East Sussex Pension Fund

Investment Performance - Summary Report

Quarter to 30 September 2023

Isio Investment Advisory

isio.

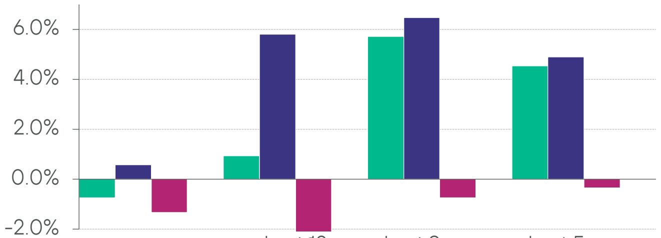
Contents

Highlights

Executive Summary – 30 September 2023

Access Pool	Fund	Q3 2023 Performance			Value at Quarter End	
		Fund	Benchmark	Relative	30-Jun-23	30-Sep-23
Yes	UBS Osmosis – Sustainable Equity	-0.1%	0.6%	-0.6%	£246.8m	£246.6m
Yes	Longview - Global Equity	-2.6%	0.6%	-3.1%	£529.0m	£495.7m
No	WHEB – Sustainable Equity	-5.2%	0.6%	-5.8%	£220.6m	£209.1m
No	Wellington – Sustainable Equity	-3.5%	0.6%	-4.1%	£222.2m	£214.4m
No	Storebrand – Sustainable Equity	-0.7%	0.6%	-1.2%	£519.2m	£489.2m
Yes	Baillie Gifford – Global Equity	-4.3%	0.6%	-4.9%	£193.1m	£184.8m
No	Harbourvest – Private Equity [1,2]	7.0%	1.0%	+6.1%	£179.0m	£192.2m
No	Adams Street – Private Equity [1,2]	4.4%	1.0%	+3.4%	£191.3m	£199.3m
Yes	Newton – Absolute Return	0.3%	1.9%	-1.6%	£335.2m	£336.4m
Yes	Ruffer - Absolute Return	-1.2%	1.9%	-3.1%	£448.7m	£443.3m
No	Schroders – Property	-0.6%	-0.4%	-0.2%	£347.8m	£342.9m
No	UBS – Infrastructure [2]	0.4%	0.9%	-0.4%	£35.4m	£35.6m
No	Pantheon – Infrastructure [2]	5.1%	0.9%	+4.2%	£83.0m	£88.4m
No	M&G – Infrastructure [2]	-2.7%	0.9%	-3.6%	£57.5m	£56.0m
No	IFM – Infrastructure	0.6%	0.8%	-0.3%	£235.4m	£235.6m
No	ATLAS - Listed Infrastructure	-6.5%	-4.7%	-1.7%	£100.0m	£93.5m
No	M&G – Real Estate Debt [2]	0.9%	2.3%	-1.3%	£40.5m	£39.8m
Yes	M&G – Diversified Credit	2.8%	2.0%	+0.8%	£300.6m	£309.0m
Yes	M&G - Corporate Bonds	-0.1%	0.0%	-0.1%	£118.5m	£118.4m
Yes	UBS - Over 5 Year Index-linked Gilts	-6.3%	-6.4%	+0.0%	£133.2m	£170.7m
	Total Assets	-0.7%	0.6%	-1.3%	**£4,536.9m**	£4500.9m

Period returns – to 30 September 2023



	Q3 2023	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
Scheme Return	-0.7%	0.9%	5.7%	4.5%
Benchmark Return	0.6%	5.8%	6.5%	4.9%
Relative	-1.3%	-4.9%	-0.8%	-0.4%
Sample 60:40 Portfolio	0.2%	4.5%	2.5%	4.4%

Commentary

- The Fund's assets delivered a negative absolute return over the quarter, returning -0.7% and underperformed the benchmark return of 0.6% by 1.3%.
- The public equity managers all posted negative absolute and relative returns as equity markets were volatile and began to price in "higher for longer" interest rates leading to "growth" stocks struggling.
- The Fund's illiquid holdings in private equity, which have posted negative performance in recent quarters experienced an improvement in performance in Q3 2023.
- The various credit mandates posted mixed results in both absolute and relative terms as UK Gilt yields rose and spreads widened by varying degrees across credit sectors. The Absolute Return managers continued to disappoint relative to their "cash plus" targets, Ruffer particularly so. .
- The longer term returns at Fund level remain robust, with private equity assets adding significant value.

This page provides an overview of performance for the Fund and its underlying mandates.

Note: Sample 60:40 portfolio consists of 60% allocation to MSCI ACWI and a 40% allocation to a bond portfolio split 20% in BofA Merrill Lynch Global Corporate Index, and 10% in FTSE Gilts (all maturities) and FTSE Index Linked Gilts (all maturities) respectively, with all portfolio returns unhedged in GBP terms.

Notes: Totals may not sum precisely due to rounding. All returns are net of fees. Unless stated otherwise, all performance figures and objectives provided by Northern Trust as at 30 September 2023. Fund Total value excludes cash held with Northern Trust. [1] Valuation and performance information as at 30 June 2023. [2] Valuations shown are either 3m or 6m lagged and adjusted for distributions / drawdowns and currency movements.

Source: Investment Managers, Northern Trust, Isio calculations.

Manager Performance – 30 September 2023

Fund	Q3 2023 Performance			1 Year Performance			3 Year Performance			5 Year Performance		
	Fund	Benchmark	Relative	Fund	Objective	Relative	Fund	Objective	Relative	Fund	Objective	Relative
UBS Osmosis – Sustainable Equity	-0.1%	0.6%	-0.6%	11.6%	11.5%	+0.1%	-	-	-	-	-	-
Longview - Global Equity	-2.6%	0.6%	-3.1%	11.8%	11.5%	+0.3%	13.1%	10.2%	+2.9%	7.2%	8.7%	-1.5%
WHEB - Sustainable Equity	-5.2%	0.6%	-5.8%	1.6%	11.5%	-9.9%	-	-	-	-	-	-
Wellington – Sustainable Equity	-3.5%	0.6%	-4.1%	-3.0%	10.5%	-13.5%	-	-	-	-	-	-
Storebrand – Sustainable Equity	-0.7%	0.6%	-1.2%	9.6%	11.5%	-2.0%	-	-	-	-	-	-
Baillie Gifford – Global Equity	-4.3%	0.6%	-4.9%	4.6%	10.5%	-5.9%	-	-	-	-	-	-
Harbourvest – Private Equity[1]	7.0%	1.0%	+6.1%	-7.3%	12.1%	-19.4%	23.9%	10.5%	+13.4%	18.4%	9.4%	+9.0%
Adams Street – Private Equity[1]	4.4%	1.0%	+3.4%	-11.0%	12.1%	-23.1%	22.8%	10.5%	+12.3%	18.0%	9.4%	+8.7%
Newton – Absolute Return	0.3%	1.9%	-1.6%	1.1%	6.9%	-5.8%	0.8%	4.3%	-3.5%	2.6%	3.9%	-1.4%
Ruffer - Absolute Return	-1.2%	1.9%	-3.1%	-7.5%	6.9%	-14.4%	4.2%	4.3%	-0.2%	4.8%	4.0%	+0.9%
Schroders – Property	-0.6%	-0.4%	-0.2%	-12.4%	-14.3%	+1.9%	3.6%	3.2%	+0.4%	1.8%	1.8%	+0.0%
UBS – Infrastructure	0.4%	0.9%	-0.4%	-8.8%	8.6%	-17.5%	4.8%	8.6%	-3.8%	0.9%	6.4%	-5.4%
Pantheon – Infrastructure[1]	5.1%	0.9%	+4.2%	1.8%	8.6%	-6.9%	20.6%	8.6%	+12.1%	-	-	-
M&G – Infrastructure	-2.7%	0.9%	-3.6%	1.3%	8.6%	-7.3%	10.5%	8.6%	+2.0%	-	-	-
IFM – Infrastructure	0.6%	0.8%	-0.3%	-	-	-	-	-	-	-	-	-
ATLAS – Listed Infrastructure	-6.5%	-4.7%	-1.7%	7.9%	-7.4%	+15.2%	-	-	-	-	-	-
M&G – Real Estate Debt	0.9%	2.3%	-1.3%	5.1%	8.4%	-3.3%	4.0%	5.8%	-1.9%	-	-	-
M&G – Diversified Credit	2.8%	2.0%	+0.8%	9.0%	7.4%	+1.6%	4.6%	4.8%	-0.2%	4.3%	4.5%	-0.2%
M&G - Corporate Bonds	-0.1%	0.0%	-0.1%	5.5%	5.0%	+0.5%	-9.9%	-10.1%	+0.3%	-2.1%	-2.7%	+0.6%
UBS - Over 5 Year Index-linked Gilts	-6.3%	-6.4%	+0.0%	-16.2%	-16.2%	0.0%	-16.0%	-16.0%	-0.1%	-6.5%	-6.4%	-0.0%
Total Assets	-0.7%	0.6%	-1.3%	0.9%	5.8%	-4.9%	**5.7%**	**6.5%**	**-0.8%**	**4.5%**	**4.9%**	**-0.4%**

Notes: Totals may not sum precisely due to rounding. All returns are net of fees. Unless stated otherwise, all performance figures and objectives provided by Northern Trust as at 30 September 2023.
[1] Valuation and performance information as at 30 June 2023.
Source: Investment Managers, Northern Trust, Isio calculations.

The table shows manager performance over the short, medium and long-term.

The active impact public equity mandates have continued to struggle relative to their benchmarks over the last 12 months.

The private equity mandates have delivered very strong performance over the 3 and 5 year periods, however the performance has been largely negative over the last 12 months, however we saw an upturn in the most recent quarter.

Of the infrastructure mandates, Pantheon has performed particularly strongly over the last quarter with UBS the weakest performer.

Of the managers that have been in place for the longer term, UBS infrastructure have most significantly underperformed benchmark. This is primarily driven by the disappointing performance of Archmore Fund I.

Looking Forward

Key issues

Item	Action points / Considerations	Status
Overall Investment Strategy	**Liquid Fixed Income Manager Selection** • At the Q1 2022 Committee meeting, Isio presented a paper detailing the proposed implementation approach for selection of the manager to manage the agreed increased allocation to fixed income. The Committee subsequently reached agreement on a preferred choice of manager, Bluebay, and are due to arrange implementation once the fund is available on the ACCESS platform. We currently expect this to be Q4 2023.	Information only
	Illiquid Fixed Income Allocation • The Officers and IWG group have requested Isio consider the options available to the Fund in relation to implementing the strategic allocation to illiquid fixed income. Isio prepared a briefing paper in early 2023 considering this allocation. This will be revisited later in 2023 through further follow up work.	Information only
	Mansion House Speech and Pooling Consultation • Via the Mansion House speech in July 2023, the UK government is discussing reforms which may encourage LGPS funds to increase private equity allocations in the future. Alongside this, a wide ranging LGPS investment consultation was launched seeking views on proposals relating the areas of asset pooling, levelling up, opportunities in private equity, investment consultancy services and the definition of investments.	Information only
Investment Managers	• Wellington – following a material change in team, Isio refreshed the due diligence on the manager, and subsequently downgraded the fund. Isio continue to monitor Wellington closely and will provide a further update at the start of the new year.	Information only
	• M&G AOF Sustainable Version – Isio researched and presented a formal view on the newly launched sustainable version of the Fund's existing holding AOF. Isio will continue to monitor the fund and provide an update in the next 6 months.	Information only

Summary

This page sets out the main action / discussion points.

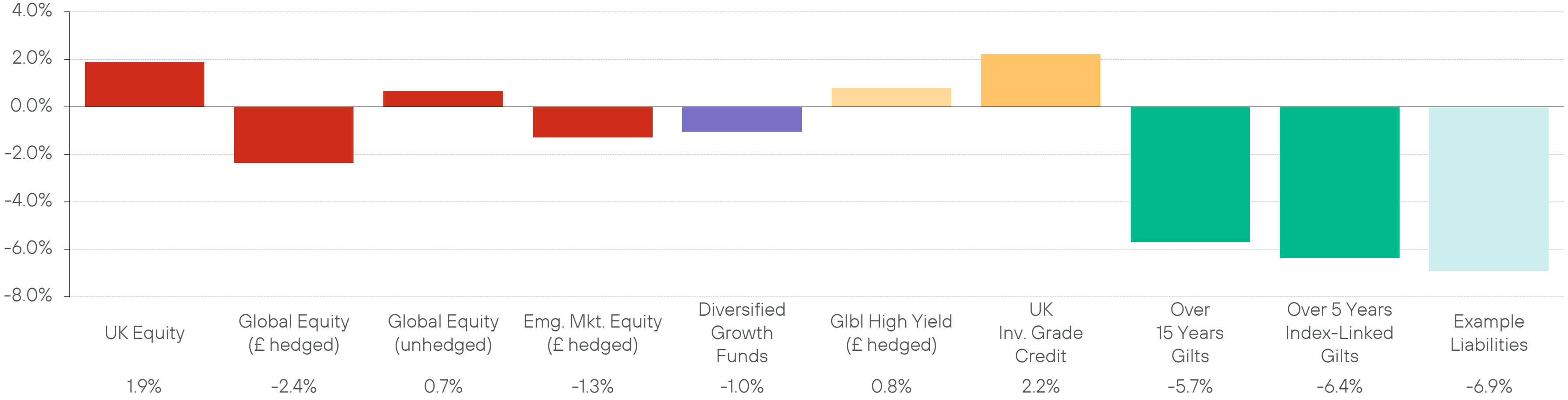
Status key

- Action
- Decision
- Discussion
- Information only

Market Background

Market Background – Overview Q3 2023

Returns by Asset Class – Q3 2023



Key Upcoming Events

- The dates for the Bank of England's Monetary Policy Committee (MPC) announcements in Q4 2023 are 2 November and 14 December.
- The dates for the US Federal Reserve's Federal Open Market Committee (FOMC) announcements in Q4 2023 are 1 November and 13 December.

Commentary

- Growth markets delivered mixed returns over Q3 2023, with continued performance divergence across asset classes, sub-sectors, and geographies.
- Global equities delivered negative performance in Sterling terms, with US and European equities both declining as the prospect of a sustained period of higher interest rates weighed on investor sentiment. UK equities outperformed global markets as a recovery in oil prices benefitted energy companies, and as the Pound Sterling weakened against the US Dollar and other major global currencies.
- Broad credit market performance was negative; however, global high yield and UK investment grade credit produced positive returns as credit spreads narrowed. UK IG credit outperformed its US equivalent, as longer-dated US government bond yields rose more than those on UK assets.
- Government bonds produced negative performance over the period, as long-dated gilt yields rose.

Summary

Equity markets saw mixed performance over the quarter, with UK equities outperforming the majority of other markets.

Broadly negative global sentiment was driven by a further rise in long-dated yields, as investors increasingly expect interest rates to be 'higher for longer'. UK gilt yields reflected this sentiment, with longer-maturity government bond yields rising over the quarter, resulting in negative returns.

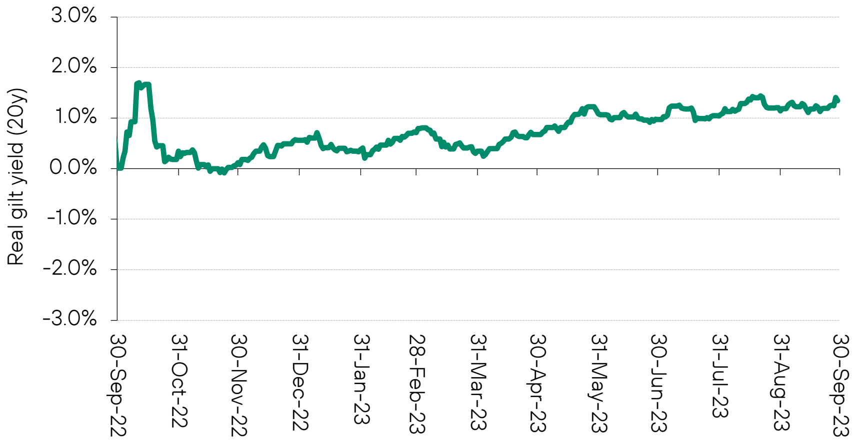
The US Federal Reserve and the Bank of England both increased interest rates by 0.25% in July and August, respectively. However, both central banks paused their rate hikes in September due to signs of slowing inflation. This brought US and UK interest rates to 5.5% and 5.25% at the end of Q3 2023, respectively.

Hedged global equities underperformed unhedged over the period, as the Pound Sterling weakened against a number of major currencies.

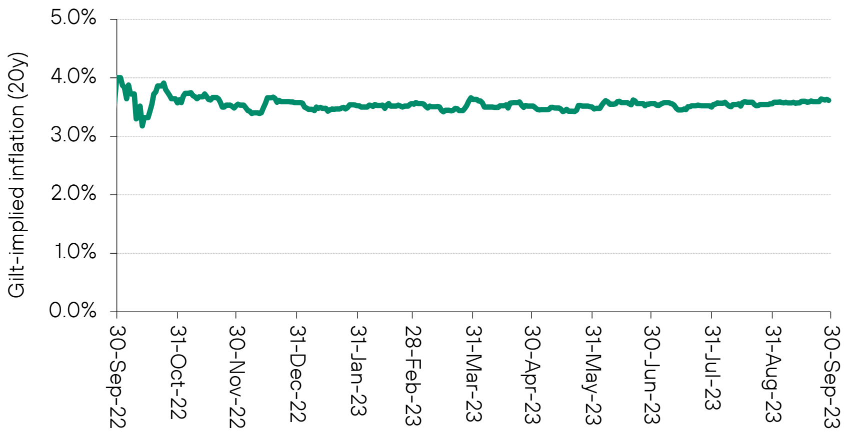
Notes: Please see the 'Explanation of Market Background' appendix for details of the returns representing each asset class.
Sources: Refinitiv, DGF investment managers, Isio calculations.

Market Background – Yields

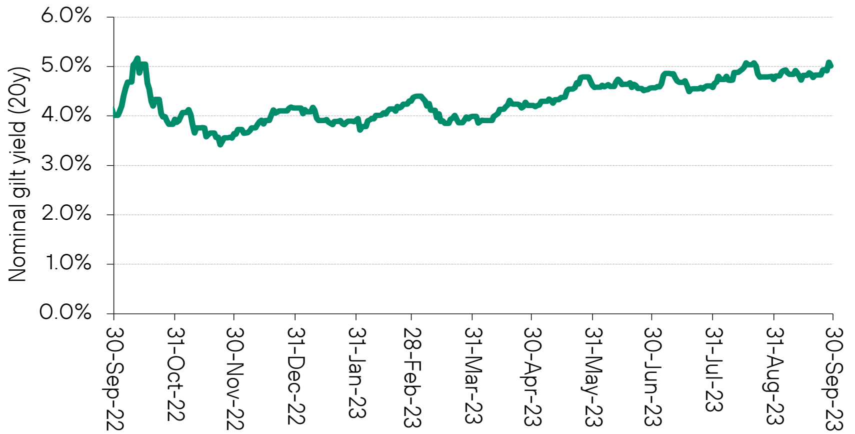
Real Gilt Yields – Last 12 months



Gilt-Implied Inflation – Last 12 months



Nominal Gilt Yields – Last 12 months



Example Liabilities

- The liabilities for an example DB pension scheme decreased by c. 6.9% over the quarter. This can be broken down into the following components:
  - c. 5.5% decrease, due to the increase in real yields;
  - c. 2.7% decrease, due to the increase in nominal yields; and
  - c. 1.3% increase due to the "unwinding" effect (also known as "interest" on the liabilities).
- The liabilities for an example DB pension scheme decreased by c. 14.2% over the last 12 months.

These charts show yield movements at the 20-year tenor over the past year.

The "Example Liabilities" indicate how a typical scheme's past-service liabilities may have moved.

Gilt Yield and Implied Inflation Changes

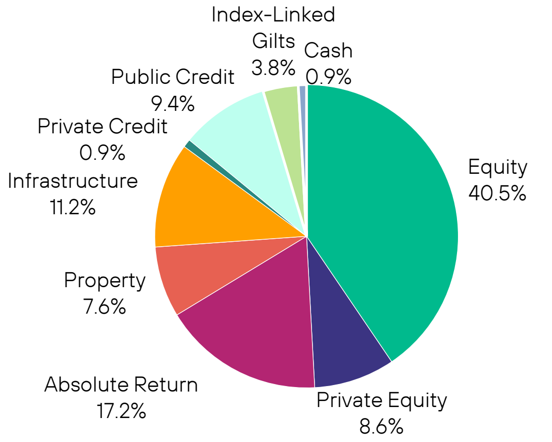
20-year Real Gilt Yield	
July	0.07%
August	0.10%
September	0.20%
Quarter	**0.38%**
20-year Nominal Gilt Yield	
July	0.01%
August	0.16%
September	0.27%
Quarter	**0.44%**
20-year Gilt-Implied Inflation	
July	-0.06%
August	0.06%
September	0.06%
Quarter	**0.05%**

Notes: Please see the 'Explanation of Market Background' appendix for details of the example liabilities. Monthly yield changes may not sum to quarterly changes, due to rounding. Zero coupon rates are shown.
Sources: Bank of England, Isio calculations.

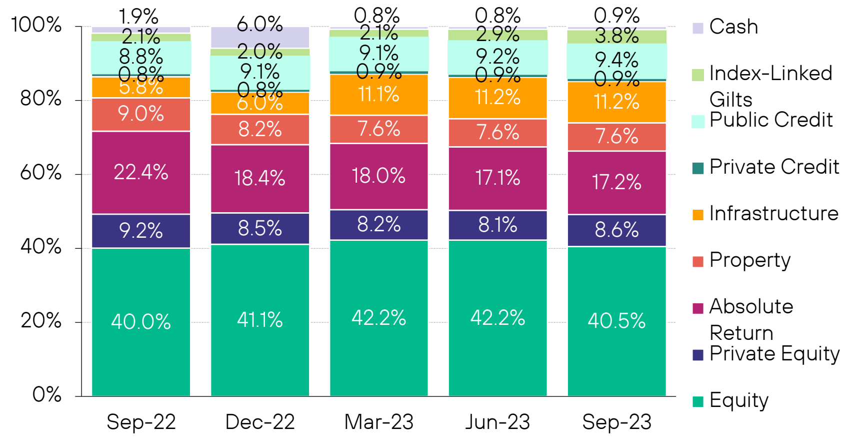
Strategy Overview

Asset Allocation – at 30 September 2023

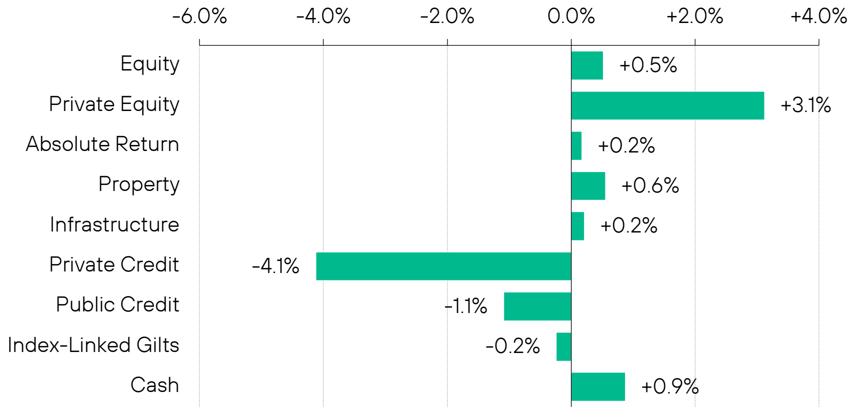
Asset Allocation – 30 September 2023



Asset Allocation Changes Since 30 September 2023



Assets Relative to Benchmark – 30 September 2023



Note: Totals may not sum due to rounding.
Source: Investment managers, Isio calculations.

Commentary

- As at September 2023, the Fund's asset allocation remained off-benchmark relative to the newly agreed target asset allocation; though steps are being taken to address this through the continued implementation of the target investment strategy.
- The absolute return, equity (public and private) and cash allocations continue to be overweight; while the private credit allocation remains underweight.
- The allocations will be brought more closely in line with the strategic benchmark as the new mandates are agreed and implemented going forward.
- More specifically, a commitment to private credit is expected to be made in the coming quarters, with capital drawn into the chosen fund following this.
- A formal asset allocation review took place in July, with a decision on the final revised target asset allocation was taken in the September meeting where it was agreed to replace the Inflation-Linked Property allocation with Index-Linked Gilts .
- A market level trigger framework is now in place to move the allocation to Index-linked Gilts to an overweight position should market levels become attractive to do so.

This page provides and overview of the current asset allocation position of the Fund.

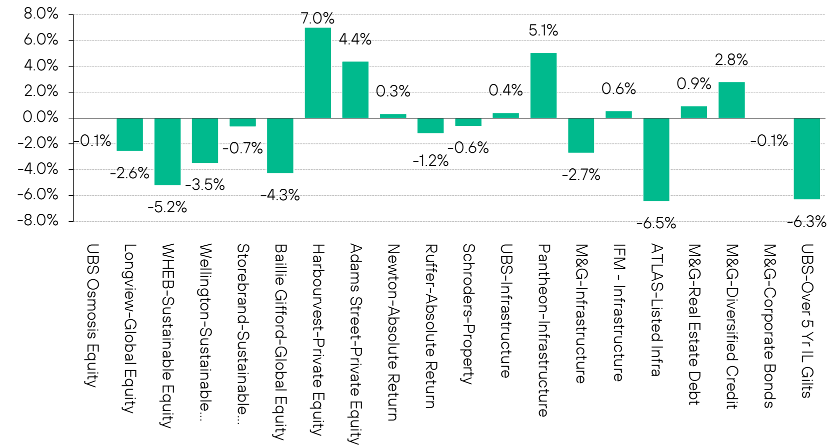
Agreed long-term allocation

Equity	40.0%
Private Equity	5.5%
Absolute Return	17.0%
Balanced Property	7.0%
Index-Linked Gilts	4.0%
Infrastructure	11.0%
Public (Diversified) Credit	10.5%
Private Credit	5.0%

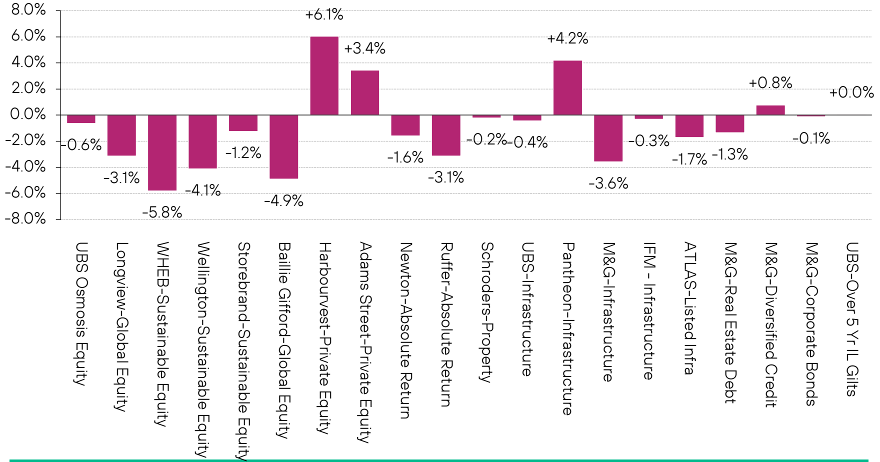
Investment Managers

Performance Summary – to 30 September 2023

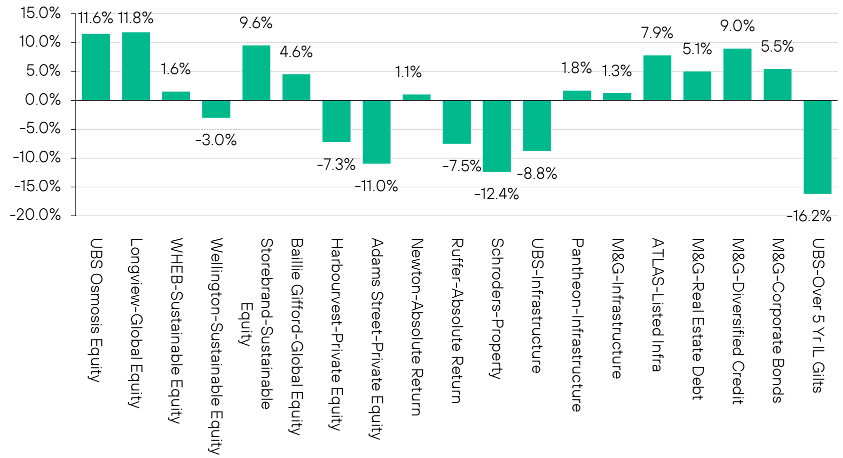
Absolute Return – Q3 2023



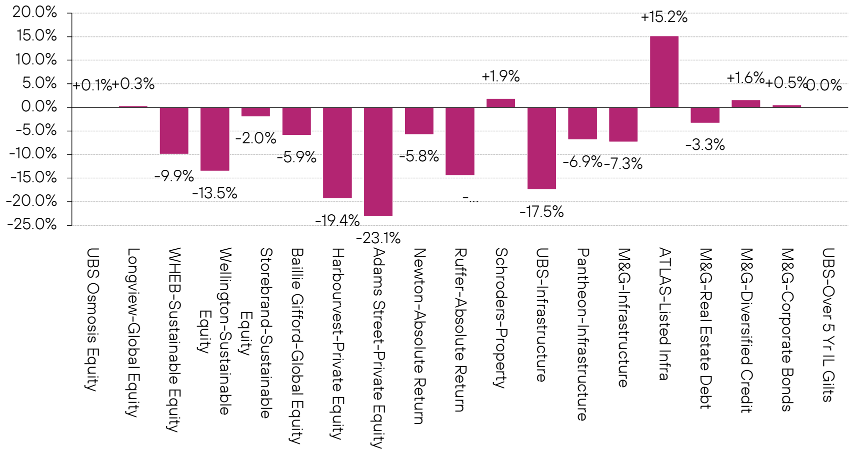
Relative Return – Q3 2023



Absolute Return – 12 months



Relative Return – 12 months



Note: Returns net of fees. 12 month relative and absolute returns are not available for the UBS Osmosis mandate as it was incepted post 30 September 2021.
Source: Investment Managers, Northern Trust, Isio calculations.

Summary

The Fund's mandates delivered mixed absolute performance over Q3, with private equity funds producing positive returns. Pantheon Infrastructure fund, and the diversified credit also exhibited positive returns.

Meanwhile, the sustainable equity funds and the index-linked gilts delivered the most notable negative absolute performance.

Infrastructure funds also produced negative contributions within the portfolio over Q3 in terms of absolute return levels with the exception of Pantheon and IFM.

On a relative basis over Q3 Baillie Gifford equity, WHEB equity, Wellington equity and M&G infrastructure all underperformed and Harbourvest was the stand out outperformer.

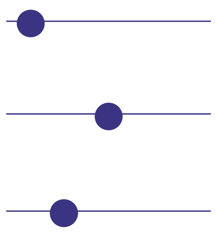
Public equity relative returns over the quarter have been particularly poor, as we continued to see significant headwinds for "growth stocks".

UBS / Osmosis – Sustainable Equity

Overview

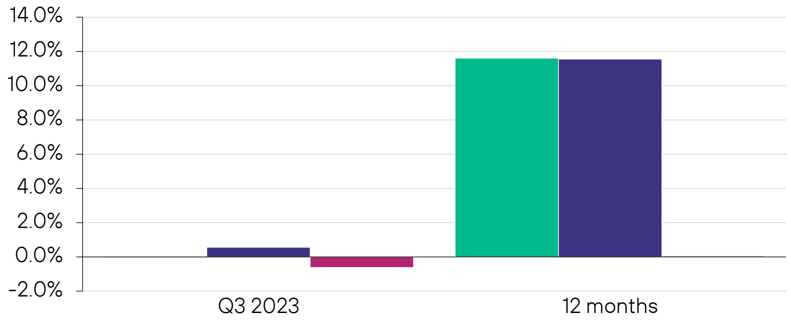
The Fund adopts an optimised, smart beta approach, investing in global equities with the aim of approximating the performance and risk profile of the index, with an explicit incorporation of ESG and climate-related risks.

Process	Bottom Up		Top Down
Stock Selection	Low		High
Active Share	Low		High



Key area	Comments
Key contributors/ detractors	• Strongest contributors were UBS (Swiss Financials, Intuit (US IT) and RTX (US Industrials). Key detractors were Lilly Eli (US Health Care), Hershey (US Consumer Staples) and Estee Lauder (US Consumer Staples). The underperformance to the benchmark was due to the continuing sharp upturn in energy prices and elevated market volatility.
Portfolio positioning	• Aercap Holdings (US Industrials)was added to the portfolio. US Health Care firm Lily Eli was sold. • The overall sector and country weights have remained similar to the previous quarter, maintaining the targeted tight factor exposures to the MSCI World benchmark.
Outlook	• Markets are experiencing increased volatility in markets, and the benchmark is benefitting from the upturn in energy prices. However, Osmosis remain confident in their Resource Efficiency signal, given it has added value in line with expectations since the Fund's inception.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-0.1%	11.6%
Benchmark	0.6%	11.5%
Relative	-0.6%	+0.1%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	587	573	Slight decrease, but in line with quant process
12m turnover	24%	24%	Remained constant
Active share	48%	45%	Low, in line with expectations
Top 3 sectors	Information Technology (24%), Financials (15%), Health Care (15%).		
Top 3 stocks	Apple Inc (5%), Microsoft Corp (5%), NVIDIA Corp(2%).		
Top 3 regions	North America (73%), Europe (18%), Asia (9%).		

Mandate: Sustainable Passive Global Equities

Current Value: £246.6m

Current Weighting: 5.4%

Inception: March 2022

Benchmark: MSCI World

Objective: Achieve superior risk-adjusted returns by targeting maximum resource efficiency exposure while maintaining a tight tracking error to the MSCI World.

Pooled: Via Access Pool

Note: Totals may not sum due to rounding. Performance quoted net of fees. Performance shown since inception of the Fund's investment on 3 March 2022.
Source: Investment manager, Northern Trust, Isio calculations.

Longview - Global Equity

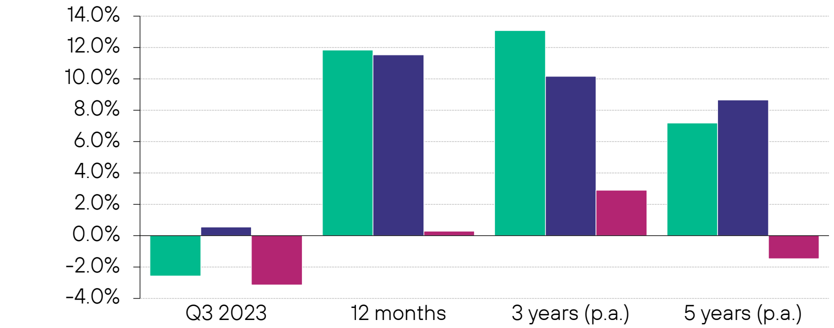
Overview

The strategy utilises a bottom-up approach to invest in 30-35 high quality global companies which have strong business fundamentals and a market capitalisation greater than $5 billion.

Process	Bottom Up		Top Down
Stock Selection	Low		High
Active Share	Low		High

Key area	Comments
Key contributors/ detractors	• The portfolio had a challenging quarter and underperformed the index, with consumer stapes and financials being the key sectoral detractors. • Some of the largest detractors to relative performance over the period were Dollar General, HCA Healthcare and American Express.
Portfolio positioning	• During the quarter, no new holdings were added to the portfolio. The positions in Henry Schein was sold.
Outlook	• The portfolio remains concentrated, with a high active share, and therefore investors should expect periods of material out or under performance. • The team continues to focus on what they perceive as high quality companies which trade at reasonable valuations.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	-2.6%	11.8%	13.1%	7.2%
Benchmark	0.6%	11.5%	10.2%	8.7%
Relative	-3.1%	+0.3%	+2.9%	-1.5%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	30	31	In line with expectations
12m turnover	19%	21%	Low relative to peers
Active share	90%	90%	High relative to peers
Top 3 sectors	Financials (34%), Health Care (21%), Consumer Staples (13%)		
Top 3 stocks	Alphabet (4%), Booking (4%), TJX Companies (4%)		
Top 3 regions	US (84%), UK (7%), Netherlands (6%)		

Mandate: Active Global Equities

Current Value: £495.7m

Current Weighting: 10.9%

Inception: April 2013

Objective: Outperform benchmark by 3% (gross) p.a. over rolling 3 -year periods.

Benchmark: MSCI AC World

Pooled: Via Access Pool

Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

WHEB – Impact Equity

Overview

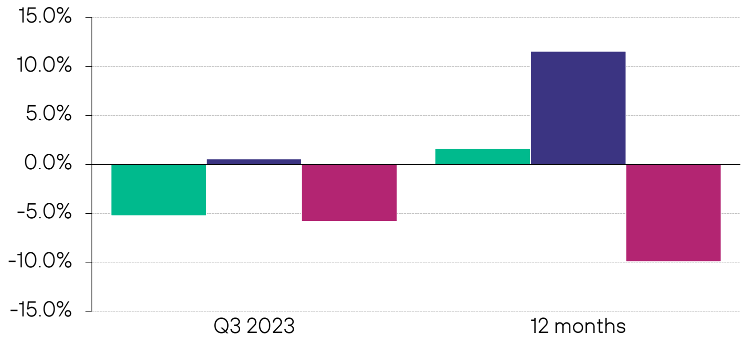
The Fund utilises an unconstrained global equity approach which focuses on investing in companies capitalising on opportunities created by the transition to healthy, low carbon and sustainable economies, across nine broad sustainability themes.

Process	Bottom Up	Top Down
Stock Selection	Low	High
Active Share	Low	High

Key area	Comments
Key contributors/ detractors	• The fund delivered a negative return over the quarter with the structural exposure to midcaps hurting relative performance. • Resource efficiency and Cleaner Energy were the weakest performing themes over the quarter. Largest detractors were Power Integrations, Silicon Labs and SolarEdge.
Portfolio positioning	• 2 new additions: AstraZeneca (Health) and Schneider Electric (Resource Efficiency). • 2 exits: DSM Firmenich (Environmental services) and Enphase (Cleaner Energy).
Outlook	• WHEB are cautious about market volatility, but believe the diversification and the quality of the portfolio will provide resilience in the medium to long-term. • With the mandate's higher active share, we expect it to continue to deliver relative return volatility.

Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-5.2%	1.6%
Benchmark	0.6%	11.5%
Relative	-5.8%	-9.9%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	41	41	Relatively concentrated – low end of target
12m turnover*	32%	31%	Further detail on right
Active share	97%	97%	High relative to peers
Top 3 sectors	Healthcare (30%), Industrials (27%), IT (27%)		
Top 3 stocks	Trane Technologies (4%), Steris (4%), Autodesk (4%)		
Top 3 regions	North America (62%), Western Europe (17%), Japan (8%)		

Mandate: Active Impact Global Equity

Current Value: £209.1m

Current Weighting: 4.6%

Inception: December 2020

Benchmark: MSCI World

Objective: To achieve capital growth over the medium to longer term.

Pooled: No

***12m turnover:** The manager has confirmed that the higher turnover is as a result of the higher market volatility, which led to more upgrades and downgrades and ad hoc redemptions, which resulted in higher trading activity. They expect it to come down in future.

Wellington – Global Impact Fund

Overview

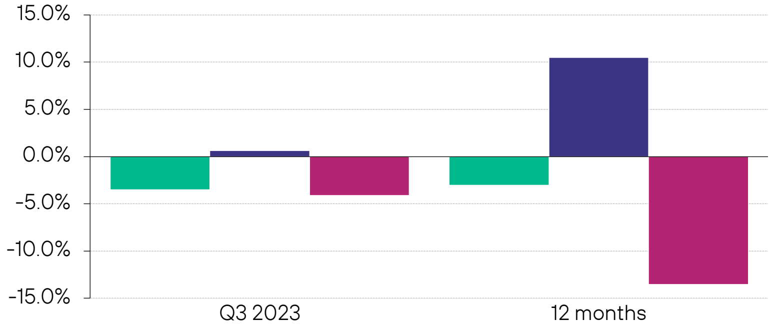
The Fund aims to invest in innovative companies whose core products and services addresses the world's major social and environmental challenges. Wellington choose stocks from the universe list which has been derived from a number of sources such as internal and field research, company meetings, conferences or third party research.

Process	Bottom Up	Top Down
Stock Selection	Low	High
Active Share	Low	High

Key area	Comments
Key contributors/ detractors	• The Fund's underweight position in energy detracted 66bps from performance over Q3, as the sector outperformed. • Stock selection was however the key driver of relative performance over the period. The holdings in SolarEdge, Xylem and Insulet were the largest absolute detractors, with stock-specific factors driving weakness in all three stocks.
Portfolio positioning	• Increased exposure to both the Safety and Education themes, with the additions of Fortinet and Adtalem Global Education. The Fund reduced exposure to environmental themes by selling positions in SolarEdge, Signify, and Befesa. • Wellington completed three purchases and five sales.
Outlook	• The Fund has structural overweight exposure to 'growth' style companies, and an underweight to energy; however, most relative performance will be driven by stock specific risk. We continue to monitor portfolio performance closely.

Sources: Investment manager, Isio calculations.
Notes: Returns net of fees.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-3.5%	-3.0%
Benchmark	0.6%	10.5%
Relative	-4.1%	-13.5%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	64	66	High end of 50-70 range
12m turnover	31%	30%	Higher than typical, to be monitored.
Active share	97%	98%	High, in line with expectations
Top 3 sectors	Resource Efficiency (19%), Healthcare (19%), Financial Inclusion (11%)		
Top 3 stocks	Boston Scientific (3%), Xylem Inc (3%), Abbott Laboratories (3%)		
Top 3 regions	North America (64%), Europe ex UK (17%), Emerging markets (10%)		

Mandate: : Active Impact Global Equities

Current Value: £214.4m

Current Weighting: 4.8%

Inception: December 2020

Benchmark: MSCI AC World

Objective: To outperform the MSCI All Country World Index over the long-term.

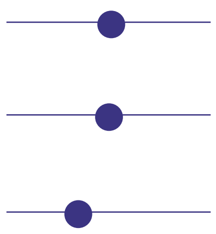
Pooled: No

Storebrand – Sustainable Equity

Overview

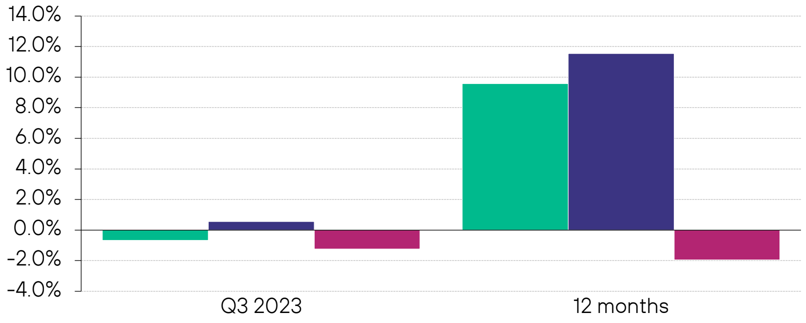
The Fund adopts an optimised, smart beta approach, investing in global equities with the aim of approximating the performance and risk profile of the index, with an explicit incorporation of ESG and climate-related risks.

Process	Bottom Up		Top Down
Stock Selection	Low		High
Active Share	Low		High



Key area	Comments
Key contributors/ detractors	• The fund underperformed the MSCI World Index by -1.2% during Q3. Climate solutions companies had a challenging quarter, detracting -0.6% from relative returns, with renewable electricity particularly weak. On the other hand, fossil fuel-related stocks, which are excluded from the fund, had a strong quarter and detracted a further -0.6% on a relative basis.
Portfolio positioning	• Large increase in the number of emerging market climate solution companies.
Outlook	• Storebrand is working on carbon intensity data and implementing change into how this information is used in portfolio construction.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-0.7%	9.6%
Benchmark	0.6%	11.5%
Relative	-1.2%	-2.0%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	751	752	Slight decrease
12m turnover	9%	9%	Stable
Active share	42%	42%	Low, as expected
Top 3 sectors	IT (24%), Financials (14%), Industrials (14%)		
Top 3 stocks	Apple (5%), Microsoft (4%), Amazon (2%)		
Top 3 regions	United States (68%), Japan (7%), UK (4%)		

Mandate: Sustainable Passive Global Equities

Current Value: £489.2m

Current Weighting: 10.8%

Inception: December 2020

Benchmark: MSCI World

Objective: Reproduce risk-return profile of the MSCI World Index

Pooled: No

Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

Baillie Gifford – Global Paris Aligned Equity

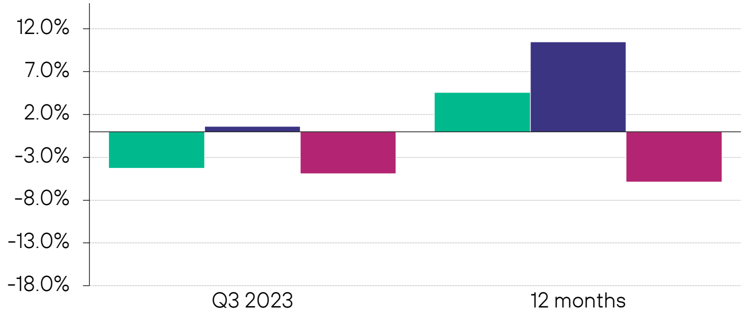
Overview

The Fund utilises an unconstrained global equity approach which focuses on investing in companies displaying above average earnings growth and sustainable competitive advantages in their respective industries, whilst aligning to the UN Paris Agreement climate commitments.

Process	Bottom Up	Top Down
Stock Selection	Low	High
Active Share	Low	High

Key area	Comments
Key contributors/ detractors	• The Fund experienced performance challenges over the quarter. Against such an economic backdrop, BG continue to revisit the underlying growth drivers that underpin the portfolio and remain confident that the growth tailwinds will endure despite global economic challenges. • The energy sector was the clear contributor in Q3. The utilities sector and the real estate sector were the biggest detractors over the last quarter.
Portfolio positioning / transactions	• BG made 3 purchases (Comfort Systems USA, Nippon Paint and YETI Holdings) and 1 sale (Deutsche Boerse).
Outlook	• BG realise it's been a bruising period performance wise. But beneath the difficult headline numbers according to them resides a portfolio that is in very robust health. They still believe that the portfolio is of increasingly superior quality, operational flexibility and expected earnings growth.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-4.3%	4.6%
Benchmark	0.6%	10.5%
Relative	-4.9%	-5.9%

Metrics	Current Quarter	Last Quarter	View/change
Stocks (no.)	91	90	Broadly unchanged
12m turnover	14%	14%	Unchanged
Active share	84%	84%	In line with expectation
Top 3 sectors	Consumer Disc (21%), Financials (17%), IT (16%)		
Top 3 stocks	Microsoft (4%), Amazon.com (4%), Elevance Health (4%)		
Top 3 regions	North America (64%), Europe ex UK (15%), Emerging Markets (10%)		

Mandate: Global Equities

Current Value: £184.8m

Current Weighting: 4.1%

Inception: August 2021

Benchmark: MSCI AC World

Objective: Outperform benchmark by 2.0% p.a. (net of fees) over rolling 5-year periods

Pooled: Via Access Pool

Note: Totals may not sum due to rounding. Performance quoted net of fees. The Fund switched into the Paris-aligned version of the Global Alpha Fund over Q2 2022 and performance is combined.
Source: Investment manager, Northern Trust, Isio calculations.

Harbourvest – Private Equity

Overview

HarbourVest manage a global private equity portfolio for the Fund, invested globally across a range of subclasses (buyout, venture, debt/credit, among others).

Style	Multiple: Buyout, venture, credit
Stage	Multiple: Primary, secondary
Access	Fund-of-Funds
Vintage Year	Multiple: 2004-2021
Regional Focus	Global

Key area	Comments (3 month lagged)
Performance	• Over the quarter the portfolio produced positive returns and whilst the 12-month performance was negative, the long-term performance still remains very strong.
Developments over quarter	• Several funds distributed proceeds back to investors during Q2, with the most sizeable distributions coming from HIPEP VI and VII Partnership Funds
Outlook	• HarbourVest has not provided specific outlook for the portfolio.

Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

Performance to 30 September 2023

	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	7.0%	-7.3%	23.9%	18.4%
Benchmark	1.0%	12.1%	10.5%	9.4%
Relative	+6.1%	-19.4%	+13.4%	+9.0%

Metrics (3m lag)	Current Quarter	Last Quarter	View/change
IRR (net)	10.8%	10.8%	As expected
Capital Deployed/Raised	72%	70%	Slight increase
DPI	1.03x	0.99x	Slight increase
TVPI	1.7x	1.7x	No change
Top 3 subclasses	Buyout (55%), Venture (44%), Credit (1%)		
Top 3 regions	North America (56%), Europe (26%), Asia (15%)		

Mandate: Private Equity

Current Value: £192.2m

Current Weighting: 4.2%

Inception: January 2003

Benchmark: MSCI World + 1.5%

Objective: MSCI World + 3.0%

Pooled: No

Adams Street – Private Equity

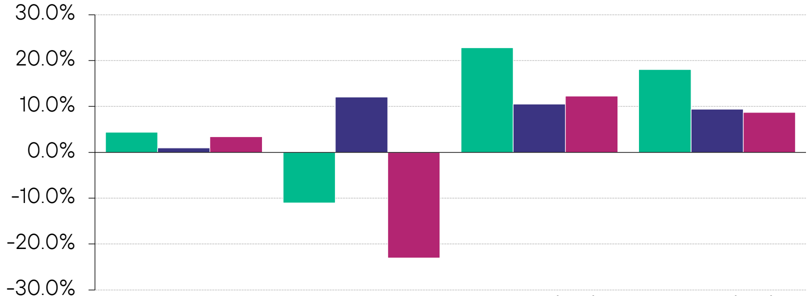
Overview

Adams Street manage a global private equity portfolio for the Fund, combining Partnerships and Co-investments, invested globally across a range of subclasses (buyout, venture, energy, debt/credit, among others).

Style	Multiple: Buyout, venture, debt
Stage	Multiple: Primary, secondary, co-investment
Access	Fund-of-Funds
Vintage Year	Multiple: 2003-2021
Regional Focus	Global

Key area	Comments (3 month lagged)
Performance	• Similarly to last quarter, there was a small reduction in IRR, which is in line with expectations as private equity valuations continue to be adjusted downwards in line with public markets.
Developments over quarter	• Three new primary investments in Altor Fund VI, Oakley Capital Origin II-B1 SCSp and The Resolute Fund VI. There was also 1 new co-investment in Advantive, and a new Growth Equity investment in Cato Networks. • c.$2.6m in distributions and c $2.1m capital called over Q2
Outlook	• Despite a resurgence in equity markets in the first half of 2023, this retreated going into the third quarter due to concern that the Federal Reserve will keep interest rates higher for longer. There is a positive outlook for growth equities due to a rising demand for capital from companies that delayed returning to the market last year and due to the state of technological innovation.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	4.4%	-11.0%	22.8%	18.0%
Benchmark	1.0%	12.1%	10.5%	9.4%
Relative	+3.4%	-23.1%	+12.3%	+8.7%

Metrics (3m lag)	Current Quarter	Last Quarter	View/change
IRR (net)	11.7%	11.8%	Slight reduction
Capital Deployed/Raised	81%	81%	Unchanged
DPI	1.1x	1.1x	Unchanged
TVPI	1.8x	1.8x	Unchanged
Top 3 subclasses (Partnerships)	Buyout (61%), Venture (29%), Other (7%)		
Top 3 regions (Partnerships)	United States (53%), Western Europe (28%), Asia (11%)		

Mandate: Private Equity

Current Value: £199.3m

Current Weighting: 4.4%

Inception: March 2003

Benchmark: MSCI World + 1.5%

Objective: MSCI World + 3.0%

Pooled: No

Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

Newton – Absolute Return

Overview

The Fund aims to generate returns by investing in a wide universe of global securities. The Fund allocates between return seeking, and risk reducing positions, dynamically changing asset allocations over time in order to add value. The primary aim is to deliver positive risk adjusted returns in all market economic environments.

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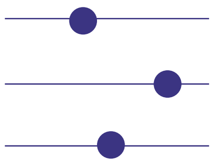
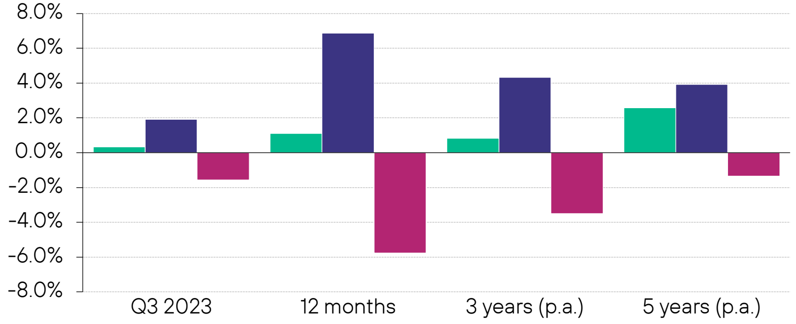
Target Return	Low		High
Return Drivers	Market beta		Active management
Diversification	Low		High



Key area	Comments
Key contributors/ detractors	• Positive return was driven by the derivative protection, and cash holdings in short-dated bonds, which provided a cushion during the market sell-off in August and September. • Equities were the main detractor of performance although the strategies stock selection outperformed the broader market.
Portfolio positioning	• Newton evolved their positioning over the period, taking advantage of market volatility to add to equity positions, as well as adjusting fixed income (duration) exposure over the period based on the team's view
Outlook	• The team retain a cautious stance and believe that they will embrace volatility to negative changes and have the capacity to adapt to future changes in the global economy.

Notes: Returns net of fees. Inception date 31 March 2004.
Sources: Investment manager, Isio calculations.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	0.3%	1.1%	0.8%	2.6%
Benchmark	1.9%	6.9%	4.3%	3.9%
Relative	-1.6%	-5.8%	-3.5%	-1.4%

Metrics	Current Quarter	Last Quarter	View/change
Correlation to equity (1 year)	43%	55%	In line with expectations
Volatility (1 year)	4.3%	6.0%	In line with expectations
Top 3 asset-classes	Equities (36.8%), Cash (19.5%) Alternatives (16.7%)		
Equity sector breakdown	Healthcare (7.1%), Technology (5.8%), Consumer Discretionary (5.6%),		

Mandate: Diversified Growth Fund

Current Value: £336.4m

Current Weighting: 7.4%

Inception: April 2010

Benchmark: 3-month SONIA + 2.5%

Objective: 3-month SONIA + 4% p.a. (gross) over rolling 5 years

Pooled: Via Access Pool

Ruffer – Absolute Return

Overview

The Fund has two investment aims; to deliver positive returns in any rolling twelve month period and ahead of the risk-free rate. The strategy has a strong focus on capital preservation, the core investment objective of the Fund.

Target Return	Low	High
Return Drivers	Market beta	Active management
Diversification	Low	High

Performance to 30 September 2023

	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	-1.2%	-7.5%	4.2%	4.8%
Benchmark	1.9%	6.9%	4.3%	4.0%
Relative	-3.1%	-14.4%	-0.2%	+0.9%

Mandate: Diversified Growth Fund

Current Value: £443.3m

Current Weighting: 9.8%

Inception: April 2010

Benchmark: 3-month SONIA + 2.5%

Objective: 3-month SONIA + 4% p.a. (gross) over rolling 5 years

Pooled: Via Access Pool

Key area	Comments
Key contributors/ detractors	• Negative returns were primarily attributable to the large holding in inflation-linked government bonds, with valuations reducing following the sell-off in long duration bonds. • The Fund's positions in oil were the main contributors to returns with oil prices rising over 25% across the quarter.
Portfolio positioning	• The Fund retained its defensive positioning over the period and continues to have a high allocation to short dated bonds, reflecting a view that whilst inflation will be a long-term problem.
Outlook	• Ruffer believe that Japan's yield control will inevitably break and have a large exposure to the Yen as a protection against this. • Ruffer take the view that "interest rates always work" and the Fund is positioned to take advantage of opportunities arising from a sharp change in sentiment across the market.

Metrics	Current Quarter	Last Quarter	View/change
Correlation to equity (1 year)	30%	27%	Low correlation Reflects portfolio positioning.
Volatility (1 year)	6.3%	5.4%	In line with expectations
Top 3 asset-classes	Short-dated bonds (43.3%), Cash (13.0%), Non-UK index-linked bonds (11.1%).		
Top 3 detractors to return	Inflation linked bonds (-2.9%). Equity downside protection (-0.3%), Gold exposure and gold equities (-0.1%).		

Notes: Returns net of fees. Inception date 29 September 2000
Sources: Investment manager, Isio calculations.

Schroders - Balanced Property

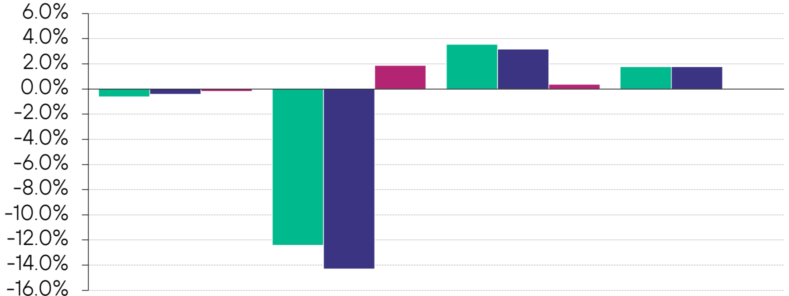
Overview

The Schroders Property Fund is a medium risk balanced property fund investing across the retail, offices, industrials and alternative property sectors.

Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments
Key contributors / detractors	• Over the quarter, the portfolio marginally underperformed the benchmark. Like last quarter, the Industrial Property Investment Fund was the most accretive holding in the portfolio, Other strong performing funds included the Social Supported Housing Fund, Octopus Healthcare Fund and Multi-Let Industrial Property Unit Trust (Multi-Let). • The weakest performing funds over the quarter were UK Retail Warehouse Fund, Future Workplace Property Unit Trust, Schroders Special Situations Fund and Local Retail Fund.
Portfolio positioning	• Over the last few years, the Portfolio has been structured with downside protection provided via the defensive holdings in convenience retail.
Outlook	• Schroders anticipate further falls in capital values in Q4 2023 in most sectors, aside from property which they believe is approaching 'fair value.' The portfolio has more defensive style strategies in place, which are proving more beneficial over the long term.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	-0.6%	-12.4%	3.6%	1.8%
Benchmark	-0.4%	-14.3%	3.2%	1.8%
Relative	-0.2%	+1.9%	+0.4%	+0.0%

Metrics	Current Quarter	Last Quarter	View/Change
Net acquisitions / (Sales)	-£7.1m	£4.7m	Decrease
Cash yield	3.4%	3.1%	Increase
No of assets	18	18	No change
Top 3 sectors	Industrial, Alternatives (via student accommodation, social supported housing, retirement living and care homes) and Regional Offices.		

Note: Totals may not sum due to rounding. Performance quoted net of fees
Source: Investment manager, Northern Trust, Isio calculations.

Mandate: Balanced Property

Current Value: £342.9m

Current Weighting: 7.6%

Inception: December 2009

Benchmark: IPD All Balanced Fund Index

Objective: Outperform benchmark by 0.75% p.a. (net) over rolling 3 years

Pooled: No

UBS - Infrastructure

Overview

The fund provides investors with access to a diversified portfolio across Fund I and Fund III infrastructure assets. Fund I remains in the value realisation phase and is paying capital back to Investors, whilst Fund III is in its investment phase and continues to draw capital for investment. Fund III has a significant tilt to ESG assets compared to Fund I.

Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments (3m lag)
Portfolio positioning	• Net return since inception for Fund I fell to a disappointing 2.2% p.a. predominantly due to the material mark down in value for Southern Water, The business issued a £550m additional funding request, Positive FX movements partially offset further fall in valuations. • Given the Fund will no longer invest further capital, its stake in Southern Water will be diluted from 5.9% to 2.8% post-closing of the capital raise. • A sales process for Saubermacher and Spinning Spur II is being prepared with its advisors, and is planned to be completed by the end of 2023.
Outlook	• Fund III continues to drawdown committed capital, and perform as expected. There was no change to the $139.3m drawn from the total $185.0m committed relative to Q1 2023. • There are no fund distributions from Fund I in Q2 2023.

Note: Totals may not sum due to rounding. Performance quoted net of fees. SI is since inception.
Source: Investment manager, Northern Trust, Isio calculations.

Performance to 30 September 2023

	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	0.4%	-8.8%	4.8%	0.9%
Benchmark	0.9%	8.6%	8.6%	6.4%
Relative	-0.4%	-17.5%	-3.8%	-5.4%

Metrics (3m lag)	31 June 2023	31 Mar 2023	View/Change
Net SI return (Fund I)	2.2%	3.0%	Material decrease driven by fall in Southern Water valuation
Net SI return (Fund III)	17.1%	17.7%	Slight decrease
Total value to paid-in (Fund I)	1.18x	1.28x	Slight decrease
Total value to paid-in (Fund III)	1.31x	1.28x	Slight increase
Top 3 sectors (Fund I – current quarter)	Power generation (71%), Wastewater (20%), Water (9%)		

Mandate: Infrastructure

Current Value: £35.6m

Current Weighting: 0.8%

Inception: January 2008

Benchmark: CPI + 2%

Objective: CPI + 3%

Pooled: No

Notable Updates

The UBS infrastructure funds should be monitored closely going forward given weak historical performance.

Isio have engaged UBS to present a summary of the additional monitoring they are able to provide. UBS have now discussed this with Officers and are in the process of updating their reporting.

Pantheon - Infrastructure

Overview

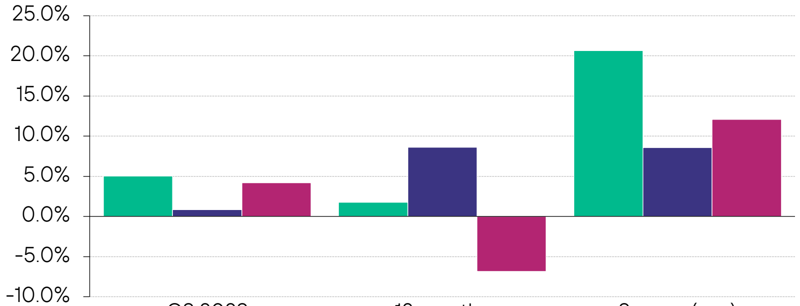
The fund provides investors with access to a diversified portfolio of infrastructure assets.

It focuses on investments which provide a contracted or regulated income stream, which enables the Fund to generate robust cash yields which are inflation-linked, making it attractive to pension scheme investors.

	Low end	High end
Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments (3 month lag)
Key contributors/ detractors	• Since inception performance has been strong (12.6% net IRR). • Over Q2, the Fund's valuation was up 1.3%, with the largest contributors being co-investments Covanta (+12.3%), Energy Assets Group (9.8%) and secondary Gemini Aero (+7.3%). • There were eleven detractors over the period with co-investments Gas Natural Fenosa (-2.5%) and secondary Aurora (-4.1%) being the largest detractors.
Portfolio positioning	• There were no purchases nor full asset realisations over Q2. • Asset distributions ($1m) over Q2 came from 4 co-investments and 6 secondaries, driven by co-investment Oryx ($77k) and secondaries McLaren ($430k) and Springbank ($276k).
Outlook	• The Fund has $11.9m of undrawn capital remaining, but has moved to a net cash outflow position (i.e. distributions greater than calls) as of Q3 2022 and this will likely remain the case.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)
Return	5.1%	1.8%	20.6%
Benchmark	0.9%	8.6%	8.6%
Relative	+4.2%	-6.9%	+12.1%

Metrics (3m lag)	Current Quarter	Last Quarter	View/change
Cash yield	13.9%	15.5%	Driven by distributions
Net Acquisitions/sales	($0.5m)	($3.1m)	Distributions of $1m and $0.5m of drawn capital
Initial secondaries discount rate	3.0%	3.0%	No change as Fund is not investing
Remaining number of assets	45	45	No change
Top 3 sectors	Digital, Transport and Logistics, Renewables / Efficiency		

Mandate: Infrastructure

Current Value: £88.4m

Current Weighting: 1.9%

Inception: May 2018

Benchmark: CPI + 2.5%

Objective: CPI + 3%

Pooled: No

Note: Totals may not sum due to rounding. Performance quoted net of fees. Manager data is lagged by one quarter.
Source: Investment manager, Northern Trust, Isio calculations.

M&G - Infrastructure

Overview

The fund provides investors with access to a diversified portfolio (Brownfield III and Greenfield II) of infrastructure assets. It focuses on investments which provide a contracted or regulated income stream, which enables the Fund to generate robust cash yields which are inflation-linked, making it attractive to pension scheme investors.

Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments (3-month lag)
Key contributors/ detractors	• The Brownfield Fund's valuation fell 0.7% quarter-on-quarter. The largest detractor was Neos (-7.5%) while Last Mile, the Fund's largest position, had its valuation increase by 2.3%. • The Greenfield Fund's valuation fell 7.3% over the quarter. The strong performance from Ogi (+8.5%) was largely offset by Zenobe (-15.8%) and Speed Connect Austria (-8.4%).
Portfolio positioning	• The Brownfield Fund has drawn down 83% of committed capital. The Fund is looking to sell a significant stake in Last Mile, which will provide additional funding for other portfolio companies. • The Greenfield Fund's continues with steady deployment across portfolio companies. A key activity over Q2 is the equity raise for Zenobe for future growth, is expected to close soon.
Outlook	• Both funds expected to continue to draw capital over the coming quarters into current companies rather than new investments.

Performance to 30 September 2023

	Q3 2023	12 months	3 years (p.a.)
Return	-2.7%	1.3%	10.5%
Benchmark	0.9%	8.6%	8.6%
Relative	-3.6%	-7.3%	+2.0%

Metrics (3m lag)	Brownfield	Greenfield
Portfolio Value to current paid in capital	1.2x	1.2x
Number of assets	6 investments	7 investments
Top sectors	Fibre Telecoms (30%), Transport (34%) and Energy (19%)	Energy Transition (24%), Telecoms (32%) and Transport (18%)
Period	The Fund's investment period ends in Dec 2023, and a Dec 2029 termination date	The Fund remains in its investment period, which ends in December 2025

Mandate: Infrastructure

Current Value: £56.0m

Current Weighting: 1.2%

Inception: October 2018

Benchmark: CPI + 2.5%

Objective: CPI + 3%

Pooled: No

Note: Totals may not sum due to rounding. Performance quoted net of fees
Source: Investment manager, Northern Trust, Isio calculations. Manager information has a one quarter lag.

IFM Global Infrastructure Fund

Overview

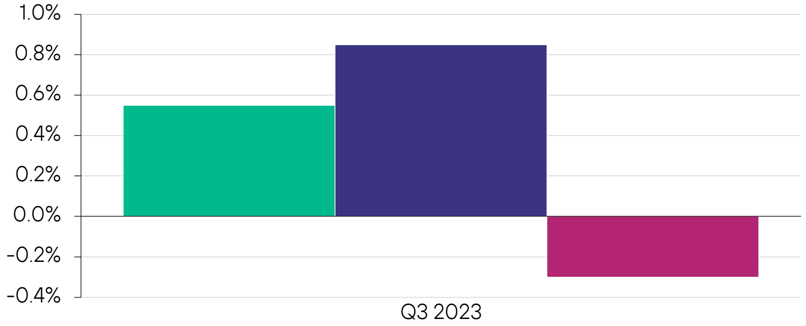
The Fund is a large, global open-ended infrastructure fund, launched on 1 December 2004. Due to the scale of the Fund and strong existing sourcing relationships, IFM are able to focus on investing in larger deals or deals with high barriers to entry.

The Fund has a diverse portfolio of 23 companies across a variety of sectors, largely focussed on North America and Europe. The Fund focusses on purchasing primarily operational assets with strong contractual income-producing characteristics, and the team aim to add value across financing, operations and business strategy.

Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments
Key contributors/ detractors	• Positive Q3 returns were driven by the performance of assets including GCT Global Container Terminals, Baltic Hub Container Terminal, and Aleatica. • Global aviation traffic (including in China) and toll road assets continued to provide steady returns, as demand remained resilient. • Positive Returns were partially offset by a rise in the risk free rated driven by higher interest rates which negatively impacted valuations.
Portfolio positioning	• A further $98m added to Switch Inc to support the build of its data centres and capitalize on its strong sales pipeline. • GCT USA was sold at a premium allowing GCT to exit its US operations at an attractive price.
Outlook	• The team continues to evaluate a substantial investment pipeline for the Fund, with market opportunities identified across multiple sectors such as Utilities, Energy and Digital.

Performance to 30 September 2023



	Q3 2023
Return	0.6%
Benchmark	0.8%
Relative	-0.3%

Metrics	Q3 2023	Q2 2023	View/change
Cash yield (Trailing p.a)	1.2% annual yield 5.4% p.a. SI	1.5% annual yield 5.4% p.a. SI	Small fall
Net acquisitions/ sales	+$475m net	-	$578m received from sale of GCT USA $98m invested further into Switch inc.
Average discount rate	10%	10%	No change
Number of assets	23 investments 150+ assets	24 investments 150+ assets	inclusion of M6toll under the Aleatica platform
Top 3 sectors	Utilities, Transport, Energy (14+ underlying sub sectors)		

Notes: Returns net of fees and in local currency terms (fee assumed as 0.77% p.a. ie <$300m invested.
The Fund was launched on 1 December 2004.
Sources: Investment manager, Isio calculations.

Mandate: Infrastructure Equity (higher risk)

Current Value: £235.6m

Current Weighting: 5.2%

Inception: January 2023

Benchmark: 10% p.a. net of all fees over the long term

Objective: CPI +2%

Pooled: No

Atlas - Listed Infrastructure

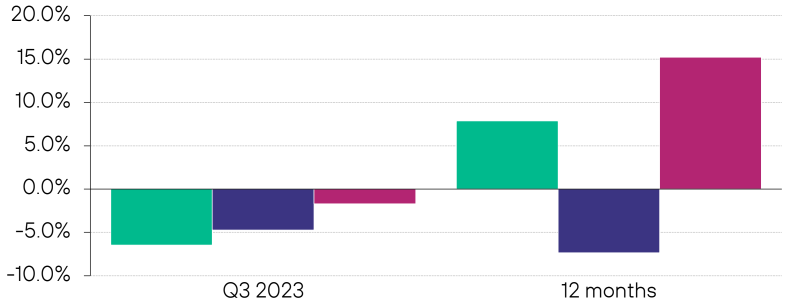
Overview

The fund provides investors with access to a diversified portfolio of brownfield and greenfield infrastructure assets. It focuses on investments which provide a contracted or regulated income stream, which enables the Fund to generate robust cash yields which are inflation-linked, making it attractive to pension scheme investors.

Expected volatility	Low	High
Lease Length	Short	Long
Shape of outcomes	0% Contractual	100% Contractual
Diversification	Low	High

Key area	Comments
Key contributors/ detractors	• At a stock level, there were strong positive returns from holdings in SES (European Comms), Fraport (European Airports) and Eutelsat Communications (European Comms). • The key detractors were Orsted (European Renewables), Avangrid (US Electric) and Terna (European Electric).
Portfolio positioning	• The strategy reduced its position in Enel (EU Utility), fully exited the Public Service Enterprise Group (US Utility) and funded new positions in Redeia (EU Utility), Elia Group (EU Utility) and upweighted the position in Orsted (EU Renewables). • These increased overall base case returns and maintained or improved several key risk metrics including stagflation, and the inflation beta.
Outlook	• Atlas note that this quarter saw a change in market sentiment as investors removed capital from equity markets in the face of rising bond yields as central banks indicated that interest rates may stay higher for longer.

Performance to 30 September 2023



	Q3 2023	12 months
Return	-6.5%	7.9%
Benchmark	-4.7%	-7.4%
Relative	-1.7%	+15.2%

Metrics	Current Quarter	Last Quarter	View/change
Cash yield	4.6%	4.4%	Within expectations
Net acquisitions/sales	2 new positions established and 1 position up weighted. 3 positions exited and 2 positions down weighted.	3 new positions established and 1 position up weighted. 4 positions exited.	Within expectations
Number of individual positions in portfolio	20	21	Within expectations
Top 3 sectors	Electric utilities (44%), Water (13%), Railway (9%)		

Mandate: Global Infrastructure Equity

Current Value: £93.5m

Current Weighting: 2.1%

Inception: December 2020

Benchmark: FTSE Developed Core 50/50 Infrastructure Index

Objective: CPI + 3%

Pooled: No

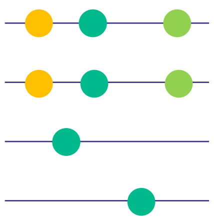
Note: Totals may not sum due to rounding. Performance quoted net of fees. Cash yield is Prospective portfolio yield, pre cash, pre withholding

Source: Investment manager, Northern Trust, Isio calculations.

M&G Real Estate Debt

Overview

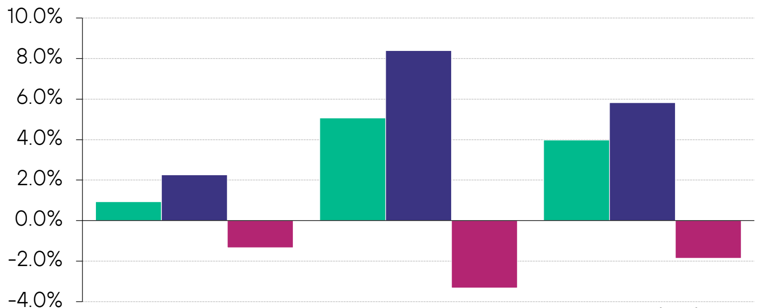
The Funds directly originate private loans that are secured by commercial real estate. REDF VI invests directly in whole loans, while REDF IV and V obtain senior and junior exposure, respectively. The Funds are UK and Europe focused but have scope to invest in the US. The Funds' investment periods ended in June 2021 and reinvestment periods ended December 2022. Wind up is expected in December 2027.

Target Return	Low		High
Target Exposure	Senior only		Mezzanine
Size of Borrower	Large-cap		Small-cap
Target Fund Size	Small		Large

REDF IV ● REDF V ● Both Funds/REDF VI ●

Key area	Comments
Capital Activity	• Project Puma was fully repaid (April 2023) ahead of schedule, due to the underlying asset being involved in a merger.
Minor/Major Watchlist Names	• **Project Carlton** (Minor): M&G are progressing the business plan in line with the loan's new maturity date (December 23). • **Project Lime Street** (Minor): M&G expect the LTV to surpass 80% at the next valuation point, breaching the LTV covenant – leading to its addition to the watchlist. • **Project Pontiac** (Major): M&G have agreed an extension to the loan's maturity (from August 23 to May 24) with the borrower agreeing to sell assets to reduce its overall debt. • **Project Genesis** (Major): M&G are continuing to work with the co-lender ahead of an expected sale of the asset in Q1 24.
Outlook	• M&G continue to see a slowdown in market transactions however, they view refinancing risk to be a greater risk than the recovery of principal given the low LTVs in their portfolios.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)
Return	0.9%	5.1%	4.0%
Benchmark	2.3%	8.4%	5.8%
Relative	-1.3%	-3.3%	-1.9%

(IV / V / VI)	Q2 2023	Q1 2023	View/change
IRR (gross projected)	3.8% / 12.2% / 6.6%	3.7% / 12.1% / 6.5%	Increase due to rising SONIA rates
Total capital invested	124% / 126% / 114%	123% / 126% / 113%	Capital called for new investments
Positions outstanding	27 / 16 / 50	29 / 16 / 52	2 loans repaid
Watchlist	4 / 3 / 3	3 / 3 / 3	Project Lime Street added
Top 3 sectors	REDF IV: Retail (27%), Office (26%), Residential (21%) REDF V: Retail (42%), Office (35%), Hotel (13%) REDF VI: Office (36%), Retail (31%), Residential (15%)		
Phase	Distribution period – due to end December 2027. Reinvestment period has now ended.		

Mandate: Private Debt

Current Value: £39.8m

Current Weighting: 0.9%

Inception: April 2019

Benchmark: 3-month SONIA + 4%

Objective: 3-month SONIA + 5%

Pooled: No

Notable Developments

•We downgraded the Funds to Partially Meets Criteria in mid-2021 following the resignation of four senior members within M&G's Real Estate Debt business in April 2021.

•There was a capital call in REDF IV in Q2 however, this was used to clear a subline in addition to meeting future funding commitments for Project Grey. No further capital calls are expected for REDF IV/V/V

Notes: REDF VI figures are inclusive of this Fund's allocations to REDF IV and V (and vice versa). Gross projected IRRs are based on M&G's assumptions on performance of the existing portfolios. Total Capital Invested includes capital drawn from investors, capital used to fund investments by way of the subline, and capital expected to be drawn over time. *Cashflow profile is an estimate using analysis produced in June 2023, including actual capital called during Q2 2023.

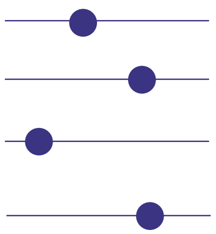
Sources: M&G, Isio calculations.

M&G – Diversified Credit

Overview

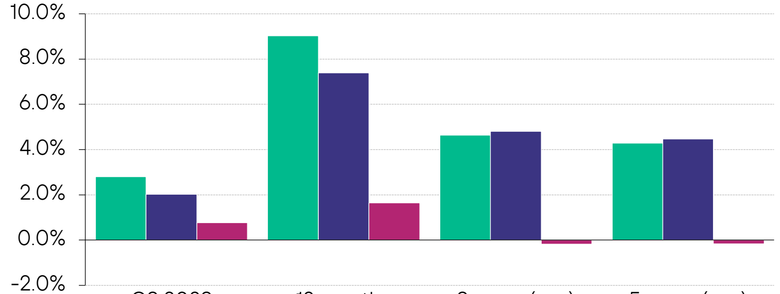
The Fund aims to take advantage of diversified opportunities across various areas of the public credit spectrum. M&G have generally maintained an IG average rating for the Fund with a European bias. M&G will seek to protect capital when the Fund is not being adequately compensated for taking risk. Currency and interest rate risks are typically hedged out of the portfolio.

Target Return	Low		High
Return Drivers	Sector Allocation		Credit Selection
Interest Rate Sensitivity	Low		High
Diversification	Low		High



Key area	Comments
Key contributors/ detractors	• The fund outperformed its objective over Q3, driven by supportive spread changes and low interest rate sensitivity. • The main contributors to performance were industrial bonds, financial bonds and leveraged loans.
Portfolio positioning	• M&G continue to de-risk the fund by moving more expensive, riskier high yield bond holdings into defensive areas, with the cash allocation increasing by c.5%. • M&G maintain a preference for European and UK credit due to the yield pick-up relative to US bonds.
Outlook	• M&G see value in REITs and financials relative to other sectors and expect to increase these exposures moving forwards. They also see value dispersion within credit rating bands and aim to identify attractively priced bonds.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	2.8%	9.0%	4.6%	4.3%
Benchmark	2.0%	7.4%	4.8%	4.5%
Relative	+0.8%	+1.6%	-0.2%	-0.2%

Metrics	Current Quarter	Last Quarter	View/change
Yield	8.7%	9.0%	Reduced due to positioning
Average credit rating	BBB+	BBB	Reflects minor de-risking
Modified duration (years)	-0.04	-0.05	No major change
Spread duration (years)	3.6	3.9	Reflects de-risking into cash
Number of issuers	371	385	Decreased due to sales

Mandate: Multi Asset Credit

Current Value: £309.0m

Current Weighting: 6.8%

Inception: November 2009

Benchmark: 3-month SONIA +3%

Objective: 3-month SONIA +5% (gross)

Pooled: Via Access Pool

Notes: Returns net of fees (based on share class A (GBP)). Benchmark used is 1 month LIBOR from fund inception to 30 June 2021 and 1 month SONIA thereafter. Objective shown is benchmark +2.5% p.a. The Fund was launched on 26 April 2007. Performance attribution based on the performance of the Euro denominated A share class gross of fees.

Sources: Investment manager, Isio calculations.

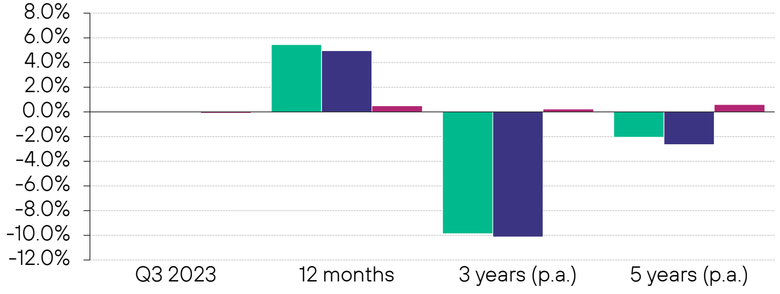
M&G - Corporate Bonds

Overview

The Fund invests in a variety of UK Corporate Bonds, including but not limited to Industrial, Financial, Sovereign and Utility bonds.

Key area	Comments
Key contributors/ detractors	• Duration and FX hedging detracted the most,, whilst Financial Corporate bonds was the strongest contributor to performance.
Portfolio positioning	• Over the quarter the manager broadly maintained the level of risk in the portfolio. • The manager reduced the exposure to some senior European Real Estate Positions on the portfolio which no longer looked to offer sufficient spread compensation.
Outlook	• M&G note that all-in yields for most fixed income asset classes remains high due to the rate hiking cycle. Credit is fairly priced in their opinion but there is significant risk of a central bank policy error as restrictive monetary policy begins to weigh on economic activity. • A patient and highly selective approach to fixed income investment is the best strategy to take advantage of the market.

Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	-0.1%	5.5%	-9.9%	-2.1%
Benchmark	0.0%	5.0%	-10.1%	-2.7%
Relative	-0.1%	0.5%	0.3%	+0.6%

Metrics	Current Quarter	Last Quarter	View/change
Yield	6.6%	6.5%	In line with expectations
Average credit rating	A	A	No change
Modified duration	9.0	9.4	In line with expectations

Mandate: Corporate Bonds

Current Value: £118.4m

Current Weighting: 2.6%

Inception: December 1996

Benchmark: Benchmark: - 50% iBoxx Non-Gilts Over 15Y - 50% iBoxx Non-Gilts

Objective: Outperform benchmark by 0.8% p.a. (gross)

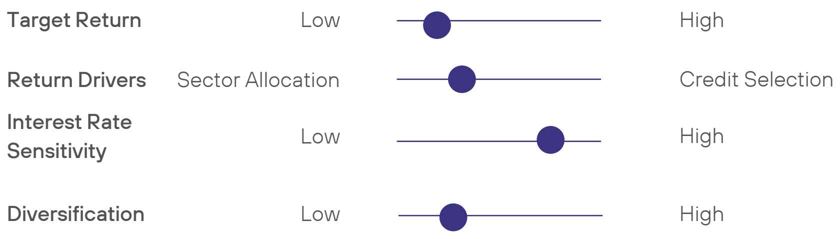
Pooled: Via Access Pool

Note: Totals may not sum due to rounding. Performance quoted net of fees
Source: Investment manager, Northern Trust, Isio calculations.

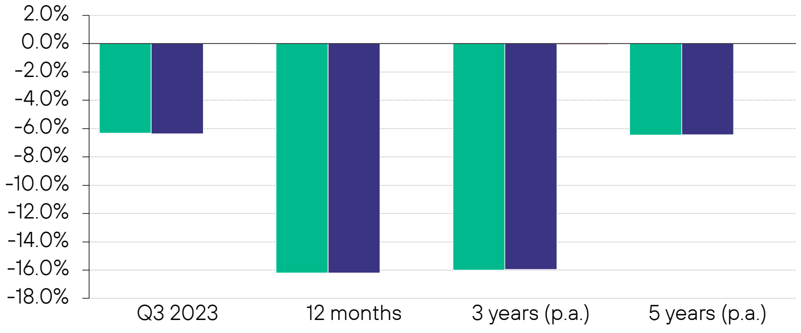
UBS – Over 5 Year Index-linked Gilts

Overview

The Fund has defensive characteristics, providing the Fund with protection against the impact of both interest rates and inflation expectations on the value placed on the liabilities.



Performance to 30 September 2023



	Q3 2023	12 months	3 years (p.a.)	5 years (p.a.)
Return	-6.3%	-16.2%	-16.0%	-6.5%
Benchmark	-6.4%	-16.2%	-16.0%	-6.4%
Relative	+0.0%	0.0%	-0.1%	0.0%

Mandate: Index Linked Gilts

Current Value: £170.7m

Current Weighting: 3.8%

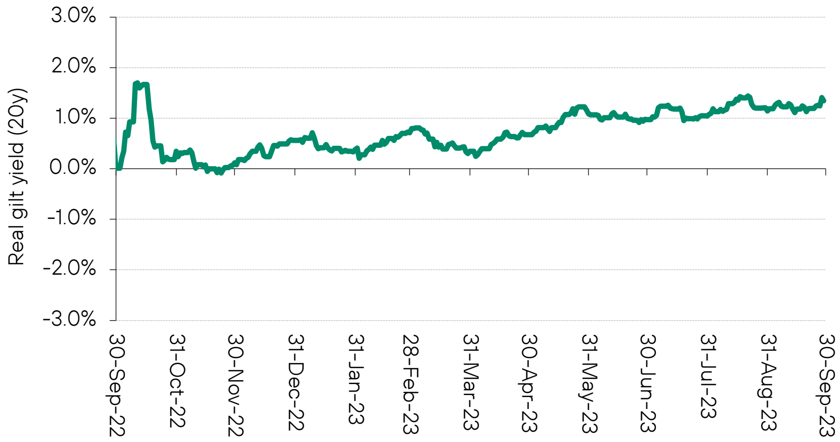
Inception: February 2018

Benchmark: FTSE Index-Linked Gilts Over 5 Years

Objective: Match benchmark

Pooled: Via Access Pool

Real Gilt Yields – Last 12 months



Note: Totals may not sum due to rounding. Performance quoted net of fees.
Source: Investment manager, Northern Trust, Isio calculations.

Appendices

A1: Market Background: Global Equity, Absolute Return, Credit, Real Assets & Yields

A2: Explanation of Market Background

A3: How to Read the Fund Manager Pages

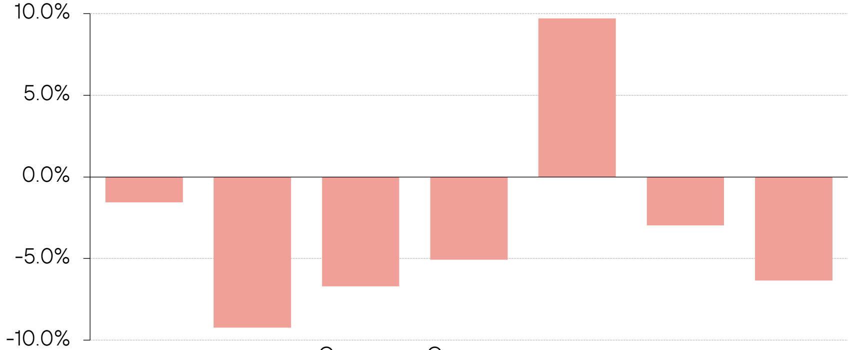
A4: Disclaimers

Market Background – Global Equity

Regional Returns – Q3 2023

	World	UK	North America	Europe exc UK	Japan	Emerging Markets
Unhedged	0.7%	1.9%	1.0%	-1.6%	3.1%	1.3%
Hedged	-2.4%	1.9%	-3.0%	-2.9%	2.2%	-1.3%

Sector Returns – Q3 2023 (Local)



	Financial	Utilities	Consum. Staples	Consum. Discret.	Energy	Health	Tech
Sector	-1.6%	-9.2%	-6.7%	-5.1%	9.7%	-3.0%	-6.3%

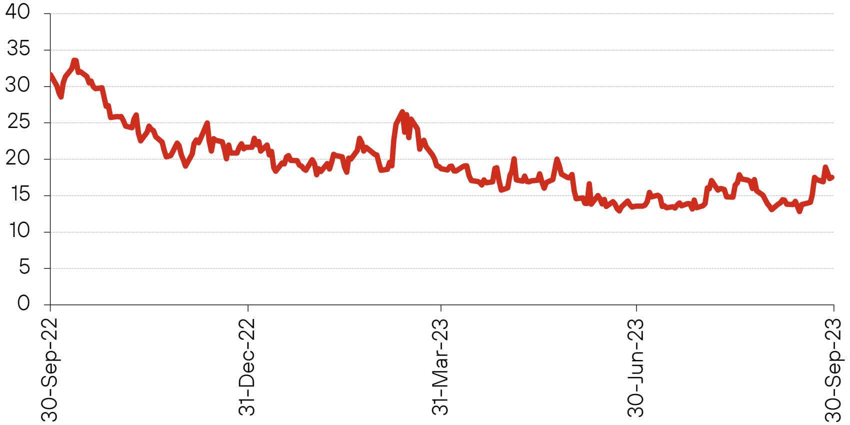
Summary

Q3 saw mixed performance across equity markets. The US had a challenging quarter: despite resilient economic growth, investors reacted negatively to expectations of increasingly tight monetary policy.

UK equities performed well, largely driven by the energy market, with the sector benefitting from a rise in the oil price.

Currency-hedged mandates underperformed their hedged equivalents over the quarter, as Sterling weakened against a number of major currencies.

VIX Volatility Index – Last 12 months



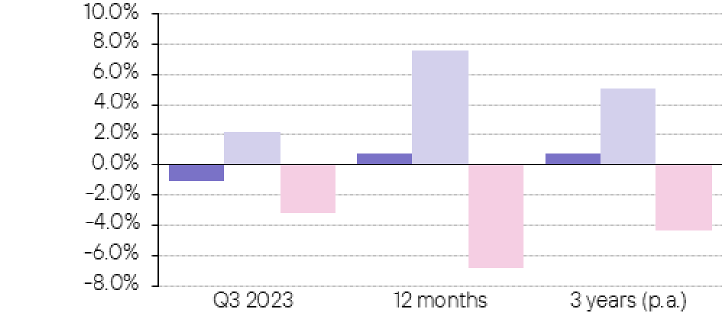
Commentary

- UK equities performed well, with the energy sector particularly benefiting from a rise in crude oil prices (as several oil exporting countries reduced production). Furthermore, domestically oriented sectors rebounded, as consumer confidence improved, influenced by the perception that interest rates may have peaked.
- The US and European markets struggled over the period, with expectations of tighter monetary policy, and their potential impact on consumer spending, hampering investor confidence. US large-cap tech stocks had a particularly challenging quarter, following the strong returns posted in H1 2023.
- The Japanese market delivered robust returns, with a notable upswing in the performance of value and small cap stocks, as corporate earnings remained resilient.
- Emerging markets were impacted by investor uncertainty regarding the potential persistence of high US interest rates, as well as weakness in the Chinese property sector.

Notes: Please see the 'Explanation of Market Background' appendix for details of the underlying indices. Please note that sector returns are based on local USD pricing.
Sources: Refinitiv.

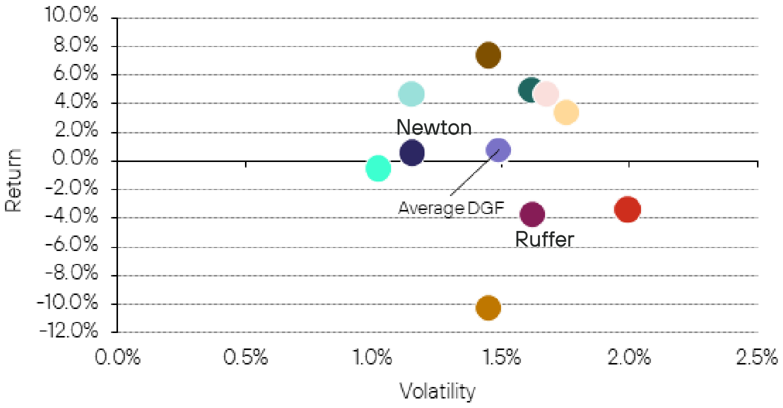
Market Background – Absolute Return

Sample Manager Average Returns– Q3 2023



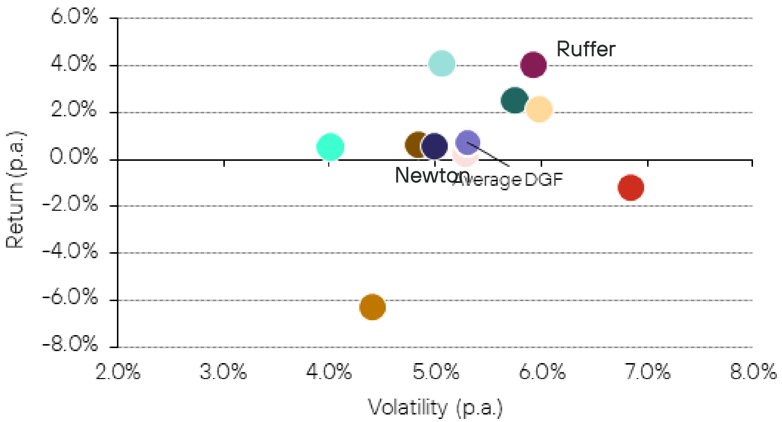
	Q3 2023	12 months	3 years (p.a.)
Average DGF	-1.0%	0.8%	0.7%
Cash +3.5%	2.2%	7.6%	5.1%
Relative	-3.2%	-6.8%	-4.4%

Sample Manager Returns and Volatility – 12 months



Within our sample of managers, we have incorporated the performance of ten DGFs with various manager styles, aiming to give a balanced view of the market.

Sample Manager Returns and Volatility – 3 years (p.a.)



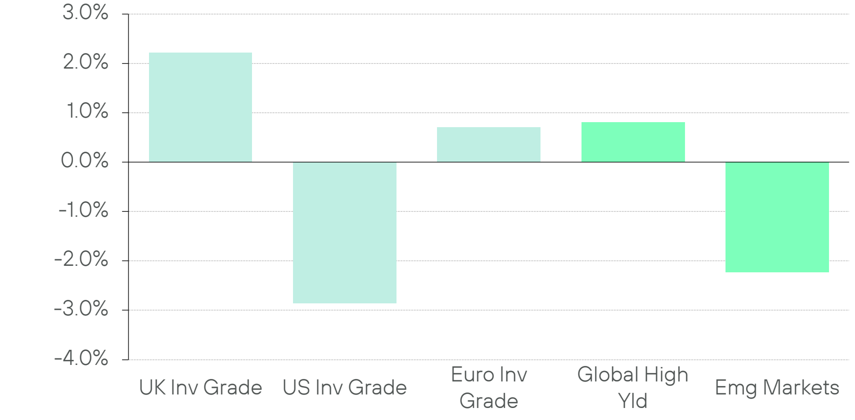
Commentary

- The average DGF underperformed the cash plus target over Q3 2023, and has also trailed the cash + 3.5% objective over longer periods.
- In a theme that has persisted over several months, monetary policy continued to have the largest effect on sentiment, as markets priced in higher longer term interest rates.
- Equity returns were mixed over the period, with the UK outperforming due to strength in more 'traditional' sectors; other regions delivered negative returns as investors continued to worry about rising interest rates.
- Most managers struggled to generate value from credit exposures, as the rise in long term interest rates created further pressure on valuations for assets which have duration exposure (sensitivity to rising interest rates).
- The majority of DGF managers remain aware to geopolitical tensions, as well as the potential impact of moving into a recessionary economic environment.

Notes: Please see the 'Explanation of Market Background' appendix for details of the underlying indices. All returns quoted are net of management fees.
Sources: Investment Managers, Isio calculations.

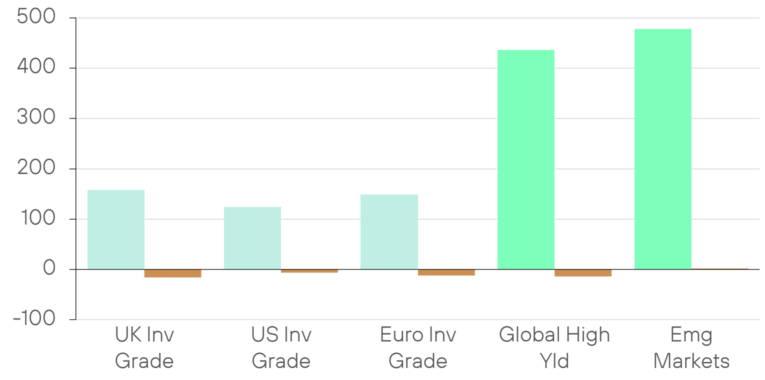
Market Background – Credit

Credit Market Returns – Q3 2023



	UK Inv Grade	US Inv Grade	Euro Inv Grade	Global High Yld	Emg Markets
£ Hedged	2.2%	-2.9%	0.7%	0.8%	-2.2%

Credit spreads – Q3 2023



	UK Inv Grade	US Inv Grade	Euro Inv Grade	Global High Yld	Emg Markets
End of qtr	158	124	149	436	478
Qtr change	-16	-6	-12	-14	2

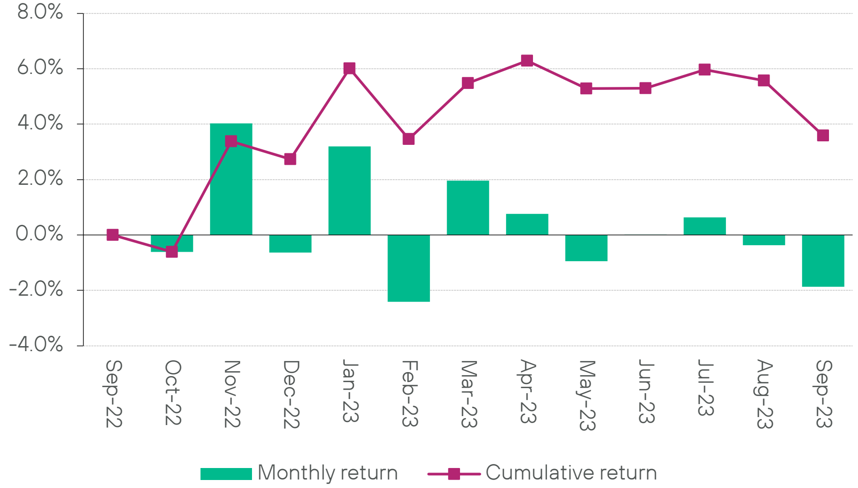
Summary

Similar to recent quarters, central bank messaging regarding the future path of interest rates was a key driver of bond market performance over Q3. While major central banks continued to increase interest rates, their rhetoric implied that they were coming to the end of their hiking cycles. Regardless, government bond yields still rose due to market participants interpreting that interest rates would stay 'higher for longer' than previously expected.

While this put pressure on investment grade ('IG') bond returns, especially in the US, encouraging economic data led to a tightening in credit spreads in most areas, which supported performance.

UK and European IG bonds outperformed the US, due to differences in the long-dated government bond yield movements.

Global broad credit market return – Last 12 months



Commentary

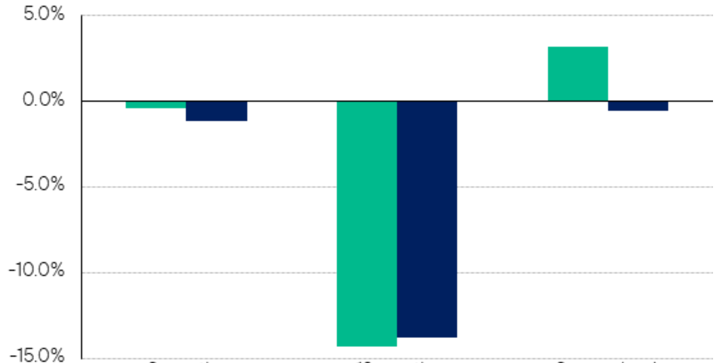
Global credit market performance was negative, driven by rising government bond yields across all regions, particularly in September. This came despite credit spreads largely tightening, due to improved economic data:

- **Investment grade ('IG') bond** spreads tightened over Q3, which supported overall performance. Regional differences were driven by sensitivity of this sub-asset class to rising government bond yields. US IG bonds underperformed UK and European equivalents due to longer-dated US government bond yields rising the most.
- **High yield ('HY') bonds** produced positive returns, driven both by ongoing carry and spreads tightening due to better-than-expected company earnings and economic data. Lower sensitivity to government bond yields also supported HY returns relative to IG – a consequence of its shorter maturity profile.
- **Emerging market ('EM') debt** produced negative returns due to the increase in developed market government bond yields (especially the US) and negative currency returns – owing to the US Dollar strengthening.

Notes: Please see the 'Explanation of Market Background' appendix for details of the underlying indices shown. Credit spreads are shown in basis points (100bps = 1%) and correspond to the incremental yield available on corporate bonds above government bonds of a similar maturity. Sources: Thomson Reuters, PIMCO, Fidelity.

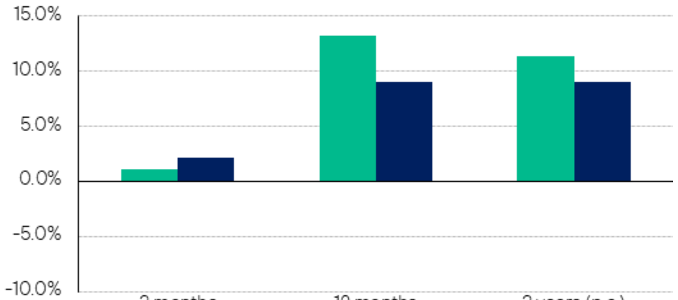
Market Background – Real Assets

UK Commercial Property - Balanced and Long Lease (GBP)



	3 months	12 months	3 years (p.a.)
Balanced Index	-0.4%	-14.3%	3.2%
Long Income Index	-1.1%	-13.8%	-0.6%

Global Core Unlisted Infrastructure (USD)



	3 months	12 months	3 years (p.a.)
Illustrative Infrastructure Manager	1.1%	13.2%	11.4%
Objective	2.2%	9.0%	9.0%

Objective: 9.0% p.a. net of all fees over the long term, ranging between 8%-12% depending on market cycle stage.

Commentary

- Performance was negative, as the Bank of England raised the base interest rate to 5.25%, with markets anticipating that rates will remain longer than initially expected.
- There was a divergence across sectors, with industrials the only sector to generate positive returns on the back of strong occupational trends.
- Retail performance was marginally negative, largely driven by warehouses. Offices continued to struggle and were the weakest performing sector due to structural occupational trends.
- Balanced Property outperformed Long Lease, largely due to the higher structural industrials exposure, which continues to recover from the significant 2022 re-pricing.
- Alternative sectors such as student accommodation and leisure also saw a modest decline in capital values over the quarter, again due to the impact of higher rates.
- Despite the fall in capital values, core occupier markets are beginning to show stability, with positive rental value growth across all sectors. Redemptions continued to be deferred by a number of managers, and as such, asset sales remain a key focus.

Commentary

- Infrastructure continued to outperform over the long-term, largely due to the ability to pass through inflation to the consumer and robust structural revenue growth.
- Whilst infrastructure performed positively over the quarter, largely driven by transportation assets and rising energy prices, performance was behind benchmark due to the “higher for longer” interest rate rhetoric.
- The transport sector continued to recover, driven by aviation (with traffic volumes largely recovering to pre-Covid levels). Toll roads also saw continued steady performance, through increased usage.
- The energy midstream sector held up well on the back of rising oil and gas prices and a positive demand outlook for energy storage and transportation services.
- Digital assets and renewables lagged as they are the sectors that are the most sensitive to yields, so were most affected by higher interest rates.
- Demand for infrastructure continues to be strong, with investors favouring firms which can offer inflation linked cashflows, and resilience to interest rate changes.

Summary

UK Commercial Property
The economic backdrop continues to dampen investor sentiment. Entrenched inflation and high interest rates have negatively impacted valuations; while lack of interest rate certainty, and limited price transparency, continue to restrict the number of buyers and sellers. The supply / demand imbalance creates a strong backdrop for positive rental growth.

Going forward, we expect property to continue to recover through 2024, as supply chain challenges and cost of financing pressures start to ease.

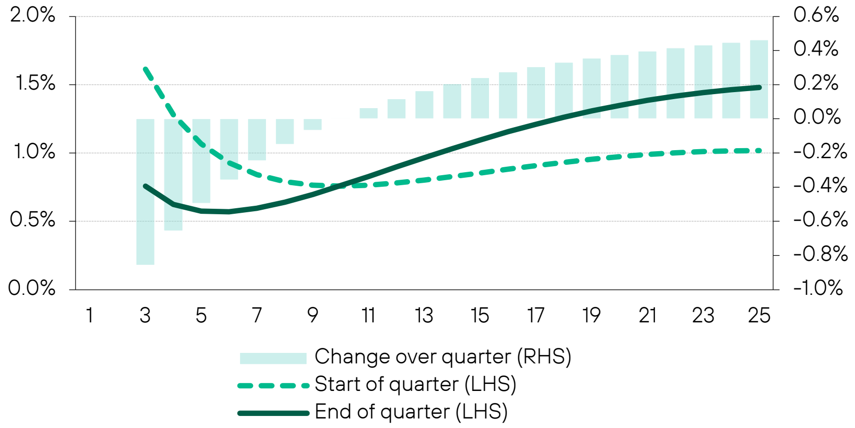
Infrastructure
Performance was driven by transportation - which benefitted from increased air travel - and energy midstream, which was supported by rising energy prices. Higher rates have negatively impacted valuations, particularly for yield sensitive sectors (i.e. digital assets / renewables).

We believe investors should focus on assets with high inflation-linkage, contracted revenues and low leverage levels where possible.

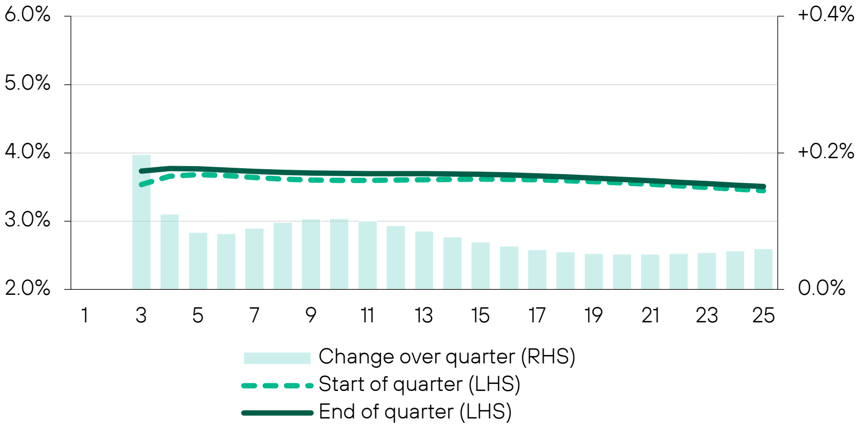
Notes: Please see the ‘Explanation of Market Background’ appendix for details of the underlying indices. Source: MSCI / IPD and Investment Managers.

Market Background – Yields

Real Gilt Yields – Q3 2023

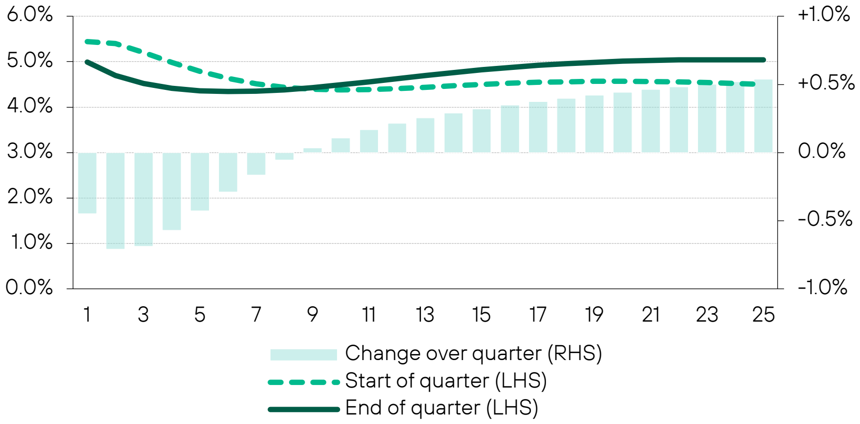


Gilt-Implied Inflation – Q3 2023



These curves show gilt yields and inflation expectations at varying time horizons. The horizontal axis represents the number of years.

Nominal Gilt Yields – Q3 2023



Example Liabilities

- Long-dated (20-year) yields at the quarter-end were:
  - Real gilt yield: 1.3%
  - Nominal gilt yield: 5.0%
  - Gilt-implied inflation expectation: 3.6%

Sources: Bank of England, Isio calculations.

Explanation of Market Background

Market Background – Overview

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

Market Background – Global Equity

- Regional Returns – The market indices underlying this chart are as follows:
  - World: FTSE World
  - UK: FTSE All Share
  - North America: FTSE North America
  - Europe ex UK: FTSE Europe ex UK
  - Japan: FTSE Japan
  - Emg Mkts: MSCI Emerging Markets
- Sector Returns – The market indices underlying this chart are the relevant sectors from the MSCI All-Countries index.
- VIX Volatility Index – This is a forward-looking indicator. It represents the expected range of movement (in percentage terms) in the S&P 500 index (i.e. US equities in dollar terms) over the next year, at a 68% confidence level. It is calculated using options prices over a 30-day horizon.

This glossary explains the components of the Market Background charts in Appendix 1.

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

Explanation of Market Background (cont.)

Market Background – Absolute Return

- **Absolute Return Funds** – Due to the lack of a market index for Absolute Return, we illustrate the performance of this by showing the returns of 10 of the largest funds by assets under management. Specifically:
  - Aberdeen Standard Global Absolute Return Strategies
  - Aviva Multi-Strategy Target Return
  - Baillie Gifford Diversified Growth
  - BlackRock Dynamic Diversified Growth
  - Invesco Perpetual Global Targeted Returns
  - L&G Diversified
  - Newton Real Return
  - Nordea Stable Return
  - Ruffer Absolute Return
  - Schroder Diversified Growth
- The 'Average Absolute Return Fund' performance is an equally-weighted average of the sample of 10 managers' performance figures.
- Returns are shown net of each manager's standard fee. While every effort has been taken to select vehicles with institutional/clean fee structures, the impact may not necessarily reflect any particular client's fee arrangements.
- Volatility is calculated by annualising the volatility of daily returns.
- As clients have specific selection criteria, the managers listed here may not meet any given client's criteria.
- Absolute Return encompass a range of investment approaches, return targets, and risk profiles. Consequently, different managers' returns are not necessarily a like-for-like comparison.

Market Background – Real Assets

- Real Assets – The market indices underlying these charts are:
  - Core UK Property: IPD Monthly UK Index
  - Long Lease UK Property: IPD Long Income Property Fund Index

This glossary explains the components of the Market Background charts in Appendix 1.

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

Explanation of Market Background (cont.)

Market Background – Credit

- Sector Returns and Credit Spreads – The market indices underlying this chart are as follows:
  - UK Inv Grade: BoAML Sterling Non-Gilt
  - US Inv Grade: BoAML US Corporate (GBP Hedged)
  - Euro Inv Grade: BoAML Euro Corporate (GBP Hedged)
  - Global High Yield: BoAML Global High Yield (GBP Hedged)
  - Emerging Markets: JP Morgan EMBI Global (GBP Hedged)
  - Leveraged Loans: S&P/LSTA US Leveraged Loan Equity (GBP Hedged)
- Global broad credit market return – The market index underlying this chart is the BoAML Global Broad Market Corporate Index (GBP Hedged):
  - The Global Broad Market Index tracks the performance of investment grade public debt issued in the major domestic and eurobond markets, including 'global' bonds.
  - Qualifying bonds must have at least one year remaining term to maturity and a fixed coupon schedule. Bonds must be rated investment grade and be domiciled in a country having an investment grade foreign currency long-term debt rating (based on a composite of Moody's and S&P).

Market Background – Yields

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

This glossary explains the components of the Market Background charts in Appendix 1.

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

How to Read the Fund Manager Pages

How to Read the "Overview" Section

Expected Volatility	Low	High

- This is a standard quantitative measure of our expectation of absolute annual volatility of the fund.
- The measure ranges from 1% p.a. for the least volatile strategies (e.g. Cash) to 30% p.a. for the most volatile strategies (e.g. Emerging Markets Equity).

Shape of Outcomes	0% Contractual	100% Contractual

- This is an Isio-specific measure of how "contractual" the expected return from the fund is.
- The measure ranges from 0% for strategies that have no fixed return component and are instead based on a share of any profits (e.g. Global Equity) to 100% for strategies where the return in normal conditions is fixed and predictable (e.g. Corporate Bonds).

Diversification	Low	High

- This Isio-specific measure shows how diversified we consider the fund to be, in terms of broad market risk drivers.
- The measure ranges from "low" for mandates that invest in a single asset class that is concentrated in other respects, such as geography (e.g. European Direct Lending) to "high" for mandates that invest in a wide range of diversified asset classes (e.g. Diversified Growth Funds).

Manager Ratings

We show two ratings for a manager:

Research View: This comprises our opinion of the manager as a whole, judged against the client's specific selection criteria (which usually include ESG considerations). The possible ratings are:

- Meets Criteria
- Partially Meets Criteria
- Significantly Fails to Meet the Criteria
- Not Evaluated

ESG View: This is a narrower opinion focusing specifically on the manager's treatment of ESG (Environmental, Social, and Governance) issues. The possible ratings are:

- Green
- Amber
- Red
- Not Evaluated

This page contains guidance on how to read the fund manager pages

Disclaimers

Performance, Opinions, and Estimated Liabilities

- This report sets out the past performance of various asset classes and fund managers. It should be noted that past performance is not a guide to the future.
- Our opinions (and comparison vs criteria) of the investment managers stated in this report are based on Isio's research and are not a guarantee of future performance. These are valid at the time of this report but may change over time.
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- Funds that make use of derivatives are exposed to additional forms of risk and can result in losses greater than the amount of invested capital.
- The estimated liabilities (where quoted) have been "rolled forward" from the last actuarial valuation and/or funding update, by taking current bond yields and inflation expectations into account. The methodology underlying the actuarial assumptions (e.g. discount-rate premium, mortality, real salary growth etc.) is assumed to remain constant for this estimate. Due to the approximate nature of the calculations, the Fund's actual experience and changes in future valuation assumptions may mean that the liabilities and funding position calculated at the next actuarial valuation (or funding update) could be significantly different from the quoted estimate.

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