

**PENSION FUND COMMITTEE
INVESTMENT SUB-COMMITTEE**



Thursday, 23 May 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 at
<http://tinyurl.com/cc-conduct-code>*
2. **Public minutes of Pension Fund Investment Sub-Committee held 5 - 10**
29 February 2024
3. **Action Log 11 - 12**
4. **Petitions and Public Questions**
5. **Stewardship and Engagement Update 13 - 22**
6. **Cambridgeshire Pension Fund Public Monitoring Report - 31 23 - 42**
March 2024
7. **Exclusion of Press and Public**
*To resolve that the press and public 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, and 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)

8. Cambridgeshire Pension Fund Private Monitoring Report - 31

March 2024

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

9. Confidential minutes of Pension Fund Investment Sub-Committee held 29 February 2024

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

10. Cambridge and Counties Bank

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

11. Currency Hedging Review

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

12. Analytics for Climate Transition

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

13. Equity Portfolio Review

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

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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 and Mr Howard Nelson Councillor Adela Costello Councillor Nick Gay

Clerk Name:	Dawn Cave
Clerk Telephone:	01223 699178
Clerk Email:	dawn.cave@cambridgeshire.gov.uk

Pension Committee Investment Sub-Committee

Date: 29 February 2024

Time: 10:00am-12.27pm

Place: New Shire Hall, Alconbury Weald

Present: County Councillors A Whelan (Chair), M Black (Vice Chair), A Costello and P McDonald; Fenland District Councillor C Boden; Howard Nelson

Officers: B Barlow, D Cave and M Whitby

Adviser/Consultants: J Crowther and C West (Mercer); S Gervaise-Jones

101. Apologies and Declarations of Interest

Apologies were received from Liz Brennan.

102. Public minutes of the Pension Fund Investment Sub-Committee held 16th November 2022

The public minutes of the Committee meeting held 16th November 2023 were agreed as a correct record.

103. Action Log

The Sub-Committee reviewed the Action Log.

The Action Log was noted.

104. Petitions and Public Questions

No petitions or public questions were received.

105. Stewardship and Engagement Update

The Committee considered an update on stewardship and engagement matters relating to the Fund's investments. In future this report would be considered at every Investment Sub-Committee meeting.

The report outlined activity during the three months to 30 September 2023 for assets held within the ACCESS pool, and also engagement activity for those funds held directly. A summary of the Local Authority Pension Fund Forum (LAPFF) engagement and voting activity for the quarter to 31 December 2023 was also included.

For the three ACCESS Sub-Funds, there had been 136 voting opportunities within the three-month period, and there were only three instances where votes were not cast, or managers chose to abstain from voting. Of the votes cast, 112 were in favour, and 21 against management proposals. There were no instances where the ACCESS voting policy had been overridden. The report aimed to provide a flavour of engagement activities, with further detail available on request.

At 30 September 2023, the Fund's ACCESS investment managers held a total of 155 assets and held 26 engagements with companies. There were 5 engagements on environmental topics, 10 on social topics and 11 relating to governance. Examples were given for each manager.

A summary of the Local Authority Pension Fund Forum (LAPFF) engagement and voting activity for the period between October to December 2023 was provided. Members noted the detailed example of LAPFF's engagement with Nestlé.

A Member queried the comment about the "voting alliance" with LAPFF? Officers explained that if LAPFF wanted to raise the profile of, or challenge a particular issue, LAPFF would circulate an alert indicating how they would like the vote to be exercised, e.g. on climate change, where the guidance may be to not vote for Directors who did not have a good transition plan. The ACCESS Pool had its own voting policy, and LAPFF may have a different view on some issues – the intention was to align, as far as possible, the ACCESS voting policy with LAPFF. Any differences between the ACCESS pool and LAPFF were reported. An example was given where there was a difference on voting with regard to Apple, on Human Rights and governance issues.

A Member asked if there were any themes on votes against resolutions? It was noted that issues such as auditor tenure (USA) had been an issue.

A Member was pleased to note the positive engagement by LAPFF, reinforcing collaboratively the engagement work by ACCESS and the Fund.

The Sub-Committee resolved to note the report.

106. Cambridgeshire Pension Fund Public Monitoring Report- 31 December 2023

The Sub-Committee received the public report summarising the performance of the Pension Fund for the quarter to 31 December 2023.

Members noted:

- the Fund's assets had increased over the quarter by around £190M to almost £4.45bn as at 31 December 2023. The estimated funding level at that date was 156%, down from 167% the previous quarter. This reflected a fall in Gilt yields and an increase in liability values;

- over the quarter, several asset transitions were undertaken in order to move towards the Fund's target strategic asset allocation;
- the Fund had underperformed the benchmark over the quarter and the year. However, this was due in part to the quirks around benchmarking: the main contributor to underperformance had been Private Equity, which was benchmarked against the Global Equity index. Dodge & Cox had also underperformed in this Quarter, having performed well previously;
- there had been a positive market backdrop for most of the quarter, the key standout exception being Commodities. Globally, inflation rates were reducing, which had boosted equity market expectations, with strong performance, especially in the US tech sector;
- there had been strong performance in the Quarter for listed Equities and Fixed Income, but for Alternatives it had been a more challenging time.

Individual Members raised the following points in relation to the report:

- asked if the reduction in funding level heralded the start of a downward trend. Officers advised that this was a fluctuation – the funding level had since risen, but there were likely to be further fluctuations, reflecting market sensitivity to interest rates. In the autumn of 2023, long dated gilt yields reduced, fuelling market expectations of further interest rate reductions, but these had not materialised. Longer term, it was expected that the overall funding level would drift down, but it remained in a very healthy funding position, especially given the long-term nature of the Fund;
- queried the poor performance of UBS Infrastructure. Mercer explained that this was a legacy closed-ended equity fund, and represented around 0.1% of the Fund's total assets. There was little chance of turnaround at this late stage of the investment, and it was not really possible or worthwhile to extricate from this investment at this stage in the investment lifecycle;
- a Member was pleased to note the good performance of Sustainable Equities over 2023 (23.7% increase);
- a Member observed that whilst Gilts were a good measure for Pension Fund Liabilities over the long term, when there was short term instability in Gilts markets, they were less useful. She asked if there was a better way to measure Liabilities? Mercer advised that an alternative metric was CPI inflation i.e. current Liabilities increasing at CPI.

It was resolved unanimously to note the report.

107. 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.

108. Cambridgeshire Pension Fund Private Monitoring Report – 31 December 2023

The Sub-Committee received the private report summarising the performance of the Pension Fund for the quarter to 31 December 2023.

It was resolved to note the report.

109. Confidential minutes of the Pension Fund Investment Sub-Committee held 16th November 2023.

The confidential minutes of the Committee meeting held 16th November 2023 were agreed as a correct record.

110. Investment Strategy Review – Implementation

The Sub-Committee received an update on the implementation of the new Investment Strategy.

It was unanimously resolved to approve the report recommendations, as amended.

With the Sub-Committee's agreement, it was agreed to take the following two items out of sequence:

111. UK Core Property Review

The Sub-Committee received an update on the Core UK property review, presently under the management of Schroders as an Indirect Property portfolio.

It was unanimously resolved to approve the report recommendations.

112. Equity Portfolio Review

The Sub-Committee received a report which presented and discussed the outcome of the beliefs survey with the Investment Sub-Committee (ISC), and made recommendations for the next steps for the Equity Portfolio Review.

It was unanimously resolved to approve the report recommendations.

Chair

Cambridgeshire
Pension Fund

Cambridgeshire Pension Fund Investment Sub-Committee
23rd May 2024

Action log from ISC meeting held on 29 th February 2024				
Item No.	Item	Action to be taken by	Comments	Completed
108	Cambridgeshire Pension Fund Private Monitoring Report – Currency Hedging Mercer to provide information on Currency hedging to the Investment Sub Committee to determine the appropriate level of currency hedging and timeframe.	Ben Barlow	This is the subject of a separate agenda item at this meeting.	Ongoing
110	Investment Strategy Review – Implementation Social and Affordable Housing	Ben Barlow	Apex commenced the procurement process for a manager and is in the final stages of completion; details regarding the successful submission will be available shortly.	Ongoing

Action log from ISC meeting held on 13 th September 2023				
Item No.	Item	Action to be taken by	Comments	Completed
87	Timberland To explore further options on timberland.	Ben Barlow	As a result of procurement exercise, Apex has shortlisted three mangers for the in-person meeting. Following NLSG meeting held in March, the Timberland mandate has been awarded to two	Completed

Action log from ISC meeting held on 13 th September 2023				
Item No.	Item	Action to be taken by	Comments	Completed
			managers. Managers, who will present to the ISC prior to the agreed allocation being finalised.	

Action log from ISC meeting held on 17 th November 2022				
Item No.	Item	Action to be taken by	Comments	Completed
53	<p>Property Portfolio Review</p> <p>Mercer to carry out a market review and provide a selection of Long Lease property managers to the Investment Sub Committee along side the ACCESS pool.</p>	Ben Barlow	The subscription to the AVIVA Lime Property Fund through secondary market purchase, as agreed by the members of the Investment Sub Committee in November 2023, is currently in progress. 73% of desired allocation has been achieved to date, with final tranche to be completed in May.	Completed

Cambridgeshire Pension Fund

Investment Sub-Committee

23 May 2024

Report by: Head of Pensions

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. Executive Summary

- 1.1. 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.
- 1.2. This report updates the Investment Sub-Committee (ISC) on:
 - 1.2.1. The Fund's voting activity during the three months to 31 December 2023 for assets held within the ACCESS pool.
 - 1.2.2. A summary of engagement activity on behalf of the Fund by ACCESS sub-fund managers covering the period between October to December 2023.
 - 1.2.3. A summary of engagement with investment managers directly by the Fund covering the period between October and December 2023.
 - 1.2.4. A summary of the Local Authority Pension Fund Forum (LAPFF) engagement and voting activity for the period between January to March 2024.
- 1.3. Further information on specific stewardship and engagement activities summarised in this report is available from Officers on request.
- 1.4. Officers have begun sharing the LAPFF voting alerts with managers to understand their voting plans regarding that alert. This process is a new addition to the report, not before shared with the ISC.
- 1.5. PIRC along with the ACCESS Responsible Investing (RI) sub-group have begun work on their review of the ACCESS voting guidelines.

2. Background

- 2.1. 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.
- 2.2. 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.
- 2.3. To promote good stewardship and ensure the diligent monitoring of engagement activities, this report will be presented to the ISC on a quarterly basis.
- 2.4. 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:
 - 2.4.1. Exercise our rights as owners of investments by actively participating in company level decisions tabled as shareholder votes at General Meetings.
 - 2.4.2. Engage with companies where there are concerns over ESG issues.
 - 2.4.3. 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.
 - 2.4.4. Report on their voting activity on a regular basis, with ACCESS Pool managers required to report on a monthly basis.
- 2.5. 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.

3. 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 review of the ACCESS voting guidelines, in collaboration with the ACCESS RI sub-group, has commenced.

4. Voting

- 4.1. The ACCESS Joint Committee agreed the 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.
- 4.3. A summary of the voting activity for the three months ending 31 December 2023, 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	6	38	13	3
J O Hambro - WS ACCESS Global Equity – JOHCM	2	17	12	1
Longview - WS ACCESS Global Equity	4	32	33	13
	12	87	58	17

- 4.4. During the three months ending 31 December there were 12 company Annual General Meetings (AGMs).
- 4.5. Of the three ACCESS sub-funds in which the Cambridgeshire Pension Fund invests, there were 162 occasions to vote by the investment managers. There were 17 instances where votes were not cast, or managers chose to abstain from voting. Of the votes cast, 87 were for and 58 against management proposals.
- 4.6. Of the 162 votes, 3 were subject classified as Environmental (E), 15 were classified as Social (S) and 144 were classified as Governance (G). Governance includes issues such as board structure, election of directors, remuneration and in-house policies. Social included issues such as human rights concerns and weapons development. Environmental included issues 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 December 2023 the Fund's ACCESS investment managers held a total of 157 assets and held 4 confirmed engagements with companies within the reporting period. There was 1 engagement on an environmental topic, 2 on social topics and 1 relating to governance.
- 5.3. A summary of engagements by managers covering the three months to 31 December 2023 is shown below. JO Hambro had no engagement during the reporting period, they had a call with a company arranged but had to postpone until next quarter. Although Dodge and Cox provided an example of their engagement, they could not provide their engagement numbers. Officers chased this information, but Dodge and Cox were not

forthcoming, the matter has therefore been escalated to ACCESS. 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	86				<p>Dodge and Cox engaged with Company A, a Swiss-based, diversified global cement company with operations in over 70 countries. They invested in Company A because of its strong industry positioning, shareholder focused management team, and attractive valuation. Dodge and Cox view the Company as having a high carbon risk, and as such, have conducted substantial analysis on their carbon intensity and decarbonization goals over the past few years.</p> <p>Dodge and Cox continued conversations with Company A's management team around its efforts to reduce its carbon intensity. Additionally, they had focused conversations with management and the board on succession planning due to the announcements in Q1, 2023 about the CEO and Chair transitions.</p> <p>While cement production is a highly carbon intensive process, Dodge and Cox view Company A as a leader in its decarbonization goals within its sector. They continue to engage with the Company on their emission reduction targets.</p> <p>In early 2023, the company announced that the Chair of the board would not seek re-election and the current CEO would step into the Chair position. The CEO would retain a dual CEO/Chair role until a new CEO was identified. They spoke generally about succession planning, the amount of change at the company and other capital allocation priorities.</p> <p>Dodge and Cox felt the engagement was successful as they communicated their views to the company and believe that company management adequately heard their voice.</p>
JO Hambro	41	0	0	0	JO Hambro participated in no engagement during the reporting period.
Longview	30	1	2	1	<p>In November 2023, Longview conducted a video conference call with Company B's General Counsel, Head of Corporate Social Responsibility and Associate General Counsel. The discussion focused on the Company's Board structure, environmental approach and potential climate commitments. The Company explained that they intend to expand their Board by adding one or two directors, actively seeking candidates with previous CEO experience in large public companies. They highlighted how their Board refresh aligns with the Company's evolution over the years. Their primary focus remains on technology, operations and delivery, while</p>

Manager	Number of Assets	Types of Engagement			Engagement example
		E	S	G	
					<p>maintaining a diverse Board. Earlier in the year, Longview engaged with Company B regarding a shareholder proposal advocating for an Independent Board Chair, which the Company had opposed. Longview had suggested that an Independent Chair would enhance the Board's overall structure and we had supported the shareholder proposal in our vote. On the call, the Company confirmed that this matter had been resolved from their perspective. Despite Longview's support, the resolution had not secured a majority vote from shareholders. On climate, Longview referenced the Climate Commitments Audit of the portfolio, noting that Company B had not yet established a net zero target or specific emissions reduction objectives. They asked about their plans for future climate commitments. The Company highlighted that progress has been made since appointing a Head of Corporate Sustainability in 2021. They have aligned climate disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and have been collecting data for three years to assess potential emissions reduction targets. They conducted a materiality assessment in 2021 and plan to update it in 2024. Company B explained that they would prefer setting achievable short to medium-term climate objectives. Currently, they have no plans to align themselves to a 2050 net zero target and would prefer setting goals that the current leadership team can actively pursue. They have been assessing ways to meaningfully reduce Scopes 1 and 2 emissions while tackling the challenges posed by Scope 3 emissions. Their immediate priority is to work on reducing their carbon footprint while positioning themselves for setting realistic targets in the near future. They were interested in Longview's feedback and so they mentioned the progress in emissions reductions that we have seen amongst companies in the portfolio. Going forward, Longview will continue to track Company B's efforts on climate and its target-setting progress.</p>

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 December 2023:

Date	Meeting Type	Manager
24th October	Local	Allianz
9th November	IUG	Longview and M&G
15th December	Local	Equitix

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 January and March 2024.

Period	Engagement Topics	Engagements	Example
January – March 2024	<ul style="list-style-type: none"> • Environmental Risk • Diversity Equity and Inclusion • Human Rights • Climate Change • Governance (General) 	Abb Ltd, Abbvie Inc, Ap Moller - Maersk AS, Apple Inc, Bae Systems PLC, Bank Of Montreal, Bank Of Nova Scotia, Burberry Group PLC, Canadian Imperial Bank Of Commerce, Caterpillar	Last year, LAPFF recommended a vote in favour of a shareholder proposal at Starbucks, which sought a review of workforce practices at Starbucks and was co-filed by LAPFF member Merseyside Pension Fund. This resolution

	<ul style="list-style-type: none"> Finance and Accounting 	<p>Inc, Compagnie Financiere Richemont SA, Equinor Asa, Fujitsu Ltd, Hermes International, Hsbc Holdings PLC, J Sainsbury PLC, Kering Sa, KKR & Co Inc, Lennar Corporation, Lockheed Martin Corporation, Lvmh (Moet Hennessy - Louis Vuitton) SE, Moncler Spa, National Grid PLC, Nestle SA, Occidental Petroleum Corporation, Rio Tinto PLC, Royal Bank Of Canada, RTX Corp, Shinhan Financial Group Ltd, Starbucks Corporation, Thales, The Boeing Company, The Toronto-Dominion Bank, Tyson Foods Inc, United Utilities Group PLC.</p>	<p>passed with 52% voting in favour.</p> <p>Over the past year, LAPFF has witnessed significant improvement in employment relations at the company. Starbucks and the Workers United Union have begun work on a “foundational framework” which they say will deliver collective bargaining agreements, and a fair process for organising. After a period of friction within the company, LAPFF welcomes a more collaborative approach.</p>
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8.4. Voting Alerts

- 8.4.1. LAPFF issued voting alerts for 3 different companies during the three-month period to March 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 began sharing the LAPFF voting alerts with managers at the end of the 3-month period to understand their voting plans regarding the alerts. LAPFF alerts for two companies were shared with equities managers, with several responses confirming no holdings with the companies in question.

9. Relevant Pension Fund objectives

- 9.1. 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.
- 9.2. 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.
- 9.3. 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.
- 9.4. To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

10. Finance & Resources Implications

10.1. 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. Risk management

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

11.2. 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

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

12. Communication Implications

12.1. None.

13. Legal Implications

13.1. There are no legal implications arising from the report.

13.2. Report has been reviewed by Squire Patton Boggs.

14. Consultation with Key Advisers

14.1. Not applicable

15. Alternative Options Considered

15.1. Not applicable.

16. Background Papers

16.1. None.

17. Appendices

17.1. None

Checklist of Key Approvals

Is this decision included in the Business Plan?	Not applicable.
Will further decisions be required? If so, please outline the timetable here	No.
Is this report proposing an amendment to the budget and/or policy framework?	No.
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	Yes 14/04/2024
Has this report been cleared by Head of Pensions? Yes, Mark Whitby	29/04/2024
Has this report been cleared by Legal Services? Yes, 09/05/2024	

Cambridgeshire Pension Fund Monitoring Report Quarter to 31 March 2024

Chris West

May 2024



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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 was broadly stable over the quarter at c.£2.9bn.

The Fund’s assets (including cash) increased over the quarter by £315m to £4,804m as at 31 March 2024 and have increased by £575m over the last twelve months.

The estimated funding level at 31 March 2024 was c.167%, up from c.157% as at 31 December 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 5.0% vs 5.3%).

Key Contributors to Relative Performance – Quarter

Outperformance by JO Hambro - Global Equity	0.4%
Underperformance in Private Equity	-0.2%
Underperformance by Dodge & Cox - Global Equity	-0.2%

Longer Term Performance

	Fund	B'mark
Quarter (%)	5.0	5.3
1 Year (%)	11.7	14.2
3 Years (% p.a.)	6.3	7.2

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 transferring the Schroders Bond Portfolio to the UBS Pooled Index Linked Gilt Fund (£175m) and funding the new allocation to the Aviva Property Fund. There were several purchases of units through secondary market trades in March, totaling an initial investment of c.£98.6m, funded via equity sales.

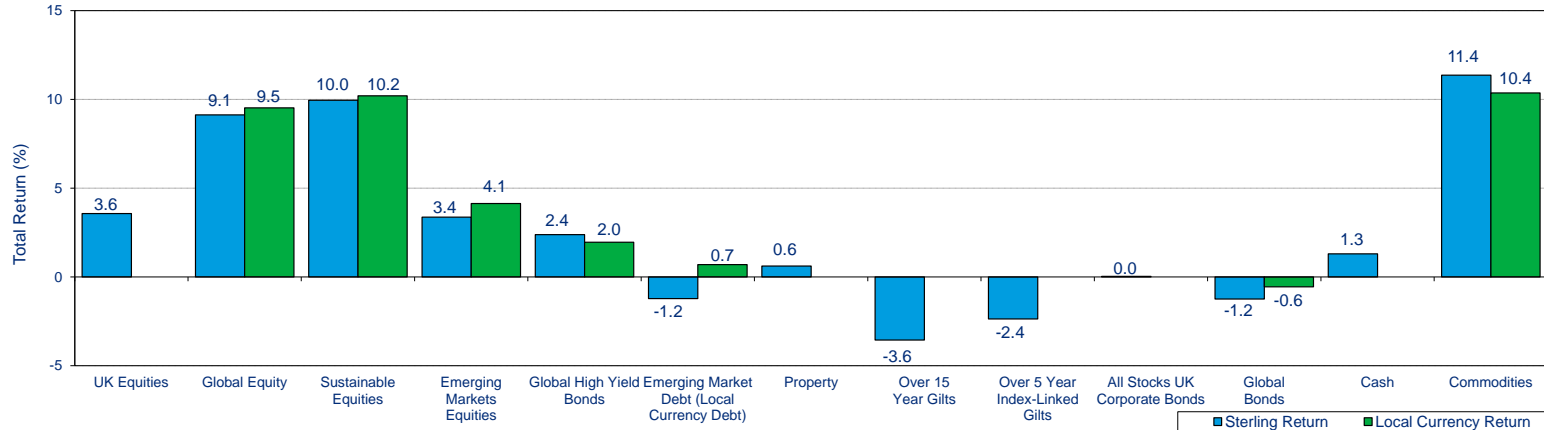
Overweight		Underweight	
Equities	+5.6%	Fixed Income	-3.4%
		Alternatives	-2.2%

Manager Research

Redacted

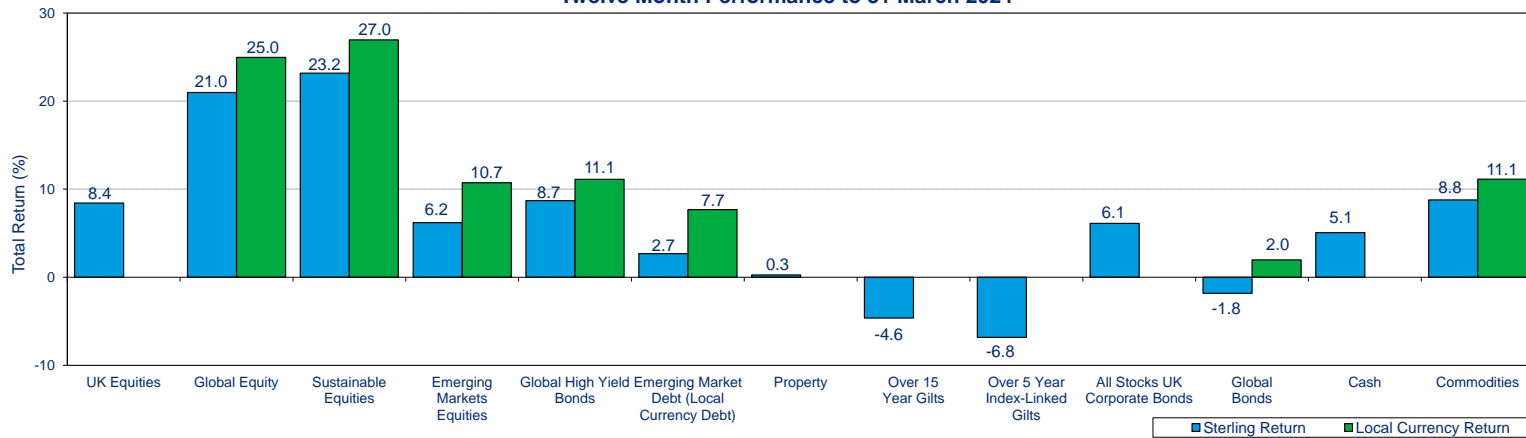
Market Index Performance

Three Month Performance to 31 March 2024



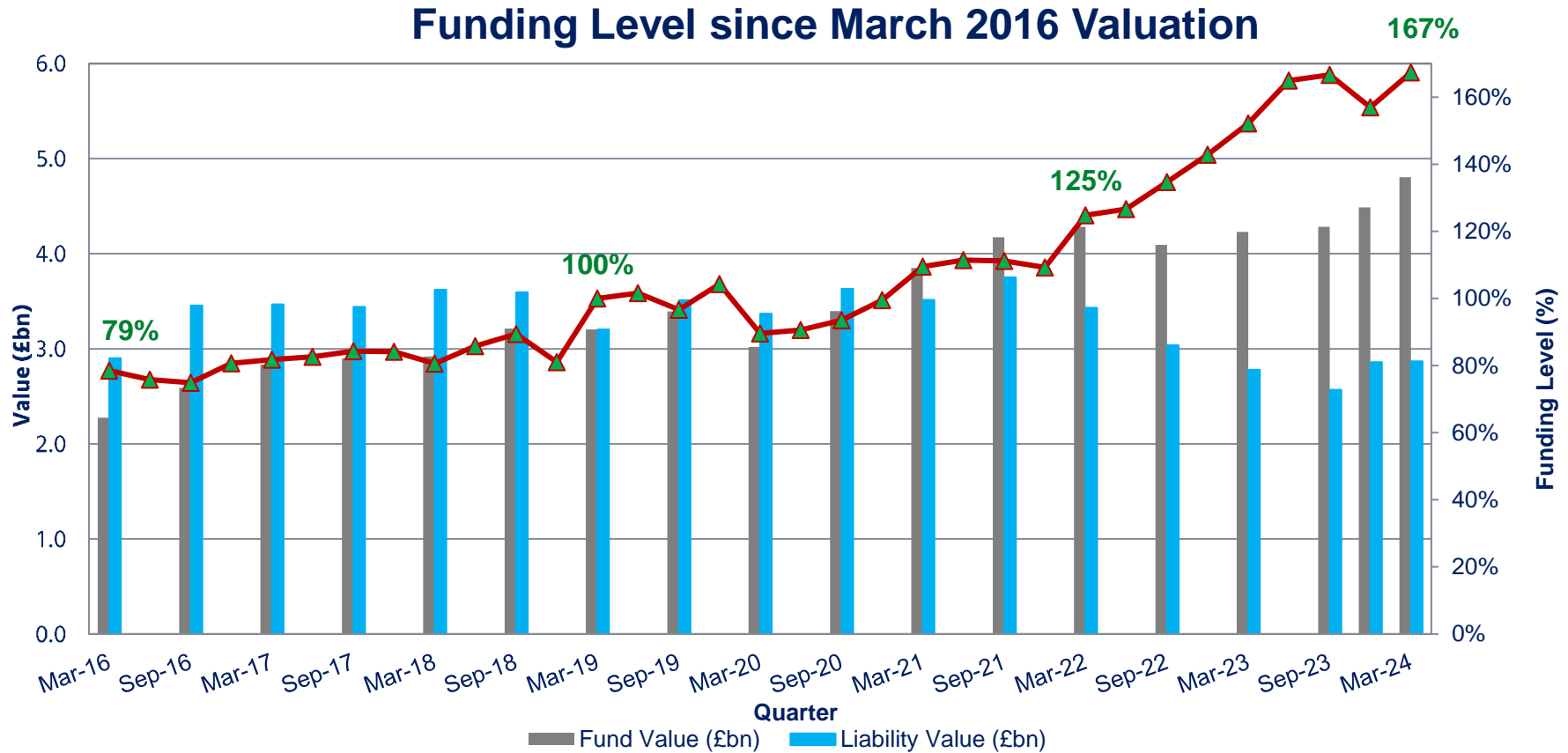
Source: Refinitiv.

Twelve Month Performance to 31 March 2024



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.

There was an increase in the funding level over the quarter, mostly driven by an increase in the value of the assets as the estimated liability value remained broadly stable.

Allocation

	31/12/2023 Market Value (£M)	31/03/2024 Market Value (£M)	31/12/2023 Allocation (%)	31/03/2024 Allocation (%)	31/03/2024 B'mark (%)
Total Invested Assets	4,475.8	4,674.2	100.0	100.0	100.0
Equities	2,193.4	2,247.2	49.0	48.1	42.5
Fixed Income	1,007.9	1,008.8	22.5	21.6	25.0
Alternatives	1,274.5	1,418.2	28.5	30.3	32.5

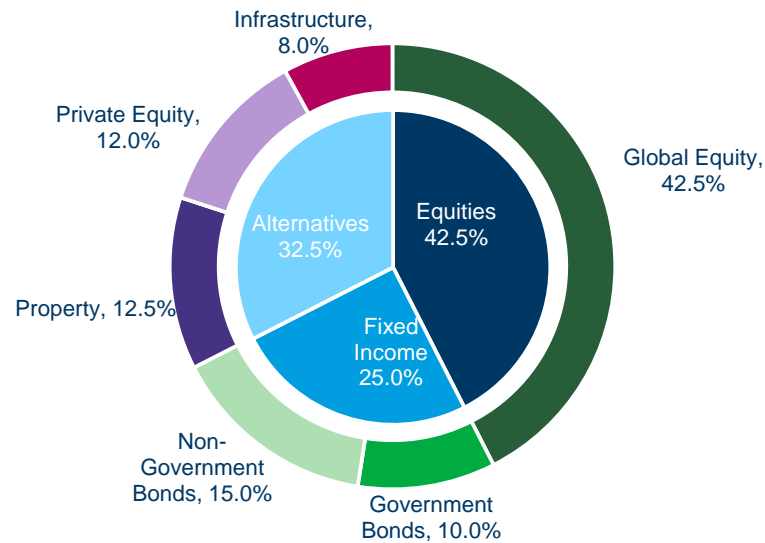
Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding.

The total market value shown in the table above excludes cash (c. £13.3m at the start of quarter and c. £130.1m at the end of quarter).

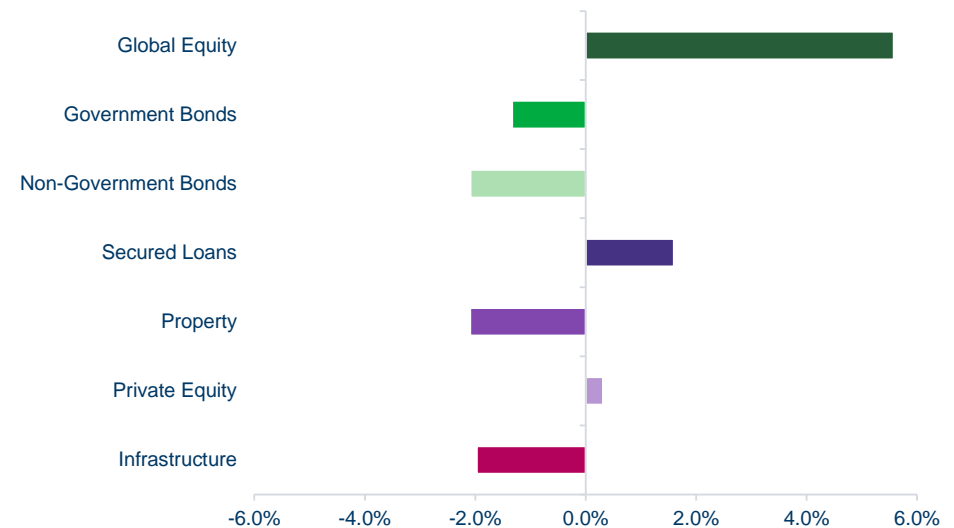
Benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected in the short-term as the Fund transitions towards this. As such, for total benchmark performance measurements purposes, the benchmark allocation is equal to the actual fund allocation, from 31 March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

Benchmark 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

Benchmark Asset Allocation as at 31 March 2024



Deviation from Benchmark Asset Allocation



to the actual fund allocation.

Manager Allocation (1/3)

	31/12/2023 Market Value (£M)	31/03/2024 Market Value (£M)	31/12/2023 Allocation (%)	31/03/2024 Allocation (%)	31/03/2024 B'mark (%)
Total Invested Assets	4,475.8	4,674.2	100.0	100.0	100.0
Equities	2,193.4	2,247.2	49.0	48.1	42.5
Active Global Equity	1,202.4	1,159.8	26.9	24.8	22.5
JO Hambro - Global Equity	442.8	423.0	9.9	9.0	7.5
Dodge & Cox - Global Equity	438.2	385.9	9.8	8.3	7.5
Longview - Global Equity	321.4	350.9	7.2	7.5	7.5
Passive Equity	991.1	1,087.4	22.1	23.3	20.0
UBS - Climate Aware Rules Based	696.7	765.9	15.6	16.4	14.0
Osmosis - Core Equity	294.3	321.4	6.6	6.9	6.0
Fixed Income	1,007.9	1,008.8	22.5	21.6	25.0
Government Bonds	417.3	405.2	9.3	8.7	10.0
Schroders - Bonds	187.2	0.0	4.2	0.0	5.0
UBS - Gilts	230.1	405.2	5.1	8.7	5.0
Non-Government Bonds	590.6	603.6	13.2	12.9	15.0
Bluebay - Multi-Asset Credit	305.6	307.9	6.8	6.6	7.5
M&G - Multi-Asset Credit	285.0	295.7	6.4	6.3	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. £13.3m at the start of quarter and c. £130.1m 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.

Manager Allocation (2/3)

	31/12/2023 Market Value (£M)	31/03/2024 Market Value (£M)	31/12/2023 Allocation (%)	31/03/2024 Allocation (%)	31/03/2024 B'mark (%)
Alternatives	1,274.5	1,418.2	28.5	30.3	32.5
Secured Loans	72.5	74.5	1.6	1.6	--
M&G - Secured Loans	72.5	74.5	1.6	1.6	--
Property	354.3	486.4	7.9	10.4	12.5
Schroders - Property	275.6	280.7	6.2	6.0	6.5
Aviva - Long Lease Property	--	98.4	--	2.1	3.0
M&G - Residential Property	56.5	56.4	1.3	1.2	1.5
M&G - Shared Ownership	22.2	51.0	0.5	1.1	1.5
Private Equity	558.5	575.5	12.5	12.3	12.0
Adams Street - Private Equity	211.7	216.4	4.7	4.6	--
HarbourVest - Private Equity	207.2	216.1	4.6	4.6	--
Foresight - Private Equity	54.9	58.3	1.2	1.2	--
Cambridgeshire and Counties Bank	69.7	69.7	1.6	1.5	--
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. £13.3m at the start of quarter and c. £130.1m 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.

Manager Allocation (3/3)

	31/12/2023 Market Value (£M)	31/03/2024 Market Value (£M)	31/12/2023 Allocation (%)	31/03/2024 Allocation (%)	31/03/2024 B'mark (%)
Infrastructure	289.1	281.8	6.5	6.0	8.0
UBS - Infrastructure	6.3	6.3	0.1	0.1	--
Equitix - Infrastructure	31.7	31.0	0.7	0.7	--
Partners Group - Infrastructure	35.9	34.4	0.8	0.7	--
AMP Capital - Infrastructure Debt	32.9	28.2	0.7	0.6	--
Allianz - Infrastructure Debt	14.5	14.3	0.3	0.3	--
IFM - Infrastructure Equity	92.1	91.8	2.1	2.0	--
JPM - Infrastructure Equity	75.8	75.7	1.7	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. £13.3m at the start of quarter and c. £130.1m 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.

Manager Performance (1/2)

Fund and benchmark returns (%)	2024 Q1 (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
Total	5.0	5.3	11.7	14.2	6.3	7.2	7.5	8.8
Equities (inc. Equity Options)	9.8	9.5	20.6	21.7	9.0	10.3	10.1	11.8
Equities (ex. Equity Options)	9.8	9.5	20.8	21.7	9.6	10.3	10.9	11.8
JO Hambro - Global Equity	13.8	9.2	19.7	20.5	3.5	10.1	9.9	11.6
Dodge & Cox - Global Equity	6.3	8.0	17.7	16.3	11.7	10.6	11.8	9.1
Longview - Global Equity	9.2	9.2	18.1	20.5	12.7	10.1	--	--
UBS - Climate Aware Rules Based	9.9	10.3	--	--	--	--	--	--
Osmosis - Core Equity	9.2	9.3	--	--	--	--	--	--
Fixed Income	0.2	0.1	3.7	4.0	-2.6	-2.6	-0.2	-0.5
Schroders - Bonds	-6.6	-6.6	-11.3	-11.3	-13.6	-13.6	--	--
UBS - Gilts	-2.4	-2.4	--	--	--	--	--	--
Bluebay - Multi-Asset Credit	0.5	2.0	9.2	11.2	0.7	2.8	--	--
M&G - Multi-Asset Credit	3.8	2.0	12.2	11.2	4.7	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.

Aviva Long Lease Property: performance shown since inception. Inception date taken as 6 March 2024 for performance measurement purposes. Benchmark assumed 0% for the Q1 2024 part period.

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.

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 (%)	2024 Q1 (%)	B'mark (%)	1 Yr (%)	B'mark (%)	3 Yrs (%)	B'mark (%)	5 Yrs (%)	B'mark (%)
Alternatives	0.8	2.1	1.6	8.1	6.3	7.2	6.5	7.7
M&G - Secured Loans	2.6	2.3	11.8	9.2	5.3	6.6	4.5	5.8
Schroder - Property	1.8	0.5	1.4	-0.7	2.4	1.5	2.1	1.4
Aviva – Long Lease Property	--	--	--	--	--	--	--	--
M&G - Residential Property	-0.1	1.5	-1.2	6.0	1.3	6.0	1.4	6.0
M&G - Shared Ownership	0.0	1.5	-0.4	6.0	2.2	6.0	--	--
Adams Street - Private Equity	-1.8	2.6	-2.7	10.3	12.2	10.3	16.3	13.4
HarbourVest - Private Equity	-4.4	2.6	-2.7	10.3	19.8	10.3	18.0	13.4
Foresight - Private Equity	2.5	2.6	6.2	10.3	15.4	10.3	--	--
UBS - Infrastructure	-1.5	2.4	-28.3	10.0	-12.7	10.0	-10.9	10.0
Equitix - Infrastructure	0.6	2.4	6.7	10.0	-1.9	10.0	3.2	10.0
Partners Group - Infrastructure	0.3	2.4	4.1	10.0	13.2	10.0	11.3	10.0
AMP Capital - Infrastructure Debt	-2.8	2.4	-1.6	10.0	5.7	10.0	4.7	10.0
Allianz - Infrastructure Debt	11.6	1.0	11.1	4.0	-9.5	4.0	-2.8	4.0
IFM - Infrastructure Equity	0.3	2.4	5.5	10.0	13.8	10.0	--	--
JPM - Infrastructure Equity	0.8	2.4	5.0	10.0	8.7	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.

Aviva Long Lease Property: performance shown since inception. Inception date taken as 6 March 2024 for performance measurement purposes. Benchmark assumed 0% for the Q1 2024 part period.

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.

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	Absolute Return of 6.0% p.a.	-	-
M&G - Shared Ownership	1.5	Net Return of 5-7% p.a.	-	-
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)	-

Name	B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
Infrastructure	8.0	-	-	-
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.

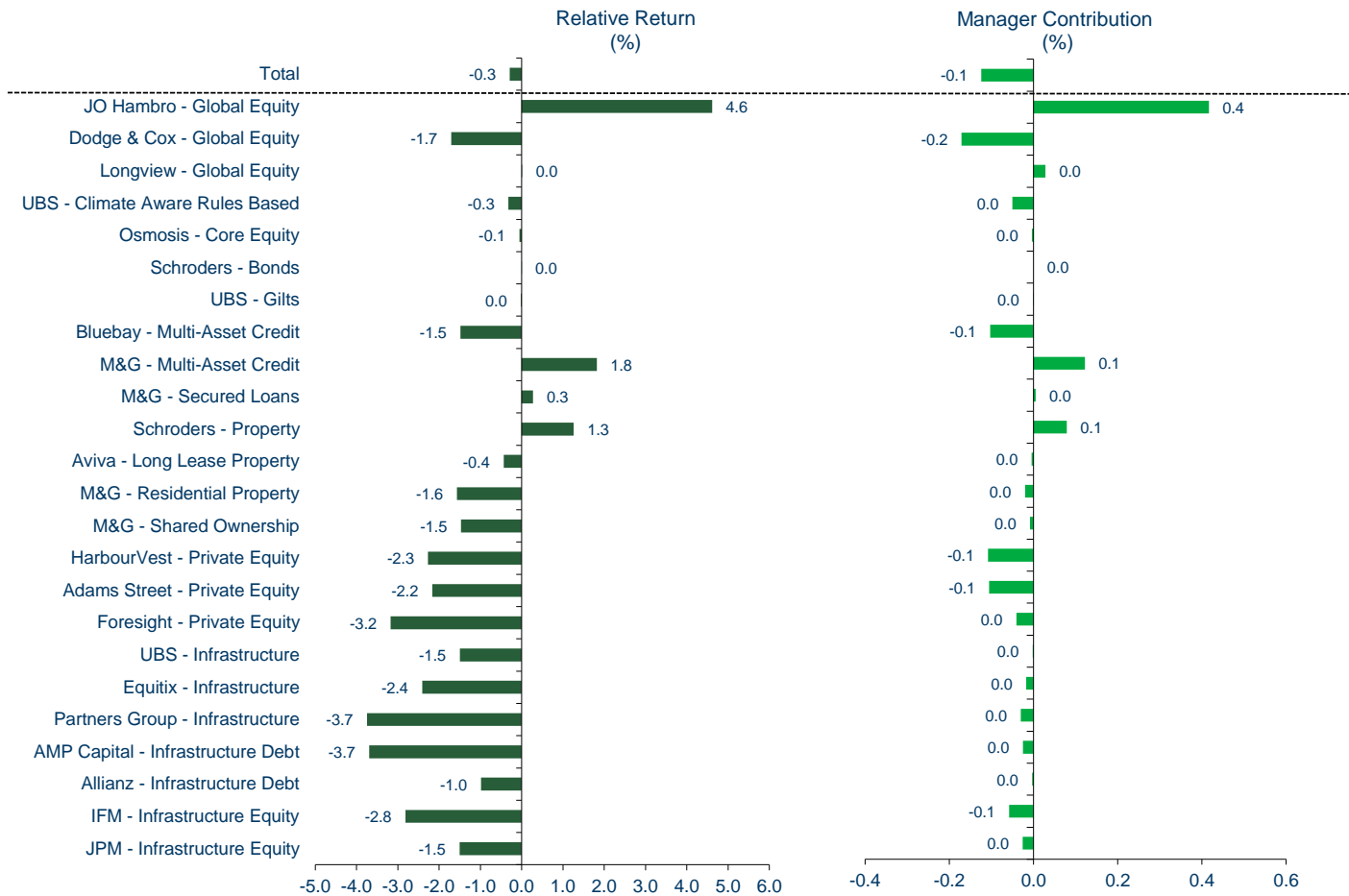
M&G - Multi-Asset Credit: composite benchmark is 50% ICE BofAML Global High Yield Constrained and 50% Morningstar LSTA US Leveraged Loan 100 Hedged.

Aviva – Long Lease Property: composite benchmark is 66.7% MSCI UK Monthly Property Index and 33.3% Absolute Return of 5.0% p.a.

The new 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 31 March 2024

	2023 Q2 (%)	2023 Q3 (%)	2023 Q4 (%)	2024 Q1 (%)	1 Yr (%)	3 Yrs (%)
Total	1.5	0.0	4.7	5.0	11.7	6.3
Total Benchmark	2.7	-0.1	5.7	5.3	14.2	7.2

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 31 March 2024

	10 Yrs (%)	B'mark (%)
Total	8.1	9.1
M&G - Secured Loans	4.3	5.2
Schroders - Property	5.2	5.2
Adams Street - Private Equity	17.3	12.1
HarbourVest - Private Equity	18.0	12.1
UBS - Infrastructure	-1.3	10.0
Equitix - Infrastructure	9.9	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.



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1 Tower Place West
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