London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 30 June 2024

isio.

Document Classification: Confidential

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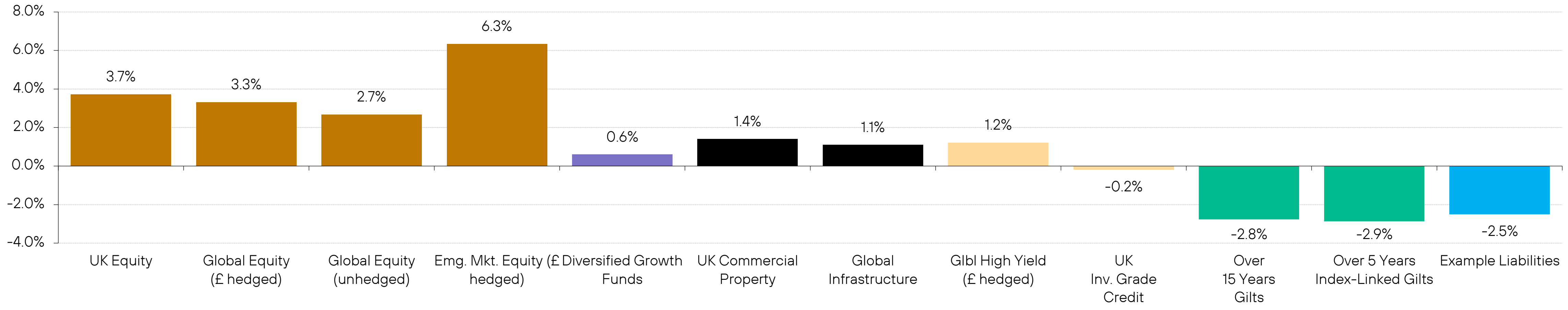
Market Background – Q2 2024

Market movements over the quarter



Key Upcoming Events

Q3 2024 Base rate publications

- UK: The dates for the Bank of England's Monetary Policy Committee ("MPC") announcements are 1 August and 19 September.
- US: The dates for the US Federal Reserve's Federal Open Market Committee ("FOMC") meetings are 31 July and 18 September.

Q3 2024 Inflation publications

- UK: 17 July, 14 August, 18 September.
- US: 11 July, 14 August, 11 September.

Commentary

- Q2 2024 saw mixed returns across asset classes as economic data supported risk assets, but central bank messaging led to negative returns in some areas of bond markets. Whilst the ECB implemented a rate cut over the quarter, the US and UK maintained their current interest rates, noting any cuts would be data dependent. This rhetoric led to nominal and index-linked gilt yields rising over Q2.
- As such, investment grade bonds also experienced negative performance, following government bond yields higher amidst persistent services inflation. However, high yield bonds delivered positive returns as credit spreads remained stable.
- Global equities delivered strong returns over Q2, underpinned by positive investor sentiment due to strong earnings growth and easing headline inflation figures.
- Performance in the property sector was positive following an increase in consumer demand and activity. However, transaction volumes within the property market remain supressed as markets wait for interest rate cuts to materialise.

Sources: Refinitiv, DGF investment managers, LGIM, Isio calculations.

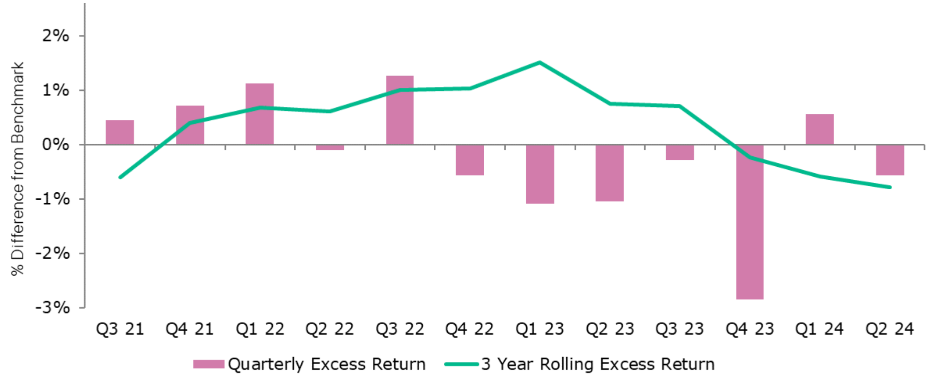
Executive Summary – Q2 2024

Fund Performance to 31 March 2024		3 months (%)			1 year (%)			3 years (% p.a.)		
		Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Equity	LCIV Global Equity Quality	0.1	2.8	(2.7)	13.9	20.1	(6.2)	6.8	8.6	(1.8)
	LGIM Low Carbon Mandate	2.8	2.9	(0.2)	21.5	21.7	(0.2)	10.1	10.3	(0.2)
Dynamic Asset Allocation	LCIV Absolute Return Fund	0.4	2.3	(1.9)	1.0	9.4	(8.4)	(0.3)	7.0	(6.7)
	LCIV Long Duration B&M	(2.3)	(1.8)	(0.4)	n/a	n/a	n/a	n/a	n/a	n/a
	LCIV Short Duration B&M	1.1	0.8	0.3	n/a	n/a	n/a	n/a	n/a	n/a
	Allspring Climate Transition Global B&M	(0.4)	(0.8)	0.4	n/a	n/a	n/a	n/a	n/a	n/a
Secure Income	Partners Group MAC[2]	3.3	2.3	1.0	1.4	9.4	(8.0)	7.9	7.0	0.9
	Oak Hill Advisors	1.9	2.3	(0.4)	21.8	9.4	12.4	4.5	7.0	(2.5)
	abrdn MSPC Fund[3]	0.0	-0.2	-0.2	7.8	11.9	(4.1)	(0.5)	(1.8)	1.3
	Darwin Alternatives	(0.5)	2.8	(3.2)	(15.5)	11.4	(27.0)	n/a	n/a	n/a
	Partners Group Infra[2]	1.8	3.2	(1.4)	6.9	13.4	(6.5)	16.9	11.0	5.9
	Aviva Infra Income[4]	(4.3)	2.8	(7.1)	(8.4)	11.4	(19.3)	0.8	9.0	(8.1)
	Quinbrook Renewables Impact	(4.4)	1.6	(6.1)	n/a	n/a	n/a	n/a	n/a	n/a
Inflation Protection	abrdn Long Lease Property Fund	0.2	(0.4)	0.6	(8.2)	6.8	(14.9)	(7.5)	(6.1)	(1.4)
	Alpha Real Capital	(0.5)	(4.6)	4.2	(12.7)	(9.0)	(3.7)	n/a	n/a	n/a
	Man GPM	2.8	2.3	0.5	(0.5)	9.4	(9.9)	n/a	n/a	n/a
Total Fund[1]		0.8	1.4	(0.6)	8.3	11.8	(3.5)	4.0	4.8	(0.8)

Commentary

- The Total Fund delivered an absolute return of 0.8% on a net of fees basis over the quarter to 30 June 2024, underperforming the fixed weight benchmark by 0.6%.
- The Total Fund delivered positive absolute returns of 8.3% and 4.0% p.a. on a net of fees basis over the year and annualised three years respectively to 30 June 2024, underperforming its fixed weight benchmark by 3.5% and 0.8% p.a. over the year and three years respectively.
- Short term deviations from benchmark can be expected where the underlying fund is measured against a target that does not move in line with the respective asset class, for example a number of the private markets funds are measured against a cash-plus target. Details of the benchmarks used for each fund can be found in the Appendix.
- The chart to the right compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 30 June 2024. The 3-year rolling excess return remained negative over the second quarter of 2024 with further underperformance over the quarter, with the Fund having underperformed the fixed weight benchmark over five quarters in succession leading to the end of December 2023.

Total Fund Performance – Last Three Years



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 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 May 2024. [3] abrdn MSPC Fund performance provided by Northern Trust with quarter lag.
[4] Aviva Investors performance figures provided by Northern Trust take into account a c. 1.7% income distribution from the Infrastructure Income Fund towards the end of each quarter.

Asset Allocation as at 30 June 2024

Fund	Actual Asset Allocation				
	31 March 2024 (£m)	30 June 2024 (£m)	31 March 2024 (%)	30 June 2024 (%)	Benchmark Allocation (%)
LCIV Global Equity Quality	179.7	179.9	13.2	13.1	13.0
LGIM Low Carbon Mandate	412.6	424.1	30.3	30.9	27.0
Total Equity	**592.3**	**604.0**	**43.5**	**43.9**	**40.0**
LCIV Absolute Return Fund	151.2	151.8	11.1	11.0	10.0
Allspring Buy & Maintain (Climate Transition)	135.3	134.8	9.9	9.8	10.0
LCIV Buy & Maintain (Long Duration)	33.5	32.8	2.5	2.4	2.5
LCIV Buy & Maintain (Short Duration)	33.1	33.4	2.4	2.4	2.5
Total Dynamic Asset Allocation	**353.1**	**352.7**	**25.9**	**25.7**	**25.0**
Partners Group MAC	6.5	6.7	0.5	0.5	-
Oak Hill Advisors Diversified Credit Strategies	73.6	75.0	5.4	5.5	5.0
Partners Direct Infrastructure	33.2	33.8	2.4	2.5	5.0
Aviva Infrastructure Income	15.2	14.3	1.1	1.0	-
Quinbrook Renewables Impact	47.6	46.6	3.5	3.4	3.5
abrdn Multi Sector Private Credit	51.2	51.2	3.8	3.7	4.0
Darwin Alternatives Leisure Development Fund	29.0	28.9	2.1	2.1	2.5
Secure Income	**256.3**	**256.4**	**18.8**	**18.7**	**20.0**
Abrdn Long Lease Property	49.6	49.7	3.6	3.6	5.0
Alpha Real Capital Inflation Linked Income Fund	79.0	78.6	5.8	5.7	7.5
Man GPM	23.6	24.5	1.7	1.8	2.5
Total Inflation Protection	**152.2**	**152.9**	**11.2**	**11.1**	**15.0**
Bank Balance	7.3	8.6	0.5	0.6	-
Total Assets	**1,361.1**	**1,374.6**	**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 28 February 2024 and as at 31 May 2024). [12] Total Fund valuation includes £30k which is invested in private equity allocations with Unicapital, with these investments currently in wind down.

Fund Activity (1)

Item	Action points / Considerations	Status
Infrastructure and Renewable Infrastructure	**Aviva Investors Infrastructure Income Fund ("AIIIF")** • At the 20 June 2022 Pension Fund Committee Meeting, the Pension Fund Committee agreed to proceed with the proposed full disinvestment from the Fund's investment in the Aviva Investors Infrastructure Income Fund and, in June 2022, the Pension Officers served notice to fully disinvest from AIIIF. • The London Borough of Hammersmith and Fulham Pension Fund received £262k on 20 June 2024, from the income distribution. The remaining redemption proceeds are expected to follow in one single tranche later in the year. • Further detail can be found in the Private Appendix attached to this report. **Quinbrook Renewables Impact Fund** • Over the quarter, Quinbrook issued one draw down requests for £1.1m to be paid by 30 May 2024 funded from excess cash held in the Trustee bank account. Resultantly, following payment of the latest draw down request, the Fund's £45m commitment is c. 95% drawn for investment as at 30 May 2024.	
Affordable Housing	**Man GPM Community Housing** • Man GPM issued one capital call during the second quarter of 2024. Issuing a drawdown request for c.£217k for payment by 9 May 2024, funded from excess cash held in the Trustee bank account. Following quarter end Man GPM issued a further drawdown request for c.£1.2m for payment by 24 July 2024, funded from excess cash held in the Trustee bank account. Following payment of this post quarter end request the Fund's total commitment is c.84% drawn for investment. • An update on the Community Housing Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.	

Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Fund Activity (2)

Item	Action points / Considerations	Status
London CIV	• Post quarter end, London CIV announced that their Chief Investment Officer, Aoifnn Devitt had decided to move on from her role at London CIV to pursue new opportunities and will be leaving in Q4 2024. • Meanwhile, Aoifinn is continuing to work for London CIV in an interim role for the remainder of her time, while London CIV completes solutions currently under construction and maintaining their current proposition. • London CIV has announced that there will be a gap between Aoifinn leaving and a new CIO joining. The head of London CIV's Public Markets, Rob Treich will support overseeing the investment process during the transition period. London CIV anticipate this personnel change will not hamper their planned programme of new service offerings. • Additionally, after a prolonged extended leave absence, Clients Relationships Manager Harry Lamprinopoulos has decided to leave London CIV, with the current client service function expected to be able to continue to deliver ongoing service without additional recruitment. • We are surprised by the short tenure of the recent CIO and will continue to monitor the situation closely. There is no immediate action to take on this news.	Information only
LGIM	LGIM's holding company, Legal and General Group ('L&G') has recently announced several business changes, in particular, the combining of LGIM with L&G Capital (L&G's private markets business) into one entity to focus on expanding further into private market offerings. We expect a positive impact from the strategic review, with Antonio Simoes, the newly appointed CEO focusing on simplifying the business structure and capitalising on market opportunities. Further information on the L&G's business announcement and our views on the changes are detailed on the next page. There is no further action required by the Trustee at this time.	Information only

Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Fund Activity (3)

Background

On Wednesday 12 June, Legal & General ("L&G") announced several business changes relating to their forward-looking strategy following a broad strategic review led by Antonio Simoes, who was appointed as CEO in January 2024.

The changes involve setting targets over the coming financial years across areas L&G have identified as key growth areas to increase shareholder value. The main changes are as follows:

- Combining the existing Legal & General Investment Management ("LGIM") unit with L&G Capital, their private markets business, into one entity to expand into private markets;
- Michelle Scrimgeour departing as CEO of LGIM once a successor has been identified. Laura Mason, currently CEO of L&G Capital, will assume the role of CEO of Private Markets within the new entity;
- Prioritising Pension Risk Transfer as a key growth area, targeting underwriting £50-65bn of deals per annum by the end of 2028;
- Expanding their retail operations through their workplace DC platform, targeting total cumulative asset inflows of £40-50bn over 2024-28;
- Disposing of 'non-strategic assets' such as housebuilder Cala, through which L&G are reportedly looking to raise £1bn;
- Enacting £200m of share buybacks in 2024, with further possible buybacks in future years.

The above changes are being enacted with the view of streamlining L&G's operations and increasing shareholder value, with L&G targeting 6-9% annual growth in earnings per share over 2024-27. In addition, they are aiming to achieve 5% dividend growth in 2024 and 2% annual dividend growth over 2025-27.

The initial market reaction to the announcement was underwhelming, with L&G's share price falling by c.5% following the news – with some investors seemingly hoping for more ambitious earnings and dividend growth targets.

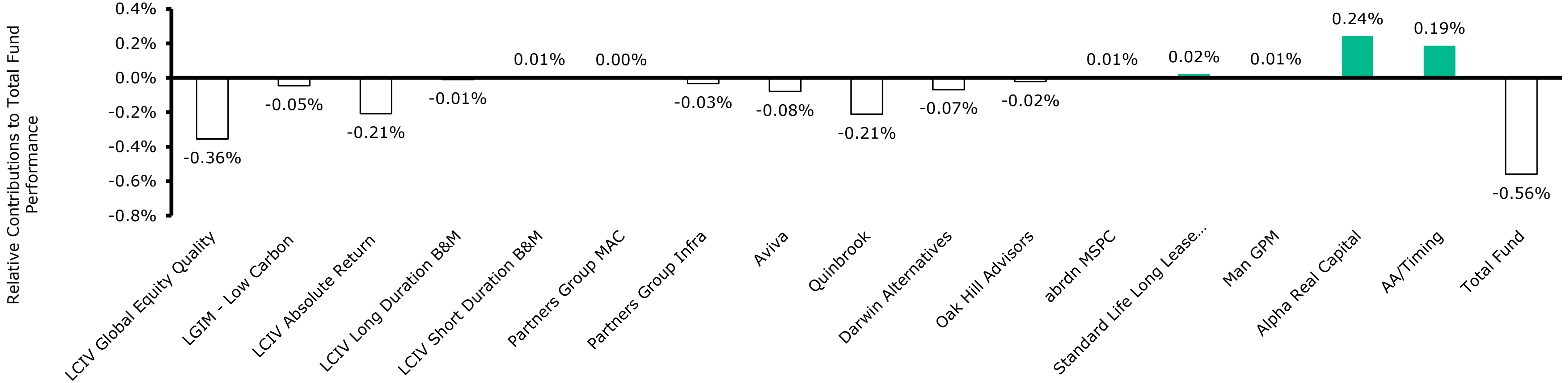
Isio View

- Overall, we expect a positive impact from the strategic review, with Simoes as the recently appointed CEO focusing on simplifying the business structure and capitalising on market opportunities to drive future growth across three distinct business units (Pension Risk Transfer, Asset Management And Retail).
- Whilst L&G are not expecting any significant short-term team changes to occur, based on our experience of other mergers within asset managers, such events can lead to team turnover. The largest impact would be felt if portfolio management / analyst team changes occur. We suspect overlap in these areas between the two business units to be limited, but we have identified real estate as an area that could be impacted. We'll monitor this closely to assess how LGIM establish Chinese walls to manage information flow and decide on a new team organisation structure.
- In addition, whilst LGIM have confirmed this is not a cost cutting exercise, we expect there to be some duplication of roles within the merged asset management entity, which could lead to redundancies. Moving forward, we will regularly monitor team turnover and client servicing to ensure there are no negative impacts from the proposed changes.
- L&G are actively running a recruitment process to identify a new CEO of LGIM to replace Michelle Scrimgeour, who will remain in the position until a successor is identified – which L&G expect to take several months. While this provides a handover period to transition to the new CEO and entity, we note the new CEO will likely come in with their own strategic ideas and priorities, so we will speak to them once appointed to assess these.
- A key challenge for the new LGIM CEO will be to successfully integrate the cultures of LGIM with L&G Capital as these two business units merge. While L&G believe the two cultures are well-aligned and we see many other managers operating in both public and private markets, we sometimes observe different investment philosophies and approaches between these two areas elsewhere, which may need reconciling.
- This integration offers L&G the potential to expand into private assets and launch strategies that straddle both public and private markets. However, a focus on new strategies and desire to simplify the business could lead to the consolidation of existing funds, as we have seen elsewhere. We will monitor this over time to assess how LGIM's product range evolves.

Note: Views based on information provided by L&G. "L&G" refers to the broader L&G Group, whereas "LGIM" refers specifically to the investment management arm.

Attribution of Performance to 30 June 2024

Relative Contributions to Total Fund Performance - Quarter

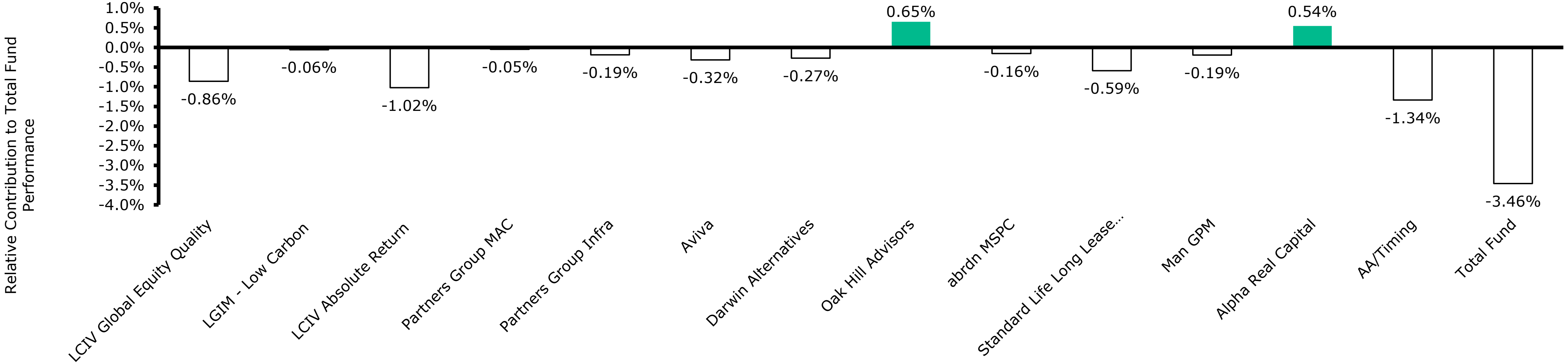


Key area	Comments
Commentary	• The Fund underperformed its fixed weight benchmark by c. 0.6% over the quarter to 30 June 2024. • Underperformance can be attributed to the LCIV Global Equity Quality fund which underperformed the wider MSCI AC World Index driven by poor stock selection among each of the three main sources of sector exposure in the sub-fund: information technology, health care and financials. Additionally, Quinbrook underperformed the Fund's cash plus objective. LCIV Absolute Return also contributed to relative underperformance as a result of a positions that required borrowing Japanese Yen amid rising interest rates and downside protection strategies with equity put options if markets were to fall. • Relative underperformance was counteracted to a degree by Alpha Real Capital having outperformed their respective inflation-linked gilts benchmark over the three-month period. The source of the outperformance was from relatively high interest income as well as arears payments. • The impact of the Fund's underweight allocation to Darwin over a period of negative performance and overweight to the LGIM Low Carbon Equity Mandate over a period of positive performance amongst others, is captured in the "AA/Timing" bar.

Sources: Investment managers, Isio calculations.

Attribution of Performance to 30 June 2024

Relative Contributions to Total Fund Performance - Annual



Key area	Comments
Commentary	• Over the year to 30 June 2024, the Fund underperformed its fixed weight benchmark by c. -3.5%. • Underperformance over the twelve-month period was primarily driven by the LCIV Absolute Return Fund, having underperformed its cash-based benchmark over each of the separate four quarters to 30 June 2024. The strategy's defensive positioning, predominantly the cost of protection strategies to protect against falls in the equity markets has been detriment in recent period, alongside bond holdings that have been impacted by the rise in nominal yields since the start of the new year. • In addition, while equity markets have continued to deliver strong returns through year, the LCIV Global Equity Quality mandate has struggled to outperform the MSCI world equity comparator, largely due to the Fund's preference for quality stocks with predictable cashflows over a period where growth stocks have outperformed due to an improved economic outlook and corporate earnings. • Additionally, the negative attribution to relative returns over the year reflected in the "AA/Timing" bar can be attributed to the accumulation of the Scheme being marginally underweight to positively performing asset classes and

Sources: Investment managers, Isio calculations.

Investment Manager Updates

London CIV (1)

Sub-fund	Asset Class	Manager	Total AuM as at 31 March 2024 (£m)	Total AuM as at 30 June 2024 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	1,473	1,474	5	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	2,305	2,333	11	13/04/21
LCIV Global Equity	Global Equity	Newton	605	620	3	22/05/17
LCIV Global Equity Quality	Global Equity	Morgan Stanley Investment Management	560	560	3	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	1,270	1,252	6	17/07/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	561	589	8	11/01/18
LCIV Sustainable Equity	Global Equity	RBC Global Asset Management (UK)	1,411	1,443	8	18/04/18
LCIV Sustainable Equity Exclusion	Global Equity	RBC Global Asset Management (UK)	724	750	5	11/03/20
LCIV PEPPA	Global Equity	State Street Global Advisors	941	975	4	01/12/2021
LCIV Global Total Return	Diversified Growth Fund	Pyrford	100	101	1	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	320	300	4	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	981	985	10	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	186	186	2	16/12/16
LCIV Global Bond	Fixed Income	PIMCO	888	887	10	30/11/18
LCIV Short Duration B&M Credit Fund	Fixed Income	Insight Investment Management	138	138	2	06/12/23
LCIV Long Duration B&M Credit Fund	Fixed Income	Insight Investment Management	814	789	6	06/12/23
LCIV MAC	Fixed Income	CQS & PIMCO	1,768	1,900	17	31/05/18
LCIV Alternative Credit	Fixed Income	CQS	508	521	4	31/01/22
Total			15,554	15,803		

Investment Performance to 30 June 2024

Business

As at 30 June 2024, the London CIV had assets under management of £15.8bn within the 18 sub-funds (not including commitments to the private markets strategies), an increase of £200m over the quarter owing partially to positive net client flow alongside positive investment returns within the growth sub-funds available on the platform.

As at 30 June 2024, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £32bn, an increase of c. £400m over the quarter. Total commitments raised by the private market funds stood at c. £3.1bn of which c. £1.6bn had been drawn as at 30 June 2024.

The table to the left provides an overview of the public market sub-funds currently available on the London CIV platform.

Source: London CIV.

London CIV (2)

Sub-fund	Total Commitment as at 30 June 2024 (£'000)	Called to Date (£'000)	Fund Value as at 30 June 2024 (£'000)	Number of London CIV clients	Inception Date
LCIV Infrastructure Fund	475,000	315,874	371,356	6	31/10/2019
LCIV Real Estate Long Income Fund	213,000	213,000	155,484	3	11/06/2020
LCIV Renewable Infrastructure Fund	1,108,500	481,149	490,498	16	29/03/2021
LCIV Private Debt Fund	625,000	420,091	498,034	8	29/03/2021
LCIV UK Housing Fund	450,000	73,200	1,377	8	31/03/2023
The London Fund	250,000	104,026	99.774	4	15/12/2020

Source: London CIV.

Investment Performance to 30 June 2024

The table to the left provides an overview of the London CIV's private markets investments as at 30 June 2024.

LCIV – Global Equity Quality (1)

Key area	Performance commentary
Commentary	• The LCIV Global Equity Quality 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. Resultantly, the strategy is expected to outperform during market downturns, but may not fully participate in periods of market uplift. This is continued to be the case over the second quarter of 2024, where the strategy has underperformed the MSCI-based benchmark by 2.7% over the three-month period, with the portfolio's quality bias proving detrimental over a period where growth stocks outperformed driven by optimism over AI stocks and hardware/semiconductor companies which the Manager perceives as cyclical. The strategy has underperformed the benchmark by 6.2% over the year and 1.5% p.a. over the three-year period. • The LCIV Global Equity Quality 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 several small differences in the characteristics of the two funds. The LCIV Global Equity Quality Fund underperformed the Global Franchise Fund by 0.1% over the quarter.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	0.1	13.9	7.1
Benchmark (MSCI World Net Index)	2.8	20.1	8.6
Global Franchise Fund (net of fees)	0.2	13.5	6.6
Net Performance relative to Benchmark	-2.7	-6.2	-1.5

Relative performance may not tie due to rounding

Fund Overview

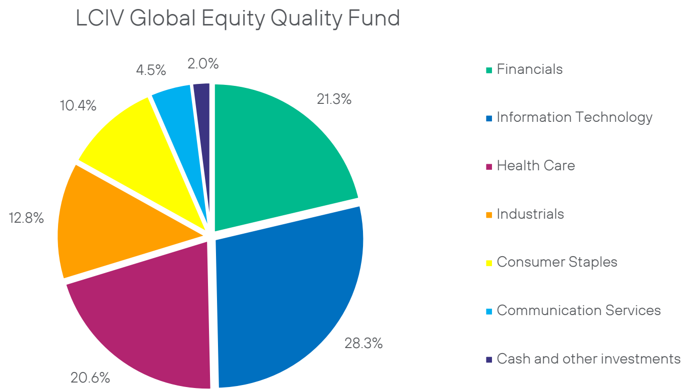
Morgan Stanley Investment Management was appointed to manage an active equity portfolio with a focus on sustainability when selecting investment opportunities, held as a sub-fund on the London CIV platform from 30 September 2020. The aim of the fund is to outperform the MSCI AC World Index.

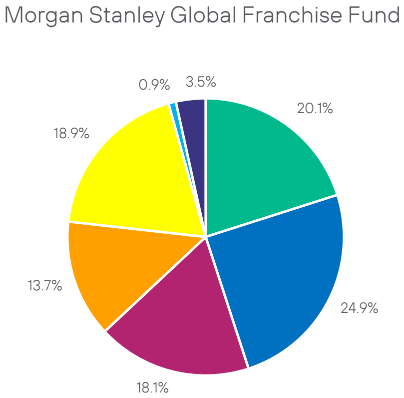
The charts at the bottom of the page compare the relative weightings of the sectors in the LCIV Global Equity Quality Fund and the Morgan Stanley Global Franchise Fund as at 30 June 2024.

The Global Equity Quality 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. 2.1% to tobacco stocks as at 30 June 2024. The Global Equity Quality Fund is restricted from investing in tobacco, and hence holds a substantially smaller allocation to consumer staples

Portfolio Sector Breakdown at 30 June 2024





Note: Returns net of fees.
Sources: Northern Trust, Morgan Stanley and London CIV.

LCIV – Global Equity Quality (2)

Performance Analysis

	LCIV Global Equity Quality Fund	Global Franchise Fund
No. of Holdings	43	39
No. of Countries	9	6
No. of Sectors*	6	7
No. of Industries*	18	15

*Not including cash

Holdings

Global Equity Quality Fund Holding	% of NAV
Microsoft	6.6
SAP SE	5.6
Visa	5.0
Accenture	4.0
Alphabet Inc Class A	3.6
Intercontinental Exchange Inc	3.6
RELX	3.4
UnitedHealth	3.3
Thermo Fisher Scientific	3.3
Aon	3.1
Total	41.5

Global Franchise Fund Holding	% of NAV
Microsoft	8.7
SAP SE	6.7
Visa	5.8
Accenture	5.0
Intercontinental Exchange	4.4
RELX	4.1
UnitedHealth	3.7
Thermo Fisher Scientific	3.5
Becton Dickinson	3.4
AON	3.3
Total	48.4

Portfolio Analysis

The performance analysis table summarises the Global Equity Quality Fund portfolio's key characteristics as at 30 June 2024, compared with the Morgan Stanley Global Franchise Fund.

The top 10 holdings in the Global Equity Quality Fund account for c. 41.5% of the strategy and are detailed in the bottom left chart, compared with the Morgan Stanley Global Franchise Fund.

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

Sources: Morgan Stanley and London CIV. Totals may not sum due to rounding.

LGIM – World Low Carbon Equity

Key area	Performance Commentary
Commentary	• The LGIM MSCI World Low Carbon Index Fund delivered a positive absolute return of 2.8% on a net of fees basis over the quarter to 30 June 2024 as global equity markets continued to rally amid positive investment sentiment of economic growth prospects, although the fund slightly underperforming its MSCI World Low Carbon Target benchmark. • The LGIM MSCI World Low Carbon Index Fund delivered an absolute return of 21.5% on a net of fees basis over the one-year-period to 30 June 2024, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.2%. Over the longer three-year period, the strategy delivered a positive absolute return of 10.2% p.a. on a net of fees basis, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.1% p.a. over the period.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	2.8	21.5	10.2
Benchmark (MSCI World Low Carbon Target)	2.9	21.7	10.3
Net Performance relative to Benchmark	-0.2	-0.2	-0.1

Relative performance may not tie due to rounding

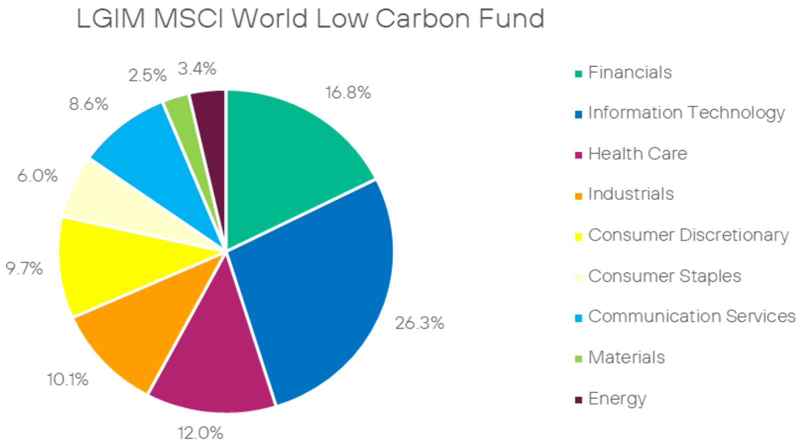
Fund Overview

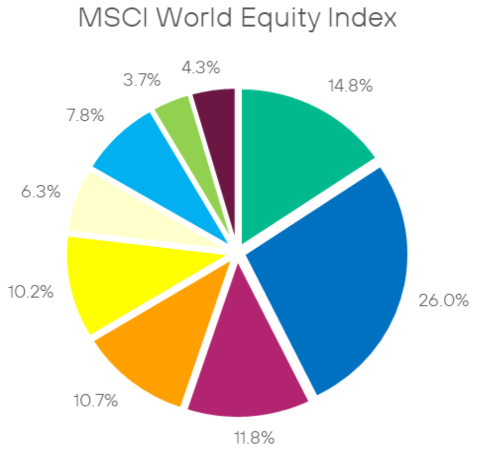
Legal and General Investment Management ("LGIM") was appointed on 18 December 2018 to manage a low carbon portfolio with the aim of replicating the performance of the MSCI World Low Carbon Target Index. The manager has an annual management fee, in addition to On Fund Costs.

The bottom left 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 30 June 2024.

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

Portfolio Sector Breakdown at 30 June 2024





Note: Returns net of fees.
Sources: Northern Trust and LGIM.

LCIV – Absolute Return

Key area	Performance Commentary
Commentary	• The LCIV Absolute Return Fund has delivered returns of 0.4% and -0.3% over the quarter and year to 30 June 2024 respectively, underperforming its SONIA+5% p.a. target by 1.8% and 9.7% over each respective period. • While the Fund's growth assets delivered gains over the last two quarters, the manager, Ruffer, attributes the portfolio's negative performance over the last year to the portfolio's defensive bias and tilt to downside protection strategies, which have an ongoing cost if markets rise (across credit, equity and volatility). Over the year the Fund's long Yen position has driven negative performance, with Yen depreciation against Sterling following lower than expected interest rate rises.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.4	1.0	0.3	4.5
Target	2.3	9.4	7.0	5.9
Net performance relative to Target	-1.9	8.4	-6.7	-1.4

Relative performance may not tie due to rounding

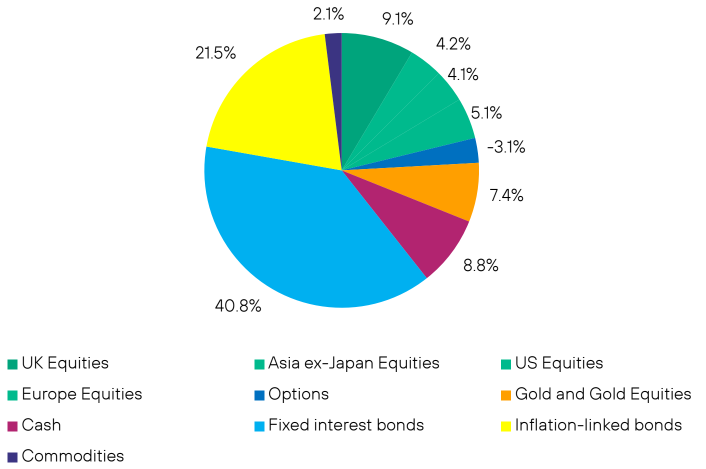
Fund Overview

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.

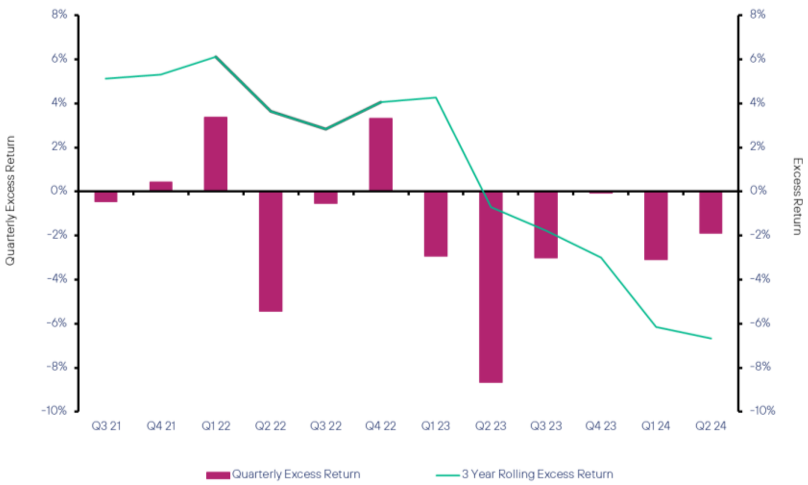
The LCIV Absolute Return Fund aims to deliver growth throughout the investment cycle and acts as a return-seeking diversifier from equities through a relatively defensively positioned portfolio. The manager has the ability to regularly alter the underlying asset allocation in response to market conditions.

While the manager, Ruffer, maintains its view that investors are too bullish about prospects for interest rate cuts and that equity and credit markets are not pricing in downside risks, the manager has opted to retain some level of risk-on assets that will help capture upside if growth asset returns remain consistently positive.

Portfolio Sector Breakdown at 30 June 2024



Investment Performance to 30 June 2024



Sources: Northern Trust, London CIV and Ruffer.

LCIV – Short and Long Duration Buy & Maintain (1)

Key area	Performance Commentary
Commentary	• The Short Duration Sub-Fund benefited from interest income and the tightening of credit spreads over the quarter. Credits spreads tightened marginally due to continued demand for bond assets. Additionally high grade corporate borrowers have performed well over the quarter due to strong corporate earnings delivering returns for the Sub-Fund. • The Long Duration Sub-Fund performance was impacted by the performance of longer duration investment grade credit which was more susceptible to benchmark government bond yields increasing as investors repriced the expected rate of interest rate cuts amid persistent inflation. The Sub-Fund also suffered from the anomaly of strong technical demand for sterling debt amidst a period of low issuance in sterling, causing dollar credit to trade with higher spreads than pound (for which the index does not hold USD denominated debt). The manager expects this to be temporary in nature.

Key Statistics

	Short Duration		Long Duration	
	31 Mar 2024	30 Jun 2024	31 Mar 2024	30 Jun 2024
Weighted Average Credit Rating	A	A	A-	A-
Yield to Maturity	5.29	5.54	5.20	5.58
Current Yield	3.96	3.84	4.52	4.97
Interest Rate Duration (Years)	2.46	2.38	11.60	11.31
Spread Duration (Years)	2.51	2.33	10.50	10.98

Investment Performance to 30 June 2024

Short Duration	Last Quarter (%)
Net of fees	1.1
Benchmark / Target	0.8
Net performance relative to Benchmark	0.2

Long Duration	Last Quarter (%)
Net of fees	-2.3
Benchmark / Target	-1.8
Net performance relative to Benchmark	-0.4

Relative performance may not tie due to rounding

Fund Overview

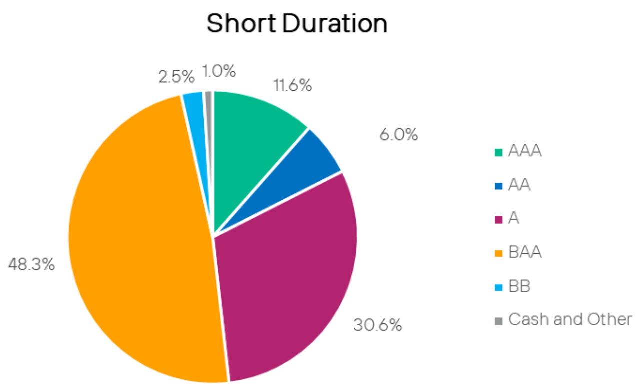
Insight Investment Management was appointed to manage a buy & maintain credit mandate across both a short and long duration strategy, held as sub-funds under the London CIV platform from 6 December 2023.

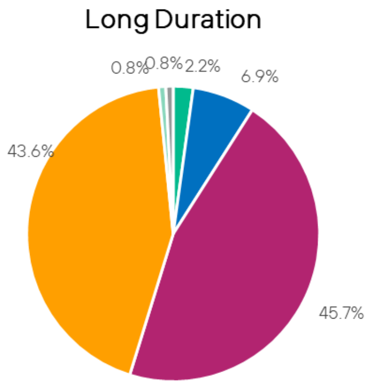
The aim of the short and long duration sub-funds is to achieve a portfolio yield to maturity in line with the iBoxx GBP Collateralized & Corporates 0-5 Index and the iBoxx £ Collateralized & Corporates 10+ Index respectively while limiting turnover. The manager has a fixed fee based on the value of assets.

Source: Northern Trust and London CIV.

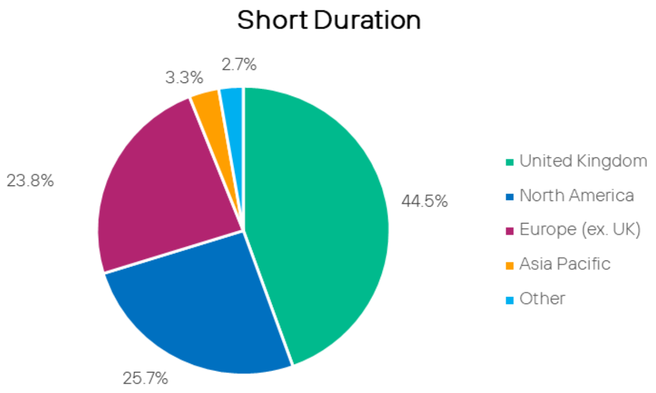
LCIV – Short and Long Duration Buy & Maintain (2)

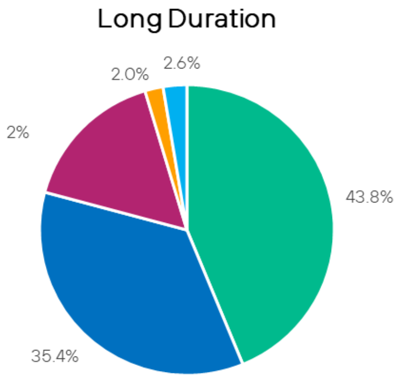
Portfolio Credit Rating Breakdown as at 30 June 2024





Portfolio Regional Breakdown as at 30 June 2024





Fund Overview

The charts to the left represent the split of the Short and Long duration portfolios by credit rating and by region as at 30 June 2024.

Source: Northern Trust and London CIV.
Note that figures may not sum to 100% due to rounding and due to the potential for the manager to use short holdings in cash and currency forwards.

Allspring – Climate Transition Global Buy & Maintain (1)

Key area	Performance Commentary
Commentary	• Northern Trust has estimated that the Allspring Climate Transition Global Buy and Maintain Fund has delivered a negative return of -0.4% over the quarter to 30 June 2024 on a net of fees basis. • Negative returns of the fund were driven by expectations that central banks would cut interest rates later in the year, further away than previously anticipated, with strong economic data coming out particularly the US and persistent inflation reducing nominal yield fall optimism.

Investment Performance to 30 June 2024

	Last Quarter (%)
Net of fees	-0.4
Target	-0.8
Net performance relative to Target	0.4

Relative performance may not tie due to rounding

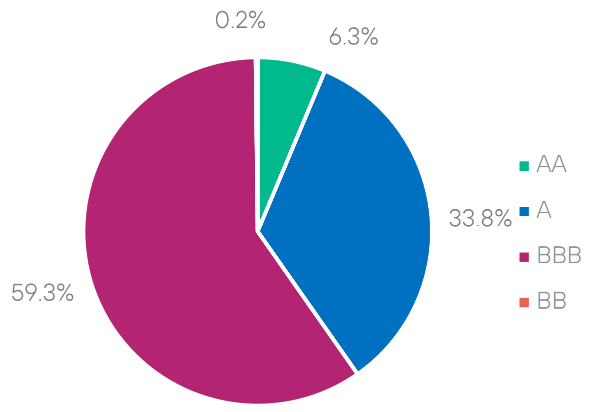
Fund Overview

Allspring was appointed on 7 November 2023 to manage a global climate transition buy and maintain credit mandate.

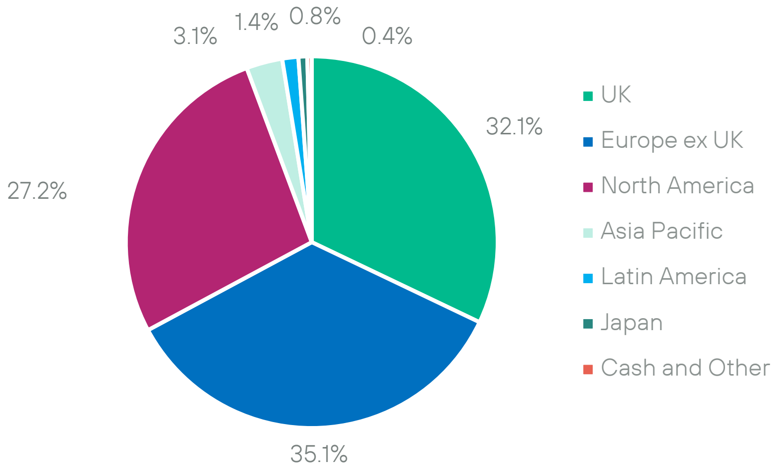
The aim of the Fund is to broadly track the performance of the ICE BofA Sterling Corporate Index, while simultaneously achieving various climate transition related targets. The manager has a fixed fee based on the value of assets.

The charts to the bottom left represent the split of the Allspring Climate Transition Global Buy & Maintain Fund by credit rating and by region as at 30 June 2024.

Portfolio Credit Rating Breakdown as at 30 June 2024



Portfolio Regional Breakdown as at 30 June 2024



Source: Northern Trust and Allspring.

Allspring – Climate Transition Global Buy & Maintain (2)

ESG Metrics as at 30 June 2024

	Allspring Climate Transition Global Buy & Maintain		Benchmark	
	Value	Coverage	Value	Coverage
MSCI ESG Score	7.4	98%	7.2	92%
Sustainalytics ESG Risk Score	20	95%	21	94%
Carbon to Value Invested (metric tons CO_2e/\$1m invested)*	37	89%	48	72%
Weighted Average Carbon Intensity (metric tons CO_2e/\$1m revenues)*	67	96%	94	89%
Coal Emissions (metric tons CO_2e/\$1m invested)	0	N/A	25,552	N/A
Gas Emissions (metric tons CO_2e/\$1m invested)	7,086	N/A	6,349	N/A
Oil Emissions (metric tons CO_2e/\$1m invested)	8,769	N/A	6,739	N/A

MSCI ESG Score: scale of 0-10 (10-best)
Sustainalytics ESG Risk Score: scaled of 0-100 (0-no ESG Risk, >40-severe ESG Risk)
*Operational and Tier 1 supply chain emissions

ESG Metrics

Allspring integrates the objectives of the EU Climate Transition Benchmark pathway into its investment approach but targets a carbon intensity reduction trajectory that is more ambitious than the prescribed 1.5°C pathway to net zero by 2050.

Allspring, however, does not automatically exclude industries with high historical carbon emissions and instead focuses on firms' forward transition performance. For example, where many ESG strategies exclude fossil fuels on the view that historical carbon intensity will continue indefinitely, Allspring takes a prospective view on firms' climate and financial performance with the outlook that some of today's heaviest emitters may be tomorrow's decarbonisation outperformers. As such, we would expect the strategy's carbon intensity metrics and ESG scores to improve over time.

The table to the left compares the ESG metrics of the Climate Transition Global Buy & Maintain Fund with those of the reference benchmark as at 30 June 2024.

Please note that we have included definitions of each of the metrics in the Appendix to this report.

Source: Allspring.

Partners Group – Multi Asset Credit

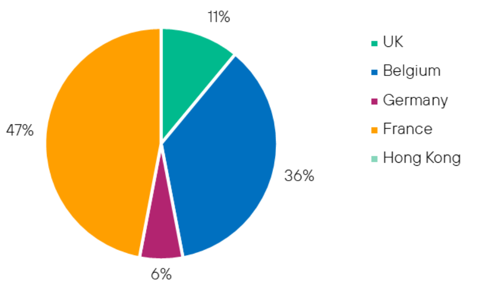
Key area	Performance Commentary
Commentary	• The Multi Asset Credit strategy delivered a positive absolute return of 3.3% on a net of fees basis over the quarter to 31 May 2024, outperforming its 3 Month SONIA +4% benchmark by 1.0%.. • The strong performance over the three-year period reflects the rebound in performance of the strategy's sub-portfolio of tail investments for which the Fund lifespan was extended for in 2021, which were initially particularly acutely impacted by the COVID-19 related impact but that have now rebounded.
Activity	• The Partners Group Multi Asset Credit Fund had made 54 investments, of which 49 have been fully realised as at 30 June 2024 with no further realisations taking place since 31 December 2023. The Fund's three-year investment period ended in July 2017 and therefore, any investments realised have subsequently been repaid to investors. • Partners Group issued one capital distribution paid on the 28th June 2024 for c.£98k

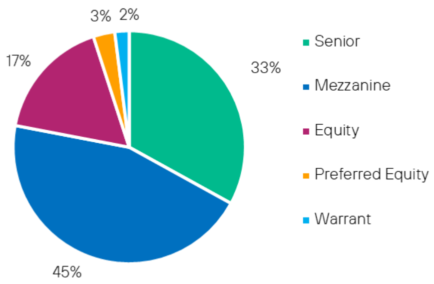
Investment Performance to 31 May 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	3.3	1.4	7.9	6.2
Benchmark / Target	2.3	9.4	7.0	5.9
Net performance relative to Benchmark	1.0	-8.0	0.9	0.2

Relative performance may not tie due to rounding

Portfolio Regional and Debt Type Breakdown at 30 June 2024





Quarterly Excess Returns

Fund Overview

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.

The charts to the bottom left show the regional split and allocation by debt type of the Fund as at 30 June 2024, based on the five positions remaining in the portfolio. The last loan is set to expire in 2030.

Proposed Fund Life Extension

During the quarter, on 10 May 2024, Partners Group wrote to investors in the Multi Asset Credit Fund 2014 to seek consent to extend the term of the strategy by three years to 28 July 2027. Partners Group with approval from investors decided to extend the fund on 17 June 2024.

There are 5 investments remaining in the portfolio and Partners Group extended the fund life in order to facilitate an orderly wind-down – to avoid selling the remaining assets at substantial discount as a result of current market dynamics and to allow additional time for the remaining assets to realise their value creation potential.

Partners Group anticipates that the majority of asset exits will complete within the next 12-18 months, but has proposed a 3 year extension to allow flexibility.

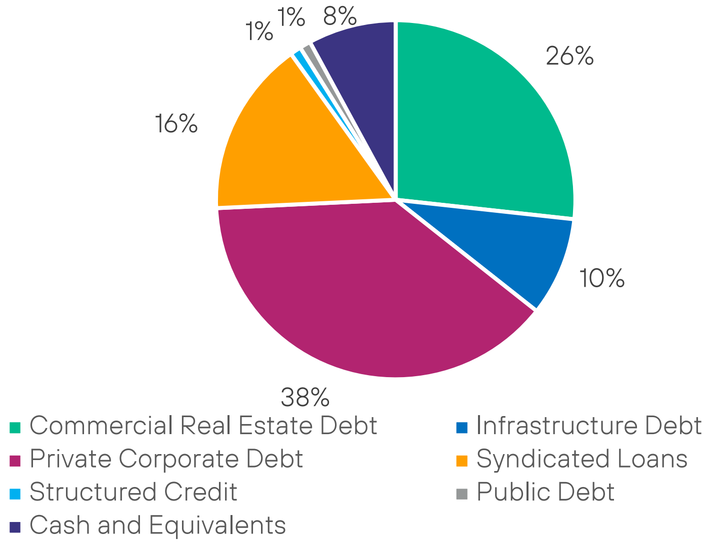
Source: Northern Trust and Partners Group.

Please note, performance shown is to 28 February 2024

abrdn – Multi-Sector Private Credit Fund

Key area	Performance Commentary
Commentary	• Absolute returns over the last year have primarily been driven by movements in the mark-to-market valuations of the strategy's underlying assets, with abrdn's valuation methodologies taking account of credit spreads and government bond yield movements. Gilt yields rose and credit spreads tightened over Q1 2024, resulting in broadly flat performance.
Portfolio Composition	• As at 31 March 2024, the MSPC Fund portfolio has reached target allocation and consists of 23 private assets: • 5 infrastructure debt investments; • 8 senior real estate debts investments; • 1 whole loan real estate debt investment; and • 10 private corporate debt investments.

Portfolio Asset Type Breakdown at 31 March 2024



Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	0.0	7.8	-0.5
Benchmark / Target	-0.2	11.9	-1.8
Net performance relative to Benchmark	0.2	-4.1	1.3

Relative performance may not tie due to rounding. Please note that abrdn MSPC Fund performance is provided by Northern Trust with a quarter lag.

Investment Metrics

	31 Mar 2024	31 Dec 2024
Duration (years)	4.35	4.65
Average rating	BBB	BBB
Average portfolio spread	291bps	323bps
Average illiquidity premium	126bps	126bps
Average yield to maturity	7.20%	7.82%

Fund Overview

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.

abrdn has confirmed that there have been no asset-related issues and the manager believes the portfolio is well positioned to sustain a potential recession given the focus on more defensive sectors.

As at 30 June 2024, c. 92% of the MSPC Fund portfolio has been invested in illiquid assets that will make up the long-term portfolio, while the remaining c. 8% of the portfolio remains invested in a liquid transition portfolio in order to avoid a cash drag for liquidity purposes. The asset allocation as at 31 March 2024 is provided in the chart to the left.

Source: Northern Trust and abrdn.

Darwin Alternatives –Leisure Development Fund (1)

Key area	Performance Commentary
Commentary	• The Leisure Development Fund delivered a slightly negative absolute return of -0.5% over the quarter to 30 June 2024, underperforming its cash +6% p.a. target by 3.2%. Over the one-year period, the Fund has delivered an absolute return of -15.5%, underperforming its target by 27.0%. Darwin Alternatives attributes the significant decrease in net asset value over the year to a significant rise in the discount rate used to value the underlying assets, rather than poor asset performance. The strategy's assets are valued by an independent valuer using a discounted cashflow approach, with the decision taken during Q3 2023 to change the discount rate following a sustained upwards movement in the 'risk-free rate'. • Norfolk, Rivendale and Plas Isaf delivered strong rental incomes from rentals over the quarter. With home sales at Norfolk and Plas Isaf were lower than anticipated, dragging performance. Darwin believes unseasonably poor weather and slow economy continued to hamper bookings at the other sites. Darwin continues to blame delays to development projects meaning that the Fund is not generating development returns which has negatively impacted performance.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)
Net of fees	-0.5	-15.5
Benchmark / Target	2.8	11.4
Net performance relative to Benchmark	-3.2	-27.0

Relative performance may not tie due to rounding

Fund Overview

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.

Details of the Fund's underlying assets can be found overleaf.

Activity

- Blenheim Palace Lodge Retreat has underperformed over previous quarters. The Darwin and Blenheim Palace Marketing teams have worked closely with the BBC to film the final of 'Interior Design Masters' which aired on BBC1 in spring 2024 and attached around 3 million viewers. The show featured extensive footage at both the Palace and the lodge retreat, where the finalists transformed the interiors of two of the lodges. Helping generate significant social media interest.
- The lodge manufacturer Bentley Rowe has now finished Plas Isaf in May and the site is fully open. The site has a total of 40 holiday rentals lodges and 17 bases for holiday home ownership.
- Darwin have also been explored solar opportunities across a number of the portfolio sites. Installing solar panels or arrays would feed on-site electrical demand and allow then to export electricity to the grid when they have an excess. At this stage they are exploring the feasibility from both a financial and practical perspective.
- Darwin are expecting a planning decision for Rosetta site in early August which is expected to be recommended for approval on the 100 lodge development on the outskirts of Peebles. Kilnwick Percy and Stratford are both going through the planning process. Darwin are expecting a decision on both after the summer.

Source: Northern Trust and Darwin Alternatives.

Darwin Alternatives –Leisure Development Fund (2)

Portfolio Holdings

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

- The Fund also owns a stake in Modular, a lodge manufacturing business.

Portfolio

The table to the left shows details of the parks underlying the Darwin Alternatives Leisure Development Fund portfolio as at 30 June 2024.

Source: Darwin Alternatives.

Oak Hill Advisors – Diversified Credit Strategies

Key area	Performance Commentary
Commentary	• The strategy delivered a positive return of 1.9% on a net of fees basis over the quarter to 30 June 2024, underperforming the benchmark by 0.4%. As the strategy is measured against a Sterling cash-plus benchmark, we would expect relative performance differences over shorter time horizons. • The Fund's performance was driven by credit selection with high yield and leveraged loans outperforming their respective market indexes by 0.98% and 0.4% on a gross basis. • The strategy's opportunistic nature means that the fund can take on restructuring opportunities for issuers. There were no defaults over the second quarter of 2024 within the Diversified Credit Strategies portfolio, while three positions representing c. 0.8% of the total portfolio were downgraded. All three of the positions moved further down the sub-investment grade credit rating spectrum.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.9	21.8	4.5	4.5
Benchmark / Target	2.3	9.4	7.0	5.9
Net Performance relative to Benchmark	-0.4	12.4	-2.5	-1.4

Relative performance may not tie due to rounding

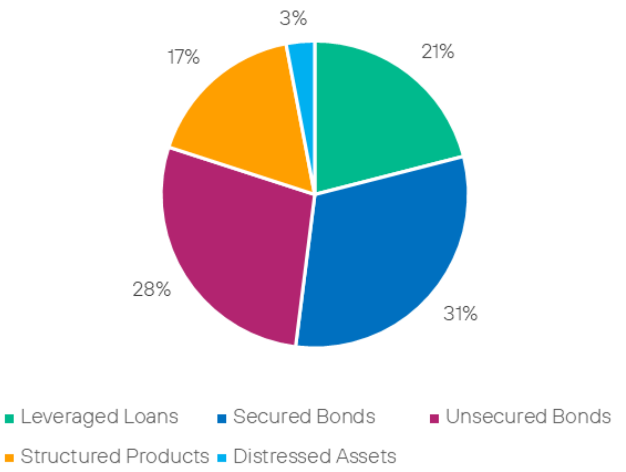
Fund Overview

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.

It should be noted, however, that the DCS Fund is denominated in US Dollars. There is no hedging in place in respect of this investment and therefore short-term returns are impacted by exchange rate fluctuations. Oak Hill Advisors highlights that the strategy has delivered 1.6% on a net of fees basis over the quarter to 31 March 2024 once currency fluctuations have been stripped out. Oak Hill Advisors compares the performance of the Diversified Credit Strategies Fund against a blended index of high yield credit and leveraged loans, which delivered a return of 2.0% over the quarter to 31 March 2024.

The chart to the bottom left shows the composition of the Diversified Credit Strategies Fund's portfolio as at 30 June 2024.

Portfolio Sector Breakdown at 30 June 2024



Quarterly Excess Returns

Source: Northern Trust and Oak Hill Advisors.

Partners Group – Direct Infrastructure

Key area	Performance Commentary
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 2024, the Partners Group Direct Infrastructure Fund was in its realisation phase with an active portfolio of 13 investments having realised 9 positions to date. • The total capacity of the Partners Group Direct Infrastructure Fund is €1.08 billion. Of this, c. 99.5% has been committed to investments as at 30 June 2024, with c. 84.9% of the total capacity drawn down from investors. • As at 30 June 2024, the Fund has delivered a net IRR of 14.3% since inception.

Investment Performance to 31 May 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.8	6.9	16.9	15.3
Benchmark / Target	3.2	13.4	11.0	9.9
Net Performance relative to Benchmark	-1.4	-6.5	5.9	6.2

Relative performance may not tie due to rounding

Fund Overview

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.

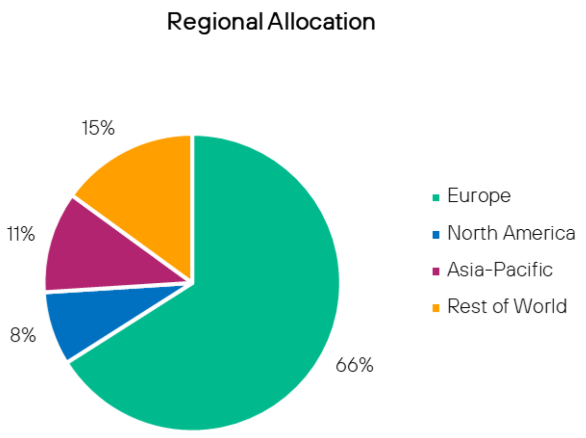
The charts to the bottom left show the regional split of the Direct Infrastructure Fund and a breakdown of the Fund by infrastructure sector as at 31 December 2023.

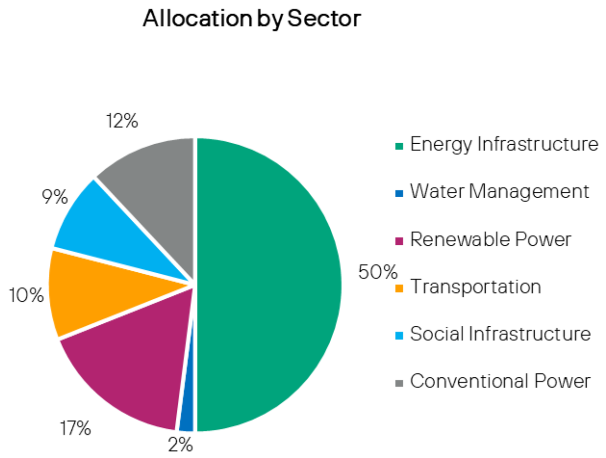
Capital Calls and Distributions

Partners Group have confirmed that the Direct Infrastructure Fund is unlikely to draw any further capital into the strategy. Remaining capital is held back for the purposes of meeting potential future currency hedging calls or follow-on capital for portfolio companies.

There were no further distributions over the quarter.

Portfolio Breakdown by Region and Sector as at 31 March 2024





Source: Northern Trust and Partners Group.

Aviva Investors – Infrastructure Income

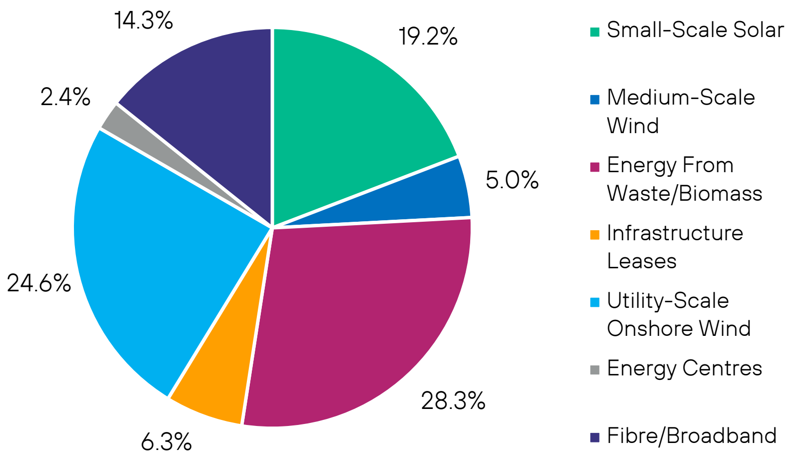
Key area	Performance Commentary
Commentary	• Based on changes in net asset value, the Fund's custodian, Northern Trust, estimates that the Fund delivered a negative return of 4.3% over the quarter to 30 June 2024. Aviva Investors primarily attributes this decrease in net asset value of three biomass assets including due to a delay in forecast operational commencement, and an increase in discount rates being applied to the future cashflows following an independent strategic review by KPMG. • Over the quarter to 31 March 2024, the income distribution of the Fund was 1.8% p.a., which sits marginally below the 1.8-2% p.a. range targeted by Aviva. Distributions are underpinned by operational revenue generated from the Fund's assets. The Fund's biomass assets and are not currently operating at full capacity. Aviva has confirmed that a rectification program is in place in respect of these assets. • The Hull and Boston biomass projects continue to operate with reduced availability, with a significant operational failure resulting in the Hull biomass plant being shut for the remainder of 2024. Following continued challenging performance, Evero (the operator) communicated a significant change in strategy, in Q2 2024 the decision was taken to commence a strategic review. This will determine the best approach for value maximisation moving forward with procurement and implementation of the capital works programme. The strategic review is expected to be completed in early Q3 2024. The decision to repair Hull will be made as part of this strategic review. • The planning applications to regularise all planning matters at Barry were refused by the Local Planning Authority in March 2024. Aviva submitted their appeal and anticipate the appeal to take 6-12 months. The projects' KC advised that there is very good prospects for success, with the potential reward for costs.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	-4.3	-8.4	0.8	0.1
Benchmark / Target	2.8	11.4	9.0	7.9
Net Performance relative to Benchmark	-7.1	-19.3	-8.1	-7.3

Relative performance may not tie due to rounding

Portfolio Sector Breakdown as at 31 March 2024



Fund Overview

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.

In May 2023, having received redemption requests for c. 3.5% of the Fund's NAV to be repaid over 2023 and with Aviva anticipating further redemption requests to be forthcoming, the manager proposed that the Fund be re-structured as a closed-ended vehicle with a limited term of 5 years from the date of conversion subject to extension for two additional year periods. The majority of unitholders voted to approve the change in structure over May 2023. Aviva will therefore facilitate a managed wind-down of the portfolio over the coming years. Please note that this does not impact the London Borough of Hammersmith & Fulham Pension Fund investment, with the Fund having issued a full redemption notice as at the 30 June 2022 cut-off.

The chart to the left details the split of the portfolio by sector as at 31 March 2024. Biomass and Energy from Waste assets make up c. 28% of the portfolio.

Source: Northern Trust and Aviva Investors.

Quinbrook – Renewables Impact Fund (1)

Key area	Performance Commentary
Capital Calls and Distributions	• The London Borough of Hammersmith & Fulham Pension Fund committed £45m to Quinbrook in August 2023. • Over the second quarter of 2024, Quinbrook issued one capital call notice : • A capital call of £1.2m for payment by 30 May 2024, drawn entirely for investments. • As such, following payment of the latest draw down request, as at 30 May 2024, the remaining unfunded commitment stands at c. £2.0m, with the Fund's total commitment at c. £43.0m and the Fund's £45m commitment c. 95% drawn.

Investment Performance to 30 June 2024

	Last Quarter (%)
Net of fees	-4.4
Benchmark / Target	1.6
Net performance relative to Benchmark	-6.1

Relative performance may not tie due to rounding

Fund Overview

Quinbrook was appointed to manage a UK renewable infrastructure mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 6% p.a. The manager has a base annual management fee and a performance fee.

As at 31 March 2024, the Renewables Impact Fund has delivered a net IRR of 15.03% since inception.

As at the 30th June 2026 at least 75% of the Renewables Impact Fund's total commitments have been invested, committed for investment or allocated to meet the strategy's liabilities.

Activity

- Fortress is an under construction 373 MW solar and up to 350 MW (150 MW currently planned) battery storage project located in Kent, south-east UK, and was the largest solar and battery storage project in UK history at the time of consent. A fifteen-year Contract for Difference ("CfD") has been secured by Fortress for the offtake of 35% of its generation, amounting to c. GBP 106 million (real January 2024) of CPI-linked revenue.
- A delay by the Original Equipment Manufacturer ("OEM") at the Thurso site is anticipated to push back COD to October 2024. The Manager is actively working to expedite this timeline, which remains ahead of the Pathfinder contract's longstop date.
- At Uskmouth, the construction is progressing on budget and schedule with the main plateau formation completed during the quarter. Civil works are now focused on constructing the BESS and Power Conversion System ("PCS") foundations, and associated ducting.
- In May, Uskmouth received a stage two offer for an additional 119.9 MW. Combined with the series of planning amendments to vary the layout to accommodate 349.99 MW, achieved in Q1'24, the project now has the required land, planning and grid to potentially offer a near-term extension to the current project.
- Habitat secured a further 10% increase in its contracted assets under management during Q2'24 after signing a 190 MW deal to optimise Acciona's BESS portfolio.
- Construction of the Thistle synchronous condenser portfolio advanced significantly during the quarter. Gretna, Rothienorman, and Neilston sites are progressing according to plan, with expected Commercial Operation Dates ("COD") between September 2024 and January 2025,
- Dawn a JDA with Energy Optimisation Solutions ("EOS") an originator of battery storage projects. The JDA provides the Fund with exclusive rights over 500 MW of development stage BESS projects located across the UK.

Source: Northern Trust and Quinbrook.

Quinbrook – Renewables Impact Fund (2)

Project Name	Fund Ownership	Investment Date	Technology	Location	Fair Value (£m)
Pathfinder - Operational					
Rassau	100%	Dec-20	Synchronous Condenser	UK	70.70
Pathfinder – Under Construction					
Thurso South	100%	Jul-21	Synchronous Condenser	Scotland	38.5
Rothienorman	100%	Jul-21	Synchronous Condenser	Scotland	37.6
Gretna	100%	Jul-22	Synchronous Condenser	Scotland	59.7
Neilston Grid Services	100%	Jul-22	Synchronous Condenser	Scotland	35.7
Pathfinder – Under Construction					
Reggie Development Loan	100%	Dec-20	Synchronous Condenser	UK	5.3
Solar and BESS – Under Construction					
Cleve Hill	100%	Oct-21	Solar and Battery Storage	UK	236.9
Battery Storage – Under Construction					
Uskmouth	100%	May-22	Battery Storage	Wales	28.1
Other					
Habitat	100%	Jul-21	Trading Platform	UK	60.4
Held at cost					
Dawn	100%	Mar-22	Battery Storage	UK	4.11
Teffont	100%	Apr-23	Battery Storage	UK	0.1
Total					**600.9**

Portfolio

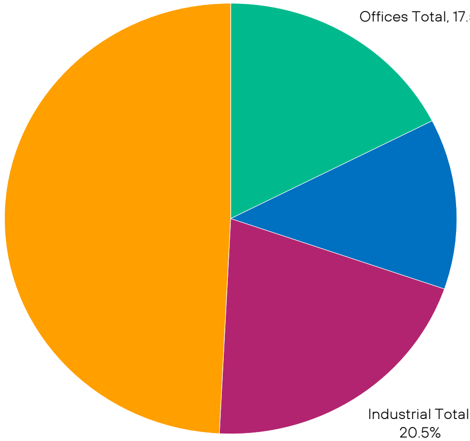
The table to the left shows a list of the investments held by the Quinbrook Renewables Impact Fund as at 31 March 2024.

Source: Quinbrook.

abrdn – Long Lease Property

Key area	Performance Comments
Commentary	• The Long Lease Property Fund has underperformed its gilts-based benchmark over the quarter. The Fund has also underperformed the wider property market over recent periods, which can be attributed primarily to the lack of exposure to sectors within the wider index that have recognised a valuation recovery or stabilisation following the significant valuation decline over early 2023, such as multi-let industrial, retail warehousing and the private residential sector. The long income market has seen the largest relative re-pricing since September 2022; given the previously low market yields, the effect of increasing yields has had a greater proportional effect on long income assets. • abrdn has realised collection rates of 100% for 2020, 2021, 2022, 2023. Q1 2024 and Q2 2024 rent, with the manager stating that rent collection levels are back to pre-COVID levels. None of the Long Lease Property Fund's rental income is subject to deferment arrangements.

Portfolio Sector Breakdown at 31 March 2024



Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.2	-8.6	-7.5	-2.5
Benchmark / Target	-0.4	6.8	-6.1	-2.1
Net Performance relative to Benchmark	0.6	-14.9	-1.4	-0.4

Relative performance may not tie due to rounding

Top 10 Tenants (% of net rental income) as of 30 June 2024

Tenant	% Net Income	Credit Rating
Amazon UK Services Limited	6.9	AA
Marston's plc	6.6	BB
Viapath Services LLP	6.4	N/A
Premier Inn Hotels Limited	6.1	BBB
J Sainsbury plc	5.6	BB
Salford Villages Limited	5.1	A
QVC	5.0	BB
Park Holidays	4.7	Ground Rent (A)
Next Group plc	4.6	BBB
Poundland	4.4	Not available
Total	55.3*	

Fund Overview – 31 March 2024

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.

abrdn acknowledges that further asset sales will be required to meet redemption requests over 2024. The manager will monitor the portfolio with a focus on selling weaker credits or those with poor ESG scores, and further reducing its office exposure where possible. The Fund completed 8 sales over the quarter, including a property let to Tesco which represented the Fund's second largest tenant as at 31 December 2023, for a combined total of c. £291m.

As at 31 March 2024, 1.6% of the Fund's NAV is invested in ground rents via an indirect holding in the abrdn Ground Rent Fund, with 23.3% of the Fund invested in income strip assets.

The top 10 tenants contributed c. 55.3% of the total net income of the Fund as at 30 June 2024.

The unexpired lease term as at 30 June 2024 stood at 26.2 years, an increase of 0.4 years since 31 March 2023. The proportion of income with fixed, CPI or RPI rental increases decreased by 0.3% over the quarter to 91.7% as at 31 March 2024.

Source: Northern Trust and abrdn.

Note: At the time of writing Abrdn were unable to provide so this information at the most recent date.

Alpha Real Capital – Index Linked Income

Key area	Comments
Commentary	• The Index Linked Income Fund has delivered a negative return of 0.5% on a net of fees basis over the quarter to 30 June 2024, outperforming its long-dated inflation-linked gilts benchmark by 4.2% over the three-month period. • Alpha Real Capital has collected c. 100% of the Fund's Q2 2024 rental income. • The Index-Linked Income Fund consisted of 659 individual assets as at 30 June 2024. There includes one sale during the quarter.

Investment Performance to 30 June 2024

	Last Quarter (%)	One Year (%)
Net of fees	-0.5	-12.7
Benchmark / Target	-4.6	-9.0
Net performance relative to Benchmark	4.2	-3.7

Relative performance may not tie due to rounding

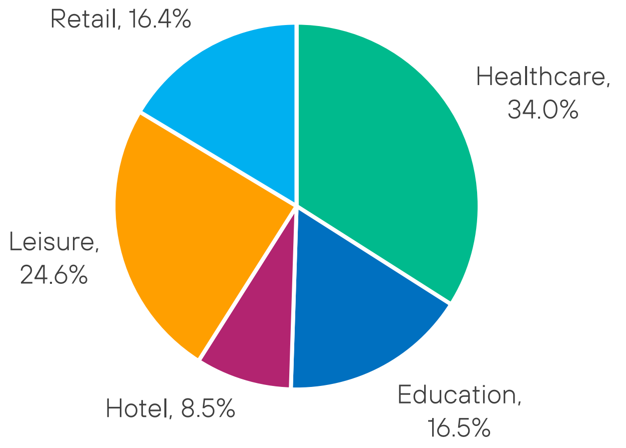
Alpha Real Capital was appointed to manage a ground rents mandate with the aim of outperforming the BoAML Long-Dated UK Inflation-Linked Gilts Index benchmark by 2.0% p.a. over a 5-year period. The manager has an annual management fee.

The average lease length stood at c. 145 years as at 30 June 2024, remaining unchanged over the quarter. The Index Linked Income Fund's portfolio is 100% linked to RPI (or CPI) with no fixed rent reviews in the portfolio.

The sector allocation in the Index Linked Income Fund as at 30 June 2024 is shown in the chart to the left.

The table shows details of the top ten holdings in the Fund measured by value as at 30 June 2024. The top 10 holdings in the Index Linked Income Fund accounted for c. 72.5% of the Fund as at 30 June 2024.

Portfolio Sector Breakdown at 30 June 2024



Top Ten Holdings by Value as 30 June 2024

Tenant	Value (%)	Credit Rating
Elysium Healthcare	12.1	A2
Dobbies	11.6	A3
Parkdean	10.5	A2
HC One	8.9	A2
PGL	6.2	Baa2
Away Resorts	6.0	A3
Busy Bees	5.5	A2
CareTech	4.1	A3
Leonardo hotels	3.9	A2
Marston's	3.7	Baa1
Total	72.5	

Source: Northern Trust and Alpha Real Capital.

Man GPM – Affordable Housing

Key area	Comments
Commentary	**Capital Calls and Distributions** • The Fund committed £30m to Man GPM in February 2021. • Man GPM issued one draw down request for £0.2m for payment by 9 May 2024. As such, as at 9 May 2024 following payment of this request, the Fund's total commitment is c. 80% drawn for investment. • Following quarter end, Man GPM issued a one further draw down request for c.£1.2m for payment by 24 July 2024, funded from excess cash held in the Trustee bank account. Following payment of this post quarter end request the Fund's total commitment is c.84% drawn for investment. **Activity** • Having completed the strategy's eleventh investment, Man GPM has confirmed that no further investments will be added to the Community Housing Fund portfolio. • As at 31 December 2023, the Fund has contracted 1,295 homes and delivered 298 homes • An update on the Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.

Investments Held

Investment	Number of Homes	Affordable Homes (%)	Gross Cost (£m)	Underwritten unlevered IRR (%)	Underwritten unlevered net income yield (%)
Atelier, Lewes	41	95	13	8.4	3.1
Alconbury, Cambridgeshire	95	100	22	9.9	4.4
Grantham, Lincolnshire	227	82	41	7.9	4.1
Campbell Wharf, Milton Keynes	79	100	22	8.5	4.2
Towergate, Milton Keynes	55	100	18	8.4	4.3
Coombe Farm, Saltdean	71	83	28	10.4	4.8
Chilmington, Ashford	225	85	71	8.4	4.3
Tattenhoe, Milton Keynes	34	100	7	8.6	4.1
Glenvale Park, Wellingborough	146	100	34	9.7	4.5
Old Malling Farm, Lewes	226	100	81	9.6	5.1
Stanhope Gardens, Aldershot	96	100	39	8.8	4.7
Total	1,295	93	374	9.0	4.5

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.

The table to the left shows a list of the projects currently undertaken by the Man GPM Community Housing Fund as at 31 December 2023.

Source: Man GPM.

Appendices

A1: Fund and Manager Benchmarks

A2: Yield Analysis

A3: Explanation of Market Background

A4: Allspring – ESG Metrics

A5: Disclaimers

Fund and Manager Benchmarks

Manager	Asset Class	Allocation	Benchmark	Inception Date
LCIV	Global Equity Quality	13.0%	MSCI AC World Index	30/09/20
LGIM	Low Carbon Target	27.0%	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
LCIV	Short Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 0-5	06/12/2023
LCIV	Long Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 10+	06/12/2023
Allspring	Climate Transition Global Buy & Maintain	10.0%	ICE BofA Sterling Corp Bond	07/11/2023
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	4.0%	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
Quinbrook	Renewables Impact Fund	3.5%	3 Month Sterling SONIA +6% p.a.	24/08/23
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	7.5%	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
	Total	100.0%		

Appendix 2

Yield Analysis

Manager	Asset Class	Yield as at end June 2024
LCIV Global Sustain	Global Equity	1.31%
LGIM MSCI Low Carbon	Global Equity	1.86%
Ruffer	Dynamic Asset Allocation	2.10%
LCIV Short B&M	Dynamic Asset Allocation	3.84%
LCIV Long B&M	Dynamic Asset Allocation	4.97%
Allspring Climate Transition B&M	Dynamic Asset Allocation	5.39%
Partners Group MAC	Secure Income	4.20%
abrdn MSPC Fund	Secure Income	4.99%
Oak Hill Advisors	Secure Income	7.60%
Aviva Investors	Secure Income	7.00%*
Standard Life Long Lease Property	Inflation Protection	4.96%
Alpha Real Capital	Inflation Protection	3.88%
	Total	**2.81%**

* As at 31 March 2024.

Explanation of Market Background

This glossary explains the components of the Market Background charts at the beginning of this report.

All returns are in Sterling terms, unhedged, unless otherwise stated. Where “hedged” returns are quoted, these are local currency returns (i.e. any costs and imprecisions in hedging are assumed to be negligible).

Market Background Overview

- Returns by Asset Class – The market indices underlying this chart are as follows:
  - UK Equity: FTSE All-Share
  - Global Equity: FTSE World (Unhedged and Hedged)
  - Emerging Market Equity: MSCI Emerging Markets
  - Diversified Growth Funds: mean of a sample of DGF managers
  - Property: IPD Monthly UK
  - Global High Yield: BoAML Global High Yield (GBP Hedged)
  - UK Inv. Grade Credit: BoAML Sterling Non-Gilt
  - Over 15 Years Gilts: FTSE Over 15 Year Gilt
  - Over 5 Years Index-Linked Gilts: FTSE Over 5 Year Index-Linked Gilt
  - Example Liabilities: a simplified calculation illustrating how a typical pension scheme’s past-service liabilities may have moved

Market Background – Yields

- Yields – Yields shown are annual yields (i.e. they have been converted from the “continuously compounded” basis quoted by the Bank of England).
- Example Liabilities – This illustrates how a typical scheme’s past-service liabilities may have moved.
  - It is based on a simplified calculation assuming a scheme with duration 20 years and liabilities split 70% inflation-linked and 30% fixed.
  - Liability movement is calculated using yield changes and unwinding (short-term interest rate with no premium) only, with no accrual, outgo, or inflation experience.
  - A rise in yields equates to a fall in the calculated value of the liabilities (due to the higher discount rate at which the future cashflows are valued); conversely, a fall in yields means a rise in liabilities.

Allspring – ESG Metrics (1)

Data Source	Metric	Scoring	Description
MSCI	MSCI ESG Scores	Scores range from 10 (best) to 0 (worst)	MSCI measures and analyses companies' risk and opportunities arising from environmental, social and governance issues. By assessing indicators typically not identified by traditional securities analysis, ESG Ratings uncover hidden risks and value potential for investors. Ratings range from AAA (best) to CCC (worst). Scores range from 10 (best) to 0 (worst).
Sustainalytics	ESG Risk Score	ESG Risk assessment ranging from Negligible (best) to Severe (worst)	ESG Risk assessment consisting of Negligible (best), Low, Medium, High, and Severe (worst).
Trucost	Carbon Intensity-Direct+First Tier Indirect (tonnes CO2e/$MM)	GHG emissions over which the company has control, or derive from direct suppliers, divided by revenue	Greenhouse gases emitted by the direct operations of and suppliers to a company (scope 1, 2, and upstream scope 3) divided by revenue.
Trucost	Carbon-Direct+First Tier Indirect (tonnes CO2e)	GHG emissions over which the company has control (Direct + First Tier indirect)	Greenhouse gases emitted by the direct operations of and suppliers to a company (scope 1, 2, and upstream scope 3).
Trucost	Carbon-Scope 1 (tonnes CO2e)	GHG emissions from operations that are owned or controlled by the company	Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company (reference: GHG Protocol).
Trucost	Carbon-Scope 2 (tonnes CO2e)	GHG emissions from consumption of purchased electricity, heat or steam by the company	Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company (reference: GHG Protocol).
Trucost	Carbon-Scope 3 (tonnes CO2e)	Other indirect GHG emissions not covered in Scope 2	Other upstream indirect greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc. (in line with GHG Protocol standards) (reference: GHG Protocol).

Source: Allspring.

Allspring – ESG Metrics (2)

Data Source	Metric	Scoring	Description
Trucost	Reserves CO2 emissions from Coal (tonnes)	GHG emissions embedded in coal reserves in tonnes CO2	GHG emissions embedded in coal reserves in tonnes CO2.
Trucost	Reserves CO2 emissions from Gas (tonnes)	GHG emissions embedded in gas reserves in tonnes CO2	GHG emissions embedded in gas reserves in tonnes CO2.
Trucost	Reserves CO2 emissions from Oil (tonnes)	GHG emissions embedded in oil reserves in tonnes CO2	GHG emissions embedded in oil reserves in tonnes CO2.
Trucost	tCO2e (under)/over 2°C carbon budget base year-horizon year	tCO2e (under)/over 2°C carbon budget base year-horizon year	This indicates the difference between a company's projected emissions pathway and the required pathway to reach 2°C alignment over the time horizon assessed, measured in tonnes of carbon dioxide equivalent. A negative value indicates a company's transition pathway is aligned with a 2°C outcome, while a positive value indicates a company's transition pathway is misaligned with a 2°C outcome.

Source: Allspring.

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