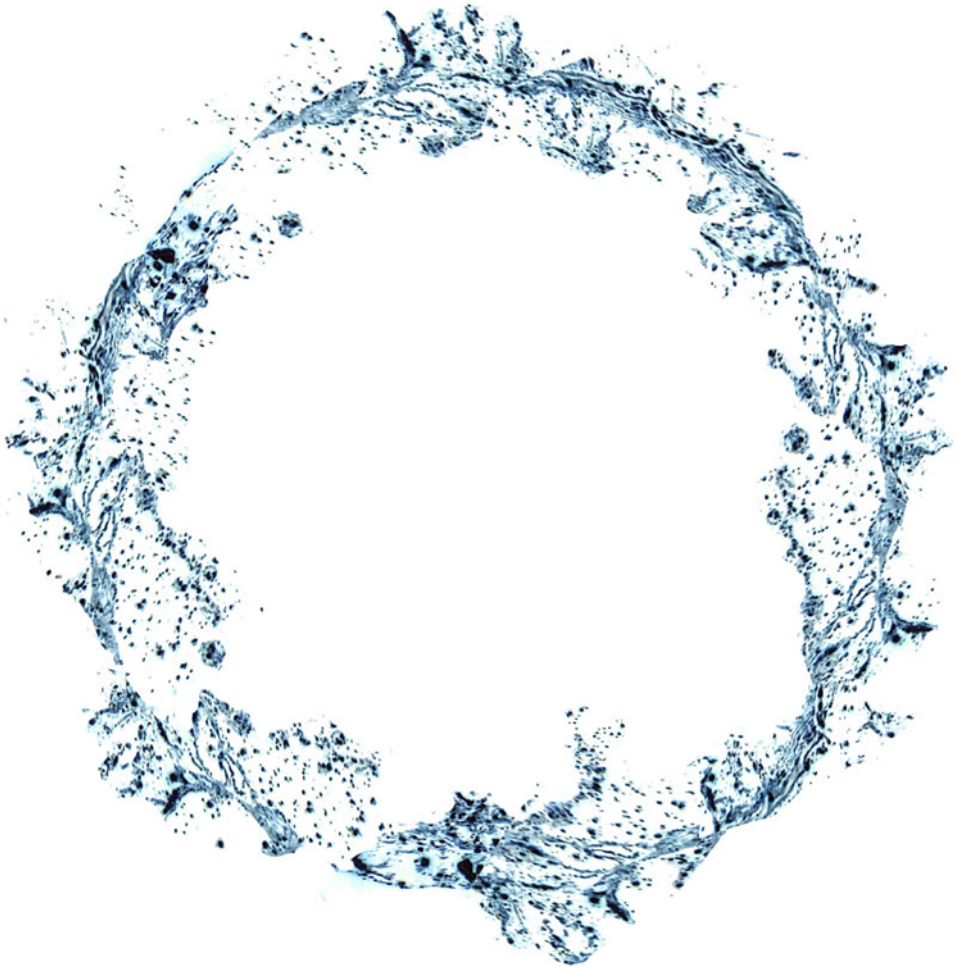
Deloitte.



City of Westminster Pension Fund

Investment Performance Report to 30 June 2021

Deloitte Total Reward and Benefits Limited
October 2021

Contents

1	Market Background	1
2	Total Fund	2
3	Summary of Manager Ratings	6
4	London CIV	12
5	LGIM – Global Equity (Passive – Future World)	13
6	LCIV – Global Alpha Growth	14
7	LCIV – Global Equity Core	16
8	Longview – Global Equity	18
9	Insight – Buy and Maintain	20
10	LCIV – Multi Asset Credit	23
11	Aberdeen Standard Investments – Long Lease Property	25
12	Pantheon – Global Infrastructure Fund III	28
13	Macquarie – Renewable Energy Fund 2 (“MGREF2”)	31
14	Quinbrook – Renewables Impact Fund	32
Appendix 1 – Fund and Manager Benchmarks		33
Appendix 2 – Manager Ratings		34
Appendix 3 – Risk Warnings & Disclosures		35

1 Market Background

Global Equities

Global equity markets continued to make gains in the second quarter of 2021. The accelerated rollout of COVID-19 vaccines globally led to an easing of restrictions and a rebound in economic activity. That's not to say that there weren't bouts of volatility over the second quarter with investors growing increasingly concerned around rising inflation and tighter monetary policy. Ultimately however, both the UK's Monetary Policy Committee and Federal Reserve reassured investors that they weren't planning pre-emptive action with the Fed indicating no rate rises until at least 2023 at the earliest.

Over the second quarter of 2021, global equity markets delivered a return of 7.1% in local currency terms, or 7.3% in sterling terms, with sterling exchange rates broadly unchanged versus the basket of global currencies over the quarter. All global regions made gains with the US delivering the highest return of 8.8% (in local terms) and Japan delivering the lowest return of 0.1% (in local terms). At the sector level, the first two months of the quarter saw sectors sensitive to economic recovery outperform. However, as central banks reassured investors and Delta cases grew, the Technology sector performed very strongly.

UK equities delivered a positive return of 5.6% over the quarter, slightly underperforming overseas markets. Underperformance was relatively minor compared to the recent past, and mainly due to sector biases in the UK market with relatively lower exposures to the best performing sectors such as Technology, and relatively larger exposures to sectors such as Oil & Gas and Financials which delivered more modest returns.

Government bonds

UK nominal gilt yields fell over the second quarter, most notably at mid-to-long maturities, where yields tightened by 10-15 bps. This was in part driven by a fall in future inflation and growth expectations as a result of increased concern over the Delta variant and its potential negative impact on the reopening of the UK economy. The All Stocks Gilts Index therefore delivered a positive return of 1.7%% over the quarter, whilst the Over 15-year Index delivered a higher return of 3.2%.

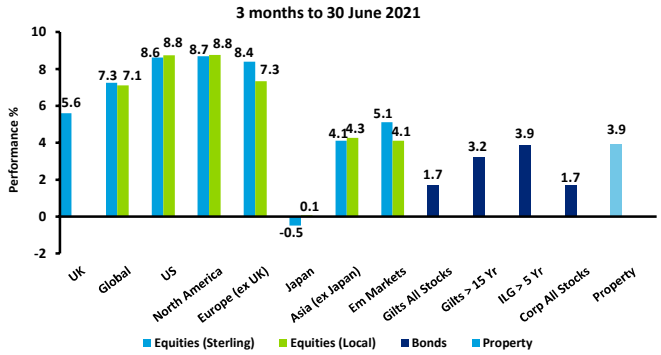
Real yields also decreased by up to 15 bps for longer maturities, but increased by up to 15 bps at short maturities due to the fall in inflation expectations at the short-end. The All Stocks Index-Linked Gilts Index delivered a return of 3.6% as a result.

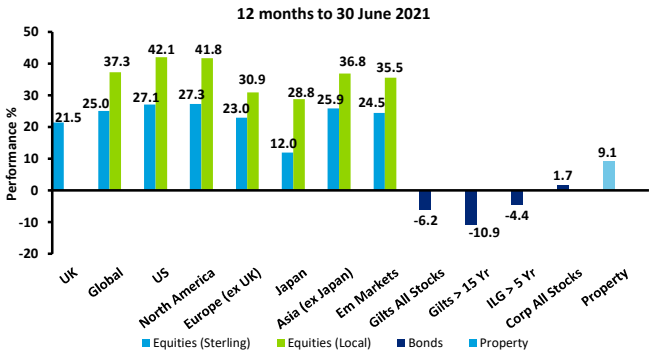
Corporate bonds

Sterling denominated corporate bond yields followed gilt yields lower over the second quarter. Credit spreads marginally narrowed, and remained below historic average levels, with an improved economic outlook benefiting corporate earnings. Central bank reassurance will have also helped to keep spreads low. The combination of a fall in underlying gilt yields and a small tightening of credit spreads caused the iBoxx All Stocks Non-Gilt Index to return 1.7% over the three months to 30 June 2021.

Property

The MSCI UK All Property Index delivered a return of 3.9% over the second quarter, and a return of 9.1% over the 12 months to 30 June 2021. The industrial sector continues to lead the way, benefitting from trends including the switch to online shopping, which have accelerated as a result of the pandemic. We note that these return figures should be caveated given the relatively low level of transaction activity compared to pre-pandemic levels, the pricing lag typical in more illiquid property markets, and continued issues around rental collections and the previous accumulation of rent arrears.





2 Total Fund

2.1 Investment Performance to 30 June 2021

The following table provides a summary of the performance of the Fund's managers.

Manager	Asset Class	Last Quarter (%)		Last Year (%)		Last 3 Years (% p.a.)		Since inception (% p.a.)	
		Fund Net of fees	B'mark	Fund Net of fees	B'mark	Fund Net of fees	B'mark	Fund Net of fees	B'mark
LGIM	Global Equity (Future World)	7.7	7.7	n/a	n/a	n/a	n/a	22.7	22.5
LCIV	Global Equity (Global Alpha Growth)	7.1	7.3	30.7	24.6	18.7	12.9	17.5	13.0
LCIV	Global Equity (Global Equity Core)	6.2	7.3	n/a	n/a	n/a	n/a	14.5	23.6
Longview	Global Equity	6.0	7.6	25.3	24.4	9.9	13.3	12.5	13.2
Insight[1]	Buy and Maintain	2.2	1.2	4.0	2.3	5.5	3.7	6.1	5.0
LCIV	Multi Asset Credit	1.9	1.0	13.2	4.1	n/a	n/a	3.9	4.7
Aberdeen Standard	Property	2.4	2.2	6.0	-4.4	5.7	5.0	7.8	6.0
Pantheon[2]	Global Infrastructure	5.7	2.0	2.1	8.1	n/a	n/a	6.0	9.4
Macquarie[3]	Global Renewable Infrastructure	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Quinbrook[3]	UK Renewable Infrastructure	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total		**5.6**	**5.2**	**21.1**	**19.2**	**9.4**	**9.1**	**n/a**	**n/a**

Source: Northern Trust. Figures may not tie due to rounding.

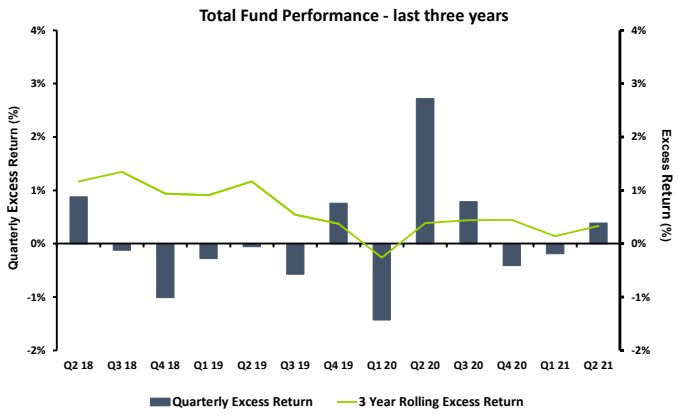
[1]Insight Buy and Maintain Fund was incepted on 9 April 2018. Since inception returns and benchmark returns reflect a combination of Insight Buy & Maintain Fund returns and benchmark returns from date of inception to 30 June 2021, and Insight IM (Core) Fund returns and benchmark returns from inception date 30 September 2011 until inception of the Buy and Maintain Fund.

[2]Pantheon Global Infrastructure Fund performance is calculated by Northern Trust with a 60 calendar day lag, based on Pantheon net asset value in USD which Northern Trust converts to GBP. As such, performance provided is to end January 2021 and includes the impact of fluctuations in the USD to GBP exchange rate.

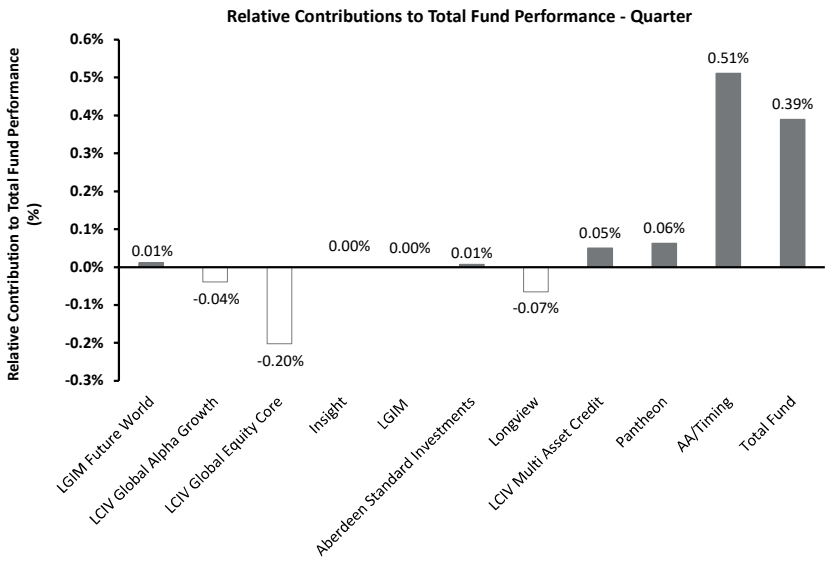
[3]Macquarie and Quinbrook performance figures have not been confirmed as at the time of reporting.

The Total Fund delivered a positive absolute return of 5.6% on a net of fees basis over the quarter to 30 June 2021, outperforming the fixed weight benchmark by 0.4% over the three-month period. Over the one and three year periods to 30 June 2021, the Total Fund delivered positive absolute returns of 21.1% and 9.4% p.a. respectively on a net of fees basis, outperforming the fixed weight benchmark by 1.8% and 0.3% p.a. respectively. Quoted outperformance may not match the figures in the table as a result of rounding. The substantial positive absolute returns over the year continue to be attributed to the sustained recovery in global equity and wider capital markets following the initial outbreak of COVID-19, with outperformance over the longer term in particular attributed to the LCIV Global Alpha Growth Fund, which has considerably outperformed its benchmark over both the one and three year periods to 30 June 2021.

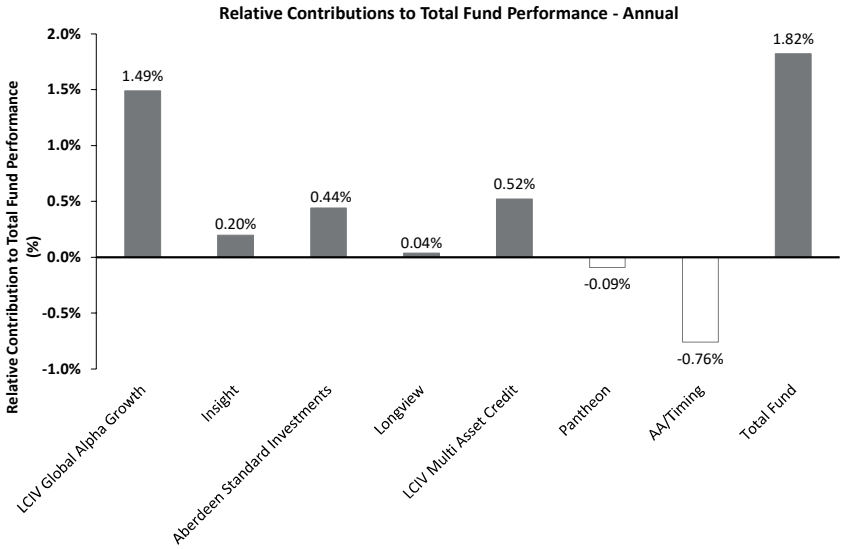
The chart below shows the relative performance of the Fund over the quarter and last three years, highlighting that the rolling three-year performance is ahead of the benchmark. Please note that performance is shown net of fees versus the benchmark.



2.2 Attribution of Performance to 30 June 2021



The Fund outperformed its fixed weight benchmark by 0.4% over the second quarter of 2021, with outperformance partly driven by Pantheon and the LCIV Multi Asset Credit Fund, having outperformed their respective cash-plus targets over the three-month period. Please note, however, that we would expect relative performance differences over shorter time horizons where strategies are measured against cash-plus benchmarks. Outperformance was partiallly offset by the Fund's three active equity investsments. Each of the LCIV Global Equity Core Fund, the LCIV Global Alpha Growth Fund and the Longview Global Equity Fund delivered positive returns on an absolute basis over the quarter, but underperformed their MSCI-based benchmarks, owing to a relative under-allocation to particular stocks and sectors of the market which performed well over the three-month period. That said, the strong positive attribution represented by the "AA/Timing" bar can be attributed to the Fund's overweight allocation to equities, owing to the extent of the positive absolute performance delivered by the equity products. Going forward, it is expectat that the Fund's equity allocation will revert back towards the strategic benchmark equity allocation as the Fund's committed infrastructure investments are drawn down.



Over the year to 30 June 2021, the Fund outperformed its benchmark by 1.8% on a net of fees basis. Outperformance can largely be attributed to the LCIV Global Alpha Growth Fund, having outperformed its MSCI-based benchmark by 6.2% on a net of fees basis over the twelve-month period as well as the LCIV Multi Asset Credit fund which outperformed it's cash-plus target with each of the strategy's underlying asset class exposures delivering positive returns over the period. The negative attribution represented by the "AA/Timing" bar reflects the impact of investing in the LCIV Global Equity Core Fund over the fourth quarter of 2020, which has since underperformed its benchmark since inception, and includes the allocation to the Hermes UK Property Fund, which underperformed the wider property market over the year until the point of disinvestment in January 2021.

2.3 Asset Allocation as at 30 June 2021

The table below shows the assets held by manager and asset class as at 30 June 2021.

Manager	Asset Class	End Mar 2021 (£m)	End Jun 2021 (£m)	End Mar 2021 (%)	End Jun 2021 (%)	Benchmark Allocation (%)
LGIM	Global Equity (Passive – Future World)	398.7	429.4	22.8	23.3	25.0
LCIV	Global Equity (Global Alpha Growth)	429.8	459.5	24.6	24.9	20.0
LCIV	Global Equity (Global Equity Core)	337.3	358.2	19.3	19.4	20.0
Longview	Global Equity	69.2	73.3	4.0	4.0	0.0
	Total Equity	**1,235.0**	**1,320.5**	**70.6**	**71.6**	**65.0**
Insight	Buy and Maintain	241.1	246.4	13.8	13.4	13.5
LCIV	Multi Asset Credit	98.6	100.5	5.6	5.5	5.5
	Total Bonds	**339.7**	**346.9**	**19.4**	**18.8**	**19.0**
Aberdeen Standard	Property	71.3	73.0	4.1	4.0	5.0
	Total Property	**71.4**	**73.1**	**4.1**	**4.0**	**5.0**
Pantheon	Global Infrastructure	29.7	34.6	1.7	1.9	5.0
Macquarie	Global Renewable Infrastructure	6.0	5.6	0.3	0.3	3.0
Quinbrook	UK Renewable Infrastructure	7.3	11.0	0.4	0.6	3.0
	Total Infrastructure and Renewable Infrastructure	**43.1**	**51.3**	**2.5**	**2.8**	**11.0**
	Cash	59.4	52.2	3.4	2.8	
Total		**1,748.7**	**1,844.0**	**100.0**	**100.0**	**100.0**

Source: Northern Trust
Figures may not sum due to rounding

The total value of the Fund's invested assets, including cash, stood at c. £1,844.0m as at 30 June 2021, representing an increase of c. £95.3m over the second quarter of 2021 as a result of positive Total Fund returns.

Over the second quarter of 2021, with equity markets continuing to rise, the Fund's equity allocation became further overweight. However, looking forward, the Fund's equity exposure is expected to reduce as Pantheon continues to draw down capital, funded from the remaining Longview allocation.

During the quarter, Pantheon issued a capital call of $4.2m for payment by 11 June 2021, taking the Fund's total unfunded commitment to Pantheon to c. $46.2m as at the end of the second quarter of 2021. This capital call was funded from the Fund's in-house cash allocation, with future drawdowns expected to be sourced from the Longview allocation. Pantheon anticipates that the Fund's commitment will be fully drawn by the end of the second quarter of 2023.

Following disinvestment from the Hermes UK Property Fund over the first quarter of 2021, the proceeds received from this disinvestment will be used to fund the €55m commitment to the Macquarie Renewable Energy Fund 2 and the £50m commitment to the Quinbrook Renewables Impact Fund. In the interim, the proceeds will remain in the Fund's in-house cash

account until drawn for investment by the renewable infrastructure managers, with the balance being taken from overweight allocations.

Macquarie issued no further requests for capital over the quarter, while Quinbrook issued one drawdown notice, requesting c. £2.0m for payment by 21 April 2021, funded from the Fund's in-house cash account. As such, as at 30 June 2021, the Fund's total commitment to the Macquarie Renewable Energy Fund 2 stands at c. 13% drawn for investment, while c. 12% of the Fund's total commitment to the Quinbrook Renewable Impact Fund has been drawn for investment.

2.4 Yield analysis as at 30 June 2021

The table below shows the yield as reported by the managers on each of the Fund's investments.

Manager	Asset Class	Yield as at 30 June 2021
LGIM	Global Equity (Passive – Future World)	1.58%
LCIV	Global Equity (Global Alpha Growth)	0.80%*
LCIV	Global Equity (Global Equity Core)	1.25%*
Longview	Global Equity	1.63%
Insight	Buy and Maintain	1.79%
LCIV	Multi Asset Credit	4.31%*
Aberdeen Standard Investments	Long Lease Property	4.00%
	Total	**1.52%**

**LCIV funds' yields are provided by the underlying managers (Baillie Gifford, Morgan Stanley and CQS).*

3 Summary of Manager Ratings

The table below summarises Deloitte's ratings of the managers employed by the Fund and triggers against which managers should be reviewed.

Manager	Mandate	Triggers for Review	Rating
LGIM	Global Equity (Passive – Future World)	Major deviation from benchmark returns Significant loss of assets under management	1
Baillie Gifford	LCIV Global Equity (Global Alpha Growth)	Loss of key personnel Change in investment approach Lack of control in growth of assets under management	1
Morgan Stanley Investment Management	LCIV Global Equity (Global Equity Core)	Loss of key personnel Change in investment approach Lack of control in growth of assets under management	1
Longview	Global Equity	Loss of key personnel Change in investment approach Lack of control in growth of assets under management	2
Insight	Buy and Maintain	Departure of any of the senior members of the investment team	1
CQS	LCIV Multi Asset Credit	Significant changes to the investment team responsible for the fund	1
Aberdeen Standard Investments	Property	Les Ross leaving the business or ceasing to be actively involved in the fund without having gone through an appropriate hand-over A build up within the fund of holdings with remaining lease lengths around 10 years Investment in lower yielding or poorer quality assets than expected	1
Pantheon	Global Infrastructure	Significant changes to the investment team responsible for the fund	1
Macquarie	Global Renewable Infrastructure	Significant changes to the investment team responsible for the fund	1
Quinbrook	UK Renewable Infrastructure	Significant changes to the investment team responsible for the fund	1

3.1 London CIV

Business

The London CIV had assets under management of £12,130m within the 14 sub-funds (not including commitments to the London CIV Infrastructure Fund, London CIV Inflation Plus Fund, The London Fund, London CIV Renewable Infrastructure Fund and London CIV Private Debt Fund) as at 30 June 2021, an increase of £1,042m over the quarter primarily as a result of new London Borough investments in each of the LCIV Sustainable Equity Fund, the LCIV Sustainable Equity Exclusion Fund, the LCIV Absolute Return Fund, the LCIV Real Return Fund and the LCIV Global Bond Fund, alongside the newly launched LCIV Global Alpha Growth Paris Aligned Fund.

The total assets under oversight, including passive investments held outside the London CIV platform, was £26.7bn as at 30 June 2021, an increase of c. £1.7bn over the quarter with cumulative commitments of £1.2bn yet to be drawn into the LCIV

Infrastructure Fund, LCIV Inflation Plus Fund, The London Fund, LCIV Renewable Infrastructure Fund and LCIV Private Debt Fund.

In April 2021, the London CIV launched the LCIV Global Alpha Growth Paris Aligned Sub Fund, managed by Baillie Gifford, following the launch of the Baillie Gifford Global Alpha Paris-Aligned Fund. The Paris-Aligned Fund is an exclusions-based variant of the core Global Alpha Growth Fund portfolio, designed to align to the objectives of the Paris Agreement. The Baillie Gifford Global Alpha Paris-Aligned Fund is managed by the same team as the Global Alpha Growth Fund, and inherits the same investment philosophy, fee and performance objective. There is currently a stock overlap of c. 94% between the two funds, and the Fund is expected to closely track the performance of the Global Alpha Growth Fund over time. Over the quarter, two London Boroughs invested in the Sub-Fund and the London CIV expects a further two London Boroughs to transfer assets from the LCIV Global Alpha Growth Fund into the Paris-Aligned Sub-Fund later in 2021.

As previously reported, in relation to the LCIV Global Bond Fund which the Fund currently invests in, the London CIV has been engaging with investors (current and future) in regards to the prospect of transitioning the Global Bond Fund into an ESG-focused version which will be more consistent with its investors' and the London CIV's ESG strategy. The London CIV has now confirmed that any adjustments to the Sub-Fund will be incorporated at the portfolio construction stage only and the process has been approved by Exco, with the broad risk/return profile, investment objective, benchmark and prospectus of the Sub Fund set to be unchanged. This coincides with PIMCO, the underlying manager of the LCIV Global Bond Fund, launching the GIS Climate Bond Fund which is dedicated to investments linked to combating global climate change. The London CIV is looking to make the enhancements to the Sub-Fund before the end of 2021, and investors will receive an official communication with regards to the changes in due course. The modification is expected to be completed over the fourth quarter of 2021.

Over the quarter, as reported previously, the London CIV appointed Hermes EOS as the firm's stewardship partner, with the aim to develop the London CIV's voting and engagement report. The London CIV and Hermes are currently collaborating to review the London CIV's risk management systems. In future, the London CIV will collaborate with Hermes EOS to undertake voting on behalf of London Borough clients' investments in the passive low carbon equity strategy following launch, which is discussed below.

The London CIV also intends to launch a fund with a focus on sterling credit and has held several meetings to discuss the prospect over the second quarter of 2021. The London CIV expects demand for the sterling credit fund to total approximately £510m.

Personnel

Over the second quarter of 2021, the London CIV announced the appointment of Mick Craston as Chair designate of the firm, in succession to Lord Kerslake. The appointment is subject to FCA approval, but Mike is expected to take over the role in September 2021. Mike is Chair and a Non-Executive Director of Aviva Investors Holdings Limited. He is also Non-Executive Chair of the Railpen Investments Board, the body responsible for overseeing the activities of RPMI Railpen and, additionally, Mike serves as Trustee and Chair of the Investment Committee at Independent Age, a charity providing advice on care and support, money and benefits, and on, health and mobility. Prior to this, he held a number of roles at Legal and General, Aegon Asset Management, Scottish Equitable, and Schroders.

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

As reported last quarter, Rob Hall, Head of Public Markets and Deputy Chief Investment Officer left the firm during June 2021. The London CIV has commenced the search to hire a new Head of Public Markets, with advertising for the new role commencing from 6 May 2021. Initial interviews and panel interviews for the role took place over June 2021.

Following quarter end, on 12 July 2021, Yiannis Vairamis was appointed as Senior Equities Portfolio Manager. Yiannis has previously been employed by Railpen, Russell and Hymans Robertson.

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

3.2 LGIM

Business

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

Personnel

Over the second quarter of 2021, Sacha Sadan, Director of Stewardship, left LGIM with Michael Marks, Head of ESG Integration and Exco member, stepping in as interim head while LGIM searches for a replacement.

In addition, over the quarter to 30 June 2021, specific to the LGIM Index team, Natalie Wong and Elisa Piscipiello joined as an Investment Analyst and ETF Analyst respectively.

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

3.3 Baillie Gifford

Business

Baillie Gifford held c. £352bn in assets under management as at 30 June 2021, representing an increase of c. £28bn over the quarter primarily as a result of positive market returns. The Global Alpha strategy held assets under management of c. £57bn as at 30 June 2021, an increase of c. £6bn over the three-month period.

Personnel

As reported last quarter, following the announcement in Q1 2020, Charles Plowden, Senior Partner and one of the founding Global Alpha portfolio managers, retired on 30 April 2021. Helen Xiong, Partner, has been appointed as Fund Manager on the Global Alpha team, having transitioned from US equity last year.

Deloitte view - We continue to rate Baillie Gifford positively for its equity capabilities.

3.4 Morgan Stanley Investment Management

Business

The LCIV Global Equity Core Fund held assets under management of c. £539m as at 30 June 2021, an increase of c. £27m over the quarter.

The Morgan Stanley Global Sustain Fund, which the LCIV Global Equity Core Fund is based upon, held assets under management of c. $4.3bn as at 30 June 2021, representing an increase of c. $0.3bn over the second quarter of 2021 as a result of positive market movements.

Personnel

There were no significant changes to the International Equity Team over the second quarter of 2021.

Following quarter end, in August 2021, Morgan Stanley announced four new joiners to the International Equity Team, each based in London:

- Isabelle Mast joins as an Executive Director and Portfolio Manager covering Financials, moving from Fidelity having also previously worked at Citadel. Isabelle has 16 years of 'buy side' experience researching and investing in insurance companies and diversified financials. Over the coming months Isabelle will assume coverage of the insurance sector. Isabelle will also cover certain diversified financials (asset gatherers, asset managers and insurance brokers) and emerging markets banks.

- Anton Kryachok joins from Sculptor Capital (formerly OchZiff) as a Vice President and Research Analyst covering Banks. Anton has 11 years of experience.

- Jinny Hyun, previously an off-cycle intern in September 2020, has joined the investment team as a research analyst. As with all junior hires, Jinny will at first be a generalist resource for the team developing knowledge across sectors.

- Emma Broderick, also previously an off-cycle intern in 2020, joins the portfolio specialist team focusing on client service, business development and ESG related materials.

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

3.5 Longview

Business

As at 30 June 2021, Longview held assets under management of c. £16.5bn, a decrease of c. £0.7bn over the quarter as a result of positive market returns partially offsetting c. £1.7bn of net outflows from the firm over the quarter.

Personnel

Over the second quarter of 2021, Luke Taylor, Research Analyst, left the firm. Luke had been on paternity leave since the beginning of the calendar year and decided that he would like to devote more of his time to his family. Luke had already worked with the team to reassign his stock coverage to other members of the investment team in advance of his paternity leave.

In addition, further to his previously announced departure and after stepping down as CIO on 31 December 2020, Alistair Graham, Research Analyst, left Longview on 30 June 2021.

Deloitte view – We have removed Longview's Global Equity strategy from our rated manager list following the departure of the co-founder and CIO Ramzi Rishani. As such, going forward, we will not be recommending the Longview Global Equity strategy to clients.

3.6 Insight

Business

As at 30 June 2021, Insight's assets under management stood at c. £742bn, an increase of c. £34bn over the quarter as a result of positive market movements.

The Insight Buy and Maintain Fund's assets under management increased by c. £0.3bn over the second quarter of 2021, standing at c. £3.2bn as at 30 June 2021.

Personnel

Insight made no changes to its Buy and Maintain Fund team over the second quarter of 2021.

Deloitte view – We rate Insight positively for its Fixed Income capabilities but continue to monitor how growth is being managed across the business.

3.7 CQS

Business

CQS held c. $21.9bn in assets under management as at 30 June 2021, an increase of c. $0.9bn over the quarter. The CQS Credit Multi Asset Fund's assets under management remained relatively stable at c. $11.7bn over the second quarter of 2021.

Personnel

There were no specific team or personnel changes to the Credit Multi Asset Fund team over the quarter to 30 June 2021.

Deloitte View - We continue to rate CQS positively for its multi asset credit capabilities.

3.8 Aberdeen Standard Investments

Business

As at 30 June 2021, the Aberdeen Standard Investments Long Lease Property Fund had a total fund value of c. £3.2bn, increasing by c. £0.1bn since 31 March 2021.

COVID-19 Impact:

After removing the material valuation uncertainty clause and lifting the suspension on trading during the third quarter of 2020, the Long Lease Property Fund continues to trade as normal.

ASI continues to work with its tenants to discuss deferment arrangements where necessary. As at 23 August 2021, the Long Lease Property Fund had collected 98.8% of its Q2 2021 rent with none of the Long Lease Property Fund's rental income subject to deferment arrangements.

Personnel

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

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

3.9 Pantheon

Business

Pantheon held c. $71bn in assets under management as at 31 March 2021, an increase of c. $5bn over the quarter since 31 December 2020.

Following the final close in March 2019, the Global Infrastructure III Fund had $2.2bn in committed assets. As at 30 June 2021, the Global Infrastructure III Fund had completed 38 deals, with $2,049m in closed or committed deals as at 30 June 2021, representing a c. 93% commitment level.

Personnel

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

Deloitte View - We continue to rate Pantheon positively for its global infrastructure capabilities.

3.10 Macquarie

Business

Macquarie held assets under management of £376bn as at 30 June 2021, in increase of c. £73bn over the quarter.

On 28 January 2021, the Macquarie Renewable Energy Fund 2 ("MGREF2") reached final close with total commitments of €1.64bn across 32 investors, exceeding the initial fundraising target of €1-1.5bn. As at the end of the second quarter of 2021, the Macquarie Renewable Energy Fund 2 has committed €217.5m across two deals, representing 13% of commitments in total.

Following quarter end, during August 2021, Macquarie informed investors in MGREF2 of its intention to replace the current Alternative Investment Fund Manager ("AIFM"), Green Investment Group ("GIG"), with Macquarie Infrastructure and Real Assets ("MIRA"). MIRA is a Macquarie group entity which is also authorised and regulated by the Financial Conduct Authority in the UK. This change is being proposed in order to reduce the number of regulated entities within the Macquarie group in Europe. Therefore, following the transfer of management of funds currently managed by GIG, it is proposed that Macquarie will seek GIG's authorisation as a regulated entity to be rescinded. Macquarie confirmed that following the replacement of GIG by MIRA, there shall be no change to the management fees charged to investors in the MGREF2, nor to the composition of the investment committee of the MGREF2. Please note that the proposed change remains subject to internal approvals within the Macquarie group.

Personnel

There were no significant team or personnel changes related to the MGREF2 team over the second quarter of 2021.

As reported last quarter, in April 2021, Martin Stanley stepped down as Group Head of Macquarie Asset Management ("MAM") and from the Macquarie Group Executive Committee. Martin has been appointed Chairman of MAM and remains on each of the regional infrastructure equity fund investment committees. Ben Way has been appointed Group Head of MAM and joined the Macquarie Group Executive Committee from 1 April 2021. Ben has been with Macquarie for 14 years and is a member of Macquarie Group's Management Committee. Previously, Ben led the Global Alternatives division in MAM and will continue to be based in Hong Kong.

Deloitte View - We continue to rate Macquarie positively for its global renewable infrastructure capabilities.

3.11 Quinbrook

Business

As at 30 June 2021, a total of £250m has been committed to the Renewables Impact Fund, accounting for 50% of the Fund's target, with no further commitments received over the second quarter of 2021. Quinbrook is confident that momentum will continue and plans to conduct rolling closes over the remainder of 2021.

The Renewables Impact Fund has deployed a total of £16.2m into the investment portfolio as at 30 June 2021, representing 7% of commitments in total.

In addition, Quinbrook has been in negotiations with Silicon Valley Bank regarding a subscription credit facility for the Renewables Impact Fund. The primary purpose of the subscription facility is to provide a source of liquidity to the Fund which can be drawn more quickly and conveniently than calling for capital contributions from investors. The Fund being at a relatively early stage in its lifecycle means that the proposed pipeline of investments is fluctuating as the investment team carries out its due diligence on existing prospects, as well as sourcing new opportunities. This constant evolution means that capital may be required at relatively short notice to secure investments or optionality which would benefit the Fund's Investors. Quinbrook has sought views on the use of subscription credit from several current and prospective investors and has received no negative feedback in relation its use for the Renewables Impact Fund specifically. In particular, certain investors who have committed to the Fund have expressed a strong preference for such a facility to be available to Quinbrook to assist in the efficient management of their own capital call timings from underlying investors. Resultantly, the subscription credit facility will be available to Quinbrook once a minor amendment to the LPA has been agreed and implemented.

Personnel

Brian Chase, Head of Capital Formation and Investor Engagement, joined Quinbrook at the start of June 2021. Prior to joining Quinbrook, Brian was at BlackRock as a Managing Director and the Global Head of Product Strategy for the Alternative Solutions Group, where he worked closely with a wide range of institutional investors focused on the private markets. He also served on the Investment Committee for BlackRock Infrastructure Solutions. Prior to that, Brian was a partner at the placement agent and secondary advisory firm, Campbell Lutyens, where he focused on energy and infrastructure primary fundraising and worked closely with sophisticated institutional investors and leading private fund managers.

Deloitte View - We continue to rate Quinbrook positively for its UK renewable infrastructure capabilities.

4 London CIV

4.1 Investment Performance to 30 June 2021

At the end of the second quarter of 2021, the assets under management within the 14 sub-funds of the London CIV was £12,130m with a further combined £1.2m committed to the London CIV's private market funds. The total assets under oversight (which includes passive investments held outside of the CIV platform) increased by c. £1.7bn to c. £26.7bn over the quarter. The table below provides an overview of the sub-funds currently available on the London CIV platform.

Sub-fund	Asset Class	Manager	Total AuM as at 31 Mar 2021 (£m)	Total AuM as at 30 June 2021 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	3,691	3,521	12	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	-	501	2	13/04/21
LCIV Global Equity	Global Equity	Newton	725	769	3	22/05/17
LCIV Global Equity Focus	Global Equity	Longview Partners	917	930	5	17/07/17
LCIV Global Equity Core Fund	Global Equity	Morgan Stanley Investment Management	512	539	2	21/08/20
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	497	513	6	11/01/18
LCIV Sustainable Equity Fund	Global Equity	RBC Global Asset Management (UK)	693	971	6	18/04/18
LCIV Sustainable Equity Exclusion Fund	Global Equity	RBC Global Asset Management (UK)	390	449	3	11/03/20
LCIV Global Total Return	Diversified Growth Fund	Pyrford	241	244	3	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	657	689	7	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	1,018	1,122	10	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	124	226	3	16/12/16
LCIV MAC	Fixed Income	CQS	1,137	1,160	12	31/05/18
LCIV Global Bond	Fixed Income	PIMCO	343	496	5	30/11/18
Total			**11,088**	**12,130**		

Over the quarter, the London CIV launched the LCIV Global Alpha Growth Paris Aligned Sub Fund, managed by Baillie Gifford, with two London Boroughs investing in the new Sub Fund over the quarter and one London Borough disinvesting from the LCIV Global Alpha Sub Fund. The LCIV Equity Income Sub Fund was formally closed over the second quarter of 2021, with the remaining two London Borough investors opting to re-invest the proceeds with a different London CIV sub-fund.

In addition, over the quarter to 30 June 2021, two London Boroughs invested into the LCIV Sustainable Equity Sub Fund and an additional London Borough invested in the LCIV Sustainable Equity Exclusion Sub Fund, taking the total number of investors in the Sustainable Equity strategies to nine. Furthermore, one new London Borough invested in the LCIV Absolute Return Sub Fund, one new London Borough invested in the LCIV Real Return Sub Fund and two new London Boroughs invested in the LCIV Global Bond Sub Fund over the second quarter of 2021.

5 LGIM – Global Equity (Passive – Future World)

Legal and General Investment Manager ("LGIM") was appointed to manage a global equity portfolio with a passive ESG approach, with the objective of replicating the performance of the Solactive L&G ESG Global Markets Index benchmark. The manager has an annual management fee based on the value of assets.

5.1 Passive Global Equity – Investment Performance to 30 June 2021

	Last Quarter (%)
LGIM Future World Global Equity Index Fund – GBP Currency Hedged	7.7
Solactive L&G ESG Global Markets Index	7.7
MSCI World Equity Index	7.6
Relative (to Benchmark)	0.1

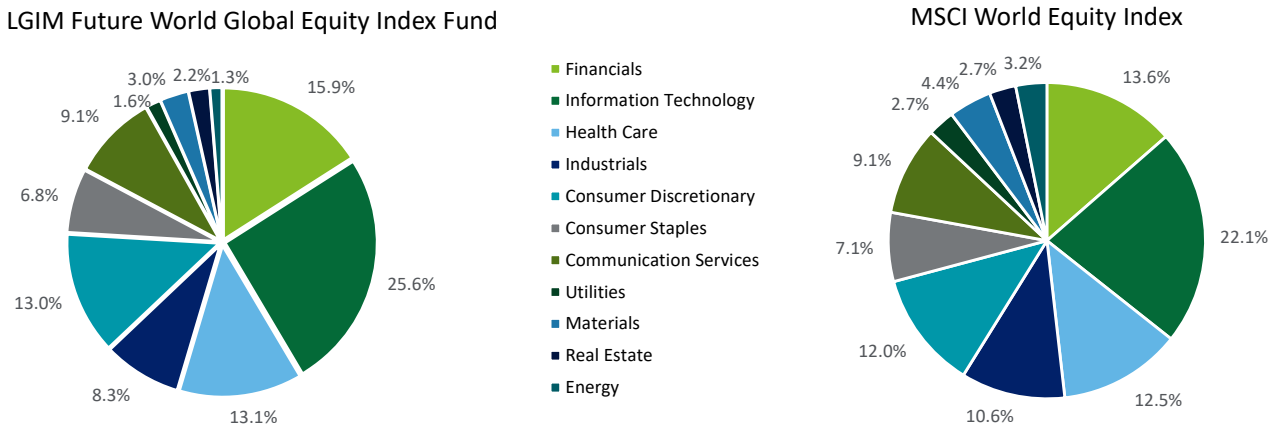
Source: Legal & General Investment Management

The Fund offers equity exposure while incorporating ESG 'tilts' through LGIM-designed indices. Note, LGIM designs the ESG indices and Solactive are used as the benchmark calculation agent. The tilting mechanism aims to reduce exposure to companies associated with 'poor' ESG practices and to provide greater exposure to those that have stronger ESG credentials. LGIM believes that integrating ESG considerations into the investment process can help to mitigate long-term risk and has the potential to improve long-term financial outcomes.

The LGIM Future World Global Equity Index Fund – GBP Currency Hedged has delivered a positive absolute return of 7.7% on a net of fees basis over the quarter to 30 June 2021, performing broadly in line with its Solactive benchmark. The Fund outperformed the MSCI World Equity Index (GBP) by 0.1% over the three-month period, with the strategy's selective stock allocation mechanism proving slightly beneficial over the second quarter of 2021.

5.2 Portfolio Sector Breakdown at 30 June 2021

The below charts compare the relative weightings of the sectors in the LGIM Future World Global Equity Index Fund and the MSCI World Equity Index as at 30 June 2021.



The LGIM Future World Global Equity Index Fund has a larger allocation to financials and information technology than the MSCI World Equity Index, whilst the lower allocation to industrials, materials and energy represents the ESG tilt applied by the LGIM strategy.

6 LCIV – Global Alpha Growth

Baillie Gifford was appointed to manage an active Global Equity mandate from 18 March 2014, held as a sub-fund under the London CIV platform from 11 April 2016. The manager is remunerated on an asset-based fee, reflecting the total value of assets invested in the strategy across the Tri-borough. The target is to outperform the benchmark by 2-3% p.a. on a gross of fees basis over rolling 5-year periods.

6.1 Global Alpha Growth – Investment performance to 30 June 2021

	Last Quarter (%)	Last Year (%)	Last 3 Years (% p.a.)	Since Inception (% p.a.)
Baillie Gifford – Net of fees	7.1	30.7	18.7	17.5
MSCI AC World Index	7.3	24.6	12.9	13.0
Relative	-0.2	6.2	5.8	4.5

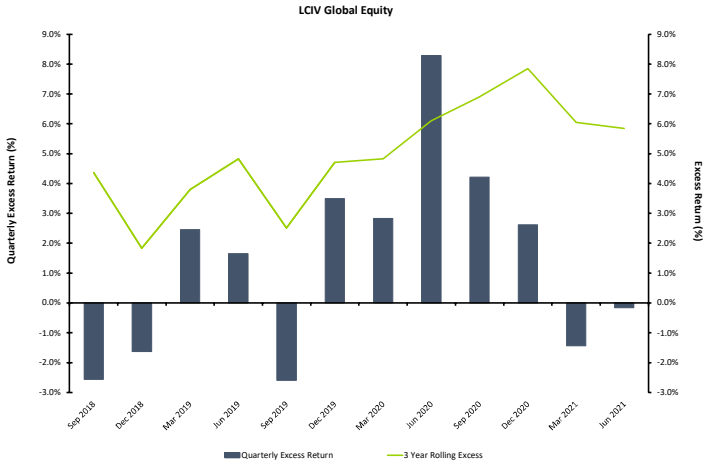
Source: Northern Trust. Relative performance may not tie due to rounding.
Inception date taken as 18 March 2014

The LCIV Global Alpha Growth Fund, managed by Baillie Gifford, underperformed its MSCI AC World Index benchmark by 0.2% over the second quarter of 2021, despite delivering a positive absolute return of 7.1% on a net of fees basis over the period. Over the one and annualised three-year periods to 30 June 2021, the strategy delivered substantial positive returns of 30.7% and 18.7% p.a. respectively, outperforming the benchmark by 6.2% and 5.8% p.a. respectively. The Fund's large positive absolute return over the year can be attributed to the widely sustained recovery in global equity markets following the onset of the COVID-19 pandemic over the first quarter of 2020, with global equity markets delivering positive returns over each of the four separate quarters to 30 June 2021. That said, the LCIV Global Alpha Growth Fund did not fall in value to the same extent as the wider market over the first quarter of 2020, and considerably outperformed the wider market over the remainder of 2020.

Underperformance relative to the benchmark can primarily be attributed to the LCIV Global Alpha Growth Fund's relative under-allocation to cyclical stocks, such is the intended growth-tilt of the portfolio, with cyclical companies continuing to benefit from the widespread success of the COVID-19 vaccine rollout as investors anticipate a return towards normality. In particular, some of the key drivers behind the MSCI benchmark were the "FAANG" stocks, which represent the five most popular American technology companies (Facebook, Amazon, Apple, Netflix and Google), of which the Global Alpha Growth strategy has a decreasing exposure to, with the strategy's Amazon holding notably reduced over the second quarter of 2021. That said, the Fund has underperformed comparable growth-based investors over the quarter. The manager's decision to invest in a portfolio of companies at various stages of the growth cycle has proved beneficial since the onset of the pandemic, but this positioning has detracted from performance over the second quarter of 2021.

At a sector level, the Fund's industrials, real estate and energy allocations detracted from performance. However, the Global LCIV Alpha Growth Fund's information technology, health care and communication services holdings offset underperformance to an extent.

The graph below shows the net quarterly returns and the rolling three-year excess returns relative to the benchmark. The fund's current three-year excess return is ahead of the target (+2% p.a.), having outperformed the benchmark by 5.8% p.a. over the three year period to 30 June 2021.



6.2 Positioning Analysis

The top ten holdings in the portfolio account for c. 22.8% of the fund and are detailed below.

Top 10 holdings as at 30 June 2021	Proportion of Baillie Gifford Fund
Naspers	2.9%
Moody's	2.6%
Shopify	2.4%
SEA	2.3%
Alphabet	2.3%
Microsoft	2.3%
Amazon	2.1%
Anthem	2.0%
Mastercard	2.0%
Taiwan Semiconductor Manufacturing	2.0%
Total	**22.8%**

Source: London CIV
Figures may not sum due to rounding

6.3 Performance Analysis

The table below represents the top five contributors to performance over the quarter to 30 June 2021.

Top 5 contributors as at 30 June 2021	Contribution (%)
Moderna	+0.65
Shopify	+0.63
Moody's	+0.50
SEA	+0.48
Novocure	+0.44

Moderna, the US pharmaceutical company, was the largest contributor to positive performance over the second quarter of 2021 following the successful rollout of its COVID-19 vaccination in India as well as proving its effectiveness against different variants of the virus. In addition, Shopify, the Fund's third largest holding, delivered strong returns over the quarter following accelerating revenue growth.

The table below represents the top 5 detractors to performance over the quarter to 30 June 2021.

Top 5 detractors as at 30 June 2021	Contribution (%)
Naspers	-0.45
Prudential	-0.24
Brilliance China	-0.21
Ping An Insurance China	-0.20
Adr Tencent Music Entertainment	-0.14

7 LCIV – Global Equity Core

Morgan Stanley Investment Management was appointed to manage an active equity portfolio with a focus on sustainability when selecting investment opportunities, held as a sub-fund on the London CIV platform from 31 October 2020. The aim of the fund is to outperform the MSCI AC World Index.

7.1 Global Equity Core – Investment Performance to 30 June 2021

	Last Quarter (%)
Net of fees	6.2
Benchmark (MSCI World Net Index)	7.3
Global Franchise Fund (net of fees)	8.2
Net Performance relative to Benchmark	-1.1

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

The LCIV Global Equity Core Fund delivered a positive return of 6.2% on a net of fees basis over the quarter to 30 June 2021, underperforming the MSCI World Net Index by 1.1% over the three-month period.

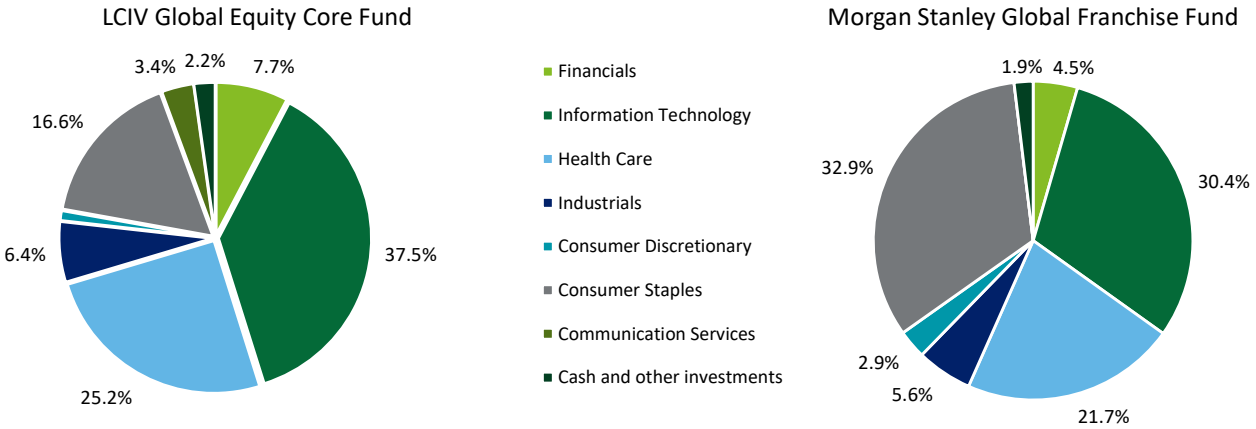
The LCIV Global Equity Core Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows. Morgan Stanley's positive absolute return over the second quarter of 2021 can be attributed to a rebound in value-driven global equities, with a backdrop of the further re-opening of economies across the world amid the accelerating global rollout of COVID-19 vaccinations.

The portfolio is expected to prove beneficial during volatile periods. Having therefore underperformed a cyclical-led recovery in equity markets over recent periods due to its under allocation to cyclical stocks, the rally by quality stocks over the second quarter of 2021 should have proved supportive, however the manager's stock selection in such quality non-cyclical sectors such as healthcare and consumer staples sectors was the primary driver of underperformance. In particular, the strategy's holding in Henkel, a German consumer goods and chemical manufacturer, provided a notable detraction to performance as a result of pricing issues impacting its future earnings forecasts.

The LCIV Global Equity Core Fund follows the same strategy and, in general, has the same investment principles as the Morgan Stanley Global Franchise Fund, but is subject to a greater number of restrictions, owing to its key focus on sustainability. As such, there exists a number of small differences in the characteristics of the two funds. The LCIV Global Equity Core Fund underperformed the Global Franchise Fund over the three month period to 30 June 2021, with underperformance largely attributed to a lower allocation to consumer staples companies, with beverage and tobacco companies benefitting from increased global social activity, having been adversely impacted by previous social distancing measures.

7.2 Portfolio Sector Breakdown at 30 June 2021

The charts below compare the relative weightings of the sectors in the LCIV Global Equity Core Fund and the Morgan Stanley Global Franchise Fund as at 30 June 2021.



Source: London CIV and Morgan Stanley

The Global Equity Core strategy has a higher allocation to information technology, healthcare and financials, and a lower allocation to consumer staples due to its intentional tilt towards sustainable investments.

As at 30 June 2021, the Global Franchise Fund portfolio held an allocation of c. 11% to tobacco stocks. The Global Equity Core Fund is restricted from investing in tobacco, and hence holds a substantially smaller allocation to consumer staples.

7.3 Performance Analysis

The table below summarises the Global Equity Core Fund portfolio's key characteristics as at 30 June 2021, compared with the Morgan Stanley Global Franchise Fund.

	LCIV Global Equity Core Fund	Global Franchise Fund
No. of Holdings	36	30
No. of Countries	7	5
No. of Sectors*	6	6
No. of Industries*	18	13

*Not including cash

Source: London CIV and Morgan Stanley

Holdings

The top 10 holdings in the Global Equity Core Fund account for c. 47.9% of the strategy and are detailed below.

Global Equity Core Fund Holding	% of NAV
Microsoft	7.7
Reckitt Benckiser	5.6
Visa	5.5
SAP	5.2
Accenture	4.3
Henkel Vorzug	4.3
Baxter International	3.9
Becton Dickinson	3.9
Danaher	3.7
Abbott Laboratories	3.7
Total	47.9*

Global Franchise Fund Holding	% of NAV
Microsoft	9.6
Philip Morris	8.7
Reckitt Benckiser	7.2
Visa	5.4
SAP	4.6
Danaher	4.4
Accenture	4.4
Procter & Gamble	4.3
Abbott Laboratories	4.2
Thermo Fisher	4.1
Total	56.9*

*Note figures may not sum due to rounding

Source: London CIV and Morgan Stanley

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

8 Longview – Global Equity

Longview was appointed on 15 January 2015 to manage an active global equity mandate. The manager's remuneration is based on the value of assets invested across the Tri-borough. The expectation is that the fund will outperform the benchmark by 3% p.a.

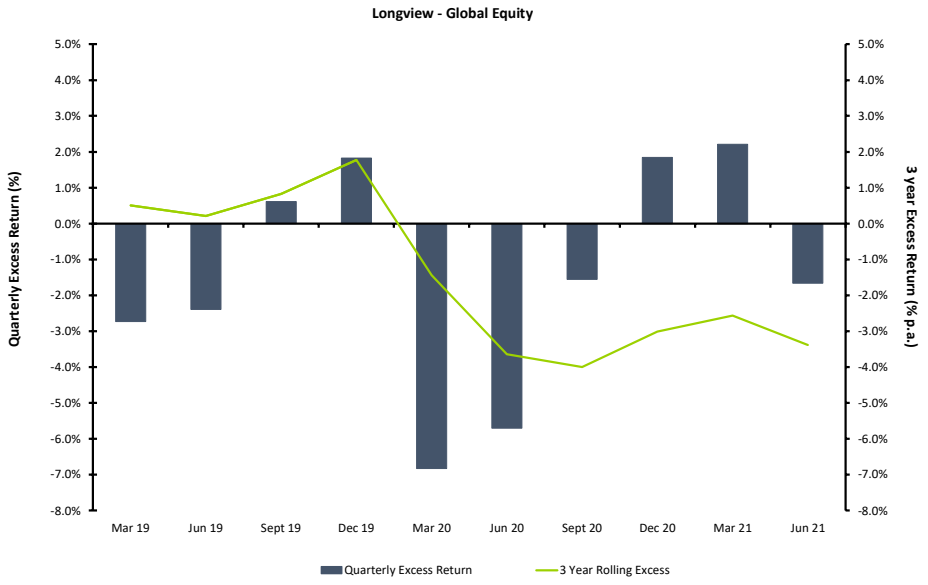
8.1 Active Global Equity – Investment Performance to 30 June 2021

	Last Quarter (%)	Last Year (%)	Last 3 Years (% p.a.)	Since Inception (% p.a.)
Longview - Net of fees	6.0	25.3	9.9	12.5
MSCI World Index	7.6	24.4	13.3	13.2
Relative	-1.7	0.9	-3.4	-0.7

Source: Northern Trust. Relative performance may not tie due to rounding.
Inception date 15 January 2015

Over the second quarter of 2021, despite delivering a positive absolute return of 6.0% on a net of fees basis, the Longview Global Equity Fund underperformed its MSCI World Index benchmark by 1.7% (allowing for rounding). Longview has outperformed its benchmark by 0.9% over the year to 30 June 2021, delivering a positive absolute return of 25.3% on a net of fees basis over the period, but has underperformed its benchmark by 3.4% p.a. over the longer three-year period to 30 June 2021. The Fund's large positive absolute return over the year can be attributed to the widely sustained recovery in global equity markets following the onset of the COVID-19 pandemic over the first quarter of 2020, with global equity markets delivering positive returns over each of the four separate quarters to 30 June 2021.

The fund targets an outperformance of 3% p.a. over rolling three-year periods. The chart below shows the quarter and rolling three-year returns.



Having outperformed its MSCI-based benchmark for the previous two quarters in succession, Longview underperformed over Q2 as a whole in what was a quarter of two halves. Longview saw an initial continuation of outperformance until mid-May following continued macro themes from previous quarters around re-opening, inflation and interest rate expectations, as opposed to stock specific announcements. However, Longview's initial outperformance unwound from mid-May 2021, amid a reversal in market trends as fears increased around new COVID-19 variants alongside increased concern surrounding rising inflation and tighter monetary policy.

Underperformance can also be partially attributed to a fall in long term interest rates. The strategy has limited exposure to interest rate sensitive stocks and is therefore under-exposed to high growth technology stocks relative to the MSCI-based

benchmark, with the fall in long term interest rates contributing to significant growth within the sector over the second half of the quarter.

Longview continues to position the portfolio with a relative over-exposure to companies which the manager feels are sensitive to social distancing measures, and therefore likely to benefit most when such measures are lifted. Longview maintains a conviction that these holdings continue to be undervalued and feels that the portfolio is well positioned to benefit from a return towards greater normality, but the manager retains an expectation that COVID-19 associated volatility will continue to be present in the market for some time, citing the risk of the spread of further COVID-19 variants.

The Global Equity Fund made one new portfolio acquisition and two sales over the second quarter of 2021. Longview has also confirmed that it has commenced the process of adding two new positions to the portfolio which remain in progress and are expected to complete over the third quarter of 2021. Both stocks have been assessed as high quality by Longview, with the manager looking to improve the overall quality of the portfolio. Diageo, the largest producer of spirits globally both by value and volume, was added to the portfolio. Longview views Diageo as a long duration, predictable business that has consistently earned high returns on operating capital, benefitting from a diversified portfolio that is not heavily reliant on one product. Longview sold out of Omnicom over the quarter over concerns that the structural decline of traditional TV viewing and the growth of digital advertising would continue to be a drag on advertising agencies. Longview also sold its position in Emerson Electric, with the company having reached its price target.

8.2 Performance Analysis

The tables below represent the top five and bottom five contributors to performance over the second quarter of 2021.

Top Five Contributors for Q2 2021	Contribution (%)
IQVIA	+0.67
Alphabet	+0.38
American Express	+0.36
Charter Communications	+0.34
ISS	+0.16

IQVIA, a pharmaceutical data and contract research outsourcing provider, delivered the largest contribution to outperformance on the back of strong results based on a faster than previously expected recovery for the parts of the business that have been hit by COVID-19, and an extended benefit for the parts of the business that have benefited from COVID-19. Alphabet, the parent company of Google, having provided the largest contribution to performance over the first quarter of 2021, continued to deliver outperformance over the second quarter, supported by strong performance of Google Search which grew significantly in revenue. Meanwhile, Charter Communications, the strategy's largest detractor to performance over the first quarter of 2021 following weaker broadband take-up than anticipated, was one of the largest contributors to performance over the quarter to 30 June 2021.

Fiserv, a provider of systems and software to the financial industry, underperformed after 2021 expectations were not raised further amid recent company growth, which was viewed as unsatisfactory by the wider market. Meanwhile, State Street, one of the portfolio's two custody bank holdings and one of the largest contributors to positive performance over the first quarter of 2021, was also among the largest detractors to performance over the second quarter as a result of downward revisions to anticipated company revenue growth.

Top Five Detractors for Q2 2021	Contribution (%)
Fiserv	-0.67
Henkel	-0.50
State Street	-0.37
Sysco	-0.32
Whitbread	-0.30

9 Insight – Buy and Maintain

Insight was appointed to manage a buy and maintain credit portfolio. The fund aims to invest in predominantly investment grade credit which the manager believes can be held to maturity. The manager's fee is based on the value of assets.

9.1 Buy and Maintain Fund - Investment Performance to 30 June 2021

	Last Quarter (%)	Last Year (%)	Last 3 Years (% p.a.)	Since Inception (% p.a.)
Insight Non Gilts - Net of fees	2.2	4.0	5.5	6.1
iBoxx £ Non-Gilt 1-15 Yrs Index	1.2	2.3	3.7	5.0
Relative	1.0	1.7	1.8	1.1

Source: Northern Trust. Relative performance may not tie due to rounding.
Inception date taken as 12 April 2018

The Insight Buy and Maintain Fund delivered a positive return of 2.2% on a net of fees basis over the second quarter of 2021, outperforming its temporary iBoxx non-gilt benchmark by 1.0%. The Buy and Maintain Fund delivered positive absolute returns of 4.0% and 5.5% p.a. on a net of fees basis over the year and three years respectively to 30 June 2021, outperforming the benchmark by 1.7% and 1.8% p.a. over the twelve-month and three-year periods respectively.

The strategy delivered a positive return over the quarter amid a fall in underlying gilt yields, reversing some of the losses recognised over the first quarter of 2021, with credit spreads tightening slightly as an improving economic outlook benefited corporate earnings.

Insight's credit positioning proved beneficial over the quarter, with the strategy's greater exposure to strong performing sectors such as Insurance, relative to the iBoxx index, aiding outperformance.

Insight added new issues from Domino's Pizza and Cellnex over the second quarter of 2021, alongside an Assura sustainability-linked bond and a green bond from Salesforce. In addition, shortly after quarter end, the restructuring of Intu SGS bonds was completed with the assets successfully extracted from the parent entity with new management put in place and the underlying four shopping centres remaining open for business, of which the manager anticipates will benefit from the easing of restrictions leading to increased footfall. To offset the recent lower level of rent collection, the coupons on the Intu bonds were converted to pay-in-kind, accruing to maturity, and therefore avoiding the need to write-down the principle of the bonds.

Insight has confirmed that there were no defaults within the Buy and Maintain portfolio over the second quarter of 2021. Insight was not able to provide detail with regards to the number of credit downgrades over the quarter at the time of writing.

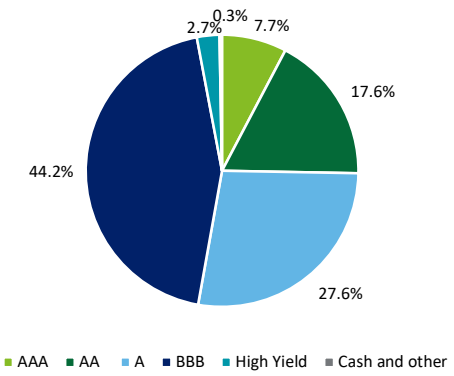
9.2 Performance Analysis

The table below summarises the Buy and Maintain portfolio's key characteristics as at 30 June 2021.

	31 Mar 2021	30 Jun 2020
Yield (%)	2.1	1.8
No. of issuers	175	176
Modified duration (years)	8.1	8.7
Spread duration (years)	7.9	8.1
Government spread (bps)	129	102
Swaps spread (bps)	125	96
Largest issuer (%)	3.6	5.4
10 largest issuers (%)	12.7	14.5

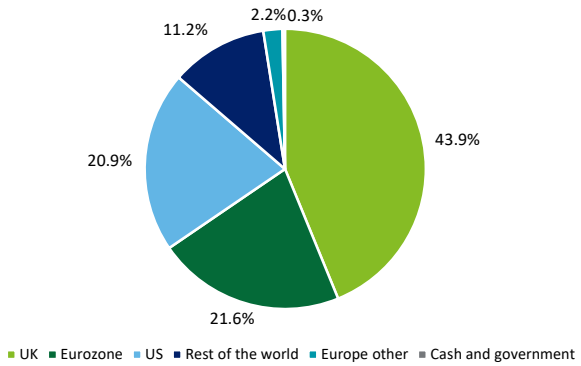
Source: Insight

The graph below shows the split of the Buy and Maintain portfolio by credit rating.

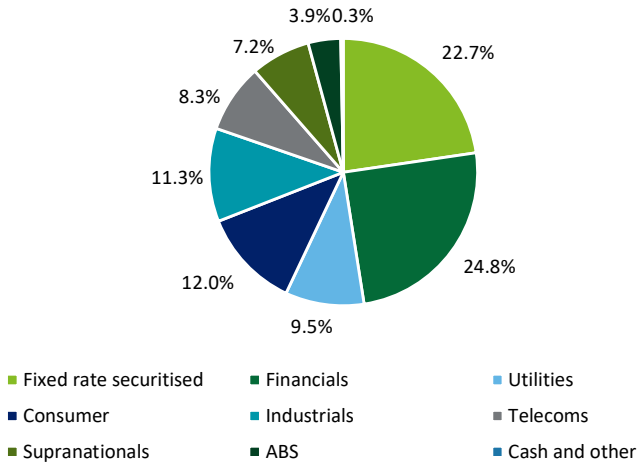


As at 30 June 2021, the fund's investment grade holdings made up c. 97.1% of the portfolio, an increase of c. 2.4% over the quarter. The fund remains predominantly invested in BBB and A rated bonds.

The graph below shows the split of the Buy and Maintain portfolio by country as at 30 June 2021.



The graph below shows the split of the Buy and Maintain portfolio by sector as at 30 June 2021.



The table below shows the top 10 issuers by market value as at 30 June 2021.

Issuer name	Rating*	Holding (%)
UK Treasury	AA	5.4
Cellnex	BB	1.2
Australia and NZ Banking	BBB	1.1
Berg Finance	AAA	1.0
America Movil	A	1.0
Orsted	BBB	1.0
Nestle	AA	1.0
Electricite De France	A	1.0
M&G	BBB	1.0
BMW	A	1.0

**Ratings provided by Insight*

10 LCIV – Multi Asset Credit

CQS was appointed to manage a multi asset credit mandate, under the London CIV platform, in October 2018 with the aim of outperforming the 3-month Sterling LIBOR benchmark by 4% p.a. An annual fee covers the manager's and the London CIV platform management fees.

10.1 Multi Asset Credit – Investment Performance to 30 June 2021

	Last Quarter (%)	Last Year (%)	Since Inception (% p.a.)
CQS – MAC –Net of fees	1.9	13.2	3.9
3 Month Libor + 4%	1.0	4.1	4.7
Relative	0.9	9.1	-0.8

Source: Northern Trust
Inception date taken as 30 October 2018

The Multi Asset Credit Fund, managed by CQS, delivered an absolute return of 1.9% on a net of fees basis over the second quarter of 2021, outperforming its cash-based benchmark by 0.9%. Over the year to 30 June 2021, the strategy outperformed the benchmark by 9.1%, delivering a positive absolute return of 13.2% over the twelve-month period on a net of fees basis.

Each of the strategy's underlying asset classes contributed to positive performance over the quarter to 30 June 2021, with the Multi Asset Credit Fund's senior secured loans allocation providing the largest contribution for the second quarter in succession, with strong performance emanating from both the US and Europe within the asset class. CQS' high yield bonds exposure, particularly in the US, also delivered a positive contribution to performance over the quarter, outperforming the wider investment grade credit market with the manager's high yield bond security selection providing a significant positive impact.

As previously reported, despite the market's focus on an anticipated strong and broad economic recovery, CQS expects that some impacts from COVID-19 are yet to be fully realised, with ongoing central bank support unlikely to be sustainable in the long-term, whilst further lockdowns and travel restrictions remain possible, and recessionary pressures remain elevated. As a result, the Multi Asset Credit Fund continues to implement a cautious approach, ensuring the portfolio remains defensively positioned in terms of sector exposures, reducing exposure to COVID-19 sensitive sectors, and continuing to access positions which CQS feels are cash generative and exhibit a strong fundamental outlook. Therefore, the strategy's financial sector exposure has increased significantly since the beginning of 2020 and the strategy's energy exposure has reduced from an overweight to an underweight position. That said, over the second quarter of 2021, there have been no significant changes to the portfolio except for some marginal opportunistic changes, with CQS slightly increasing the strategy's asset backed securities exposure, adding further to European CLOs where CQS recognises strong relative value, and taking advantage of mark-to-market volatility to add to high yield and financials, locking in attractive credit spreads and in turn reducing the portfolio's cash position.

Over the quarter to 30 June 2021, CQS experienced 15 credit rating downgrades, representing c. 1.5% of the portfolio, with no defaults occurring over the period. The Multi Asset Credit Fund portfolio recognised 76 credit rating upgrades over the quarter, representing c. 4.5% of the portfolio.

10.2 Portfolio Analysis

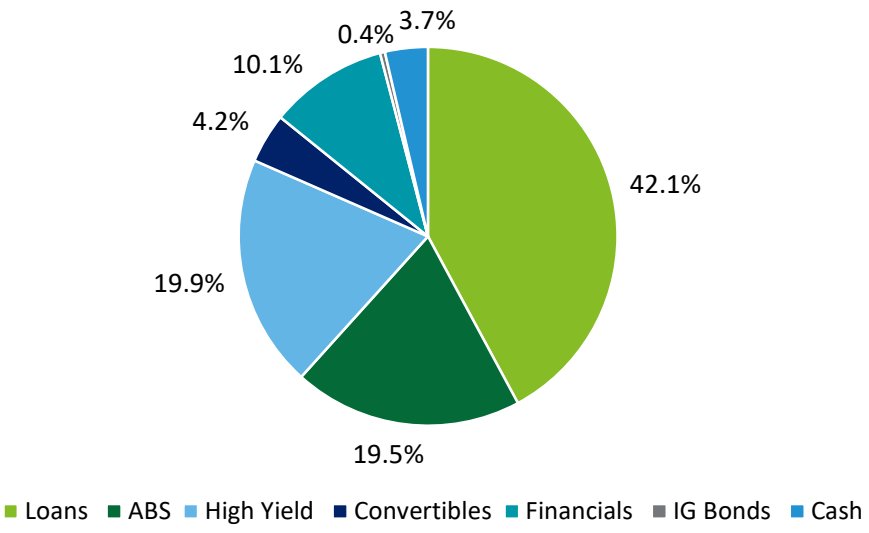
The table below summarises the Multi Asset Credit portfolio's key characteristics as at 30 June 2021.

	31 Mar 2021	30 Jun 2020
Weighted Average Bond Rating	BB-	BB-
Long Bond Equivalent Exposure with Public Rating (%)	88.0	88.8
Investment with Public Rating (%)	87.5	89.0
Yield to Maturity (%)	4.9	4.9
Spread Duration	3.9	3.7
Interest Rate Duration	1.2	1.2

Source: London CIV

10.3 Asset Allocation

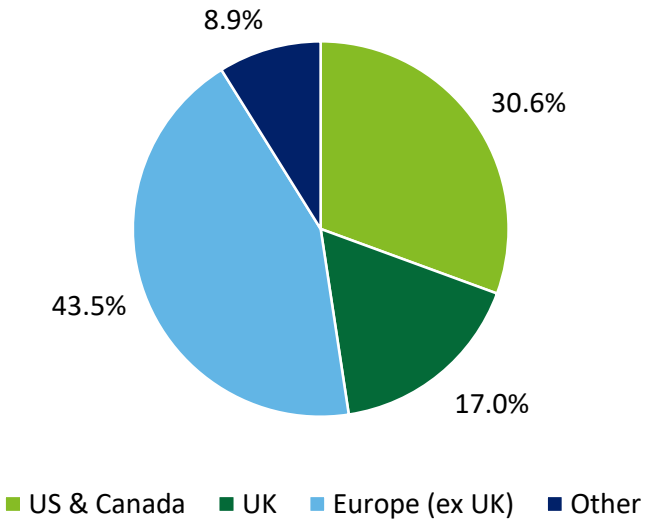
The asset allocation split of the Multi Asset Credit Fund as at 30 June 2021 is shown below.



Source: London CIV

10.4 Country Allocation

The graph below shows the regional split of the LCIV Multi Asset Credit Fund as at 30 June 2021.



Source: London CIV

11 Aberdeen Standard Investments – Long Lease Property

Aberdeen Standard Investments was appointed to manage a long lease property mandate with the aim of outperforming the FT British Government All Stocks Index benchmark by 2.0% p.a. The manager has an annual management fee.

11.1 Long Lease Property – Investment Performance to 30 June 2021

	Last Quarter (%)	Last Year (%)	Last 3 Years (% p.a.)	Since Inception (% p.a.)
Aberdeen Standard - Net of fees	2.4	6.0	5.7	7.8
Benchmark	2.2	-4.4	5.0	6.0
Relative	0.2	10.4	0.7	1.8

Source: Aberdeen Standard Investments. Relative performance may not tie due to rounding.
Since inception: 14 June 2013

Over the quarter to 30 June 2021, the ASI Long Lease Property Fund delivered an absolute return of 2.4% on a net of fees basis, outperforming its FT British Government All Stocks Index Benchmark by 0.2%.

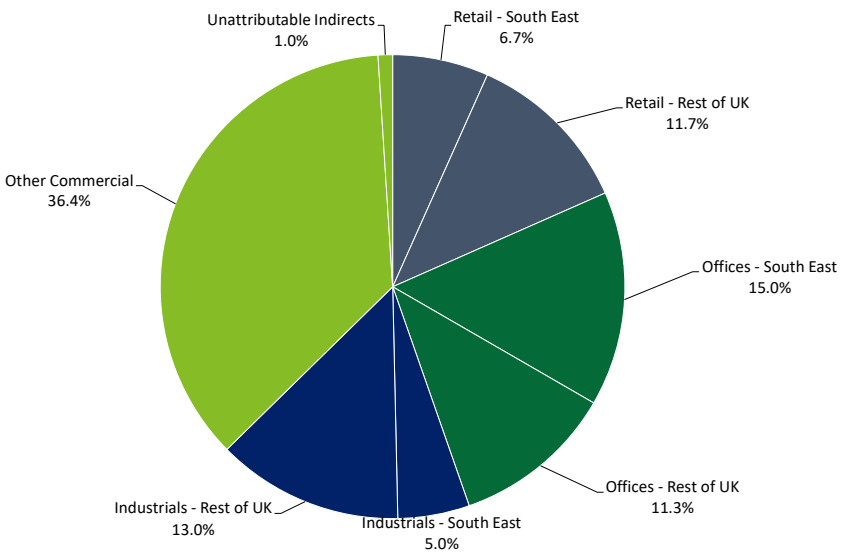
The Long Lease Property Fund has underperformed the wider property market, as measured by the MSCI (formerly IPD Monthly) UK All Property Index, by 1.4% over the second quarter of 2021, largely as a result of the strategy's underweight position to the industrial and retail warehousing sectors, relative to the wider property market, with yield compression recognised across both of these sectors.

After removing the material valuation uncertainty clause and lifting the suspension on trading during the third quarter of 2020, the Long Lease Property Fund continues to trade as normal.

Rent collection improved slightly over the second quarter of 2021 as ASI realised Q2 collection rates of 98.8% (as at 23 August 2021). Over the second quarter of 2021, none of the Long Lease Property Fund's rental income was subject to deferment arrangements, with 1.2% unpaid or subject to ongoing discussions with tenants. As at 23 August 2021, ASI had collected 95.7% of its Q3 2021 rent, with 1.0% subject to deferment arrangements and 3.3% of rent unpaid or subject to ongoing discussions with tenants.

11.2 Portfolio Holdings

The sector allocation in the Long Lease Property Fund as at 30 June 2021 is shown in the graph below.



Over the quarter to 30 June 2021, the ASI Long Lease Property Fund's allocation to the office sector decreased by 3.1% to 26.3%, owing to the Fund's disposals over the quarter, as discussed below. The allocation to the retail sector decreased by 1.9% to 18.3% over the quarter while the industrials sector allocation increased by 4.9% to 18.1% as a result of the below-mentioned acquisitions. The allocation to other commercial properties increased by 0.3% to 36.4% over the quarter.

The ASI Long Lease Property Fund completed four acquisitions over the second quarter of 2021, totaling c. £280m: a newly constructed distribution unit let to Amazon for 20 years in Hinckley, an off-market opportunity for c. £100m reflecting a net initial yield of 3.1%; a smaller distribution unit let to Weston Homes in Braintree, an off-market forward funding acquisition subject to a new 25-year lease upon completion of the unit; a distribution unit let to Next for c. £105m reflecting a net initial yield of 3.5%, structured as a forward-funding agreement and subject to a new 23-year lease upon completion; and a last mile distribution unit in London let to Amazon for 15 years, for £46m reflecting a net initial yield of 3.3%.

ASI completed two disposals over the quarter: an office asset in London, following the impacts of the COVID-19 pandemic on the tenant, Save the Children, for c. £115m (over 20% above the current valuation of the asset) and reflecting a net initial yield of c. 3.4%; and a supermarket in Colchester let to Tesco which had a buyback provision contained within the lease which would have allowed Tesco to buy the property back in 10 years' time at an open market valuation. The supermarket asset was sold for c. 5% ahead of the current valuation.

As previously reported, two pre-let funding hotel projects which have had construction suspended in line with government advice, equating to 2.2% of total Fund value, remain in the construction phase. The Dalata hotel in Glasgow is due to complete early in the third quarter of 2021 and the Dalata hotel in Bristol is expected to complete in early 2022.

Q2 and Q3 2021 rent collection, split by sector, as at 23 August 2021 is reflected in the table below:

Sector	Proportion of Fund as at 30 June 2021 (%)	Q2 2021 collection rate (%)	Q3 2021 collection rate (%)
Alternatives	6.0	100.0	100.0
Car Parks	3.7	100.0	100.0
Car Showrooms	3.2	100.0	100.0
Hotels	7.8	90.1	91.8
Industrial	14.7	97.0	100.0
Leisure	3.3	100.0	88.0
Public Houses	5.5	100.0	82.0
Offices	29.6	100.0	92.3
Student Accommodation	8.1	100.0	100.0
Supermarkets	18.2	100.0	100.0
Total	100.0	98.8	95.7

As at 30 June 2021, 1.0% of the Fund's NAV is invested in ground rents via an indirect holding in the ASI Ground Rent Fund, with 15.9% of the Fund invested in income strip assets.

The hotels sector has expressed the poorest rental collection statistics over the second quarter of 2021 as at 23 August 2021, with the public houses and leisure sectors expressing the poorest rental collection statistics over Q3 2021 as at 23 August 2021.

ASI has stated that the majority of the Long Lease Property Fund's underlying tenants have reverted to paying rent as per their lease terms, with no Q2 2021 rental income subject to deferment arrangements as at 23 August 2021.

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

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

Tenant	% Net Income	Credit Rating
Whitbread	5.5	BBB
Viapath	4.9	AA
Tesco	4.9	BBB
Sainsbury's	4.5	BB
Marston's	4.3	BB
Asda	3.7	BBB
Salford University	3.5	A
Secretary of State for Communities	3.4	AA
QVC	3.3	BB
Lloyds Bank	3.2	AA
Total	41.2*	

*Total may not equal sum of values due to rounding

As at 30 June 2021, the top 10 tenants contributed 41.2% of the total net income of the Fund. Of which 13.1% of the net income came from the supermarket sector, with Tesco, Sainsbury's and Asda continuing to make up a significant proportion of the Fund at quarter end.

The unexpired lease term decreased from 25.7 years as at 31 March 2021 to 25.2 years as at 30 June 2021 as a result of the new acquisitions. The proportion of income with fixed, CPI or RPI rental increases fell by 0.2% over the quarter to 91.1%.

12 Pantheon – Global Infrastructure Fund III

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

12.1 Global Infrastructure - Investment Performance to 30 June 2021

Capital Calls and Distributions

The Fund committed $91.5m to Pantheon in February 2019.

Over the quarter, Pantheon issued one capital call:

- A capital call of $4.2m for payment by 11 June 2021, representing c. 4.5% of the Fund's total commitment.

In addition, following quarter end, Pantheon issued two further capital calls:

- A capital call of $11.4m for payment by 20 September 2021, representing c. 12.5% of the Fund's total commitment; and
- A capital call of $4.6m for payment by 7 October 2021, representing c. 5.0% of the Fund's total commitment.

The remaining unfunded commitment as at 7 October 2021 was c. $30.2m, with the Fund's total contribution at c. $61.4m and the Fund's $91.5m commitment c. 67% drawn.

Activity

The PGIF III completed five further deals over the second quarter of 2021:

- One secondary energy infrastructure project in North America, Project Emerald, with a commitment value of c. $48m, was completed in April 2021;
- Two co-investment digital infrastructure projects, Project Teemo in Europe, and Project Astound Broadband in North America, with commitment values of c. $29m and c. $69m respectively, were completed in April 2021;
- One APAC co-investment transportation project, Project Kinetic, with a commitment value of c. $45m, closed in April 2021; and
- One secondary core infrastructure project, Project Blue Jays, with a commitment value of c. $121m, was completed in June 2021.

Pantheon stated that the PGIF III is also in the process of closing two further co-investment deals:

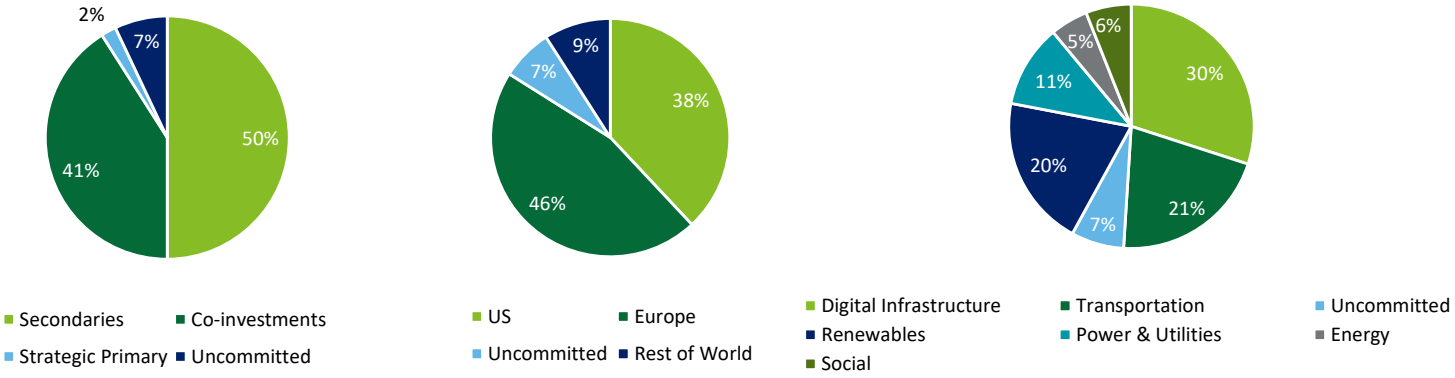
- One private transaction, Project Aurora, with a commitment value of c. £105m, which is expected to close over the fourth quarter of 2021; and
- One co-investment, Project Ermewa, with a commitment value of c. €56m, which is expected to close over the fourth quarter of 2021.

Pipeline

Pantheon currently has an investment pipeline of infrastructure opportunities, comprised of three large transactions. If Pantheon is successful across all deals, the PGIF III could be expected to be fully deployed by the second quarter of 2022. However, there is no guarantee that each of these opportunities will be completed.

12.2 Asset Allocation

The charts below show the current diversification by strategy, geography and sector in PGIF III as at 30 June 2021.



Source: Pantheon

The target geographic diversification is 30-50% North America, 40-60% Europe and 3-15% Asia and others. The PGIF III also aims to be 15-20% energy infrastructure (midstream), 20-30% energy infrastructure (power/utility), 20-30% transportation, 10-20% PPP/social infrastructure and 10-20% other.

12.3 Investments Held

The table below shows a list of the investments held by PGIF III as at 30 June 2021.

Project Name	Geography	Sector	Type	Deal Size ($m)	Commitment Date
Roger	Europe	Diversified Infrastructure	Secondary	29	Dec 17
TRAC Domestic	North America	Transportation	Co-investment	12	Dec 17
Naturgy	Europe	Energy Infrastructure	Co-investment	33	May 18
Luton Airport	Europe	Transportation	Co-investment	24	May 18
Invenergy	North America	Energy Infrastructure	Co-investment	35	Aug 18
VTG	Europe	Transportation	Co-investment	65	Sep 18
Inti	Europe	Energy Infrastructure	Secondary	23	Dec 18
Megabyte	North America	Digital Infrastructure	Secondary	75	Dec 18
Hivory	Europe	Digital Infrastructure	Co-investment	34	Dec 18
Fairway	Global	Diversified Infrastructure	Secondary	53	Dec 18
Proxiserve	Europe	Energy Infrastructure	Co-investment	33	Mar 19
Springbank	North America	Transportation	Secondary	60	May 19
ORYX Midstream	North America	Energy Infrastructure	Co-investment	65	May 19
Gatwick Airport	Europe	Transportation	Secondary	65	Jun 19
Kookaburra	APAC	Diversified Infrastructure	Secondary	61	Jul 19
Sullivan	Global	Diversified Infrastructure	Secondary	121	Jul 19
GlobalConnect	Europe	Digital Infrastructure	Secondary	67	Dec 19
McLaren	Global	Diversified Infrastructure	Secondary	54	Jan 20
IFT	Europe	Digital Infrastructure	Co-investment	68	Jan 20
Zayo	North America	Digital Infrastructure	Co-investment	66	Mar 20
Energy Asset Group	Europe	Energy Infrastructure	Co-investment	23	Apr 20
Viridor	Europe	Energy Infrastructure	Co-investment	49	July 20
Taurus	Europe	Energy Infrastructure	Co-investment	26	Oct 20
Thor	North America	Digital Infrastructure	Co-investment	52	Oct 20
Kapany	Europe	Diversified Infrastructure	Secondary	128	Nov 20
Megabyte II	North America	Digital Infrastructure	Secondary	52	Nov 20
Epsilon	Europe	Diversified Infrastructure	Co-investment	69	Dec 20
MapleCo	Europe	Energy Infrastructure	Co-investment	44	Jan 21
Emerald	North America	Energy Infrastructure	Secondary	48	March 21
Teemo	Europe	Digital Infrastructure	Co-investment	26	April 21
Kinetic	APAC	Transportation	Co-investment	46	April 21
Antin Mid Cap	Global	Diversified	Strategic Primary	12	April 21

Astound Broadband	North America	Digital Infrastructure	Co-investment	69	April 21
Project Blue Jays	North America	Social	Secondary	121	June 21
Project Aurora	Global	Social	Secondary	147	Pending
Ermewa	Europe	Transportation	Co-investment	68	Pending

13 Macquarie – Renewable Energy Fund 2 ("MGREF2")

Macquarie was appointed to manage a global renewable infrastructure mandate following the manager selection exercise in December 2020. The manager has an annual management fee on undrawn and invested assets, alongside a performance fee.

13.1 MGREF2 - Investment Performance to 30 June 2021

Capital Calls and Distributions

The Fund committed €55m to Macquarie in December 2020.

Macquarie issued no further capital calls over the second quarter of 2021, but issued one distribution following quarter end:

- Macquarie issued a total distribution of €101k on 9 August 2021, consisting of €83k return of capital and €18k interest income.

The remaining unfunded commitment as at 9 August 2021 was c. €47.7m, with the Fund's total contribution at c. €7.3m and the Fund's €55m commitment c. 13% drawn.

Activity

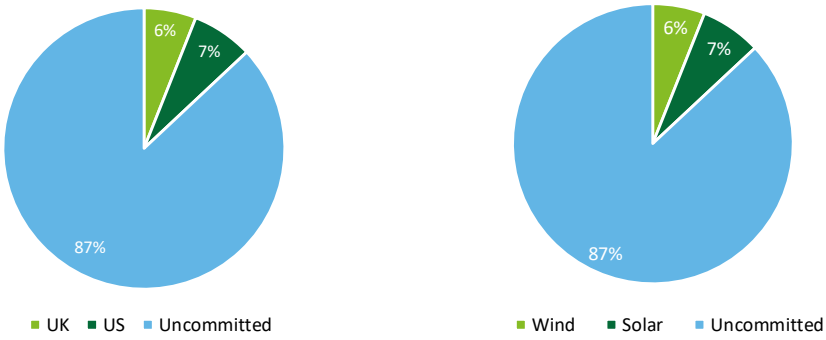
The MGREF2 did not complete any further deals over the second quarter of 2021.

Macquarie has commented that deployment has been slower than expected due to some increased challenges, such as the significant entrance of large oil & gas companies and the increased focus of large utilities into the renewable infrastructure market universe.

Since early 2020, MGREF2 has reached late stages of over 30 transactions in which it was unsuccessful, reflecting Macquarie's price discipline. Macquarie states that the near-term pipeline remains healthy and the team is progressing on several transactions across the globe with a potential to close over the second half of 2021. This near-term pipeline includes 10 projects, diversified across solar PV, onshore wind and offshore wind, both operational and at various stages of construction.

13.2 Asset Allocation

The charts below show the current diversification by geography and sector in the MGREF2 as at 30 June 2021, following the strategy's initial investments.



Source: Macquarie

The target geographic diversification is 60-75% Western Europe (<30% UK), with the remainder invested primarily across North America and Asia (USA, Canada, Japan, Taiwan, Mexico (<15%), also Australia and New Zealand). The MGREF2 also aims to primarily consist of offshore wind assets, with Macquarie feeling it has a competitive advantage in this space given its experience and relationships already gained, with the overall portfolio also featuring onshore wind and solar PV allocations (although solar is viewed as more of an opportunistic allocation).

14 Quinbrook – Renewables Impact Fund

Quinbrook was appointed to manage a UK renewable infrastructure mandate following the manager selection exercise in December 2020. The manager has a base annual management fee and a performance fee.

14.1 Renewables Impact Fund - Investment Performance to 30 June 2021

Capital Calls and Distributions

The Fund committed £50m to Quinbrook in December 2020.

Over the quarter, Quinbrook issued one capital call and one distribution of capital:

- A capital call of £2.0m, consisting of a capital contribution in respect of the Fund's commitment, for payment by 21 April 2021; and
- A distribution of £3.8m, representing an equalisation payment for additional investor commitments at the fourth close of the Renewables Impact Fund, paid back to Westminster on 7 June 2021.

The remaining unfunded commitment as at 30 June 2021 was c. £44.1m, with the Fund's total commitment at c. £5.9m and the Fund's £50m commitment c. 12% drawn.

Activity

The Renewables Impact Fund completed its second investment over the second quarter of 2021, entering into a strategic partnership with prominent UK dispatch management platform Habitat Energy, specialising in the optimisation of battery storage and utilising advanced machine learning. Habitat provides dispatch optimisation services to battery storage projects, enabling improved control and profitability of energy storage assets and providing balancing of electricity supply and demand. Quinbrook believes that the partnership with Habitat, which represents a development agreement, can provide the Renewables Impact Fund with competitive advantages in maximising revenues from the Fund's growing portfolio, particularly given the increasing complexity and electrification of the UK market.

In addition, over the quarter, in relation to the Renewables Impact Fund's first investment, Quinbrook progressed construction of the Rassau synchronous condenser. Rassau has executed an index-linked revenue contract with National Grid under which the project will provide a range of critical grid support services. Following quarter end, the Renewables Impact Fund has acquired the remaining minority share of the project to take equity ownership to 100%, with the minority share previously owned by Quinbrook's Low Carbon Power Fund and was acquired at fair value.

Following quarter end, in September 2021, Quinbrook announced that it had acquired Project Fortress, a consented 350MW solar and battery storage project in Kent. Quinbrook expects to commence construction of the project over the first half of 2022. Once operational, Fortress is expected to be the largest single site solar PV installation in the UK, more than three times the size of the UK's next largest consented solar PV project. The addition of battery storage to large scale solar generation at Fortress is designed to provide critical support to improve security and reliability for the UK power grid and help continue the UK's sustainable drive to Net Zero. Fortress is forecast to generate enough renewable power each year to meet the power needs of c. 100,000 UK homes and to reduce carbon emissions by 164,450 tonnes in its first year of operations alone.

Pipeline

The Renewables Impact Fund has a pipeline of investment opportunities which Quinbrook believes represent key gaps in the market, where the manager believes core demand creates a need for greater use of such assets. The current pipeline of target investments includes seven synchronous condenser projects which are under agreed exclusivity, a utility-scale solar and storage project, a joint venture with an originator of energy storage and solar PV development projects, a storage portfolio and a tender to supply renewable energy and storage to a UK water utility.

Quinbrook assesses a diverse set of development opportunities across renewable energy supply assets, battery storage and grid support assets, and is in active negotiations on a number of projects which are progressing through the investment process.

Appendix 1 – Fund and Manager Benchmarks

The tables in this Appendix detail the benchmarks and outperformance targets, for the Total Fund and each individual manager.

Total Fund

Inception: 1 June 2006. Current benchmark allocation effective from 25 March 2015.

Manager	Asset Class	Long Term Strategic Benchmark Allocation	Benchmark	Outperformance Target	Inception Date
LGIM	Future World Global Equity	25.0	Solactive ESG Global Markets Index	Passive	15/10/20
Baillie Gifford	LCIV Global Alpha Growth	20.0	MSCI AC World Index	+2.0 p.a. (net of fees)	18/03/14
Morgan Stanley	LCIV Global Equity Core	20.0	MSCI AC World Index (net dividends reinvested)	Generate total returns (comprising of both capital growth and income) over a 5-10 year period	30/10/20
Longview	Global Equity	0.0	MSCI World (GBP) Index	To outperform the benchmark over a market cycle	15/01/15
Insight	Buy and Maintain	13.5	Insight Custom Benchmark	n/a	12/04/18
CQS	Multi Asset Credit	5.5	3 Month Libor	+ 4% p.a. (net of fees)	30/10/18
Aberdeen Standard Investments	Property	5.0	FTSE Gilts All Stocks Index +2% p.a.	+0.5 p.a. (net of fees)	14/06/13
Pantheon	Global Infrastructure	5.0	3 Month Libor	+ 8% p.a. (net of fees)	15/04/19
Macquarie	Global Renewable Infrastructure	3.0	3 Month Libor	TBC once fully drawn for investment	08/02/21
Quinbrook	UK Renewable Infrastructure	3.0	3 Month Libor	TBC once fully drawn for investment	25/01/21
	Total	100.0			

Appendix 2 – Manager Ratings

Based on our manager research process, we assign ratings to the investment managers for specific products or services. The ratings are based on a combination of quantitative and qualitative factors, where the inputs for the qualitative factors come from a series of focused meetings with the investment managers. The ratings reflect our expectations of the future performance of the particular product or service, based on an assessment of:

- The manager's business management;
- The sources of ideas that go to form the portfolio ("alpha generation");
- The process for including the ideas into the portfolio ("alpha harnessing"); and
- How the performance is delivered to the clients.

On the basis of the research and analysis, managers are rated from 1 (most positive) to 4 (most negative), where managers rated 1 are considered most likely to deliver outperformance, net of fees, on a reasonably consistent basis. Managers rated 1 will typically form the basis of any manager selection short-lists.

Where there are developments with an investment manager that cause an element of uncertainty we will make the rating provisional for a short period of time, while we carry out further assessment of the situation.

Appendix 3 – Risk Warnings & Disclosures

- Past performance is not necessarily a guide to the future.
- The value of investments may fall as well as rise and you may not get back the amount invested.
- Income from investments may fluctuate in value.
- Where charges are deducted from capital, the capital may be eroded or future growth constrained.
- Investors should be aware that changing investment strategy will incur some costs.
- Any recommendation in this report should not be viewed as a guarantee regarding the future performance of the products or strategy.

Our advice will be specific to your current circumstances and intentions and therefore will not be suitable for use at any other time, in different circumstances or to achieve other aims or for the use of others. Accordingly, you should only use the advice for the intended purpose.

Our advice must not be copied or recited to any other person than you and no other person is entitled to rely on our advice for any purpose. We do not owe or accept any responsibility, liability or duty towards any person other than you.

Deloitte Total Reward and Benefits Limited is authorised and regulated by the Financial Conduct Authority.

Deloitte.