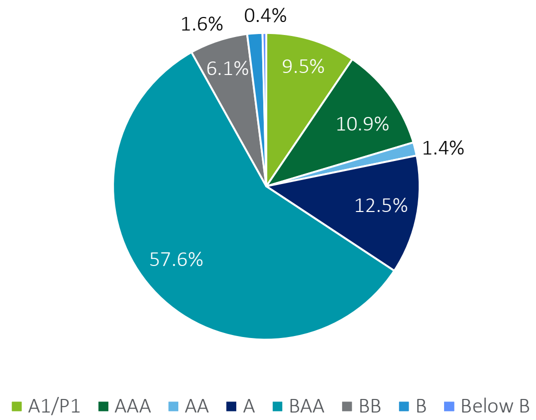
	31 Dec 2021	31 March 2022
No. of Holdings	1,178	1,120
No. of Countries	47	49
Coupon	2.57	2.60
Effective Duration	6.31	6.09
Rating	A-	A-
Yield to Maturity (%)	2.58	4.09

Source: London CIV

Over the first quarter of 2022, the number of holdings in the portfolio decreased by 58 while the proportion of the portfolio held in cash and other net assets decreased by c. 1.9% to 9.7% as at 31 March 2022 having increased significantly over the fourth quarter of 2021.

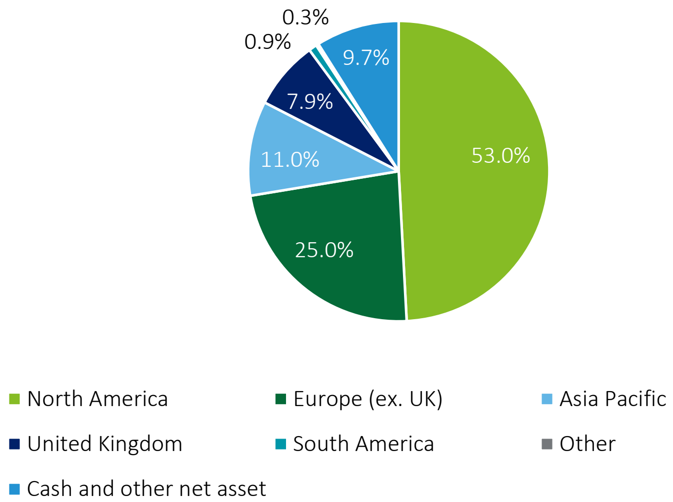
PIMCO remains highly selective at current spread levels, primarily observing cyclical but resilient opportunities with strong liquidity profiles that have potential for further spread compression. After opting to increase the strategy's overall duration positions over the second quarter of 2021, PIMCO continued to decrease the portfolio's effective duration position, reducing the portfolio's duration by a further c. 0.2 years over the first quarter of 2022.

The chart below represents the split of the Global Bond portfolio by credit rating. The Fund's investment grade holdings made up c. 91.9% of the portfolio as at 31 March 2022, a decrease of 0.6% over the quarter, with the Fund predominantly 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.

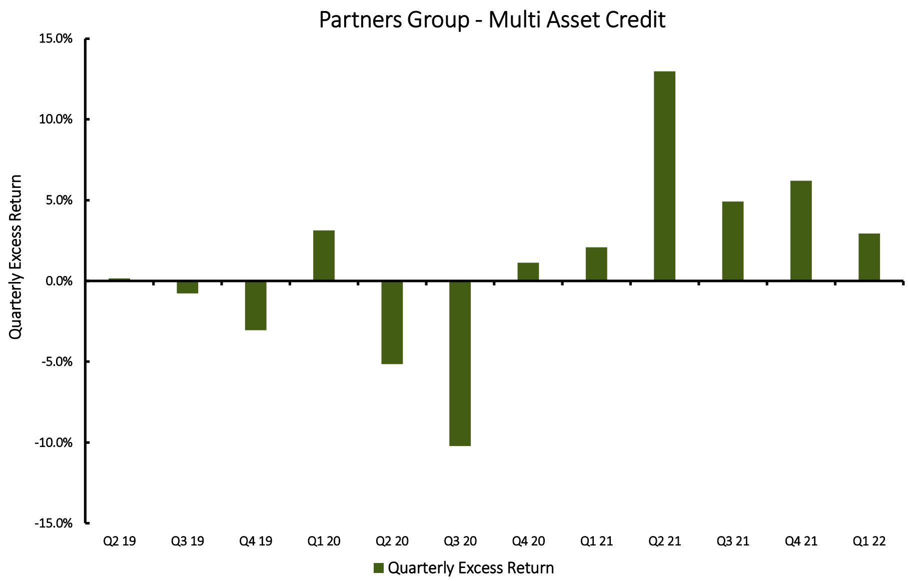
10 Partners Group – Multi Asset Credit

Partners Group was appointed to manage a multi asset credit mandate with the aim of outperforming the 3 month Sterling SONIA 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 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.0	34.6	8.7	7.1
Benchmark / Target	1.1	4.2	4.4	4.5
Net performance relative to Benchmark	2.9	30.5	4.4	2.7

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



Please note, performance shown is to 30 November 2021.

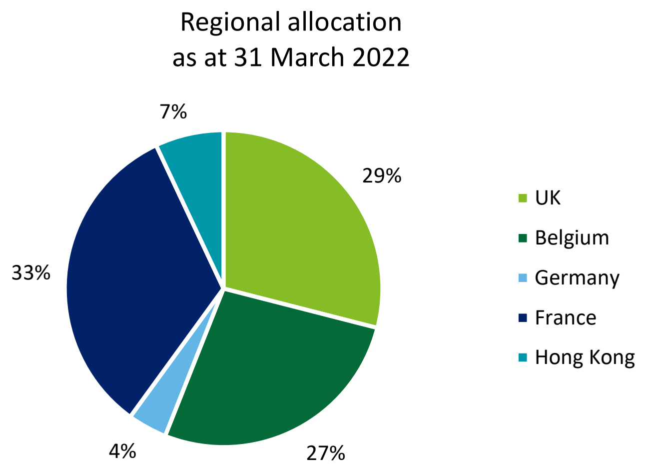
The Multi Asset Credit strategy delivered a positive return of 4.0% on a net of fees basis over the three-month period to 28 February 2022, outperforming its 3 Month SONIA +4% benchmark by 2.9%.

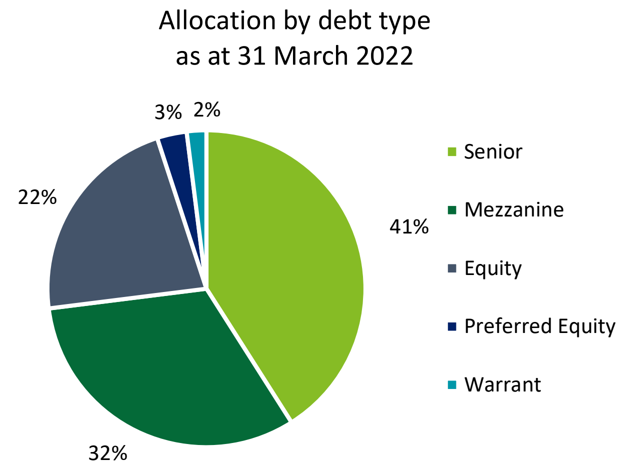
Over the quarter to 31 March 2022, we expect the MAC Fund to have delivered a return of 3.1% on a net of fees basis, based on an estimation of the strategy's time-weighted rate of return using cashflow information – with the primary difference in return due to the month of December 2021 dropping out of the calculation period and the month of March 2022 being included, with the strategy delivering a lower return over March compared with December.

The strategy delivered a strong positive return of 34.6% on a net of fees basis over the year to 28 February 2022, outperforming its benchmark by 30.5%. The strong performance over the one-year period 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 rebounded as anticipated following the reversal and easing of these restrictions gradually since summer 2021.

10.2 Asset Allocation

The charts below show the regional split and allocation by debt type of the Fund as at 31 March 2022, based on the seven positions remaining in the portfolio.





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 31 March 2022 with no realisations taking place over the first quarter of 2022.

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 first quarter of 2022, Partners Group issued one further distribution with c. £293.8k distributed to the London Borough & Fulham Pension Fund on 31 January 2022.

11 abrdn – Multi-Sector Private Credit Fund

abrdn 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 2022

	Last Quarter (%)	One Year (%)
Net of fees	-0.1	0.9
Benchmark / Target	-4.4	-3.8
Net performance relative to Benchmark	4.3	4.8

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

Over the quarter to 31 March 2022, the Multi-Sector Private Credit Fund delivered a negative absolute return of -0.1% on a net of fees basis, outperforming the blended benchmark by 4.3%. Over the longer one-year period to 31 March 2022, the Fund has delivered a positive return of 0.9% on a net of fees basis, outperforming its benchmark by 4.8%.

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 SONIA 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 abrdn. Over the quarter to 31 March 2022, the MSPC Fund has been measured against a benchmark of 33% 3 Month Sterling SONIA and 67% ICE ML Sterling BBB Corporate Bond Index.

11.2 Portfolio Composition

abrdn 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

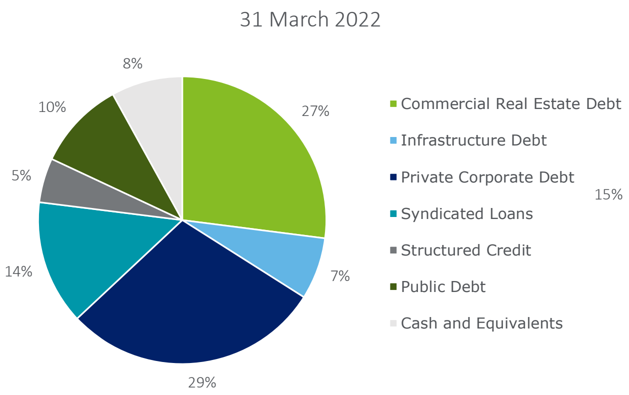
As at 31 March 2022, the MSPC Fund portfolio consists of 21 private assets:

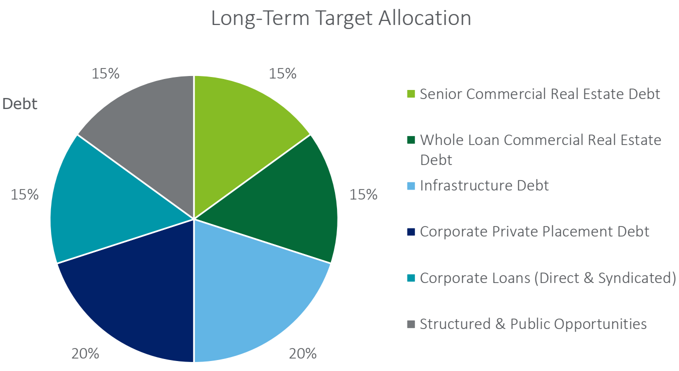
- 2 infrastructure debt investments;
- 9 senior real estate debts investments;
- 1 whole loan real estate debt investment; and
- 9 private corporate debt investments.

abrdn has a strong pipeline of opportunities with three further investments added to the portfolio during the first quarter of 2022.

Asset Allocation

As at 31 March 2022, 91% of the MSPC Fund portfolio has been invested in illiquid assets that will make up the long term portfolio, while the remaining 9% 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 31 March 2022 with that of the long-term target allocation.





Source: abrdn

12 Darwin Alternatives – Leisure Development Fund

Darwin Alternatives was appointed to manage a leisure property development mandate, with the Fund drawing down capital for investment on 1 January 2022. The Leisure Development Fund aims to outperform the 3-month Sterling SONIA target by 6% p.a. The manager has an annual management fee and performance fee.

12.1 Leisure Development Fund - Investment Performance to 31 March 2022

At the 23 November 2021 Pension Fund Committee Meeting, the Committee agreed to invest 2.5% of the Fund's total allocation in the Darwin Alternatives Leisure Development Fund as part of the secure income portfolio. Over the first quarter of 2022, the Fund's £32m commitment to Darwin was drawn for investment on 1 January 2022.

The Darwin Alternatives Leisure Development Fund invests within the UK leisure property sub-sector through holiday park and leisure resort acquisition, operational development and construction. Darwin Alternatives' strategy is to focus on acquiring assets that have a high degree of consolidation, lack operational expertise and/or in general lack access to capital that could potentially transform and develop the asset. Once acquired, Darwin Alternatives transforms the assets into luxury resorts that tailor to the higher end of the domestic holiday market.

At the time of writing, the Fund's custodian, Northern Trust, has not made the Leisure Development Fund Q1 2022 performance available to us. However, Darwin Alternatives estimates that the Leisure Development Fund has delivered a return of 1.8% on a net of fees basis over the quarter to 31 March 2022.

12.2 Portfolio Holdings

The table below shows details of the parks underlying the Darwin Alternatives Leisure Development Fund portfolio as at 31 March 2022:

Park	Purchase Rationale	Size (Acres)	Purchase Date
Stratford Armouries, Warwickshire	Develop site into luxury lodge retreat	9	June 2017
Norfolk Woods, Norfolk	Redevelop to holiday resort with leisure facilities	15	June 2017
The Springs, Oxfordshire	Upgrade golf facilities and add lodges to create small lodge resort	133	July 2017
Rivendale, Derbyshire	Redevelop to holiday resort with leisure facilities	35	January 2018
Dundonald Links, Ayrshire	Add lodges and central facilities to create lodge resort	268	March 2019
Kilnwick Percy, East Yorkshire	Add additional lodges to existing golf resort	150	March 2020
Rosetta, Peeblesshire	Redevelop to holiday resort with leisure facilities	47	May 2020
Plas Isaf, North Wales	Add additional lodges utilising existing planning	39	June 2020
Bleathwood, Shropshire	Develop site into luxury lodge retreat	12	December 2020
High Lodge, Suffolk	Redevelop to holiday resort with leisure facilities	64	April 2021
Blenheim Palace, Oxfordshire	Develop site into luxury lodge retreat	10	December 2021

Source: Darwin Alternatives.

Activity

Over the quarter, planning permission was granted for the Leisure Development Fund to develop a lodge resort at Blenheim Palace, Oxfordshire. Darwin Alternatives has permission to add 36 lodges along with a small reception facility, with an opening date being subject to lodge manufacturer delivery timelines.

Early enabling works were carried out at Plas Isaf over the quarter, including the demolition of existing buildings and ducting for below ground services with main works expected to commence in May and construction expected to be completed in time for opening in Spring 2023.

Works continue at the remaining development sites while the fully operational sites: Kilnwick Percy; Rivendale; Norfolk Woods; Stratford Armouries; and Dundonald Links, delivered robust performance over the quarter both in terms of holiday rentals and holiday home sales.

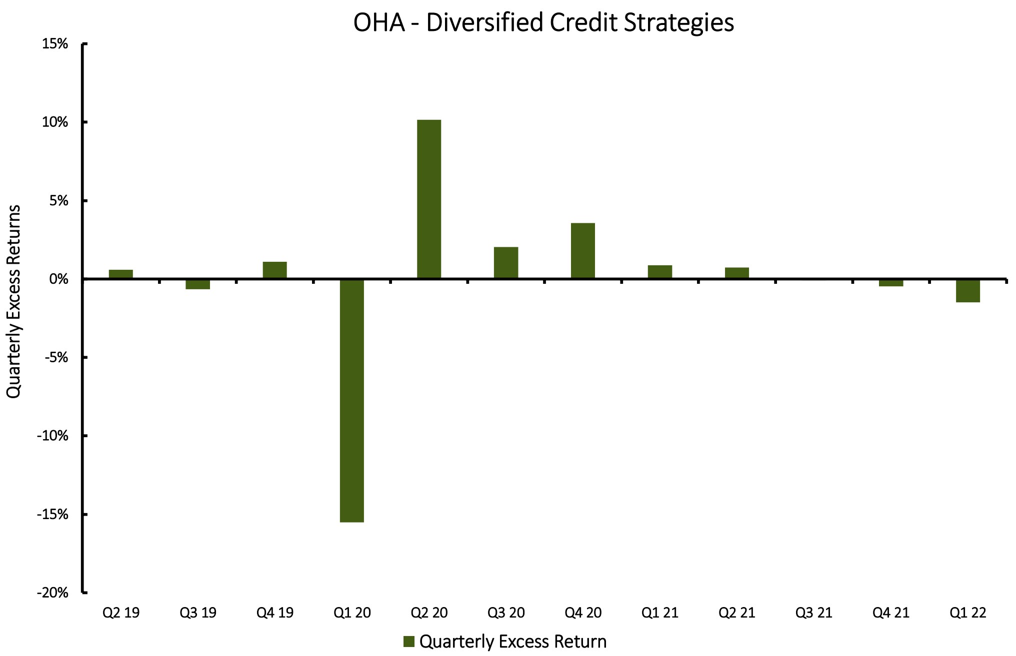
13 Oak Hill Advisors – Diversified Credit Strategies Fund

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

13.1 Diversified Credit Strategies - Investment Performance to 31 March 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	-0.4	2.8	4.0	3.2
Benchmark / Target	1.1	4.2	4.4	4.5
Net Performance relative to Benchmark	-1.5	-1.3	-0.4	-1.3

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



The Oak Hill Advisors Diversified Credit Strategies Fund delivered a negative absolute return of -0.4% on a net of fees basis over the quarter to 31 March 2022, underperforming its 3 Month Sterling SONIA +4% p.a. benchmark by 1.5%. The strategy delivered a positive absolute return of 2.8% on a net of fees basis over the year to 31 March 2022, underperforming the benchmark by 1.3%. As the strategy is measured against a cash-plus benchmark, we would expect relative performance differences over shorter time horizons.

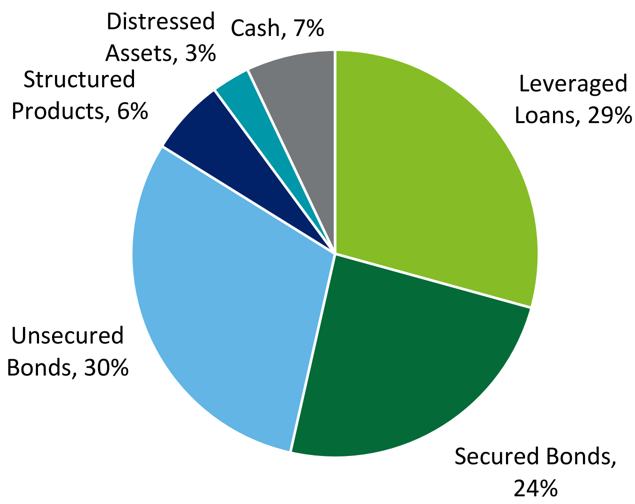
The strategy's high yield bonds and, albeit to a lesser extent, leveraged loans exposures delivered negative returns over the first quarter of 2022, as credit spreads widened in response to Central Bank interest rate hikes, with higher borrowing costs posing a greater challenge to already heavily indebted companies following the COVID-19 pandemic.

The strategy's distressed assets exposures, having noticeably contributed to positive performance over 2021 as a result of the initial anticipation and subsequent realisation of the relaxation in lockdown restrictions over the first half of 2021, performed poorly over the first quarter of 2022, owing to the heightened default risk given the increase in interest rates and subsequent increase in the cost of borrowing.

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.

13.2 Asset Allocation

The below chart shows the composition of the Diversified Credit Strategies Fund's Portfolio as at 31 March 2022.



Source: Oak Hill Advisors

The Diversified Credit Strategies Fund's allocation to unsecured bonds increased over the quarter, with the leveraged loans allocation simultaneously decreasing.

14 Partners Group – Direct Infrastructure

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

14.1 Direct Infrastructure - Investment Performance to 31 March 2022

Activity

The Direct Infrastructure Fund's investment period ended on 30 September 2021 and the Fund will therefore make no further investments going forward, having made 22 investments. As at 31 March 2022, the Partners Group Direct Infrastructure Fund has fully realised 3 investments.

The total capacity of the Partners Group Direct Infrastructure Fund is €1.08 billion. Of this, c. 100% has been committed to investments as at 31 March 2022, with c. 80.1% of the total capacity drawn down from investors as at 31 March 2022.

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.

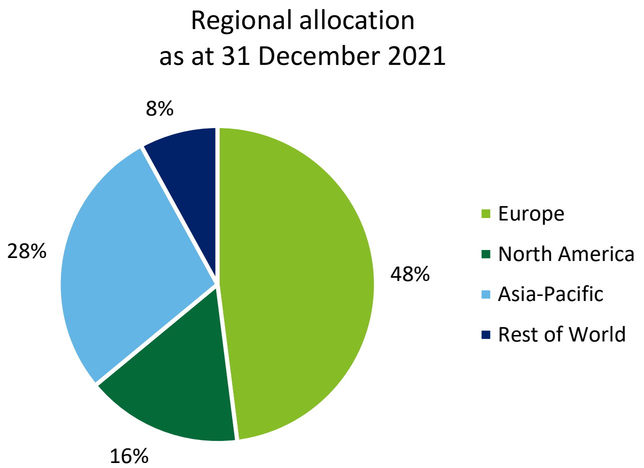
Capital Calls and Distributions

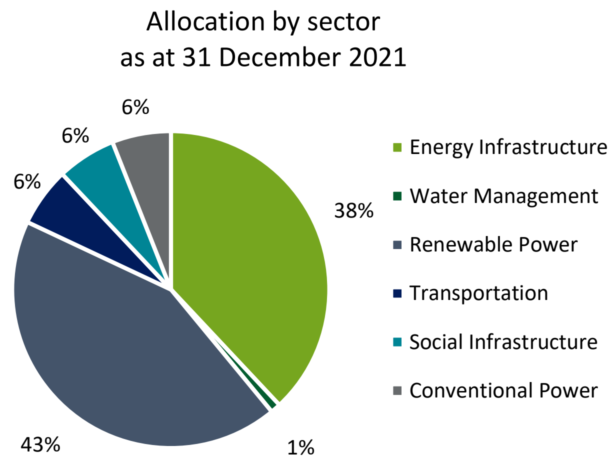
The Fund did not issue any capital calls and distributions over the first quarter of 2022, but issued one net capital call following quarter end:

- On 7 April 2022, the Fund issued a capital call for €22.7m, of which the London Borough of Hammersmith & Fulham Pension Fund was entitled to pay €1.2m. This capital call was requested to enable the Fund to make add-on investments to the current portfolio investments and to fund expenses.

14.2 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 31 December 2021.





Note: Based on information provided by Partners Group. Totals may not sum due to rounding.

15 Aviva Investors – Infrastructure Income

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

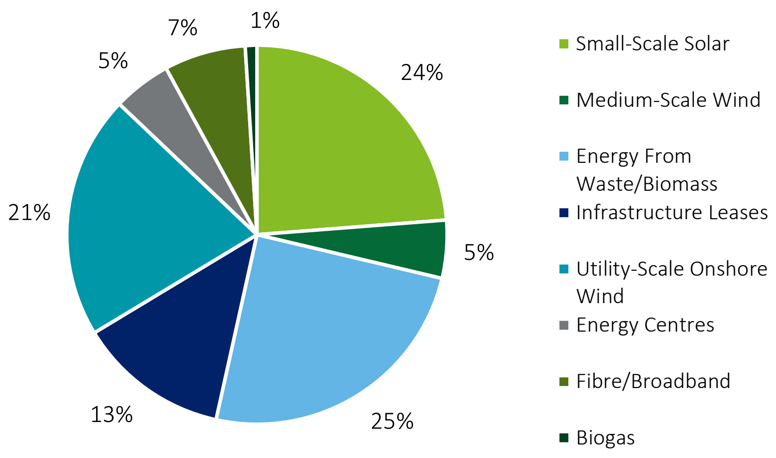
15.1 Infrastructure Income - Investment Performance to 31 December 2021

The income distribution of the Aviva Investors Infrastructure Income Fund was 5.4% over the year to 31 December 2021, which sits below the 7-8% p.a. range targeted by Aviva. Distributions are underpinned by operational revenue generated from the Fund's assets, with the decrease in yield attributed to identified commissioning defects in the Fund's Biomass assets and these assets therefore not currently operating at full capacity. Aviva has confirmed that a rectification programme is in place in respect of these assets and has confirmed that it expects two of the Biomass assets, Project Hull and Project Boston, to re-commence operations by the end of 2022.

We have removed the AIIIF from our preferred list of funds. This means we no longer consider AIIIF as a preferred or suitable fund in its asset class and would not put it forward to our clients. We provide the rationale for this change in view within a separate note entitled "Aviva Investors Infrastructure Income Fund – Rating Change" which further details the recent issues with the Fund's Biomass assets (litigation, commissioning defects and Project Barry enforcement notice) and Project Newport, alongside the impact of the decision to soft-close the AIIIF, and outlines potential next steps for the Trustee to consider. We have outlined potential liquidity options available to the Fund in a separate note entitled "Aviva Investors Infrastructure Income Fund – Liquidity Options".

Sector Breakdown

The chart below shows the split of the portfolio by sector as at 31 December 2021.



Source: Aviva Investors.

The Biomass and Energy from Waste assets make up c. 25% of the portfolio.

Transactions and Pipeline

The Infrastructure Income Fund received £154m of commitments over the quarter, with £15m from one new investor. The investor had been onboarding for over a year, preceding the soft close. Over the quarter, Aviva announced to all current investors that the minimum £175m funding requirement has been reached and the soft close therefore completed.

Aviva did not complete any transactions over the fourth 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.

16 abrdn – Long Lease Property

abrdn 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.

16.1 Long Lease Property - Investment Performance to 31 March 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	5.9	14.0	7.8	8.1
Benchmark / Target	-6.7	-2.6	1.6	2.6
Net Performance relative to Benchmark	12.6	16.6	6.2	5.5

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

The Standard Life Long Lease Property Fund, managed by abrdn, delivered an absolute return of 5.9% on a net of fees basis over the first quarter of 2022, outperforming the FT British Government All Stocks Index Benchmark by 12.6%.

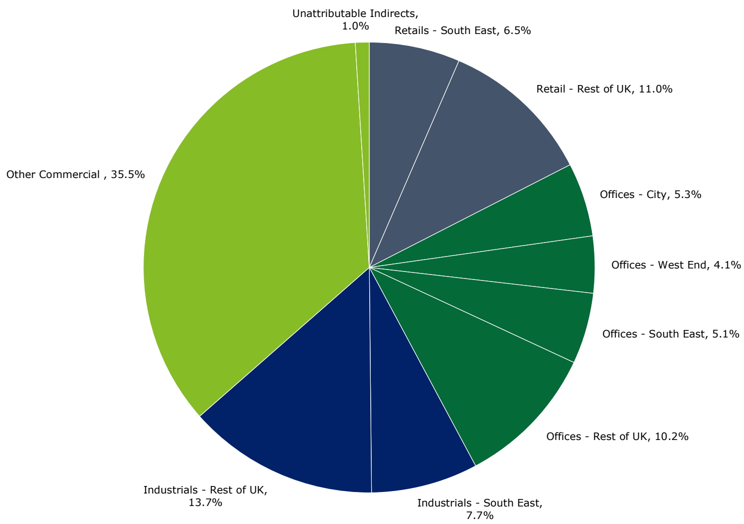
Over the quarter to 31 March 2022, the Long Lease Property Fund delivered a positive return but underperformed the wider property market, largely as a result of the Fund's underweight position to the industrial and retail warehousing sectors relative to the wider property market, with both sectors performing well over the first quarter of 2022. The strategy's longer term performance is closer in line with the wider property market, but the Fund has slightly underperformed the IPD-based benchmark over the three-year period owing largely to the relative underallocation to high performing sectors. The Fund's longer term performance does, however, continue to be aided by the portfolio's stronger tenant credit quality and long, inflation linked leases, and the lack of any high street or shopping centre exposure with these sectors particularly impacted by the COVID-19 outbreak.

Positive absolute performance over the quarter can be largely attributed to capital growth within the portfolio, particularly in the supermarket sector which is the largest element of the portfolio's retail exposure, with the major supermarket operators reporting strong trading over the Christmas period.

Rent collection statistics fell slightly over the first quarter of 2022 as abrdn realised Q1 collection rates of 98.2% (as at 12 May 2022). Over the first quarter of 2022, none of the Long Lease Property Fund's rental income was subject to deferment arrangements, with 1.8% unpaid or subject to ongoing discussions with tenants. As at 12 May 2022, abrdn had collected 95.6% of its Q2 2022 rent, with no income subject to deferment arrangements and 4.4% of rent unpaid or subject to ongoing discussions with tenants.

16.2 Portfolio Holdings

The sector allocation in the Long Lease Property Fund as at 31 March 2022 is shown in the graph below.



Source: abrdn.

The Long Lease Property Fund completed no further acquisitions over the first quarter of 2022. abrdn, however, estimates a further investment pipeline of up to £1.15bn exists with a number of off market opportunities being actively tracked and a number of openly marketed opportunities of rarely available assets coming to market. abrdn has strong conviction in its ability to deploy capital through 2022, considering the current pipeline.

Q1 2022 and Q2 2022 rent collection, split by sector, as at 12 May 2022 is reflected in the table below:

Sector	Proportion of Fund as at 31 March 2022 (%)	Q1 2022 collection rate (%)	Q2 2022 collection rate (%)
Alternatives	6.0	100.0	97.0
Car Parks	3.7	100.0	100.0
Car Showrooms	3.2	100.0	100.0
Hotels	7.8	100.0	100.0
Industrial	14.7	92.0	92.0
Leisure	3.3	100.0	100.0
Public Houses	5.5	100.0	100.0
Offices	29.6	98.0	94.0
Student Accommodation	8.1	100.0	100.0
Supermarkets	18.2	100.0	93.0
Total	100.0	98.2	95.6

Source: abrdn

As at 31 March 2022, 1.0% of the Fund's NAV is invested in ground rents via an indirect holding in the abrdn Ground Rent Fund, with 17.3% of the Fund invested in income strip assets.

The industrial sector has expressed the poorest rental collection statistics over the first and second quarters of 2022 as at 12 May 2022, with the supermarkets sector also expressing poor rental collection statistics over Q2 2022 as at 12 May 2022.

abrdn 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 Q1 or Q2 2022 rental income subject to deferment arrangements as at 12 May 2022.

abrdn has now collected 100% of 2020 rents and 99.8% of 2021 rents, with the majority of outstanding rent in 2021 reduced to a small number of tenants. 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 31 March 2022:

Tenant	% Net Income	Credit Rating
Tesco	4.9	BBB
Viapath	4.9	AA
Whitbread	4.4	BBB
Marston's	4.3	BB
Sainsbury's	4.2	BB
QVC	3.8	BB
Salford University	3.7	A
Asda	3.7	BBB
Secretary of State for Communities	3.4	AA
Dalata Cardiff	3.3	BB
Total	40.6*	

*Total may not equal sum of values due to rounding

The top 10 tenants contributed 40.6% of the total net income of the Fund as at 31 March 2022. Of which 12.8% 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 as at 31 March 2022 remained unchanged from 31 December 2021 at 25.5 years. The proportion of income with fixed, CPI or RPI rental increases decreased by c. 0.2% over the quarter to 91.7%. abrdn expects this measure to increase over 2022 as pre-let projects and pipeline deals complete.

17 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.

17.1 Index Linked Income – Illustrative Investment Performance to 31 March 2022

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	1.6	8.1	5.5
Benchmark / Target	-5.9	6.8	5.1
Net Performance relative to Benchmark	7.5	1.3	0.4

Source: Alpha Real Capital. Relative performance may not tie due to rounding.
Note, investment not yet drawn – performance figures for illustrative purposes only.

Following quarter end, Alpha Real Capital issued an initial drawdown notice for £25.0m for payment by 1 June 2022.

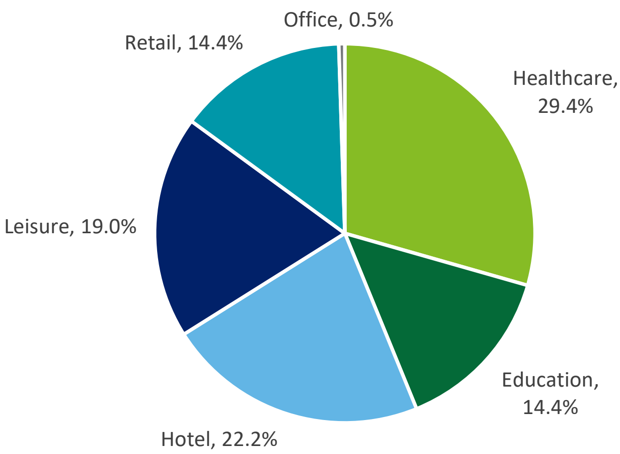
The Fund's full £60m commitment is expected to be drawn and deployed before the end of July 2022. As such, please note that the performance of the Alpha Real Capital Index Linked Income Fund displayed in the table above is for illustration purposes only.

The Index Linked Income Fund has delivered a positive return of 1.6% on a net of fees basis over the quarter to 31 March 2022, outperforming its BoAML Long-Dated UK Inflation-Linked Gilts Index +2% by 7.5% with real yields rising at the longer end of the curve over the first quarter of 2022.

Alpha Real Capital has collected c. 97% of the Fund's Q1 2022 rental income, representing an increase from the c. 94% collection rate over the fourth 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.

17.2 Portfolio Holdings

The sector allocation in the Index Linked Income Fund as at 31 March 2022 is shown in the graph below.



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

Alpha Real Capital completed one transaction over the first quarter of 2022 – a ground rent top-up transaction with the existing Dobbies portfolio (35 out of 37 assets) for a net purchase price of £47.1m. As at 13 May 2022, Alpha Real Capital is in the process of executing one further investment, a £71m portfolio of 99 UK pubs, with a further £1.7bn 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 31 March 2022.

Tenant	Value (%)	Credit Rating
Leonardo Hotels	15.3	A1
Elysium Healthcare	11.1	A3
Dobbies	10.7	Baa1
Parkdean	9.9	A3
HC One	8.1	A3
PGL	5.7	Baa3
Away Resorts	5.2	Baa1
Busy Bees	5.0	A3
Middle Eight	3.9	Baa1
CareTech	3.7	Baa1
Total	**78.5**	

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

The top 10 holdings in the Index Linked Income Fund accounted for c. 78.5% of the Fund as at 31 March 2022.

The average lease length stood at 140 years as at 31 March 2022, an increase of 1 year 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.

18 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.

18.1 Community Housing Fund - Investment Performance to 31 March 2022

Capital Calls and Distributions

The Fund issued one capital call over the quarter to 31 March 2022:

- Man GPM issued a £4.5m capital call to the London Borough of Hammersmith & Fulham Pension Fund on 25 March 2022. The request consisted entirely of capital drawn for investments into the portfolio.

Man GPM expects to draw further capital into the Fund once the next investment has been made into the portfolio.

The Fund issued one distribution over the quarter to 31 March 2022 and one further distribution following quarter end:

- Man GPM issued a £6.0m distribution to the London Borough of Hammersmith & Fulham Pension Fund on 16 February 2022, including an equalisation payment of £5.8m to reflect the impact of new investors committing to the strategy at the most recent close.

- Man GPM issued a £2.7m distribution to the London Borough of Hammersmith & Fulham Pension Fund on 3 May 2022, including an equalisation payment of £2.6m.

As such, following receipt of the 3 May equalisation payment, the Fund's total commitment is c. 64% drawn for investment.

Activity

Man GPM agreed terms on one project over the first quarter of 2022:

- Tattenhoe, Milton Keynes – a forward fund of 34 homes comprised of 25 flats and 9 houses forming part of a new urban extension. The development targets 82% affordable rent targeted at key worker households and 18% shared ownership homes. 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 £6.5m.

In addition, following quarter end, Man GPM agreed terms on one further project during May 2022:

- Glenvale Park, Wellingborough – a forward fund of 146 modular homes. The development targets 69% affordable rent homes and 31% shared ownership homes. The investment has been completed and Man GPM is holding discussions on a 10 year fully repairing and insuring operating lease to a local Housing Association. Gross project cost of £33.4m.

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

Pipeline

At the time of writing, Man GPM hasn't been able to provide an updated pipeline of investment opportunities. As at 31 January 2022, Man GPM's pipeline investment opportunities included four late-stage investment opportunities with an estimated gross cost of £103m in which negotiations are in place with the vendor, alongside two favourable investment opportunities with an estimated combined gross project cost of £82m 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.

18.2 Investments Held

The table below shows a list of the projects currently undertaken by the Man GPM Community Housing Fund as at 31 March 2022.

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%)	22.3	13.6	8.4
Grantham	227	186 (82%)	38.0	19.5	11.3
Lewes	41	39 (95%)	12.9	8.8	4.4
Campbell Wharf	79	79 (100%)	21.5	15.8	12.5
Towergate	55	55 (100%)	18.1	7.8	3.8
Coombe Farm	71	59 (83%)	24.8	11.0	9.5
Chilmington	225	192 (85%)	70.8	27.1	18.7
Tattenhoe	34	34 (100%)	6.5	3.0	1.5
Total	827	739 (89%)	214.9	92.5	70.4

Source: Man GPM. Totals may not sum due to rounding.

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 SONIA +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 SONIA +4% p.a.	28/01/15
Oak Hill Advisors	Multi Asset Credit	5.0%	3 Month Sterling SONIA +4% p.a.	01/05/15
abrdn	Multi Sector Private Credit	5.0%	3 Month Sterling SONIA / ICE ML Sterling BBB Corporate Bond Index	08/04/2020
Partners Group	Infrastructure Fund	5.0%	3 Month Sterling SONIA +8% p.a.	31/08/15
Aviva Investors	Infrastructure Income Fund	2.5%	3 Month Sterling SONIA +6% p.a.	23/05/18
Darwin Alternatives	Leisure Development Fund	2.5%	3 Month Sterling SONIA +6% p.a.	01/01/22
abrdn	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 SONIA +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.

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.

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