

# Cambridgeshire Pension Fund Monitoring Report Quarter to 30 June 2023

Chris West

August 2023



## Important Notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2023 Mercer LLC. All rights reserved.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualised investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not contain regulated investment advice in respect of actions you should take. No investment decision should be made based on this information without obtaining prior specific, professional advice relating to your own circumstances.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see [www.mercer.com/conflictsofinterest](http://www.mercer.com/conflictsofinterest).

Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

Please also note:

- The value of investments can go down as well as up and you may not get back the amount you have invested. In addition investments denominated in a foreign currency will fluctuate with the value of the currency.
- The valuation of investments in property based portfolios, including forestry, is generally a matter of a valuer's opinion, rather than fact.
- When there is no (or limited) recognised or secondary market, for example, but not limited to property, hedge funds, private equity, infrastructure, forestry, swap and other derivative based funds or portfolios it may be difficult for you to obtain reliable information about the value of the investments or deal in the investments.
- Care should be taken when comparing private equity / infrastructure performance (which is generally a money-weighted performance) with quoted investment performance (which is generally a time-weighted performance). Direct comparisons are not always possible.

**Chris West**

# Overview

## Executive Dashboard

### Funding

The present value of the Fund's liabilities decreased over the quarter (from £2.8bn to £2.6bn).

The Fund's assets (including cash) increased over the quarter by £75m to £4,292m as at 30 June 2023. The Fund's assets (including cash) have decreased by £166m over the last twelve months.

The estimated funding level at 30 June 2023 was c.165%, up from c.152% as at 31 March 2023. For comparison, the funding level at 31 March 2022 (the date of the previous actuarial valuation) was 125%.

### Performance

#### Short Term Performance

The Fund underperformed the benchmark over the quarter (returning 1.4% vs 2.9%).

#### Key Contributors to Relative Performance – Quarter

Underperformance in Private Equity	-0.7%
Underperformance by JO Hambro - Global Equity	-0.5%

#### Longer Term Performance

	Fund	B'mark
Quarter (%)	1.4	2.9
1 Year (%)	3.8	8.1
3 Years (% p.a.)	7.3	7.9

### Asset Allocation

Over the quarter, a number of asset transitions were undertaken in order to move towards the Fund's new target strategic asset allocation.

The most significant changes comprised funding a new index-linked gilt portfolio at UBS, with disinvestments totaling £211.5m sourced from listed equities (Longview and Dodge & Cox).

The Fund's passive equity portfolio at UBS was also reorganised over the quarter to fund new climate-aware passive equity allocations, managed against indices provided by UBS and Osmosis.

#### Overweight

Equities 9.3%

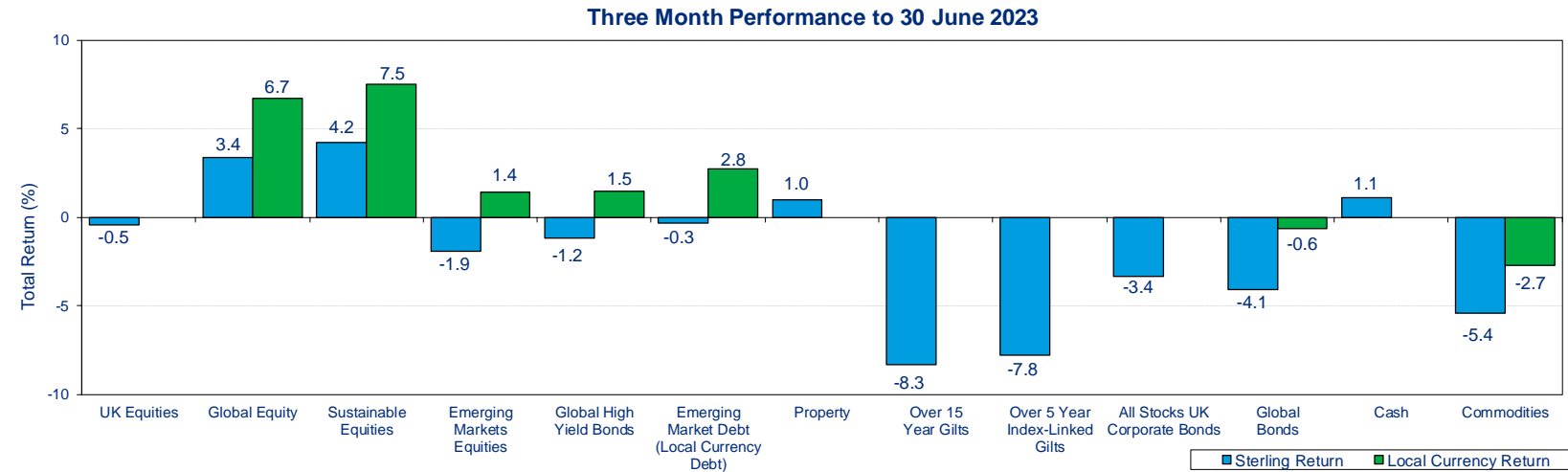
#### Underweight

Fixed Income -6.3%  
Alternatives -3.1%

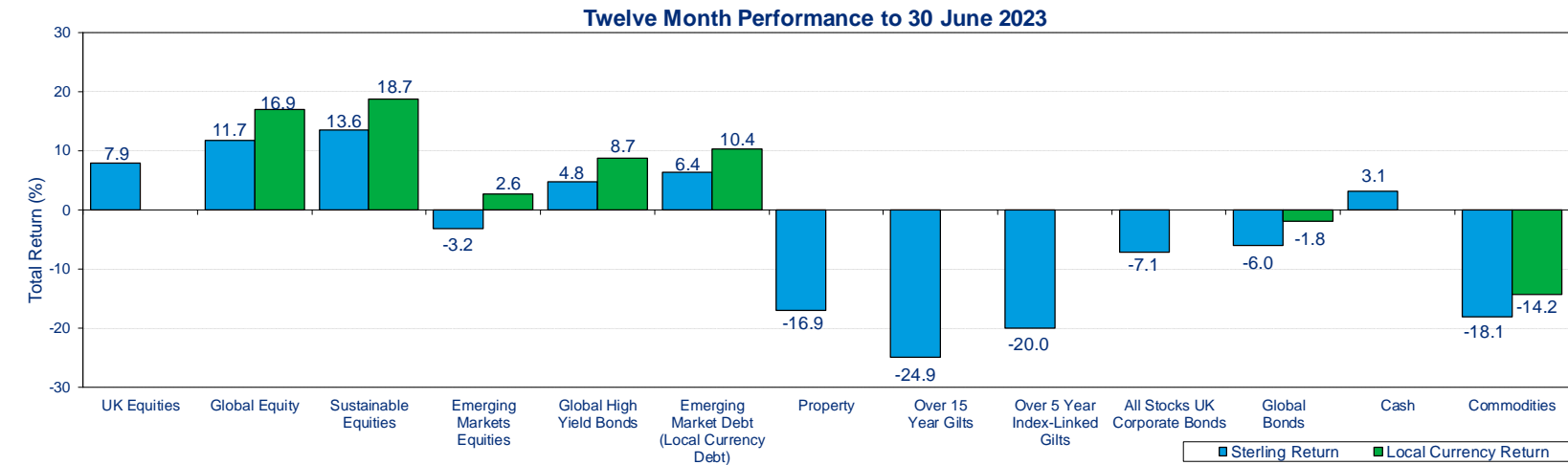
### Manager Research

Redacted

## Market Index Performance

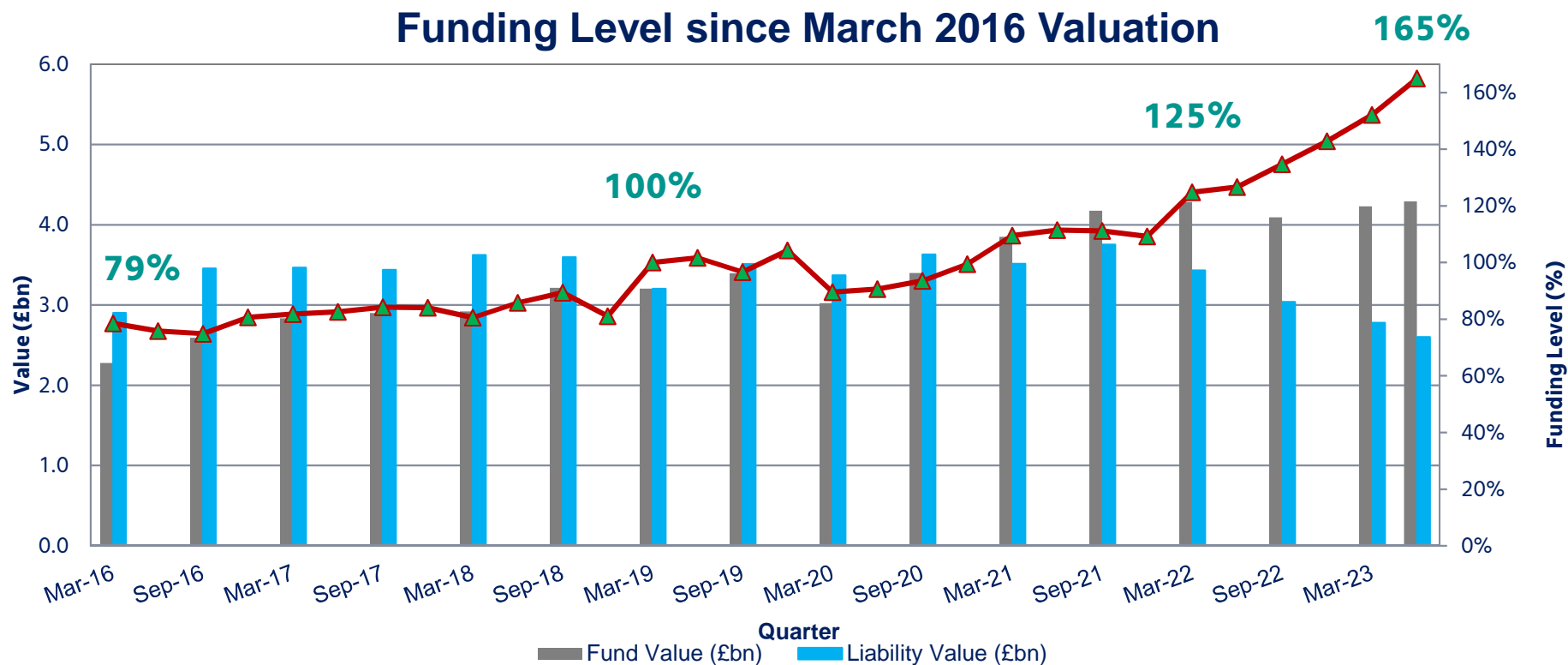


Source: Refinitiv.



Source: Refinitiv.

## Funding



Source: Hymans Robertson & WM Performance Reports. Figures don't reconcile with the Hymans Robertson Funding report due to differences in the total asset value. The Funding Level is a ratio of assets to liabilities.

Over recent quarters, the estimated value of the liabilities has fallen due to (primarily) rises in gilt yields, which has led to an increase in the funding level as the assets have not experienced such falls.

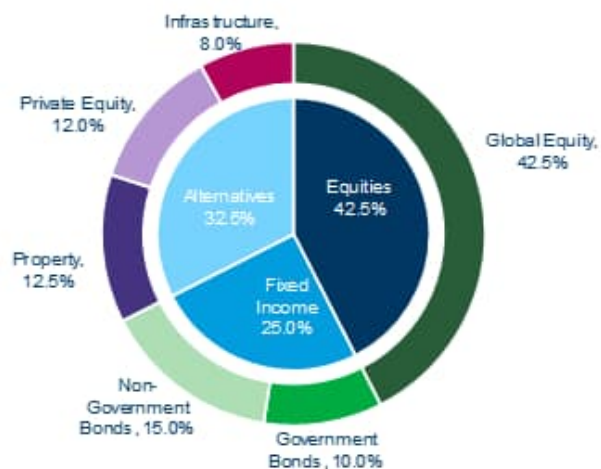
## Allocation

	31/03/2023 Market Value (£M)	30/06/2023 Market Value (£M)	31/03/2023 Allocation (%)	30/06/2023 Allocation (%)	30/06/2023 B'mark (%)
<b>Total Invested Assets</b>	<b>4,209.5</b>	<b>4,273.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Equities	2,370.6	2,215.0	56.3	51.8	42.5
Fixed Income	588.2	800.1	14.0	18.7	25.0
Alternatives	1,250.7	1,258.4	29.7	29.4	32.5

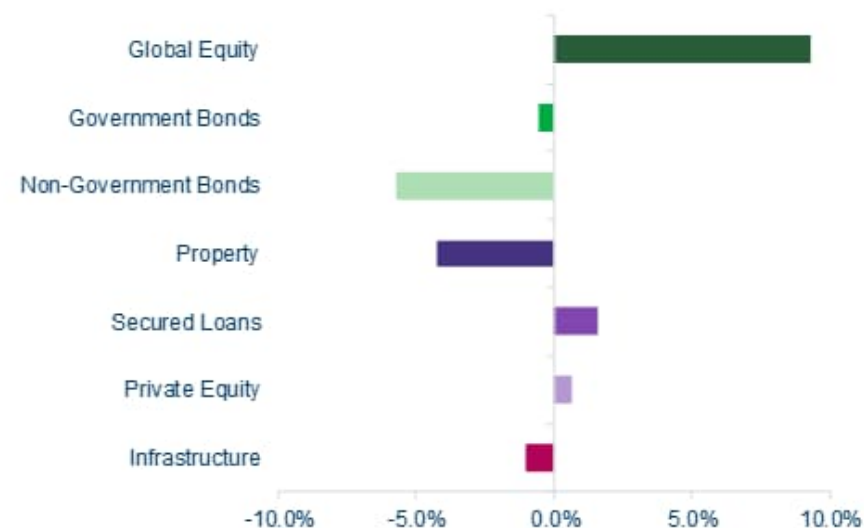
Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding. The total market value shown in the table above excludes cash (c. £20.3m at the start of quarter and c. £18.7m at the end of quarter).

The new benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023 thereafter.

### Benchmark Asset Allocation as at 30 June 2023



### Deviation from Benchmark Asset Allocation



## Manager Allocation (1/3)

	31/03/2023 Market Value (£M)	30/06/2023 Market Value (£M)	31/03/2023 Allocation (%)	30/06/2023 Allocation (%)	30/06/2023 B'mark (%)	30/06/2023 B'mark Range (%)
<b>Total Invested Assets</b>	<b>4,209.5</b>	<b>4,273.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>--</b>
<b>Equities (inc. Equity Options)</b>	<b>2,370.6</b>	<b>2,215.0</b>	<b>56.3</b>	<b>51.8</b>	<b>42.5</b>	<b>--</b>
<b>Active Global Equity</b>	<b>1,484.9</b>	<b>1,290.4</b>	<b>35.3</b>	<b>30.2</b>	<b>22.5</b>	<b>--</b>
JO Hambro - Global Equity	471.0	463.8	11.2	10.9	7.5	--
Dodge & Cox - Global Equity	575.4	515.9	13.7	12.1	7.5	--
Longview - Global Equity	438.5	310.7	10.4	7.3	7.5	--
Schroders - Equity Protection	1.3	--	0.0	--	--	--
<b>Passive Equity</b>	<b>884.4</b>	<b>924.5</b>	<b>21.0</b>	<b>21.6</b>	<b>20.0</b>	<b>--</b>
UBS - Passive Equity	884.4	--	21.0	--	--	--
UBS – Climate Aware Rules Based	--	651.4	--	15.2	14.0	--
Osmosis - Core Equity Fossil Free	--	273.2	--	6.4	6.0	--
<b>Fixed Income</b>	<b>588.2</b>	<b>800.1</b>	<b>14.0</b>	<b>18.7</b>	<b>25.0</b>	<b>--</b>
<b>Government Bonds</b>	<b>199.2</b>	<b>403.2</b>	<b>4.7</b>	<b>9.4</b>	<b>10.0</b>	<b>--</b>
Schroders - Bonds	199.2	180.7	4.7	4.2	5.0	--
UBS - Index-Linked Gilts	--	222.4	--	5.2	5.0	--
<b>Non-Government Bonds</b>	<b>389.0</b>	<b>396.9</b>	<b>9.2</b>	<b>9.3</b>	<b>15.0</b>	<b>--</b>
Bluebay - Multi-Asset Credit	186.2	189.0	4.4	4.4	7.5	--
M&G - Multi-Asset Credit	202.8	207.9	4.8	4.9	7.5	--

Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding.

The total market value shown in the table above excludes cash (c. £20.3m at the start of quarter and c. £18.7m at the end of quarter).

The new benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this.. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023 thereafter.



## Manager Allocation (2/3)

	31/03/2023 Market Value (£M)	30/06/2023 Market Value (£M)	31/03/2023 Allocation (%)	30/06/2023 Allocation (%)	30/06/2023 B'mark (%)	30/06/2023 B'mark Range (%)
<b>Alternatives</b>	<b>1,250.7</b>	<b>1,258.4</b>	<b>29.7</b>	<b>29.4</b>	<b>32.5</b>	<b>--</b>
<b>Property</b>	<b>349.0</b>	<b>352.3</b>	<b>8.3</b>	<b>8.2</b>	<b>12.5</b>	<b>--</b>
Schroder - Property	276.2	278.7	6.6	6.5	6.5	--
TBC – Long Lease Property	--	--	--	--	3.0	--
M&G - Residential Property	57.2	57.9	1.4	1.4	1.5	--
M&G - Shared Ownership	15.6	15.6	0.4	0.4	1.5	--
<b>Secured Loans</b>	<b>66.9</b>	<b>68.7</b>	<b>1.6</b>	<b>1.6</b>	<b>--</b>	<b>--</b>
M&G - Secured Loans	66.9	68.7	1.6	1.6	--	--
<b>Private Equity</b>	<b>532.6</b>	<b>540.5</b>	<b>12.7</b>	<b>12.6</b>	<b>12.0</b>	<b>--</b>
Adams Street - Private Equity	200.5	200.8	4.8	4.7	--	--
HarbourVest - Private Equity	189.1	190.7	4.5	4.5	--	--
Foresight - Private Equity	43.1	49.0	1.0	1.1	--	--
Cambridgeshire and Counties Bank	85.0	85.0	2.0	2.0	--	--
Cambridgeshire Building Society	15.0	15.0	0.4	0.4	--	--

Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding.

The total market value shown in the table above excludes cash (c. £20.3m at the start of quarter and c. £18.7m at the end of quarter).

The new benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this.. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023 thereafter.

## Manager Allocation (3/3)

	31/03/2023 Market Value (£M)	30/06/2023 Market Value (£M)	31/03/2023 Allocation (%)	30/06/2023 Allocation (%)	30/06/2023 B'mark (%)	30/06/2023 B'mark Range (%)
<b>Infrastructure</b>	<b>302.3</b>	<b>297.0</b>	<b>7.2</b>	<b>6.9</b>	<b>8.0</b>	<b>--</b>
UBS - Infrastructure	9.1	8.9	0.2	0.2	--	--
Equitix - Infrastructure	31.1	31.3	0.7	0.7	--	--
Partners Group - Infrastructure	41.1	39.5	1.0	0.9	--	--
AMP Capital - Infrastructure Debt	42.4	41.5	1.0	1.0	--	--
Allianz - Infrastructure Debt	14.1	14.0	0.3	0.3	--	--
IFM - Infrastructure Equity	88.1	88.6	2.1	2.1	--	--
JPM - Infrastructure Equity	76.2	73.3	1.8	1.7	--	--

Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding.

The total market value shown in the table above excludes cash (c. £20.3m at the start of quarter and c. £18.7m at the end of quarter).

The new benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this.. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023 thereafter.

## Manager Performance (1/2)

	2023 Q2 (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
<b>Total</b>	<b>1.4</b>	<b>2.9</b>	<b>3.8</b>	<b>8.1</b>	<b>7.3</b>	<b>7.9</b>	<b>5.7</b>	<b>7.2</b>
<b>Equities (inc. Equity Options)</b>	<b>2.9</b>	<b>3.9</b>	<b>8.4</b>	<b>12.7</b>	<b>9.7</b>	<b>10.7</b>	<b>6.7</b>	<b>8.8</b>
<b>Equities (ex. Equity Options)</b>	<b>3.0</b>	<b>3.9</b>	<b>9.8</b>	<b>12.7</b>	<b>11.3</b>	<b>10.7</b>	<b>7.5</b>	<b>8.8</b>
JO Hambro - Global Equity	-1.5	3.3	-1.8	11.3	3.1	9.9	5.8	8.9
Dodge & Cox - Global Equity	2.5	0.4	7.6	5.9	15.7	11.6	8.7	6.7
Longview - Global Equity	4.6	3.3	16.3	11.3	14.7	9.9	--	--
UBS - Passive Equity	4.7	4.7	14.9	14.8	11.9	11.7	9.2	9.1
UBS – Climate Aware Rules Based	5.3	5.3	--	--	--	--	--	--
Osmosis - Core Equity (Fossil Free)	0.3	0.3	--	--	--	--	--	--
<b>Fixed Income</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-0.2</b>	<b>-3.0</b>	<b>-3.7</b>	<b>-0.7</b>	<b>-0.8</b>
Schroders - Bonds	-8.4	-8.4	-19.1	-19.1	-14.2	-14.2	--	--
UBS - Index-Linked Gilts	2.8	2.9	--	--	--	--	--	--
Bluebay - Multi-Asset Credit	1.5	2.2	5.6	9.1	--	--	--	--
M&G - Multi-Asset Credit	2.5	2.2	5.2	9.1	--	--	--	--

Figures shown are net of fees and based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and Refinitiv.

For periods over one year the figures in the table above have been annualised. Total Equities, Total Fixed Income, Total Alternatives and Total Fund performance includes the performance of terminated mandates.

Total and Equities (inc. Equity Options) fund performance include the contribution of the equity protection strategy managed by Schroders.

UBS Rules Based: performance shown since inception. Inception date taken as 28 April 2023 for performance measurement purposes.

Osmosis Core Equity: performance shown since inception. Inception date taken as 12 June 2023 for performance measurement purposes.

UBS Index-Linked Gilts: performance shown since inception. Inception date taken as 5 June 2023 for performance measurement purposes.

M&G Multi-Asset Credit performance figures are reported by Link Asset Group with one month lag. M&G Shared Ownership last quarter performance is always assumed zero due the lag in final data.

Total Fund and Alternatives performances include quarterly performances for the private markets managers, calculated by Mercer using a Modified Dietz approach based on data provided by these managers (with the exception of IFM where performance is provided by the manager). Over the long term, performances are chain linked using quarterly Total Fund performances. Performance shown is net of illiquid mandates' fees. Performance for the underlying private equity and infrastructure mandates is shown in the GBP currency with a quarter lag. Benchmark performance shown for the underlying private equity mandates is the rolling 3 year MSCI World Index return, averaged on a quarterly basis.

For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 31 March 2023.

## Manager Performance (2/2)

	2023 Q2 (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
<b>Alternatives</b>	<b>-0.8</b>	2.4	<b>-2.4</b>	4.0	<b>7.6</b>	8.4	<b>7.0</b>	7.5
Schroder - Property	0.9	0.4	-12.7	-17.4	3.7	3.4	2.7	2.2
M&G - Residential Property	1.4	1.5	0.9	6.0	2.3	6.0	--	--
M&G - Shared Ownership	0.0	1.5	-3.5	6.0	--	--	--	--
M&G - Secured Loans	2.9	2.1	11.7	7.3	5.1	5.3	3.3	5.2
Adams Street - Private Equity	-1.5	4.3	-3.5	17.1	28.2	17.1	22.3	11.3
HarbourVest - Private Equity	-2.3	4.3	3.3	17.1	27.4	17.1	22.1	11.3
Foresight - Private Equity	3.2	4.3	26.6	17.1	11.2	17.1	--	--
UBS - Infrastructure	-2.1	2.5	8.5	10.0	-9.7	10.0	-2.7	10.0
Equitix – Infrastructure	3.1	2.5	13.2	10.0	-0.7	10.0	3.5	10.0
Partners Group - Infrastructure	3.6	2.5	22.8	10.0	19.1	10.0	13.7	10.0
AMP Capital - Infrastructure Debt	0.5	2.5	11.0	10.0	8.1	10.0	7.5	10.0
Allianz - Infrastructure Debt	5.4	1.0	-15.5	4.0	-7.3	4.0	--	--
IFM - Infrastructure Equity	0.9	2.5	15.8	10.0	13.0	10.0	--	--
JPM - Infrastructure Equity	-0.1	2.5	13.8	10.0	--	--	--	--

Figures shown are net of fees and based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and Refinitiv.

For periods over one year the figures in the table above have been annualised. Total Equities, Total Fixed Income, Total Alternatives and Total Fund performance includes the performance of terminated mandates.

Total Fund and Alternatives performances include quarterly performances for the private markets managers, calculated by Mercer using a Modified Dietz approach based on data provided by these managers (with the exception of IFM where performance is provided by the manager). Over the long term, performances are chain linked using quarterly Total Fund performances. Performance shown is net of illiquid mandates' fees. Performance for the underlying private equity and infrastructure mandates is shown in the GBP currency with a quarter lag. Benchmark performance shown for the underlying private equity mandates is the rolling 3 year MSCI World Index return, averaged on a quarterly basis.

For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 31 March 2023.

# Appendix



## Appendix A

### Benchmarks

Name	31/03/23 B'mark (%)	30/06/23 B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
<b>Total Invested Assets</b>	<b>100.00</b>	<b>100.00</b>	-	-	-
<b>Equities (inc. Equity Options)</b>	<b>55.00</b>	<b>42.50</b>	-	-	-
JO Hambro - Global Equity		7.50	MSCI AC World (NDR) Index	+3.00% p.a. (gross of fees)	5.00% - 12.00% p.a.
Dodge & Cox - Global Equity	35.0	7.50	MSCI AC World Value Index	+3.00% p.a. (gross of fees)	-
Longview - Global Equity		7.50	MSCI AC World (NDR) Index	+3.00% p.a. (gross of fees)	-
UBS - Passive Equity	20.00		Composite Benchmark	To match the benchmark	-
UBS – Climate Aware Rules Based	--	14.00	FTSE Developed (GBP Hedged) Index	To match the benchmark	-
Osmosis - Core Equity (Fossil Free)	--	6.00	Solactive Osmosis Resource Efficient Core Equity Ex-Fossil Fuels Index NTR	To match the benchmark	-
<b>Fixed Income</b>	<b>15.00</b>	<b>25.00</b>	-	-	-
Schroders - Bonds	5.00	5.00	Assumed equal to fund performance	-	-
UBS - Gilts	--	5.00	FTSE A Over 5 Year Index-Linked Gilts Index	To match the benchmark	-0.1% - 0.1% p.a.
Bluebay - Multi-Asset Credit	5.00	7.50	Composite Benchmark	-	-
M&G - Multi-Asset Credit	5.00	7.50	Composite Benchmark	-	-
<b>Alternatives</b>	<b>30.00</b>	<b>32.50</b>	-	-	-
Schroder - Property	7.00	6.50	MSCI All Balanced Property Funds Index	+0.75% p.a. (net of fees)	-
TBC - Long Lease Property	--	3.00	TBC	TBC	TBC
M&G - Residential Property	1.50	1.50	Absolute Return of 6.0% p.a.	-	-
M&G - Shared Ownership	1.50	1.50	Net Return of 5-7% p.a.	-	-
M&G - Secured Loans	2.00	--	SONIA +4.0% p.a.	-	-

Name	31/03/23 B'mark (%)	30/06/23 B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
<b>Private Equity</b>	<b>12.00</b>	<b>12.00</b>	-	-	-
Adams Street - Private Equity	--	--	MSCI World Index	+3.00% p.a. (gross of fees)	-
HarbourVest - Private Equity	--	--	MSCI World Index	+3.00% p.a. (gross of fees)	-
Foresight - Private Equity	--	--	MSCI World Index	+3.00% p.a. (gross of fees)	-
<b>Infrastructure</b>	<b>6.00</b>	<b>8.00</b>	-	-	-
UBS - Infrastructure	--	--	IRR of 10.0% p.a.	-	-
Equitix - Infrastructure	--	--	IRR of 10.0% p.a.	-	-
Partners Group - Infrastructure	--	--	IRR of 10.0% p.a.	-	-
AMP Capital - Infrastructure Debt	--	--	IRR of 10.0% p.a.	-	-
Allianz - Infrastructure Debt	--	--	IRR of 4.0% p.a.	-	-
IFM - Infrastructure Equity	--	--	IRR of 10.0% p.a.	-	-
JPM - Infrastructure Equity	--	--	IRR of 10.0% p.a.	-	-

Dodge & Cox performance is monitored against the MSCI AC World Value Index, but the MSCI AC World (NDR) Index is used in total benchmark performance calculations.

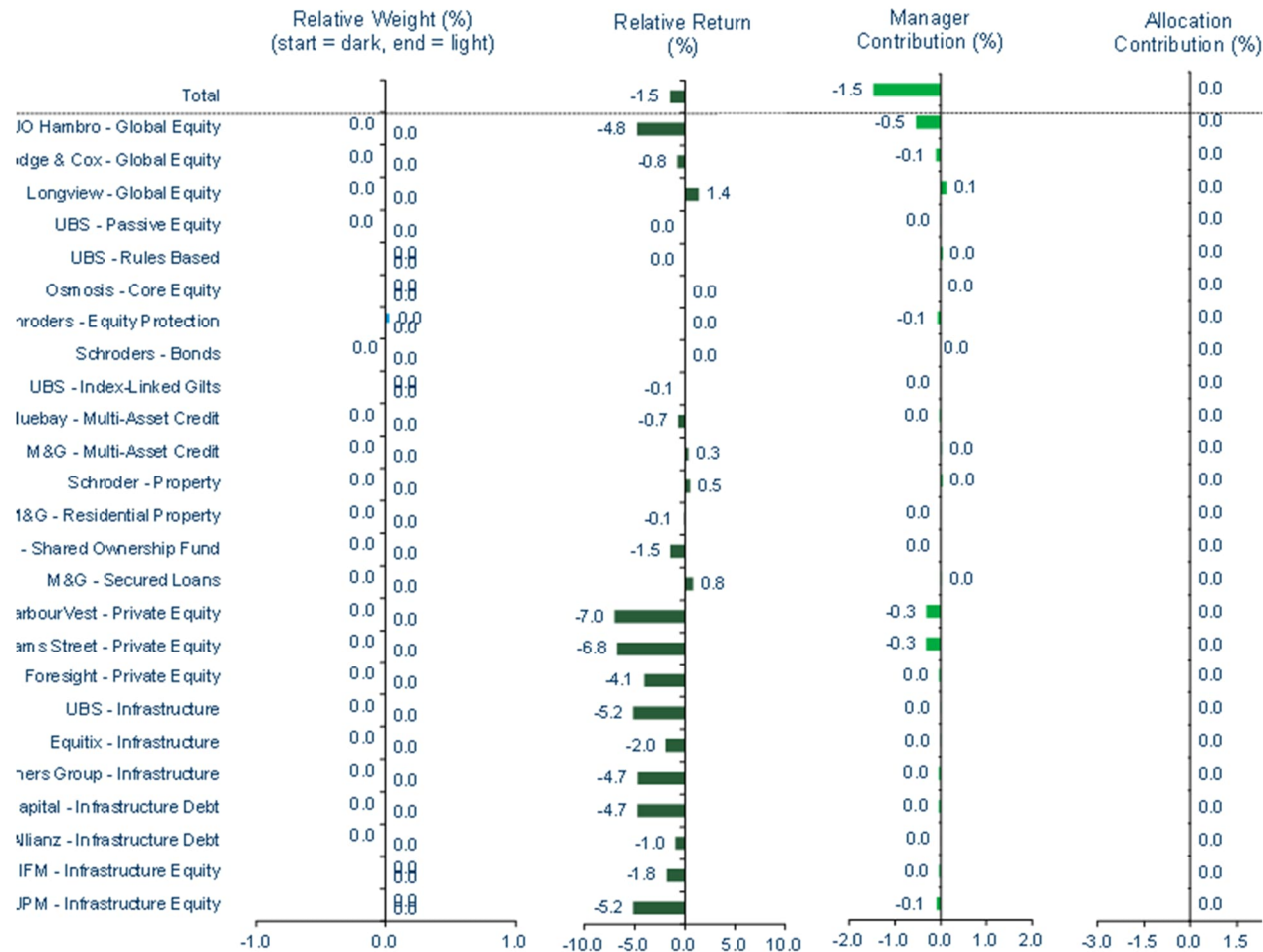
Bluebay - Multi-Asset Credit: composite benchmark is 50% ICE BofAML Global High Yield Constrained and 50% Morningstar LSTA US Leveraged Loan 100 Hedged.

M&G - Multi-Asset Credit: composite benchmark is 50% ICE BofAML Global High Yield Constrained and 50% Morningstar LSTA US Leveraged Loan 100 Hedged.

The new benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023 thereafter.

## Appendix B

### Detailed Attribution Analysis - Quarter



Please note that the relative return and relative weight charts use unrounded performance and allocation figures to calculate the relative difference, hence the numbers are not directly comparable to the implied relative difference given in the performance and allocation tables.

All Global Equity Funds use MSCI AC World index as the underlying benchmark. Total Fund performance figures exclude the Cambridgeshire and Counties Bank and Cambridgeshire Building Society private equity mandates so relative weights will not tie up with the allocation tables. Figures shown for the private equity and infrastructure mandates (with the exception of IFM) are estimated in GBP to the quarter end date.

Benchmark allocation is shown for representative purposes. For performance measurement from the 28<sup>th</sup> April 2023 the benchmark allocation is equal to the actual fund allocation.



## Explanation of Attribution Analysis Chart

The purpose of the attribution analysis chart is give a visual representation of the contribution of each portfolio to the relative performance of the Total Scheme against the Total Benchmark". The contribution is apportioned between "Manager Contribution" and "Allocation Contribution. Further explanation of the terms used in the chart is given below.

**Relative Weight** - This is the difference in percentage terms of the actual Scheme allocation and benchmark allocation at both the start and end of the period. A bar greater (less) than zero indicates that the Scheme was overweight (underweight) to that portfolio.

**Relative Performance** - This shows the relative performance of the portfolio against its benchmark performance. A bar greater than zero indicates there was outperformance, whereas a bar less than zero indicates underperformance.

**Quarterly Manager Contribution** - This shows the contribution at a total level of the relative performance achieved by the portfolio, taking into account the initial actual allocation. A larger allocation will lead to a greater contribution at a total level (all other things being equal).

Positive (negative) relative performance will result in positive (negative) manager contribution. Note that for passive mandates manager contributions should be close to zero, given its performance objective of tracking the benchmark. In calculation terms this is as follows:

$$\text{Manager Contribution} = (\text{Performance}_{pi} - \text{Performance}_{bi}) \times \text{Initial Actual Allocation}_{pi}$$

**Quarterly Allocation Contribution** - The allocation contribution shows whether a portfolio underweight / overweight position has had a positive or negative effect on the Total Scheme outperformance / underperformance in relation to the Total Scheme Benchmark.

For example, an overweight allocation to a portfolio whose benchmark performance was superior to that of the Total Scheme Benchmark would result in a positive contribution. In calculation terms this is as follows:

$$\text{Allocation Contribution} = (\text{Performance}_{bi} - \text{Performance}_{bT}) \times (\text{Actual Allocation}_{pi} - \text{Benchmark Allocation}_{bi})$$

Please note that the relative return and relative weight figures shown in the chart use unrounded performance and allocation figures to calculate the relative differences. Therefore, the numbers are not directly comparable to the implied relative differences given in the performance table and allocation tables.

*Key: pi = portfolio i; bi = portfolio i benchmark; bT = Total Fund benchmark*

**Attribution for Quarters with Significant Events** - In cases where there are significant events over the quarter (for example large cashflows, new or terminated portfolios), both manager and allocation contributions are first calculated for the underlying part periods. The quarterly contributions are then a sum of the part period contributions.

## Appendix C

### Investment Performance

#### Investment Performance to 30 June 2023

	2022 Q3 (%)	2022 Q4 (%)	2023 Q1 (%)	2023 Q2 (%)	1 Yr (%)	3 Yrs (%)
<b>Total</b>	<b>-0.4</b>	<b>0.8</b>	<b>2.0</b>	<b>1.4</b>	<b>3.8</b>	<b>7.3</b>
Total Benchmark	-0.6	1.7	4.0	2.9	8.1	7.9

Figures shown net of fees and are based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and Refinitiv. Includes the performance of terminated mandates.

For periods over one year the figures in the table above have been annualised.

Total Fund performances include quarterly performances for the private market managers, calculated by Mercer using a Modified Dietz approach based on data provided by these managers (with the exception of IFM where performance is provided by the manager). Over the long term, performances are chain linked using quarterly Total Fund performances. Performance for these managers is net of illiquid mandates' fees, in GBP, and last quarter returns are provisional.

Total Fund performance figures include the Cambridgeshire and Counties Bank and Cambridgeshire Building Society private equity mandates to 30 June 2021, and exclude these mandates thereafter.

Total performance figures include the contribution of the equity protection strategy managed by Schroders.

For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 28 April 2023.

#### 10 Year Performance to 30 June 2023

	10 Yrs (%)	B'mark (%)
<b>Total</b>	<b>7.8</b>	<b>8.8</b>
Schroder - Property	6.1	6.4
M&G - Secured Loans	3.7	4.8
Adams Street - Private Equity	18.6	11.7
HarbourVest - Private Equity	18.9	11.7
UBS - Infrastructure	-0.7	10.0
Equitix - Infrastructure	9.8	10.0
Partners Group - Infrastructure	11.9	10.0

Figures shown net of fees and are based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and Refinitiv. Includes the performance of terminated mandates.

For periods over one year the figures in the table above have been annualised.

Total Fund performances include quarterly performances for the private market managers, calculated by Mercer using a Modified Dietz approach based on data provided by these managers (with the exception of IFM where performance is provided by the manager). Over the long term, performances are chain linked using quarterly Total Fund performances. Performance for these managers is net of illiquid mandates' fees, in GBP, and last quarter returns are provisional.

Total Fund performance figures include the Cambridgeshire and Counties Bank and Cambridgeshire Building Society private equity mandates to 30 June 2021, and exclude these mandates thereafter.

Total performance figures include the contribution of the equity protection strategy managed by Schroders.

Private Equity and Infrastructure figures are shown with a quarter lag.



Mercer Limited  
1 Tower Place West  
London  
EC3R5BU  
[www.mercer.com](http://www.mercer.com)

Mercer Limited is authorised and regulated by the Financial Conduct Authority  
Registered in England No. 984275 Registered Office: 1 Tower Place West, London  
EC3R5BU