ENFIELD Council

London CIV

London CIV Quarterly ACS Investment Report

30 June 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 30 June 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 30 June 2022 and how these have changed during the quarter.

ACS	31 March 2022	Net Subscriptions / (Redemptions)	Cash Distributions Paid	Net Market Move	30 June 2022
Active Investments	**£**	**£**	**£**	**£**	**£**
Global Equities					
LCIV Global Alpha Growth Fund	108,523,134	-	-	(13,105,149)	95,417,985
LCIV Global Equity Focus Fund	104,834,309	-	-	(5,108,746)	99,725,563
LCIV Emerging Market Equity Fund	32,252,179	-	-	(2,356,035)	29,896,144
Fixed Income					
LCIV MAC Fund	56,033,897	-	-	(4,402,663)	51,631,234
Total	**301,643,519**	**-**	**-**	**(24,972,593)**	**276,670,926**

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 March 2022	30 June 2022
Passive Investments †	**£**	**£**
Blackrock	348,552,686	313,464,380

† 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	**(12.09)**	**(23.40)**	**5.58**	**8.34**	**10.18**	**30/09/2016**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%	*(8.40)*	*(2.17)*	*10.37*	*11.15*	*12.26*	
Relative to Investment Objective	**(3.69)**	**(21.23)**	**(4.79)**	**(2.81)**	**(2.08)**	
Benchmark: MSCI All Country World Gross Index (in GBP)	*(8.85)*	*(4.09)*	*8.20*	*8.96*	*10.06*	
Relative to Benchmark	**(3.24)**	**(19.31)**	**(2.62)**	**(0.62)**	**0.12**	
LCIV Global Equity Focus Fund	**(4.91)**	**3.06**	**7.61**	**n/a**	**9.18**	**24/10/2018**
Target: MSCI World (GBP)(TRNet)+2.5%	*(8.57)*	*(0.12)*	*11.40*	*n/a*	*13.34*	
Relative to Target	**3.66**	**3.18**	**(3.79)**	**n/a**	**(4.16)**	
Benchmark: MSCI World (GBP)(TRNet)	*(9.13)*	*(2.56)*	*8.68*	*n/a*	*10.57*	
Relative to Benchmark	**4.22**	**5.62**	**(1.07)**	**n/a**	**(1.39)**	
LCIV Emerging Market Equity Fund	**(7.01)**	**(19.25)**	**0.13**	**n/a**	**3.40**	**24/10/2018**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%	*(3.40)*	*(12.89)*	*4.71*	*n/a*	*8.09*	
Relative to Investment Objective	**(3.61)**	**(6.36)**	**(4.58)**	**n/a**	**(4.69)**	
Benchmark: MSCI Emerging Market Index (TR) Net	*(4.00)*	*(15.01)*	*2.15*	*n/a*	*5.45*	
Relative to Benchmark	**(3.01)**	**(4.24)**	**(2.02)**	**n/a**	**(2.05)**	
LCIV MAC Fund	**(7.83)**	**(7.51)**	**0.04**	**n/a**	**0.90**	**30/11/2018**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January	*1.33*	*4.89*	*4.87*	*n/a*	*4.95*	
Relative to Investment Objective	**(9.16)**	**(12.40)**	**(4.83)**	**n/a**	**(4.05)**	

Quarterly Update - Client Relations Team Report

Welcome to the Quarterly Investment Report for the period ending 30th June 2022. In this edition we will report on the current position of the Assets Under Management (AuM), reporting on Fund activity in both the Public and Private Markets, the current monitoring status of the Sub-funds we have appointed, the engagement we have had with stakeholders in your pool, and the Pooling position of each of the Client Funds as of the 31 March 2022 though London CIV Funds are reported as of the 30th June. We then move onto the London CIV's investment performance report providing how we perceive the economic outlook and our views on the public markets.

We began the second quarter with Mike O'Donnell announcing that he will be stepping down from his role as CEO in April 2023. Mike has intentionally given the London CIV Board a full year notice to allow time for a well-planned transition. Mike stated that he is committed to leaving an incoming Chief Executive Officer with a solid and improving starting point. The recruitment process for his replacement is under way and we will keep you informed on progress on his replacement.

Current Position

As of 30 June 2022, the total assets deemed pooled by our Client Funds stood at £24.7 billion, of which £13 billion are in funds managed by the London CIV. Assets under management in our ACS stood at £12 billion and assets in private market funds stood at £840.6 million on 31 March 2022. Over the second quarter, we had £85 million of additional commitment to the LCIV Private Debt Fund, bringing a total of assets raised by our private market funds as of 30 June 2022 to £2.3 billion. The value of 'pooled' passive assets was £11.7 billion, with £8.3 billion managed by Legal and General Investment Management and £3.4 billion managed by BlackRock.

Fund Activity

Public Market Funds

During Q2 2022 we had net flows into the London CIV's ACS funds. The most notable transactions were investments into LCIV MAC Fund, LCIV Emerging Market Equity Fund and LCIV Passive Equity Progressive Passive Paris-Aligned (PEPPA) Fund.

Most of these contributions were offset by disinvestments out of the LCIV Global Alpha Growth Fund and LCIV Absolute Return Fund to pay for contributions into London CIV Funds or cover capital calls from off-pool commitments to private markets investments

Private Market Funds

Our private market funds continue to deploy capital steadily. Over the second quarter we've had a total of £133 million in capital calls. The table below summarises where our private market funds stand in terms of commitments:

London CIV – Private Market Funds as of 31 March 2022	Investor Commitments (£m)	Committed Investments (%)	Invested (%)
LCIV Infrastructure Fund	399	83	50
LCIV Inflation Plus Fund	213	100	100
The London Fund	195	52	22
LCIV Renewable Infrastructure Fund	854	72	24
LCIV Private Debt Fund	625	96	43

Discussions with Stepstone on the LCIV Infrastructure Fund have centred around the mandate design, specifically on the unallocated commitments. Key considerations involved the exposures approaching permissible limits, such as the limit to invest up to 70% in Europe and UK (currently at 65%), and the maximum of 20% in greenfield (currently at 11%). A potential secondary investment being considered in the pipeline could be a good complement to the existing portfolio.

The commitments to the LCIV Inflation Plus Fund are now fully funded. Aviva has supported the pending student accommodation asset in Canterbury. This required the LCIV Inflation Plus Fund to access a revolving credit facility. This facility allows for the efficient control of the pipeline and will enable the Fund to draw capital to pursue new investments more opportunistically and thereby allowing for a faster deployment of capital while new client commitments are being secured.

LCIV Inflation Plus Fund - Summary

- **£195.4m Portfolio Valuation**
- **Average of BBB Credit Rating**
- **14 Assets**
- **19.8 years WAULT**
- **100% Occupancy Rate**
- **4.1% Portfolio Net Initial Yield**

During the second quarter, the building contractor at the Hartpury University development asset in Gloucester went into administration. The developer has now assumed the duties of the contractor and is responsible for ensuring practical completion, which was scheduled for May 2022, which is now delayed until at least September 2022 or into the start of the academic year. Upon practical completion, the rent will be guaranteed by the University.

These developments do not impact the Fund's expected cashflows or return because the impact of delays and cost overruns are borne by the developer who is paying accrued interest to compensate the Fund for delays and remains incentivised to complete the project as it remains profitable. They will also have the benefit of operating the asset from when it is completed.

The London Fund is 52% deployed across three investments; in Door (26%); Yoo Capital Fund II (15%) and; Project Thomas (12%). Door targets 12,000 homes in the Private Rented Sector (PRS) and affordable housing, Yoo Capital II focuses on redeveloping and repositioning existing assets to create space for supply starved strategic growth sectors. Project Thomas is a co-investment in a joint venture with Goldman Sachs Asset Management (GSAM) and their partner EDGE to develop a world class sustainable office building by London Bridge. Once capital is fully deployed The London Fund will have c.70% exposure to real estate. The joint investment committee is formed by an equal number of members from LPPI and London CIV and continue to evaluate investment opportunities across real estate and infrastructure. The pipeline of opportunities for the next 12 months includes the conversion of retail warehouse units to residential which consists of affordable units and community space, and growth capital co-investment fund focusing on investing at scale in seed stage businesses.

The investment managers appointed for the LCIV Renewable Infrastructure Fund continue to deploy capital at good pace. We currently have 72% of the capital committed (c.£615 million). The top three largest sector exposures are currently solar PV, onshore and offshore wind in the UK and Europe. There is also capital already committed for EV charging, synchronous condenser, battery optimisation, and storage.

The LCIV Private Debt Fund had its third close at the second quarter end with a further £85m of new commitments, thus totalling assets raised by this Fund to £625m. As a result, the London CIV is using this opportunity to appoint a mid-market European lender who will be the third investment manager to further diversify and re-balance this Fund.

Engagement

We have hosted eleven group meetings and 38 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)	5	Catch-up calls	8
Business Update (BU)	3	Specific Opportunity	5
Investment Consultant Update	2	Preparation Meeting	2
Independent Advisors Update	1	Pension Committee	5
Meet the Manager (MTM)	3	Introduction	1
Shareholder Meeting	-	Relationship Building	1
Specific Opportunity	1	Pension Pooling Strategy	1

In May 2022 Gustave Loriot, our expert in Climate Analytics, hosted a discussion on what is beyond setting a net zero target and how the London CIV can assist our Client Funds in shaping their Pathway to Net-Zero. He talked about the different frameworks for Paris-Aligned investing, the progress we have achieved with our own Funds in decarbonising as per Scope 1, 2 and 3 emissions, by 4.5% in the year ended March 2022, and how we can reinforce climate data analytics and stewardship activities when designing new investment solutions and upgrading existing funds.

After publishing a paper on our multi-asset funds, Rob Treich, our Head of Public Markets, hosted an online discussion on 8 June 2022 with our Client Funds. The purpose of this discussion was to help Client Funds remember the reasons why Client Funds have appointed multi-asset managers in the first place. Rob noted how the investment managers of the London CIV multi asset funds respond to the changing investment regime. While some stick to their "knitting" and "hibernate" from a risk perspective, keeping higher levels of cash to reinvest when forecast rates of return are viewed as adequate in relation to risk, others have expanded their search for new ideas and ways to express views and adjusted exposure more dynamically. More broadly, we have observed that multi-asset investment managers are using more complex derivatives as well as other alternative forms of risk, such as bitcoin, carbon prices and volatility itself. We focus on ensuring that we monitor funds and investment managers closely and effectively, in terms of assessing risks and explaining them to Client Funds. One of the matters that Rob worries most about in the context of multi asset funds, is making sure that investment managers don't overstretch themselves in terms of both investment and operational perspectives.

On 17 June 2022, we hosted a Meet the Manager event to share with Client Funds and their investment consultants, more detailed information on our LCIV PEPPA Fund. Our Senior Equity Portfolio Manager Yiannis Vairamis chaired a conversation with Ben Leale-Green of S&P/Trucost and the portfolio managers of the Sub-fund, StateStreet (SSgA). The LCIV PEPPA Fund was designed to use ESG tools that bring greater transparency to potential climate risks and opportunities that tracks a Paris-Aligned ESG Index to help our Client Funds chart their path to net zero.

From left: John Anderson (Imperial College), Nicola Mathers (Future of London), Lloyd Lee (Yoo Capital), Christopher Osborne (London CIV), Louise Warden (LPPI), and Igor Ostrowski (Goldman Sachs).

On 29 June 2022, we hosted an in-person on-site Meet the Manager meeting to showcase the positive social outcomes of The London Fund, which aims to deliver risk-adjusted returns (CPI + 3%). The speakers discussed how London is a truly global city that combines educational, professional and lifestyle opportunities that attracts global talent and businesses, legal, financial, and alongside a cultural powerhouse that contains international courts, leads global insurance and is at the forefront of music, film, TV, and theatre. Its leadership as a centre of globalisation creates opportunities to deploy investments in real estate and infrastructure strategies that look to take advantage of fundamental supply-demand imbalances in London.

Over the period we hosted two Seed Investor Group (SIG) discussions on the LCIV UK Housing Fund which we are intending to launch in Q4 2022 or early Q1 2023. 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 that are vulnerable or in crisis. We will be looking to select 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.

We continue to progress our manager selection to launch the LCIV Sterling Credit Fund and we hosted a SIG discussion on 11 July 2022.

Participation to our Monthly Business Update and Quarterly Meet the Manager events continue to be high. We generally record these virtual events and make them available via 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 share a link to these recordings with you.

We are now taking registrations for Annual Conference on 5th and 6th of September 2022. Our principal guest speaker on the Monday evening will be Baroness Tanni Grey-Thompson. With our theme this year focussing on 'People and Diversity,' Tanni is one of UK's most successful Paralympian athletes, and she is also an active cross bencher in the House of Lords and works tirelessly in the areas of disability rights, welfare, and sport. If you have not seen our invitation in your inbox, please contact your designated Client Relations Manager at clientservice@londonciv.org.uk.

Pooling Position

As of 31 March 2022, the total assets for London LGPS stood at £48 billion. Our target is to pool 71% of these assets by 2025. For the financial year ended March 2022 the pooling ratio increased by 4%, from 53% to 57%. Assets pooled in London CIV Funds stood at 30% of total London LGPS assets and the remainder is invested in passive funds with LGIM and Blackrock, which are also considered pooled. The chart below provides a breakdown of the pooling ratio per Client Fund.

Source: London CIV, BlackRock and LGIM. Data as of 31 March 2022. The above does not include the unfunded commitments London CIV private market funds, which stood at £1.4 billion on 31 March 2022.

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	**£1,890m**	**(12.09)**	**(23.40)**	**5.58**	**8.34**	**12.70**	**11/04/2016**	**9**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(8.40)	(2.17)	10.37	11.15	14.50		
Performance Against Investment Objective		**(3.69)**	**(21.23)**	**(4.79)**	**(2.81)**	**(1.80)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(8.85)	(4.09)	8.20	8.96	12.25		
Performance Against Benchmark		**(3.24)**	**(19.31)**	**(2.62)**	**(0.62)**	**0.45**		
LCIV Global Alpha Growth Paris Aligned Fund	**£1,033m**	**(12.04)**	**(25.48)**	**n/a**	**n/a**	**(19.53)**	**13/04/2021**	**6**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(8.40)	(2.17)	n/a	n/a	1.38		
Performance Against Investment Objective		**(3.64)**	**(23.31)**	**n/a**	**n/a**	**(20.91)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(8.85)	(4.09)	n/a	n/a	(0.61)		
Performance Against Benchmark		**(3.19)**	**(21.39)**	**n/a**	**n/a**	**(18.92)**		
LCIV Global Equity Fund	**£684m**	**(8.57)**	**(4.82)**	**8.27**	**9.08**	**9.00**	**22/05/2017**	**3**
Investment Objective: MSCI All Country World Index Total Return (Gross)+1.5%		(8.08)	(2.28)	10.02	10.63	10.67		
Performance Against Investment Objective		**(0.49)**	**(2.54)**	**(1.75)**	**(1.55)**	**(1.67)**		
Benchmark: MSCI All Country World Index Total Return (Gross)		(8.42)	(3.73)	8.39	8.99	9.03		
Performance Against Benchmark		**(0.15)**	**(1.09)**	**(0.12)**	**0.09**	**(0.03)**		
LCIV Global Equity Core Fund	**£529m**	**(5.92)**	**(1.58)**	**n/a**	**n/a**	**4.16**	**21/08/2020**	**2**
Benchmark: MSCI All Country World Index (with net dividends reinvested)		(9.00)	(4.52)	n/a	n/a	8.11		
Performance Against Benchmark		**3.08**	**2.94**	**n/a**	**n/a**	**(3.95)**		
LCIV Global Equity Focus Fund	**£849m**	**(4.91)**	**3.06**	**7.61**	**n/a**	**8.71**	**17/07/2017**	**5**
Target: MSCI World (GBP)(TRNet)+2.5%		(8.57)	(0.12)	11.40	n/a	11.70		
Performance Against Target		**3.66**	**3.18**	**(3.79)**	**n/a**	**(2.99)**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	8.68	n/a	8.98		
Performance Against Benchmark		**4.22**	**5.62**	**(1.07)**	**n/a**	**(0.27)**		
LCIV Emerging Market Equity Fund	**£547m**	**(7.01)**	**(19.25)**	**0.13**	**n/a**	**(0.62)**	**11/01/2018**	**8**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%		(3.40)	(12.89)	4.71	n/a	3.32		
Performance Against Investment Objective		**(3.61)**	**(6.36)**	**(4.58)**	**n/a**	**(3.94)**		
Benchmark: MSCI Emerging Market Index (TR) Net		(4.00)	(15.01)	2.15	n/a	0.80		
Performance Against Benchmark		**(3.01)**	**(4.24)**	**(2.02)**	**n/a**	**(1.42)**		

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	**£1,226m**	**(8.80)**	**(8.71)**	**9.01**	**n/a**	**11.28**	**18/04/2018**	**8**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(8.68)	(0.61)	10.86	n/a	12.52		
Performance Against Investment Objective		**(0.12)**	**(8.10)**	**(1.85)**	**n/a**	**(1.24)**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	8.68	n/a	10.31		
Performance Against Benchmark		**0.33**	**(6.15)**	**0.33**	**n/a**	**0.97**		
LCIV Sustainable Equity Exclusion Fund	**£400m**	**(8.55)**	**(7.89)**	**n/a**	**n/a**	**22.19**	**11/03/2020**	**3**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(8.68)	(0.61)	n/a	n/a	18.78		
Performance Against Investment Objective		**0.13**	**(7.28)**	**n/a**	**n/a**	**3.41**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	n/a	n/a	16.45		
Performance Against Benchmark		**0.58**	**(5.33)**	**n/a**	**n/a**	**5.74**		
LCIV Passive Equity Progressive Paris Aligned Fund	**£501m**	**(10.12)**	**n/a**	**n/a**	**n/a**	**(12.79)**	**01/12/2021**	**2**
Index: S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index (GBP)		(10.24)	n/a	n/a	n/a	(13.00)		
Performance Against Index		**0.12**	**n/a**	**n/a**	**n/a**	**0.21**		
Multi Asset								
LCIV Global Total Return Fund	**£223m**	**(0.78)**	**2.27**	**2.85**	**2.04**	**3.18**	**17/06/2016**	**3**
Target: RPI + 5%		6.57	16.43	10.46	9.58	9.47		
Performance Against Target		**(7.35)**	**(14.16)**	**(7.61)**	**(7.54)**	**(6.29)**		
LCIV Diversified Growth Fund	**£841m**	**(8.76)**	**(10.08)**	**0.15**	**0.92**	**3.19**	**15/02/2016**	**9**
Target: UK Base Rate +3.5%		1.10	3.92	3.86	3.94	3.92		
Performance Against Target		**(9.86)**	**(14.00)**	**(3.71)**	**(3.02)**	**(0.73)**		
LCIV Absolute Return Fund	**£1,124m**	**(4.18)**	**2.11**	**8.06**	**4.95**	**5.89**	**21/06/2016**	**10**
Target: SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)		0.96	3.36	3.32	3.42	3.40		
Performance Against Target		**(5.14)**	**(1.25)**	**4.74**	**1.53**	**2.49**		
LCIV Real Return Fund	**£176m**	**(2.11)**	**(3.00)**	**3.60**	**3.76**	**4.23**	**16/12/2016**	**2**
Investment Objective: SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)		0.96	3.36	3.32	3.42	3.40		
Performance Against Investment Objective		**(3.07)**	**(6.36)**	**0.28**	**0.34**	**0.83**		

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	**£590m**	**(7.65)**	**(14.31)**	**(2.40)**	**n/a**	**0.42**	**30/11/2018**	**7**
Benchmark: Bloomberg Global Aggregate Credit Index – GBP Hedged		(6.63)	(13.21)	(2.02)	n/a	0.51		
Performance Against Benchmark		**(1.02)**	**(1.10)**	**(0.38)**	**n/a**	**(0.09)**		
LCIV MAC Fund	**£1,153m**	**(7.83)**	**(7.51)**	**0.04**	**n/a**	**0.93**	**31/05/2018**	**12**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)		1.33	4.89	4.87	n/a	4.99		
Performance Against Investment Objective		**(9.16)**	**(12.40)**	**(4.83)**	**n/a**	**(4.06)**		
LCIV Alternative Credit Fund	**£360m**	**(8.01)**	**n/a**	**n/a**	**n/a**	**(9.13)**	**31/01/2022**	**3**
Investment Objective: SONIA (30 day compounded) +4.5%		1.33	n/a	n/a	n/a	2.13		
Performance Against Investment Objective		**(9.34)**	**n/a**	**n/a**	**n/a**	**(11.26)**		
Total LCIV ACS Assets Under Management	**£12,126m**							

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 March 2022 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 March 2022 Total Commitment	Called to Date	Undrawn Commitments	31 March 2022 Fund Value	Inception Date	No. of Investors
EUUT	£'000	£'000	£'000	£'000		
LCIV Infrastructure Fund	**399,000**	**168,261**	**230,739**	**183,934**	**31/10/2019**	**6**
LCIV Inflation Plus Fund	**213,000**	**206,262**	**6,738**	**202,070**	**11/06/2020**	**3**
LCIV Renewable Infrastructure Fund	**853,500**	**188,822**	**664,678**	**199,536**	**29/03/2021**	**13**
LCIV Private Debt Fund	**540,000**	**219,726**	**320,274**	**230,764**	**29/03/2021**	**7**
SLP	£'000	£'000	£'000	£'000		
The London Fund	**195,000**	**24,983**	**170,017**	**24,268**	**15/12/2020**	**2**
	2,200,500	**808,053**	**1,392,447**	**840,572**		

*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 Q2 2022

Equities continued to perform poorly in Q2, with high levels of volatility. This reflects the increased risk of recession because of more aggressive action to curb inflation, concerns over the pace of growth in China and risks to global supply chains. 'Long duration' growth stocks have borne the brunt of selling, although we note that the gap between value and growth stocks narrowed in June. The performance of all London CIV funds can be found in the table on page 8 of your QIR.

The relative performance of London CIV equity funds improved in the second quarter, although the LCIV Global Alpha Growth Fund and LCIV Global Alpha Growth Paris Aligned Fund lagged the MSCI All Country World Index again. These funds have big shortfalls to recover to get their performance records back on track. LCIV Sustainable Equity Fund and the LCIV Sustainable Equity Exclusion Fund have been more resilient, in the context of their 'growth' style of investing, and they outperformed slightly during the quarter.

The 'value' characteristics of LCIV Global Equity Focus Fund have served the Sub-fund well this year, but this Sub-fund lost almost 5% in absolute terms in Q2. The Sub-fund is still in positive territory over one year, with a gain of 3.1%, about 5.6% ahead of the MSCI World Index.

The 'quality' features of LCIV Global Equity Core Fund came to the fore in Q2 and the fund is almost 3% ahead of its benchmark index over one year. LCIV Emerging Market Equity Fund also invests in companies presenting 'quality' and "growth" characteristics, but the lack of exposure to the strong performing energy and mining companies has been a significant headwind. The Sub-fund is down more 19% in the last 12 months, 4.2% worse than the MSCI Emerging Markets Index.

Volatility has also been a feature of the bond markets, with the release of data on inflation and growth punctuated by sharp swings in yields. One more recent development is the deterioration in the performance of credit, with an acceleration in the widening of spreads in the investment grade and high yield markets.

The combination of rising yields on government bonds and widening spreads is reflected in the 7.6% loss incurred by LCIV Global Bond Fund in Q2. The widening of spreads in the high yield market pushed the loss incurred by the LCIV MAC Fund and LCIV Alternative Credit Fund to 7.8% and 8% respectively. These losses are attributed to mark to market adjustments – to this point the investment managers have not reported a significant increase in impairments.

The pattern for multi-asset funds was similar to the first quarter of the year, although LCIV Global Total Return Fund could not avoid a small loss in Q2 despite an exceptionally defensive position. LCIV Absolute Return Fund was profitable until the second half of June, when the sharp reversal of inflation expectations caused losses on the inflation indexed bonds which account for a substantial part of the Sub-fund. LCIV Diversified Growth Fund (DGF) and LCIV Real Return Fund are more geared to the performance of stocks and other growth assets and have continued to lose money. DGF has lost more than 10% in the twelve months to the end of June.

London CIV conducted in-depth reviews of the LCIV Global Alpha Growth Fund, LCIV Global Alpha Growth Paris Aligned Fund and LCIV Diversified Growth Fund in early July. We will report back on our findings in the coming weeks.

Investment Manager Monitoring

All London CIV funds were on 'Normal Monitoring,' at the quarter end except for the LCIV Global Equity Focus Fund managed by Longview. In May 2022 we upgraded Longview from 'On Watch" to "Enhanced Monitoring". During our June 2022 Business Update, Yiannis Vairamis, Senior Portfolio Manager, explained that we have observed sufficient improvement on three of the eight elements of our scoring framework: performance, resourcing, and business risk. Performance has not consistently aligned to our expectations yet. Concerns remain about aspects of Longview's investment process including the investment manager's approach to valuing companies, an absence of a lead portfolio manager and the equal weighting of positions. Integration of responsible investment into decision making has strengthened. We believe there is further room for improvement on this aspect. The strategy is cost transparent, but it has not consistently added value net of costs. This enabled London CIV to negotiate a fee reduction with Longview, which will benefit investors.

During the second quarter, the London CIV carried out in-depth annual reviews of the LCIV Sustainable Equity Fund and LCIV Sustainable Equity Exclusion Fund - (RBC Global Asset Management), LCIV Global Total Return Fund - (Pyrford), LCIV Absolute Return Fund - (Ruffer), LCIV Global Bond Fund -(PIMCO), LCIV Global Alpha Growth Fund (Baillie Gifford) and LCIV Global Alpha Growth Paris-Aligned Fund - (Baillie Gifford). The outcome of these annual reviews will be shared with Client Funds in a future Monthly Business Update. All the investment managers employed by London CIV are investing as expected and we have not observed any anomalies in the risk profile of Funds, the composition of portfolios or trading activity.

Economies and markets

The narrative in capital markets shifted over the course of the second quarter. Inflation is certainly still a key issue, as evidenced by the 9.1% year on year increase in UK inflation in May, but the risk of recession is now central to the conversation. Growth is anemic, at best, and sentiment indicators have turned down across the world.

Looking at the evidence, we can see that consensus growth forecasts for the G8 economies have been revised down sharply, from 3.8% and 2.3% for 2022 and 2023 respectively at the beginning of this year, to a range around 1.5% now. Inflation, based on CPI, is now expected to average 7.3% in 2022, compared to 3.8% at the start of the year, although economists think central bank action will drive inflation back down in 2023 and 2024.

Table 1: G8 consensus economic forecasts

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023 (f)	2024 (f)
Economic Activity										
Real GDP (YoY%)	2.0	1.5	2.2	2.2	1.7	-4.7	5.0	1.8	1.4	1.7
CPI (YoY%)	0.9	1.0	1.8	2.1	1.6	0.9	3.6	7.3	3.4	2.2
Unemployment (%)	5.9	5.6	5.1	4.7	4.4	7.0	5.5	4.4	4.5	4.5
Fiscal Balance										
Budget (% of GDP)	-2.5	-2.7	-2.6	-2.6	-3.0	-11.8	-8.5	-4.6	-3.7	-3.7

Source: Bloomberg 18 July 2022

Central banks are in the difficult position of having to combat rampant price increases in a period of economic fragility. This is a delicate balancing act, especially given the weak fiscal positions of most large economies. We expect swings in sentiment and heightened volatility to feature in the currency, interest rate, credit, equity and commodity markets in the coming quarters as investors adjust their views on inflation and the potential depth and severity of recessions.

Equities performed badly in the second quarter, so much so that the S&P 500 Index had its worst half-year period since 1962, posting a loss of more than 20% in U.S. Dollar terms, truly a multi-generational correction! The tone improved late in the period, albeit briefly, after the US Federal Reserve increased its reference rate by 0.75% to a range of 1.5% to 1.75%. Based on the MSCI World Index, global stocks lost 16.6% in U.S. Dollars in Q2 and just over 9% in Sterling terms, reflecting the continued poor performance of Sterling.

Emerging market stocks outperformed developed market stocks in the quarter. The most positive feature of Q2 was the recovery of Chinese stocks after an extended period in the doldrums. The reopening of key Chinese cities is a big development. If new lockdowns can be avoided, this will restore, at least partly, an important engine of growth for the global economy, and it should help reduce friction in global supply chains.

Equity investors are divided on whether central banks can find the right balance between combating inflation and averting a sharp slowdown. Stocks displaying value characteristics outperformed growth stocks by almost 16% in the first half of this year, but they are perceived to be relatively highly geared to economic activity and their performance has weakened as the risks of recession have increased, and oil and metals prices have softened.

Growth stocks are less aggressively mispriced than they were at the end of 2021, and there are pockets of exposure in that segment to companies which will be expected to be relatively resilient in a downturn. However, although investors appear to be starting to warm up to growth stocks, the tide can turn quickly – companies are punished severely for even small 'misses' in revenues or earnings.

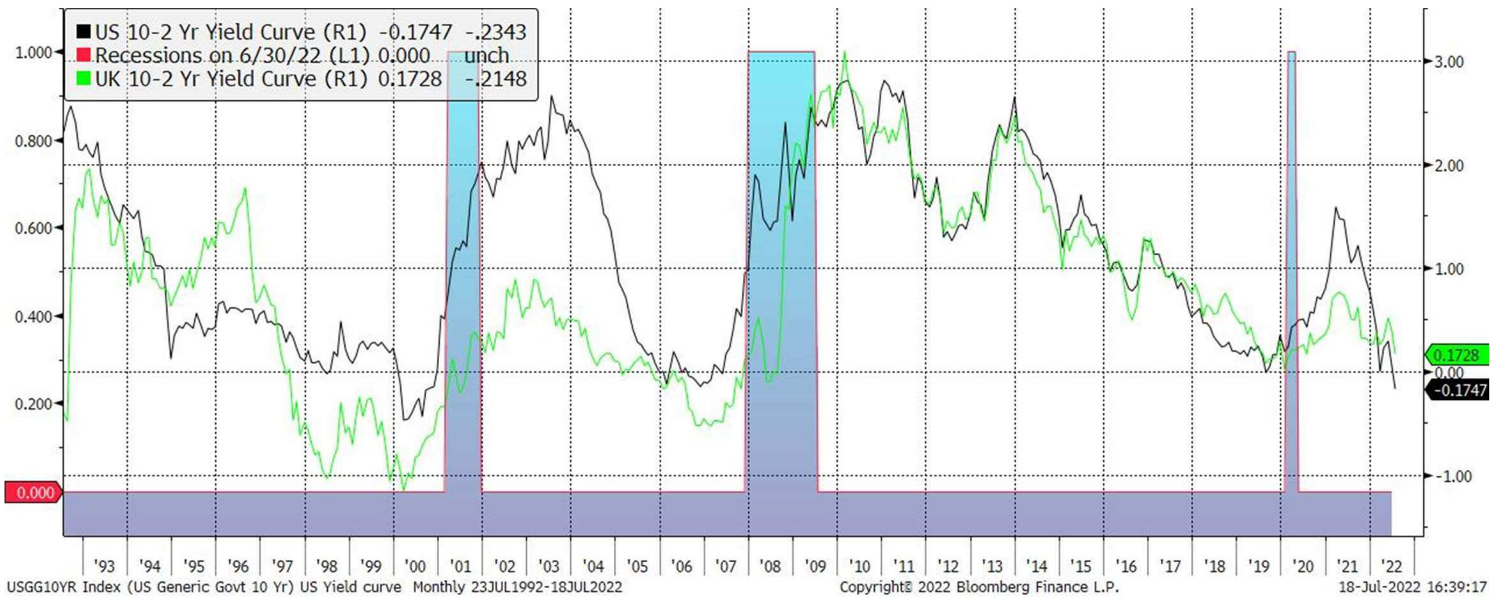
Table 2: Returns on Equity Styles

Global equities and equity styles	*3 months*	*YTD*	*1 year*
MSCI World TR Net Index GBP	-9.1%	-11.3%	-2.6%
MSCI World Value Index GBP	-12.2%	-13.3%	-8.8%
MSCI World Growth Index GBP	-21.4%	-29.1%	-22.9%

Source: Bloomberg 30 June 2022

Volatility in interest rate markets is unusually high, with bond yields moving sharply as new data points become available. Yields on Gilts maturing in 10 years swung in a range of 1.5% to more than 2.6% before falling back to 2.3% at the end of the quarter. The yield on 10 year U.S. Treasury bonds, which started the year at 1.5%, spiked from 2.7% in late May to almost 3.5% in mid-June before dropping back to the end the quarter just above 3%. The biggest increases in yields have been in near-dated bonds, bringing us close to a point of inversion of the U.S. yield curve which is considered a good barometer of recession risk.

Chart 1: Yield curves and recessions



Source: Bloomberg, data as 18 July 2022

The decline in yields from peak levels towards the end of the second quarter was accompanied by a sharp fall in inflation expectations reflected in the prices of inflation-linked bonds. Taken together, the moves in the nominal and inflation-linked markets suggest that bond investors have decided that the withdrawal of liquidity by central banks will help tame inflation, but at the expense of a hard landing.

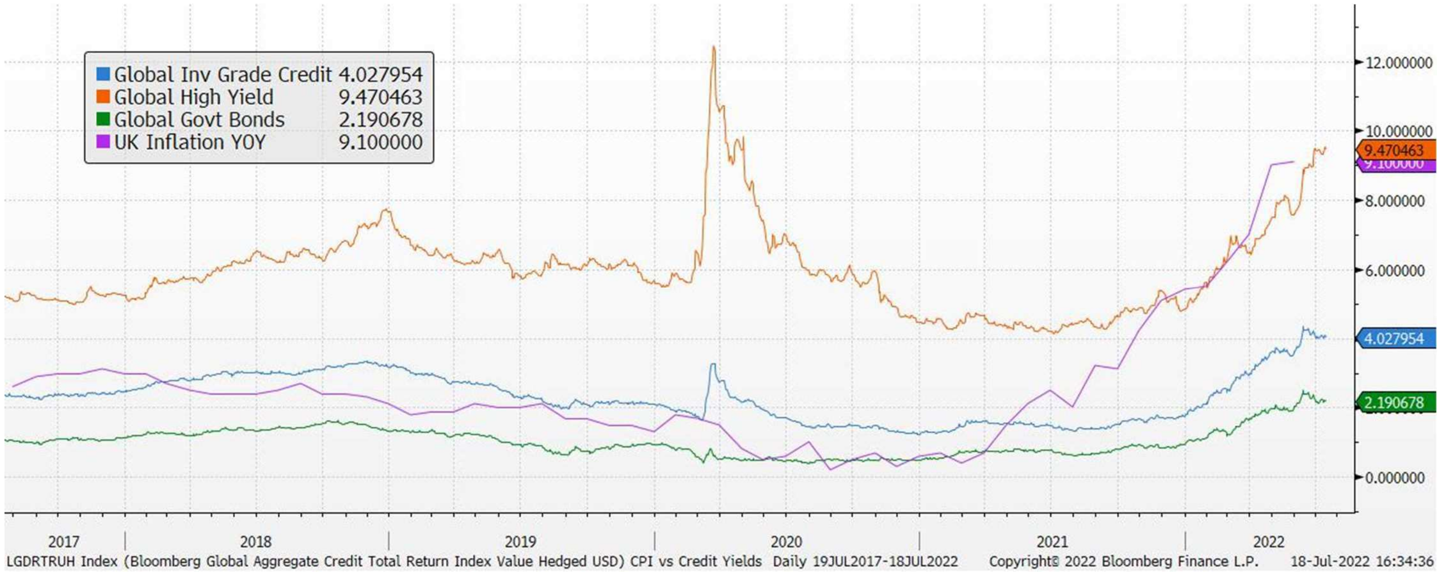
One worrying development in Q2 was the deterioration in the performance of credit, with an acceleration in the widening of spreads in the investment grade and high yield markets. The cost of protection against the risk of default of sub-investment grade bonds has risen sharply - credit investors see greater risk that defaults will increase in the coming quarters.

Table 3: Fixed income performance

Global fixed income indices (TR=total return)	*3 months*	*YTD*	*1 year*
Bloomberg Global Aggregate Bond Index TR hedged to GBP	-4.5%	-9.3%	-9.3%
Bloomberg Global Aggregate Credit Index TR hedged to GBP	-6.6%	-13.2%	-13.2%
Bloomberg Global High Yield Index TR hedged to GBP	-11.0%	-15.7%	-16.0%

The yield on investment grade debt, based on the Bloomberg Global Aggregate – Credit Index, has moved above 4%. The Bloomberg Global High Yield Index yields more than 9%. Sub-investment grade specialists point out that the yield now discounts a surge in defaults, over a five-year horizon, to levels above those experienced during the Global Financial Crisis.

Chart 2: Credit yields and inflation



Source: Bloomberg, data as 18 July 2022

Outlook

So where are the pockets of opportunity for the second half of 2022 and beyond? In our view, the outlook for growth, inflation and corporate performance is still too uncertain to make big calls, particularly given the risks of adverse geopolitical developments and/or another round of lockdowns to contain Covid-19. Two constants in the near term will probably be elevated volatility in asset prices and the need for inflation protection.

Yields on government debt are still low, and negative in real terms. Default risk has increased, so careful selection of issuers is essential to successful harvesting of the yields now on offer in the credit markets. Stocks are not particularly cheap when compared to their long-term averages, but good stock pickers should be able to sort the wheat from the chaff and put cash to work in outstanding companies at sensible prices.

We recommend patience and a focus on investment managers who have proven their stock and bond selection skills over the long-term, as long as they are sticking to their knitting. Long-term investors should continue to allocate to assets which are underpinned by powerful themes, such as energy transition and repurposing of real estate, but with a wary eye on valuations and leverage. Strategies which are mandated to operate across the global asset markets should be valuable in terms of capitalizing on increases in volatility and adjusting positioning dynamically to capitalize on opportunities and protect capital in periods of risk aversion.

Thank you for reading our QIR summary and bespoke QIR reports. We really appreciate your commitments and support.

LCIV Global Equity Focus Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£848.8m

Inception date:	17/07/2017
Price:	143.10p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

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.

Investment Objective

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

Enfield Valuation:

£99.7m

Enfield investment date: 24/10/2018

This is equivalent to 11.75% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £406,811

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	(4.91)	3.06	7.61	n/a	8.71	9.18
Target*	(8.57)	(0.12)	11.40	n/a	11.70	13.34
Relative to Target	3.66	3.18	(3.79)	n/a	(2.99)	(4.16)
Benchmark**	(9.13)	(2.56)	8.68	n/a	8.98	10.57
Relative to Benchmark	4.22	5.62	(1.07)	n/a	(0.27)	(1.39)

** 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

Performance

In the second quarter of 2022 the Sub-fund returned -4.9%, outperforming the MSCI World benchmark index return of -9.1% by 4.2%. In the 12-month period to end June 2022 the Sub-fund returned 3.1% against a benchmark index return of -2.6% thus posting a relative outperformance of 5.6%. Since inception, the Sub-fund has returned 8.7% per annum in absolute terms against 9% for the benchmark and is now lagging by a modest 0.3% p.a.

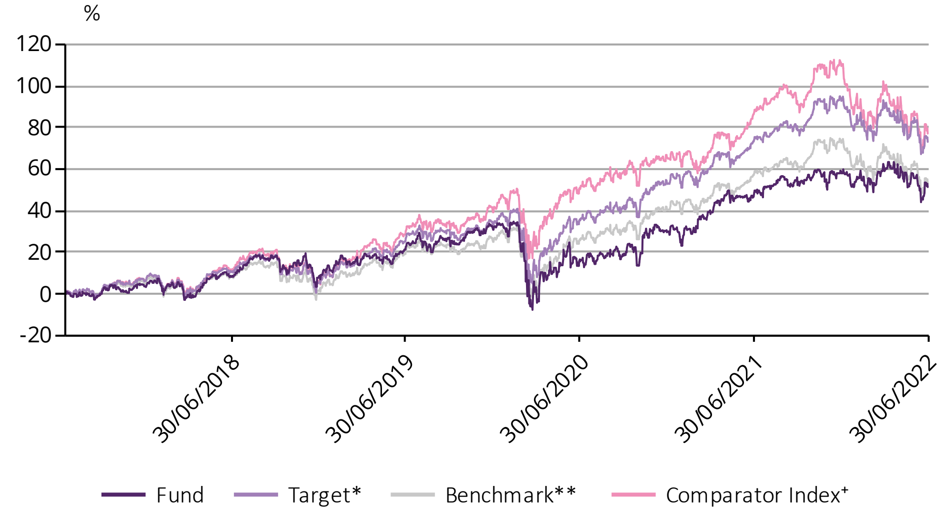
In a continuation of late 2021 and early 2022 trends the defensive characteristics of the portfolio stood out amidst weak market conditions as investors continued to reward good earnings visibility, robust business models and reasonable valuations.

Also important for the portfolio continues to be the low exposure to aggressively valued growth stocks. Longview retain a modest exposure in this segment of the market via the holding in Alphabet and they continue to look for quality opportunities in these areas that meet their valuation criteria, as in the case of Microsoft (see next section).

At the stock level positive contributors again outnumbered detractors two to one. The two largest were Sanofi and Sysco. Sanofi benefitted from a combination of positive business developments, good quarterly results and the defensive characteristics inherent to a pharmaceutical business. Sysco continues to outperform the U.S. foodservice industry and was able thus far to pass on food cost inflation to its customers.

The two largest detractors were HCA and State Street. HCA Healthcare, the largest hospital company in the U.S., underperformed in the quarter as it faced margin pressures due to higher-than-expected inflationary pressure on nursing labour costs. State Street performed poorly in the quarter as management projected that the falls in global equity and bond markets will have an impact on the fees earned from assets under custody, administration, and management.

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.

Positioning

The Sub-fund maintained a large allocation to North American equities at c. 82% followed by an exposure of 18% to European equities. At the sector level the largest exposure was to health care at 26% followed by financials at 21%. The largest positions at the stock level at the end of June 2022 were IQVIA at 3.9%, Sysco at 3.8% and Marsh & McLennan at 3.8%.

The portfolio continues to have relatively limited cyclical exposure. Since the sale of Emerson Electric in the second quarter of 2021, the portfolio has not had any traditional industrial cyclical exposure. Longview have struggled to

LCIV Global Equity Focus Fund

find attractively valued cyclicals and although the sell-off in industrials in the second quarter has made the sector more attractive, earnings expectations remain open to disappointment.

Over the quarter the investment manager initiated two new positions. The first was in Microsoft, where recent stock price weakness provided an attractive entry point. Longview considers the company a high-quality name that benefits from significant and sustainable competitive advantages in the areas of computer operating systems (Windows) and productivity tools (MS Office) while also growing its presence in cloud services (Azure).

The second was Moody's which is a global credit ratings and analytics company. The company maintains many of the characteristics Longview like such as scale, dominant market position, strong brand recognition and operates in an industry where high regulatory barriers to entry exist. According to the investment manager the business is capital light by nature and generates very high returns on capital, the majority of which are returned to shareholders through dividends and buy-backs.

Both Microsoft and Moody's score well from an ESG perspective and maintain a 'low risk' rank by Sustainalytics.

Selling activity in Q2 was mainly aimed at 'tidying up' the portfolio. The positions at Arrow Electronics and Frontdoor were sold as the investment manager concluded there is not sufficient trading liquidity for these holdings to be scaled up. Embecta and Euroapi were received in the portfolio as spinoffs from Becton Dickinson and Sanofi respectively and were subsequently sold due to their small size.

London CIV Summary

In May 2022, the London CIV completed the extended investment due diligence on the investment manager using our RAG scoring framework. Following this exercise, the investment manager's monitoring status was upgraded from 'On Watch' to 'Enhanced Monitoring' with the approval of the London CIV Investment Panel.

This decision was made on the back of sufficient improvement on performance, resourcing and business risk that was made by Longview to support the revised status. There has also been movement in the right direction on RI and engagement where Longview have bolstered their ESG integration framework and in Q2 appointed Maryse Medawar as Head of Sustainability.

However, despite the recent improvement, performance is not consistently aligned to expectations. We also retain some concerns about aspects of the investment process including the approach to valuing companies, the absence of a lead portfolio manager and the equal weighting of positions. The integration of RI into decision making has been strengthened, but there is room for further improvement.

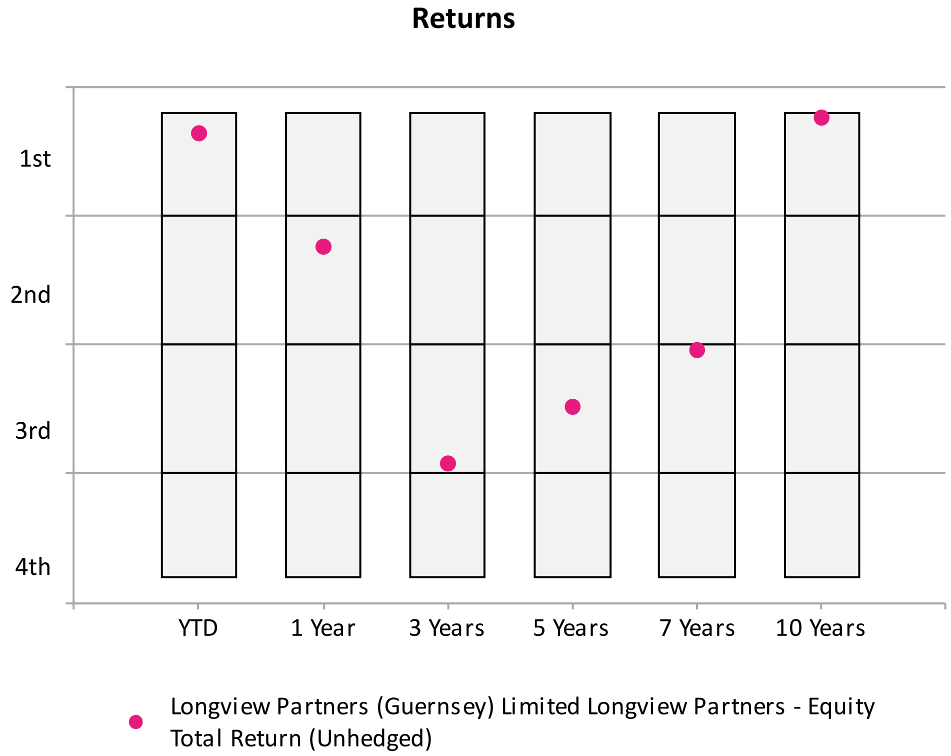
In terms of 'value-for-money', London CIV have agreed a fee reduction with Longview which comes into effect on 1 July 2022. Provided performance improves further this could also improve the investment manager's score in this area.

Conclusively, progress was made that justifies Longview's upgrade. Certain areas of concern remain and there is room for improvement. Overall, we are now more confident on the direction of travel.

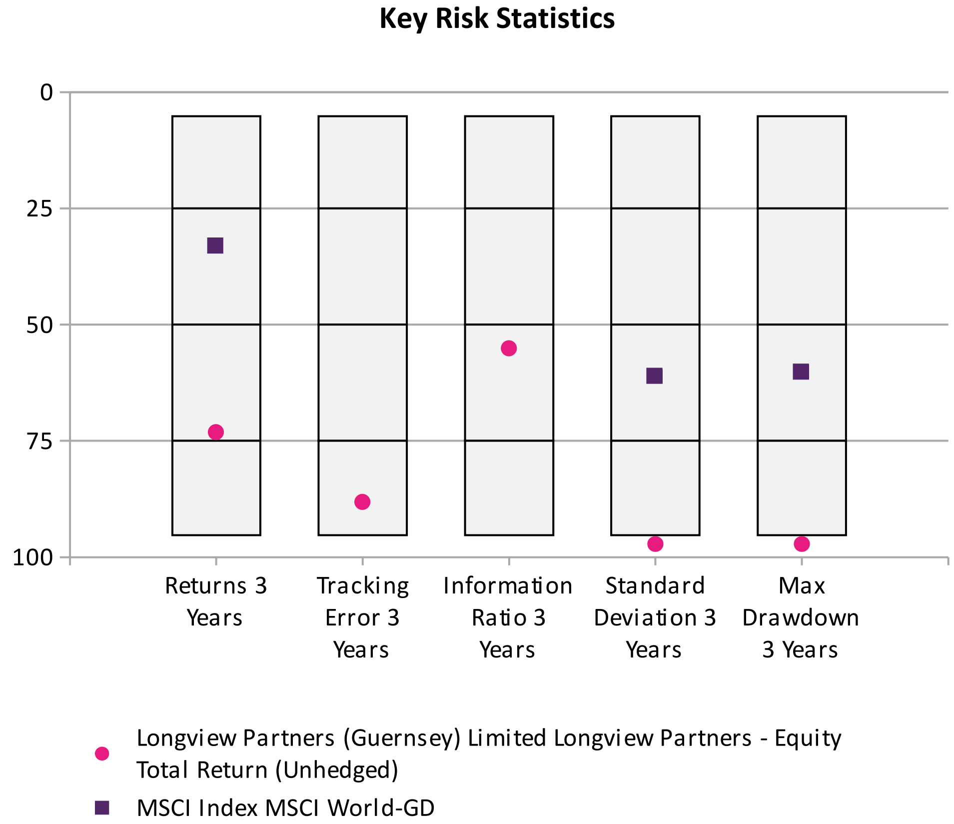
LCIV Global Equity Focus Fund

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 and Q1 2022. However, the Sub-fund has under-performed the MSCI World benchmark over 3 years and is in the third quartile of the peer group. The Sub-fund has taken a relatively high amount of risk. The 3 year standard deviation and maximum drawdown are at the high end of the range compared to peers and above the benchmark



Source: eVestment as at 31 March 2022

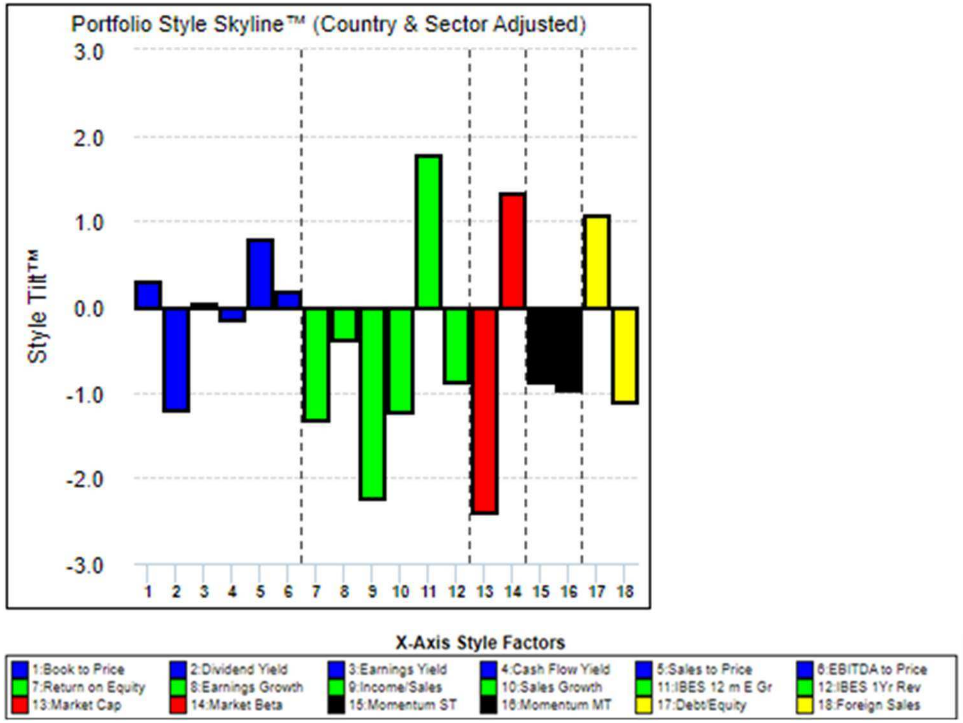


Source: eVestment as at 31 March 2022

LCIV Global Equity Focus Fund

Style Analysis

In terms of style, during the last quarter (Q1 2022) the Sub-fund remains tilted towards value measures, excepting dividend yield, and away from most growth factors (green bars), other than forecast earnings growth. There is a bias towards smaller cap, high beta stocks and those with low foreign sales and low debt/equity. The Sub-fund invests in companies with low momentum.



Source: eVestment as at 31st March 2022

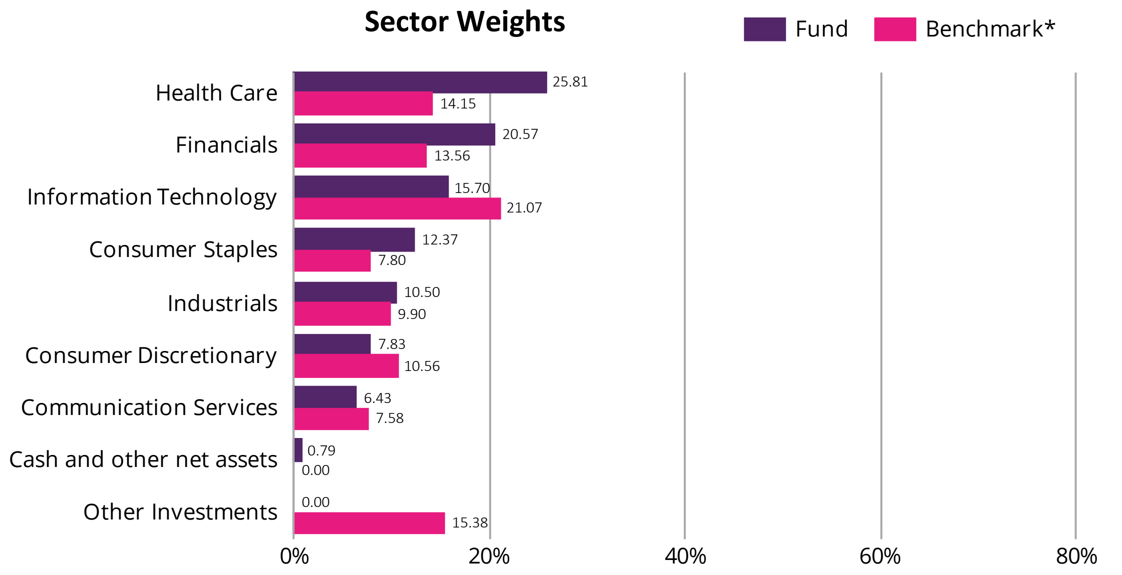
LCIV Global Equity Focus Fund: Portfolio Characteristics

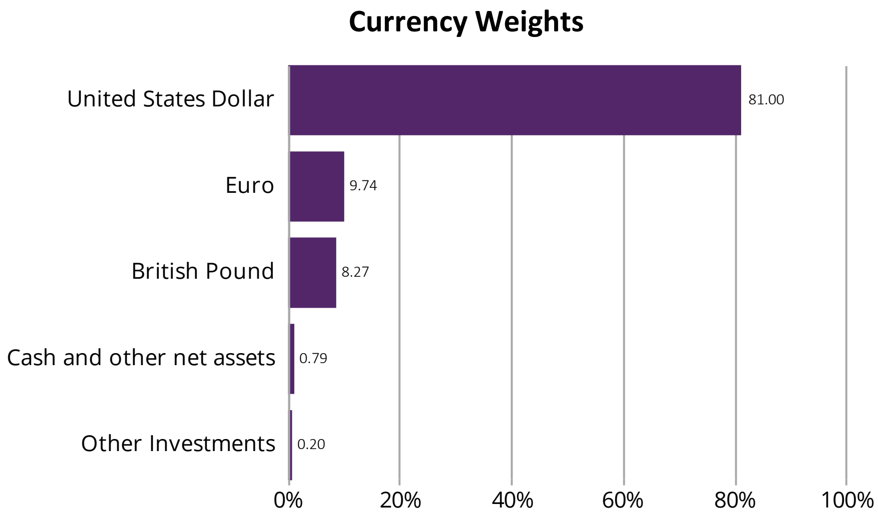
Key Statistics	
Number of Holdings	32
Number of Countries	5
Number of Sectors	7
Number of Industries	20
Yield %	1.46

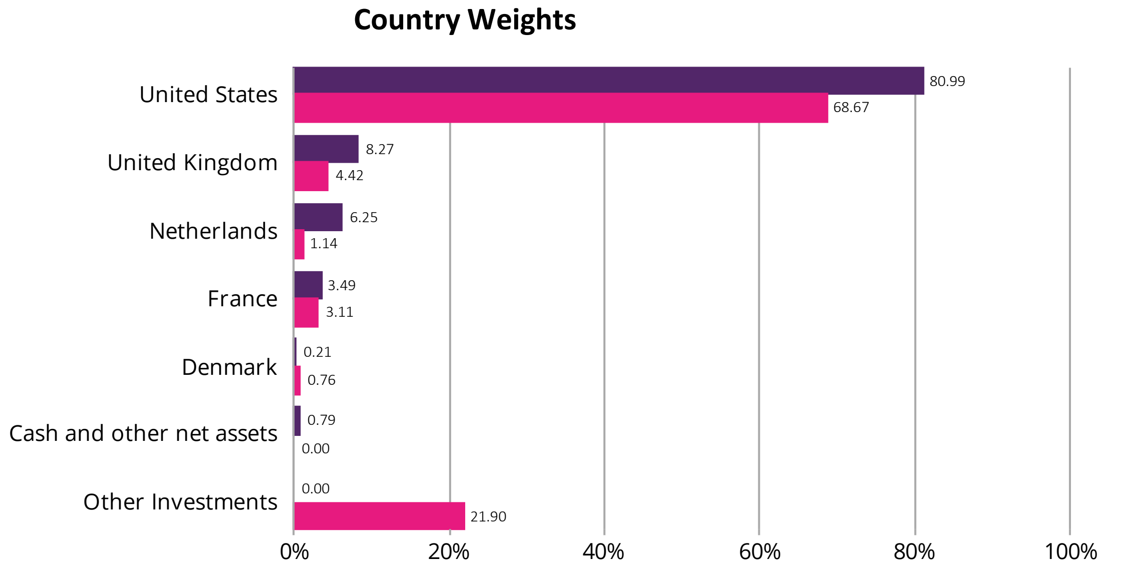
Source: London CIV data as at 30 June 2022

Risk Statistics	
Tracking Error (%)	4.61
Beta to Benchmark	0.97

Source: London CIV







Source: London CIV data as at 30 June 2022
**MSCI World (GBP)(TRNet)+2.5%*

LCIV Global Equity Focus Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
IQIVA Holdings	3.86
Sysco	3.82
Marsh & Mclennan Co's	3.81
L3harris Technologies	3.78
Unitedhealth Group	3.74
Henry Schein	3.68
Ww Grainger	3.65
Aon	3.61
Becton Dickinson	3.55
Oracle	3.54

Top Ten Contributors

Security Name	% Contribution
Sysco	+0.43
Unitedhealth Group	+0.39
Sanofi	+0.39
L3harris Technologies	+0.19
Microsoft	+0.13
Becton Dickinson	+0.11
Compass Group	+0.10
Heineken Nv	+0.09
IQIVA Holdings	+0.05
Arrow Electronics	+0.04

Top Ten Detractors

Security Name	% Detraction
HCA Healthcare Inc	(1.12)
State Street	(0.88)
American Express	(0.73)
Alphabet Inc Class A	(0.57)
Aon	(0.41)
Moody's	(0.38)
Medtronic	(0.36)
Bank of New York Mellon	(0.30)
Oracle	(0.28)
Us Foods Holding	(0.21)

New Positions During Quarter

Security Name
Microsoft

Completed Sales During Quarter

Security Name
Arrow Electronics
Frontdoor

Source: London CIV data as at 30 June 2022

LCIV Global Equity Focus Fund: ESG Summary

ESG Activity for the Quarter

During the quarter, Longview appointed Maryse Medawar as their new Head of Sustainability. Maryse has been at Longview since 2018 and was previously in a Relationship Management role.

On engagement, Longview met with W.W. Grainger to monitor a previous engagement, which was to enquire about updates made in their 2021 Corporate Responsibility Report and follow up on their LTIP performance targets disclosures. In 2021, Longview had conveyed that they expect Grainger to provide more information on targets/metrics. Furthermore, Longview asked about their plans to commit to net-zero and reduce Scope 3 emissions. W.W. Grainger explained that they are focusing on reducing emissions but may commit to a net-zero target in the future. Longview asked about their stance on Say-on-Climate and the firm confirmed they would not be opposed to resolutions that allow them to improve their disclosure and position on climate issues. Regarding voting, Longview had voted against W.W. Grainger's executive pay proposal in 2019. Their LTIP performance thresholds are not disclosed; they are hesitant to publish such sensitive information. When pressed, the company indicated they would consider disclosing this in the future. Longview will continue to monitor.

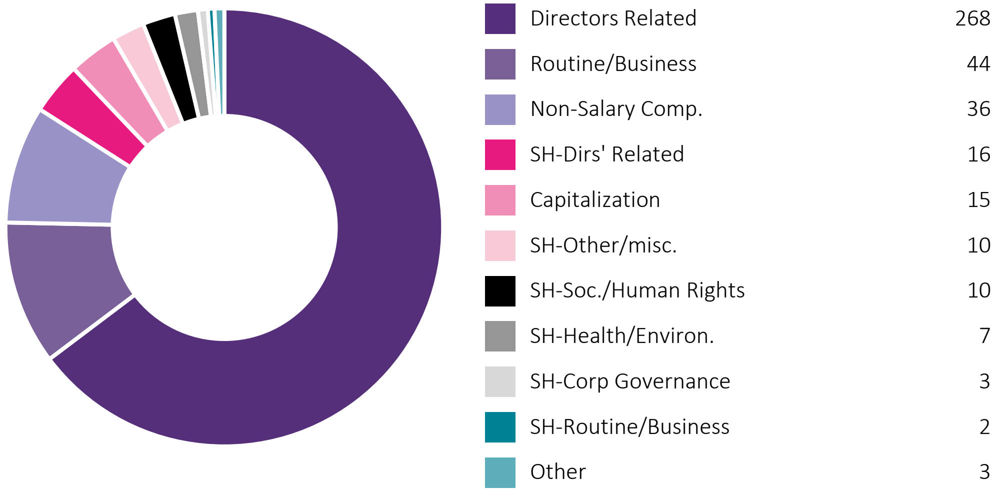
The second engagement was with American Express. Longview followed up on the 2021 AGM shareholder proposals in favour of a D&I report and the right to act by written consent. On the D&I report American Express confirmed that following shareholder feedback, including Longview's, they took action to provide more transparent D&I disclosures. EEO-1 data was included in their full ESG report. They also published an inaugural DEI Report. The shareholder proposal was submitted in 2021 and subsequently retracted after publication of the DEI report. American Express explained the proposal regarding the right to act by written consent was not raised in the 2022 AGM. They sought feedback from shareholders, but consultations could not establish shareholder consensus or determine majority support for a change. They believe the shareholders' right to call a special meeting is sufficient but will review at the annual board meeting.

LCIV Global Equity Focus Fund: ESG Summary

Voting Summary

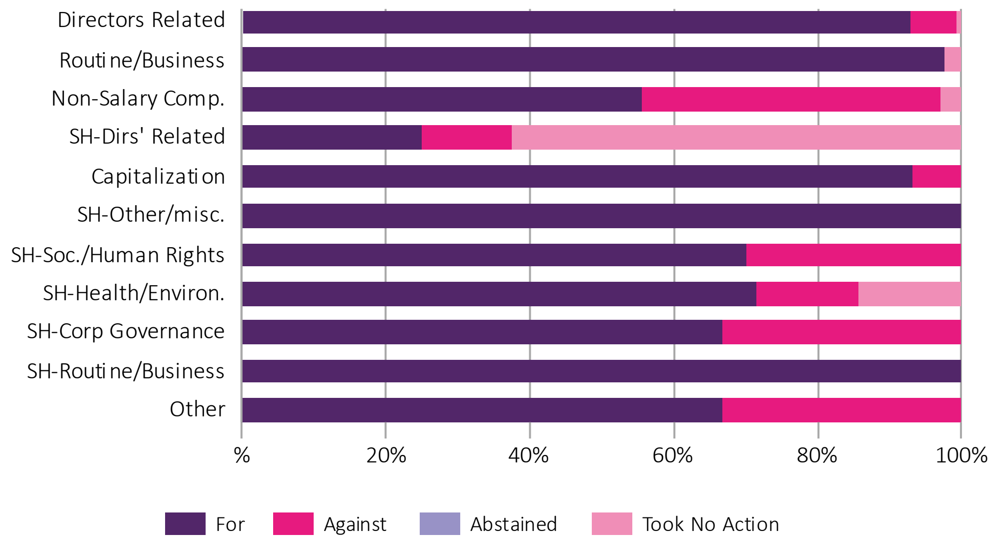
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about 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 April 2022 - 30 June 2022).

Proposals Breakdown



Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11555

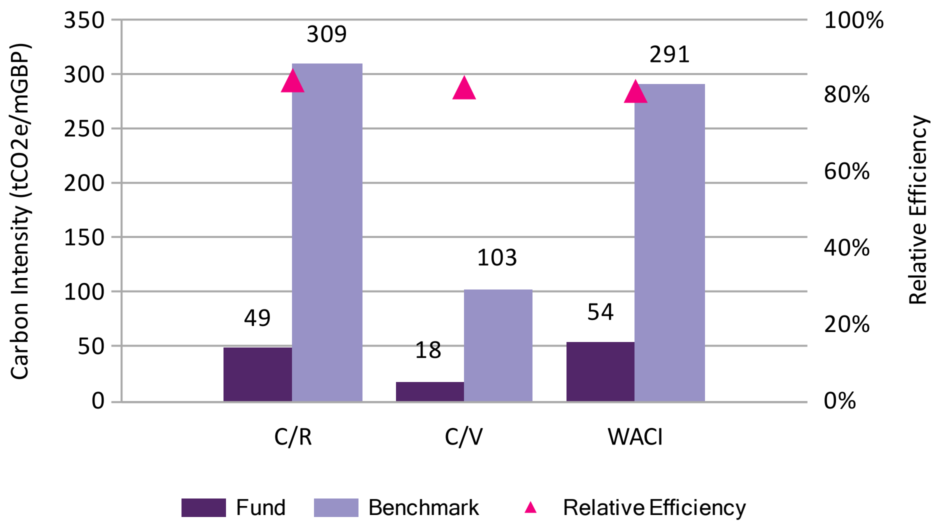
LCIV Global Equity Focus Fund: ESG Summary

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

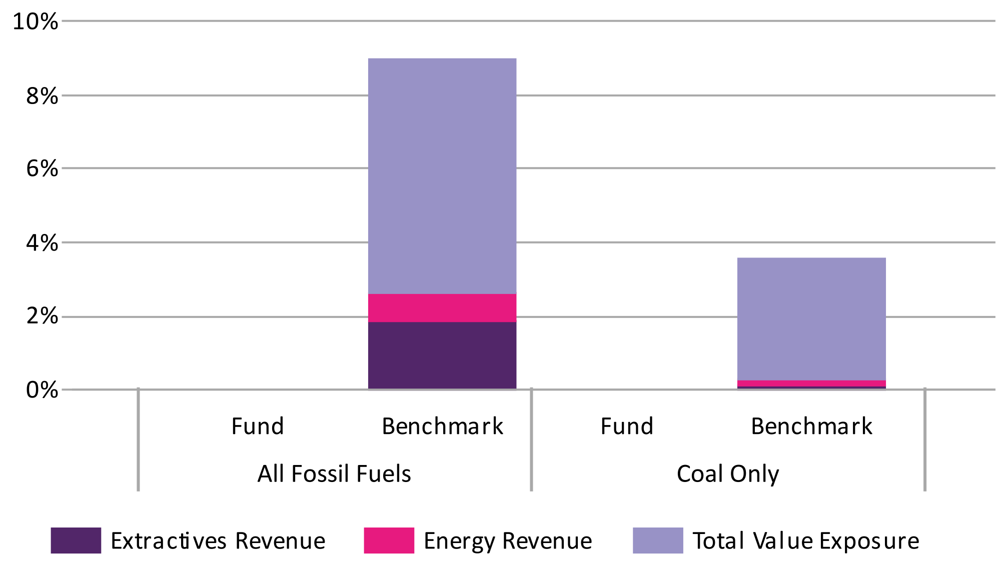
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 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 30 June 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+
Heineken N.V.	323.86	-17.54%	No
Diageo Plc	233.88	-12.07%	No
HCA Healthcare, Inc.	92.19	-2.28%	No
Becton, Dickinson and Company	83.76	-2.00%	No
Whitbread PLC	96.42	-1.00%	No
Zimmer Biomet Holdings, Inc.	81.94	-0.74%	No
Medtronic plc	62.87	-0.47%	No
Alphabet Inc.	57.01	-0.18%	No
Sanofi	55.73	-0.09%	No
US Foods Holding Corp.	53.52	0.03%	No

LCIV Global Alpha Growth Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£1,890.2m

Inception date:	11/04/2016
Price:	201.40p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

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.

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.

Enfield Valuation:

£95.4m

Enfield investment date: 30/09/2016

This is equivalent to 5.05% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £121,690

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	(12.09)	(23.40)	5.58	8.34	12.70	10.18
Investment Objective*	(8.40)	(2.17)	10.37	11.15	14.50	12.26
Relative to Investment Objective	(3.69)	(21.23)	(4.79)	(2.81)	(1.80)	(2.08)
Benchmark**	(8.85)	(4.09)	8.20	8.96	12.25	10.06
Relative to Benchmark	(3.24)	(19.31)	(2.62)	(0.62)	0.45	0.12

** 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

Performance

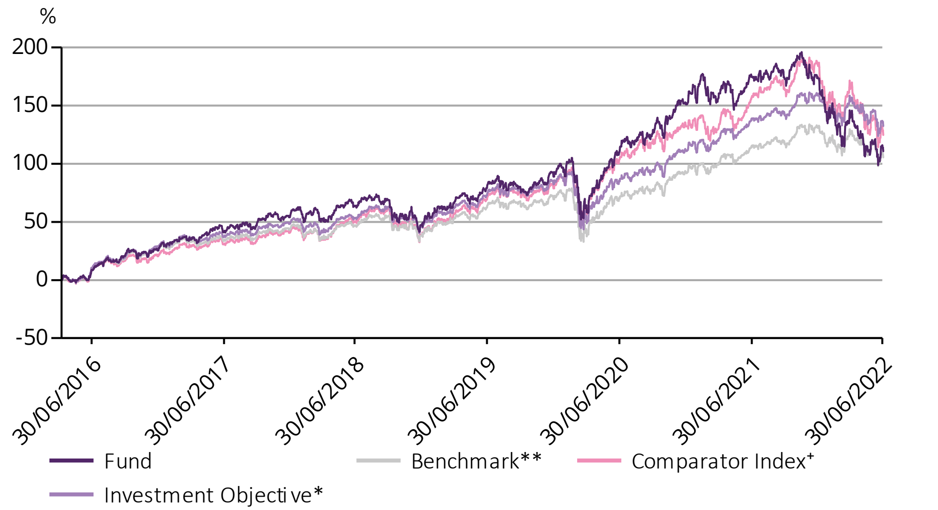
The Sub-fund returned -12.1% in Q2 against -8.9% for the MSCI All Country World benchmark index thus posting a relative underperformance of 3.2%. Consecutive poor quarters continue to take a toll on longer term performance. Over the 12-month period to end June 2022 the Sub-fund returned -23.4%, 19.3% less than the benchmark. The Sub-fund has generated 12.7% on an annualised basis since inception, outperforming the benchmark by 0.5% per annum.

The first half of this year has been a challenging one for stock markets and more so for growth strategies. Share price weakness has been most acute for high-growth companies, where uncertainty about future rewards is highest, with profits and cash flow weighted to future years. These types of companies are a significant part of the Sub-fund, as would be expected given the investment manager's long-term perspective and focus on identifying companies presenting outstanding potential. However, in the current environment the Sub-fund has been severely penalised by a market increasingly focused on shorter term, safer cashflows and low valuations.

Against this backdrop it was not surprising that the largest detractors at the stock level were companies such as Cloudflare and Shopify which spend heavily now to secure future growth as well as companies like Trade Desk and SEA Limited with strong growth prospects but also high sensitivity to consumer sentiment. Despite recent weakness in these names the investment manager remains confident on their long-term prospects.

Consistent with the prevalent market environment was the list of top performance contributors which mainly included stocks rewarded for short term positive cashflows and stability. Two characteristic examples are Prosus where the company management have decided to sell their long-held share in Tencent and return capital to investors and Elevance Health (nee Anthem) where the company's decision to increase their presence into the 'Medicare' segment of the healthcare services market is seen as increasing the stability of cashflows. Elevance (4.2%) and Prosus (3.4%) were the single largest positions in the Sub-fund in absolute terms at the end of Q2.

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.

Positioning

As at the end of June 2022, the Sub-fund maintained a significant regional allocation to North American equities at c. 56% followed by an exposure of 19.6% to European equities. At the sector level, the largest exposure was to consumer discretionary with 19.1% followed by financials at 16.7% and health care at 16.3%.

LCIV Global Alpha Growth Fund

One result of the recent market environment has been a notable reshaping of the portfolio across the different growth profiles. The 'compounders' basket, which includes companies more resilient to market weakness, has risen from around 26% at the end of December 2020 to just over 40% at the end of Q2. According to Baillie Gifford, this is the same situation experienced during the Great Financial Crisis in 2008. During the early years of the subsequent recovery, they were able to take advantage of the opportunities which had emerged by recycling capital from the relatively resilient sleeve of the portfolio into 'disrupters' offering higher potential returns over the long run, but with more risk.

We may be entering a similar phase now, with the relative outperformance of names such as Elevance Health potentially offering an opportunity to fund new buys and additions to companies such as Charles Schwab, Chewy and Farfetch for instance, where the investment manager's strengthening conviction is in sharp contrast to share price weakness.

Rolling one year turnover remained at 12% while the number of holdings has modestly decreased to 94. A notable new purchase over the quarter was Royalty Pharma, the largest buyer of biopharmaceutical royalties in the U.S. The company funds bio innovation both directly, when they partner with companies to co-fund late-stage clinical trials in exchange for future royalties, and indirectly, when they acquire existing royalties from the original innovators. Baillie Gifford anticipate that the acquisition of royalty streams will play an increasing role in the funding mix across the industry enabling Royalty Pharma to deliver attractive growth by re-investing faster than the runoff of patent expires.

In terms of complete sales, the investment manager decided to fully exit the position in Naspers. This has been a long-term holding in the Sub-fund and has added significant value mainly through the company's exposure to Tencent, China's leading internet platform. However, given the regulatory pressures Tencent is facing in their home market, the investment manager has decided to cut exposure. Baillie Gifford have also decided to fully exit the position in Peloton which has experienced challenges and turmoil over recent months mainly due to the company's poor execution in the management of the hardware element of the business.

London CIV Summary

This was the fifth consecutive quarter of negative relative returns for the Sub-fund with 12-month and 3-year relative performance now firmly into negative territory.

Underperformance of this length and magnitude naturally causes concern about the investment manager's skill and ability to deliver value. The first thing we assess when such concerns arise is the pattern of performance to ensure that it is in line with the investment manager's style and the direction of the market. We also look for changes in trading activity and the structure of the portfolio. Baillie Gifford follows an aggressive growth strategy in the management of the Sub-fund so stylistically the direction of performance was not a surprise and is broadly in line with growth style indices and peers. However, the magnitude was significantly wider than expected and this triggered extended discussions with the investment manager to understand what drove the level of underperformance.

The conclusion is that the investment manager has remained true to their process through this period. However, there are aspects of the management of the Sub-fund that could have been better. Firstly, the investment manager could have been more aggressive in trimming winners and locking in gains in the early part of 2021. Being more cautious in China, a market where the full intentions of regulators are rarely fully transparent, could have also helped. Lastly, there were stock specific decisions such as holding Peloton that did not pan out well, but we appreciate that some analytical errors will always happen in an active portfolio.

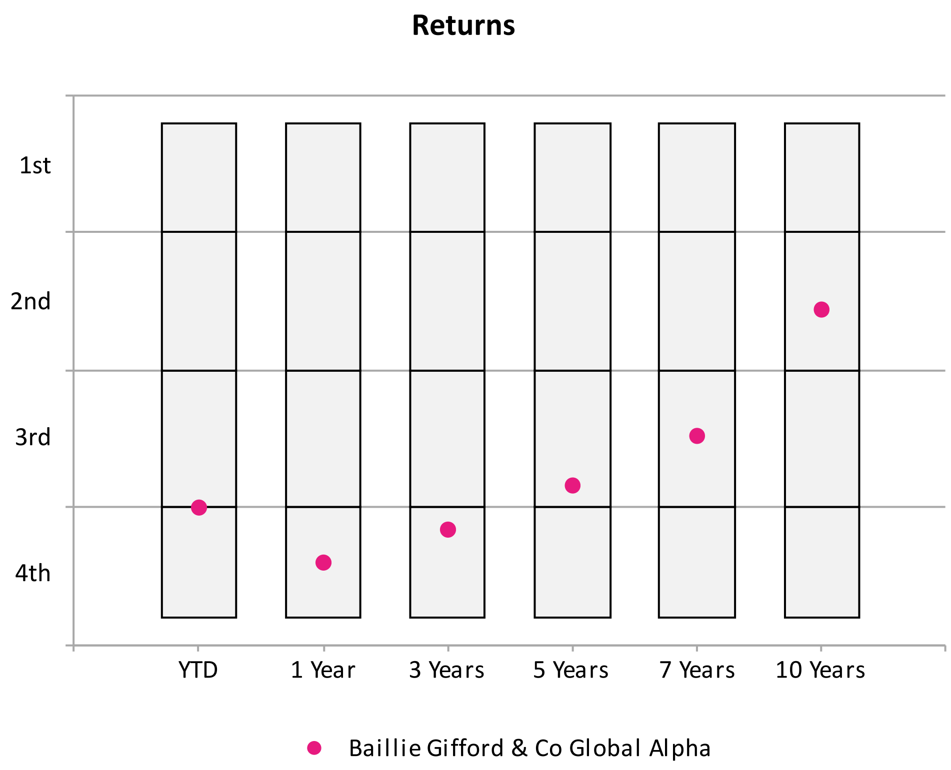
LCIV Global Alpha Growth Fund

Going forward we want to see the investment manager sticking to their process and remain fully focused on uncovering those high growth opportunities that have the potential to turn the performance back to positive when the market direction changes. There is evidence this is happening, and we are confident that the portfolio can deliver the growth we expect.

LCIV Global Alpha Growth Fund

Peer Analysis

The peer group is the Global All Cap Growth Equity. Over the short to medium-term (up to 7 years to end March 2022), the Sub-fund has not performed as well as it has historically and is in the bottom 2 quartiles of its peer group. However, over the longer term (10 years), the performance remains in the top 2 quartiles. The bottom quartile 3-year performance, coupled with relatively high tracking error has resulted in an information ratio which is in the bottom quartile compared to its peers. The 3-year maximum drawdown is lower than the MSCI ACWI Index and slightly below the median for the peer group.

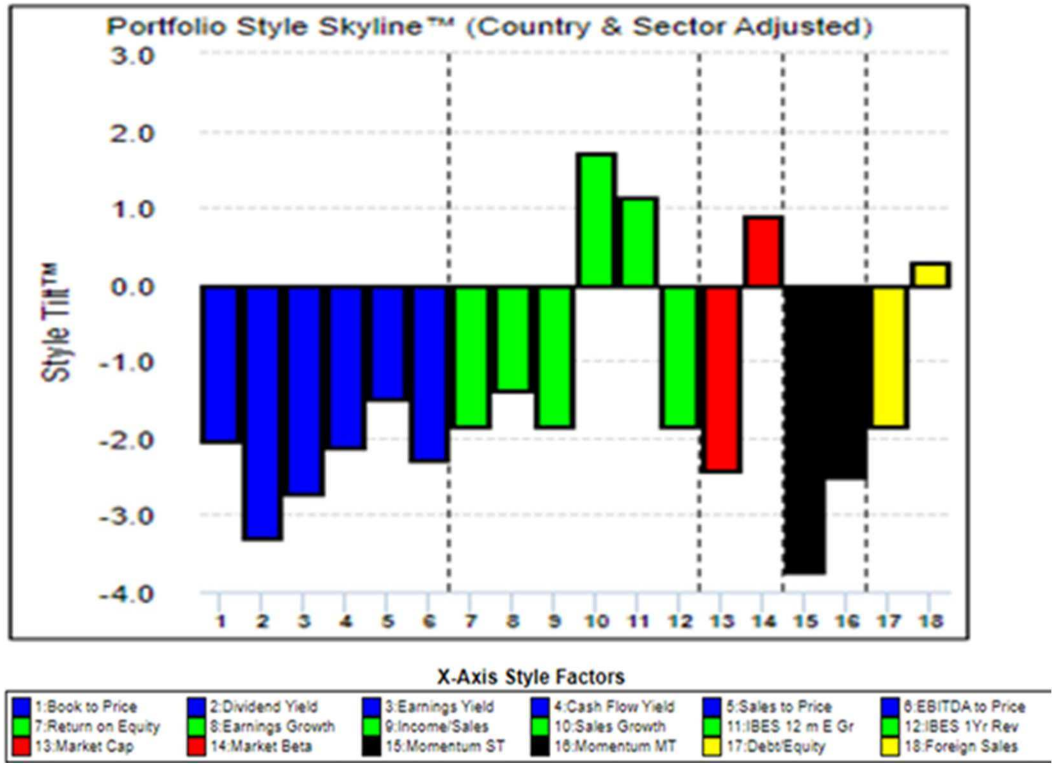


Source: eVestment as at 31 March 2022

Source: eVestment as at 31 March 2022

LCIV Global Alpha Growth Fund

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 strong positive tilt towards sales and earnings growth. The Sub-fund is also biased towards small cap stocks with a large tilt away from momentum.

Source: **eVestment as at 31st** March 2022

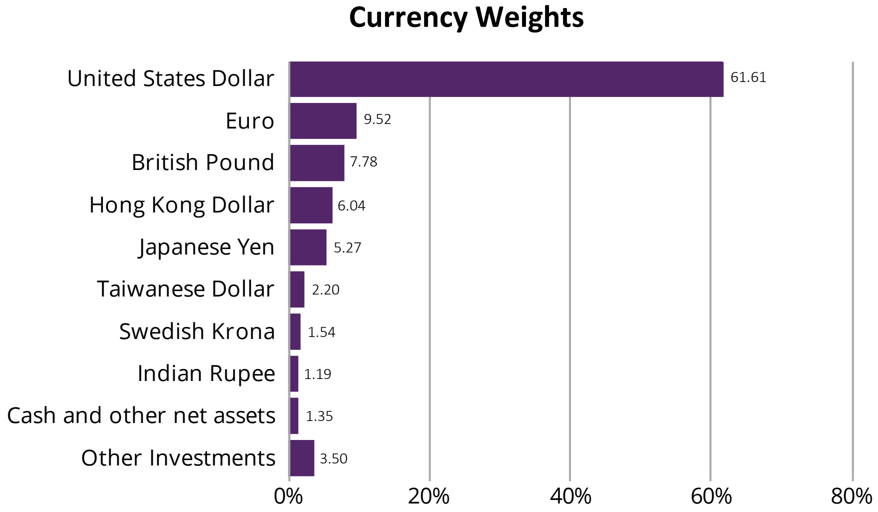
LCIV Global Alpha Growth Fund: Portfolio Characteristics

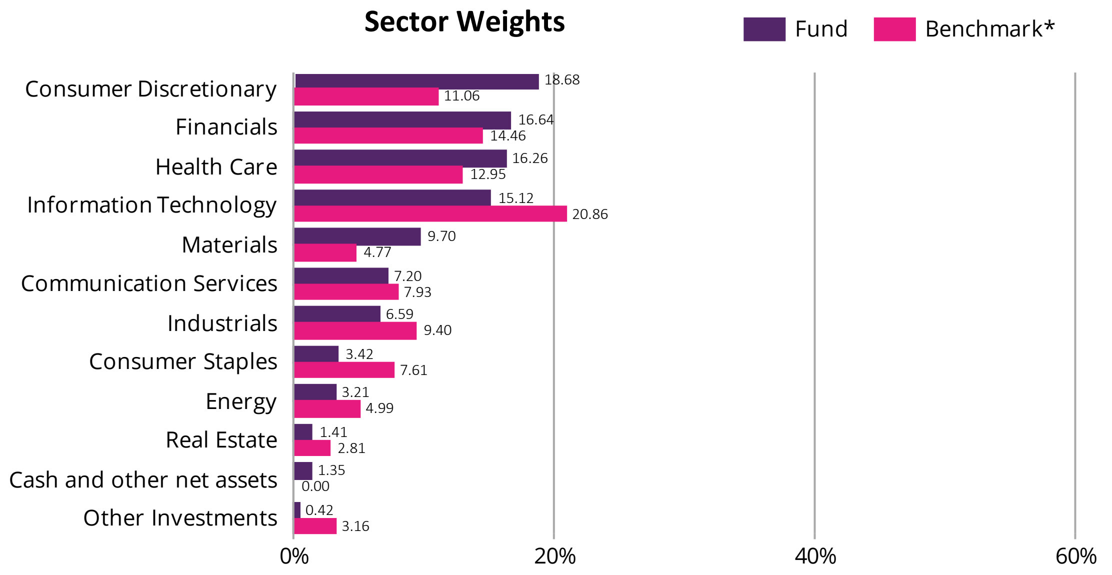
Key Statistics	
Number of Holdings	94
Number of Countries	22
Number of Sectors	10
Number of Industries	34
Yield %	1.34

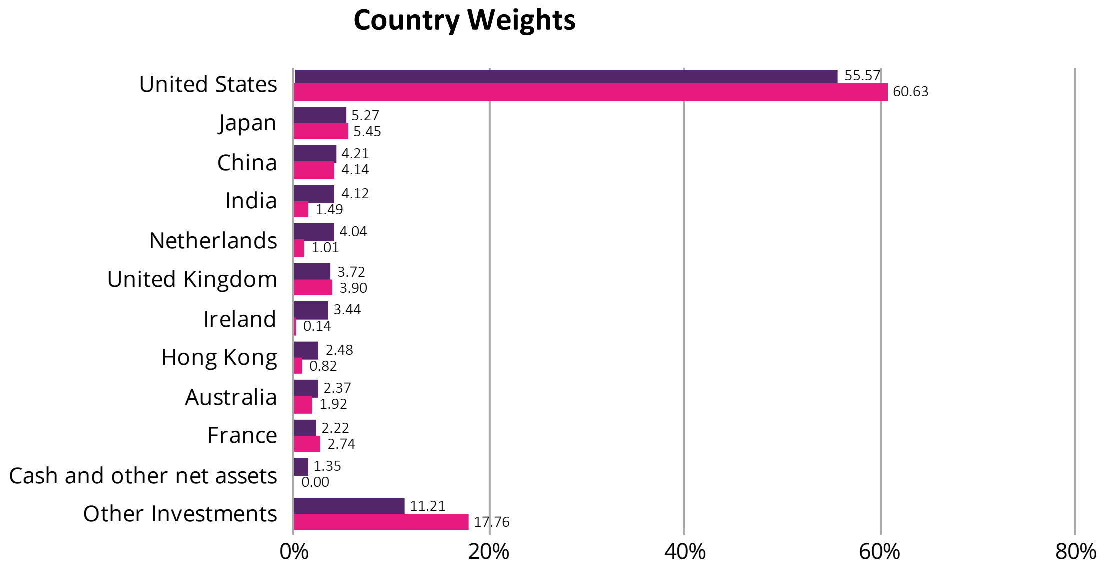
Source: London CIV data as at 30 June 2022

Risk Statistics	
Tracking Error (%)	4.83
Beta to Benchmark	1.04

Source: London CIV







Source: London CIV data as at 30 June 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	4.19
Prosus Nv	3.38
Microsoft	3.15
Reliance Industries	2.93
Alphabet Inc Class C	2.91
Moody's	2.83
Service Corporation International	2.69
Martin Marietta Materials	2.60
Arthur J Gallagher	2.45
Taiwan Semiconductor Manufacturing	2.20

Top Ten Contributors

Security Name	% Contribution
Prosus Nv	+0.74
LI Auto Inc. ADR	+0.38
Service Corporation International	+0.25
AIA Group	+0.22
Meituan Dianping	+0.21
Olympus	+0.21
Anthem Com	+0.21
Royalty Pharma	+0.10
Alibaba Group Holding	+0.08
Ping An Insurance Group Company of China	+0.06

Top Ten Detractors

Security Name	% Detraction
Amazon.com	(0.67)
Tesla Inc	(0.58)
Cloudfare Inc	(0.56)
Shopify	(0.52)
Illumina	(0.49)
Trade Desk	(0.48)
SEA	(0.46)
Alphabet Inc Class C	(0.46)
Martin Marietta Materials	(0.46)
Taiwan Semiconductor Manufacturing	(0.40)

New Positions During Quarter

Security Name
Shiseido Company Limited Npv

Completed Sales During Quarter

Security Name
Teladoc Health Inc
Peloton Interactive
Tencent Music Entmt Group ADR
KE Holdings
Epiroc Ab

Source: London CIV data as at 30 June 2022

LCIV Global Alpha Growth Fund: ESG Summary

Summary of ESG Activity for the Quarter

Baillie Gifford increased its resources dedicated to ESG activities to 43 people from 40 since last quarter. This includes a new ESG analyst for their dedicated climate and sovereign debt teams and a new impact analyst for their Positive Change Strategy. They have appointed a Head of ESG, Catherine Flockhart to ensure ongoing Partner oversight and ESG development.

Baillie Gifford informed us that they have sold their position in Tencent Music Entertainment due to various challenges, including the company's regulatory and competition issues. The investment manager was also concerned about the future of data privacy and how consumers spend their time online.

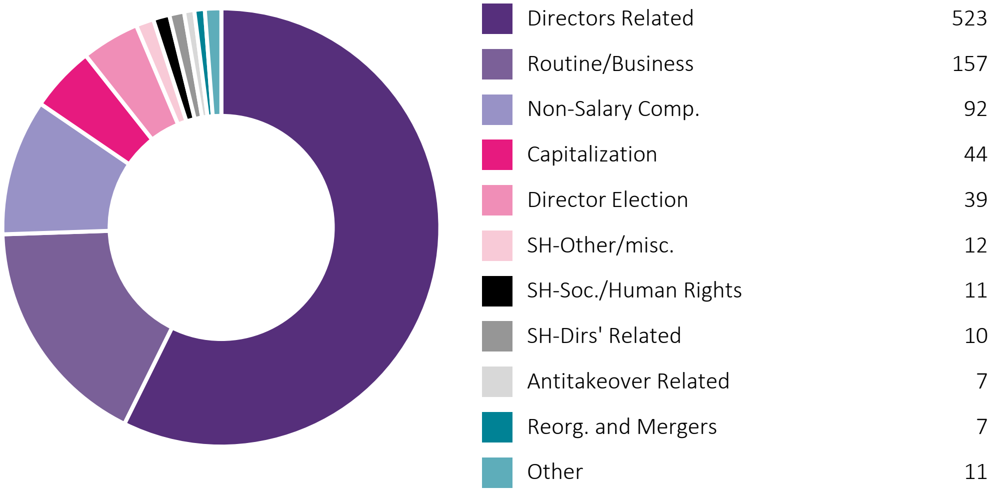
On engagement, the investment manager recognised Albemarle's improved approach to sustainability since their early engagements and arranged to meet with the company's management team to discuss ESG matters. Key items discussed: Albemarle's climate strategy and its third-party initiative for Responsible Mining Assurance audit of its La Negra plant, and Albemarle's 2022 Sustainability Report. Baillie Gifford stated that Albemarle has recognised the sustainability imperative and now sees improving its performance as a competitive differentiator. 'Advance Sustainability' is now one of its four strategic pillars. Regarding the La Negra plant, it had undergone a third-party audit; outcomes will provide a gap analysis. Regarding climate, Albemarle recognised challenges in maintaining current performance against its carbon intensity goal. The investment manager followed up with the firm and encouraged the company to invest in further mitigating actions to ensure it does not breach its lithium carbon intensity target as output expands. Lastly, the company is considering appointing a sustainability representative on the executive leadership team.

LCIV Global Alpha Growth Fund: ESG Summary

Voting Summary

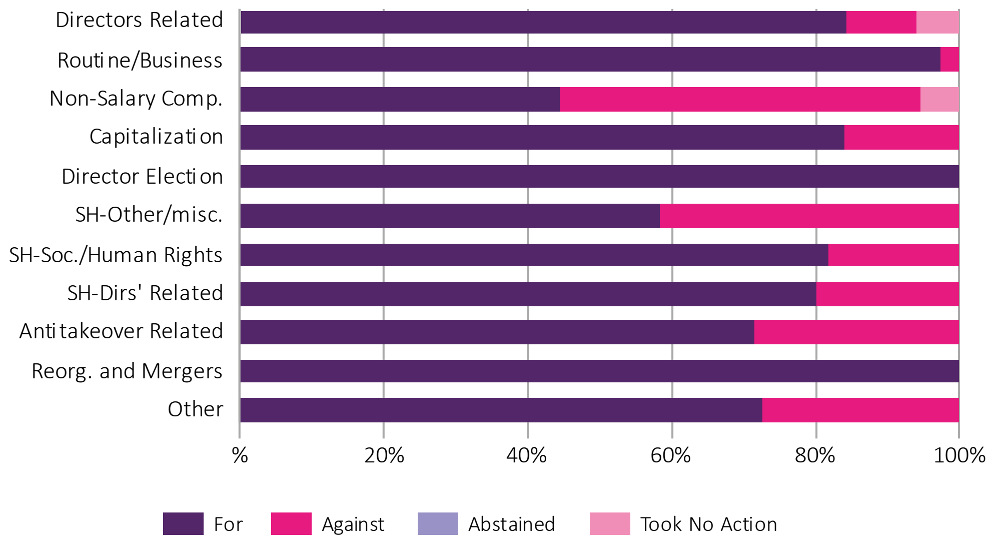
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about 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 April 2022 - 30 June 2022).

Proposals Breakdown



Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11552

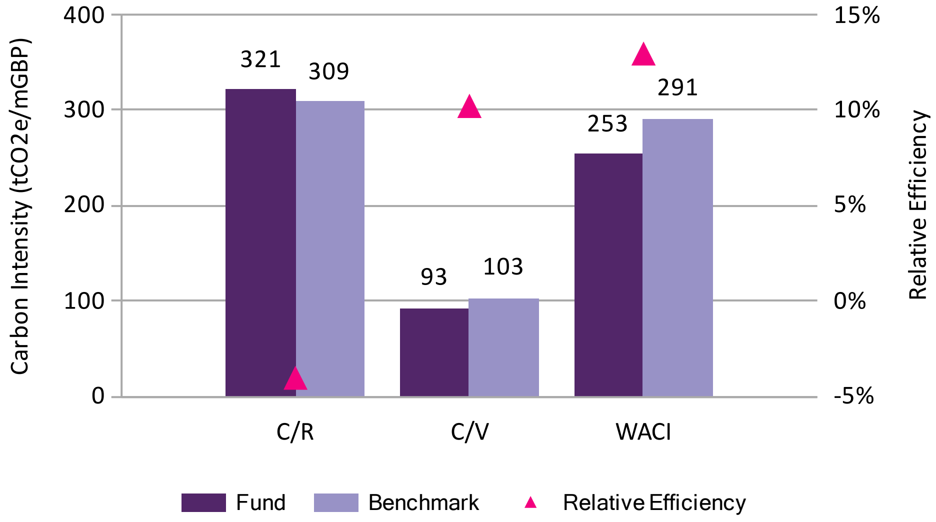
LCIV Global Alpha Growth Fund: ESG Summary

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

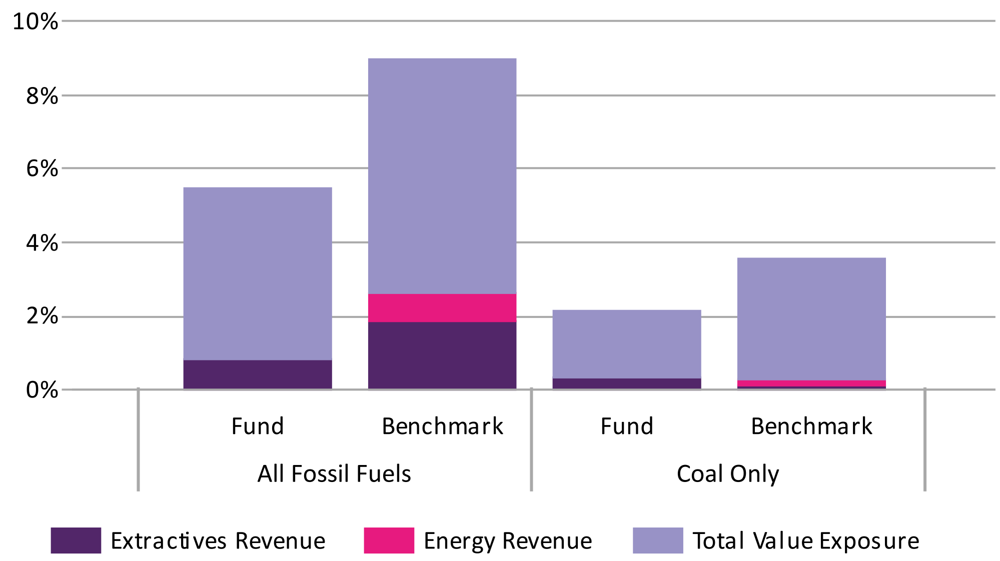
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 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 30 June 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+
Martin Marietta Materials, Inc.	2,008.95	-19.22%	Yes
CRH Plc	2,091.83	-13.01%	Yes
Ryanair Holdings Plc	1,772.26	-10.99%	No
Reliance Industries Limited	758.15	-6.24%	No
Rio Tinto Group	1,005.81	-5.04%	No
Woodside Energy Group Ltd	3,525.44	-3.82%	Yes
BHP Group Limited	543.92	-2.52%	No
Albemarle Corporation	526.87	-1.94%	No
Wizz Air Holdings Plc	1,578.45	-1.55%	No
Taiwan Semiconductor Manufacturing Company Limited	373.62	-1.11%	No

Top Contributors - Fossil Fuel Revenues

The table below shows the companies with the most significant weighted average fossil fuel revenues. The degree to which the company's own revenues are derived from fossil fuel activities is also indicated. For more information, please consult the Appendix.

Name	Fossil Fuel Revenue	Portfolio Weighted Fossil Fuel Revenue	Climate 100+
BHP Group Limited	23.68%	0.509%	No
Woodside Energy Group Ltd	96.69%	0.285%	Yes
Reliance Industries Limited	0.40%	0.012%	No

LCIV Emerging Market Equity Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£547.3m

Inception date:	11/01/2018
Price:	93.06p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

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.

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.

Enfield Valuation:

£29.9m

Enfield investment date: 24/10/2018

This is equivalent to 5.46% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £166,932

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	(7.01)	(19.25)	0.13	n/a	(0.62)	3.40
Investment Objective*	(3.40)	(12.89)	4.71	n/a	3.32	8.09
Relative to Investment Objective	(3.61)	(6.36)	(4.58)	n/a	(3.94)	(4.69)
Benchmark**	(4.00)	(15.01)	2.15	n/a	0.80	5.45
Relative to Benchmark	(3.01)	(4.24)	(2.02)	n/a	(1.42)	(2.05)

** 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

Performance

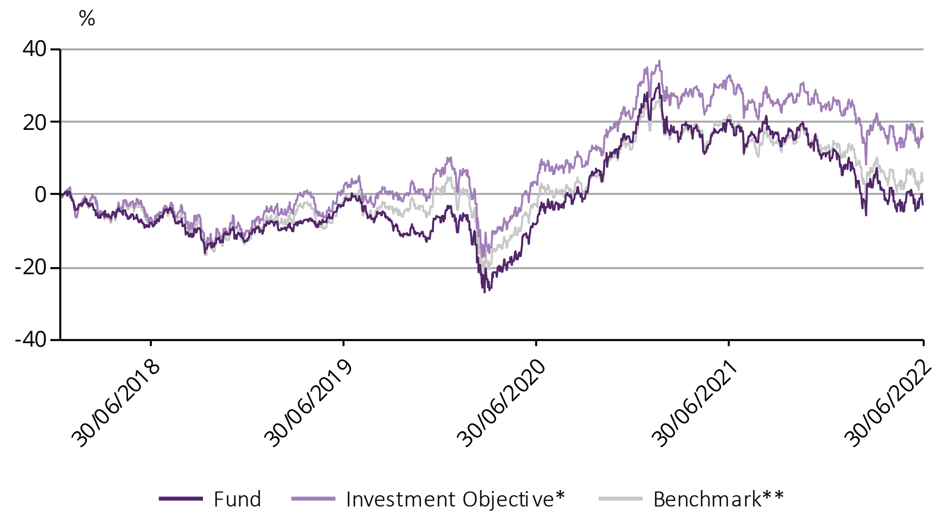
The Sub-fund delivered -7% over the second quarter against -4% for the MSCI Emerging Market Index, a relative underperformance of -3%. One-year return for the Sub-fund is -19.3%, lagging the benchmark by 4.2%. The Sub-fund's relative performance since inception is also negative, with the Sub-fund returning -0.6% against 0.8% for the benchmark. Relative returns since hiring the current investment manager remain positive.

Despite higher forecasted earnings, emerging market equities have lagged global equities for a few years now. This trend persisted over the last year as well, with the MSCI Emerging Market Index plummeting -15%, against a -2.6% decline for the MSCI World Total Return (Net) Index. However, after absorbing the brunt of lockdowns in China and the effects of the Russian invasion in the first quarter, emerging markets outperformed developed market equities in the second quarter. Key reasons for this outperformance were inflation and growth concerns across developed markets, as well as the lifting of Covid-19 lockdowns in China.

The Sub-fund's underperformance in the first quarter was predominantly driven by the sectors or regions not owned in the portfolio, particularly the energy sector. While sector allocation, including the energy underweight, was a mild detractor again in the second quarter, stock selection, particularly within consumer discretionary, was the key to underperformance.

At the stock level, Sea ltd and MercadoLibre continue to be the main short and medium-term detractors. The stock price of Sea ltd, an e-commerce business based in Singapore, dropped nearly 80% since its peak in November 2021. This is in contrast to the stock's performance prior to November 2021 when it had consistently been the 'shining star' of the Sub-fund. The investment manager admits that given the rapid rise (followed by an even swifter demise) of the stock, their price estimates were quite aggressive. The position is now being trimmed. Regarding MercadoLibre, and despite its recent weakness, operating margins are still improving. Therefore, the investment manager is willing to absorb the macroeconomic headwinds in the short run for a stock where fundamentals remain intact.

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*

Positioning

The Sub-fund's lumpy performance is a function of its investment style which is focused on 'quality growth' stocks. These stocks led the market during the Covid-19 recovery phase with the Sub-fund outperforming the benchmark by 11% in 2020. However, these stocks have long duration due to sustainable

LCIV Emerging Market Equity Fund

profitability expected in later years. As bond yields have soared globally, these stocks have been worst hit.

After the recent earnings derating in emerging market equities, expected returns are around 17%, much higher than developed market peers. Looking at price-to-earnings, the gap between high growth and low growth stocks has narrowed substantially. Nonetheless, the gap is still wide enough to warrant caution in a volatile environment.

Across regions, China and India are the largest absolute exposures for the Sub-fund. In active weight terms, the investment manager retains a significant underweight to mainland China counterbalanced by an overweight to companies listed in Hong Kong. The Sub-fund is also overweight in India.

The recent easing of Covid-19 related restrictions in China, along with reduced regulatory pressures, have been a much-needed silver lining for the portfolio. Political and regulatory risk is high in China and the investment manager has recently increased the cost of equity estimate used when valuing Chinese companies. Interestingly, valuations still remain attractive in relative terms even after these adjustments. Overall, China is well positioned from fiscal and monetary policy perspective when compared to developed markets. The investment manager is looking to add to this exposure but is mindful of the risks and likely to add to China through smaller active positions.

India has been a headwind for the portfolio recently due to a rally in low quality stocks. The portfolio is mainly positioned in consumer and financial services stocks that should benefit from a growing economy in the long run.

Over the quarter, Unilever Indonesia was the only addition to the portfolio. The investment manager has been waiting for the right entry point to this stock for some time now and expects the stock to benefit from increased domestic consumption. There have been no other changes to the portfolio over the quarter.

London CIV Summary

The Sub-fund's quality growth bias has failed to protect the portfolio in a declining market this quarter and year-to-date. The current portfolio positioning and style reflects the investment manager's long term investment beliefs. Recent performance was partly expected due to lack of exposure to certain cyclical sectors and the growth bias in the portfolio. Beyond the detrimental asset allocation, stock selection has also contributed to recent underperformance.

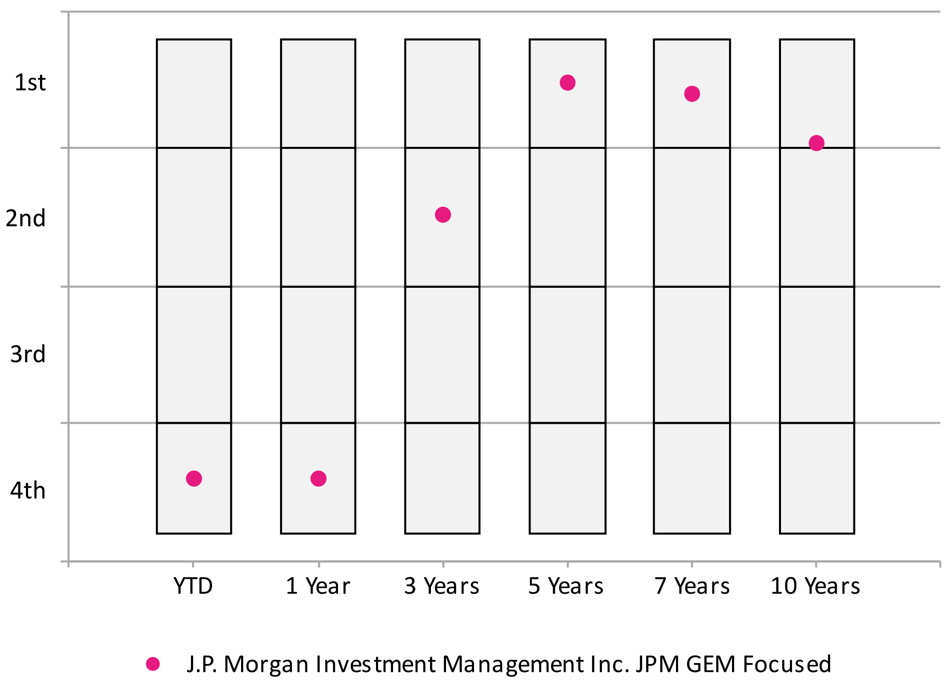
Long term performance for the current investment manager remains in positive territory. The investment manager is still awaiting the outcome of the UK Stewardship Code assessment, and this remains a concern from an ESG perspective. Overall, the Sub-fund has delivered against expectations since they were hired in Q4 2019 and there are no material concerns on the wider factors monitored by London CIV.

LCIV Emerging Market Equity Fund

Peer Analysis

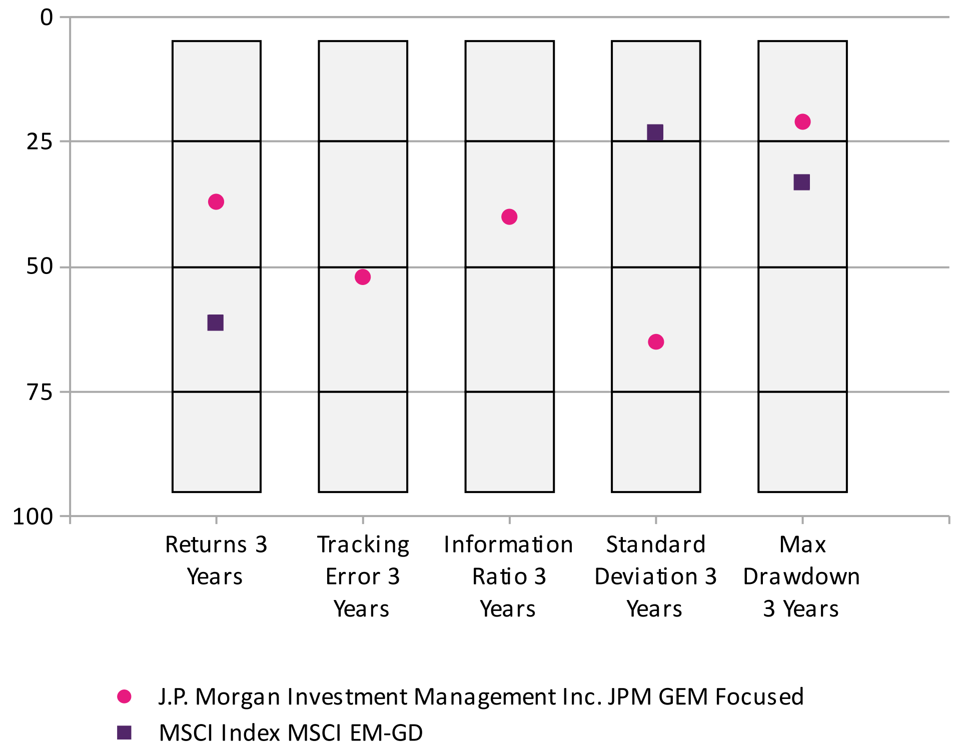
The peer group is the Global Emerging Markets All Cap Core Equity. The investment manager is a first or second quartile performer over medium to long-term periods (3 years to 10 years). However, performance in the most recent 12 month period is in the bottom quartile. Over three years, the standard deviation of returns is above the benchmark index and the median of the peer group. Tracking error is close to the median and the information ratio is in the second quartile.

Returns



Source: eVestment as at 31 March 2022

Key Risk Statistics

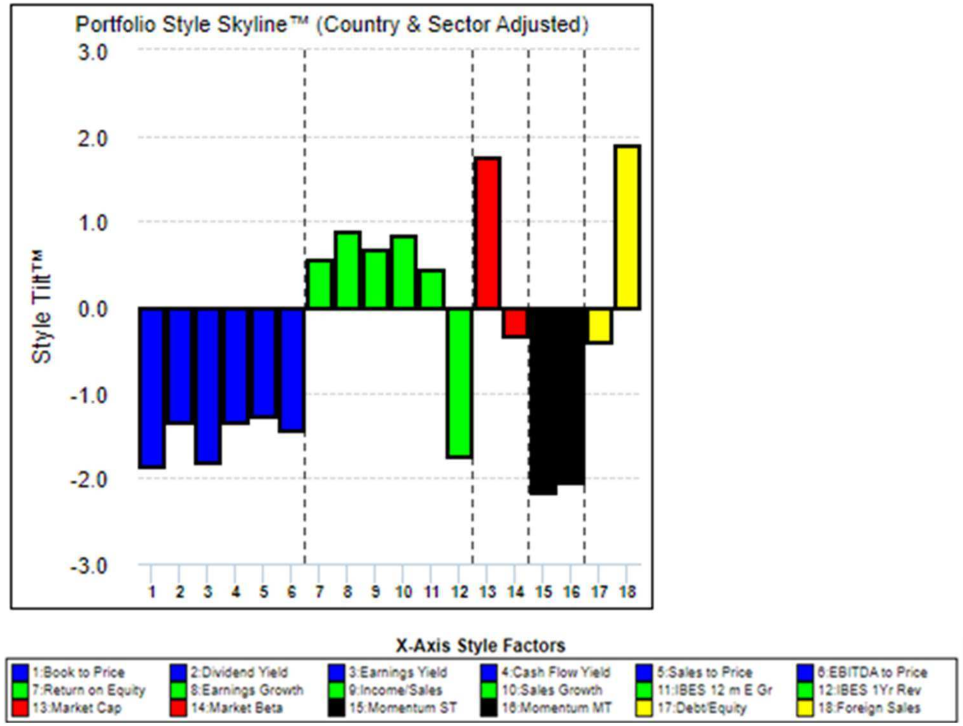


Source: eVestment as at 31 March 2022

LCIV Emerging Market Equity Fund

Style Analysis

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



Source: eVestment as at 31st March 2022

LCIV Emerging Market Equity Fund: Portfolio Characteristics

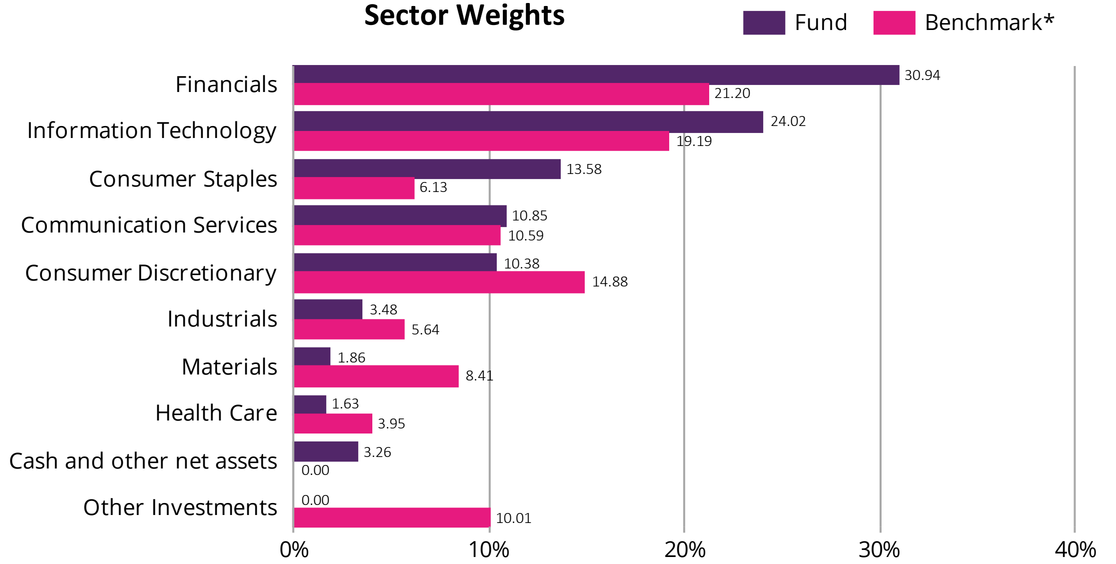
Key Statistics	
Number of Holdings	53
Number of Countries	14
Number of Sectors	8
Number of Industries	25
Yield %	1.67

Source: London CIV data as at 30 June 2022

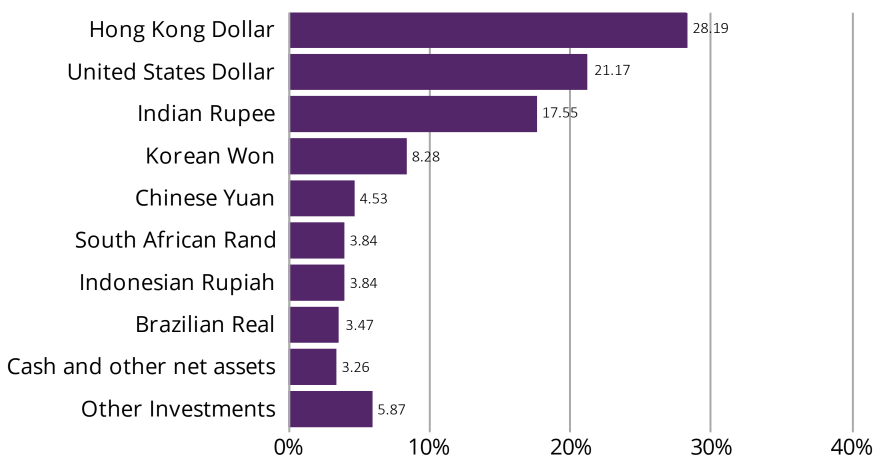
Risk Statistics	
Tracking Error (%)	4.86
Beta to Benchmark	0.96

Source: London CIV

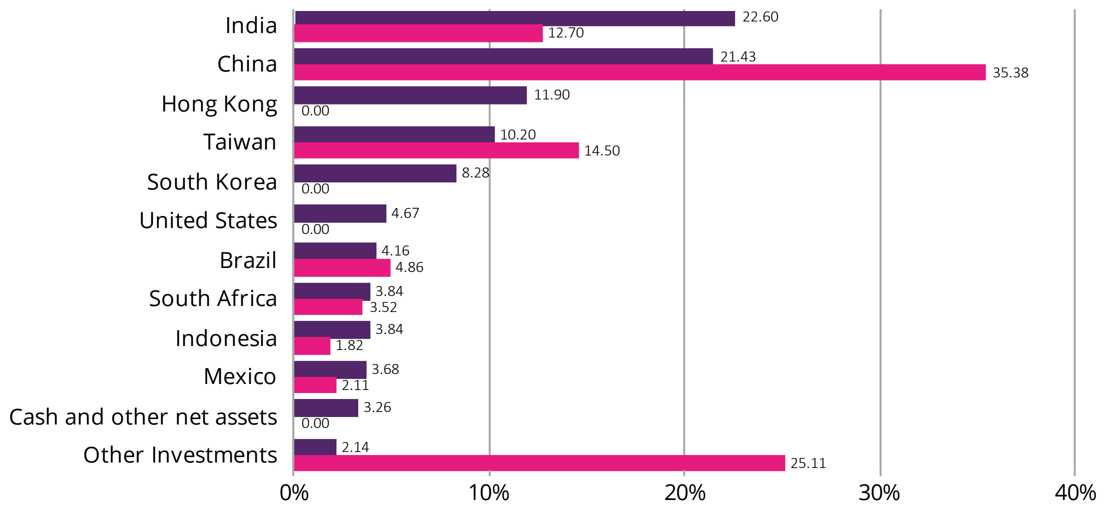
Sector Weights



Currency Weights



Country Weights



Source: London CIV data as at 30 June 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	7.38
Tencent Holdings	6.94
Samsung Electronics	5.61
HDFC Bank ADR	5.05
AIA Group	4.96
Housing Development Finance	4.69
Tata Consultancy Services	4.15
Infosys	4.08
JD.com	2.47
Hong Kong Exchanges & Clearing	2.31

Top Ten Contributors

Security Name	% Contribution
AIA Group	+0.54
Kweichow Moutai	+0.40
JD.com	+0.38
Budweiser Brewing Apac	+0.34
Wuxi Biologics	+0.26
Hong Kong Exchanges & Clearing	+0.25
Yum China Holdings	+0.20
Foshan Haitian Flavouring & Food	+0.15
Alibaba Group Holding	+0.14
Tencent Holdings	+0.14

Top Ten Detractors

Security Name	% Detraction
Mercadolibre	(1.60)
Taiwan Semiconductor Manufactor ADR	(1.41)
Samsung Electronics	(1.08)
Infosys	(0.92)
SEA	(0.75)
Techtronic Industries	(0.60)
Naver	(0.49)
Tata Consultancy Services	(0.39)
Capitec Bank Holdings	(0.36)
B3 Brasil Bolsa Balcao	(0.29)

New Positions During Quarter

Security Name
Unilever Indonesia Idr2

Completed Sales During Quarter

Security Name
not applicable, no completed sales during the quarter

Source: London CIV data as at 30 June 2022

LCIV Emerging Market Equity Fund: ESG Summary

Summary of ESG Activity for the Quarter

This quarter, JPMAM has provided two engagement case studies:

NetEase:

The Manager held a discussion with NetEase's new ESG team lead regarding ESG governance and human capital management. The company currently has an ESG working group comprising of representatives from different departments. It is in the process of establishing an ESG committee at the board level and is actively searching for the right board candidate, "ideally a female candidate with ESG expertise". The manager offered to connect the company to the 30% Club Hong Kong's Women Pipeline programme (JPMAM is a member of this investor working group that encourages at least 30% female board representation) and the company was receptive to this.

The manager also encouraged NetEase to disclose female representation both at the middle management and executive level, as well as its turnover rate. JPMAM also shared their diversity engagement framework after the meeting which the company promised to review. However, the company shared that there has been internal resistance publishing certain sensitive data such as turnover rate.

On human capital management, the manager asked about the company's mitigation of crunch culture (unpaid overtime work to meet game development deadlines) and 996 culture (working 9am to 9pm, six days a week) in China's technology sector. In its view, neither applies to the company. NetEase stated that it does not force employees to work overtime and according to the company, the employee satisfaction rate is high. The company has been conducting an annual employee engagement survey in which it asks for all employees' feedback on various aspects including business and strategy, innovation, company culture and teamwork. The investment manager further encouraged the company to disclose more details about its employee engagement survey findings.

Samsung Electronics:

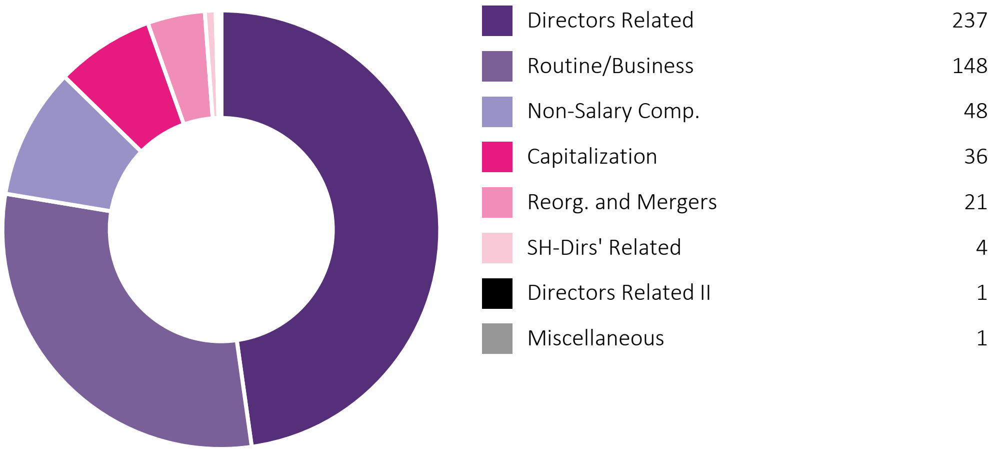
The manager voted against the election of Samsung Electronics' newly nominated independent director, Jun-Sung Kim, due to concerns about the candidate's true independence and concerns about overall board diversity. Samsung argued that the election of Jun-Sung Kim, a former Chief Investment Officer at Samsung Asset Management and former Managing Director at GIC, would bring an investor's perspective to the board. However, the company's inadequate disclosure about his previous role as the Chief Investment Officer at Samsung Asset Management provided insufficient information for them to conclude that he would be truly independent of management. Samsung argued that as he worked for this subsidiary nine years ago, it was unnecessary to provide information regarding his role to shareholders. JPMAM urged the company to include more details about the backgrounds of director candidates in future.

LCIV Emerging Market Equity Fund: ESG Summary

Voting Summary

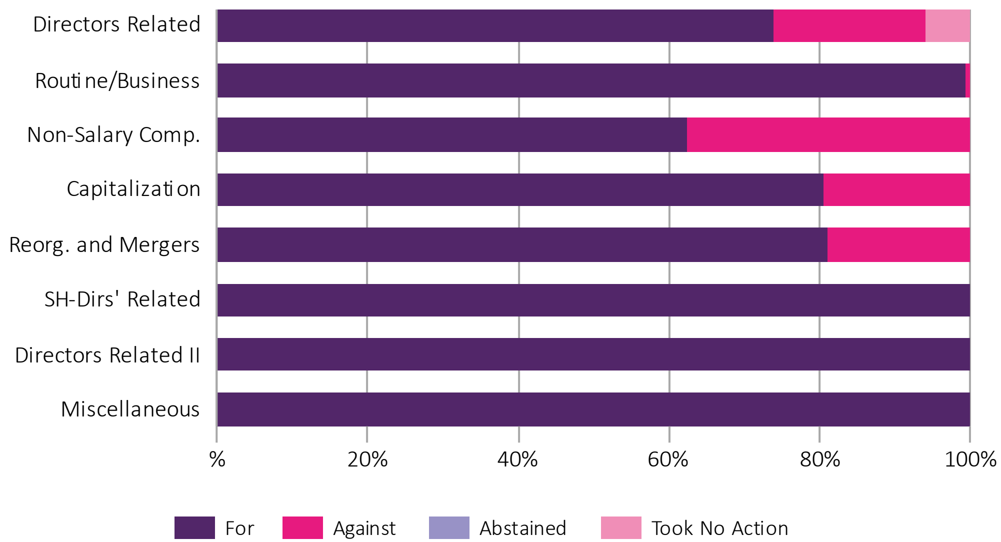
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about 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 April 2022 - 30 June 2022).

Proposals Breakdown



Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11551

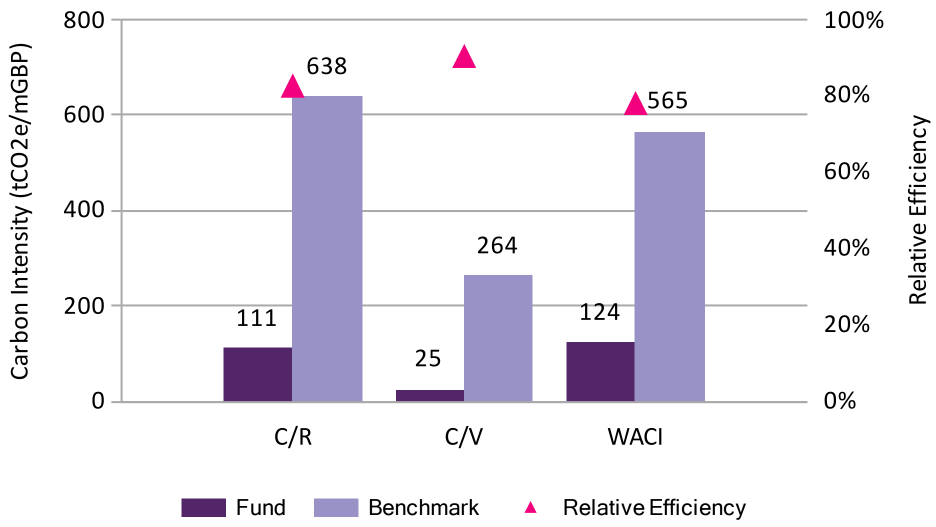
LCIV Emerging Market Equity Fund: ESG Summary

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

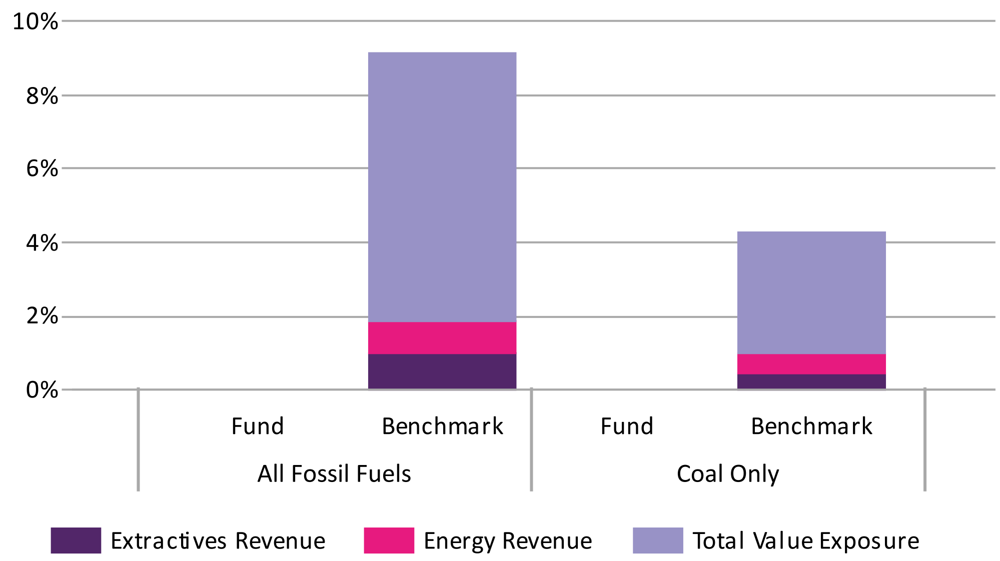
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 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 30 June 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+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-16.83%	No
Kweichow Moutai Co., Ltd.	387.89	-5.03%	No
ITC Limited	676.65	-4.00%	Yes
LG Chem, Ltd.	676.58	-3.93%	No
Budweiser Brewing Company APAC Limited	364.25	-3.80%	No
Samsung Electronics Co., Ltd.	192.48	-3.38%	No
Yum China Holdings, Inc.	371.83	-2.52%	No
Foshan Haitian Flavouring and Food Company Ltd.	317.69	-1.70%	No
Sands China Ltd.	398.03	-1.38%	No
Ambev S.A.	350.50	-1.32%	No

LCIV MAC Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£1,153.3m

Inception date:	31/05/2018
Price:	96.75p
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:

£51.6m

Enfield investment date: 30/11/2018

This is equivalent to 4.48% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: Nil

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	(7.83)	(7.51)	0.04	n/a	0.93	0.90
Investment Objective*	1.33	4.89	4.87	n/a	4.99	4.95
Relative to Investment Objective	(9.16)	(12.40)	(4.83)	n/a	(4.06)	(4.05)

** 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

Performance

The Sub-fund returned -7.8% over the second quarter, a -9.2% return relative to its absolute return objective of SONIA + 4.5%. One-year returns for the Sub-fund are -7.5% an underperformance of -12.4% against the objective. The Sub-fund's returns since inception are also lagging its investment objective by -4.1% per annum.

Overall, credit markets had a brutal awakening in the first half of this year, due to rate increases and spread widening. Drawdowns were widespread across credit asset classes in Q2, compounding the first quarter's losses. These broad declines have resulted in negative returns across the different segments of the Sub-fund, but to a varying degree and at different conjunctures, owing to the addition of a new investment manager.

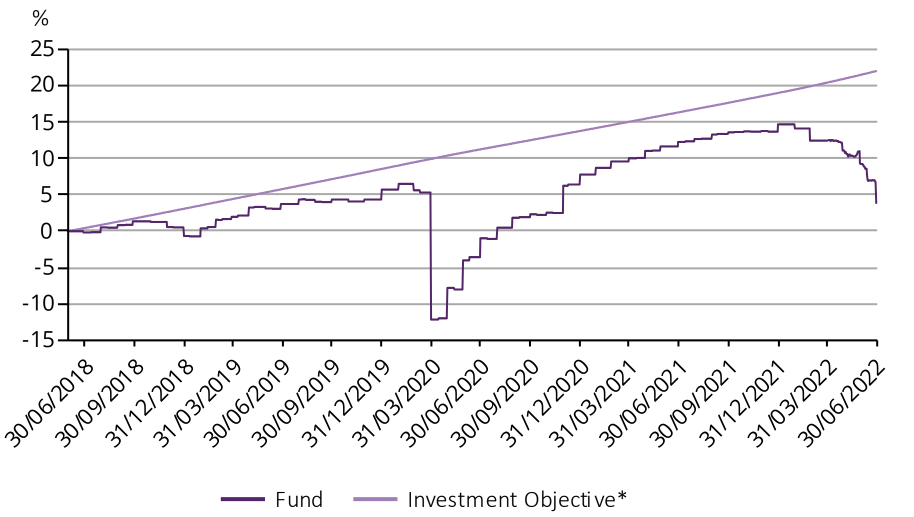
The quarter started with a continuation of inflation and policy tightening headwinds, resulting in short duration and riskier assets such as high yield outperforming (while declining) higher quality investment grade assets. As the narrative shifted from inflation to slower growth, longer duration and higher quality segments outperformed. This recovery in the relative performance of investment grade was not sufficient to offset losses incurred earlier in the quarter.

High yield was the largest detractor in the Sub-fund in Q2. In particular, European high yield faced major challenges due to higher recessionary risks.

Loans are a key asset class for the portfolio and fared better year-to-date than other credit markets leading up to April, due to their floating rate nature. However, as concerns about growth materialized, loans underperformed because they are perceived to be more exposed to default and downgrade risk than bonds.

Another asset class that disappointed was asset backed securities, despite better fundamentals. One key reason was the portfolio's exposure to European CLOs that faced significant repricing.

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%)*

European financials were also a key detractor, as despite strong fundamentals, they were marked down due to macro headwinds and headlines related to U.S. stress tests results for Credit Suisse and HSBC.

Exposure to emerging market hard currency debt increased gradually over the quarter due to the addition of a new investment manager. This segment faced headwinds due to a strengthening US Dollar, geopolitical concerns and risks to growth. A significant part of the underperformance was due to the high duration of these markets.

The Sub-fund had one default in the incumbent manager's loan portfolio. The investment manager remains constructive on the outlook for the underlying

LCIV MAC Fund

business, LowenPlay, a German arcade operator. The Sub-fund's exit will be through a refinancing or sale of the business, expected in 2024.

Positioning

The Sub-fund has steadily continued its journey to an equal allocation across the two underlying investment managers. The tilt towards the incumbent investment manager is lower than at the beginning of the quarter and the final transition (roughly 5% of the Sub-fund) is expected to conclude in July.

The gradual transition of the Sub-fund has resulted in a more diversified exposure to key credit asset classes. This has resulted in the addition of exposure to investment grade credit and emerging markets debt. High yield is a key exposure across both underlying strategies, with a tilt to European high yield. Loans remain a key part of the portfolio.

As a result, in the long run (and as seen to a slight extent year-to-date), one part of the portfolio is expected to perform better when the outlook for growth is stable, due to its focus on higher yielding sub-investment grade credit. Conversely, the addition of investment grade debt should help insulate the Sub-fund when risks to borrowers are relatively high.

Within high yield, while the investment managers are alert to the risk of recession in Europe, they both have a bias in favour of the region. This bias is not too surprising given the wider spreads, and more importantly, the view, based on fundamentals, that Europe offers better risk adjusted returns. Low U.S. exposure could be a headwind if the outlook for Europe deteriorates further due to the higher quality ratings of the U.S. high yield market.

One difference within high yield across the two portfolios is the preference for higher rated issues by the new investment manager. The incumbent investment manager believes that lower rated holdings offer better relative value, particularly in the U.S.

Along with high yield, European financials are part of both underlying strategies. The investment managers perceive this to be a less risky part of the market which has endured repricing that does not reflect the strength of the underlying fundamentals.

Emerging market debt is another key addition to the portfolio. In addition to adding geographical diversification, the new investment manager believes that good credit selection will lead to attractive risk adjusted returns.

Overall, both investment managers believe that investors are pricing in default rates which are excessive relative to fundamentals, and that credit markets are offering an excellent opportunity. The new investment manager is predominantly focused on higher rated issues, even within high yield. The incumbent investment manager is more focused on lower rated credits and has thus far faced just one default. We expect the investment manager to keep defaults well below the rate for the broader market, as they have done over the long term. However, we do expect overall default rates to pick up from here, making diligent credit selection instrumental to performance.

London CIV Summary

The Sub-fund significantly underperformed its absolute return target. However, the performance of the underlying portfolios was broadly a reflection of the volatility in mark to market pricing and unusually high corelation of returns in credit markets. Defaults and downgrades have not had a meaningful impact on performance this year.

The Sub-fund has gradually increased its exposure to the new investment manager. This has expanded the breadth of the Sub-fund and improved its capacity to achieve the performance objective over four-year periods.

LCIV MAC Fund

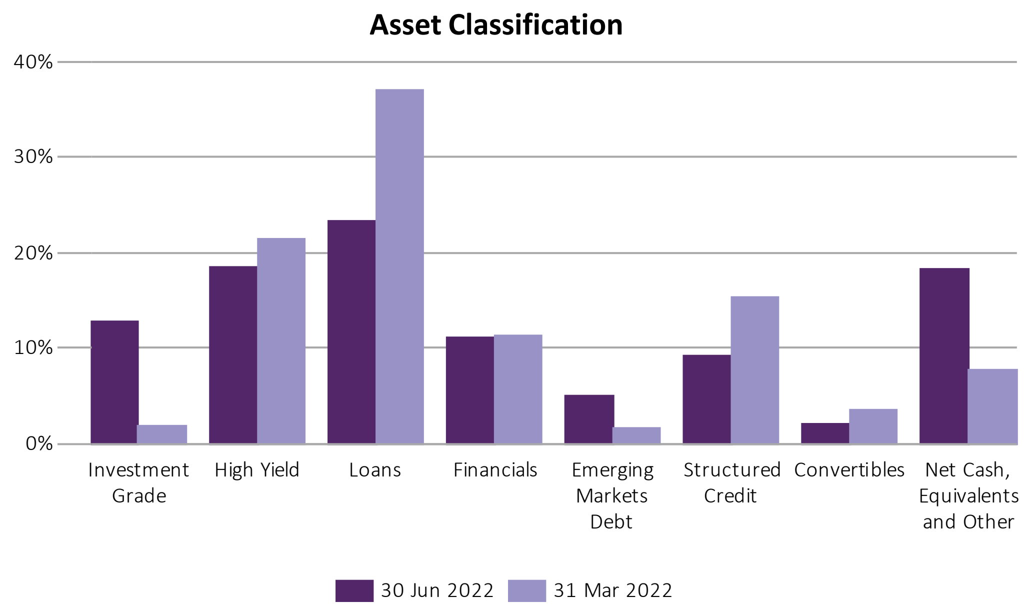
Peer Analysis

Peer Analysis has not been included in this report. This is because of concerns about the accuracy of data. We will resolve these issues and reinstate the Peer Analysis in our next report.

LCIV MAC Fund: Portfolio Characteristics

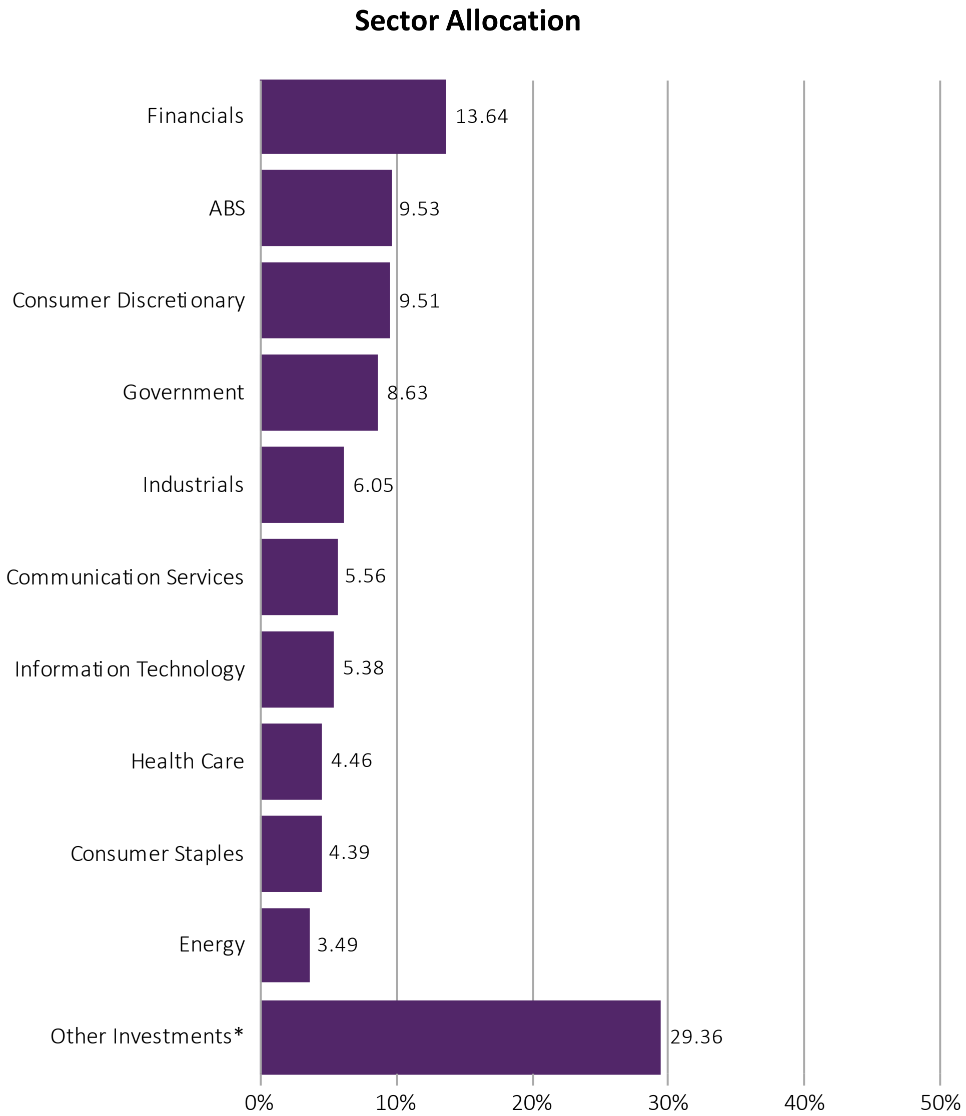
Key Statistics

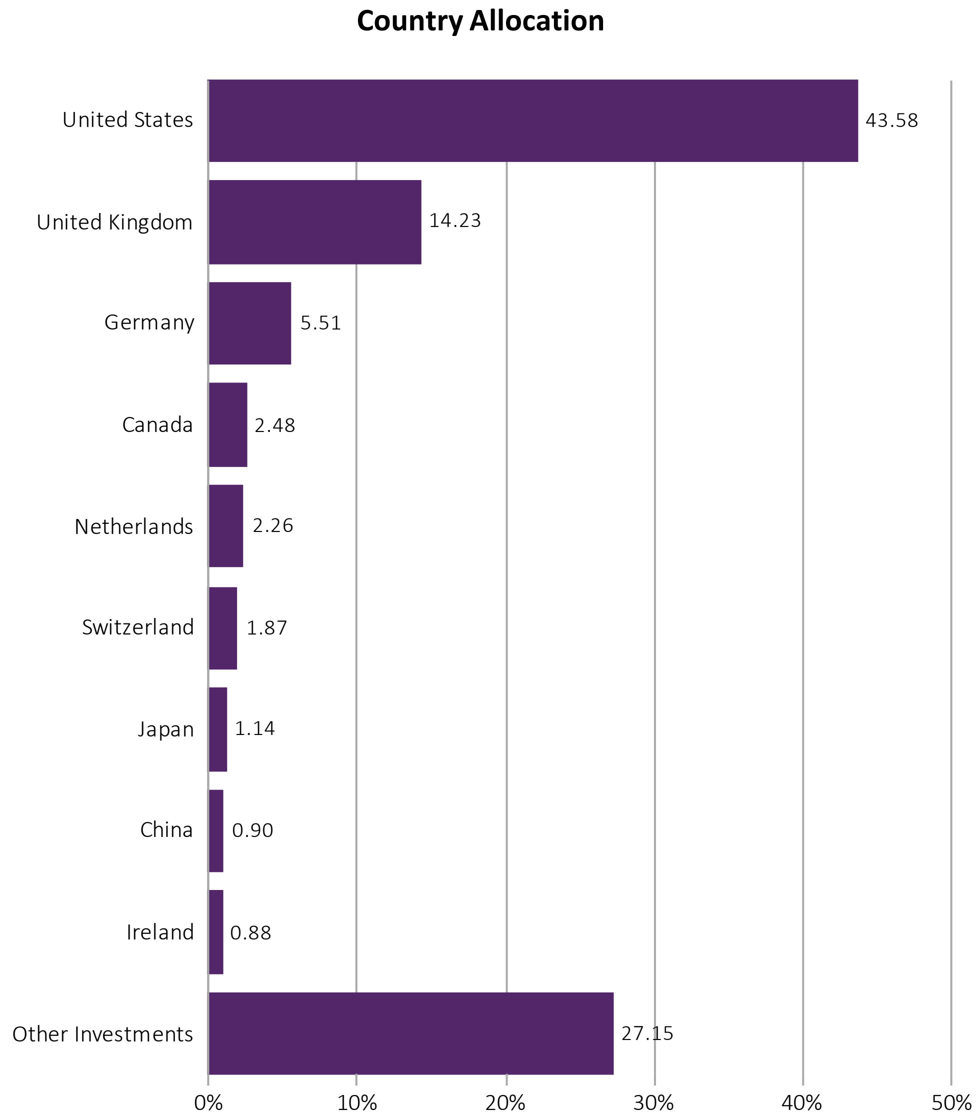
	PIMCO	CQS	LCIV MAC Fund
Weighted Average Rating	A	B+	BB+
Yield to Maturity (%)	7.03	9.92	8.62
Interest Rate Duration (yrs)	4.81	0.94	2.68
Spread Duration (yrs)	4.2	3.25	3.68



Source: CQS and PIMCO. For definitions of key statistics, please refer to the glossary.
All graphs/figures are net exposures shown as a % of NAV.

LCIV MAC Fund: Portfolio Characteristics





Source: CQS and PIMCO

All graphs/figures are net exposures shown as a % of NAV.

**Includes Cash & Cash Equivalents and Derivatives*

LCIV MAC Fund: ESG Summary

ESG Activity for the Quarter

CQS informed us that they have improved their proprietary climate data coverage for the CQS Credit Multi Asset Fund to 97% (excluding Asset Back Securities) from 90% reported last quarter. CQS stated that as a part of their Climate Targeted Engagement Programme, they will now perform targeted engagements for all portfolio companies with no decarbonisation targets in place and/or companies who do not disclose their carbon emissions.

CQS is seeking to improve reported emissions coverage as mentioned above. An example of this is their engagement with CentroMotion. CQS notes that after engagement, the company soon released its first ESG report, and as a result CQS has incorporated their published carbon emission data. In addition, CQS is engaging with them to encourage carbon emission reduction target setting and have offered support to assist.

CQS also engaged with Veolia in May 2022 to understand their strategy to reduce their emission to align with 1.5 degrees pathway. Veolia explained to CQS that they are considering options to reduce their emissions such as moving away from coal in China and carbon capture projects in LATAM. CQS explains that the company has a plan to accelerate biogas recovery and a waste treatment strategy. CQS stated that currently the company has not planned an exit from coal but they will seek to repurpose the plant. Veolia will be relaying CQS's feedback regarding waste management, coal usage and long-term decarbonisation targets to the relevant working groups.

PIMCO provided an engagement example for CPI Property. The investment manager explains that the German-Czech Republic real estate company invests mainly in Central and Eastern Europe. The region is currently still in the early stages of ESG development compared to Western Europe. PIMCO had previous interaction with CPI's green bond program and ESG strategy. The investment manager provided their guidance on best practices when issuing sustainability-linked bonds, including an explicit link to GHG emissions reduction targets. In January 2022, CPI issued its first Sustainability-Linked Bond, with a strong focus and comprehensive scope on reduction in carbon emissions. CPI is in the process of gaining validation by the Science Based Targets initiative (SBTi) that its emission reduction goal is aligned with the Paris Agreement. PIMCO explains that the proceeds will be allocated to green buildings and energy efficiency projects. CPI will aim to target LEED certifications of Gold or above and BREEAM certifications of “Very good” or above.

The second engagement example provided was for UBS. PIMCO states that UBS is currently still lagging on ESG-labelled debt issuance. The investment manager met with UBS to share best practices when issuing ESG bonds as well as discussing UBS's Net Zero strategy. PIMCO informed us that UBS issued its inaugural ESG-labelled bond last year with proceeds used to finance Swiss real estate projects demonstrating the strongest ESG credentials. UBS's issuance was then followed by their commitment to achieve net zero emissions for all of its activities and to set interim SBTi goals.

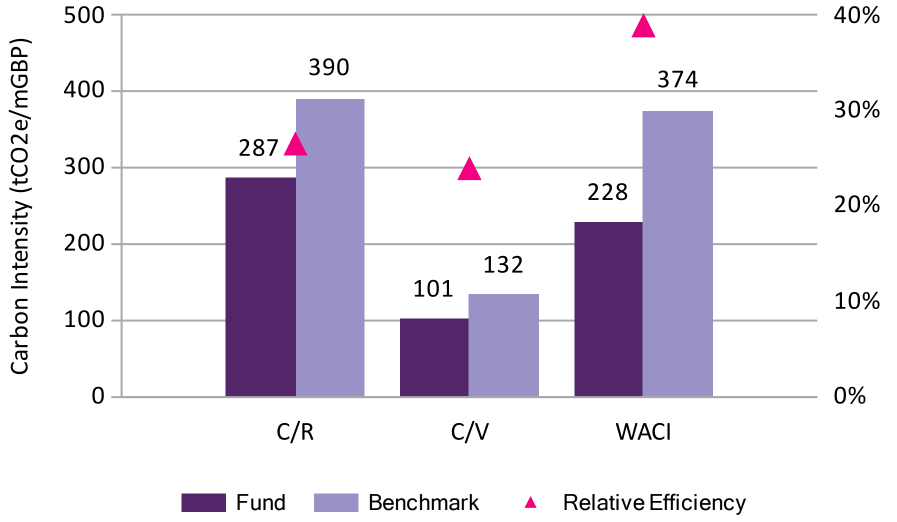
LCIV MAC Fund: ESG Summary

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

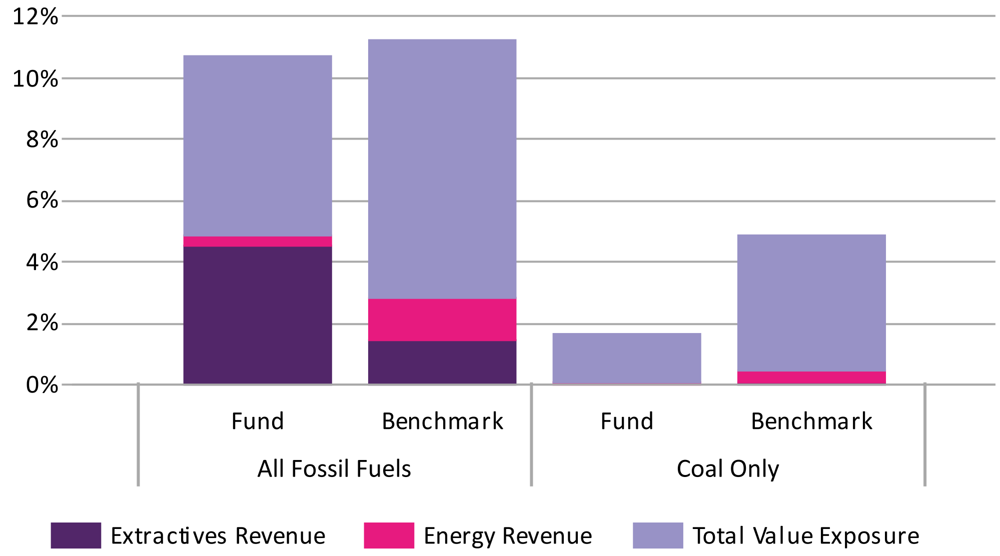
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 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 30 June 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+
Cheniere Energy Partners, L.P.	1,503.31	-6.74%	No
Petrobras SA	1,805.47	-6.14%	Yes
FirstEnergy Corp.	2,113.26	-5.59%	Yes
Occidental Petroleum Corporation	1,830.19	-4.66%	Yes
Continental Resources, Inc.	1,348.69	-4.58%	No
Delek Group Ltd.	983.52	-3.35%	No
Tullow Oil plc	2,038.78	-3.32%	No
Marubeni Corporation	581.79	-2.96%	No
Danaos Corporation	1,630.61	-2.88%	No
Avantor, Inc.	749.80	-2.09%	No

Top Contributors - Fossil Fuel Revenues

The table below shows the companies with the most significant weighted average fossil fuel revenues. The degree to which the company's own revenues are derived from fossil fuel activities is also indicated. For more information, please consult the Appendix.

Name	Fossil Fuel Revenue	Portfolio Weighted Fossil Fuel Revenue	Climate 100+
EQT Corporation	99.69%	1.111%	No
Continental Resources, Inc.	100.00%	0.926%	No
Occidental Petroleum Corporation	79.89%	0.528%	Yes
Delek Group Ltd.	52.21%	0.524%	No
Transocean Ltd.	100.00%	0.497%	No
Tullow Oil plc	100.00%	0.417%	No
APA Corporation	91.03%	0.216%	No
Marubeni Corporation	8.16%	0.153%	No
Pioneer Natural Resources Company	100.00%	0.139%	No
Nabors Industries Ltd.	87.10%	0.090%	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 March 2022	30 June 2022
Blackrock	**£**	**£**
ACS WORLD LOW CARBON EQ TKR FD X2	256,147,801	228,037,984
AQ LIFE UP TO 5YR UK GILT IDX S1	55,216,330	54,808,398
AQUILA LIFE ALL STK UK ILG IDX S1	37,188,555	30,617,998
Total	**348,552,686**	**313,464,380**

Source: Passive Investment Manager Blackrock

Glossary of Terms

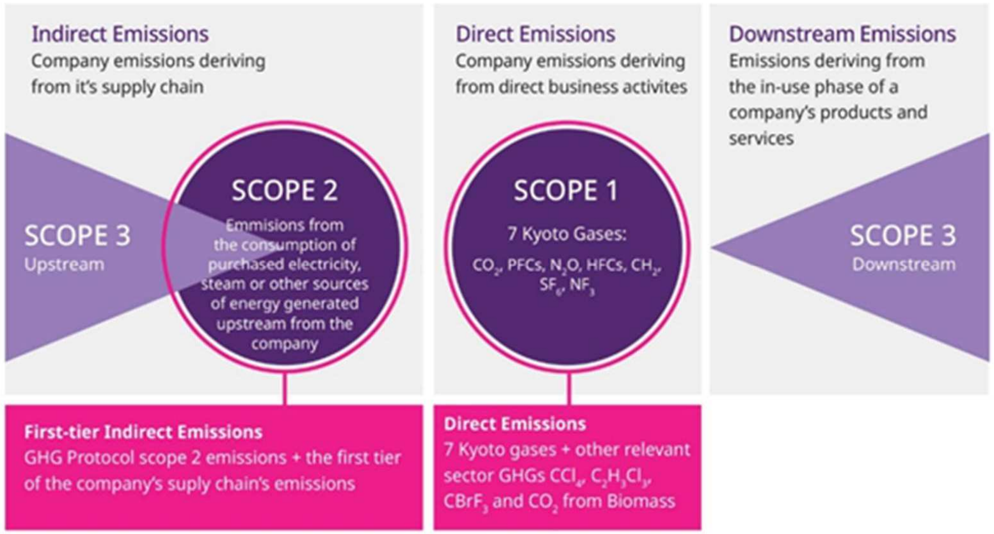
- **Annualised Alpha** The incremental return of an investment manager when the market is stationary. In other words, it is the extra return due to the non-market factors. The risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the investment manager. 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-

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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.

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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.

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- **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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