

**PENSION FUND COMMITTEE
INVESTMENT SUB-COMMITTEE**



Thursday, 12 September 2024

Democratic and Members' Services
Emma Duncan
Service Director: Legal and Governance

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

Red Kite Room

New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE

AGENDA

Open to Public and Press

1. **Apologies for absence and declarations of interest**
Guidance on declaring interests is available in [Chapter 6 of the Council's Constitution \(Members' Code of Conduct\)](#)
2. **Minutes - 23 May 2024 - PUBLIC** **5 - 8**
3. **Minutes Action Log** **9 - 10**
4. **Petitions and Public Questions**
5. **Stewardship and Engagement Update** **11 - 22**
6. **Cambridgeshire County Council Pension Fund Quarterly Performance Report - Period ending 30 June 2024** **23 - 42**
Exclusion of Press and Public
To resolve that the public and press be excluded from the meeting on the grounds that the agenda contains exempt information under

Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information)

- 7a. CONFIDENTIAL - Cambridgeshire County Council Pension Fund Quarterly Performance Report - Period Ending 30 June 2024**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 7b. CONFIDENTIAL - Investment Current Topics - Quarter 3 2024**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 8. CONFIDENTIAL - Minutes - 23 May 2024**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 9. CONFIDENTIAL - Equity Portfolio Review**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 10. CONFIDENTIAL - Strategic Asset Allocation Implementation Update**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 11. CONFIDENTIAL - Investment Consultancy Contract**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chair of the Council and political Group Leaders which can be accessed via the following link or made available on request: [Filming protocol hyperlink](#)

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting [Democratic Services](#) no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution: [Procedure Rules hyperlink](#)

The Council does not guarantee the provision of car parking on the New Shire Hall site. Information on travel options is available at: [Travel to New Shire Hall hyperlink](#)

Meetings are streamed to the Council's website: [Council meetings Live Web Stream hyperlink](#)

The Pension Fund Committee Investment Sub-Committee comprises the following members:

Councillor Alison Whelan (Chair) Councillor Mike Black (Vice-Chair) Councillor Chris Boden Liz Brennan Councillor Adela Costello Councillor Peter McDonald and Mr Howard Nelson

Clerk Name:	Richenda Greenhill
Clerk Telephone:	01223 699171
Clerk Email:	richenda.greenhill@cambridgeshire.gov.uk

Pension Committee Investment Sub-Committee: Minutes (public)

Date: 23 May 2024

Time: 10:00am-12.15pm

Place: New Shire Hall, Alconbury Weald

Present: County Councillors A Whelan (Chair), M Black (Vice Chair), M Atkins and A Costello; Liz Brennan and Howard Nelson

Officers: B Barlow, D Cave, S Heywood (virtual), M Hudson, A Jose and M Whitby

Adviser/Consultants: J Crowther and C West (Mercer); S Gervaise-Jones; C Fawcett and M Ibbs (item 122 only)

113. Apologies and Declarations of Interest

Apologies were received from Cllr McDonald (Cllr Atkins substituting).

There were no declarations of interest.

114. Public minutes of the Pension Fund Investment Sub-Committee held 29th February 2024

The public minutes of the Committee meeting held 29th February 2024 were agreed as a correct record.

115. Action Log

The Sub-Committee reviewed the Action Log, and updates were noted on the following items:

Item 87: JPMorgan and Stafford SIT X had been selected as the successful candidates by Apex.

Item 110: The Social and Affordable Housing tender had been awarded to Elgin.

Item 53: The Property Portfolio review was now complete, with the AVIVA Lime Long Lease Property Fund selected.

The Action Log was noted.

116. Petitions and Public Questions

No petitions or public questions were received.

117. Stewardship and Engagement Update

The Committee considered an update on stewardship and engagement matters relating to the Fund's investments.

Members noted a summary of engagement activity, including voting numbers, and reasons for voting against proposals. There were no incidences where managers had overridden voting guidelines. Disappointingly, there had been minimal voting activity by some managers, and this had been escalated to the ACCESS Support Unit.

The Sub-Committee noted how the team engages with managers, and also information on the LAPF engagements. A new addition to the report was the LAPF voting alerts, which were followed up by the Pensions team. The response to the LAPF voting alert should provide more feedback going forward. A Member asked about the three different companies which had been the subject of voting alerts. Officers agreed to provide that information to the Member. Action required.

In response to a Member query on the 17 occasions where no votes had been cast, it was confirmed that in these cases managers should have good reasons for not voting. Examples were given where a manager may choose to go against guidelines, or where there was a conscious decision to abstain.

A Member raised a query on investments the Fund holds from the Palestine Solidarity Campaign, and sought advice on what legitimate ethical policy decision the Fund could make in relation to those companies. Officers advised that they would firstly be ascertaining if the list provided was current, and would then obtain advice on any policy decision that could be made. A legal view would need to be sought, and that process had already commenced.

A Member was pleased to see the example of Starbucks on the engagement list, which they felt was the sort of engagement the Fund should be undertaking. It was noted that this was being done through LAPF. The Member observed that this issue showed how local authorities collectively had real influence which could result in real changes. The process for engaging through LAPF and ACCESS were noted, as well as the ability of the team to engage with individual managers.

It was noted that the Economic Activity of Public Bodies (Overseas Matters) Bill had had its third reading in Parliament, but its progress was likely to be impeded by the recently announced General Election. The Bill aimed to prevent public bodies from making decisions about procurement and investment on the basis of political or moral disapproval of a particular foreign state. Whilst the focus was currently Gaza/Israel, the remit of the Bill was likely to impact on any similar situation globally. Some disengagement at an individual company level would probably still be permissible. Officers agreed to notify the Committee once the future timetable of this Bill was known. Action required.

The Sub-Committee resolved to note the report.

118. Cambridgeshire Pension Fund Public Monitoring Report - 31 March 2024

The Sub-Committee received the public report summarising the performance of the Pension Fund for the quarter ended 31 March 2024.

Members noted that there had been positive returns to the Fund's assets over the quarter, fuelled by better than expected USA growth data in Q4, and AI expectations driving returns in tech/comms sectors. Returns for more defensive Bonds were flat or negative, as markets had been expecting greater rate cuts, which had not been forthcoming from the central banks.

It had been a positive quarter from a funding perspective, and liabilities were largely stable. There had been a number of sales from equities to fund Property investments as the Investment Strategy was implemented. However, strong equity returns had effectively maintained the overweight equity position. This would be addressed by further sales of equities in early Q2. The key detractor was the Alternatives portfolio, mainly due to the slow down in UK property and Private Equity.

It was resolved unanimously to note the report.

119. Exclusion of Press and Public

The Sub-Committee resolved that the press and public be excluded from the meeting for the following items on the grounds that they contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended (information relating to the financial or business affairs of any particular person (including the authority holding that information) and that it would not be in the public interest for this information to be disclosed as they contained commercially sensitive information.

120. Cambridgeshire Pension Fund Private Monitoring Report – 31 March 2024

The Sub-Committee received the private report summarising the performance of the Pension Fund for the quarter to 31 March 2024.

It was resolved to note the report.

121. Confidential minutes of the Pension Fund Investment Sub-Committee held 29th February 2024.

The confidential minutes of the Committee meeting held 29th February 2024 were agreed as a correct record.

122. Cambridge and Counties Bank

The Sub-Committee considered a report from the Cambridge & Counties Bank.

It was resolved unanimously to approve the report recommendations.

123. Currency Hedging Review

The Sub-Committee considered a report on currency hedging.

It was resolved unanimously to approve the report recommendations.

(The Sub-Committee adjourned for a short break)

124. Analytics for Climate Transition

Members received an update on climate data availability across its asset portfolio.

It was resolved unanimously to approve the report recommendations.

Sam Gervaise-Jones left the meeting for the following item

125. Equity Portfolio Review

The Sub-Committee considered an equity portfolio review.

It was resolved unanimously to:

- a) note the presentation;
- b) approve the recommendation.

[Chair]

CAMBRIDGESHIRE
PENSION FUND

Cambridgeshire Pension Fund Investment Sub-Committee (ISC)
12th September 2024

Action log from ISC meeting held on 23rd May 2024				
Item No.	Item	Action to be taken by	Comments	Completed
117	<p>Stewardship and Engagement Update</p> <p>a) A member inquired about the three companies that had been the subject of LAPFF voting alerts.</p> <p>b) A Member requested information on the investments the Fund holds from the Palestine Solidarity Campaign.</p> <p>c) Officers to provide information on the future timetable of the Economic Activity of Public Bodies (Overseas Matters) Bill to the Committee.</p>	Ben Barlow	<p>a) During the meeting, details regarding three managers subject to LAPFF voting alerts were shared via email, with verbal follow-up provided at the end of the meeting.</p> <p>b) Officers have shared the Fund's Israeli Holdings data with the member.</p> <p>c) More details can be found here: Economic Activity of Public Bodies (Overseas Matters) Bill - Parliamentary Bills - UK Parliament</p>	Completed
123	<p>Currency Hedging Review</p> <p>To switch the Fund's pooled JPM and IFM infrastructure mandates to currency-hedged share classes on 1st July.</p>	Ben Barlow	<p>IFM provided the relevant documentation to process the share class switch in mid-June. Following the legal review by SPB, it was signed and executed as a deed. The trade for currency hedging shares was completed on 1st July.</p> <p>JPM currency share class switch documents have been reviewed and completed before the submission deadline</p>	Ongoing

Action log from ISC meeting held on 23rd May 2024

Item No.	Item	Action to be taken by	Comments	Completed
			on 31st August. The trade is expected to take place on 1st October.	

Action log from ISC meeting held on 29th February 2024

Item No.	Item	Action to be taken by	Comments	Completed
110	Investment Strategy Review – Implementation Social and Affordable Housing	Ben Barlow	ACCESS has awarded the Social and Affordable Housing mandate to LGIM following the completion of the manager selection exercise conducted by Apex. The ISC members received a presentation from the manager.	Ongoing

To: Investment Sub Committee

Meeting date: 12 September 2024

Report by: Mark Whitby
Head of Pensions
Mark.Whitby@WestNorthants.gov.uk

Subject: Stewardship and Engagement Update

Purpose of the report: To update the Investment Sub Committee on stewardship and engagement matters relating to the Fund's investments.

Recommendations: The Investment Sub Committee is asked to:

- a) Note the report.

Enquiries to: Ben Barlow, Funding and Investments Manager.
Tel – 07831 123167
E-mail – Ben.Barlow@Westnorthants.gov.uk

1. Background

- 1.1 The Fund believes that Environmental, Social and Corporate Governance (ESG) issues create material risks and opportunities which will influence long term investment performance and the ability of the Fund to achieve its investment and funding objectives. Therefore, good ESG and stewardship practices should be integrated throughout the investment process of the Fund.
- 1.2. Good stewardship can protect and enhance value for companies and markets as a whole. The Fund is committed to being a long-term steward of the assets in which it invests. It believes in the importance of investment managers acting as active asset owners through proactive voting and engagement with companies. In addition, the Fund believes that acting collectively with other investors is an effective way to engage with companies.
- 1.3. To promote good stewardship and ensure the diligent monitoring of engagement activities, this report is presented to the ISC on a quarterly basis.
- 1.4. The Fund includes in its Investment Strategy Statement a policy on the exercise of the rights (including voting rights) attached to investments. Specifically with regards to stewardship and engagement, the Fund expects its investment managers to:
 - 1.4.1. Exercise our rights as owners of investments by actively participating in company level decisions tabled as shareholder votes at General Meetings.
 - 1.4.2. Engage with companies where there are concerns over ESG issues.
 - 1.4.3. Vote on pool-aligned assets in accordance with the ACCESS Voting guidelines on a “comply or explain” basis and inform the Fund of voting outcomes.
 - 1.4.4. Report on their voting activity on a regular basis, with ACCESS Pool managers required to report on a monthly basis.
- 1.5. The Fund believes that acting collectively with other investors, for example, with partner authorities in the ACCESS pool or through membership of the Local Authority Pension Fund Forum (LAPFF), is an effective way to engage with companies.

2. Executive summary

- 2.1 The Cambridgeshire Pension Fund recognises the importance of promoting good governance and management in the companies in which the Fund invests. The Fund expects investment managers to exercise voting rights and engage with companies with the aim of good stewardship of the Fund’s assets.
- 2.2. This report updates the Investment Sub-Committee (ISC) on:
 - 2.2.1. The Fund’s voting activity during the three months to 31 March 2024 for assets held within the ACCESS pool.
 - 2.2.2. A summary of engagement activity on behalf of the Fund by ACCESS sub-fund managers covering the period between January to March 2024.
 - 2.2.3. A summary of engagement with investment managers directly by the Fund covering the period between January and March 2024.
 - 2.2.4. A summary of the Local Authority Pension Fund Forum (LAPFF) engagement and voting activity for the period between April and June 2024.
- 2.3. Further information on specific stewardship and engagement activities summarised in this report is available from Officers on request.

- 2.4. Officers have continued to share the LAPFF voting alerts with managers to understand their voting plans regarding each alert.
- 2.5. PIRC along with the ACCESS Responsible Investing (RI) sub-group have been reviewing the ACCESS voting guidelines. These revised guidelines will be considered by the ACCESS Joint Committee.

3. Pension & Investment Research Consultants Ltd (PIRC)

- 3.1. ACCESS has appointed Pension & Investment Research Consultants Ltd (PIRC) as its external ESG and RI advisor following a LGPS Framework Procurement, to implement and refine the Pool's RI guidelines. PIRC will use the ACCESS RI guidelines as the starting point to deliver a universal reporting framework.
- 3.2. This will incorporate the expectations ACCESS places on asset managers into the framework. These expectations include outlining responsible investment principles, main risks, how ESG is incorporated into investment decisions, stewardship, voting and engagement activities and outcomes, and reporting against TCFD.
- 3.3. As part of this work, a comprehensive review of the ACCESS voting guidelines, in collaboration with the ACCESS RI sub-group, has been undertaken and the revised guidelines will be considered by the ACCESS Joint Committee.

4. Voting

- 4.1. The ACCESS Joint Committee agreed the original voting guidelines for inclusion by the pool operator, Waystone, in their Investment Management Agreements. These guidelines set out those matters of importance to the ACCESS authorities and promote good corporate governance and management in the companies in which investments are made. In circumstances where investment managers do not adopt the positions set out in these guidelines, they are required to provide a robust explanation of the position adopted.
- 4.2. ACCESS also expects that investment managers will be signatories to and comply with the Financial Reporting Council's Stewardship Code and Principles of Responsible Investment. The Stewardship Code submission was unsuccessful, and Officers are working on addressing the areas that did not meet the criteria.
- 4.3. A summary of the voting activity for the three months ending 31 March 2024, including votes for and against management, is set out below for each of the ACCESS sub-funds in which the Fund invests:

Sub-Fund Name	Number of Meetings	Number of Votes Cast		
		For	Against	Other
Dodge and Cox - WS ACCESS Global Stock	5	101	6	0
J O Hambro - WS ACCESS Global Equity – JOHCM	9	112	11	3
Longview - WS ACCESS Global Equity	3	32	20	0
	17	245	37	3

- 4.4. During the three months ending 31 March there were 17 company Annual General Meetings (AGMs)

- 4.5. Of the three ACCESS sub-funds in which the Cambridgeshire Pension Fund invests, there were 285 occasions to vote by the investment managers. There were 3 instances where votes were not cast, or managers chose to abstain from voting. Of the votes cast, 245 were for and 37 against management proposals.
- 4.6. Of the 282 votes cast, 1 was subject classified as Environmental (E), 1 was classified as Social (S) and 280 were classified as Governance (G). Governance includes issues such as board structure, election of directors, remuneration and in-house policies. The Social issue voted on was to approve political donations. The Environmental issue was surrounding climate risk in retirement plan options.
- 4.7. Investment managers use their discretion to cast votes not aligned to the ACCESS voting guidelines where they feel it is in the shareholders best interest to do so. There were no instances where the fund manager has overridden the ACCESS voting policy in the last three months for assets held within ACCESS sub-funds.
5. **Engagement Activities – ACCESS Pool**
- 5.1. The Cambridgeshire Pension Fund receives regular reporting on engagement activities for assets held within the ACCESS Pool. This includes dialogue between investment managers and Waystone in order to promote good corporate governance and management in companies in which the Fund invests.
- 5.2. At 31 March 2024 the Fund’s ACCESS investment managers held a total of 144 assets and held 7 confirmed engagements with companies within the reporting period. There was 1 engagement on an environmental topic, none on social topics and 6 relating to governance.
- 5.3. A summary of engagements by managers covering the three months to 31 March 2024 is shown below. JO Hambro and Longview each had one engagement during the reporting period. Dodge and Cox held five engagements. Please refer to exempt Appendix A for identification of the companies involved in the engagement examples.

Manager	Number of Assets	Types of Engagement			Engagement example
		E	S	G	
Dodge & Cox	85	1	0	4	The purpose Dodge and Cox’s engagement with Company A was to talk through potential changes to the Company’s compensation program that had been driven by feedback from external shareholders. The Company proposed updates to its compensation plan during engagement in January 2024. This conversation took place before the Company’s proxy was filed which gave Dodge and Cox the opportunity to engage directly, expressing their views on the updates to its program. They discussed the new financial targets, CO2 emission reduction targets and total shareholder return (TSR) metrics in the program. Dodge and Cox pushed back on the types and composition of metrics the Company was proposing. They believe that the best compensation program aligns management with long-term shareholders. Dodge and Cox expressed concern that some of the metrics were overweighted on certain targets when compared to the areas where executives are spending their time.

Manager	Number of Assets	Types of Engagement			Engagement example
		E	S	G	
					Dodge and Cox felt that the engagement was successful, they communicated their views to Company management and their voice was heard.
JO Hambro	29	0	0	1	<p>Issue - While Company B has improved its approach to sustainability over recent years, including its disclosures to the market, JO Hambro sees more room for improvement in its approach to sustainability and further enhancements to its disclosures.</p> <p>Objectives - Enhancing the articulation of the company's sustainability credentials to improve the company's perception by the market, particularly ESG ratings providers. In the meeting with the CEO, the team highlighted ongoing perception by an ESG ratings provider on poor company disclosures on ESG matters. In previous meetings with the company, JO Hambro had identified areas for improvement on disclosures, specifically on enhancements to improved safety, diversity, and climate change disclosures, including moves to adopt reporting more consistent with the TCFD. These disclosures appear to have been ingested by another ESG ratings provider, resulting in a ratings upgrade. However, JO Hambro encouraged the company to further enhance their disclosures, with a view to further improve market perception. The CEO outlined ESG initiatives that have been undertaken to enhance the company's approach to sustainability, including:</p> <ul style="list-style-type: none"> - Established an ambitious target of reducing 50% of greenhouse gas(GHG) emissions reduction by 2030, with a commitment to net-zero by 2050, having surpassed an earlier target 8 years ahead of schedule - Disclosure of waste and water metrics - Established targets to improve diversity, with a view to increase female representation to 40% in the management team and to 35% in senior roles in the company by 2030 - Provision of board oversight of ESG via a Global Sustainability Committee - Monitoring of supplier's ESG performance (via Sphera and iPoint); top suppliers are also required to complete Ecovadis questionnaires and are assessed on ESG factors <p>In response to JO Hambro's query on the company's management of higher than industry average toxic emissions and waste, the CEO offered assurances that the upcoming sustainability report would enhance disclosures on this front and would go a long way to address these concerns.</p> <p>The team also encouraged the company to sign up to the UN Global compact, and the company confirmed that they have applied to be a signatory and are awaiting a response.</p> <p>Outcomes and future steps</p> <ul style="list-style-type: none"> - JO Hambro noted the company's ESG ratings score has improved with an ESG ratings provider - They see room for improvement with ESG ratings providers more generally, and see the upcoming

Manager	Number of Assets	Types of Engagement			Engagement example
		E	S	G	
					improvements in disclosures would assist in addressing concerns highlighted by these ratings providers - The CEO welcomed JO Hambro's engagement to date and took up their offer to further engage with the company on its sustainability approach, which they will follow up later in 2024.
Longview	30	0	0	1	In 2023, Longview had asked Company C about specific measures taken to address the workplace safety concerns raised by the US Occupational Safety and Health Administration (OSHA). The Company had explained that efforts were underway to address the root causes of these issues. They had highlighted relaxed operational procedures during Covid-19 and shifts in supply and demand that put significant strain on the supply chain, as contributing factors. In January 2024, Longview followed up with the Company's Head of Investor Relations for an update on the business. During this discussion, Longview enquired into specific operational matters with the aim of assessing the progress being made in addressing the above safety concerns. Longview first asked about the changes introduced since the return of the former CEO in October 2023. The Company explained that the CEO had been an active board member since his retirement in November 2022. He transitioned from the role of senior advisor to consultant in April 2023 but had remained on the board. His focus has been on execution discipline while adapting the business to the post-COVID landscape. Longview was interested in the performance of the supply chain, store standards and employee turnover since their last update with the company in late 2023. The Company noted that challenges persisted with the supply chain and that efforts were focused on achieving on-time and in-full truck deliveries, with plans to simplify work for their store teams as rates improved. Temporary warehousing was still being used, although to a lesser extent, and expected to be phased out into 2024. The supply chain is nearly restored to normal, but the final stages of improvement will take time. There are variations between facilities, with some facing more challenges, such as those serving larger store footprints, having higher subsidiary stores or where the labour force was more under pressure. Store manager turnover is improving but remains higher than desired. Longview enquired about measures taken to address this issue, especially considering that previous discussions with the Company suggested that store manager turnover would improve. Longview questioned why the recovery has been slower than expected. The Company explained that one reason for the higher turnover is the disruption in the supply chain, which has made store management more challenging. In addition to supply chain improvements, the Company is addressing this by rationalising stock keeping units (SKUs) and increasing labour in the store. Longview

Manager	Number of Assets	Types of Engagement			Engagement example
		E	S	G	
					enquired about the reasoning behind the change in leadership for Store Operations and the decision to allocate an additional \$150 million in labour to stores instead of implementing the concept of Smart Teams as originally planned. The Company clarified that the \$150 million investment translates to approximately \$7,500 per store across 20,000 stores, with varying allocations of staff to different locations. Smart Teams were initially intended to be sent to underperforming stores to prevent decline, however, this was disbanded in favour of investing in permanent front-of-house staff which they believe will improve store standards and help reduce shrink. Longview asked about the current level of shrink compared to previous recessionary periods. The Company noted that shrink is likely higher than in previous recessionary environments due to various factors, including consumer struggling and decreased law enforcement against theft. Self-checkout systems have also contributed to increased opportunities for theft and errors. Whilst the Company has made some notable improvement in its supply chain and store standards, they remain below the Company's targets. Longview plans to continue closely monitoring the handling of its workplace safety improvements and OSHA's citations and penalties in ongoing discussions with the company.

6. Engagement Activity – Direct

- 6.1. The Fund engages directly with investment managers through regular meetings with officers on a rotational basis, the Investment User Group hosted by ACCESS and via quarterly Investment Sub-Committee meetings.
- 6.2. Discussions and challenge can cover a range of topics but a particular focus is always fund performance as well as stewardship and engagement activities the investment manager has undertaken on behalf of the Fund.
- 6.3. In addition to proactive voting, investment managers should act as active asset owners through engagement with companies where there are concerns over environmental, social and governance (ESG) issues.
- 6.4. The Fund has written to investment managers setting out its aims and ambitions for the Fund to reach net carbon zero by 2050 or earlier and asking how the investment manager can help the Fund achieve these goals. Investment managers have acknowledged these aims and ambitions and are keen to help the Fund on its decarbonisation journey and achieve the milestones set out within the Fund's Climate Action Plan.
- 6.5. The table below represents engagement with our managers at meetings covering the period of three months to June 2024:

Date	Meeting Type	Manager
------	--------------	---------

12 th April	Local	Schroders
11 th May	Local	Equitix
14 th May	Local	JP Morgan
22 nd May	Local	HarbourVest
19 th June	IUG	JP Morgan and IFM Infrastructure
19 th June	Local	M&G
28 th June	IUG	UBS

7. Voting and Engagement – Passive Funds

- 7.1. UBS invest in pooled passive funds on behalf of the Fund. The passive funds are not within the ACS structure itself, therefore UBS do not have to adhere to the ACCESS voting policy. However, UBS operate a high-quality programme of stewardship and engagement on behalf of the Fund. UBS produce an Annual Stewardship report, the report is available on request.
- 7.2. UBS are responsible for the assets and the associated voting and ownership rights the Fund invests with Osmosis, as the assets are held in a segregated account managed by UBS against the Osmosis index. However, Osmosis have examined the UBS voting policy and believe it is significantly aligned with their own. Osmosis will continue to engage on the assets held within the Fund's portfolio.

8. Local Authority Pension Fund Forum

- 8.1. The Cambridgeshire Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF exists to promote the investment interests of local authority pension funds and to maximise their influence as shareholders, whilst promoting corporate social responsibility and high standards of corporate governance among the companies in which they invest.
- 8.2. LAPFF engages with hundreds of companies to amplify the local authority voice and accelerate change. Their understanding of problems facing companies and ability to voice concerns is enhanced by also engaging with company stakeholders.
- 8.3. The following table is a summary showing the companies and topics which LAPFF has engaged between April and June 2024.

Period	Engagement Topics	Engagements	Example
April – June 2024	<ul style="list-style-type: none"> Environmental Risk Diversity Equity and Inclusion Human Rights Climate Change Governance (General) Finance and Accounting Campaign (General) 	Abbvie Inc, Alphabet Inc, Altria Group Inc, Amazon.com Inc, American Express Company, Anglo American Plc, AP Moller – Maersk AS, BAE Systems Plc, Bank of America Corporation, Bank of Nova Scotia, Barclays Plc, Berkshire Hathaway Inc, BHP Group Limited (Aus), British American Tobacco Plc, Burberry Group Plc, Capital One Financial	London Stock Exchange Group LAPFF has been concerned about the weakening of standards relating to new entrants to the London listed companies' market. An open letter was sent to the chair of London Stock Exchange Group, asking for an evidence-based approach, and to supply the evidence for assertions made to date. That letter was released

	<ul style="list-style-type: none"> • Employment Standards • Supply Chain Management • Social Risk 	<p>Corporation, Centene Corp, Centerpoint Energy Inc, Central Japan Railway Corp, Chipotle Mexican Grill Inc, Chubb Limited, Compass Group Plc, DBS Bank Ltd, Drax Group Plc, DTE Energy Company, Enbridge Inc, Equinor ASA, Estee Lauder Companies Inc, Expeditors International of Washington Inc, Exxon Mobil Corporation, Frasers Group Plc, Glencore Plc, Hays Plc, Hollywood Bowl Group Plc, HSBC Holdings Plc, Huntingdon Ingalls Industries Inc, Imperial Brands Plc, Intercontinental Hotels Group Plc, International Business Machines Corporation, ITC Ltd, Japan Tobacco Inc, Johnson & Johnson, Kinder Morgan Inc, KT&G Corp, Lockheed Martin Corporation, London Stock Exchange Group Plc, Loreal SA, Markel Corporation, McDonald's Corporation, Merck & Co. Inc, Meta Platforms Inc, Mitchells & Butlers Plc, Mitie Group Plc, Mitsubishi UFJ Financial GRP, Mizuho Financial Group Inc, Moncler SPA, Mondelez International Inc, Morgan Stanley, National Grid Plc, Nestle SA, Nexon Co Ltd, Nextera Energy Inc, Nippon Steel Corp, Northumbrian Water Group, Old Dominion Freight Line Inc, Paccar Inc, Pennon Group Plc, Philip Morris International Inc, Power Corporation of Canada, Quest Diagnostics Incorporated, Republic Services Inc, Rio Tinto Plc, Ross Stores Inc, Royal Bank of Canada, RTC Corp, Severn Trent Plc, Shell Plc, Skyworks Solutions Inc, Southern Company, SSAB (Svenskt Stal AB), Staffline Group Plc, Sumitomo Mitsui Financial Group, Suncor Energy Inc, Tesla Inc, The Boeng Company, The Goldman Sachs Group Inc, The Kroger Co, The Procter & Gamble Company, The Toronto-Dominion Company, The Travelers Companies</p>	<p>to Reuters and obtained wide coverage. The response did not sufficiently address the core issues. A letter has also been sent to the chair of the Financial Conduct Authority (FCA) which is the UK Listing Authority.</p> <p>LAPFF has written back to the LSEG to request evidence, and to point out that body was set up under the auspices of the Investment Management Association known as the "Investor Forum" has turned itself into the Investor and Issuers Forum. The Forum is also considering what further steps that will be decided after the General Election. The FCA has responded with a holding letter. The Times on 27 June 2024 covered issues with poor listing standards consistent with the LAPFF approach.</p>
--	--	--	---

		Inc, Thyssenkrupp AG, TotalEnergies SE, Toyota Industries Corp, Toyota Motor Corp, United Overseas Bank Ltd, United Utilities Group Plc, Vale SA, Wells Fargo & Company, Yara International ASA, Yaskawa Electric Corp, Zoetis Inc.	
--	--	---	--

8.4. Voting Alerts

- 8.4.1. LAPFF issued voting alerts for 50 different companies during the three-month period to June 2024. ACCESS is considering the treatment of LAPFF voting alerts as part of the ESG/RI Sub-Group chaired by the Fund's Head of Pensions.
- 8.4.2. Officers have been sharing the LAPFF voting alerts (via Waystone) with equities managers to understand their voting plans regarding the alerts. Of the total alerts distributed, responses have been received from only a limited number of managers. All responding managers have confirmed that they do not hold shares in the companies in question.

9. Recommendations

- 9.1. That the Investment Sub Committee:

Note the report.

10. Relevant Pension Fund objectives

- 10.1 To have robust governance arrangements in place, to facilitate informed decision-making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- 10.2 To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- 10.3 To ensure the relevant stakeholders responsible for managing, governing, and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- 10.4 To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

11. Implications (including financial implications)

11.1 Resources and financial

- 11.1.1 There are no resources implications arising from the proposals in this paper. Legal fees for review of subscription documentation are included in the Fund's budget.

11.2 Legal

- 11.2.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.
- 11.2.2. Squire Patton Boggs have reviewed the paper for legal implications.

11.3 Communication

11.3.1 None

12. Risk management

12.1. The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below –

12.2. As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.

RISK MITIGATED	RESIDUAL RISK
Failure to respond to changes in economic conditions.	Amber
As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	Amber
Failure to understand and monitor risk and compliance	Green
Failure to provide relevant information to the Pension Committee/Local Pension Board to enable informed decision making.	Green

12.3. The Fund's full risk register can be found on the Fund's website at the following link: [Fund's Risk Register](#)

13. Consultation

13.1. Not applicable

14. Background papers

14.1 None

15. Appendices

15.1 Stewardship and Engagement Report Appendix A – (Exempt)

16. Accessibility

16.1 An accessible version of the information contained in the Table at 5.3 is available on request from Ben.Barlow@Westnorthants.gov.uk.

Cambridgeshire Pension Fund Monitoring Report Quarter to 30 June 2024

Chris West

August 2024



Important Notices

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

© 2024 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.

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 slightly over the quarter by c.£70m to a total of c.£2.8bn.

The Fund’s assets (including cash) decreased only marginally over the quarter by £43m to £4,775m as at 30 June 2024 but have increased by £477m over the last twelve months.

The estimated funding level at 30 June 2024 was c.171%, up from c.168% as at 31 March 2024.

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 0.7% vs 1.9%).

Key Contributors to Relative Performance – Quarter

Underperformance by Dodge & Cox - Global Equity	-0.3%
Underperformance by Longview - Global Equity	-0.3%
Underperformance by JO Hambro - Global Equity	-0.2%

Longer Term Performance

	Fund	B'mark
Quarter (%)	0.7	1.9
1 Year (%)	11.0	13.2
3 Years (% p.a.)	4.8	5.9

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 movement comprised transferring £50m from J O Hambro Equities in May 2024 to fund the Aviva Lime property purchase, totaling £52.4m.

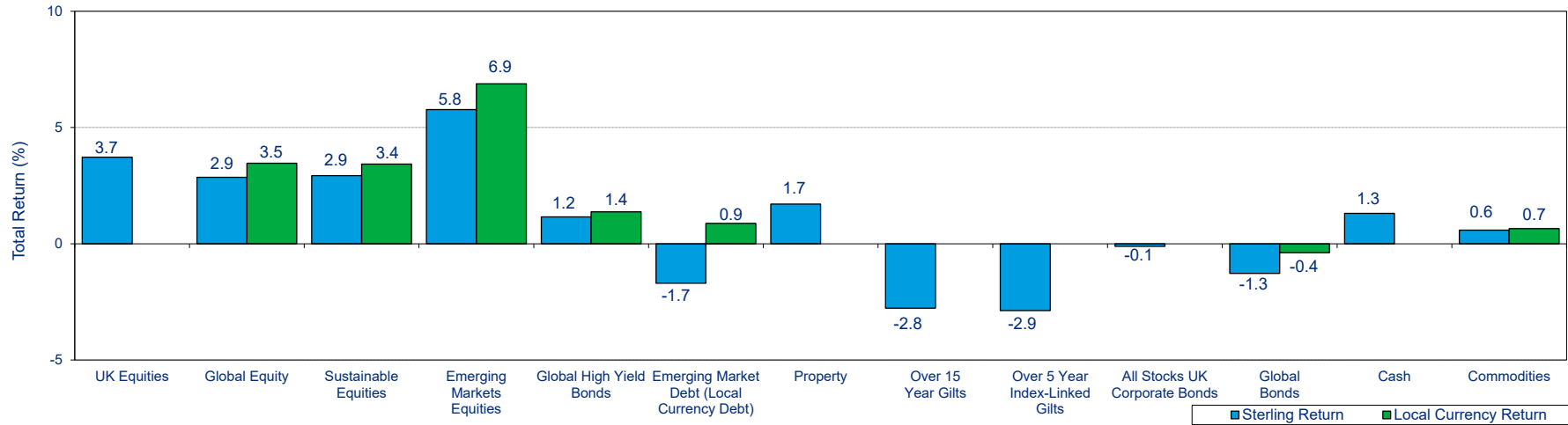
Overweight		Underweight	
Equities	+3.4%	Fixed Income	-2.6%
		Alternatives	-0.8%

Manager Research

Redacted

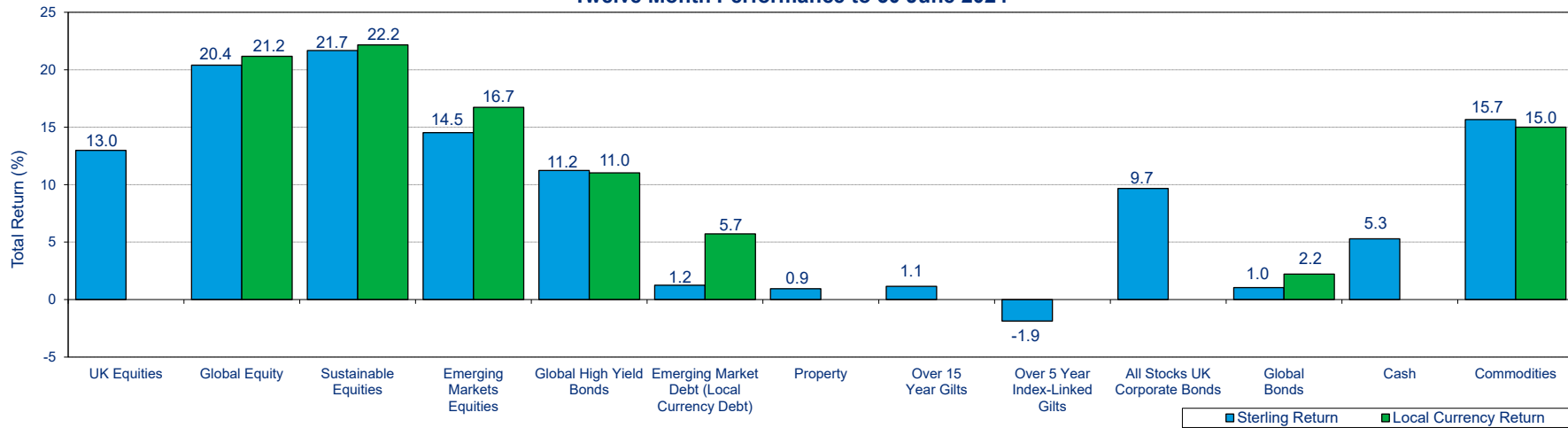
Market Index Performance

Three Month Performance to 30 June 2024



Source: Refinitiv.

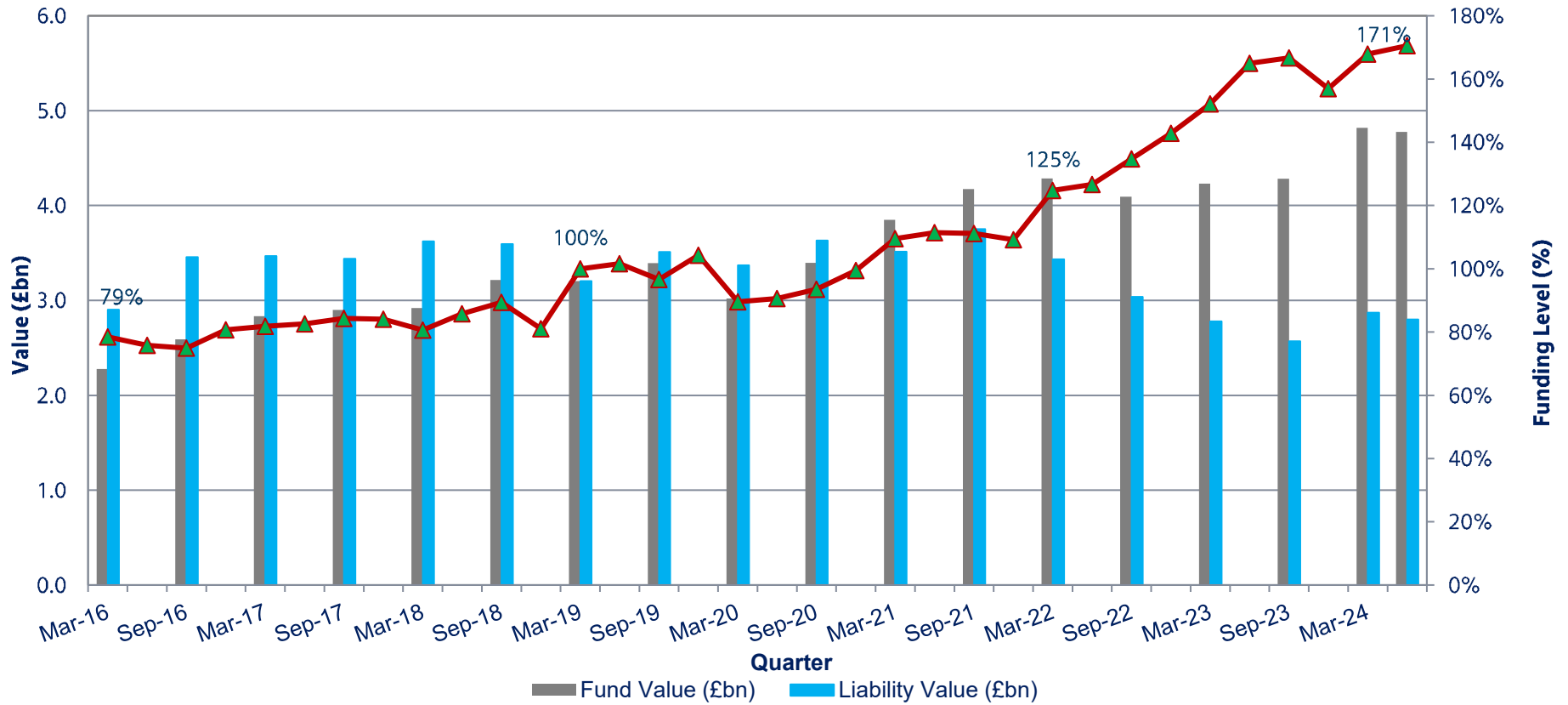
Twelve Month Performance to 30 June 2024



Source: Refinitiv.

Funding

Funding Level since March 2016 Valuation



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.

There was a slight increase in the funding level over the quarter, driven by a modest decrease in the value of the estimated liability value.

Allocation

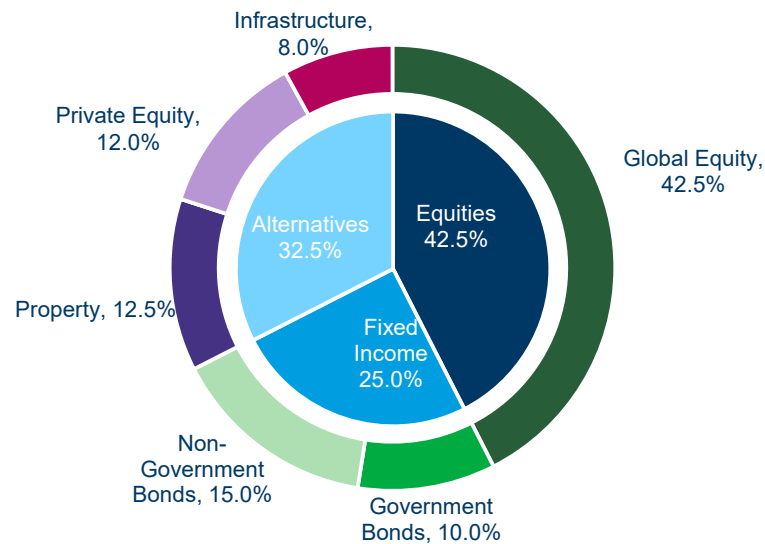
	31/03/2024 Market Value (£M)	30/06/2024 Market Value (£M)	31/03/2024 Allocation (%)	30/06/2024 Allocation (%)	30/06/2024 B'mark (%)
Total Invested Assets	4,688.0	4,730.7	100.0	100.0	100.0
Equities	2,247.2	2,170.6	47.9	45.9	42.5
Fixed Income	1,008.8	1,058.2	21.5	22.4	25.0
Alternatives	1,432.0	1,501.9	30.5	31.7	32.5

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

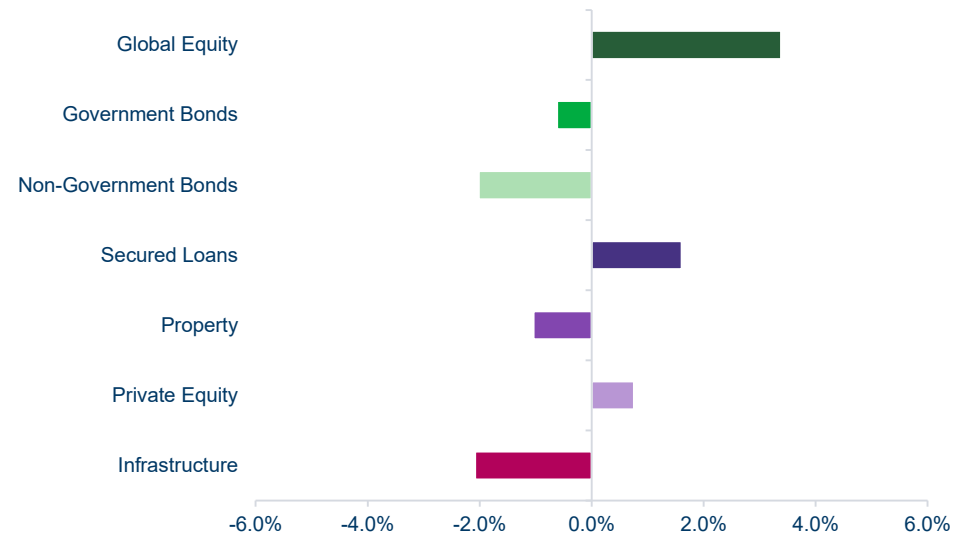
The total market value shown in the table above excludes cash (c. £130.1m at the start of quarter and c. £44.2m at the end of quarter).

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.

Benchmark Asset Allocation as at 30 June 2024



Deviation from Benchmark Asset Allocation



Benchmark allocation is shown for representative purposes. For performance measurement purposes, from 31 March 2023 given the transitions, we have assumed that the benchmark allocation is equal to the actual fund allocation.

Manager Allocation (1/3)

	31/03/2024 Market Value (£M)	30/06/2024 Market Value (£M)	31/03/2024 Allocation (%)	30/06/2024 Allocation (%)	30/06/2024 B'mark (%)
Total Invested Assets	4,688.0	4,730.7	100.0	100.0	100.0
Equities	2,247.2	2,170.6	47.9	45.9	42.5
Active Global Equity	1,159.8	1,102.5	24.7	23.3	22.5
JO Hambro - Global Equity	423.0	371.7	9.0	7.9	7.5
Dodge & Cox - Global Equity	385.9	384.8	8.2	8.1	7.5
Longview - Global Equity	350.9	346.0	7.5	7.3	7.5
Passive Equity	1,087.4	1,068.1	23.2	22.6	20.0
UBS - Climate Aware Rules Based	765.9	738.9	16.3	15.6	14.0
Osmosis - Core Equity	321.4	329.1	6.9	7.0	6.0
Fixed Income	1,008.8	1,058.2	21.5	22.4	25.0
Government Bonds	405.2	443.9	8.6	9.4	10.0
Schroders - Bonds	0.0	0.0	0.0	0.0	5.0
UBS - Gilts	405.2	443.9	8.6	9.4	5.0
Non-Government Bonds	603.6	614.3	12.9	13.0	15.0
Bluebay - Multi-Asset Credit	307.9	310.1	6.6	6.6	7.5
M&G - Multi-Asset Credit	295.7	304.2	6.3	6.4	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. £130.1m at the start of quarter and c. £44.2m at the end of quarter).

M&G Shared Ownership: market values include assets in cash managed and not invested by the manager (c. £26.9m at the start and end of quarter).

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.

Manager Allocation (2/3)

	31/03/2024 Market Value (£M)	30/06/2024 Market Value (£M)	31/03/2024 Allocation (%)	30/06/2024 Allocation (%)	30/06/2024 B'mark (%)
Alternatives	1,432.0	1,501.9	30.5	31.7	32.5
Secured Loans	74.5	76.2	1.6	1.6	-
M&G - Secured Loans	74.5	76.2	1.6	1.6	-
Property	486.9	542.2	10.4	11.5	12.5
Schroders - Property	280.7	283.4	6.0	6.0	6.5
Aviva - Long Lease Property	98.4	150.8	2.1	3.2	3.0
M&G - Residential Property	56.4	56.7	1.2	1.2	1.5
M&G - Shared Ownership	51.4	51.4	1.1	1.1	1.5
Private Equity	587.5	603.5	12.5	12.8	12.0
Adams Street - Private Equity	216.7	218.7	4.6	4.6	-
HarbourVest - Private Equity	224.5	223.4	4.8	4.7	-
Foresight - Private Equity	61.6	61.6	1.3	1.3	-
Cambridgeshire and Counties Bank	69.7	84.8	1.5	1.8	-
Cambridgeshire Building Society	15.0	15.0	0.3	0.3	-

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. £130.1m at the start of quarter and c. £44.2m at the end of quarter).

M&G Shared Ownership: market values include assets in cash managed and not invested by the manager (c. £26.9m at the start and end of quarter).

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.

Manager Allocation (3/3)

	31/03/2024 Market Value (£M)	30/06/2024 Market Value (£M)	31/03/2024 Allocation (%)	30/06/2024 Allocation (%)	30/06/2024 B'mark (%)
Infrastructure	283.1	280.0	6.0	5.9	8.0
UBS - Infrastructure	6.2	6.2	0.1	0.1	-
Equitix - Infrastructure	30.1	30.1	0.6	0.6	-
Partners Group - Infrastructure	35.0	34.7	0.7	0.7	-
AMP Capital - Infrastructure Debt	29.3	25.8	0.6	0.5	-
Allianz - Infrastructure Debt	14.0	14.0	0.3	0.3	-
IFM - Infrastructure Equity	91.8	91.5	2.0	1.9	-
JPM - Infrastructure Equity	76.7	77.7	1.6	1.6	-

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. £130.1m at the start of quarter and c. £44.2m at the end of quarter).

M&G Shared Ownership: market values include assets in cash managed and not invested by the manager (c. £26.9m at the start and end of quarter).

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.

Manager Performance (1/2)

Fund and benchmark returns (%)	3 Mth (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
Total	0.7	1.9	11.0	13.2	4.8	5.9	6.9	8.2
Equities (inc. Equity Options)	1.3	2.9	18.7	20.6	7.4	8.9	9.4	11.2
Equities (ex. Equity Options)	1.3	2.9	18.7	20.6	7.7	8.9	10.1	11.2
JO Hambro - Global Equity	0.1	2.8	21.6	20.0	1.3	8.6	8.3	10.9
Dodge & Cox - Global Equity	-0.3	-0.4	14.6	15.4	8.8	8.7	10.6	8.0
Longview - Global Equity	-1.4	2.8	11.3	20.0	10.1	8.6	--	--
UBS - Climate Aware Rules Based	3.4	3.2	21.5	21.7	--	--	--	--
Osmosis - Core Equity	2.4	2.4	20.4	20.4	--	--	--	--
Fixed Income	-0.1	-0.1	4.3	4.6	-3.1	-3.1	-0.7	-0.7
UBS - Gilts	-2.9	-2.9	-1.9	-1.9	--	--	--	--
Bluebay - Multi-Asset Credit	0.6	1.7	8.3	10.6	0.3	2.8	--	--
M&G - Multi-Asset Credit	2.9	1.7	12.6	10.6	5.3	2.8	--	--

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

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 during the period from 26 November 2019 to 5 June 2023.

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. 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 calculated by Mercer using an IRR approach and 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.

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.

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

Manager Performance (2/2)

Fund and benchmark returns (%)	3 Mth (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
Alternatives	0.4	2.0	3.4	7.4	5.0	6.0	6.3	7.4
M&G - Secured Loans	2.2	2.3	11.0	9.5	5.8	7.1	4.6	6.1
Schroder - Property	1.1	1.1	1.6	0.1	1.7	0.6	2.2	1.5
Aviva – Long Lease Property	1.1	1.5	--	--	--	--	--	--
M&G - Residential Property	0.4	1.5	-2.1	2.3	1.3	2.6	1.3	3.1
M&G - Shared Ownership	0.0	1.5	0.7	2.3	2.1	2.6	--	--
Adams Street - Private Equity	1.1	3.1	-0.2	12.4	8.5	12.4	15.9	13.3
HarbourVest - Private Equity	4.8	3.1	4.6	12.4	13.7	12.4	17.8	13.3
Foresight - Private Equity	5.8	3.1	9.2	12.4	17.2	12.4	--	--
UBS - Infrastructure	-0.3	2.4	-27.2	10.0	-12.5	10.0	-10.7	10.0
Equitix - Infrastructure	-3.0	2.4	0.3	10.0	3.2	10.0	1.6	10.0
Partners Group - Infrastructure	0.3	2.4	0.9	10.0	14.4	10.0	11.7	10.0
AMP Capital - Infrastructure Debt	2.3	2.4	-0.5	10.0	6.8	10.0	5.1	10.0
Allianz - Infrastructure Debt	-1.8	1.0	3.4	4.0	-8.0	4.0	-3.5	4.0
IFM - Infrastructure Equity	-0.4	2.4	4.2	10.0	13.5	10.0	--	--
JPM - Infrastructure Equity	2.3	2.4	7.4	10.0	10.0	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.

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 during the period from 26 November 2019 to 5 June 2023. 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. 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 calculated by Mercer using an IRR approach and 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.

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.

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

Appendix

Appendix A

Benchmarks

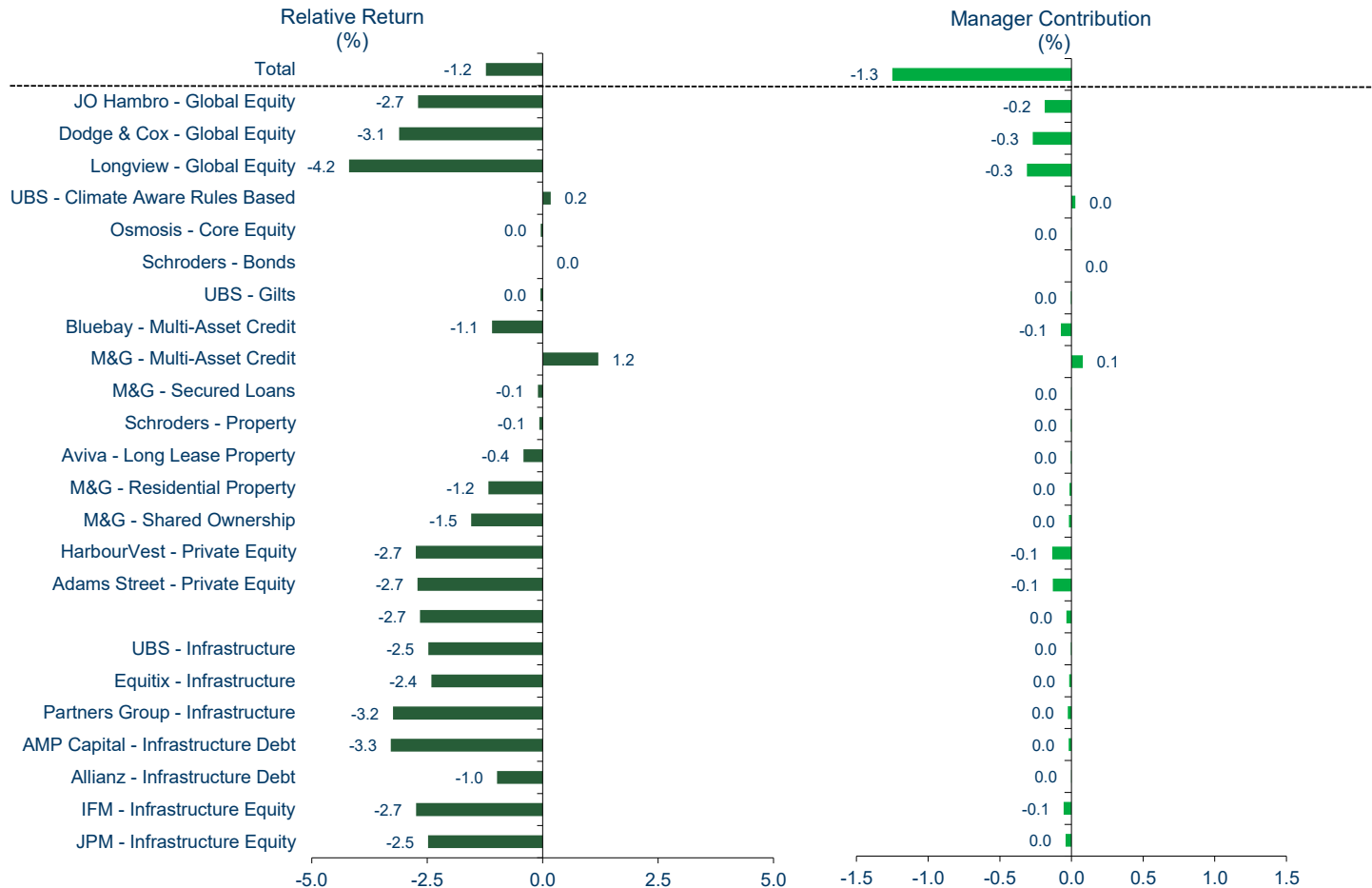
Name	B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
Total Invested Assets	100.0	-	-	-
Equities (inc. Equity Options)	42.5	-	-	-
JO Hambro - Global Equity	7.5	MSCI AC World (NDR) Index	+3.00% p.a. (gross of fees)	5.00% - 12.00% p.a.
Dodge & Cox - Global Equity	7.5	MSCI AC World Value Index	+3.00% p.a. (gross of fees)	-
Longview - Global Equity	7.5	MSCI AC World (NDR) Index	+3.00% p.a. (gross of fees)	4.00% - 6.00% p.a.
UBS - Climate Aware Rules Based	14.0	FTSE Developed (GBP Hedged) Index	To match the benchmark	-
Osmosis - Core Equity	6.0	Solactive Osmosis Resource Efficient Core Equity Ex-Fossil Fuels Index NTR	To match the benchmark	-
Fixed Income	25.0	-	-	-
Schroders - Bonds	5.0	Assumed equal to fund performance	-	-
UBS - Gilts	5.0	FTSE A Over 5 Year Index-Linked Gilts Index	To match the benchmark	-0.10% - 0.10% p.a.
Bluebay - Multi-Asset Credit	7.5	Composite Benchmark	-	-
M&G - Multi-Asset Credit	7.5	Composite Benchmark	-	-
Alternatives	32.5	-	-	-
M&G - Secured Loans	--	SONIA +4.0% p.a.	-	-
Schroders - Property	6.5	MSCI All Balanced Property Funds Index	+0.75% p.a. (net of fees)	-
Aviva - Long Lease Property	3.0	Composite Benchmark	-	-
M&G - Residential Property	1.5	Composite Benchmark	-	-
M&G - Shared Ownership	1.5	Composite Benchmark	-	-
Private Equity	12.0	-	-	-
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)	-
Infrastructure	8.0	-	-	-

Name	B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
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, M&G - Multi-Asset Credit: composite benchmark is 50% ICE BofAML Global High Yield Constrained and 50% Morningstar LSTA US Leveraged Loan 100 Hedged.
Aviva - Long Lease Property, M&G - Residential Property, M&G - Shared Ownership: composite benchmark is 66.7% MSCI UK Monthly Property Index and 33.3% Absolute Return of 5.0% p.a.
The benchmark allocation is shown for representative purposes, due to the client being in transition. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March 2023.

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 are estimated in GBP to the quarter end date. For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 31 March 2023.

Explanation of Attribution Analysis Chart

The purpose of the attribution analysis chart is to 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. Contributions are calculated on a monthly basis; longer term (including quarterly) contributions are the sum of the monthly contributions.

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.

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:

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

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

Appendix C

Investment Performance

Investment Performance to 30 June 2024

	2023 Q3 (%)	2023 Q4 (%)	2024 Q1 (%)	2024 Q2 (%)	1 Yr (%)	3 Yrs (%)
Total	0.0	4.7	5.3	0.7	11.0	4.8
Total Benchmark	-0.2	5.7	5.3	1.9	13.2	5.9

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.

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. 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 31 March 2023.

10 Year Performance to 30 June 2024

	10 Yrs (%)	B'mark (%)
Total	8.0	9.0
M&G - Secured Loans	4.4	5.4
Schroders - Property	4.9	4.8
Adams Street - Private Equity	17.0	13.1
HarbourVest - Private Equity	18.3	13.1
UBS - Infrastructure	-1.4	10.0
Equitix - Infrastructure	8.6	10.0
Partners Group - Infrastructure	13.2	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.

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. 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

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

