ENFIELD Council

London CIV

London CIV Quarterly ACS Investment Review

31 March 2022

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Enfield

Introduction

We are pleased to present the London CIV Quarterly Investment Report for the London Borough of Enfield Pension Fund for the quarter to 31 March 2022.

The Report provides an Investment Summary with valuation and performance data of your Pension Fund's holdings. It includes an update on activities at London CIV, a market update and Fund commentary from the London CIV Investment Team as well as key portfolio data and a summary of ESG activity during the quarter.

Investment Summary

The table below shows the Sub-funds held by the London Borough of Enfield Pension Fund by asset class as at 31 March 2022 and how these have changed during the quarter.

ACS	31 December 2021	Net Subscriptions / (Redemptions)	Cash Distributions Paid	Net Market Move	31 March 2022
Active Investments	£	£	£	£	£
Global Equities					
LCIV Global Alpha Growth Fund	123,877,953	-	-	(15,354,819)	108,523,134
LCIV Global Equity Focus Fund	104,180,891	-	-	653,418	104,834,309
LCIV Emerging Market Equity Fund	34,343,525	-	-	(2,091,346)	32,252,179
Fixed Income					
LCIV MAC Fund	57,026,867	-	-	(992,970)	56,033,897
Total	**319,429,236**	**-**	**-**	**(17,785,717)**	**301,643,519**

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. A listing of the individual funds held can be found at the end of the Funds section of this report.

	31 December 2021	31 March 2022
Passive Investments †	£	£
Blackrock	358,061,278	358,061,278

† Passive investments are managed in investment funds for which London CIV has no management or advisory responsibility and are shown for information purposes only.

Performance Summary

Please see below the performance for ACS Sub-funds in which you, the Client Fund (CF), are invested. Performance since inception is annualised where period since inception is over 12 months.

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since CF Inception p.a. %	CF Inception Date
LCIV Global Alpha Growth Fund	**(12.41)**	**(6.66)**	**12.96**	**12.17**	**13.29**	**30/09/2016**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%	*(1.93)*	*15.42*	*16.15*	*13.39*	*14.67*	
Relative to Investment Objective	**(10.48)**	**(22.08)**	**(3.19)**	**(1.22)**	**(1.38)**	
Benchmark: MSCI All Country World Gross Index (in GBP)	*(2.40)*	*13.15*	*13.87*	*11.16*	*12.42*	
Relative to Benchmark	**(10.01)**	**(19.81)**	**(0.91)**	**1.01**	**0.87**	
LCIV Global Equity Focus Fund	**0.65**	**14.88**	**10.94**	**n/a**	**11.50**	**24/10/2018**
Target: MSCI World (GBP)(TRNet)+2.5%	*(1.83)*	*18.28*	*17.45*	*n/a*	*17.39*	
Relative to Target	**2.48**	**(3.40)**	**(6.51)**	**n/a**	**(5.89)**	
Benchmark: MSCI World (GBP)(TRNet)	*(2.43)*	*15.39*	*14.58*	*n/a*	*14.53*	
Relative to Benchmark	**3.08**	**(0.51)**	**(3.64)**	**n/a**	**(3.03)**	
LCIV Emerging Market Equity Fund	**(6.12)**	**(10.37)**	**4.47**	**n/a**	**5.87**	**24/10/2018**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%	*(3.72)*	*(4.80)*	*7.19*	*n/a*	*9.81*	
Relative to Investment Objective	**(2.40)**	**(5.57)**	**(2.72)**	**n/a**	**(3.94)**	
Benchmark: MSCI Emerging Market Index (TR) Net	*(4.30)*	*(7.12)*	*4.58*	*n/a*	*7.13*	
Relative to Benchmark	**(1.82)**	**(3.25)**	**(0.11)**	**n/a**	**(1.26)**	
LCIV MAC Fund	**(1.75)**	**2.38**	**3.38**	**n/a**	**3.41**	**30/11/2018**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January	*1.14*	*4.63*	*4.85*	*n/a*	*4.90*	
Relative to Investment Objective	**(2.89)**	**(2.25)**	**(1.47)**	**n/a**	**(1.49)**	

Quarterly Update - Client Relations Team Report

Welcome to the London CIV Quarterly Investment Report. This edition contains the performance and commentary on all the funds that you hold with the London CIV. In this section we will cover media highlights, fund activity, climate impact analysis, fund performance, fund Monitoring, market update and London CIV people.

Highlights in the media – Q1 2022

Asset TV interviewed our CEO, Mike O'Donnell. He reflected on our progress and outlined our priorities for 2022. It was pleasing to hear Mike acknowledge how our relationship with Client Funds has improved in the last couple of years and how we are keeping the regular channels of communication open with all our stakeholders. As the lockdown restrictions ended, we are very much looking forward to establishing a hybrid approach to working. We will continue in improving our various communications and to maintain the positive momentum. This includes providing frequent group engagement via Teams, such as the monthly Business Update, the quarterly Meet The Manager events and Seed Investor Groups (SIGs) whilst also offering in-person meetings, which we are seeing much more of since the relaxing of Covid-19 restrictions.

Mike also mentioned that having the right products at the right time for our investors is key to our success, and he highlighted that our priorities for 2022 are to launch a UK residential property fund, begin to tackle the complexities of 'lifting and shifting' legacy commercial property investments, and plan for other solutions in private markets including private equity. When answering questions around stewardship and climate aware solutions, Mike recognised that a combination of our Client Funds' decisions on asset allocation and further engagement with existing investment managers to progress our agenda on climate risk mitigation and Paris Alignment will inform how our product range will align with our net zero ambitions. Finally, he noted that we will continue to build out our team to secure the confidence and respect of our Client Funds.

Mona Dohle of Portfolio Institutional interviewed our CIO, Jason Fletcher. He mentioned our progress on pooling, which had increased by 3% in Q4 2021 to 58%. Jason also noted that there has been a significant reversal between growth and value styles of equity investing of late. We do not have a specific equity value product currently available and, while we do not have a strict minimum threshold for investor commitments, Jason wishes to see at least two or three Client Funds invested in a fund and, to get the economies of scale seed investment, commitments need to be at least £250 million to £300 million. In addition, Jason would need to have the confidence that funds will see increasing investments in the future as it is costly to set up and close funds over time.

London CIV's Jason Fletcher: "Equities will do a fairly good job at beating inflation."

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Current Position

On 31 March 2022, the total assets deemed pooled by our Client Funds stood at £26.67 billion, of which £13.98 billion are in funds managed by the London CIV, being the ACS plus amounts committed to private market fund. Assets under management in our ACS stood at £13.21 billion and assets in private market funds stood at £771 million. Over the first quarter, we had £182 million of additional commitments from three investors to the LCIV Renewable Infrastructure Fund and one investor to the LCIV Inflation Plus Fund, bringing total commitments raised by our private market funds as of 31 March 2022 to £2.2 billion. The value of 'pooled' passive assets was £12.70 billion, with £9.47 billion managed by Legal and General Investment Management and £3.22 billion managed by BlackRock.

Fund Activity

Public Market Funds

During Q1 2022 we had net flows of £232 million into the London CIV's ACS funds. The most notable transaction was the launch of the LCIV Alternative Credit Fund on 31 January 2022 with a total seeded investment of £386 million from three Client Funds.

The re-alignment of the LCIV MAC Fund to introduce PIMCO's diversified income strategy and create a two-manager structure, began as planned on 28 February 2022 with a contribution of £110 million to the LCIV MAC Fund from a new investor. The re-alignment will take place over five months to mitigate transaction costs and achieve a steady progression to the targeted equal split between CQS and PIMCO strategies. We expect further contributions from existing and new investors into the LCIV MAC Fund during Q2 2021.

Three Client Funds have recently decided to move their investments in the LCIV Global Alpha Growth Fund to the LCIV Global Alpha Growth Paris Aligned Fund, which in aggregate represents c.£820 million. We will be supporting these Client Funds with their transitions in the coming months.

Private Market Funds

We've had the following capital calls for our private market funds over the quarter: LCIV Private Debt Fund (£47.8 million), LCIV Inflation Plus Fund (£38 million), LCIV Infrastructure Fund (£14 million), and LCIV Renewable Infrastructure Fund (£10.4 million).

We have now extended the close of the LCIV Private Debt Fund and the LCIV Renewable Infrastructure Fund to 28 September 2022. These extensions will accommodate new investors, and we had confirmation that a Client Fund has decided to commit £40m to the LCIV Private Debt Fund in the next close. As a result, we will be refreshing our list of private debt managers alongside Pemberton and Churchill with a view of adding other funds to keep the 50:50 regional split between Europe and the U.S.

The LCIV Renewable Infrastructure Fund had its third close at the end of March'22. This Fund ended the quarter with thirteen investors and a total commitment of £853.5 million, of which 22%, or £188.8 million, had been funded by 31 March 2022. Looking ahead, our investment team will be looking to add new managers to allocate this new capital. The fundraising landscape for renewable infrastructure is moving away from traditional generation, transmission, and distribution assets to energy efficient assets aiming at reducing Green House Gas emissions from carbon intensive businesses. This type of asset is proving to be a compelling investment opportunity that backs the transition to a low carbon economy; therefore, we are closely monitoring this evolution and considering new categories for this Fund.

We have progressed with the agreed purchase of a portfolio of real estate long income assets for the LCIV Inflation Plus Fund that we reported in the previous quarter. This Fund has three investors, it raised £213m and invested £206m, or 97% of its total commitment. The acquisition of the twelve assets across a diversified range of sectors including hotels, student accommodation and supermarkets is mostly complete. Once it is entirely completed, these assets will utilise all the current committed capital and require the Fund to employ a small revolving credit facility for the balance until further equity is raised. This will ensure that we deploy investor capital in the most efficient and timely manner, and any new investor will be able to draw down part, or all, of its commitment very quickly. These acquisitions will create a diverse c.£220m portfolio of assets across 6 sectors and with an average investment grade credit rating of BBB+. The portfolio will also be almost 100% inflation linked providing strong inflation protection.

As of 31 March 2022, 42% of the total commitments in the LCIV Infrastructure Fund have been invested. The pace on drawdowns is slightly lagging its target, which is primarily due to the Macquarie GIG Renewable Energy Fund 2 (MGREF2) lagging its peers in deployment of capital. However, in Q4 2021 MGREF2 Fund made a €190m commitment to a French solar platform. The investment team at MGREF2 has decided to shift their focus away from offshore wind farms. We view this slight adjustment in strategic thinking in a positive light and expect this General Partner to deploy at a faster rate whilst continuing to maintain good price discipline. Elsewhere, Stepstone made a new primary commitment of $50m in December 2021 to Brookfield Global Transition Fund, a new fund with a global mandate, focused on being at the forefront of the energy transition, so the LCIV Infrastructure Fund is now c.87% committed. In our discussions with Stepstone, we have been actively exploring other areas for committing the remaining capital in the Fund with both a combination of primary and secondary opportunities. The pipeline looks healthy, and Stepstone continues to diligence attractive opportunities on behalf of our investors.

Engagement

We have hosted eleven group meetings and fifty-four specific meetings/calls with individual Client Funds over the first quarter. The table below shows the type of meetings held:

Group Meeting Types	Quantity	Specific Meeting Types	Quantity
Seed Investment Group (SIG)	4	Catch-up calls	17
Business Update (BU)	3	Specific Opportunity	12
Investment Consultant Update	1	Preparation Meeting	12
Independent Advisors Update	1	Pension Committee	7
Meet the Manager (MTM)	1	Introduction	4
Shareholder Meeting	1	Relationship Building	2

We had a productive discussion with the SIG on Sterling Credit on 1 February 2022. The results of our initial phase of research were encouraging and we will continue to assess the potential to launch a Sterling Credit Fund. This will be an actively managed strategy focused on the sterling investment grade credit market. Our goal is to offer a fund which demonstrates both best practice in sustainable investment and active ownership, and the benefits of economies of scale in terms of achieving lower management fees. We have engaged with five investment management firms to assess their investment capabilities and ESG credentials, reviewed indicative fee proposals and refined the possible investment parameters of the fund.

We have hosted a Property Workshop on 31 January 2022 and a SIG discussion on UK Affordable Housing on 22 March 2022. We are proposing an open-ended structure and multi-manager strategy that will contribute to solutions that address the UK housing challenges aiming at delivering an internal rate of return, net of fees, of 5% to 7% and targeting a yield of 3% to 4%. This product will focus on strategies that fall into three categories: 1) housing for people who cannot afford to rent or buy on the open market; 2) housing for people with specific long term care requirements; and 3) housing for people with vulnerability or in crisis. We will be looking to select investment managers who can demonstrate that they: 1) can raise capital at scale, 2) generate competitive risk-adjusted returns, 3) deepen affordability, 4) deliver local community impact, 5) have a credible track-record, and 5) align to net zero commitments.

What does The London Fund invest in?

Real Estate	Infrastructure	Growth Capital
Private Rented Sector (PRS)	Digital infrastructure	Growth capital for small and medium businesses
Affordable Housing	Solar energy	Venture investment in life science businesses
Regeneration Schemes	Waste to energy	
Co-living spaces	Electric vehicles	
Senior living	Rail networks	

Our Q1 2022 Meet the Manager webinar focused on The London Fund. Chris Rule, CEO of LPPI, talked about the origins of the Fund and reminded that it aims to create a double bottom line by targeting sustainable long-term risk-adjusted returns for pension scheme members and generate positive social and environmental outcomes for Londoners. Jonathan Ord, Investment Director at LPPI, provided an overview of the second investment in the Fund, a co-investment into Project Thomas, a 260,000 square feet office development with leading ESG credentials adjacent to London Bridge Station. Completion is targeted for mid-April 2022. Jonathan also touched on the pipeline of future investments, which includes the construction of a new build 70 Gigawatt solar farm that would generate green electricity within London.

We then heard from Ailish Christian West, Executive Director at Get Living, who presented the first investment in The London Fund, Delancey Oxford Residential, more commonly referred to as DOOR. Get Living is the asset manager and operator for the DOOR transaction. Finally, we heard from Lloyd Lee, Managing Partner at YOO Capital. We have successfully completed a due diligence on YOO Capital's second real estate fund and The London Fund will be committing to this product. Lloyd explained how YOO Capital targets and unlocks hidden gems within London that are underinvested, forgotten or mismanaged and engages with communities to create unique places and impact that delivers for councils, communities, tenants, and investors. YOO focus on working collaboratively to create inclusive and authentic communities that form the basis for generating investment returns.

Our Monthly Business Update and Quarterly Meet the Manager webinars continue to attract good participation. We record these virtual events and make them available to you in our Portal. If you do not have access to them and are interested in one of our recordings, please contact your designated Client Relations Manager at clientservice@londonciv.og.uk and we will be delighted to provide you with a link to these recordings.

London CIV Climate Analytics Service

We recognise that there will be gaps between what LGPS will be mandated to report on climate-related financial disclosures and what our Service will offer in its inaugural year because we are yet to have sight of the long-awaited DLUHC Consultation expected later this year.

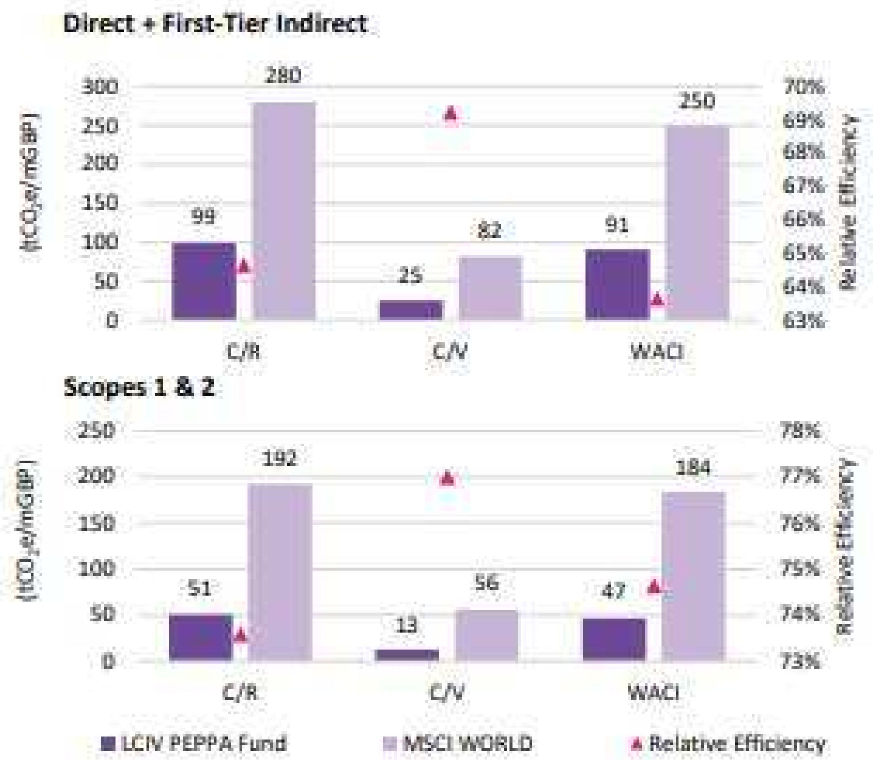
Consulting with Client Funds we concluded that there is a desire to benefit from carbon footprint metrics against emissions scopes in aggregate and at fund-level to support their process in setting a road map to achieve net zero targets. We believe the fund-level data is key to better inform the development of a decarbonisation strategy and it is different from getting aggregated metrics directly providing the targets.

Because our Service is not supported by the annual service charges nor investment management fees, the fee schedule has been developed to favour those Client Funds who have pooled more assets and ensure that those Client Funds with lower pooling ratios are not being subsidised by those who have pooled the most to date.

The London CIV will provide reports both on assets deemed Pooled as well as those assets that currently reside off-pool. The report does not currently cover Private Market funds nor Government securities but in time we aim to provide a report that will cover all assets. For a quotation for this service please contact your dedicated Client Relationship Manager who will be happy to assist.

Carbon Intensity (tCO2e/mGBP)

The charts below provide an indication of the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The analysis was completed for two sets of emission scopes.



Please see below a summary of the London CIV Sub-funds, including both those in which you are invested, and those you are not. All performance is reported Net of fees and charges with distributions reinvested. For performance periods of more than a year performance is annualised.

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Global Alpha Growth Fund	**£2,314m**	**(12.41)**	**(6.66)**	**12.96**	**12.17**	**15.73**	**11/04/2016**	**10**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(1.93)	15.42	16.15	13.39	16.85		
Performance Against Investment Objective		**(10.48)**	**(22.08)**	**(3.19)**	**(1.22)**	**(1.12)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(2.40)	13.15	13.87	11.16	14.56		
Performance Against Benchmark		**(10.01)**	**(19.81)**	**(0.91)**	**1.01**	**1.17**		
LCIV Global Alpha Growth Paris Aligned Fund	**£1,175m**	**(13.71)**	**n/a**	**n/a**	**n/a**	**(12.67)**	**13/04/2021**	**6**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(1.93)	n/a	n/a	n/a	11.00		
Performance Against Investment Objective		**(11.78)**	**n/a**	**n/a**	**n/a**	**(23.67)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(2.40)	n/a	n/a	n/a	8.90		
Performance Against Benchmark		**(11.31)**	**n/a**	**n/a**	**n/a**	**(21.57)**		
LCIV Global Equity Fund	**£747m**	**(4.44)**	**10.46**	**13.89**	**n/a**	**11.52**	**22/05/2017**	**3**
Investment Objective: MSCI All Country World Index Total Return (Gross)+1.5%		(2.18)	14.59	15.61	n/a	13.19		
Performance Against Investment Objective		**(2.26)**	**(4.13)**	**(1.72)**	**n/a**	**(1.67)**		
Benchmark: MSCI All Country World Index Total Return (Gross)		(2.54)	12.89	13.90	n/a	11.52		
Performance Against Benchmark		**(1.90)**	**(2.43)**	**(0.01)**	**n/a**	**n/a**		
LCIV Global Equity Core Fund	**£563m**	**(6.27)**	**11.03**	**n/a**	**n/a**	**8.88**	**21/08/2020**	**2**
Benchmark: MSCI All Country World Index (with net dividends reinvested)		(2.51)	12.68	n/a	n/a	16.03		
Performance Against Benchmark		**(3.76)**	**(1.65)**	**n/a**	**n/a**	**(7.15)**		
LCIV Global Equity Focus Fund	**£893m**	**0.65**	**14.88**	**10.94**	**n/a**	**10.37**	**17/07/2017**	**5**
Target: MSCI World (GBP)(TRNet)+2.5%		(1.83)	18.28	17.45	n/a	14.52		
Performance Against Target		**2.48**	**(3.40)**	**(6.51)**	**n/a**	**(4.15)**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	14.58	n/a	11.73		
Performance Against Benchmark		**3.08**	**(0.51)**	**(3.64)**	**n/a**	**(1.36)**		
LCIV Emerging Market Equity Fund	**£523m**	**(6.12)**	**(10.37)**	**4.47**	**n/a**	**1.07**	**11/01/2018**	**7**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%		(3.72)	(4.80)	7.19	n/a	4.37		
Performance Against Investment Objective		**(2.40)**	**(5.57)**	**(2.72)**	**n/a**	**(3.30)**		
Benchmark: MSCI Emerging Market Index (TR) Net		(4.30)	(7.12)	4.58	n/a	1.83		
Performance Against Benchmark		**(1.82)**	**(3.25)**	**(0.11)**	**n/a**	**(0.76)**		

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Sustainable Equity Fund	**£1,344m**	**(8.48)**	**9.04**	**15.11**	**n/a**	**14.68**	**18/04/2018**	**8**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(1.95)	17.70	16.87	n/a	15.99		
Performance Against Investment Objective		**(6.53)**	**(8.66)**	**(1.76)**	**n/a**	**(1.31)**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	14.58	n/a	13.72		
Performance Against Benchmark		**(6.05)**	**(6.35)**	**0.53**	**n/a**	**0.96**		
LCIV Sustainable Equity Exclusion Fund	**£437m**	**(9.06)**	**10.08**	**n/a**	**n/a**	**30.76**	**11/03/2020**	**3**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(1.95)	17.70	n/a	n/a	26.77		
Performance Against Investment Objective		**(7.11)**	**(7.62)**	**n/a**	**n/a**	**3.99**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	n/a	n/a	24.28		
Performance Against Benchmark		**(6.63)**	**(5.31)**	**n/a**	**n/a**	**6.48**		
LCIV Passive Equity Progressive Paris Aligned Fund	**£504m**	**(5.65)**	**n/a**	**n/a**	**n/a**	**(2.98)**	**01/12/2021**	**2**
Index: S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index (GBP)		(5.76)	n/a	n/a	n/a	(3.07)		
Performance Against Index		**0.11**	**n/a**	**n/a**	**n/a**	**0.09**		
Multi Asset								
LCIV Global Total Return Fund	**£228m**	**1.53**	**4.22**	**3.49**	**2.22**	**3.46**	**17/06/2016**	**3**
Target: RPI + 5%		3.11	13.24	9.15	8.70	8.70		
Performance Against Target		**(1.58)**	**(9.02)**	**(5.66)**	**(6.48)**	**(5.24)**		
LCIV Diversified Growth Fund	**£952m**	**(6.09)**	**3.42**	**3.59**	**3.17**	**4.88**	**15/02/2016**	**9**
Target: UK Base Rate +3.5%		0.96	3.69	3.84	3.91	3.90		
Performance Against Target		**(7.05)**	**(0.27)**	**(0.25)**	**(0.74)**	**0.98**		
LCIV Absolute Return Fund	**£1,308m**	**4.49**	**7.27**	**10.20**	**5.74**	**6.94**	**21/06/2016**	**11**
Target: SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)		0.78	3.10	3.29	3.38	3.37		
Performance Against Target		**3.71**	**4.17**	**6.91**	**2.36**	**3.57**		
LCIV Real Return Fund	**£179m**	**(4.32)**	**1.43**	**5.81**	**4.45**	**4.85**	**16/12/2016**	**2**
Investment Objective: SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)		0.83	3.14	3.30	3.38	3.38		
Performance Against Investment Objective		**(5.15)**	**(1.71)**	**2.51**	**1.07**	**1.47**		

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Fixed Income								
LCIV Global Bond Fund	**£639m**	**(7.17)**	**(4.74)**	**1.46**	**n/a**	**2.88**	**30/11/2018**	**7**
Benchmark: Bloomberg Global Aggregate Credit Index – GBP Hedged		(7.02)	(5.10)	1.31	n/a	2.64		
Performance Against Benchmark		**(0.15)**	**0.36**	**0.15**	**n/a**	**0.24**		
LCIV MAC Fund	**£1,008m**	**(1.75)**	**2.38**	**3.38**	**n/a**	**3.16**	**31/05/2018**	**11**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)		1.14	4.63	4.85	n/a	4.95		
Performance Against Investment Objective		**(2.89)**	**(2.25)**	**(1.47)**	**n/a**	**(1.79)**		
LCIV Alternative Credit Fund	**£391m**	**n/a**	**n/a**	**n/a**	**n/a**	**(1.22)**	**31/01/2022**	**3**
Investment Objective: SONIA (30 day compounded) +4.5%		n/a	n/a	n/a	n/a	0.75		
Performance Against Investment Objective		**n/a**	**n/a**	**n/a**	**n/a**	**(1.97)**		
Total LCIV ACS Assets Under Management	**£13,206m**							

Please see below a summary of the London CIV Private Market Funds, including both those in which you are invested, and those you are not. The figures are as at 31 December 2021 as the valuations for private markets are calculated and released during the following quarter so are unavailable at the date this report is produced.

Private Markets	31 December 2021 Total Commitment	Called to Date	Undrawn Commitments	31 December 2021 Fund Value	Inception Date	No. of Investors
EUUT	**£'000**	**£'000**	**£'000**	**£'000**		
LCIV Infrastructure Fund	**399,000**	**153,578**	**245,422**	**155,890**	**31/10/2019**	**6**
LCIV Inflation Plus Fund	**202,000**	**168,262**	**33,738**	**164,350**	**11/06/2020**	**3**
LCIV Renewable Infrastructure Fund	**682,500**	**178,422**	**504,078**	**175,571**	**29/03/2021**	**10**
LCIV Private Debt Fund	**540,000**	**171,896**	**368,104**	**172,582**	**29/03/2021**	**7**
SLP	**£'000**	**£'000**	**£'000**	**£'000**		
The London Fund	**195,000**	**24,156**	**170,844**	**23,729**	**15/12/2020**	**2**
	2,018,500	**696,314**	**1,322,186**	**692,122**		

*For details on remaining current capacity available for further investment please contact the Client Service Team at clientservice@londonciv.org.uk.

London CIV Fund Performance Q1 2022

The first quarter of 2022 was marked by a sharp shift in expectations for interest rates which prompted a selloff in the bond and equity markets. Russia's invasion of the Ukraine then brought geo-political risks to the fore and magnified concerns about inflation and economic growth.

Markets experienced bursts of volatility and rapid changes in capital flows. The dispersion of outcomes across and within asset classes increased, as illustrated by the performance of the London CIV equity funds.

Funds focused on growth stocks, such as the LCIV Global Alpha Growth Fund and LCIV Sustainable Equity Fund, lagged benchmark indices by a big margin. Conversely, the LCIV Global Equity Focus Fund, which is tilted towards value stocks, outperformed by 3.1%. 'Quality' stocks did not provide much of a cushion, as evidenced by the underperformance of the LCIV Global Equity Core Fund and LCIV Emerging Markets Fund.

On a positive note, equity markets rallied, and credit spreads narrowed in March. The rally in stock and credit markets is at odds with the performance of bonds. Interest rates have continued to rise in response to heightened inflation risk. Most of the increase has been seen at the short end of yield curves, suggesting that bond investors are concerned about the risk of recession.

Against this difficult backdrop, the LCIV Global Bond Fund fell 7.2% in the first three months of the year. There is very little duration (interest rate sensitivity) risk in the LCIV MAC Fund, so the decline in the value of the Sub-fund in Q1 was caused mainly by mark to market adjustments to the value of loans, bonds and asset-backed securities.

The spread of returns in the Multi Asset segment of the London CIV range was wide. The LCIV Absolute Return Fund benefitted from holdings in inflation-linked debt, gold and protective derivatives strategies and generated a very attractive return of 4.5% in the first quarter. The LCIV Global Total Return Fund remains defensively positioned in the bond and equity markets and saw a total return of 1.5%.

The Sub-funds which tend to hold more unhedged exposure to equity markets lost money in the first quarter. The LCIV Diversified Growth Fund was down 6.1%, and the LCIV Real Return Fund lost 4.3%.

Fund Monitoring

We upgraded the monitoring status of the LCIV MAC Fund from 'Enhanced Monitoring' to 'Normal Monitoring' in January 2022 based on improvements in CQS' responsible investment and engagement practices and reduced turnover of personnel.

All of the ACS funds are now on 'normal' monitoring with the exception of the LCIV Global Equity Focus Fund with Longview which remains on our 'watch list'. We are close to completing an in-depth review of Longview. We will share our findings in the second quarter of 2022.

The investment managers of the ACS funds are investing in line with our expectations. The risk profiles of Sub-funds are within expected parameters, and we have not observed anomalies in the composition of portfolios or trading activity.

We will carry out 'deep dive' reviews of the LCIV Sustainable Equity, Sustainable Equity Exclusion, Global Total Return and Absolute Return Funds in Q2.

Exposure to securities issued by Russian entities was low across the range of ACS Sub-funds when Russia invaded the Ukraine. We have communicated with Client Funds about the sources of exposure and actions taken by investment managers to reduce positions. We will continue to monitor remaining positions and all investment managers have been asked not to make any further investment in Russian entities until further notice.

As of 28 March 2022, exposure to Russian debt stood at 0.40% of the LCIV Global Bond Fund. All Russian cash bonds held in the LCIV Global Bond Fund are external bonds (i.e.: traded in either U.S. dollars or Euros). We continue to monitor these holdings to track changes in prices, liquidity, restrictions on trading and controls on capital flows which could affect the ability of foreign investors to receive interest and principal payments.

We continue to follow government guidance and ensure that investment managers have appropriate controls in place to remain compliant with sanctions and new regulations. Northern Trust also tracks sanctions, provides London CIV with regular updates, and brings issues to our attention.

Responsible Investment

Progress in integrating Responsible Investment has stepped up in the last 3 months on TCFD reporting (Haringey pilot report), setting of Net Zero roadmaps and targets, modification of existing funds (LCIV Global Bond Fund) and the launch of the Peppa Fund. A meeting will be arranged in May to discuss the Net Zero plan and the results of our analysis of the climate metrics of London CIV funds.

On Stewardship we have aggregated voting and engagement across London CIV segregated equity funds working with our partner Hermes EOS. We have just published our stewardship outcomes report and have reviewed the voting guidelines working with the Responsible Investment Reference Group.

Economies and Markets

Russia's invasion of the Ukraine marked a step change in risk aversion in the capital markets. Inflationary pressure had already come into focus and the immediate surge in energy prices and futures contracts linked to agricultural staples, combined with heightened risks to supply chains, reverberated through the markets.

Government bonds, credit and stocks all lost money in the first quarter of 2022. With nominal yields at very low levels, bonds could not fulfil their traditional role as 'shock absorbers' when inflation accelerated. The Bloomberg Global Aggregate Index (GBP hedged) lost more than 5% in Q1, and the Credit segment was down more than 7%.

What is perhaps most striking is that equity markets held up as well as they did in the face of mounting risks, although they needed a rally of more than 8% between the 8th of March and the end of the quarter to recover from a drawdown which peaked at more than 11% in Sterling terms based on the MSCI World Net index.

Chart 1: Performance of Equities, Bonds and Investment Grade Credit

Source: Bloomberg 31/3/21

Central banks are in a difficult spot. Inflation warrants tighter monetary policy but risks to growth have increased, in part because Covid-19 continues to be disruptive, especially in China and the rest of Asia. Having implemented fiscal support measures to help cushion the impact of lockdowns, governments have limited room to provide further support.

Chart 2: G8 economic forecasts

Indicator	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Economic Activity										
Real GDP (YoY%)	2	1.5	2.2	2.2	1.7	-4.7	5	2.6	2	1.8
CPI (YoY%)	0.9	1	1.8	2.1	1.6	0.9	3.6	6.4	2.8	2.1
Unemployment (%)	5.9	5.6	5.1	4.7	4.4	7	5.5	4.4	4.2	4.2
External Balance										
Curr. Acct. (% of GDP)	-0.3	-0.1	0.1	0.1	0		-0.7	-1.1	-1	-1.2
Fiscal Balance										
Budget (% of GDP)	-2.5	-2.7	-2.6	-2.6	-3	-11.8	-9.4	-4.7	-3.7	-3.2
Interest Rates										
Central Bank Rate (%)	0.84	0.88	1.32	1.94	1.47	0.35	0.54	2.06	2.15	
3-Month Rate (%)	0.37	0.49	0.89	1.53	1.04	0	0	1.2	1.64	
2-Year Note (%)	0.57	0.5	0.97	1.36	0.84	-0.09	0.36	1.76	1.89	
10-Year Note (%)	1.66	1.61	1.65	1.82	1.23	0.49	1.02	1.98	2.09	

Source Bloomberg 13/4/22, forecasts in yellow

The jury is still out on how aggressively Central Banks will combat inflation. Bond investors are concerned, as evidenced by higher yields on Government debt and flatter yield curves. Equity and credit investors appear to be confident that growth will remain solid, and that inflation will have only a limited impact on profit margins.

Even relatively highly valued growth stocks participated in the recovery in stock markets in March, although they still have a lot of ground to make up against value stocks.

Chart 3: Global Sector relative returns (MSCI World Index)

Source Bloomberg 13/4/21

The FTSE 100 index has been resilient this year, helped by exposure to oil and mining groups and banks in a period of rising rates. Conversely, the FTSE 250 index of stocks which are more highly exposed to the U.K. economy declined by more than 10% in Q1, in line with the fall in the value of NASDAQ-100 Index (In U.S. Dollar terms), which is relatively highly exposed to technology companies.

Based on the MSCI World classifications, technology and consumer discretionary stocks (both down about -9% in U.S. Dollars) were the worst performing industries in Q1. At the other end of the spectrum, energy and materials companies gained 37% and 8% respectively.

Commodities prices increased sharply during the quarter led by goods which are sourced in relatively large proportions from Russia and the Ukraine. In addition to oil and gas, this includes metals, wheat and fertiliser, raising the spectre of interruption in the supply of food.

The functioning of commodities markets has also come into focus. Surging volatility has prompted increased margin requirements which have caused pressure across the markets and added to the risks of disruption in the flow of commodities which could have important knock-on effects.

Summary and Outlook

We are pleased to welcome Sahil Arora and Zakariya Mansha to the London CIV Investment team. Sahil and Zakariya are helping us monitor our funds and deliver the roadmap of products and services we have discussed with you.

Sentiment is finely balanced as we come into the second quarter. The impact of Russia's aggression on the people of the Ukraine is stark, but the broader ramifications are unclear. Economic activity and employment indicators are still robust, but the cost of living has accelerated, sentiment has weakened and risks to supply chains are elevated.

We think volatility will remain high in the coming months as investors respond to developments in the Ukraine, the trajectory of Covid-19 cases in China, new economic data and corporate earnings reports. We expect our investment managers to look through short-term squalls to focus on long-term drivers of return and risk, but we also expect them to be alert to opportunities which arise in periods of transition in market leadership.

It will be a challenging environment, but one which the multi asset funds on the London CIV platform should be well placed to navigate. They have a broad spread of asset classes and instruments at their disposal, and they benefit from the capacity to adjust positioning quickly as the environment changes.

LCIV Global Alpha Growth Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£2,314.3m

Inception date:	11/04/2016
Price:	229.70p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The objective of the Sub-fund is to exceed the rate of return of the MSCI All Country World Index by 2-3% per annum on a gross fee basis over rolling five year periods.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Baillie Gifford & Co since the Sub-fund's inception date.

Enfield Valuation:

£108.5m

Enfield investment date: 30/09/2016

This is equivalent to 4.69% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £275,666

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(12.41)	(6.66)	12.96	12.17	15.73	13.29
Investment Objective*	(1.93)	15.42	16.15	13.39	16.85	14.67
Relative to Investment Objective	(10.48)	(22.08)	(3.19)	(1.22)	(1.12)	(1.38)
Benchmark**	(2.40)	13.15	13.87	11.16	14.56	12.42
Relative to Benchmark	(10.01)	(19.81)	(0.91)	1.01	1.17	0.87

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*
*** Benchmark: MSCI All Country World Gross Index (in GBP)*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Global Alpha Growth Fund

Quarterly Commentary

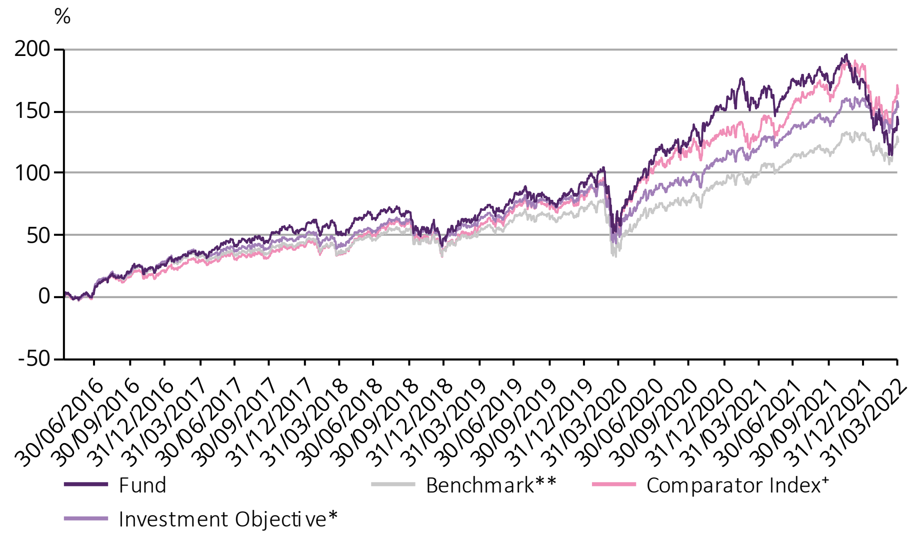
Performance

The first quarter of the year was painful for investment strategies with a growth orientation, including the LCIV Global Alpha Growth Fund. Absolute and relative performance were both poor, with the Sub-fund returning -12.4% in Q1 2022 and underperforming the benchmark by a whopping 10% over the period. Consecutive poor quarters are now taking a toll on longer term performance. Over the 12-month period to end March 2022 the Sub-fund returned -6.7%, 19.8% less than the MSCI All Country World benchmark index. The Sub-fund has generated 15.7% on an annualised basis since inception, outperforming the benchmark by 1.2%.

At a high level, there were broadly two themes that affected performance. The first was China, where the government's zero Covid-19 policy has disrupted supply chains and negatively affected sentiment. Additionally, regulatory pressure on Chinese internet companies to align their interests with those of the broader society (as defined by the ruling Communist party) continued to mount. These pressures resulted in an extension of the previous quarter's losses for most of the Chinese companies with significant online presence held in the Sub-fund.

The second theme was a continuation of the trend which can be described as a 'pivot-to-value'. As interest rates have increased, investors have taken a more cautious, and in some cases, negative stance, on high growth stocks. As higher interest rates are incorporated into valuation models, assets with longer duration and larger projected cashflows, like the high growth companies that dominate the portfolio, are disproportionately affected. Additionally, there are growing concerns over the sustainability of high rates of growth in the face of a stream of bad news for the consumer and a less favourable macroeconomic environment.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*
*** Benchmark: MSCI All Country World Gross Index (in GBP)*
⁺ The Comparator Index MSCI Growth Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

At the stock level the largest detractors were Prosus, SEA Limited and Shopify. Prosus is a large shareholder in Tencent and is held in the portfolio mainly as a good proxy for the Chinese internet giant. Over the quarter the ongoing overhang of a tougher regulatory environment for Tencent continued to put downward pressure on the stock price of Prosus. Specifically, a clamp down on approvals for new games had a significantly negative effect as this was an important season for the release of new online games.

SEA, the online content, e-commerce and payments company, had a bad quarter as, following a decision to exit India, concerns escalated about its future prospects in key Asian markets. Investors also questioned the growth

LCIV Global Alpha Growth Fund

trajectory of its online retail unit Shopee. Despite these worries the investment manager remains confident in SEA's ability to execute its ambitious growth plans. Lastly, the stock price of the e-commerce platform Shopify dropped sharply, despite beating earnings expectations, after the company's management warned that revenues will face a headwind in 2022. This is indicative of how sensitive investors have become to even the slightest hint of negative news. The investment manager remains confident in the prospects of the company and believes that its growth rate will remain high.

The largest positive contributors were BHP Group, Rio Tinto and Anthem. BHP and Rio Tinto rode a wave of positive sentiment towards the materials sector as they are perceived by the markets as large beneficiaries of higher commodity prices. In February, both companies reported hefty earnings and announced record dividend pay-outs. Anthem is a U.S. based provider of health insurance and the Sub-fund's largest holding. Over the quarter, it benefitted from positive sentiment towards companies with defensive characteristics and from better-than-expected quarterly results.

Market Views

The opening quarter of 2022 was almost a perfect storm for growth investors. Concerns about the effects of rising inflation and tangled supply chains, which came to the fore last year, have been amplified by Russia's invasion of Ukraine. The result has been a surge in volatility and a shift in sentiment characterised by a swing away from growth and towards more value-oriented parts of the market.

According to the investment manager, a key characteristic of the preceding few months was a breakdown of the relationship between a company's rate of earning growth and share price returns. Such periods bring with them significant behavioural challenges. The investment manager's response is to remain disciplined with regards to their process, ensure that they continue to stretch out their time horizons and focus on whether anything has fundamentally changed with regards to outlook for the portfolio companies.

In terms of outlook, and despite the headlines of noise and fear in markets, the Sub-fund investment manager argues that across the portfolio there is a significant acceleration in revenue growth, with sales forecast to grow at 15% over the next year. This is more than twice the market rate (6.9%) and compares to an average rate of 8.6% over the previous five years. This pattern of acceleration is broadly evident across the different parts of the portfolio and while there are, as always, a few exceptions, the recent weak performance does not appear to be related to widespread deterioration in the operating performance of portfolio companies.

In terms of how the portfolio may fare in an environment of persistently higher inflation, the Sub-fund's investment manager is attempting to get beyond to what they believe is a simplistic narrative that higher levels of inflation, and the accompanying potential for rising interest rates, are bad for growth companies. In their view, after incorporating various aspects of pricing power, including the frequency of purchases and the degree of value-add, margin structures, the speed of the business cycle and capital intensity they conclude that for the most part companies held in the Sub-fund are likely to possess the flexibility and resilience to be able to adapt to a more inflationary environment.

Positioning

As at end of March 2022, the Sub-fund maintained a significant regional allocation to North American equities at c. 58.3% followed by an exposure of 19.3% to European equities. At the sector level, the largest exposure was to consumer discretionary with 18.7% followed by information technology at 17.3% and financials at 15.1%. The largest positions at the stock level were Anthem at 3.5%, Microsoft at 3.1% and Alphabet at 3.0%.

LCIV Global Alpha Growth Fund

Rolling 1 year turnover has modestly decreased to 12%. The two notable new purchases over the quarter were Adobe (software for the creation and production of digital content) and Analog Devices (a company that specialises in analogue semiconductors). The investment manager considers both companies to be high-quality enablers of the ongoing digital revolution.

In terms of complete sales during the quarter the investment manager decided to fully exit the position in Zillow mainly due to the company's retreat from its iBuying experiment last year. The investment manager has also sold the positions in both Stericycle and Lyft, continuing the recent trend of moving on from more marginal investment cases and a modest concentration in the number of holdings.

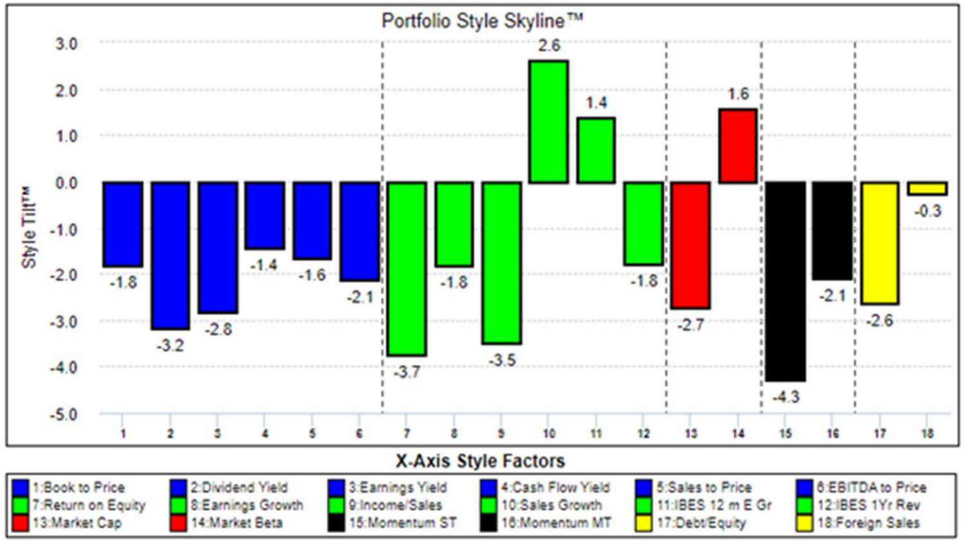
Fund Monitoring

The Sub-fund holds depositary receipts linked to shares in the Russian companies Sberbank and VK Company Ltd. These depositary receipts are listed on the London Stock Exchange (LSE). During the first quarter of 2022, the investment manager reduced these positions until trading in the securities was suspended. Residual positions in both securities are still held and are valued at zero on a fair valuation basis. No further investment will be made in Russian or Belarusian by the Sub-fund until further notice.

We are working with the Sub-fund's investment manager and the depositary to put the necessary infrastructure in place to allow for the divestment of the remaining holdings when trading resumes on either the LSE or in the local market if that market is open for foreign investors.

Style Analysis

The style of the Sub-fund remains consistent and is tilted away from all value factors and some growth (return on equity, income/sales) with a strong positive tilt towards sales growth. The sub-fund is also biased towards small cap stocks with a high market beta. The exposure to momentum has declined significantly over the quarter.



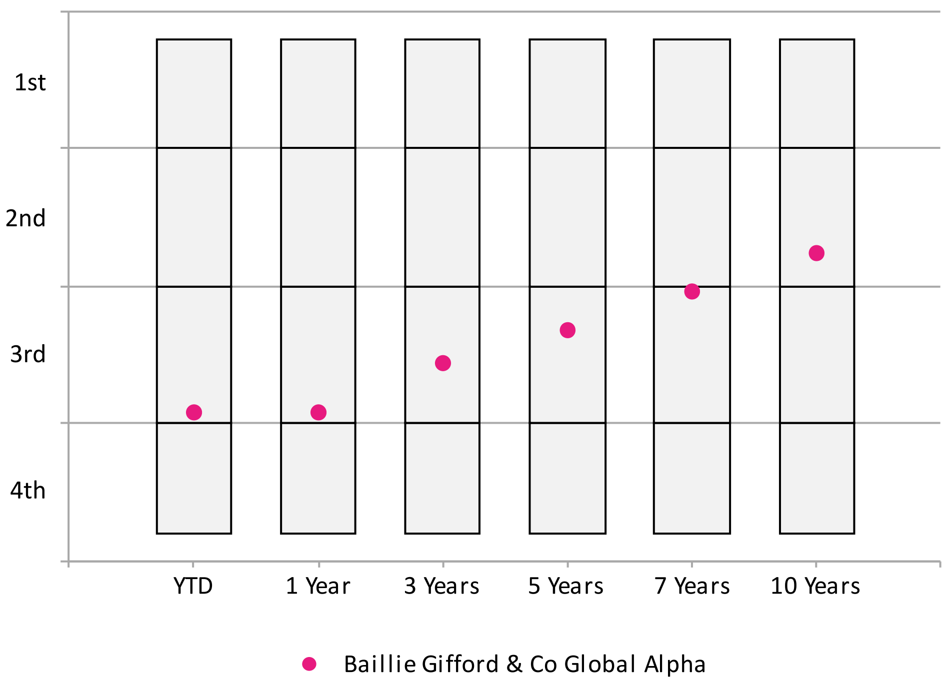
Source: eVestment as at 31st December 2021

LCIV Global Alpha Growth Fund

Peer Analysis

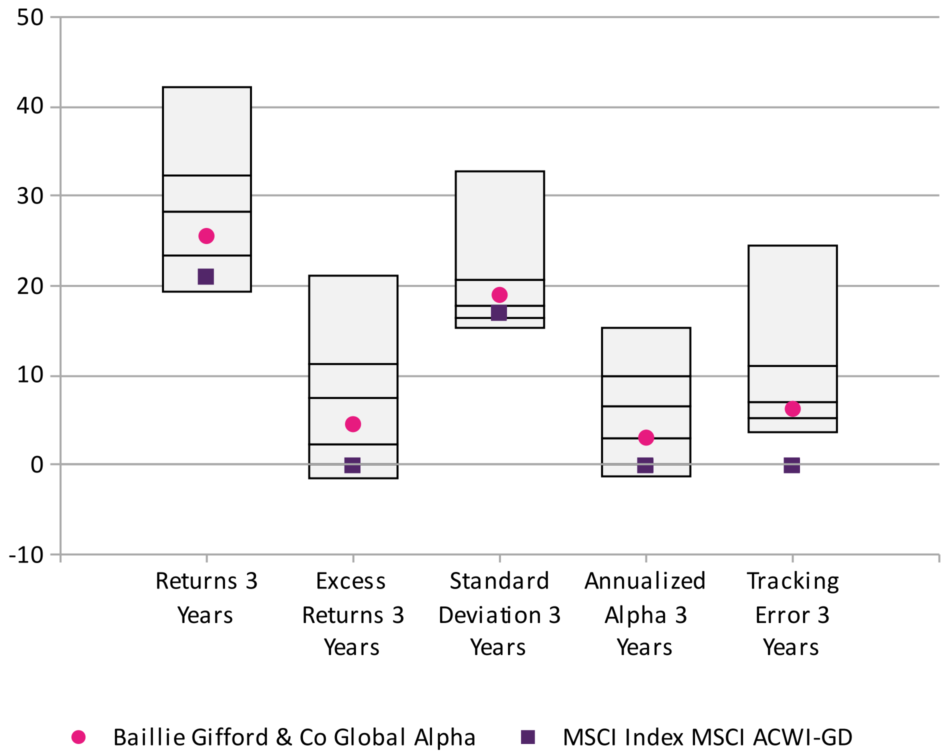
The peer group is the Global All Cap Growth Equity. Over the shorter term (up to 5 years to end December 2021), the Sub-fund has not performed as well as it has historically and is in the bottom 2 quartiles of its peer group. Over the longer term (10 years), the performance remains in the top 2 quarterlies and has outperformed the MSCI ACWI index over the 3 year period. This is coupled with low risk (tracking error) compared to other funds in the global all cap growth equity peer group.

Returns



Source: eVestment as at 31 December 2021

Key Risk Statistics



Source: eVestment as at 31 December 2021

LCIV Global Alpha Growth Fund

Conclusion

The first quarter of 2022 saw many of the trends of previous quarters accelerate and intensify. The pivot from growth to value, increased market volatility, and the often indiscriminate selling of high growth stocks fuelled by macroeconomic worries and geopolitical uncertainty have created an unfavourable environment for most growth strategies. This was reflected in the poor performance of the Sub-fund in both absolute and relative terms.

The investment manager's response to these challenges is to be disciplined with regards to their process, ensure that they continue to stretch out their time horizons and focus on whether anything has fundamentally changed with regards to the potential for portfolio companies to achieve superior rates of growth in earnings over the long term.

As we mentioned last quarter, volatility may extend well into 2022 and we will pay close attention to the investment manager's ability to remain focused and disciplined in their strategy.

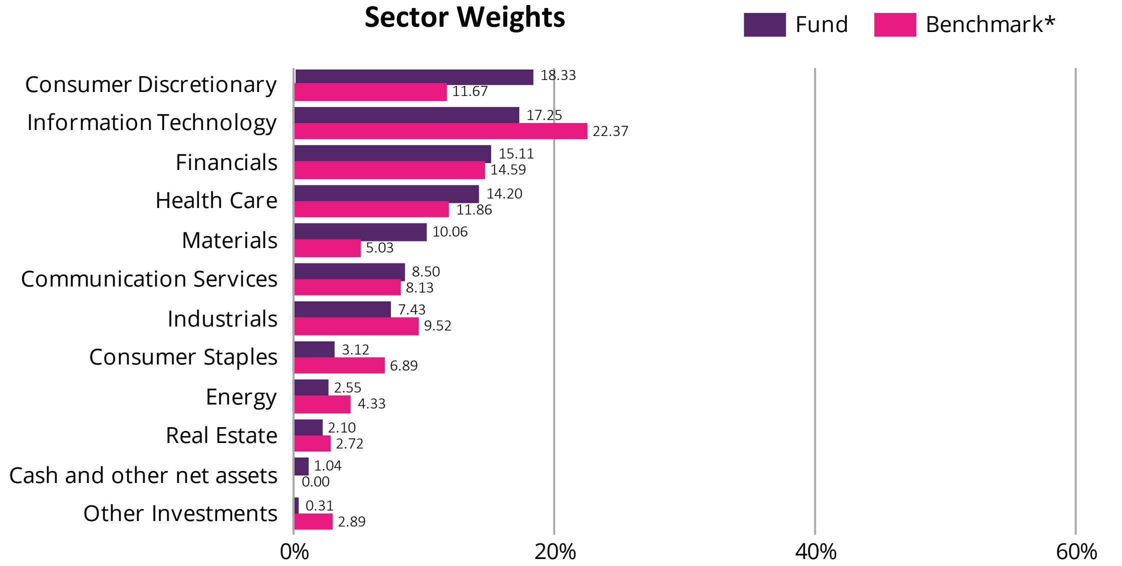
LCIV Global Alpha Growth Fund: Portfolio Characteristics

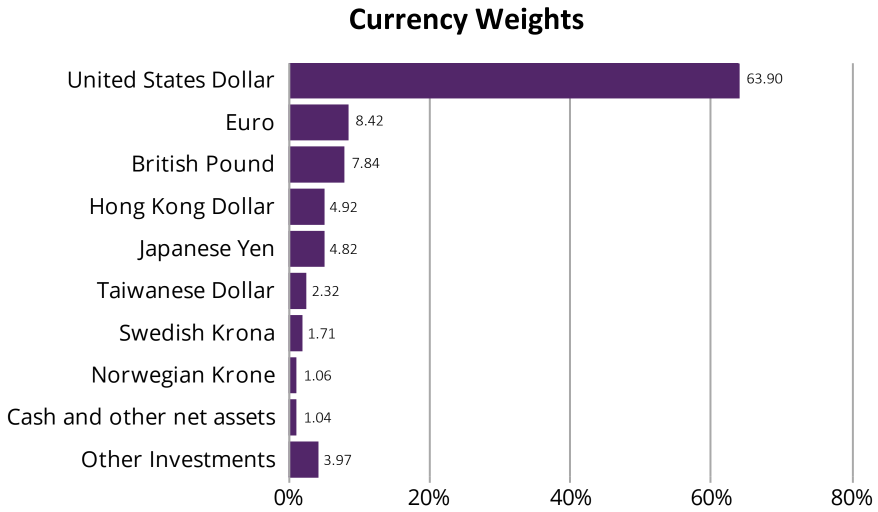
Key Statistics	
Number of Holdings	98
Number of Countries	24
Number of Sectors	10
Number of Industries	35
Yield %	1.16

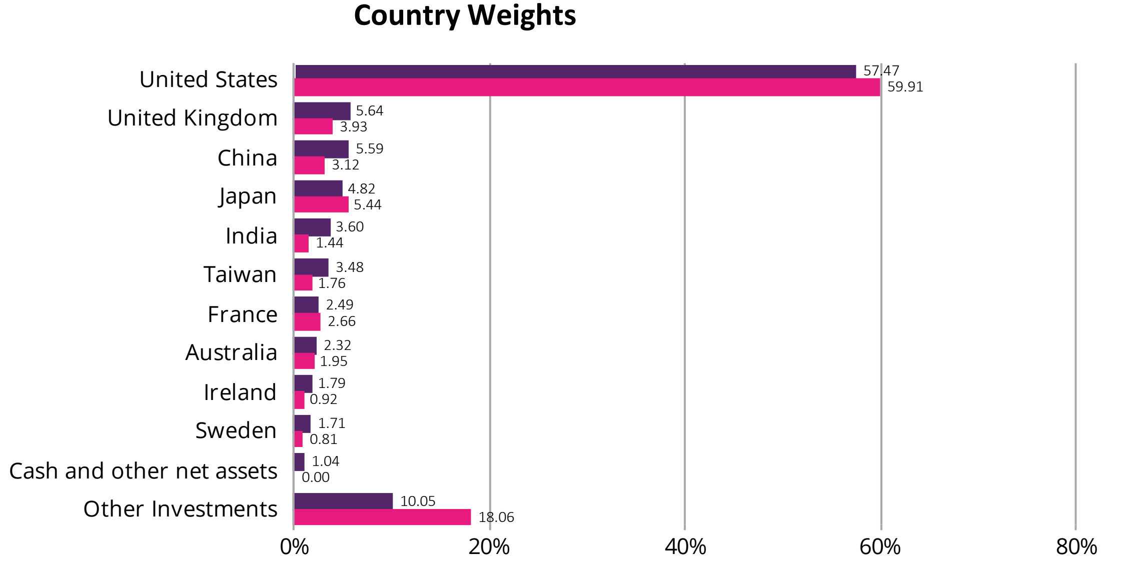
Source: London CIV data as at 31 March 2022

Risk Statistics	
Tracking Error (%)	4.60
Beta to Benchmark	1.06

Source: London CIV







Source: London CIV data as at 31 March 2022
**MSCI All Country World Gross Index (in GBP)+2%*

LCIV Global Alpha Growth Fund: Portfolio Characteristics

Top Ten Equity Holdings	
Security Name	**% of NAV**
Anthem Com	3.49
Microsoft	3.08
Alphabet Inc Class C	3.01
Moody's	2.86
Martin Marietta Materials	2.75
Reliance Industries	2.55
Bhp Grp.	2.32
Taiwan Semiconductor Manufacturing	2.32
Prosus Nv	2.28
Amazon.com	2.26

Top Ten Contributors	
Security Name	**% Contribution**
Bhp Billiton Ltd Cdi Npv	+0.62
Rio Tinto Ord Gbp0.10	+0.39
Anthem Com	+0.31
Reliance Industries	+0.25
B3 Brasil Bolsa Balcao	+0.24
Markel	+0.18
Arthur J Gallagher	+0.14
Oscar Health Inc	+0.09
AIA Group	+0.08
Deutsche Boerse	+0.07

Top Ten Detractors	
Security Name	**% Detraction**
Prosus Nv	(1.34)
Shopify	(0.88)
SEA	(0.83)
Sysmex Corporation	(0.57)
Sberbank Of Russia	(0.57)
Farfetch Ltd	(0.51)
Meituan Dianping	(0.45)
Moderna	(0.42)
Facebook	(0.42)
Siteone Landscape Supply	(0.37)

New Positions During Quarter
Security Name
Adobe Systems Inc
Analog Devices Inc
Royalty Pharma

Completed Sales During Quarter
Security Name
Zillow Group C
LYFT
Stericyclesteel Dynamics

Source: London CIV data as at 31 March 2022

LCIV Global Alpha Growth Fund: ESG Summary

Summary of ESG Activity for the Quarter

Baillie Gifford increased its headcount to 40 in the first quarter. This includes six new ESG analysts and an impact analyst. A research assistant was added to the climate change team and in their clients team, an ESG specialist is added.

Baillie Gifford states that the portfolio has very limited underlying geo-revenue exposure to Russia and Ukraine – less than 1%. None of their holdings has material operations in that region. The investment manager states that as they are bottom-up stock pickers, risk is managed principally at a company level rather than through this prism of geopolitics or sovereign risk.

Baillie Gifford spoke to Moderna’s General Counsel in January to discuss the company’s global vaccine access momentum. The investment manager discussed the feasibility of the recommendations of the vaccine roadmap published by the World Health Organisation (WHO). The investment manager states that they are confident that Moderna is meeting the recommendations and spirit of the WHO’s roadmap in most areas. Baillie Gifford further requested more details about Moderna’s manufacturing ambitions in Africa and encouraged further ambition in its Global Public Health strategy. Baillie Gifford sees positive developments which will improve access to mRNA vaccines and therapeutics over the long term. However, the investment manager believes there are areas in the WHO’s roadmap that the firm does not believe it can meet in full, such as the rapid transfer of know-how and technology.

The second engagement was with Axon Enterprise, where the key focus of engagement was on the executive compensation policy. Similar to Tesla, Axon follows an incentive scheme based on operational and share price goals over a 10-year period. The firm reported that over the past few years most of the targets have now been achieved and the company is now considering a follow-up plan. The investment manager supports this long-term structure of the existing plan and is encouraged by the company's intention to repeat this. The company also reported its intention future-proof the new plan so new employees and existing employees receive equitable incentives, including a service provision to promote retention. Baillie Gifford recommends the firm review the new operational goals and includes a returns-based target.

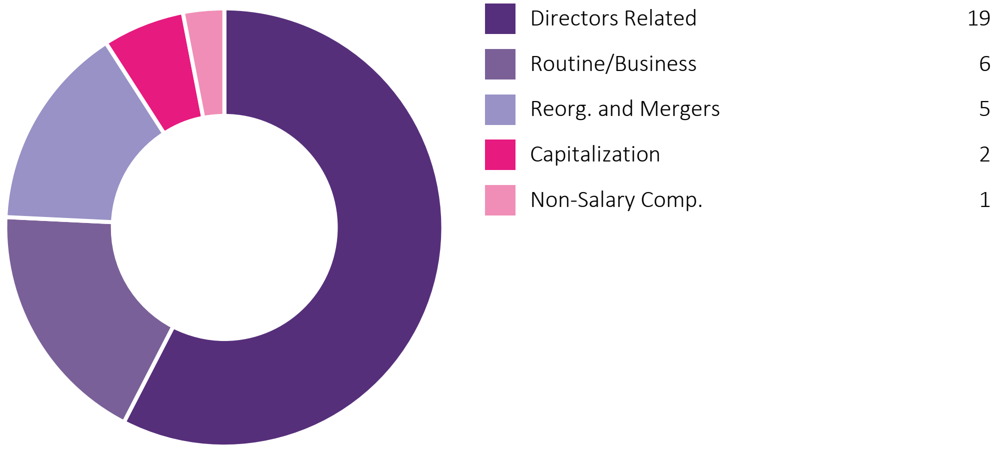
Lastly, the investment manager met with Ubisoft as part of its pre-AGM roadshow. The primary focus of the discussion was on executive remuneration. Baillie Gifford notes that the company’s ESG targets are evolving and stretching positively. However, the investment manager is concerned about the proposed reduction in the vesting period for the performance share awards available to the Executive Committee.

LCIV Global Alpha Growth Fund: ESG Summary

Voting Summary

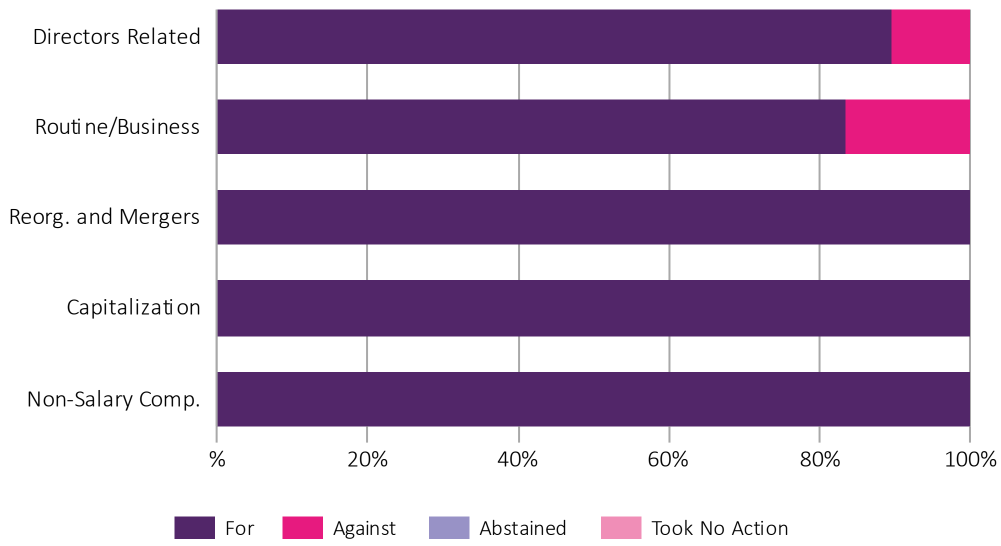
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

Proposals Breakdown



Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10809

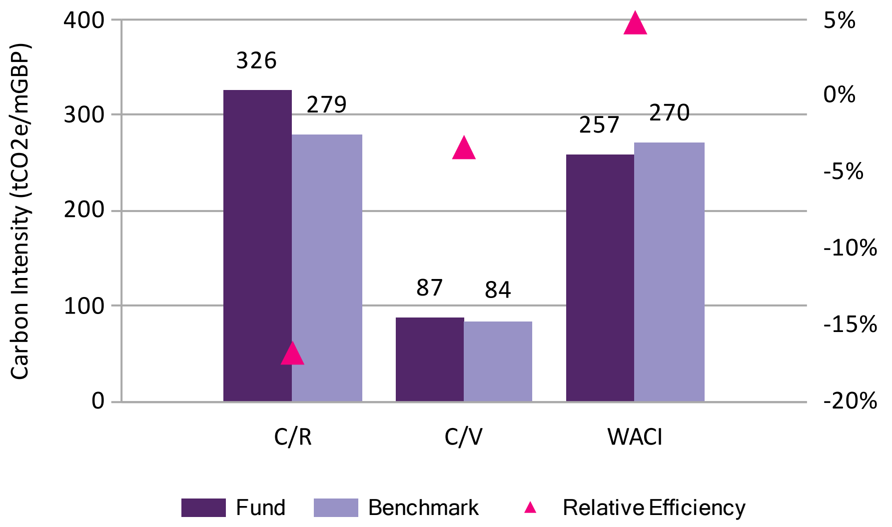
LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

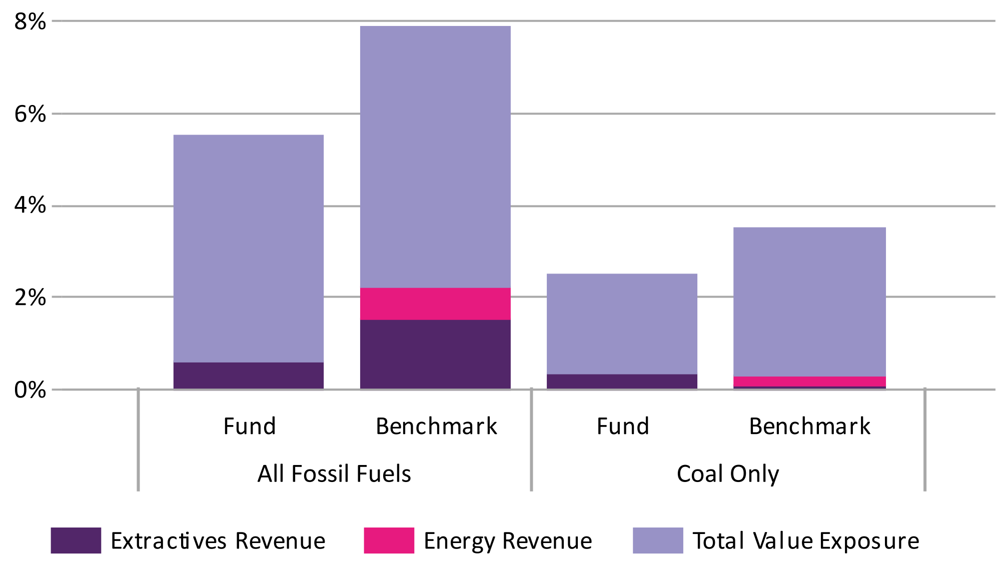
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI World

LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-0.13%	No
LG Chem, Ltd.	676.58	-0.05%	No
Budweiser Brewing Company APAC Limited	364.25	-0.05%	No
Yum China Holdings, Inc.	586.51	-0.05%	No
ITC Limited	668.57	-0.04%	Yes
Samsung Electronics Co., Ltd.	191.30	-0.04%	No
Kweichow Moutai Co., Ltd.	387.89	-0.03%	No
Sands China Ltd.	398.03	-0.03%	No
Ambev S.A.	350.50	-0.02%	No
Foshan Haitian Flavouring and Food Company Ltd.	339.54	-0.02%	No

LCIV Global Equity Focus Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£892.6m

Inception date:	17/07/2017
Price:	150.70p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The Sub-fund's long term objective is to achieve capital growth.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Longview Partners (Guernsey) Limited since the Sub-fund's inception date.

Enfield Valuation:

£104.8m

Enfield investment date: 24/10/2018

This is equivalent to 11.74% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £186,213

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	0.65	14.88	10.94	n/a	10.37	11.50
Target*	(1.83)	18.28	17.45	n/a	14.52	17.39
Relative to Target	2.48	(3.40)	(6.51)	n/a	(4.15)	(5.89)
Benchmark**	(2.43)	15.39	14.58	n/a	11.73	14.53
Relative to Benchmark	3.08	(0.51)	(3.64)	n/a	(1.36)	(3.03)

** The Target MSCI World (GBP)(TRNet)+2.5% is an absolute level of return which is deemed as the appropriate return which investors can expect for the level of risk taken within the Sub-fund. For further details, please refer to the Glossary.*
*** Benchmark: MSCI World (GBP)(TRNet)*

† The target has been selected as it in a outperformance target set in the agreement with the investment manager it is not explicitly stated in the investment objective of the Sub-fund. The target return outperformance is compounded daily therefore the benchmark return plus the outperformance may not equal the objective target.

LCIV Global Equity Focus Fund

Quarterly Commentary

Performance

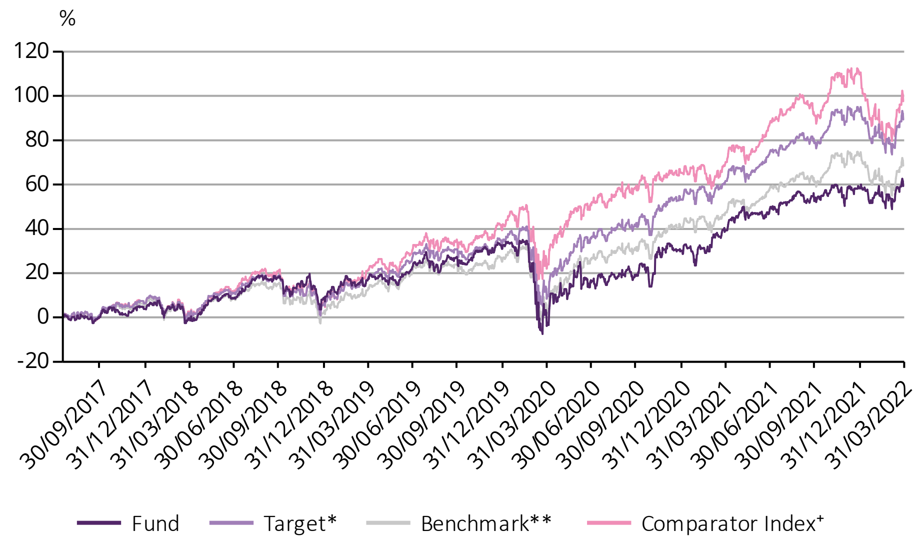
In the first quarter of 2022 the Sub-fund returned 0.7%, outperforming the MSCI World benchmark index return of -2.4% by 3.1%. In the 12-month period to end March 2022 the Sub-fund returned 14.9% against a benchmark index return of 15.4% thus posting a relative performance of -0.5%. Since inception, the Sub-fund has returned 10.4% since inception against 11.7% for the benchmark and is now lagging by 1.4% p.a. in relative terms.

This was a good quarter for the Sub-fund which was well positioned for the prevailing market environment. The portfolio currently maintains a value tilt which proved beneficial as the equity markets, particularly in the first two months of the quarter, favoured stocks with lower valuations. The defensive characteristics of the portfolio, due to its focus on high earnings visibility and robust business models, also proved helpful primarily via relatively defensive holdings in the healthcare and industrials sectors.

Also important from a performance perspective, was the impact of what is not held in the portfolio. The lack of exposure to high multiple growth stocks was particularly helpful as these segments of the market dropped sharply in January and February. The portfolio did not have any direct exposure to either Russia or Ukraine and portfolio companies had very limited exposure to the region. Interestingly, the Sub-fund's good performance was achieved despite the nil weight in the energy and materials sectors which performed particularly well as commodity prices spiked in response to events in Ukraine.

At the stock level, contributors outnumbered detractors in a ratio of two to one as better-than expected operational performance at several companies was complemented by the defensive characteristics of the companies held. The three largest contributors were L3Harris, American Express and Henry Schein.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Target: MSCI World (GBP)(TRNet)+2.5%*

*** Benchmark: MSCI World (GBP)(TRNet)*

⁺ The Comparator Index MSCI World Quality Price Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

L3Harris (L3) is a U.S. manufacturer of communications equipment for the defence industry. Consistent with other defence stocks L3 performed strongly following Russia's invasion of Ukraine in the expectation that the industry will benefit from the increased defence spending by governments, particularly in Europe. American Express (Amex), the credit card service company, outperformed following the release of its quarterly results in January. Results were better than expected, notably for the 'Goods & Services' total billed business which was up by 24%, and the company continues to recover well from the impact of the pandemic. Henry Schein, who produces and distributes medical and health care products, also

LCIV Global Equity Focus Fund

released a strong set of results for the fourth quarter of 2021 that surpassed both market estimates and company's own expectations. Additionally, the management offered improved guidance for future revenues. As a result, shares outperformed strongly during the first quarter of 2022, more than recouping the underperformance registered in the last quarter of 2021.

The three largest detractors were IQVIA, TJX and Charter Communications. IQVIA, the U.S. health information technology and clinical research company, was one of last quarter's top performers but lost ground in Q1. This was mainly due to concerns about an important segment of their customer base (early-stage biotech start-ups) facing a weaker funding environment. The discount retailer TJX underperformed in the first quarter of the year on the back of reporting disappointing quarterly sales growth and gross margins. This was due to weak sales in January caused by rising Omicron variant cases and social distancing restrictions outside of the U.S. Charter Communications (Charter), a large cable operator in the U.S. that provides high-speed broadband, telephony and television products, underperformed again this quarter. Fourth quarter 2021 results, released in January, showed broadband net additional subscriptions roughly in line with recent results but lower than the high levels seen during the lockdowns. The company also guided to higher levels of capital spending to support the roll out of broadband in rural areas. Charter is amongst the most indebted companies in the portfolio and the investment manager is wary of the potential impact of a higher rate environment on the company. Given that only a quarter of the company's debt matures within the next five years they are not overly concerned.

Market Views

Russia's invasion of Ukraine triggered swift and wide-ranging sanctions against Russia by Western governments. The conflict and the sanctions that followed have caused higher oil and gas prices and exacerbated existing inflationary pressures. For many companies, these inflationary pressures were already being felt and, although the war may have changed their magnitudes, inflation and other fundamental issues impacting companies remain largely the same as three months ago.

The Sub-fund's investment manager has been concerned that inflation would not prove transitory. The ability of a company to succeed in an extended and more entrenched inflationary environment has been a key consideration for the research team when reviewing portfolio companies and considering new ideas. In periods of elevated inflation, high quality companies such as those they seek to invest in have tended to be resilient because higher margins and pricing power act as a strong defence against the impact of cost inflation on cash flow generation. The investment manager continues to focus on finding those companies that can navigate this uncertain environment successfully and may even have an opportunity to strengthen their position if the economy takes a turn for the worse.

Central banks have responded to higher inflation by raising short-term interest rates. The U.S. Federal Reserve increased rates by 25 basis points in March and the Bank of England raised their base rate in December, February, and March. In what is potentially the end of the quantitative easing era for markets the Federal Reserve also suggested that quantitative tightening (QT) will start in May. A period of tighter monetary conditions may well dissipate some of the excess that we have observed in parts of the market over recent years. In the investment manager's view this can be particularly painful for stocks with high multiples, usually attributed to growth companies, which are vulnerable if results disappoint, or interest rate expectations rise. The investment manager's strict valuation discipline has kept them away from those areas of excess.

Over the last eighteen months many companies have benefitted from the largesse of consumers that have been flush with cash from government stimulus during the pandemic. As the effects of this stimulus wane,

LCIV Global Equity Focus Fund

consumers are being hit by significant increases in fuel costs for both transport and household utilities as well as more general inflation. The investment manager is watchful of the potential for this to squeeze consumer spending and push the economy into recession.

The investment manager believes that volatility in markets seems set to continue and this can be challenging, it can also be the stock picker's friend and such an environment should offer a fertile hunting ground for new ideas.

Positioning

The Sub-fund maintained a significant regional allocation to North American equities at c. 83% followed by an exposure of 17% to European equities. At the sector level the largest exposure was to health care at 29.3% followed by financials at 20.3%. The largest positions at the stock level at the end of March 2022 were UnitedHealth at 4.8%, WW Grainger at 4.4% and L3Harris at 4.2%.

Over the first quarter the investment manager initiated a position in CDW (originally Computer Discount Warehouse) which is a US-focused reseller of IT hardware, software, and services. The company acts as an intermediary in the value chain, aggregating and procuring products from multiple vendors and selling these on to customers. The investment manager believes CDW has many of the features of a high-quality company: it earns high returns, is predictable, has identifiable opportunities to grow, allocates capital well and scores well on environmental, social and governance factors and receives a 'negligible risk' ESG risk rating from Sustainalytics. Nevertheless, it is cyclical due to its exposure to the IT investment cycle.

Over the quarter, the investment manager fully exited from the position in the Japanese brewery Asahi. The investment manager believes that Asahi's competitive position has deteriorated following modest but consistent market share losses and a decline in operating margin. In June 2020, Asahi acquired Carlton and United Breweries from Anheuser-Busch InBev at what the investment manager believes was a high price. In their view this was a questionable use of capital, and it has eroded their confidence in future capital allocation decisions. As a result of the apparent deterioration in competitive positioning in Japan and their concerns over future capital allocation they decided to sell the position.

Fund Monitoring

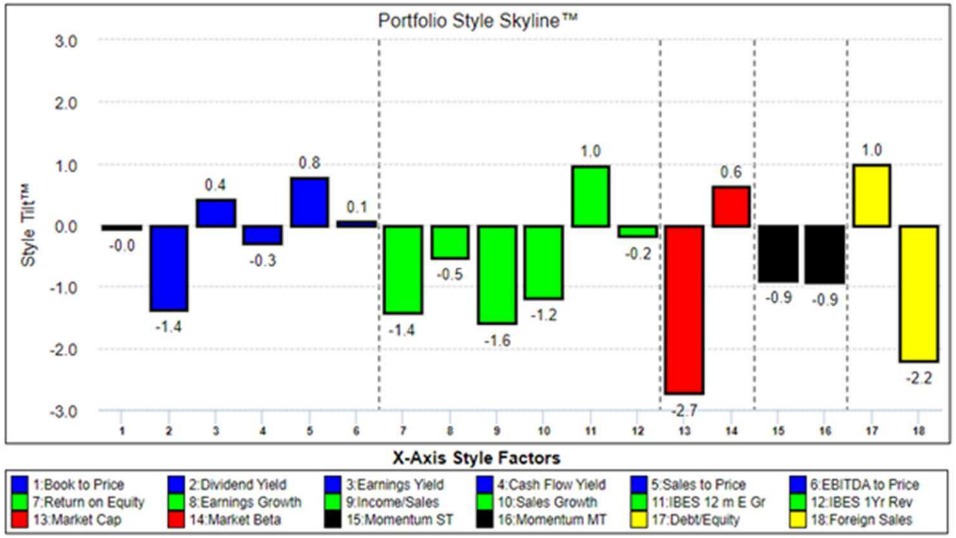
The investment manager remains on watch since October 2020 due to concerns regarding their investment approach, high personnel turnover, including the departure of the CIO Alistair Graham, and weak performance.

The investment team at LCIV have conducted a peer group comparative analysis via a soft market test and an extended investment due diligence on the investment manager using our RAG scoring framework. We note the progress the investment manager has made in certain areas such as performance, personnel and ESG integration while we retain concerns over other areas such as 'value for money' and investment approach. An update on the investment manager's monitoring status will be shared with investors in May.

LCIV Global Equity Focus Fund

Style Analysis

In terms of style, during the last quarter (Q4 2021) the Sub-fund remains titled away from dividend yield and most growth factors (green bars) with a bias towards smaller cap stocks and those with low foreign sales.



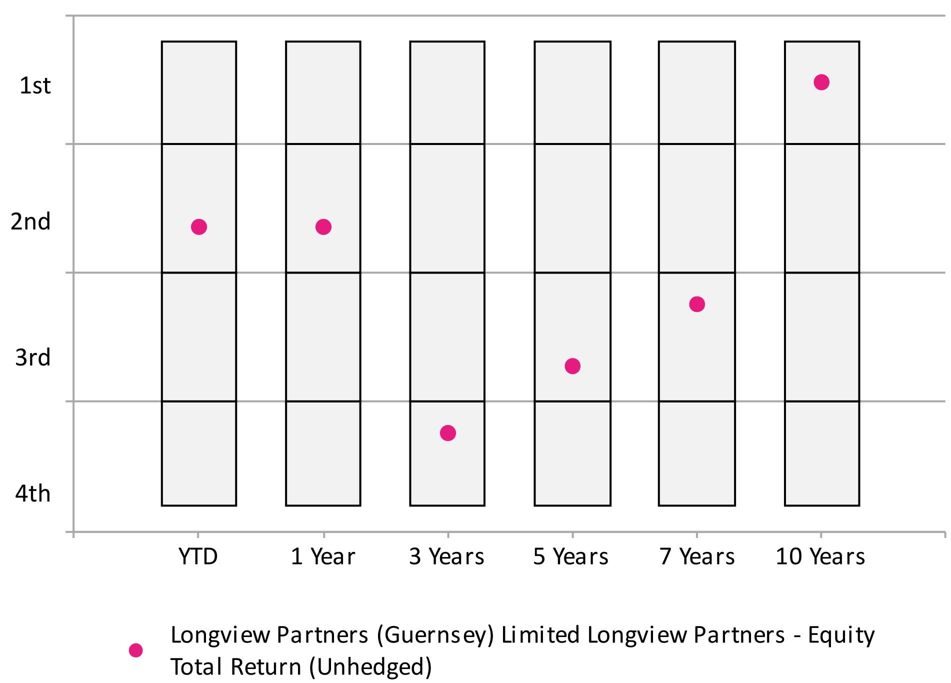
Source: eVestment as at 31st December 2021

LCIV Global Equity Focus Fund

Peer Analysis

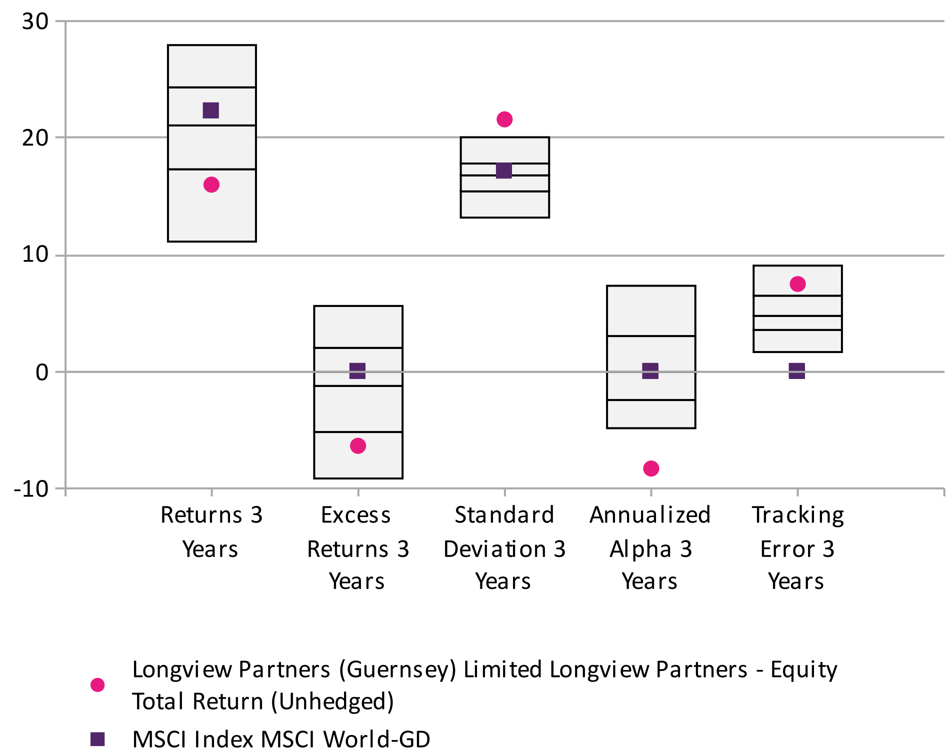
The peer group is the Global Large Cap Core Equity. During the last year and over the longer term (10 years), relative to its peers the Sub-fund has witnessed returns in the top two quartiles and has been particularly strong over the longer time period. However, the Sub-fund has under-performed the MSCI World benchmark over 3 years and has taken a relatively high amount of risk.

Returns



Source: eVestment as at 31 December 2021

Key Risk Statistics



Source: eVestment as at 31 December 2021

LCIV Global Equity Focus Fund

Conclusion

This was a good quarter for the Sub-fund which was well positioned for the prevailing market environment. Relative return for the quarter was 3.1% which helped to trim the since inception underperformance from -2.2% at the end of 2021 to -1.4% p.a. this quarter.

The portfolio currently maintains a value tilt which proved beneficial as the market, particularly in the first two months of the quarter, favoured stocks with lower valuations. The defensive characteristics of the portfolio due to its focus on high earnings visibility and robust business models also proved helpful primarily via holdings in the traditionally defensive healthcare and industrials sectors.

As we are concluding our peer group and extended due diligence exercise on the investment manager, we are retaining a 'watch status' and will update investors in May.

LCIV Global Equity Focus Fund: Portfolio Characteristics

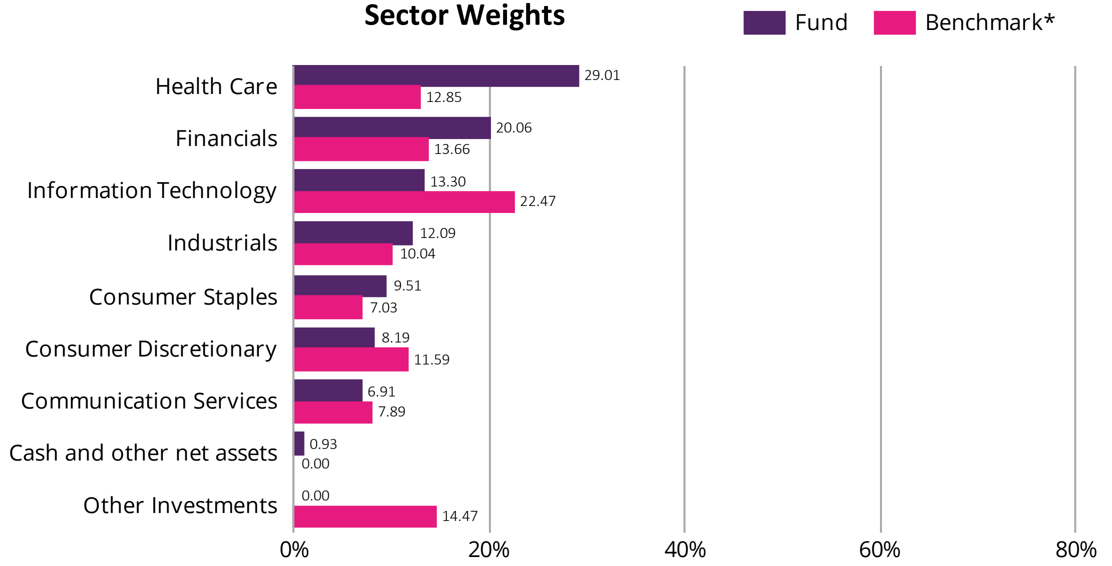
Key Statistics	
Number of Holdings	33
Number of Countries	5
Number of Sectors	7
Number of Industries	21
Yield %	1.21

Source: London CIV data as at 31 March 2022

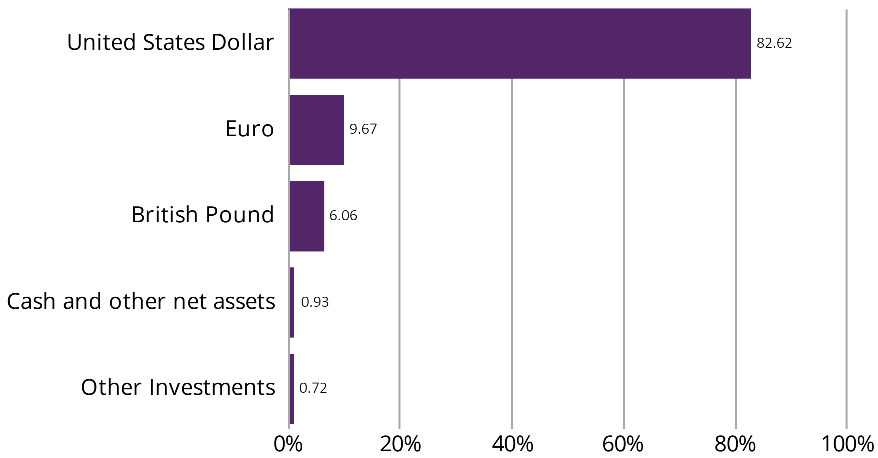
Risk Statistics	
Tracking Error (%)	4.76
Beta to Benchmark	1.00

Source: London CIV

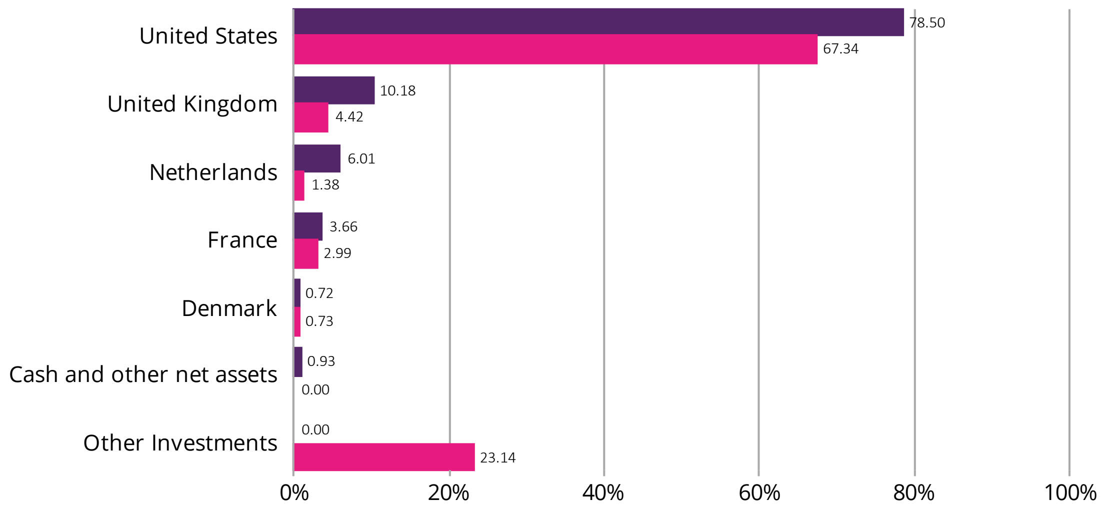
Sector Weights



Currency Weights



Country Weights



Source: London CIV data as at 31 March 2022
**MSCI World (GBP)(TRNet)+2.5%*

LCIV Global Equity Focus Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Unitedhealth Group	4.81
Ww Grainger	4.38
L3harris Technologies	4.21
HCA Healthcare Inc	4.13
Aon	4.11
State Street	4.02
Marsh & Mclennan Co's	4.01
Alphabet Inc Class A	3.95
Henry Schein	3.94
Becton Dickinson	3.90

Top Ten Contributors

Security Name	% Contribution
L3harris Technologies	+0.74
American Express	+0.68
Henry Schein	+0.55
Aon	+0.45
Becton Dickinson	+0.33
Medtronic	+0.31
Sysco	+0.27
Unitedhealth Group	+0.23
Sanofi	+0.20
Us Foods Holding	+0.18

Top Ten Detractors

Security Name	% Detraction
IQIVA Holdings	(0.74)
Tjx Cos	(0.63)
Bank of New York Mellon	(0.51)
Charter Communications	(0.48)
Heineken Nv	(0.46)
State Street	(0.15)
Fidelity National Infomation Services	(0.13)
United States Dollars - Pending	(0.12)
Arrow Electronics	(0.11)
CDW Corp	(0.09)

New Positions During Quarter

Security Name
Moody's

Completed Sales During Quarter

Security Name
Henkel Vorzug Prf
Asahi Group Holdings

Source: London CIV data as at 31 March 2022

LCIV Global Equity Focus Fund: ESG Summary

Summary of ESG Activity for the Quarter

There is no direct exposure to any Russian or Ukrainian companies. Longview has not identified any material risks, either directly or indirectly associated with the portfolio companies, nor have the Sustainalytics risk profiles of the companies changed materially after the outbreak of the crisis.

This quarter, the investment manager undertook an audit of portfolio company climate commitments to ascertain the current position in relation to the greenhouse gas emission reduction targets which have been set to meet the goals of the Paris Agreement. From this initial exercise, Longview intends to identify and prioritise companies to engage with on this matter; either seeking more clarity, or pushing for firmer commitments for action. They found that 75% of Longview portfolio companies have set a carbon emissions reduction target, compared to 43% of the Russell 1000. Whilst Longview is encouraged by existing commitments, they believe there is a need for engagement with some companies, to obtain greater clarity or to push for further action.

Longview engaged with Henry Schein, an American healthcare distributor regarding its recent climate commitments made. The company had signed the Business Ambition for 1.5°C warming Science Based Targets Initiative (SBTi), committing them to set a long-term, science-based emissions reduction target to reach net zero global emissions by 2050. The pledge and the intention were clear, but the announcement did not provide much detail on the targets. Due to this, Longview requested clarity on the plan. Henry Schein confirmed that they were currently calculating the "baseline" emissions for parts of the business, and once completed would set appropriate reduction targets. The company confirmed they expected this to be completed by year end. Longview will monitor the company to check that these pledges are met.

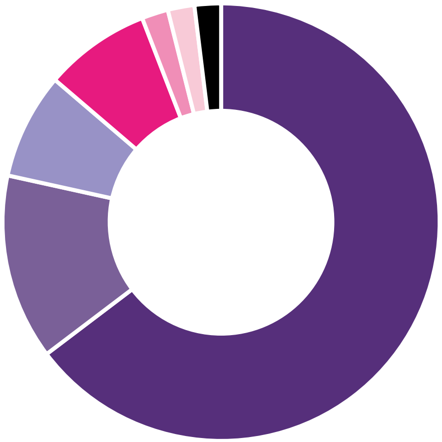
Longview engaged with Zimmer Biomet (Zimmer) to discuss its rating from Sustainalytics, which deemed the company to be high risk from an ESG perspective. It was noted that Zimmer's ESG Risk Rating had been lowered to medium risk. Zimmer had improved on its quality and safety standards in its 2020. Sustainability Report and this was reflected in the re-rating. Sustainalytics now recognises that Zimmer has in place the necessary quality and safety measures, in line with industry best practice.

LCIV Global Equity Focus Fund: ESG Summary

Voting Summary

As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

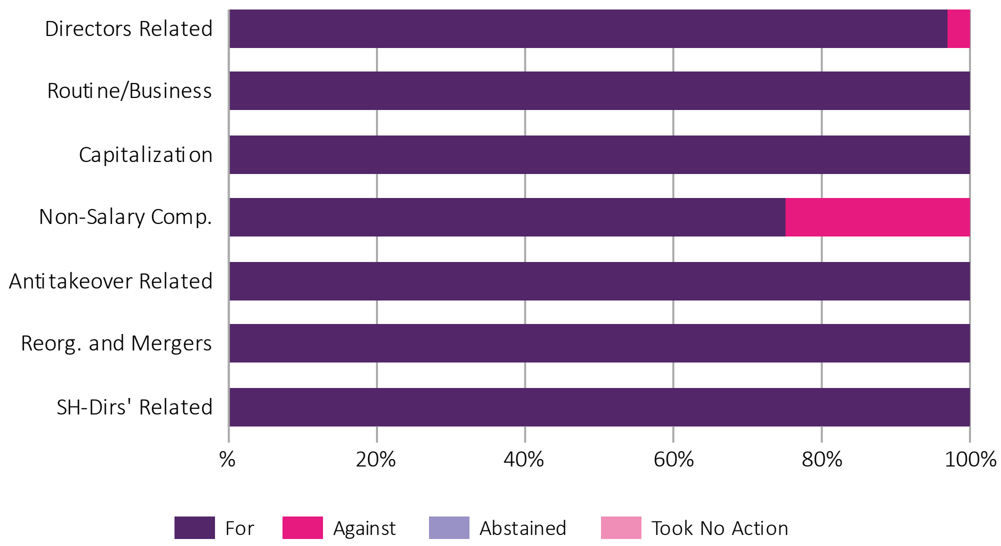
Proposals Breakdown



Directors Related	33
Routine/Business	7
Capitalization	4
Non-Salary Comp.	4
Antitakeover Related	1
Reorg. and Mergers	1
SH-Dirs' Related	1

Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10811

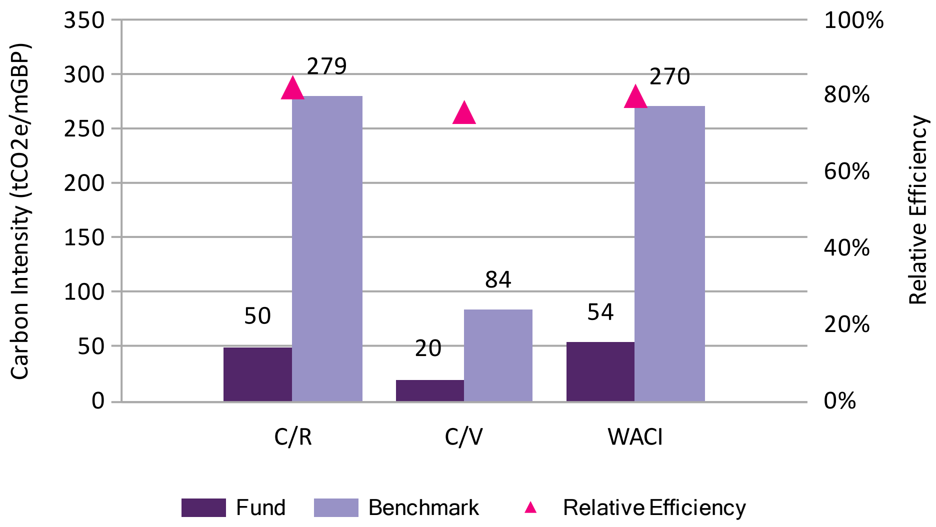
LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

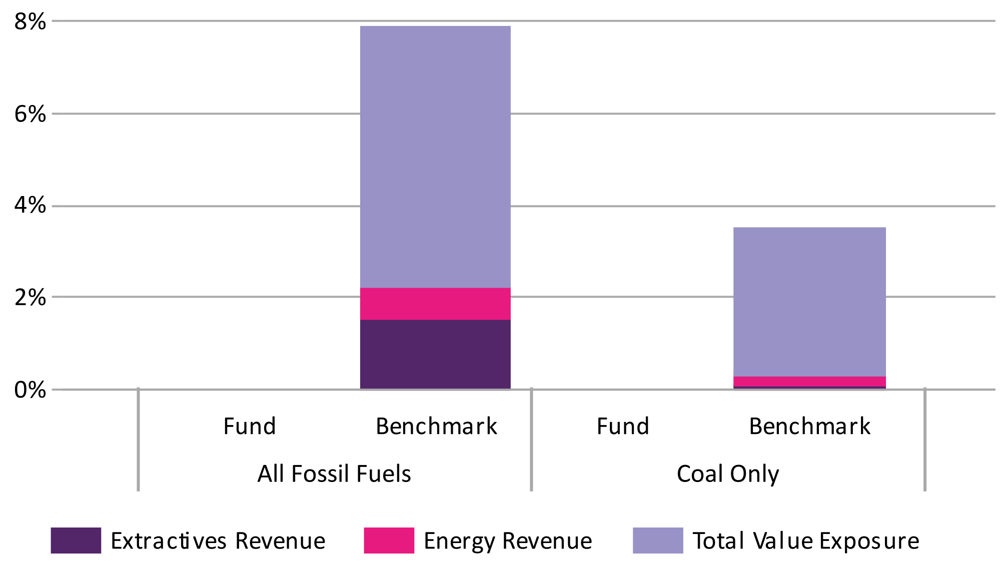
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI World

LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-0.10%	No
Abbott Laboratories	283.34	-0.10%	No
Stanley Black & Decker, Inc.	290.76	-0.07%	No
Texas Instruments Incorporated	265.86	-0.03%	No
The Procter & Gamble Company	176.82	-0.03%	Yes
Baxter International Inc.	127.76	-0.03%	No
Amphenol Corporation	147.65	-0.01%	No
The Coca-Cola Company	160.33	-0.01%	Yes
Atlas Copco AB	136.09	-0.01%	No
Reckitt Benckiser Group PLC	90.78	-0.01%	No

LCIV Emerging Market Equity Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£522.6m

Inception date:	11/01/2018
Price:	100.50p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The Sub-fund's objective is to achieve long-term capital growth by outperforming the MSCI Emerging Market Index (Total Return) Net by 2.5% per annum net of fees annualised over rolling three year periods.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been JPMorgan Asset Management (UK) Limited since 11 October 2019. Prior to this the fund was managed by Henderson Global Investors.

Enfield Valuation:

£32.3m

Enfield investment date: 24/10/2018

This is equivalent to 6.17% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £31,824

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(6.12)	(10.37)	4.47	n/a	1.07	5.87
Investment Objective*	(3.72)	(4.80)	7.19	n/a	4.37	9.81
Relative to Investment Objective	(2.40)	(5.57)	(2.72)	n/a	(3.30)	(3.94)
Benchmark**	(4.30)	(7.12)	4.58	n/a	1.83	7.13
Relative to Benchmark	(1.82)	(3.25)	(0.11)	n/a	(0.76)	(1.26)

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*
*** Benchmark: MSCI Emerging Market Index (TR) Net*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Emerging Market Equity Fund

Quarterly Commentary

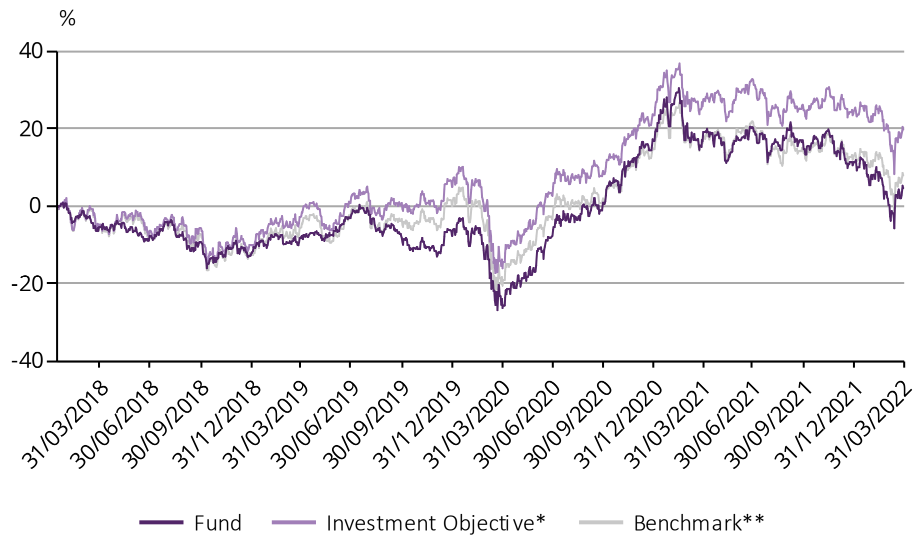
Performance

In a challenging first quarter, the Sub-fund's value decreased by 6.1%, while the benchmark, MSCI Emerging Market Index, dropped by 4.3% over the same period, resulting in -1.8% underperformance for the Sub-fund. One-year relative return of -3.3% is indicative of weak medium-term performance, with the Sub-fund returning -10.4%, against -7.1% returns for the benchmark. Longer term performance, especially considering the underperformance of the legacy investment manager, is more muted – three year returns for the Sub-fund stand at 4.5%, a relative underperformance of -0.1%.

Continuing the 2021 trend, emerging markets equities have lagged developed markets equities in the first quarter. While performance was affected by Chinese regulatory pressures and increasing inflation expectations previously, more recently it was Russia's invasion of Ukraine that further compounded the woes of emerging markets. Russia's aggression and its impact on world supply chains was the prevalent theme across all geographies; however, the impact was understandably more severe in emerging markets. Characteristically, the maximum drawdown in emerging markets equities was roughly 18%, versus just over 10% for the developed markets equities.

A key factor in the Sub-fund's underperformance over the last year has been the style rotation from growth to value across global equity markets. Given the portfolio's inherent 'quality growth' bias, the Sub-fund is expected to underperform in late market cycles when cheap cyclical stocks tend to outperform the wider market. This style rotation started much earlier in the emerging markets but is now evident in developed markets too. The portfolio does have some cyclicality, albeit not necessarily through traditional value-oriented sectors (i.e., materials, energy or industrials).

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*

*** Benchmark: MSCI Emerging Market Index (TR) Net*

The investment manager's weak stock selection and over allocation to an underperforming communication services sector over the first quarter was the main headwind for the portfolio. Within the sector and across the portfolio, the largest detractor, Sea ltd continued its decline from the prior quarter on the back of weak guidance. The stock was one of the best performing positions for the first few quarters since its purchase; however, it is now trading close to the levels at which it was initially bought.

Energy sector led the headlines as Russian stocks were by far the largest detractors, while Middle Eastern oil companies were some of the best performers - the portfolio does not hold any energy stocks.

LCIV Emerging Market Equity Fund

Stock selection in financials was adversely impacted by Sberbank, a Russian bank heavily affected by recent sanctions against Russia. Currently, London CIV is working towards exiting this position, and in the meanwhile, the stock has been written down to zero by London CIV's Valuation Committee. Within financials, not owning Gulf banks was also a headwind; however, their revenues' cyclical dependency on commodities makes them an unsuitable investment for the investment manager.

Against the backdrop of rising commodity prices, B3, a Brazilian stock exchange was understandably the largest performance contributor due to the surge in increased inflows and positive sentiment across Brazilian equities.

Market Views

Russian invasion of Ukraine was undoubtedly the driving factor across global markets over the first quarter. The investment manager has had long standing views on Russia and has only occasionally invested in Russian companies, if perceived to be 'quality' or 'premium'. However, they now believe that the country is not investible. Political risk is usually priced in when investing in emerging market economies, but in the investment manager's opinion, the geopolitical risk associated with Russia makes any investment untenable now.

Recent geopolitical events have risen fears of a spill over into Chinese equities and investors are reassessing the risks associated with economies where state intervention remains pervasive. The investment manager is aware of the political risk in investing in such geographies, but in their view the investment premise, in the case of China, still holds strong. The investment manager believes that the domestic focus of current holdings makes them relatively immune from any regulatory headwinds. However, this view can be challenged given the exposure to technology and e-commerce names, such as Tencent and AliBaba. Overall, the investment manager's views are in line with the broader market which appears to be pointing to an undervaluation for Chinese equities. Also, there are further tailwinds expected from Chinese authorities' strong will to deliver the targeted 5-6% annual growth and an accommodative monetary policy.

Regional dispersions have surfaced across equity markets due to the impact of recent events on commodities. This has resulted in countries such as Brazil, Peru and South Africa outperforming the broader index. Oil based economies, in particular Middle Eastern states, have also benefited from positive investor sentiment, due to the shift in global supply dynamics.

Positioning

The Sub-fund has maintained its structural underweight to cyclical sectors such as materials, energy and real estate, attributing to most of the portfolio's relative underperformance since the early part of last year when investors started gravitating towards value stocks. While the portfolio maintains exposure to some cyclicality, it is mostly through consumer discretionary, and only marginally through materials.

China still presents the largest opportunity set within emerging markets and remains the Sub-fund's largest geographical exposure, albeit on a relative basis the portfolio is slightly underweight against the benchmark. With a new wave of lockdowns, Chinese equities could extend their recent losses.

Across sectors, financials retain the largest overweight and a significant part of that exposure is within India. The investment manager expects an increase in domestic economic activity to have a positive impact on these positions. The largest positions within financials are the longstanding holdings, HDFC bank and HDFC ltd. With the news of a merger of these two separate entities,

LCIV Emerging Market Equity Fund

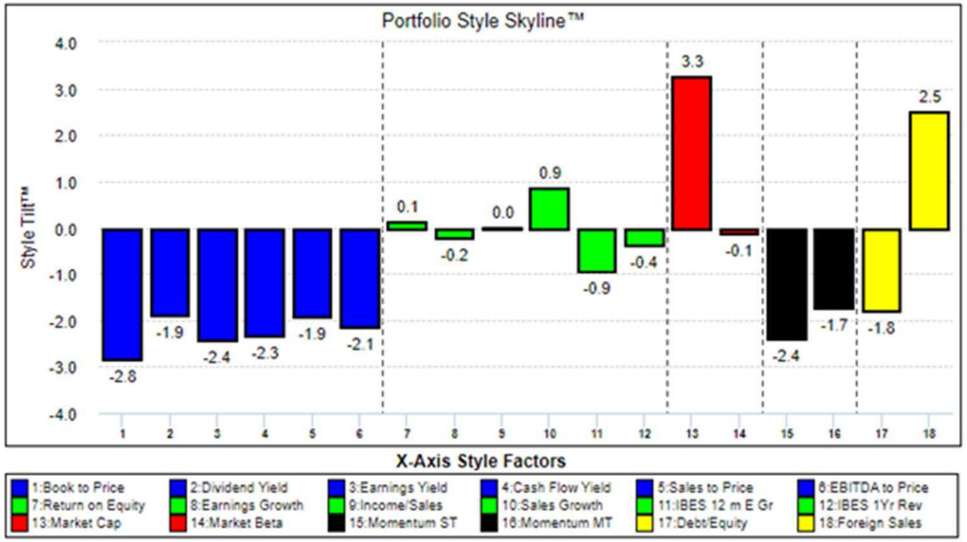
the investment manager is currently evaluating if the company will become an oversized conglomerate.

There has been one addition to the portfolio over the quarter, LG Chem, a South Korean company with a key focus on EV batteries and life sciences.

Overall, the portfolio maintained its ‘quality growth’ bias and is expected to perform well in more benign market conditions. However, if current inflation concerns persist, then the portfolio’s under allocation to commodity related names could be a headwind for the near term.

Style Analysis

The Style analysis shows that the Sub-fund has maintained its exposure to expensive stocks (negative value). The bias towards companies with a larger market cap than the benchmark and higher quality remains consistent. There has been a move over Q4 towards stocks with negative momentum.



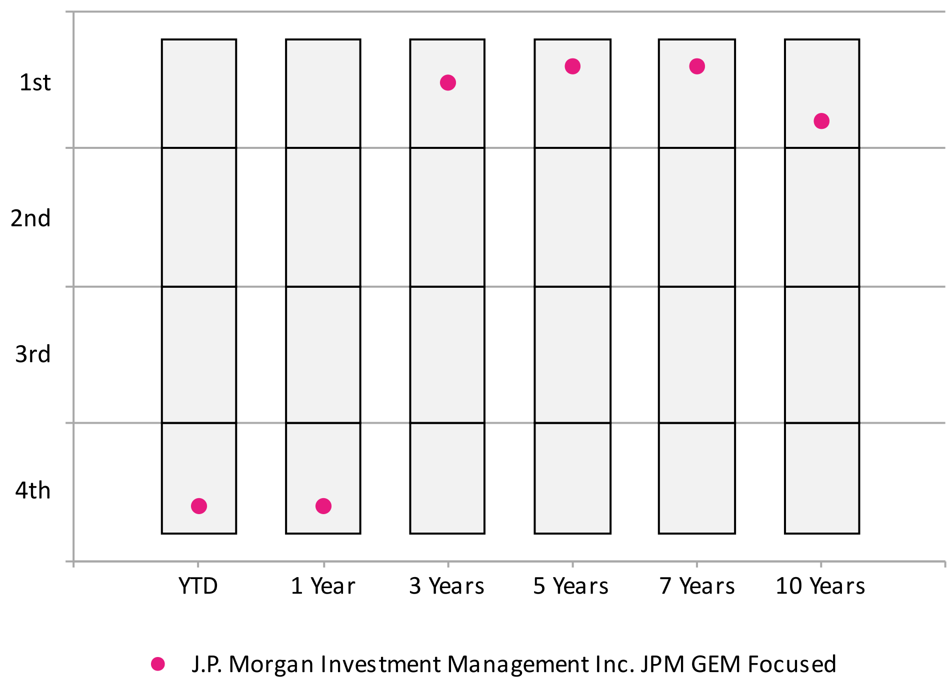
Source: eVestment as at 31st December 2021

LCIV Emerging Market Equity Fund

Peer Analysis

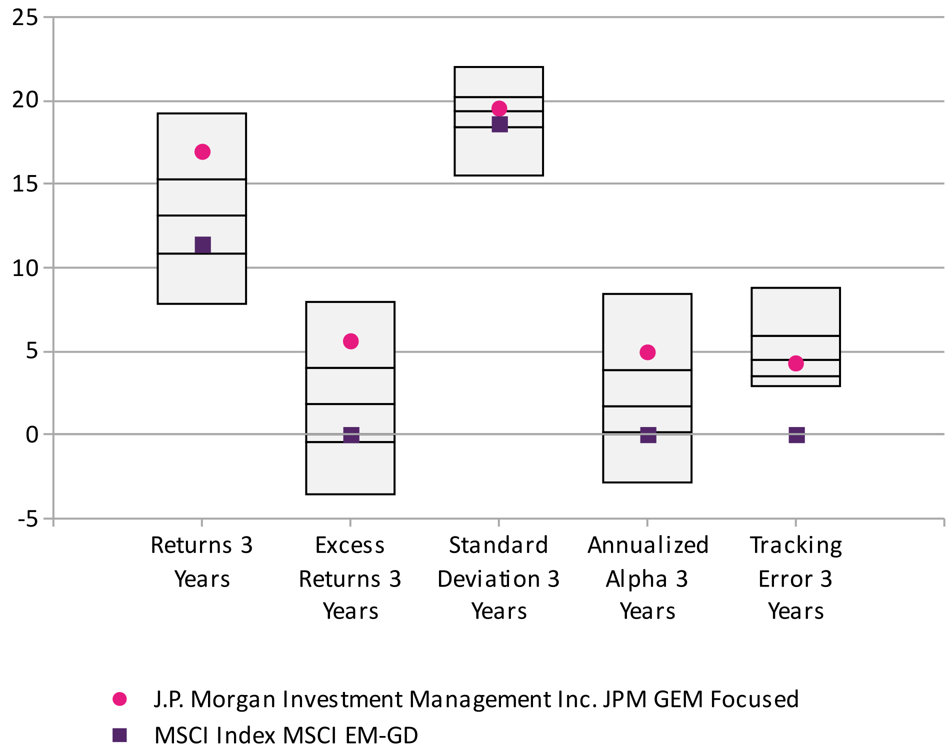
The peer group is the Global Emerging Markets All Cap Core Equity. Peer relative return has highlighted the investment manager to be a top performer with returns in the top quartile over the medium to longer term (3 years plus), although 2021 performance has seen it move to the bottom quartile. Over the 3 year period, the Sub-fund has out-performed the benchmark, with a level of risk at the mid range compared to its peers.

Returns



Source: eVestment as at 31 December 2021

Key Risk Statistics



Source: eVestment as at 31 December 2021

LCIV Emerging Market Equity Fund

Conclusion

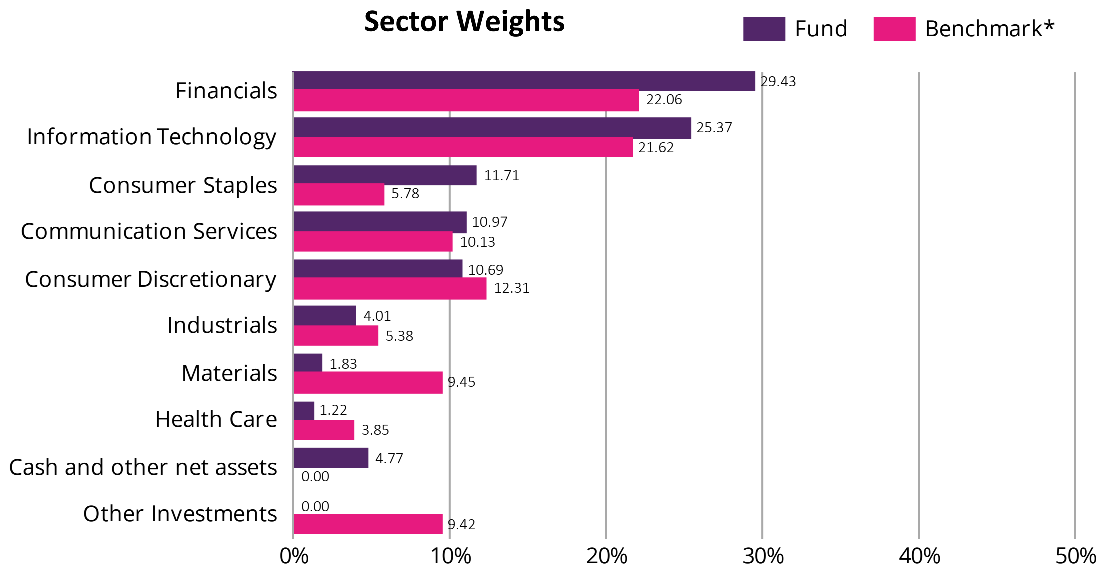
The Sub-fund lagged its benchmark in the first quarter of the year thus extending its underperformance from the latter part of 2021. While the market style rotation from growth to value has been the key headwind for the portfolio over 2021, in Q1 2022 it was geopolitical events that took their toll on a portfolio that is expected to thrive in benign market conditions.

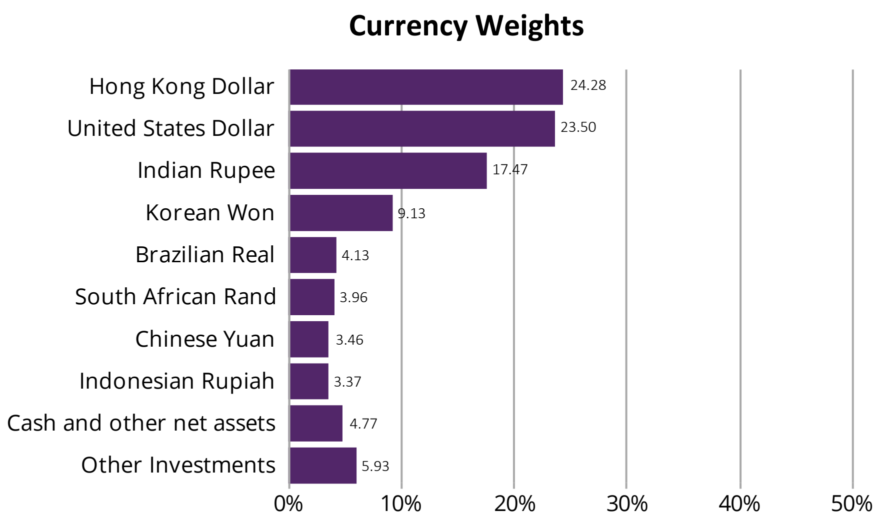
Overall, the investment manager remains focused on quality stocks where company specific factors are the main driver of returns. The investment manager invests in companies with 'sustainable' earnings growth, which in effect excludes a large part of cyclical and commodity related stocks. This could result in inflation posing medium term challenges for the portfolio. However, the style rotation across equity markets, along with the extended underperformance of Chinese stocks, has now created attractive opportunities for the investment manager and the portfolio is still expected to outperform on the back of robust earnings growth in the long run.

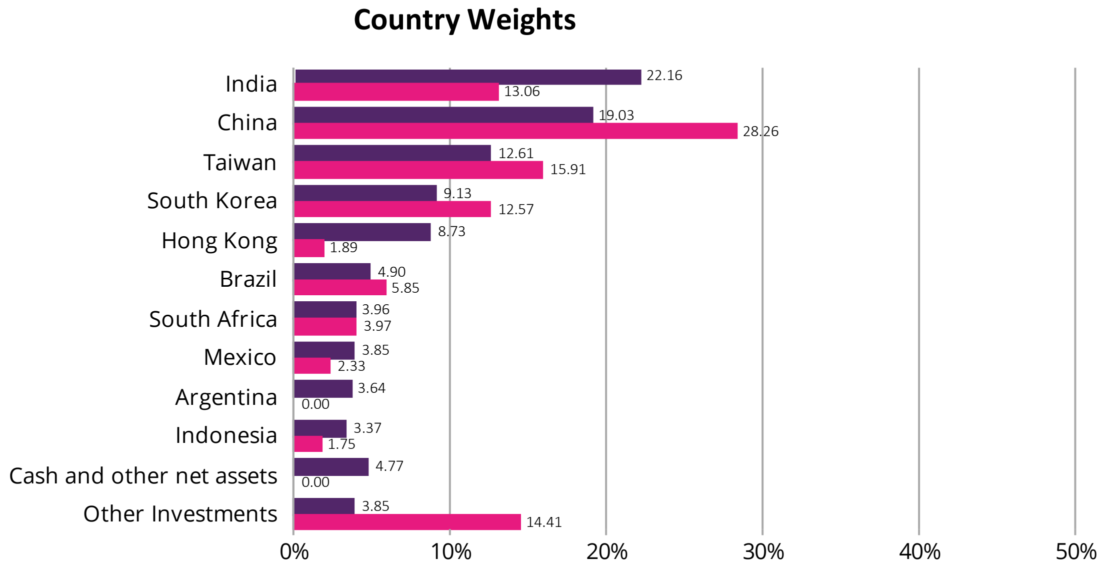
LCIV Emerging Market Equity Fund: Portfolio Characteristics

Key Statistics	
Number of Holdings	52
Number of Countries	15
Number of Sectors	8
Number of Industries	24

Source: London CIV data as at 31 March 2022







Source: London CIV data as at 31 March 2022
**MSCI Emerging Market Index (TR) Net+2.5%*

LCIV Emerging Market Equity Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Taiwan Semiconductor Manufactor ADR	7.99
Tencent Holdings	6.06
Samsung Electronics	6.06
HDFC Bank ADR	4.68
Infosys	4.58
Housing Development Finance	4.47
AIA Group	4.39
Tata Consultancy Services	4.09
Mercadolibre	3.64
Capitec Bank Holdings	2.10

Top Ten Contributors

Security Name	% Contribution
Capitec Bank Holdings	+0.47
Itau Unibanco Holding	+0.38
B3 Brasil Bolsa Balcao	+0.36
Bank Rakyat Indonesia Persero	+0.31
Credicorp	+0.26
AIA Group	+0.26
Weg	+0.22
Grupo Financiero Banorte	+0.21
Wal-Mart De Mexico	+0.19
Bank Central Asia	+0.18

Top Ten Detractors

Security Name	% Detraction
SEA	(1.53)
Epam Systems Inc	(1.34)
Tencent Holdings	(0.95)
Sberbank Of Russia	(0.74)
Taiwan Semiconductor Manufactor ADR	(0.73)
Samsung Electronics	(0.61)
Wuxi Biologics	(0.45)
Techtronic Industries	(0.35)
Sberbank Of Russia	(0.34)
Hong Kong Exchanges & Clearing	(0.32)

New Positions During Quarter

Security Name
Lg Chem

Completed Sales During Quarter

Security Name
not applicable, no completed sales during the quarter

Source: London CIV data as at 31 March 2022

LCIV Emerging Market Equity Fund: ESG Summary

Summary of ESG Activity for the Quarter

The investment manager stated they do not believe Russian equities are suitable investments in an emerging market-focused portfolio in terms of their investment philosophy, process and risk management. Specifically, they see material risks to equity ownership and the ability to receive and repatriate dividends due to both international and Russian sanctions and policies.

JPM identified that EPAM Systems is at higher risks associated with the invasion of Ukraine and have spoken to the company twice since the end of January, as well as attending broader earnings updates. EPAM has confirmed they will exit their Russia operations. The company also expects to retain a substantial portion through relocations. Most of the firm's employees in Ukraine are in safe areas and at productivity consistent with 2021.

JPM also highlighted supply chain disruption as a result of Covid-19. They are to track every part of the supply chain by utilising fundamental bottom-up research, as well as extensive engagement with company management, suppliers and authorities. They believe that companies need to maintain high ESG standards as they deal with disruptions – taking governments, investors and consumers into consideration.

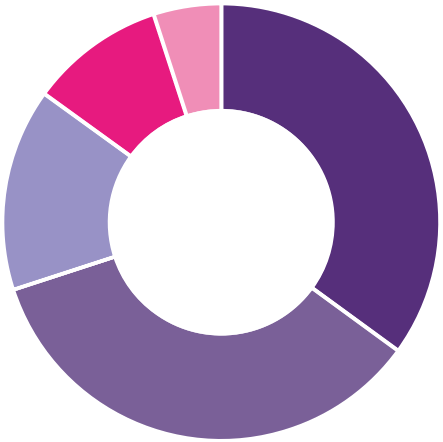
JPM provided an engagement example for Alibaba this quarter. The investment manager met with the new ESG director for Alibaba, during the engagement JPM raised concerns over social issues, especially on diversity and equal opportunity. JPM also proposed to the company to disclose more quantitative and qualitative employee engagement results in these areas. JPM raised its concerns by stating that Alibaba failed to take appropriate measures promptly when an employee was sexually assaulted during her business trip by her manager, which illustrates a lack of safe and direct channels to escalate this type of issue to senior management. In addition, it has negatively affected Alibaba's corporate reputation and employee morale. Due to this, JPM has reflected this in their ESG checklist and materiality score for the company. Regarding climate, Alibaba announced new climate neutrality targets and a low carbon transition roadmap. JPM was encouraged by the details of the report and how it responded to the Carbon Disclosure Project (CDP) climate change survey and embed science in its targets.

LCIV Emerging Market Equity Fund: ESG Summary

Voting Summary

As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

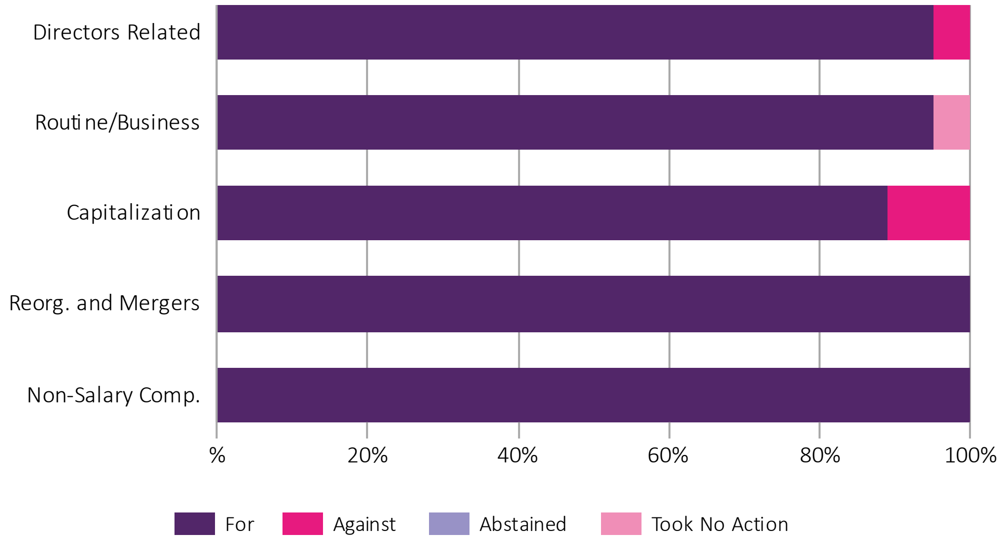
Proposals Breakdown



Directors Related	21
Routine/Business	21
Capitalization	9
Reorg. and Mergers	6
Non-Salary Comp.	3

Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10808

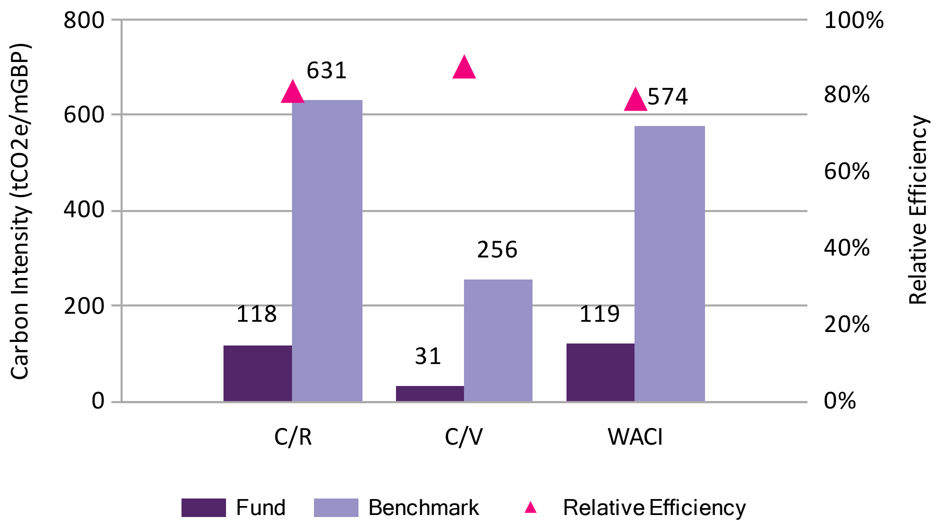
LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

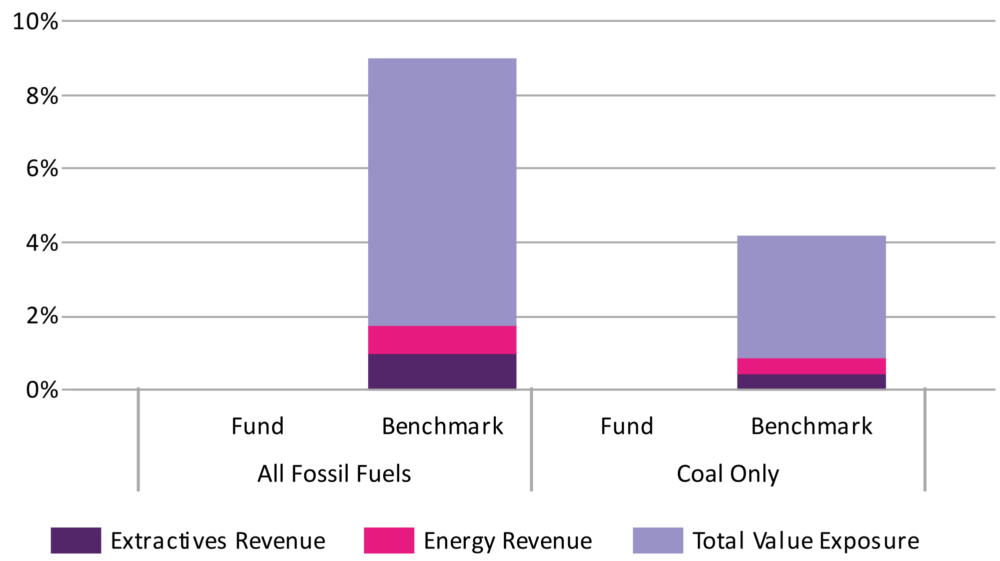
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI Emerging Markets

LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
RWE Aktiengesellschaft	9,016.07	-0.20%	Yes
China Longyuan Power Group Corporation Limited	3,146.70	-0.12%	No
NextEra Energy, Inc.	3,753.29	-0.10%	Yes
Orsted	1,041.08	-0.04%	No
Xinyi Solar Holdings Limited	2,223.94	-0.03%	No
Martin Marietta Materials, Inc.	2,008.95	-0.02%	Yes
CRH Plc	2,088.43	-0.02%	Yes
Iberdrola, S.A.	609.98	-0.01%	Yes
Italgas S.p.A.	758.19	-0.01%	No
Rio Tinto Group	1,005.81	-0.01%	No

LCIV MAC Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£1,007.8m

Inception date:	31/05/2018
Price:	105.00p
Distribution frequency:	Annually
Next XD date:	03/01/2023
Pay date:	28/02/2023
Dealing frequency:	Monthly

Investment Objective

The Sub-fund's objective is to seek to achieve a return of SONIA (30 day compounded) +4.5%, with a net asset value volatility of less than 8%, on an annualised basis over a rolling 4 year period, net of fees.

The ACS Manager currently intends to invest the Sub-fund through: i) a delegated arrangement with an investment manager, PIMCO Europe Ltd; and ii) one collective scheme, the CQS Credit Multi-Asset Fund a sub-fund of CQS Global Funds (Ireland) p.l.c, an alternative investment fund, authorised by the Central Bank of Ireland. The portfolio is expected to be realigned within three to six months following 28 February 2022.

Enfield Valuation:

£56.0m

Enfield investment date: 30/11/2018

This is equivalent to 5.56% of the Fund

Distribution option: Reinvest

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(1.75)	2.38	3.38	n/a	3.16	3.41
Investment Objective*	1.14	4.63	4.85	n/a	4.95	4.90
Relative to Investment Objective	(2.89)	(2.25)	(1.47)	n/a	(1.79)	(1.49)

** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

† Please note the benchmark changed from the London Interbank Offered Rate (LIBOR) to the Sterling Overnight Index Average (SONIA) with an effective date 1 January 2022 all benchmark past performance prior to this date continues to be calculated against LIBOR.

LCIV MAC Fund

Quarterly Commentary

Performance

The Sub-fund returned -1.75% over the first quarter of 2022, underperforming its target benchmark of SONIA (30 day compounded) + 4.5%, by 2.9%. Over the one-year period, the Sub-fund has returned 2.4%, against target return of 4.6%, an underperformance of -2.2%. In the period since inception, the Sub-fund returned 3.2% on an annualised basis, against a target return of 5%.

Global markets entered February facing the triple threat of inflation, hawkish tone from central banks and fears of further escalation of tensions between Russia and Ukraine. Ahead of the Russian invasion on 24th February, markets had already observed a significant sell off in rates that continued for another three weeks post invasion. Overall, credit markets were rocked by both rising yields and spread widening.

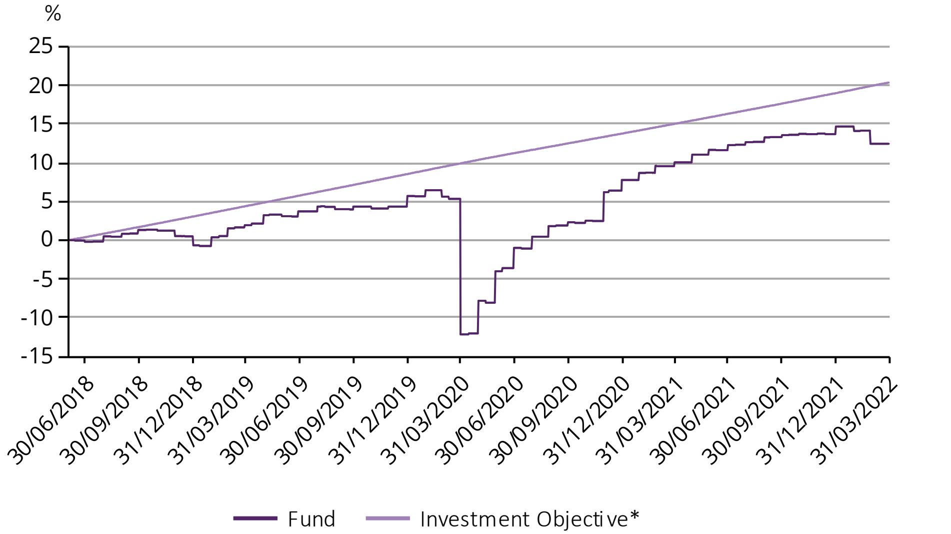
Against this backdrop, the portfolio performed well relative to credit indices, due to its asset class exposure. The Sub-fund's large allocation to floating rate loans helped cushion the portfolio from the impact of the sharp increase in yields.

In rising interest rates environment, floating rate loans offer safety relative to fixed coupon bonds, although loans also suffered from repricing due to growth concerns - only a fraction of loans were trading above par in March 2022 when compared to January 2022. Most of the repricing took place in February, when all parts of the portfolio were prone to broader drawdowns in the credit markets. This was followed by the slight recovery towards the end of the quarter as sentiment stabilised.

Financials were the largest detractor over this period, experiencing their worst quarter since the start of Covid-19 pandemic. High yield bonds were the second largest detractor as spreads widened to levels previously seen in December 2020. European high yield underperformed U.S. high yield due to the perceived direct impact of the war on European economies. The Sub-fund suffered as a result, due to its European high yield overweight.

Asset backed securities (ABS) were also heavily impacted by negative sentiment, in particular the aircraft leasing sector because of concerns over the impact of sanctions. Convertible bonds performed poorly in absolute terms, but this is a small segment of the Sub-fund.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. All performance reported Net of fees and charges with distributions reinvested.

** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

LCIV MAC Fund

Market Views

In a sobering quarter, when all asset classes were punished by the prevailing negative macro environment, the investment managers remain focused on fundamentals. Inflation and the hawkish pivot from central banks were the overriding concerns for the market ahead of the Ukrainian crisis. From a bottom-up perspective, this will have a twofold impact through pressure on gross margins in an inflationary environment and increased cost of debt for corporates. Although the portfolio has very low duration, the investment managers are stress testing the impact of a sharp increase in current interest cost on key financial ratios, starting with U.S. holdings.

At current interest rate levels, and with inflation surging, major central banks are still behind the curve and are expected to play catch up quite aggressively. There are fears that these rushed actions could result in a market recession first, followed by an economic recession. With that in mind, default rates should be a key concern for any sub-investment grade portfolio. To that end, the investment managers believe that default rates have been artificially kept low through monetary and fiscal stimulus. Whilst a systemic default crisis is not expected, businesses in certain sectors face continued cash burn. This could result in default rates rising in the current year and beyond. On the positive side, performance in some industries has been stronger than initially anticipated by rating agencies as evidenced by the swift rerating of many companies. While at a broad level, default risk could creep up, there are still select sectors where loss risk is compensated with attractive yields.

Overall, the recent bout of volatility has resulted in spreads trading wider than their recent lows and the investment managers have been able to buy into some higher yielding opportunities. However, the capacity to rotate the portfolio has been limited by the tight liquidity over the last quarter.

From a technical perspective, supply has been quite limited within sub-investment grade credit whereas demand has been quite resilient. The investment managers expect this tailwind to persist in the near term.

Positioning

The realignment of the Sub-fund to a dual investment manager structure started on 28 February. This process will take place over months to mitigate transaction costs and achieve a steady progression to the targeted equal split between the investment managers. five

The commentary in this section is based on the composition of the CQS Credit Multi Asset Fund (CMA), the original component of the Sub-fund. Beginning in Q2 2022, we will report on the structure of the Sub-fund as a composite of CMA and the delegated account managed by PIMCO.

The Sub-fund maintained its bias towards floating rate securities, including senior secured loans and CLOs. Within loans, the investment manager took advantage of mark-to-market volatility. Exposure to loans was marginally increased in the early part of Q1, but the investment manager took profits in March. The loans book remains tilted towards Europe, but this is expected to change over the near term as the investment manager looks to shift up in credit quality – U.S. loans market tend to have higher average rating. The Sub-fund's exposure to floating rate securities is above 50% currently which should be beneficial from an interest rate risk perspective.

Within ABS, CLOs have benefitted from strong demand and the investment manager has been able to take profits from few positions, mainly BB-rated securities. Cash proceeds from CLOs have been rotated into CMBS and European Regulatory Capital, as part of broader shift towards low beta and high-income assets.

LCIV MAC Fund

Given the lack of spread tightening in European high yield, exposure to this segment was marginally increased initially, particularly in high conviction B rated bonds, before taking profits on a few positions towards quarter end. Europe remains an overweight within high yield, as well as across the remaining portfolio.

On the back of rising inflation and growth uncertainty, European financials significantly detracted from performance, but the investment manager remains constructive on the outlook of this particular asset class. Exposure to this asset class has increased over the quarter with the manager adding to select low beta holdings.

Overall, the portfolio has maintained its structural weights across key asset classes, with slight rotation to benefit from mark-to market volatility. Mostly, the investment manager has shifted towards low beta income generating securities with low duration risk.

The portfolio does not have any exposure to Russian securities.

Fund monitoring

The Sub-fund began its transition towards a dual investment manager structure on 28th February 2022. The newly added investment manager was seeded with £110m of cash through new client investment. Amidst heightened market volatility, liquidity was challenging over the last month of the quarter, and hence, the investment manager has deployed capital carefully and gradually. While in its infancy, the portfolio is slowly moving closer to its structural allocation to three key asset classes: investment grade, high yield and emerging market debt.

LCIV MAC Fund

Peer Analysis

The peer group is Multi Asset Credit Fixed Income. Data for the peer group is available with a lag of one quarter. We will resume reporting on performance relative to the peer group beginning in the second quarter of 2022. This will be based on data to 31 March 2022, when approximately 11% of the value of Sub-fund had been transitioned to the second investment manager. The proportion of capital allocated to the second investment manager will increase gradually until the realignment is complete in July 2022.

LCIV MAC Fund

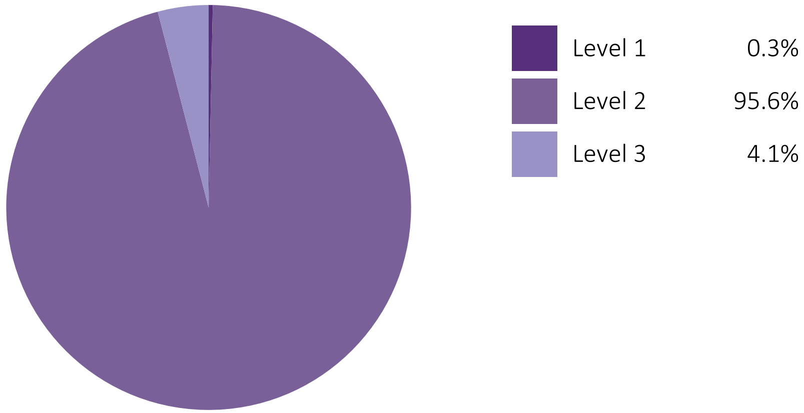
Conclusion

In a turbulent quarter for fixed income assets, the portfolio performed in line with expectations. Benefitting from its low structural duration, the Sub-fund's drawdown was muted compared to broader credit markets. The portfolio's tilt towards Europe has continued due to relative value, but it is expected to shift slightly in the near term to benefit from higher credit quality of the U.S. market. Looking ahead, if recessionary concerns persist in Europe, then portfolio's relative European bias could be a headwind for the portfolio. However, if persistent inflation leads to demand destruction, lower growth and higher interest rates, then the portfolio's recent shift towards high yielding low beta securities, along with structurally low duration, can be supportive.

LCIV MAC Fund: CQS Credit Multi Asset Fund Portfolio Characteristics

Risk Highlights	
Weighted Average rating	B+
% Long BEE with Public Rating	86.59%
% of Investment with Public Rating	87.14%
Yield to Expected Maturity GBP	7.13%
Spread Duration	3.5
Interest Rate Duration	1.13

Liquidity Management



Stress Test

Asset Class	Equities -10%	Equities +10%	Credit -25%	Credit +25%	IR -100bps	IR +100bps	ABS -10%	ABS +10%
ABS			0.04%	(0.03)%	0.00%		(1.62)%	1.62%
Convertibles	(0.19)%	0.21%	0.02%	(0.02)%	0.05%	(0.05)%		
Corporate Credit								
Financials			0.60%	(0.54)%	0.42%	(0.40)%		
High Yield			0.95%	(0.88)%	0.70%	(0.66)%		
Loans	(0.08)%	0.08%	2.28%	(2.12)%				
Total	(0.27)%	0.29%	3.88%	(3.60)%	1.18%	(1.11)%	(1.62)%	1.62%

Scenarios in the table above are independent market shocks and therefore do not incorporate other correlated market shocks. For example, the equity shock does not imply a movement in credit spreads, interest rates or other risk factors.

Source: CQS for definitions of Risk Highlights please see the Glossary

LCIV MAC Fund: Portfolio Characteristics

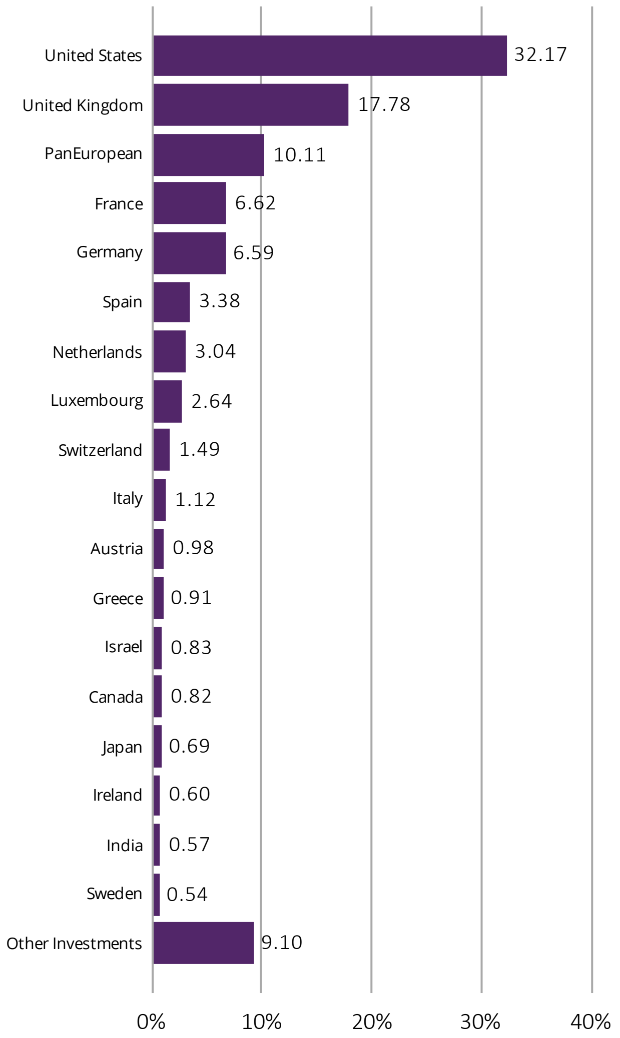
Asset Classification		
Classification	**Nominal Exposure %**	**Contribution to Return %**
Loans	41.60	0.00
HY Corporate Bonds	21.08	(0.59)
ABS	16.85	(0.22)
Financial Bonds	11.31	(0.53)
Convertibles	3.88	(0.22)
IG Corporate Bonds	0.00	(0.00)

Top Contributors to Performance		
Security Name	**Nominal Exposure %**	**Contribution to Return %**
AVSC Holding C-2020 B-1 Term :3699_P	0.57	0.02
Telfer Investm-Term B Loan:3564_P	0.51	0.02
SALIS 2016-1 A	0.35	0.01
Pioneer Nat Res 0.25% 15May25	0.18	0.04
Frans Bonhomme-Frans FRN 6.5%:3164_P	0.17	0.01

Bottom Contributors to Performance		
Security Name	**Nominal Exposure %**	**Contribution to Return %**
Teradyne Inc CB 1.25% 15Dec23	0.09	(0.03)
Sika CB 0.15% 5 June 25	0.16	(0.04)
Ambac Assurance (ABK) 5.1% 07JUN20	0.20	(0.03)
Standard Chartered Plc 1.72438% PERP	0.40	(0.03)
CAS 2020-R02 2B1	0.44	(0.03)

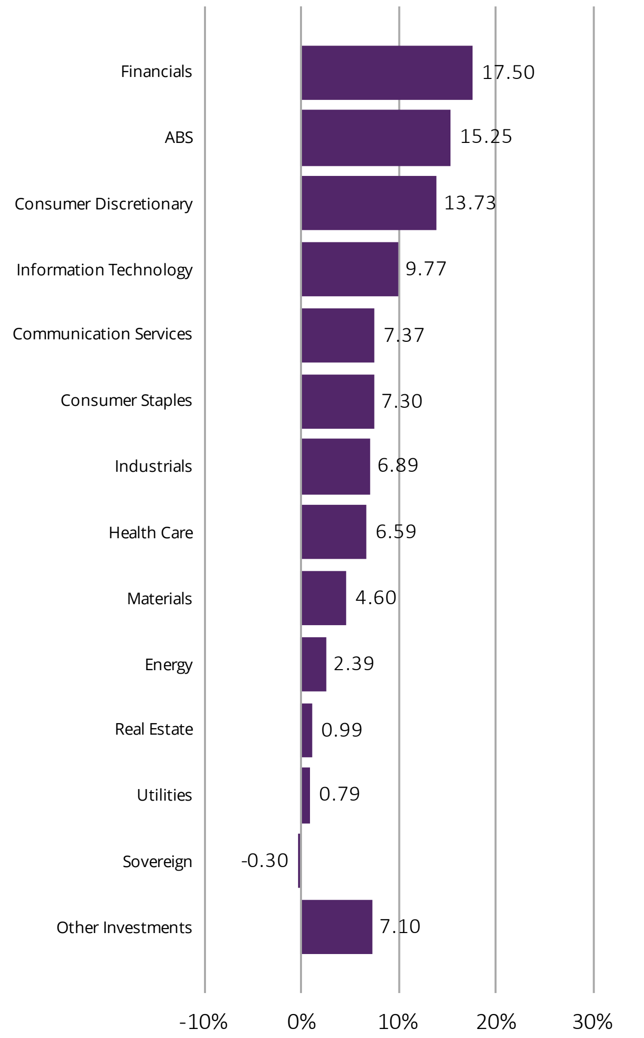
Country Weights

NAV %



Sector Weights

NAV %



Source: CQS

LCIV MAC Fund: ESG Summary

Summary of ESG Activity for the Quarter

Operationally, in late Q4 2021 CQS fully integrated the climate audit data into their internal systems, making this information available to all Research Analysts and Portfolio Managers. This quarter, they focused on improving the data coverage – the MAC fund now has c. 90% climate data coverage (excluding asset backed securities).

CQS have an in-house Geopolitical Analyst, Neil Brown, who disseminates geopolitical and sovereign risk information regularly. CQS's investment professionals interact regularly with Neil and use his insights for top-down and bottom-up fundamental credit risk analysis. For example, Neil has repeatedly highlighted the risks of a new divide between China and the U.S. and, where possible, the investment manager has sought to invest in businesses with limited revenue or supply chain dependency on China.

Regarding the Ukraine and Russia crisis, CQS stated that there is currently no material exposure in the Sub-fund. Although a small number of corporates and financials have indirect exposure to revenue streams or supply chains in the affected regions, CQS stated that they are not material to cash flow generation and are not expected to influence the probability of default. One example is a regional European Bank which has indirect exposure to Russia and Ukraine. CQS called the company management and reviewed their ESG approach and observed that all subsidiaries have strict ESG principles, with a greater focus on social areas. CQS will continue to engage with the Bank as they seek to understand consequences of the current geopolitical environment.

CQS also engaged with First Quantum, which is in their targeted engagement programme due to their high usage of coal at the Cobre Panama operation and their lack of formal decarbonisation targets. After a number of prior engagements since 2020, in January the firm finally published a formal absolute emissions reduction target of 30% by 2025 and 50% by 2030. They plan to achieve this by moving to renewable sources of energy and other initiatives within mining operations, such as trolley assistance to reduce fuel usage. CQS seeks to continue to encourage the integration of these targets into the KPIs for executive remuneration.

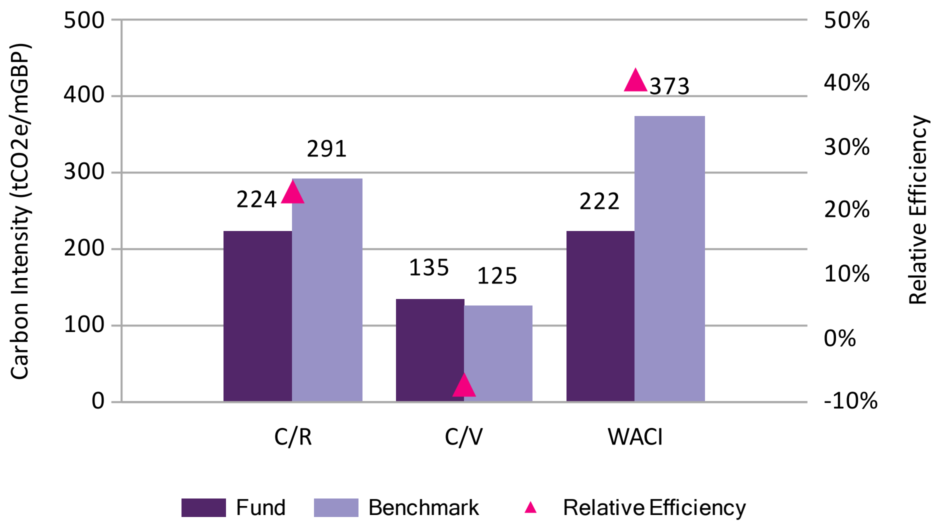
LCIV MAC Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

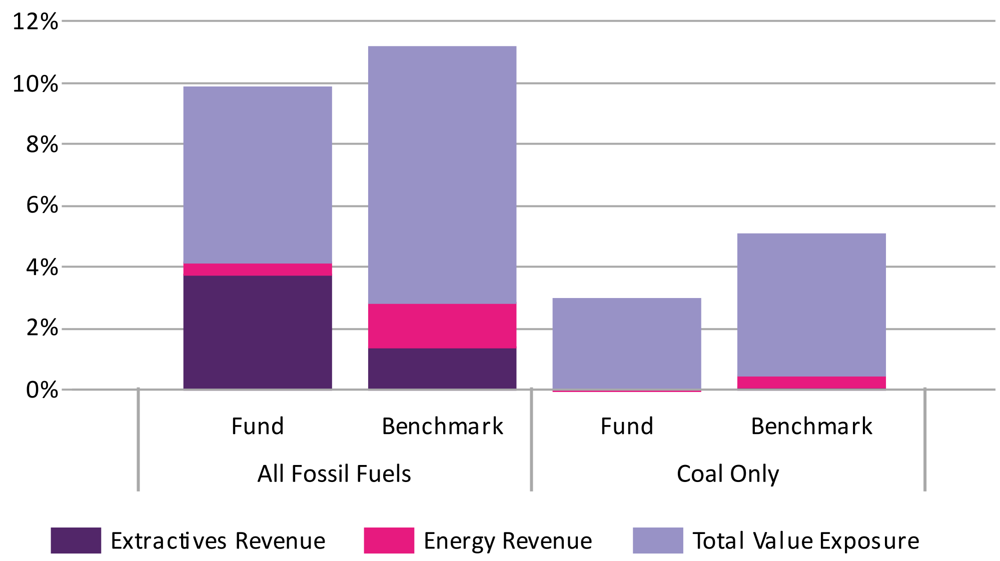
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is Bloomberg Global Aggregate Corporate Total Return Index

LCIV MAC Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Woodside Petroleum Ltd	2,444.76	-0.13%	Yes
Imperial Oil Limited	2,336.17	-0.12%	Yes
L'Air Liquide S.A.	1,718.56	-0.08%	Yes
National Grid PLC	537.15	-0.05%	Yes
BP p.l.c.	745.61	-0.04%	Yes
Canadian National Railway Company	771.58	-0.03%	No
Saputo Inc.	1,300.21	-0.02%	No
Nestle SA	589.73	-0.02%	Yes
ComfortDelGro Corporation Limited	550.69	-0.02%	No
Fuchs Petrolub SE	495.73	-0.01%	No

Passive Investment Summary

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. For details on the performance of these funds please contact the passive managers directly.

	31 December 2021	31 March 2022
Blackrock	**£**	**£**
ACS WORLD LOW CARBON EQ TKR FD X2	262,807,427	262,807,427
AQ LIFE UP TO 5YR UK GILT IDX S1	56,000,221	56,000,221
AQUILA LIFE ALL STK UK ILG IDX S1	39,253,631	39,253,631
Total	**358,061,278**	**358,061,278**

Source: Passive Investment Manager Blackrock

Glossary of Terms

- **Annualised Alpha** The incremental return of an investment manager when the market is stationary. In other words, it is the extra return due to the non-market factors. The risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the investment manager. A positive alpha indicates that an investment manager has produced returns above the expected level at that risk level and vice versa for a negative alpha.
- **Bear Duration** An investment portfolio's effective duration after a 50 bp rise in rates. The extent to which a portfolio's bear market duration exceeds its duration is a gauge of extension risk.
- **Beta** The beta is the sensitivity of the investment portfolio to the stated benchmark.
- **Bull Duration** An investment portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.
- **Capacity** Please refer to the prospectus, Sub-funds may be limited by subscriptions into the Sub-fund or by the total Sub-fund valuation size. For queries on remaining capacity as at a relevant date, please contact the Client Service Team at clientservice@londonciv.org.uk.
- **Carbon Intensity:** Carbon emissions should be 'normalized' by a financial indicator (either annual revenues or value invested) to provide a measure of carbon intensity. The three most common approaches to normalization are:
  - Carbon to Revenue (C/R): Dividing the apportioned CO2e by the apportioned annual revenues
  - Carbon to Value Invested (C/V): Dividing the apportioned CO2e by the value invested.
  - Weighted Average Carbon Intensity (WACI): Summing the product of each holding's weight in the portfolio with the company level C/R intensity (no apportioning).

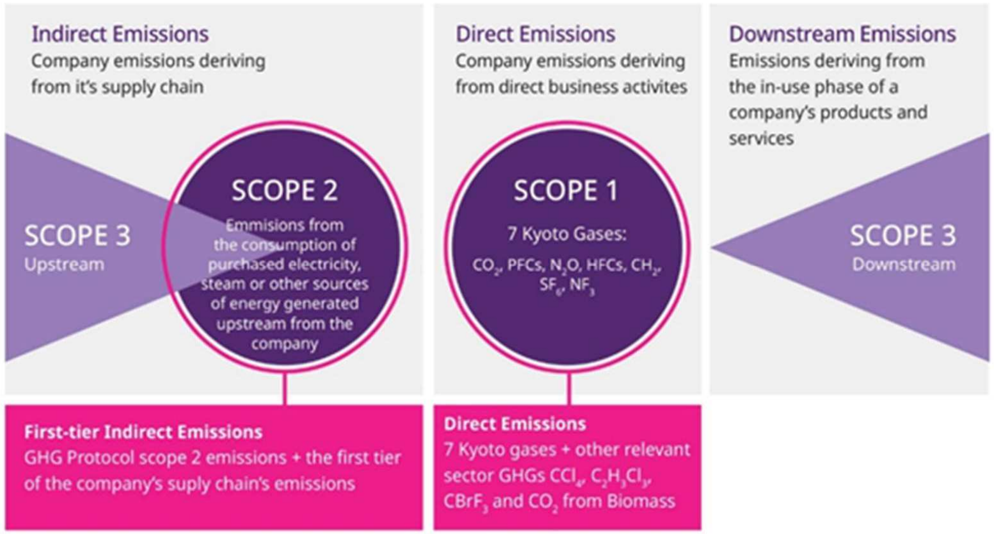
  C/R gives an indication of carbon efficiency with respect to output (as revenues are closely linked to productivity). C/V gives an indication of efficiency with respect to shareholder value creation. The WACI approach circumvents the need for apportioning ownership of carbon or revenues to individual holdings. Whilst the first two methods act as indicators of an investor's contribution to climate change, the weighted average method seeks only to show an investor's exposure to carbon intensive companies, i.e. is not an additive in terms of carbon budgets.

- **ClimateAction100+** is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. These include 100 'systemically important emitters', alongside more than 60 others with significant opportunity to drive the clean energy transition. For more information see http://www.climateaction100.org.
- **Comparator Benchmarks** are indices which represent a style-appropriate reference index to compare the underlying funds. These have been selected following back-testing and holdings-based analysis to ensure that they are relevant to the Sub-fund.
- **Completed Sales** For delegated portfolios any holdings held at the last quarter end which have been sold out of and are no longer held as at the reporting date shown as completed sales. If there are more than ten it is limited to the largest ten as at the end of last quarter. This is not necessarily the largest ten sales for the quarter. Note if a position was bought and sold within the quarter this will not appear.
- **Country Characteristics** The number of holdings in different countries is counted based on the classification to countries of risk of all individual

Glossary of Terms

portfolio holdings within the Northern Trust fund accounting system. Note: the percentage of the portfolio calculations excludes the impact of any cash held within the Sub-fund. For the equity funds holdings have been reflected as the country in which that company is headquartered.

- **Duration** An investment portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall/ (rise) in interest rates, a portfolio with duration of 1 year will rise /(fall) in price by 1 bp.
- **Emissions Scopes:**



  - Direct (Scope 1) = CO2e emissions based on the Kyoto Protocol greenhouse gases generated by direct company operations.
  - Direct (Other) = Additional direct emissions, including those from CCl4, C2H3Cl3, CBrF3, and CO2 from Biomass.
  - Purchased Electricity (Scope 2) = CO2e emissions generated by purchased electricity, heat or steam.
  - Non-Electricity First Tier Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the first tier of the supply chain.
  - Other Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the second to final tier of the supply chain.
  - Downstream (Scope 3) = CO2e emissions generated by the distribution, processing and use of the goods and services provided by a company
- **ESG** This stands for Environmental, Social and Governance and refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a company or business.
- **Fossil Fuel Exposure:** London CIV assesses Fossil Fuel exposure by calculating the combined value of holdings with business activities in either fossil fuel extraction or fossil fuel energy generation industries. Company level exposure represents the combined weight in the portfolio or benchmark of companies deriving any revenues from fossil fuel related activities, while the Extractives Revenue and Energy revenue segments indicate the weighted average exposure to the revenues themselves.
- **Interest Rate Duration** It is the price sensitivity of the investment portfolio to changes in interest rates.
- **Net Market Move** Change in valuation of the holding due to movement in the market rather than cash flows into or out of the Sub-fund.
- **New Positions** For delegated investment portfolios any new holdings entered into during the quarter that were not held at the last quarter end have been reflected as new positions. If there are more than ten it is limited to the largest ten as at the end of the quarter. This is not necessarily the same as the largest ten purchases for the quarter if pre-

Glossary of Terms

existing holdings have been topped up. Note if a position was bought and has since been sold this will not appear.

- **MRQ** Most Recent Quarter
- **Pay Date** The date on which the distribution amount will be paid in cash. If a reinvestment option is taken this will be reinvested on pay date –2 Business Days
- **Peer Analysis** The peer analysis graphs are taken from eVestment and are dated the most recent available quarter end. When asset managers add their funds on eVestment, eVestment assigns them to a universe based off the information the asset manager provides. The peer analysis graphs use the eVestment primary universe, which comprises funds with the most homogenous attributes in terms of investment objectives, investment characteristics, and risk profiles. This allows for relevant "apples-to-apples" comparisons among investment strategies. London CIV does not choose the asset managers, or the funds used in this peer group analysis. The fund analysed by eVestment is not the LCIV Sub-fund but the mirror fund ran under the same strategy by the investment manager.
- **Performance Attribution** For delegated portfolios the top ten contributors and detractors to performance are shown. This is to show how the structure of the investment portfolio contributed to the total performance.
- **Performance Calculation Basis** Sub-fund performance is calculated net of all fees and expenses. Where a Sub-fund has been open for less than a month the performance will show as "n/a" unless otherwise specified. Since 1 January 2020 the investment performance calculations use a time weighted rather than money weighted basis. The time-weighted rate of return ("TWR") is a measure of the compound rate of growth in a portfolio. The TWR measure eliminates the distorting effects on growth rates created by inflows and outflows of money.
- **Reporting Date** All data and content within this report is as per the date noted on the front cover, unless otherwise noted. Where the reporting end date falls on a weekend or Bank holiday, data from the previous business day will be used.
- **Securities Financing Transaction "SFT"** A transaction where securities are used to borrow or lend cash. They include repurchase agreements (repos), securities lending activities, and sell/buy-back transactions.
- **Sectors and Industry Characteristics** The number of holdings in different sectors and industries is counted based on the classification to Global Industry Classification Standards ("GICS") categories of all individual portfolio holdings within the Northern Trust fund accounting system.
- **Set up of the Sub–funds** The London LGPS CIV Ltd ("London CIV") is the Alternative Investment Fund Manager for the London LGPS CIV Authorised Contractual Scheme and manages the Sub-funds on either a delegated or pooled basis.
  - Delegated: The Sub-fund is structured as a delegated mandate with an appointed investment manager selecting individual securities overseen by the London CIV. The Sub-funds directly own the assets which are held by the custodian. This is the case for the global equity and global bond Sub-funds.
  - Pooled: The Sub-fund holds units in collective investment schemes managed by other investment managers rather than directly holding the individual securities. This is the case for the multi-asset Sub-funds.
- **Since Inception Performance** For Sub-funds / Client Funds that have been live for a period exceeding 12 months, figures are annualised taking into account the period the fund has been open.
- **Spread Duration** This represents the price sensitivity of the investment portfolio to changes in spreads between different credit quality bonds.

Glossary of Terms

Spread duration constitutes an investment portfolio's sensitivity to changes in Option-Adjusted Spread (“OAS”), which affects the value of bonds that trade at a yield spread to treasuries. Corporate, mortgage, and emerging markets spread duration represents the contribution of each sector to the overall portfolio spread duration. For every 1 year of spread duration, portfolio value should rise (fall) by 1 basis point with every 1 basis point of OAS tightening (widening). Negative spread duration indicates the portfolio will benefit from widening spreads relative to treasuries.

- **Standard Deviation** A common risk metric. It measures the average deviations of a return series from its mean. A high standard deviation implies that the data is highly dispersed and there have been large swings or volatility in the manager’s return series. A low standard deviation tells us the fund return stream is stable and less volatile.
- **Target Benchmark** is not the Sub-fund objective but has been selected on the basis of the risk taken within the underlying fund. This has been defined using historical analysis and in conjunction with the underlying market participants to triangulate the most appropriate target level.
- **Top Ten Holdings** Largest ten holdings within the investment portfolio as at the reporting date. Note this excludes the impact of any cash held within the Sub-fund.
- **Tracking error** A measure of the risk in an investment portfolio that is due to active management decisions made by the investment manager; it indicates how closely a portfolio follows the benchmark. This is shown in percentage terms.
- **UK Stewardship Code** A code which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders. Asset managers who sign up are given a tier rating of one or two. Details of all signatories, with links to the statements on their websites are available on the Financial Reporting Council website https://www.frc.org.uk/investors/uk-stewardship-code
- List of **Underlying Investment Managers** for Delegated ACS Sub-funds:
  - Baillie Gifford & Co for LCIV Global Alpha Growth Fund and LCIV Global Alpha Growth Paris Aligned Fund
  - JPMorgan Asset Management (UK) Limited for LCIV Emerging Market Equity Fund
  - Longview Partners (Guernsey) Limited for LCIV Global Equity Focus Fund
  - Morgan Stanley for LCIV Global Equity Core Fund
  - PIMCO Europe Limited for LCIV Global Bond Fund
  - RBC Global Asset Management (UK) Limited for LCIV Sustainable Equity Fund and the LCIV Sustainable Equity Exclusion Fund
  - Newton Investment Management Ltd for LCIV Global Equity Fund
  - State Street Global Advisors Limited for LCIV Passive Equity Progressive Paris Aligned Fund
- List of Pooled ACS Sub-funds **current Underlying Investment Managers**:
  - Baillie Gifford & Co for LCIV Diversified Growth Fund
  - Newton Investment Management Ltd for LCIV Real Return Fund
  - Pyrford International Limited for LCIV Global Total Return Fund
  - Ruffer LLP for LCIV Absolute Return Fund
  - CQS (UK) LLP for LCIV Alternative Credit Fund
- List of ACS Sub-funds multi strategy **current Underlying Investment Managers**:
  - CQS (UK) LLP and PIMCO Europe Limited for LCIV MAC Fund
- **Volatility Risk** A measure of the total risk in an investment portfolio. This is shown in percentage terms.

Glossary of Terms

- **Weighted Average Rating** This is the weighted average credit rating of all the bonds in the fund which gives an idea of the credit quality and riskiness of the portfolio.
- **XD Date** The date on which the distribution amount will be determined. Units purchased in the Sub-fund on its ex-dividend date or after, will not receive the next payment. Any units held in the Sub-fund before the ex-dividend date, receive the distribution.
- **Yield to Expected Maturity** It is the total return expected on the bond if it is held until it matures.
- **Yield to Maturity** The rate of annual income return on an investment expressed as a percentage. Current yield is obtained by dividing the coupon rate of interest by the market price. Estimated yield to maturity is obtained by applying discounts and premiums from par to the income return. Bond yields move inversely to market prices. As market prices rise, yields on existing securities fall, and vice versa.
- **Yield %** as displayed in the Key Statistics table of the London CIV Equity Sub-funds is the dividend yield as calculated by Northern Trust. It represents an estimate of the dividend-only return on your investment.
- **% Long Bond Equivalent Exposure with Public Rating** This represents the percentage market value of all debt instruments that the fund has bought and have a rating issued by a credit agency.
- **% of Investment with Public Rating** This represents the percentage market value of all debt instruments that the fund is long or short and have a rating issued by a credit agency.

Disclaimer

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