London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 30 September 2024

isio.

Document Classification: Confidential

Contents

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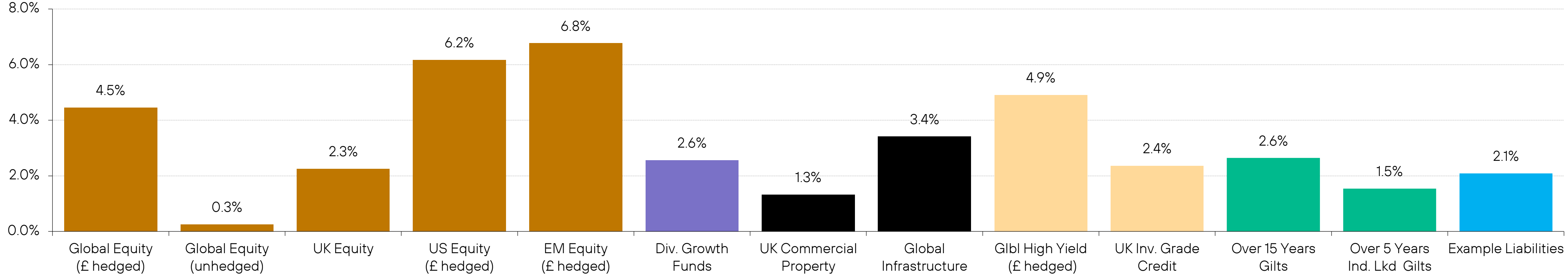
Market Background – Q3 2024

Market movements over the quarter



Key Upcoming Events

Notable events

- UK Autumn Budget (30 Oct), US Presidential Election (5 Nov)

Q4 2024 Base rate publications

- UK: The dates for the Bank of England's Monetary Policy Committee ("MPC") announcements are 7 November and 19 December.
- US: The dates for the US Federal Reserve's Federal Open Market Committee ("FOMC") meetings are 7 November and 18 December.

Q4 2024 Inflation publications

- UK: 16 October, 20 November, 18 December.
- US: 10 October, 13 November, 11 December.

Commentary

- Global equities ended the quarter strong, despite experiencing a sell-off in August driven by weak US jobs data and an unanticipated interest rate rise in Japan. Central bank rhetoric quickly eased concerns, with the US recovering strongly. Emerging Markets were buoyed by Chinese stimulus measures announced in September to reverse the region's recent slowdown.
- Fixed income markets benefitted from central banks beginning to cut interest rates, with risk-on sentiment further benefitting valuations as credit spreads marginally tightened.
- UK gilt yields fell over the period amid hopes of economic growth and stability under the new Labour government, coupled with the expectation of further near-term rate cuts.
- UK commercial property continued to perform positively as deal flow appeared to have already bottomed out with liquidity picking up, albeit slowly.

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

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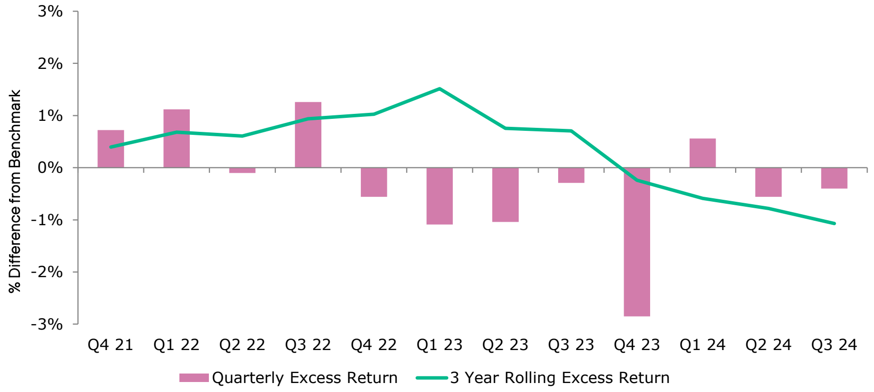
Executive Summary – Q3 2024

Fund Performance to 30 September 2024		3 months (%)			1 year (%)			3 years (% p.a.)		
		Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Equity	LCIV Global Equity Quality	3.5	0.5	3.0	18.4	19.9	(1.5)	7.5	8.3	(0.8)
	LGIM Low Carbon Mandate	0.8	0.8	(0.0)	21.8	22.0	(0.2)	9.6	9.7	(0.1)
Dynamic Asset Allocation	LCIV Absolute Return Fund	2.5	2.2	0.3	4.3	9.4	(5.0)	0.5	7.4	(6.9)
	LCIV Long Duration B&M	2.8	2.0	0.8	n/a	n/a	n/a	n/a	n/a	n/a
	LCIV Short Duration B&M	2.1	2.2	(0.1)	n/a	n/a	n/a	n/a	n/a	n/a
	Allspring Climate Transition Global B&M	2.8	2.4	0.4	n/a	n/a	n/a	n/a	n/a	n/a
Secure Income	Partners Group MAC[2]	4.5	2.2	2.2	5.4	9.4	(4.0)	7.4	7.4	(0.0)
	Oak Hill Advisors	2.4	2.2	0.2	11.4	9.4	2.1	5.1	7.4	(2.3)
	abrdn MSPC Fund[3]	1.8	2.3	(0.6)	10.9	11.7	(0.9)	0.1	(0.9)	1.0
	Darwin Alternatives	(25.1)	2.7	(27.8)	(25.3)	11.4	(36.6)	n/a	n/a	n/a
	Partners Group Infra[2]	0.6	3.1	(2.6)	4.9	13.4	(8.5)	14.2	11.4	2.8
	Quinbrook Renewables Impact	1.6	0.6	1.1	5.1	5.7	(0.6)	n/a	n/a	n/a
Inflation Protection	abrdn Long Lease Property Fund	1.4	2.8	(1.4)	(4.7)	9.9	(14.6)	(8.3)	(4.8)	(3.5)
	Alpha Real Capital	1.0	1.9	(0.9)	(5.4)	8.9	(14.3)	n/a	n/a	n/a
	Man GPM	0.2	2.3	(2.0)	(0.3)	9.4	(9.7)	3.4	7.4	(4.0)
Total Fund[1]		1.2	1.6	(0.4)	10.3	13.8	(3.5)	3.8	4.9	(1.1)

Commentary

- The Total Fund delivered a positive return of 1.2% on a net of fees basis in absolute terms over the quarter to 30 September 2024, underperforming the fixed weight benchmark by 0.4%. The Total Fund delivered positive absolute returns of 10.3% and 3.8% p.a. on a net of fees basis over the year and annualised three years respectively to 30 September 2024, underperforming its fixed weight benchmark by 3.5% and 1.1% 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.
- We also highlight a significant write-down of Darwin Alternatives' assets. Further detail is provided later in this report.
- The chart to the right compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 30 September 2024. The 3-year rolling excess return remained negative over the third quarter of 2024 with the Fund having underperformed the fixed weight benchmark over seven of the last eight quarters to end September 2024 despite delivering positive returns on an absolute basis.

Total Fund Performance – Last Three Years



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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 August 2024. [3] abrdn MSPC Fund performance provided by Northern Trust with quarter lag.

Asset Allocation as at 30 September 2024

Fund	Actual Asset Allocation				
	30 June 2024 (£m)	30 September 2024 (£m)	30 June 2024 (%)	30 September 2024 (%)	Benchmark Allocation (%)
LCIV Global Equity Quality	179.9	184.8	13.1	13.5	13.0
LGIM Low Carbon Mandate	424.1	427.3	30.9	31.1	27.0
Total Equity	**604.0**	**612.1**	**43.9**	**44.6**	**40.0**
LCIV Absolute Return Fund	151.8	154.8	11.0	11.3	10.0
Allspring Buy & Maintain (Climate Transition)	134.8	138.5	9.8	9.9	10.0
LCIV Buy & Maintain (Long Duration)	32.8	32.7	2.4	2.5	2.5
LCIV Buy & Maintain (Short Duration)	33.4	33.2	2.4	2.4	2.5
Total Dynamic Asset Allocation	**352.7**	**359.2**	**25.7**	**26.2**	**25.0**
Partners Group MAC[1]	6.7	6.9	0.5	0.5	-
Oak Hill Advisors Diversified Credit Strategies	75.0	76.8	5.5	5.6	5.0
Partners Direct Infrastructure[1]	33.8	34.0	2.5	2.5	5.0
Aviva Infrastructure Income	14.3	-	1.0	-	-
Quinbrook Renewables Impact	46.6	42.2	3.4	3.1	3.5
abrdn Multi Sector Private Credit	51.2	50.3	3.7	3.7	4.0
Darwin Alternatives Leisure Development Fund	28.9	21.6	2.1	1.6	2.5
Secure Income	**256.4**	**231.7**	**18.7**	**16.9**	**20.0**
Abrdn Long Lease Property	49.7	50.4	3.6	3.7	5.0
Alpha Real Capital Inflation Linked Income Fund	78.6	78.6	5.7	5.7	7.5
Man GPM	24.5	25.8	1.8	1.9	2.5
Total Inflation Protection	**152.9**	**154.8**	**11.1**	**11.3**	**15.0**
Bank Balance	8.6	15.7	0.6	1.1	-
Total Assets	**1,374.6**	**1,373.6**	**100.0**	**100.0**	**100.0**

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Source: Northern Trust (Custodian) and have not been independently verified. Figures may not sum to total due to rounding. [1]Partners Group Multi Asset Credit and Direct Infrastructure valuations provided by Northern Trust with a month's lag (i.e. as at 31 May 2024 and as at 31 August 2024). Total Fund valuation includes £26k which is invested in private equity allocations with Unicapital, with these investment currently in wind down. Total Fund valuation doesn't include £6.7m which was redeemed from Aviva on 30 September 2024 but not yet received into the Trustee bank account at the time of reporting.

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 £5.4m on 30 January 2024 and, over the third quarter of 2024 following the sale of its energy centre assets, received £7.2m on 9 September 2024 and a further £6.7m on 30 September 2024. Following receipt of these final redemption tranches, the Fund's disinvestment from AIIIF has now fully completed. • Further detail can be found in the Private Appendix attached to this report.	Discussion (yellow)
	Quinbrook Renewables Impact Fund • Over the quarter, Quinbrook issued a draw down request for £0.7m for payment by 4 September 2024 taking the Fund's commitment to c. 97% drawn, funded from cash held in the Trustee bank account, followed by a capital distribution of £6.0m for payment by 24 September 2024. Resultantly, following receipt of the capital distribution, the Fund's £45m commitment is c. 84% drawn for investment as at 30 September 2024.	Information only (green)
Affordable Housing	**Man GPM Community Housing** • Man GPM issued one capital call during the third quarter of 2024 for £1.2m for payment by 24 July 2024, funded from excess cash held in the Trustee bank account. As such, as at 30 September 2024, 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.	Information only (green)

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

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Fund Activity (2)

Item	Action points / Considerations	Status
London CIV	• Aoiffin Devitt: ○ During Q3 2024, London CIV announced that their Chief Investment Officer, Aoifinn 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. • Brian Lee: ○ During September 2024, Brian Lee has decided to step down from his role as Chief Financial Officer having worked with London CIV for over nine years. ○ London CIV has commenced the search for Brian's permanent successor as CFO. However, whilst this process is underway, the London CIV has appointed an Interim Finance Director Darren Gray. Most recently Darren was Head of Core Finance at Pantheon Ventures and prior to that Head of Finance at Principal Global Investors. • Client Relations: ○ After a prolonged extended leave of absence, Client Relations Manager Harry Lamprinopoulos has decided to leave London CIV. Stephanie Aymes, Client Relations Manager, will be taking adoption leave from the end of September. While Cameron McMullen, Climate Relations team lead, has left the London CIV following quarter end due to ongoing health issues. ○ Sian Kunert will be joining as Client Relations Manager in January 2025. Sian joins from East Sussex County Council, where she has spent four years as Head of the East Sussex Pension Fund, with an LGPS career spanning 20 years. • Sustainability : ○ Jacqueline Jackson, Head of Sustainability has started her maternity leave. London CIV has hired Laura Chapman as Interim Chief Sustainability Officer. Laura joins following a 12-year period at Tesco, where she was most recently Head of Responsible Investment for the retailer's pension plan. • We are continuing to monitor developments on the business side, new fund launches and changes in personnel. 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.	

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

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Fund Activity (3)

Background	Isio View
On 10 October 2024, in relation to the Leisure Development Fund, Darwin Alternative Investment Management ("Darwin") have taken the decision to revise downward its projections of management revenues/costs. This has resulted in an immediate fall in NAV by 23% as at 30 September 2024. Darwin have referenced a range of issues such as the Covid-19 pandemic leading to park shutdowns, higher levels of inflation and the cost of living crisis affecting all UK holiday park operators. Rising interest rates, fuel, utility and food costs have impacted both operators and consumers, pushing up operational expenses and increasing pressure on domestic budgets / discretionary spend. This has affected all holiday park owners. Brexit has also contributed to supply chain price rises, with construction materials increasing by 60% between 2015 and 2022. Darwin had hoped the UK would have reached an upward trajectory following recovery from the Covid-19 pandemic, however economists are now forecasting a rise in UK inflation to 3% in early 2025. Therefore, the Darwin Board have adopted a more cautious approach in the portfolio to reflect the current economic situation. The assets are valued using a ten-year discounted cashflow ("DCF") model and independently verified by Evelyn Partners LLP. As the DCF reflects trading profitability as well as future projections, future changes in trading should be reflected in those future projections. The model is also implicitly linked to the UK base rate, and therefore any interest rate cuts implemented by Bank of England (as anticipated) going forward may result in an improvement in NAV. Darwin is looking to utilise the Blenheim Palace business model (which has proved successful for the Leisure Development Fund and other Darwin products) where possible which focuses on leasehold contracts (i.e. £100k on a rolling 50 year lease vs free hold of £2-3m) as well as energy saving and energy generating technology, therefore expanding the portfolio with a lower capital outlay, alongside allowing the opening of parks outside its usual holiday park locations. Darwin are also working in partnership with the underlying portfolio estates to boost marketing. The NAV reduction also reflects the impact of heightened construction costs (which has delayed the development of three of the fund's parks – although Darwin expects to be in a position to progress development in the next 6-12 months) and yield has lowered (i.e. the price guests are willing to pay). The Darwin Board, however, has full confidence in the holiday park sector in general, and highlight that occupancy levels remain high.	• The magnitude of the NAV reduction is concerning. However, overall we understand this is borne out of a combination of adverse market conditions given the headwinds the sector has faced post the Covid-19 Pandemic, increasing supply costs and the impacts of the cost of living crisis, as well as future precaution around the current uncertain economic environment. • It is encouraging that each of the underlying assets continue to generate cash flow and are operating at a profit, and parks in general are recovering relative to the position mid-pandemic. It is clear that occupancy is not an issue, rather consumers are not willing to spend as much as previously anticipated. • We understand that the change in forecasting assumptions underlying the discounted cashflow model which have resulted in this reduction will not likely be reversed in full until the Bank of England base rate reaches c. 4% and therefore not within the next 12-18 months. At this point however it is likely that the weighted average cost of capital ("WACC") will have recovered. The WACC is not driven by fund performance – an independent assessment of the valuation input and the change in rate was driven primarily by the increase in risk free rate. • Once assets are fully operational the manager expects the portfolio will consistently generate profits from operations, and Darwin has highlighted that forward bookings are ahead of schedule for the coming year. There have been a number of developments with the strategy's existing portfolio assets alongside a desire to utilise the Blenheim business model which will support operation costs and trading profitability. • The London Borough of Hammersmith & Fulham Pension Fund invested into the Leisure Development Fund in January 2022, in a 10 year lock-in shareclass with no mid-term redemption option. Therefore the Fund cannot exit the strategy until 2032. That said, completing a full redemption at present would act to crystalise the recent fall in valuation. Selling the assets on the secondary market, if possible, would likely also be heavily discounted. • Currently 65% of the Leisure Development Fund's investors are locked in (London Borough of Hammersmith & Fulham's commitment represents c. 20% of the current investor base). • Isio will look to continue to monitor the Fund's recovery and development of the Fund's assets going forward. As the model reflects trading profitability, and demand has risen for UK staycations, as the economic environment improves this should support occupancy further alongside operational revenues. However, there still exists significant uncertainty going forward.

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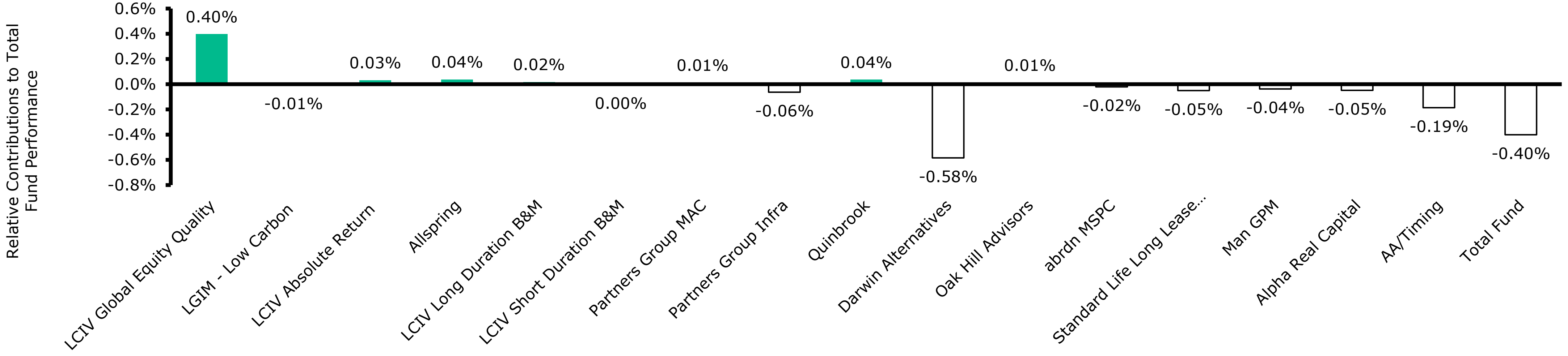
Attribution of Performance to 30 September 2024

Relative Contributions to Total Fund Performance - Quarter



Key area	Comments
Commentary	• The Fund underperformed its fixed weight benchmark by c. 0.4% over the quarter to 30 September 2024. • Underperformance can primarily be attributed to the Darwin Alternatives Leisure Development Fund, following a 23% write down to its NAV over the quarter as set out overleaf. Total Fund relative underperformance can also be attributed to the Aviva Investors Infrastructure Income Fund, which reduced in value and underperformed its cash-plus based target over the quarter before disinvestment at the end of September. Underperformance by Aviva is accounted for within the "AA/Timing" bar. • Relative underperformance was offset to some extent by the LCIV Global Equity Quality Fund which outperformed the wider MSCI AC World Index over the quarter as a result of the strategy's bias to quality stocks, which remained positive over the first half of the quarter despite material declines in the wider market. • The positive attribution of the Fund's overweight equity exposure is reflected by the "AA/Timing" bar.

Sources: Investment managers, Isio calculations.

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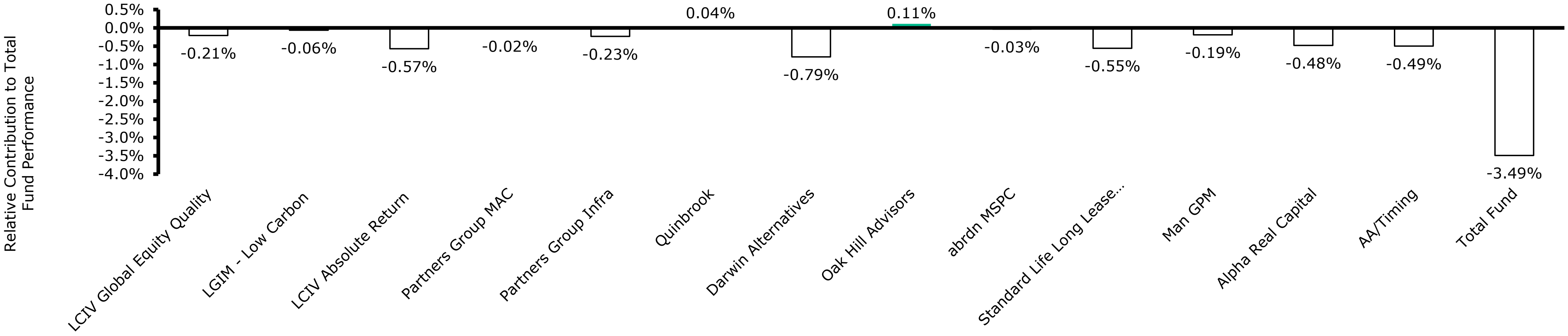
Attribution of Performance to 30 September 2024

Relative Contributions to Total Fund Performance - Annual



Key area	Comments
Commentary	• Over the year to 30 September 2024, the Fund underperformed its fixed weight benchmark by c. 3.5%. • As discussed overleaf, the Darwin Alternatives Leisure Development Fund's assets were written down by c. 23% over Q3 2024. This has been the primary driver of underperformance over the quarter and year to 30 September 2024. • Underperformance over the twelve-month period was also driven by the LCIV Absolute Return Fund and the Standard Life Long Lease Property Fund, managed by abrdn. The LCIV Absolute Return Fund, managed by Ruffer, has underperformed its cash-based benchmark over three of the separate four quarters to 30 September 2024. The strategy's defensive positioning, predominantly the cost of protection strategies to protect against falls in the equity markets has proved detrimental amid a period of sustained equity market recovery, alongside a material bond holding which has been impacted by the rise in nominal yields since the beginning of 2024. While the Long Lease Property Fund delivered negative returns over the year following the detraction in long-dated property, underperforming its gilts-based target. • 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 quality bias over a period where growth stocks have outperformed due to an improved economic outlook and corporate earnings.

Sources: Investment managers, Isio calculations.

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Investment Manager Updates

London CIV (1)

Sub-fund	Asset Class	Manager	Total AuM as at 30 June 2024 (£m)	Total AuM as at 30 Sept 2024 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	1,474	1,442	5	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	2,333	2,347	11	13/04/21
LCIV Global Equity	Global Equity	Newton	620	621	3	22/05/17
LCIV Global Equity Quality	Global Equity	Morgan Stanley Investment Management	560	577	2	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	1,252	1,269	6	17/07/17
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	589	606	8	11/01/18
LCIV Sustainable Equity	Global Equity	RBC Global Asset Management (UK)	1,443	1,438	8	18/04/18
LCIV Sustainable Equity Exclusion	Global Equity	RBC Global Asset Management (UK)	750	751	5	11/03/20
LCIV PEPPA	Global Equity	State Street Global Advisors	975	975	4	01/12/2021
LCIV Global Total Return	Diversified Growth Fund	Pyrford	101	104	1	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	300	296	4	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	985	1,003	10	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	186	114	2	16/12/16
LCIV Global Bond	Fixed Income	PIMCO	887	929	10	30/11/18
LCIV Short Duration B&M Credit Fund	Fixed Income	Insight Investment Management	138	139	2	06/12/23
LCIV Long Duration B&M Credit Fund	Fixed Income	Insight Investment Management	789	806	6	06/12/23
LCIV MAC	Fixed Income	CQS & PIMCO	1,900	1,965	18	31/05/18
LCIV Alternative Credit	Fixed Income	CQS	521	590	5	31/01/22
Total			15,803	15,972		

Investment Performance to 30 Sept 2024

Business

As at 30 September 2024, the London CIV had assets under management of £16.0bn within the 18 sub-funds (not including commitments to the private markets strategies), an increase of £0.2bn over the quarter owing to positive investment returns across the sub-funds available on the platform, offset by client outflows.

As at 30 September 2024, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £32.5bn, an increase of c. £0.5bn over the quarter. Total commitments raised by the private market funds stood at c. £3.1bn of which c. £1.7bn had been drawn as at 30 September 2024.

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

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Source: London CIV.

London CIV (2)

Sub-fund	Total Commitment as at 30 Sept 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	370,791	383,869	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	544,884	553,484	16	29/03/2021
LCIV Private Debt Fund	625,000	420,091	506,832	8	29/03/2021
LCIV UK Housing Fund	450,000	73,200	71,889	8	31/03/2023
The London Fund	250,000	104,026	105,821	4	15/12/2020

Source: London CIV.

Investment Performance to 30 Sept 2024

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

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LCIV – Global Equity Quality

Key area	Performance commentary
Commentary	• The LCIV Global Equity Quality Fund delivered a positive absolute return of 3.5% on a net of fees basis over the quarter, outperforming the MSCI-based benchmark by 3.0% over the period. • 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. The strategy's quality bias proved beneficial over the third quarter of 2024, delivering modest positive returns over the first half of the period during a period of sharp declines in wider equity markets. Outperformance was also driven by stock selection, particularly within the information technology, financials and healthcare sectors. • The Sub Fund has delivered positive returns of 18.4% and 7.5% p.a. over the year and three years to 30 September 2024 respectively on a net of fees basis, but underperformed the MSCI-based benchmark by 1.5% and 0.8% p.a. respectively 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.

Investment Performance to 30 September 2024

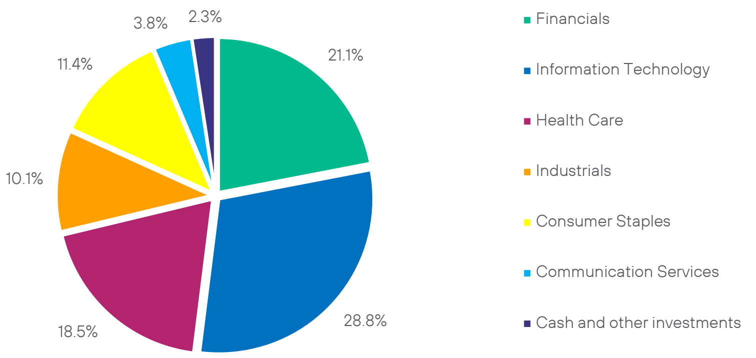
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	3.5	18.4	7.5
Benchmark (MSCI World Net Index)	0.5	19.9	8.3
Net Performance relative to Benchmark	3.0	-1.5	-0.8

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.

Portfolio Sector Breakdown



Key Statistics

	LCIV Global Equity Quality Fund
No. of Holdings	43
No. of Countries	9
No. of Sectors*	6
No. of Industries*	20

Holdings

	% of NAV
Microsoft	5.7
SAP SE	5.7
Visa	4.7
Keyence	3.4
Aon	3.3
Accenture	3.3
Alphabet	3.3
Intercontinental Exchange Inc	3.2
UnitedHealth	2.8
Procter & Gamble	2.7
Total	38.1

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Note: Returns net of fees.

Sources: Northern Trust, 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 0.8% on a net of fees basis over the quarter to 30 September 2024 as global equity markets continued to rally despite sharp declines over the first half of the quarter. The Fund performed broadly in line with its benchmark. • The LGIM MSCI World Low Carbon Index Fund delivered an absolute return of 21.8% on a net of fees basis over the one-year-period to 30 September 2024, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.2%. Over the longer three-year and five-year periods, the strategy delivered positive absolute returns of 9.6% p.a. and 11.6% p.a. on a net of fees basis, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.1% p.a. over both periods.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.8	21.8	9.6	11.6
Benchmark (MSCI World Low Carbon Target)	0.8	22.0	9.7	11.7
Net Performance relative to Benchmark	0.0	-0.2	-0.1	-0.1

Relative performance may not tie due to rounding

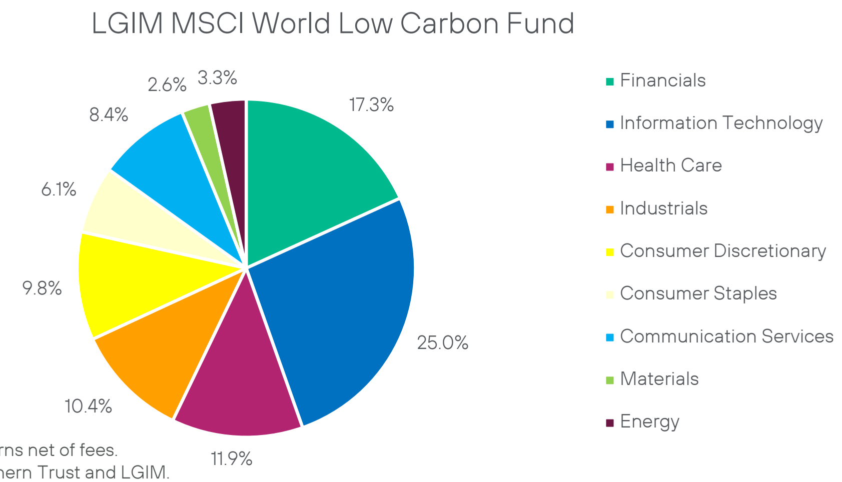
Fund Overview

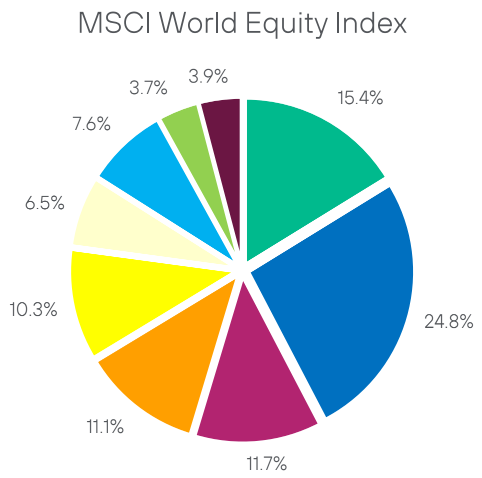
Legal and General Investment Management ("LGIM") was appointed on 18 December 2018 to manage a low carbon portfolio with the aim of replicating the performance of the MSCI World Low Carbon Target Index. The manager has an annual management fee, in addition to On Fund Costs.

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 September 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 September 2024





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

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LCIV – Absolute Return

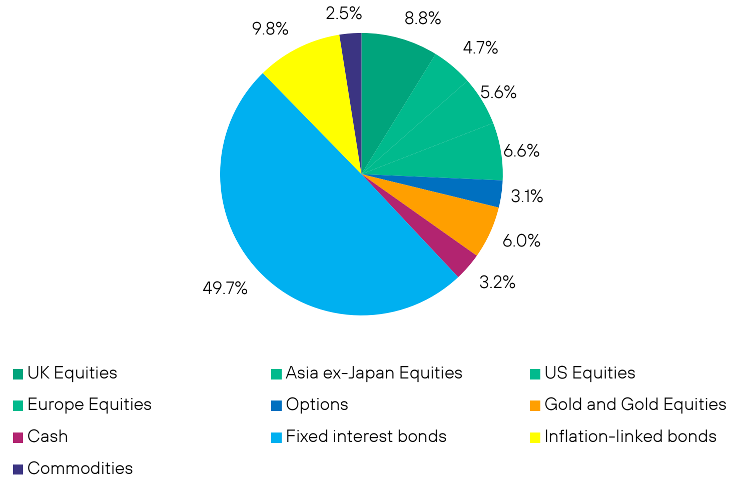
Key area	Performance Commentary
Commentary	• The LCIV Absolute Return Fund has delivered a positive return of 2.5% over the quarter, outperforming its SONIA+5% p.a. target by 0.3%. The Sub Fund's equity protection strategies increased in value over the first half of the quarter as equity markets declined, with the manager taking profits in these positions during August. The strategy's equity exposures then boosted performance over the second half of the quarter as wider markets recovered. • The Sub Fund was delivered positive returns over longer time periods, but underperformed the cash-based benchmark. Ruffer attributes underperformance 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).

Investment Performance to 30 September 2024

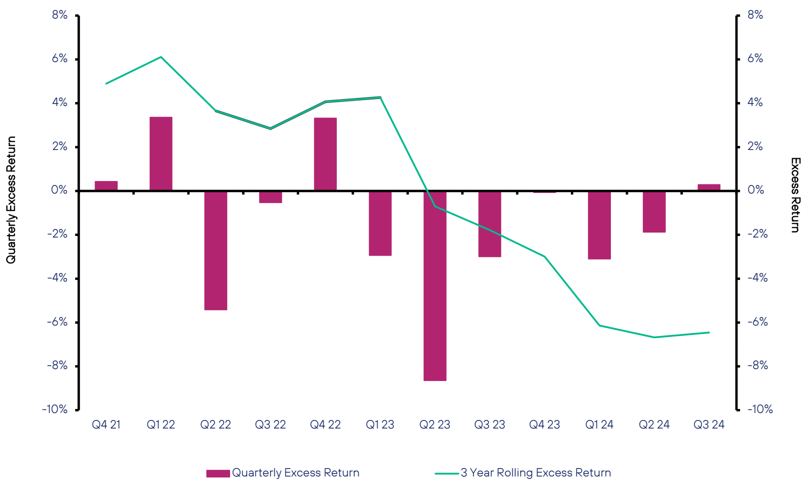
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	2.5	4.3	0.5	4.1
Target	2.2	9.4	7.4	6.1
Net performance relative to Target	0.3	-5.0	-6.9	-2.0

Relative performance may not tie due to rounding

Portfolio Sector Breakdown at 30 September 2024



Investment Performance to 30 September 2024



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.

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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 delivered a positive return of 2.1% over the quarter, driven by declines at the front end of the yield curve alongside a slight tightening in spreads. The Sub Fund underperformed its iBoxx 0-5 Years credit index measurement by 0.1%, owing to a reduced spread duration. • Yields at the longer end of the yield also fell over the third quarter of 2024 amid an improving macroeconomic backdrop. Resultantly, the long-dated Sub Fund delivered a positive return of 2.8% on a net of fees basis over the quarter, outperforming its benchmark by 0.8% with outperformance primarily attributed to the Sub Fund's exposure to US Dollar denominated bonds, which are not part of the index with spreads on US credit tightening more prominently than equivalently dated UK counterparts.

Investment Performance to 30 September 2024

Short Duration	Last Quarter (%)
Net of fees	2.1
Benchmark / Target	2.2
Net performance relative to Benchmark	-0.1

Long Duration	Last Quarter (%)
Net of fees	2.8
Benchmark / Target	2.0
Net performance relative to Benchmark	0.8

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.

Key Statistics

	Short Duration		Long Duration	
	30 Jun 2024	30 Sept 2024	30 Jun 2024	30 Sept 2024
Weighted Average Credit Rating	A	A	A-	A-
Yield to Maturity	5.54	5.12	5.58	5.38
Current Yield	3.84	3.90	4.97	4.76
Interest Rate Duration (Years)	2.38	2.38	11.31	11.38
Spread Duration (Years)	2.33	2.18	10.98	10.94

Source: Northern Trust and London CIV.

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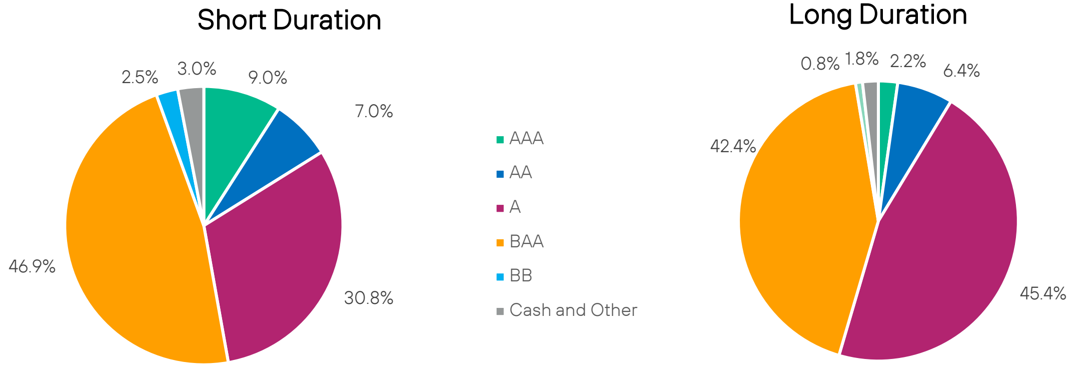
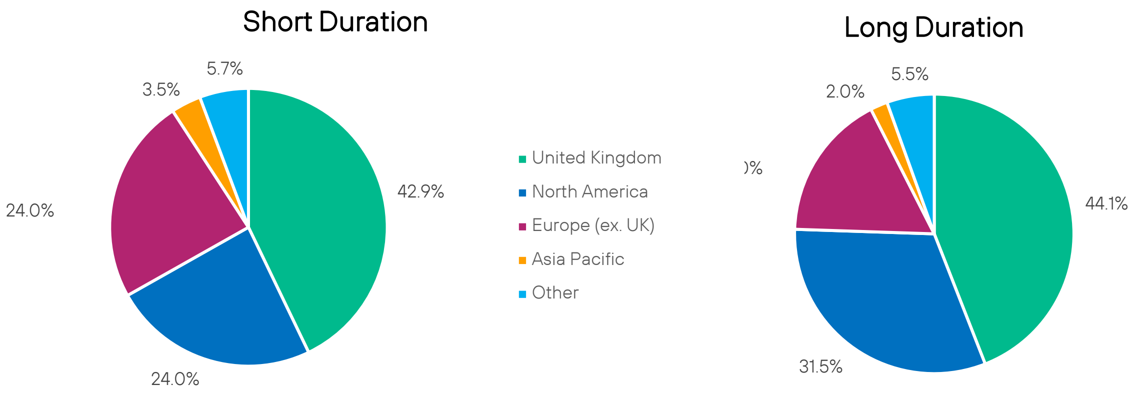
LCIV – Short and Long Duration Buy & Maintain (2)

Portfolio Credit Rating Breakdown as at 30 September 2024



Portfolio Regional Breakdown as at 30 September 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 September 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.

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Allspring – Climate Transition Global Buy & Maintain (1)

Key area	Performance Commentary
Commentary	• The Allspring Climate Transition Global Buy and Maintain Fund has delivered a positive return of 2.8% over the quarter to 30 September 2024 on a net of fees basis, outperforming its target by 0.4%. • Positive returns were primarily driven by falling yields across the curve across the globe – particularly in the UK, US and Europe. Credit spreads also tightened slightly, particularly in the US, amid an improving economic environment.

Investment Performance to 30 September 2024

	Last Quarter (%)
Net of fees	2.8
Target	2.4
Net performance relative to Target	0.4

Relative performance may not tie due to rounding

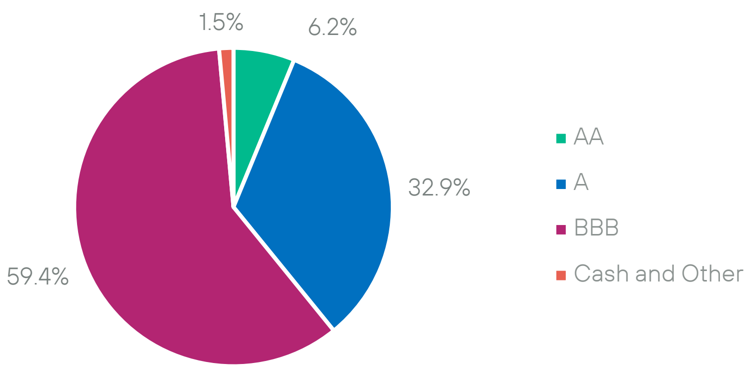
Fund Overview

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

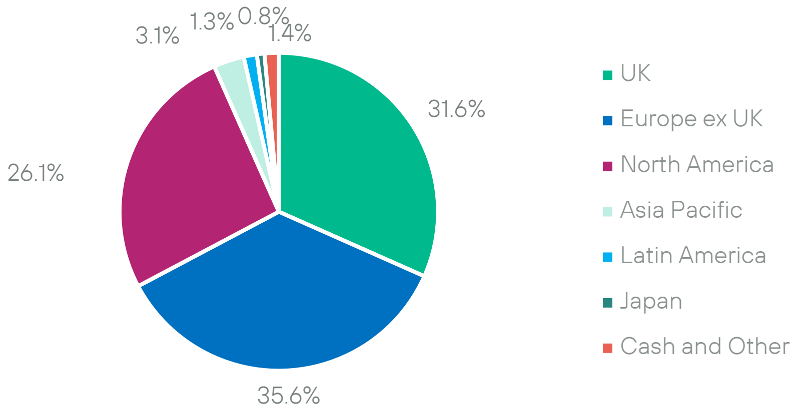
The aim of the Fund is to broadly track the performance of the ICE BofA Sterling Corporate Index, while simultaneously achieving various climate transition related targets. The manager has a fixed fee based on the value of assets.

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 September 2024.

Portfolio Credit Rating Breakdown as at 30 September 2024



Portfolio Regional Breakdown as at 30 September 2024



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Source: Northern Trust and Allspring.

Allspring – Climate Transition Global Buy & Maintain (2)

ESG Metrics as at 30 September 2024

	Allspring Climate Transition Global Buy & Maintain		Benchmark	
	Value	Coverage	Value	Coverage
MSCI ESG Score	7.5	98%	7.1	98%
Sustainalytics ESG Risk Score	18	94%	20	93%
Carbon to Value Invested (metric tons CO_2e/$1m invested)*	28	86%	42	77%
Weighted Average Carbon Intensity (metric tons CO_2e/$1m revenues)*	59	94%	87	93%
Coal Emissions (metric tons CO_2e/$1m invested)	0	N/A	23,777	N/A
Gas Emissions (metric tons CO_2e/$1m invested)	7,636	N/A	6,761	N/A
Oil Emissions (metric tons CO_2e/$1m invested)	9,732	N/A	7,312	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 September 2024.

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

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Source: Allspring.

Partners Group – Multi Asset Credit

Key area	Performance Commentary
Commentary	• The Multi Asset Credit strategy delivered a positive absolute return of 4.5% on a net of fees basis over the quarter to 31 August 2024, outperforming its 3 Month SONIA +4% benchmark by 2.2%. • 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 and again during 2024, 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 50 have been fully realised as at 30 September 2024 with one further realisation taking place since 30 June 2024. Following quarter end, in October 2024 one further portfolio asset was exited, with three assets now remaining in the portfolio. The Fund's three-year investment period ended in July 2017 and therefore, any investments realised have subsequently been repaid to investors. • Following quarter end, Partners Group issued a capital distribution of £3.3m following portfolio exits, paid on 30 October 2024.

Investment Performance to 31 August 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	4.5	5.4	7.4	7.0
Benchmark / Target	2.2	9.4	7.4	6.1
Net performance relative to Benchmark	2.2	-4.0	0.0	0.9

Relative performance may not tie due to rounding

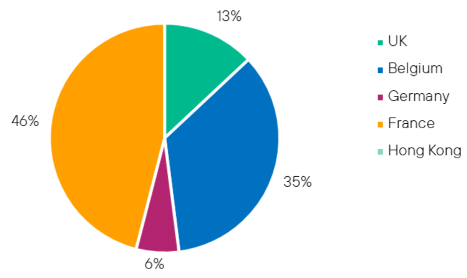
Fund Overview

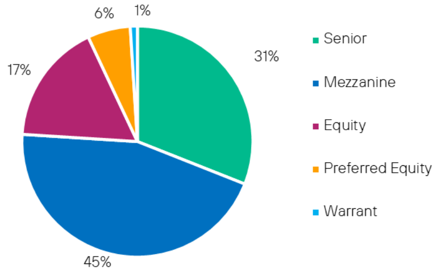
Partners Group was appointed to manage a multi asset credit mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 4% p.a. The manager has an annual management fee and performance fee.

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

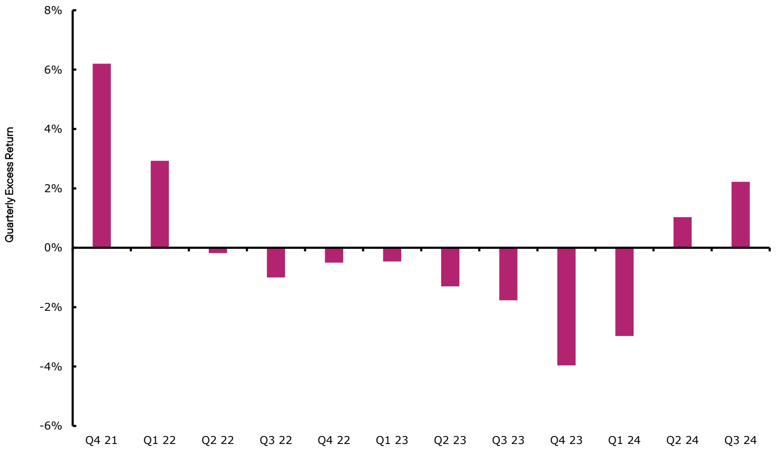
On 17 June 2024, Partners Group received investor approval to extend the term of the strategy to 28 July 2027. Partners Group anticipates that the majority of asset exits will complete within the next 12-18 months, but proposed a 3 year extension to allow flexibility.

Portfolio Regional and Debt Type Breakdown at 30 September 2024





Quarterly Excess Returns



Please note, performance shown is to 31 August 2024

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Source: Northern Trust and Partners Group.

abrdn – Multi-Sector Private Credit Fund

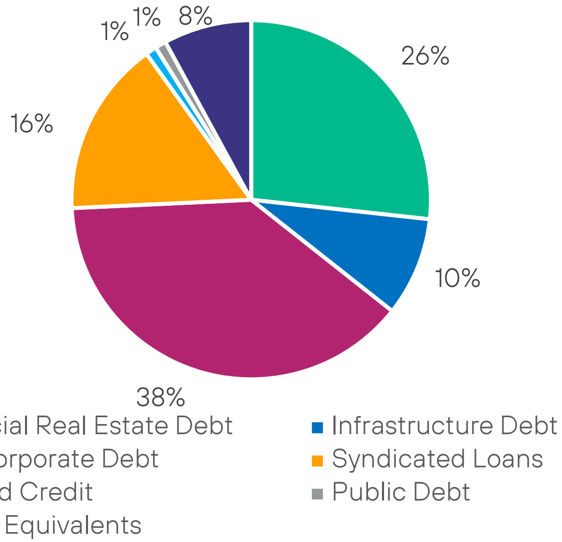
Key area	Performance Commentary
Commentary	• The MSPC Fund has delivered a positive return of 1.8% on a net of fees basis over the quarter, driven by mark-to-market valuation movements of the strategy's underlying assets. abrdn's valuation methodologies take account of credit spreads and government bond yield movements and, with yields falling and spreads tightening slightly, the fund has benefitted. The strategy has, however, underperformed its corporate bond-based target by 0.6%, owing to the index' greater sensitivity to movements in the yield curve.
Portfolio Composition	• As at 30 June 2024, the MSPC Fund portfolio has reached target allocation and consists of 22 private assets: • 4 infrastructure debt investments; • 8 senior commercial real estate debts investments; and • 10 private corporate debt investments.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	1.8	10.9	0.1
Benchmark / Target	2.3	11.7	-0.9
Net performance relative to Benchmark	-0.6	-0.9	1.0

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

Portfolio Asset Type Breakdown at 30 June 2024



Investment Metrics

	31 Mar 2024	30 June 2024
Duration (years)	4.35	4.25
Average rating	BBB	BBB
Average portfolio spread	291bps	284bps
Average illiquidity premium	126bps	128bps
Average yield to maturity	7.20%	7.03%

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 30 June 2024 is provided in the chart to the left.

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Source: Northern Trust and abrdn.

Darwin Alternatives –Leisure Development Fund (1)

Key area	Performance Commentary
Commentary	• The Leisure Development Fund delivered a material negative absolute return of -25.1% over the quarter to 30 September 2024, underperforming its cash +6% p.a. target by 27.8%. Over the one-year period, the Fund has delivered an absolute return of -25.3%, underperforming its target by 36.6%. • This was primarily due to Darwin revising downward its management projections of revenues and costs, which resulted in a fall in the NAV of the Fund by c. 23%. • This decision was driven by delayed openings post an increase in buildings costs post the Covid-19 pandemic, economic pressures and cost of living crisis affecting all UK holiday park operators. This led to a reduction in development growth and further pressures driven by high inflation and Brexit, which also led to a shortage of labour supply, thus increasing labour costs. • Higher interest rates has also led to an upward change in the WACC of DLPF in July 2023 causing a significant fall in the Fund NAV. Darwin expects a favourable revaluation of assets in the medium term, driven by a reversion of the WACC to historic levels. • Darwin remains focussed on operational improvements and cost-cutting measures such as reducing the main costs of staffing, cleaning and utilities. As well as the expansion of stately home partnerships, aiming to replicate the success of the Blenheim asset.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)
Net of fees	-25.1	-25.3
Benchmark / Target	2.7	11.4
Net performance relative to Benchmark	-27.8	-36.6

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

- The Fund has 8 fully operational assets, which opened during and post the Covid-19 pandemic. Rivendale and Stratford have been performing well as they benefitted from the post-Covid spike in 'staycations'. There are 3 further parks waiting to commence development, however these plans are now being reevaluated to ensure a suitable return of investment, as well as supply-side shortages, both of which have led to slowing in development growth and an impact on the value of the fund. This leaves the fund 3-4 years away from consisting 100% of fully operational assets, leading into its income phase.
- The lodge manufacturer Bentley Rowe has now finished Plas Isaf, North Wales in May 2024 and the site is fully open. The site has a total of 40 holiday rentals lodges and 17 bases for holiday home ownership.
- Bentley Rowe, a lodge manufacturer which Darwin owns a 30% stake, in conjunction with Darwin, has constructed a prototype lodge which is now being tested at one of the parks. This all-electric zero Scope 1 carbon emissions solution combines solar, batteries, air-source heat pump (ASHP) technology and smart controls coupled with high performance insulation to deliver a low energy, low carbon accommodation.
- Planning permission for the Rosetta Holiday park upgrade was approved in August 2024. A masterplan for the site has now been developed and the Fund is targeting a 100-lodge scheme with a 70/30 split of rental and owner accommodation. The aim is to redevelop the site into a luxury lodge resort with some leisure facilities.

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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 September 2024.

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Source: Darwin Alternatives.

Oak Hill Advisors – Diversified Credit Strategies

Key area	Performance Commentary
Commentary	• The strategy delivered a positive return of 2.4% on a net of fees basis over the quarter to 30 September 2024, outperforming the benchmark by 0.2%. As the strategy is measured against a Sterling cash-plus benchmark, we would expect relative performance differences over shorter time horizons. • Positive performance was driven by the impact of falling yields over the quarter, with US high yield investments in particular benefitting from the improving economic environment. • The strategy's opportunistic nature means that the fund can take on restructuring opportunities for issuers. There were no defaults over the third quarter of 2024 within the Diversified Credit Strategies portfolio, while six positions representing c. 1.4% of the total portfolio were downgraded. Each position was non-investment grade.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	2.4	11.4	5.1	5.0
Benchmark / Target	2.2	9.4	7.4	6.1
Net Performance relative to Benchmark	0.2	2.1	-2.3	-1.2

Relative performance may not tie due to rounding

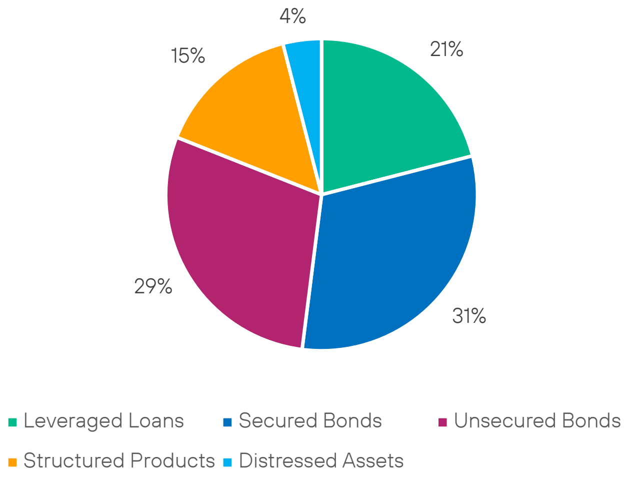
Fund Overview

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 12.4% on a net of fees basis over the year to 30 September 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 12.7% over the year to 30 September 2024.

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

Portfolio Sector Breakdown at 30 September 2024



Quarterly Excess Returns

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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 30 June 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 August 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.6	4.9	14.2	14.3
Benchmark / Target	3.1	13.4	11.4	10.2
Net Performance relative to Benchmark	-2.6	-8.5	2.8	5.5

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.

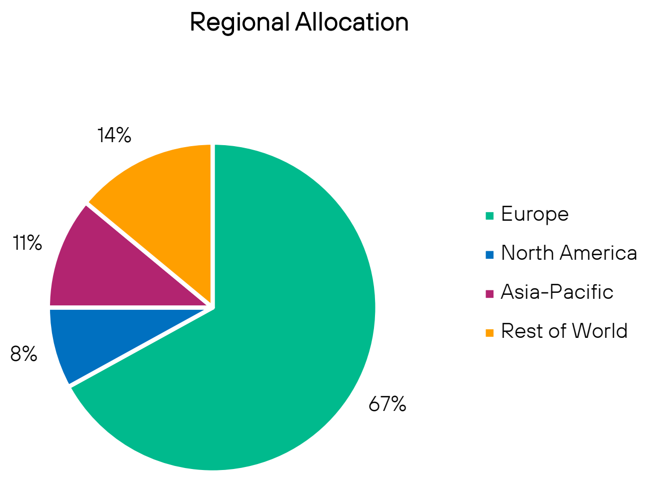
The charts to the bottom left show the regional split of the Direct Infrastructure Fund and a breakdown of the Fund by infrastructure sector as at 30 June 2024.

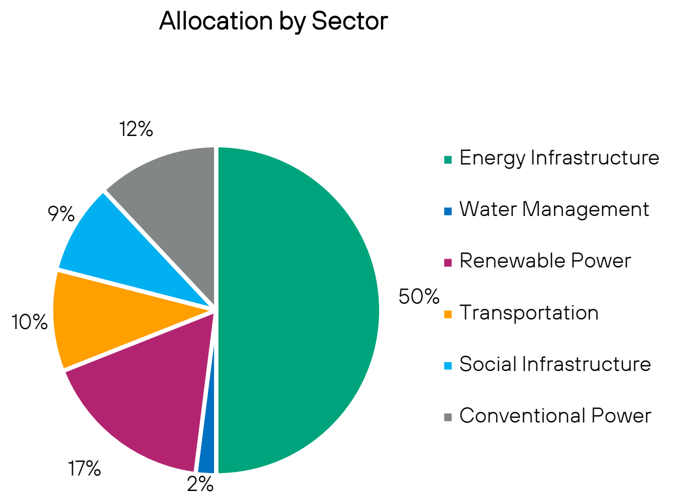
Capital Calls and Distributions

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 30 June 2024





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Source: Northern Trust and Partners Group.

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 third quarter of 2024, Quinbrook issued one capital call notice and one capital distribution:
	  • A capital call of £0.7m for payment by 4 September 2024, drawn entirely for investments and taking the Fund's commitment to c. 97% drawn; and
	  • A capital distribution of £6.0m for payment by 24 September 2024 following sale of one of the underlying portfolio assets.
	
	• Resultantly, following receipt of the capital distribution, the Fund's £45m commitment is c. 84% drawn for investment as at 30 September 2024.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)
Net of fees	1.6	5.1
Benchmark / Target	0.6	5.7
Net performance relative to Benchmark	1.1	-0.6

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.

The Renewables Impact Fund achieved final close on 29 September 2023 having raised £620m in commitments, exceeding the initial £500m target.

As at 30 June 2024, the Renewables Impact Fund has delivered a net IRR of 8.1% since inception.

Activity over the quarter to 30 June 2024

- 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.

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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	52.0
Pathfinder – Under Construction					
Thurso South	100%	Jul-21	Synchronous Condenser	Scotland	38.5
Rothienorman	100%	Jul-21	Synchronous Condenser	Scotland	59.7
Gretna	100%	Jul-22	Synchronous Condenser	Scotland	37.6
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	36.2
Other					
Habitat	100%	Jul-21	Trading Platform	UK	60.4
Held at cost					
Dawn	100%	Mar-22	Battery Storage	UK	4.1
Teffont	100%	Apr-23	Battery Storage	UK	0.1
Total					**558.3**

Portfolio

The table to the left shows a list of the investments held by the Quinbrook Renewables Impact Fund as at 30 June 2024.

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Source: Quinbrook.

abrdn – Long Lease Property

Key area	Performance Comments
Commentary	• The Long Lease Property Fund has delivered a positive return of 1.4% over the quarter to 30 September 2024 and slightly outperformed the wider commercial property market, but has underperformed its gilts-based benchmark as a result of the positive impact of falling gilt yields on the benchmark measure.The Fund has underperformed the wider property market over longer 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, and Q1, Q2 and Q3 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.

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.4	-4.7	-8.3	-2.5
Benchmark / Target	2.8	9.9	-4.8	-2.8
Net Performance relative to Benchmark	-1.4	-14.6	-3.5	0.3

Relative performance may not tie due to rounding

Fund Overview

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.

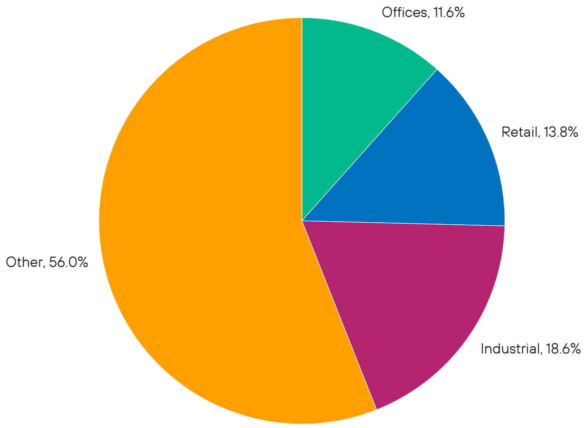
abrdn acknowledges that further asset sales will be required to meet redemption requests over 2024. The manager will monitor the portfolio with a focus on selling weaker credits or those with poor ESG scores, and further reducing its office exposure where possible. The Fund completed 5 sales over the quarter to 30 June 2024, for a combined total of c. £168m.

As at 30 June 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 September 2024 stood at 26.2 years, remaining broadly unchanged over the third quarter of 2024. The proportion of income with fixed, CPI or RPI rental increases decreased by 1.4% over the second quarter of 2024 to 90.3% as at 30 June 2024. .

Portfolio Sector Breakdown at 30 June 2024



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*	

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Source: Northern Trust and abrdn.

Note: At the time of writing abrdn were unable to provide complete data as at 30 September 2024.

Alpha Real Capital – Index Linked Income

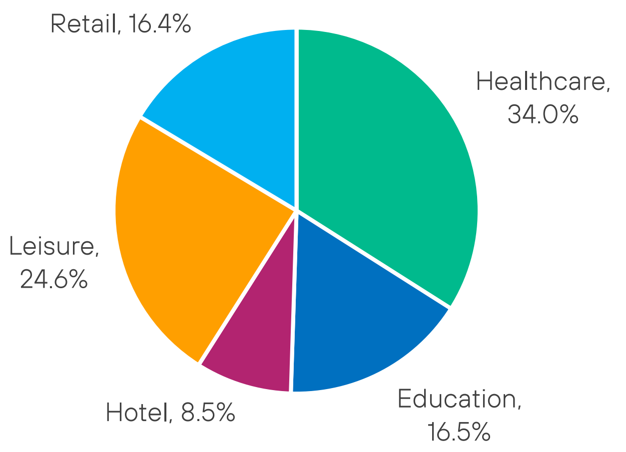
Key area	Comments
Commentary	• The Index Linked Income Fund has delivered a positive return of 1.0% on a net of fees basis over the quarter to 30 September 2024, but underperformed its long-dated inflation-linked gilts benchmark by 0.9% over the three-month period as a result of the positive impact of falling gilt yields at the long end of the curve on the benchmark measure. • Alpha Real Capital has collected c. 100% of the Fund's Q3 2024 rental income. • The Index-Linked Income Fund completed one sale over the quarter in order to satisfy redemption requests – the Marstons' portfolio for £54.6m, representing a small premium to book value. Following quarter end, the Fund disposed of the Middle 8 Hotel at book value, £48.3m

Investment Performance to 30 September 2024

	Last Quarter (%)	One Year (%)
Net of fees	1.0	-5.4
Benchmark / Target	1.9	8.9
Net performance relative to Benchmark	-0.9	-14.3

Relative performance may not tie due to rounding

Portfolio Sector Breakdown at 30 June 2024



Top Ten Holdings by Value as 30 September 2024

Tenant	Value (%)	Credit Rating
Elysium Healthcare	14.0	A2
Dobbies	12.2	A3
Parkdean	11.0	A2
HC One	10.3	A2
PGL	6.5	Baa2
Away Resorts	6.1	A3
Busy Bees	5.6	A2
CareTech	4.3	A3
Grange Hotels	3.7	N/A
Kingsway Hall	3.1	N/A
Total	76.8	

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. 144 years as at 30 September 2024, reducing by one year over the quarter following asset sales. 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 September 2024. The top 10 holdings in the Index Linked Income Fund accounted for c. 76.8% of the Fund as at 30 September 2024.

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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 capital call during the third quarter of 2024 for £1.2m for payment by 24 July 2024. • As such, as at 30 September 2024, 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 30 June 2024, the Fund has contracted 1,295 homes and delivered 318 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	8.5	3.4
Alconbury, Cambridgeshire	95	100	22	7.9	4.3
Grantham, Lincolnshire	227	82	45	7.5	4.8
Campbell Wharf, Milton Keynes	79	100	22	8.0	4.3
Towergate, Milton Keynes	55	100	18	7.7	4.0
Coombe Farm, Saltdean	71	83	28	7.5	4.6
Chilmington, Ashford	225	85	71	7.6	4.2
Tattenhoe, Milton Keynes	34	100	7	9.0	4.2
Glenvale Park, Wellingborough	146	100	34	8.7	5.3
Old Malling Farm, Lewes	226	100	81	8.5	3.4
Stanhope Gardens, Aldershot	96	100	39	9.2	4.6
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 30 June 2024.

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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%		

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Appendix 2

Yield Analysis

Manager	Asset Class	Yield as at end September 2024
LCIV Global Sustain	Global Equity	1.20%
LGIM MSCI Low Carbon	Global Equity	1.80%
Ruffer	Dynamic Asset Allocation	1.20%
LCIV Short B&M	Dynamic Asset Allocation	3.90%
LCIV Long B&M	Dynamic Asset Allocation	4.76%
Allspring Climate Transition B&M	Dynamic Asset Allocation	5.25%
Partners Group MAC	Secure Income	4.27%
abrdn MSPC Fund	Secure Income	7.03%*
Oak Hill Advisors	Secure Income	6.70%
Standard Life Long Lease Property	Inflation Protection	4.96%
Alpha Real Capital	Inflation Protection	3.90%
	Total	2.65%

*As at 30 June 2024.

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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.

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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 CO_2e/$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 CO_2e)	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 CO_2e)	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 CO_2e)	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 CO_2e)	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).

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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.

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Source: Allspring.

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