PENSION FUND COMMITTEE
INVESTMENT SUB-COMMITTEE

Cambridgeshire County Council

Thursday, 11 September 2025

10:00

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

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

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 Quarterly Monitoring Report (Exempt)

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

9 Minutes - 26 June 2025 (Exempt Version)

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

10 Cambridge and Counties Bank (Exempt)

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

11 Equity Portfolio Review Update (Exempt)

- 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 Geoffrey Seeff (Chair) Councillor Alison Whelan (Vice-Chair) Councillor Imtiaz Ali Liz Brennan Councillor Stefan Fisher Councillor David Keane and Mr Howard Nelson

Clerk Name:	Nick Mills
Clerk Telephone:	01223 699763
Clerk Email:	nicholas.mills@cambridgeshire.gov.uk

Pension Fund Committee Investment Sub-Committee: Minutes (Public)

Date:	26 June 2025	
Time:	10.00am – 1.02pm	
Venue:	Red Kite Room, New Shire Hall, Alconbury Weald PE28 4YE	
Present:	Councillors S Fisher, D Keane, G Seeff (Chair) and A Whelan (Vice Chair); and H Nelson	
Advisers:	S Gervaise-Jones	Independent Adviser
	J Crowther and F Alves	Mercer
Investment Manager:	P Bolger	Executive Director IFM, Head of UK & Ireland
	M Fieguth	Executive Director IFM, Asset Management (Infrastructure)
	K Wojciechowska	Senior Associate IFM, Investor Relations
Observers:	Councillor M Black	Pension Fund Committee member and substitute representative on the ACCESS Joint Committee
	Councillor D Payne	Chair, Pension Fund Board

1. Notification of Chair and Vice Chair for 2025/26

The committee noted the appointment of Councillor G Seeff as the Chair of the Pension Fund Committee Investment Sub-Committee and Councillor A Whelan as Vice for 2025/26.

2. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Councillor C Boden and from L Brennan.

There were no declarations of interest.

3. Minutes – 27 February 2025 (Public)

The minutes of the meeting on 27 February 2025 were approved as an accurate record and signed by the Chair.

4. Minutes Action Log

The minutes action log was reviewed.

5. Petitions and Public Questions

One public question was received from Averil Parkinson, on behalf of the Cambridge Palestine Solidarity Campaign. A copy of the question and response is attached at Appendix 1.

6. Stewardship and Engagement Update

A stewardship and engagement update was submitted to the sub-committee on a quarterly basis. It included details of voting and engagement by investment managers in relation to the pension fund's current holdings. Of the three ACCESS pool sub-funds in which the Cambridgeshire Pension Fund currently invested there had been 118 occasions for investment managers to vote since the last report. Of these 118 votes, none were subject classified as Environmental, 18 were classified as Social and 100 were classified as Governance. Investment managers abstained from voting on 7 occasions, and cast 75 votes in favour of management proposals and 36 against. All votes were in line with ACCESS policy. There had been 38 engagement activities in the period covered by the report and further detail on these was included in Exempt Appendix A. There was significant interest around climate and conflict zone investments and all pension funds would have some holdings within this category as it included investments in multi-national companies.

The Chair asked whether any members wanted to discuss the information contained in the exempt appendix to the report. There were no requests to do so.

In discussion of the public report, individual members:

- suggested that the section on risk management should be made more prominent in future reports given the current geopolitical situation. Officers confirmed they would review this section to make sure it reflected current risks. **Action required**

- asked what action was taken if investment managers did not vote in line with Cambridgeshire Pension Fund policies. The sub-committee learned that investment managers were the experts and were trusted to know what was in the Fund's best interest, but were free to vote in the way they deemed best. This was usually in line with Fund policies, and when it was not they would explain why. The same approach was taken by the ACCESS pool.

It was resolved unanimously to:

a) note the report.

b) note the Climate Engagement Target List (CETL) outlined in Exempt Appendix A.

c) note the list of Fund investment companies operating in conflict zones in Exempt Appendix A.

7. Investment Current Topics – Quarter 1 2025

The Mercer representatives described the impact of current global political and economic events which had led to volatility within some investment markets. Equity markets had fallen during Quarter 1 on the assumption of lower profits and continuing uncertainty. The markets had settled following a pause in tariffs by the United States of America, with the next round of tariffs due to be announced in early July 2025. The value of private market assets was less impacted by this and it was judged that this was not a time to pause investment in private markets if Fund managers could identify suitable opportunities. As the Fund was a long term investor short-term market volatility would not necessarily drive decisions around its investments. The sub-committee's perspective on risk and time horizons were key considerations in its decisions around strategic asset allocation. Part of the criteria of the Government's Fit for the Future initiative was to create a greater focus on strategic asset allocation.

Individual members of the Sub-Committee raised the following issues:

- asked about the background to a steep decline in commodities. Mercer advised that the relatively low price of oil was a big factor in this. There had also been a lot of forward purchasing in Quarter 1 in anticipation of the introduction of tariffs, and demand had now dropped. Gold had been strong the previous year, but its position had now stabilised.

- observed that active engagement in markets offered opportunities for gain even when markets were in decline.

- commented that assurance was needed that there was strong cashflow management in place. The Funding and Investment Manager confirmed that a number of controls were in place and that the draft accounts would be available soon and would illustrate this. Mercer stated that cashflow should be managed to ensure the payment of benefits.

- questioned whether the American investment market was so large that it would be impossible to move away from it even if the level of risk or uncertainty became unacceptable. Mercer stated that the American markets had been robust for many years, but that there were now questions around this. Around 60-70% of equity markets were based in the United States (US) and the pension fund would look at how it controlled that risk. An analysis had been conducted previously around exposure to the US dollar and the sub-committee had been comfortable with that, but it was always something to be mindful of. At this point, the fund was in a reasonable position. Asset values had dropped in Quarter 1, but recovered slightly in Quarter 2. If US tariffs were relatively certain then the markets would adapt, but stability was key as the markets disliked uncertainty. Geo-political factors remained in a state of flux.

- asked whether it was likely that some US companies might move away from environment, social and governance (ESG) and equality, diversity and inclusion (EDI) considerations to gain favour with current United States administration. Mercer advised that ESG and EDI policies were in place to attract the best people to drive a business forward and so they were good business policies. They judged this was unlikely to change for many US business, although the rhetoric might be different. The issue of climate was more of an issue for the US market and this was an evolving situation. Mercer continued to think there was a challenge to preventing funds getting trapped value and so advocated a balanced view.

The report was noted.

8. Cambridgeshire Pension Fund Quarterly Monitoring Report (Public)

Mercer advised that pension fund liabilities had increased slightly in the first quarter of 2025 and assets had decreased slightly. The estimated funding level had decreased from 181% in December 2024 to 170% in March 2025, but these figures would be recast in line with the actuarial valuation date of 31 March 2025. Looking across the period since the last actuarial valuation in 2022 the estimated funding level had increased from 125% to 170% over three years. Overall, the fund had under-performed by around 1.2% against benchmark in Quarter 1 of 2025. JO Hambro had underperformed quite significantly in this period with some poor investment decisions and a performance update had been requested. BlueBay had also underperformed, but were seen as offering good balance when equity markets performed poorly. During the same period both M&G and Dodge & Cox had overperformed against benchmark. The release of the DeepSeek artificial intelligence (AI) tool had impacted the major technology companies which had in turn had impacted the market. Property managers were mostly under performing in the short-term, but looking longer term both private equity and infrastructure mandates had shown a good performance.

The Chair asked whether any members wanted to discuss the information contained in the exempt appendix to the report. There were no requests to do so.

In response to questions the sub-committee learned that Government was understood to be considering requiring local government pension funds to increase their investment in the infrastructure asset class. At present around 6.6% of the Cambridgeshire Pension Fund's investments were within this class, compared to Government's ambition of 10%. Mercer advised that this target was likely to be implemented over a period of two to four years as deploying money into the market would take time. It was understood that Government also wanted to encourage more investment in small and medium sized enterprises (SMEs), and it was noted that the Cambridgeshire Pension Fund already held quite significant investments in SMEs within the United Kingdom. Further details were expected in the Pensions Bill.

The report was noted.

9. Exclusion of Public and Press

The sub-committee resolved unanimously that the public and press be excluded from the remainder of the meeting on the grounds that the agenda contained 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 any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

10. Cambridgeshire Pension Fund Quarterly Performance Report: (Confidential)

Mercer provided an overview of the confidential Cambridgeshire Pension Fund Quarterly Performance Report.

The report was noted.

11. Minutes – 27 February 2025 (Confidential)

The confidential minutes of the meeting on 12th September 2024 were approved as an accurate record and signed by the Chair.

12. Equity Portfolio Review (Confidential)

The Investment Sub-Committee received and discussed a review of the Cambridgeshire Pension Fund Equity Portfolio presented by Mercer.

It was resolved unanimously to:

a) note the report and presentation from Mercer.

b) approve recommendation b).

c) approve recommendation c).

The meeting was adjourned between 11.50am to 12.00pm.

[Councillor Whelan left the meeting at 11.50am]

13. IFM Presentation (Confidential)

The Investment Sub-Committee received a report and presentation by Phelim Bolger, Executive Director of IFM and Head of IFM UK and Ireland, Max Fieguth, Executive Director IFM, Asset Management Infrastructure (airports) and Kasia Wojciechowska, Senior Associate at IFM (Investor Relations).

The report and presentation from IFM was noted.

(Chair)

Appendix 1

Pension Fund Committee Investment Sub-Committee - 26 June 2025

Item 3: Public Questions and Petitions

Question from:	**Question/ comment:**
Averil Parkinson Cambridge Palestine Solidarity Campaign	We note from the reply of the County Council Pension Fund Committee to a question brought on 19th December 2024 that it will be reviewing and consulting on its Investment Strategy Statement this year, and that an update on the process will feature on the Agenda of the Investment Sub Committee meeting 26th June. We note also the engagement activities that take place in connection with pool holdings, summarised as a Stewardship Report within the public part of the ISC meeting, and that they say 'The ISC may consider at its next meeting whether it wishes to analyse further its exposures to certain business enterprises and any associated engagement activities'. The context right now in relation to Environment Social and Governance factors affecting investments is the enormity and extreme urgency of the Genocide in Gaza. The suffering not just from massive military bombardment but also deliberate gratuitous cruelty is beyond anything any of us have experienced or had to witness. Public support for divestment of local authority pension funds is growing (example here from Yorkshire https://www.msn.com/en-gb/money/other/thousands-call-for-halt-to-south-yorkshire-pension-fund-investment-in-israel-and-arms-firms/) New polling shows the British public strongly backs a range of sanctions on Israel, and locally a motion was passed in Peterborough on 18th June calling for divestment from companies enabling illegal occupation and grave violations of human rights https://x.com/i/status/1935730067327295917 . Our PSC group has witnessed a huge growth of public awareness across Cambridgeshire leading to vocal support for Palestinian rights justice and freedom. Divestment is a significant tool for achieving that. Question: Will the Investment Sub-Committee choose to do this work, and proactively engage also with pension holders and constituents, whereby the necessary up-to-date information can be shared with a view to finding a rapid pathway towards divesting from companies complicit in war crimes and genocide? We include 'constituents' here as the County Council makes investments as a public body which is accountable to its constituents, and which has a responsibility not to be complicit in grave violations of

Question from:	Question/ comment:
	international law. Within this frame we refer particularly to violations developed now to such extremes by Israel, that parties to the Genocide Convention, which the UK is, should be looking at their legal and other obligations.
Response from:	**Response:**
Councillor Geoffrey Seeff, Chair, Pension Fund Committee Investment Sub-Committee and Mark Whitby, Head of Pensions	Thank you for your question. You will know from our documented investment strategy that the Cambridgeshire Pension Fund's (CPF) overriding duty is to ensure that our obligations to pension scheme members are met in full. We have a robust policy of ensuring that, as far as practical and possible, all classes of assets in which we invest operate to established environmental, social and governance (ESG) guidelines and demonstrate high ethical standards. As regards your specific concerns, you will have seen from the published Agenda Item 6 Stewardship and Engagement Update - Section 7 that we have in fact examined whether companies in which we do invest have business activities in Israel and we report that, whilst we have no direct investments in Israeli companies, some of the multi-national companies we deal with do have a commercial presence there. The estimated value of CPF holdings in these companies is less than 4% of the Fund's value whilst the extent of their own interests in Israel will be diverse and is likely to represent a very small proportion of their global assets. This committee will in due course be revisiting its investment strategy, taking advice from our officers, investment managers and other professional advisers, and we will be looking at a range of ESG criteria, which will include your concerns. As a precursor to that we will be consulting with representatives of employers and members of the Pension Fund. The CPF has a legal responsibility to consult on its investment strategy with relevant stakeholders. Prior to that we intend to consult on the ESG views of pension scheme members. The Scheme Advisory Board on 17 September 2024 issued national guidance which includes who we should consult. It also stated that when acting within their fiduciary duty the Administrative Authority committee is obliged to limit itself to acting in the best interests of scheme members, and that the views of local residents generally on ESG matters is not relevant. So, the first consultation will be with scheme members, and we will explain in the report the rationale for that decision and then later in the year we will consult on the full policies when they have been produced.

CAMBRIDGESHIRE
PENSION FUND

Cambridgeshire Pension Fund Investment Sub-Committee Minutes Action Log
11 September 2025

Investment Sub-Committee meeting held on 26 June 2025				
Item No.	Action	Action to be taken by	Comments	Status
144.	Stewardship and Engagement Update In discussion of the public report, individual members: suggested that the section on risk management should be made more prominent in future reports given the current geopolitical situation. Officers confirmed they would review this section to make sure it reflected current risks.	Ben Barlow	Officers are looking at how best to present this information and will provide an update at the Investment Sub-Committee meeting in December 2025.	In progress

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 4

To:	Investment Sub Committee
Meeting date:	11 September 2025
Report by:	Mark Whitby Head of Pensions Mark.Whitby@WestNorthants.gov.uk
Subject:	Stewardship & 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; and b) Delegate authority to approve and sign off the 2024/25 Stewardship Code submission to the Head of Pensions, in consultation with the Chair and Vice-Chair of the Pension Fund Investment Sub-Committee.
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 Integrating ESG is an important part of the Fund's long-term risk management strategy to counter the threat of climate change. The risk of stranded assets, increased volatility from environmental disruption, and poor corporate governance highlight the need for proactive ESG considerations.

1.3 By embedding these considerations into stewardship practices and investment decisions, the Fund both mitigates risk and protects the sustainability of returns.

1.4 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.

1.5 To promote good stewardship and ensure the diligent monitoring of engagement activities, this report is presented to the Investment Sub-Committee (ISC) on a quarterly basis.

1.6 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:

(i) Exercise our rights as owners of investments by actively participating in company level decisions tabled as shareholder votes at General Meetings.

(ii) Engage with companies where there are concerns over ESG issues.

(iii) 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.

(iv) Report on their voting activity on a regular basis, with ACCESS Pool managers required to report on a monthly basis.

1.7 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 ISC on:

(i) The Fund's voting activity during the three months to 31 March 2025 for assets held within the ACCESS pool.

(ii) A summary of engagement activity on behalf of the Fund by ACCESS sub-fund managers covering the period between January and March 2025.

(iii) A summary of engagement with investment managers directly by the Fund covering the period between April and June 2025.

(iv) A summary of the Local Authority Pension Fund Forum (LAPFF) engagement and voting activity for the period between April and June 2025.

2.3 Officers are preparing a submission to the Financial Reporting Council (FRC) to remain a signatory to the Stewardship Code for the 2024/25 reporting year.

2.4 Officers require the committee to delegate authority to the Head of Pensions, in consultation with the Chair and Vice-Chair of the Investment Sub-Committee, to approve and sign off the Stewardship Code submission.

2.5 Officers have continued to share the LAPFF voting alerts with managers to understand their voting plans regarding each alert.

2.6 Further information on specific stewardship and engagement activities summarised in this report is available from Officers on request.

3 Voting

3.1 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.

3.2 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.

3.3 A summary of the voting activity for the three months ending 31 March 2025, 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	9	138	16	23
J O Hambro - WS ACCESS Global Equity – JOHCM	3	70	10	1
Longview - WS ACCESS Global Equity	3	26	30	0
	15	234	56	24

3.4 During the three months ending 31 March, there were 15 company Annual General Meetings (AGMs).

3.5 Of the three ACCESS sub-funds in which the Cambridgeshire Pension Fund invests, there were 314 occasions to vote for the investment managers. There were 24 instances where votes were not cast, or managers chose to abstain from voting. Of the votes cast, 234 were for and 56 against management proposals.

3.6 Of the 314 votes cast, 7 were subject classified as Environmental (E), 1 was classified as Social (S) and 305 were classified as Governance (G). Following committee feedback regarding the disproportionately high number of votes under the G category, officers exercised additional diligence in the classification process to ensure accurate and consistent categorisation of votes.

3.7 Governance includes issues such as board structure, election of directors and remuneration. One example of this is when JO Hambro voted to approve the remuneration policy.

3.8 Social issues include political donations, anti-slavery and workers' rights. Longview voted against the authorisation of political donations.

3.9 Environmental issues include ESG initiatives, climate reporting and assessments. One example of this was Dodge and Cox voting on the election of someone as the Chair of the organisation's Sustainability, Climate Action, Social Impact and Diversity Committee.

3.10 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.

4 Engagement Activities – ACCESS Pool

4.1 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.

4.2 At 31 March 2025, the Fund's ACCESS investment managers held a total of 164 assets and held 10 confirmed engagements with companies within the reporting period. There were 4 engagements on environmental topics, 1 on a social topic and 5 relating to governance.

4.3 A summary of engagements by managers covering the three months to 31 March 2025 is shown below. Please refer to the exempt Appendix 1 for the company engagement examples.

Manager	Number of Assets	Types of Engagement		
		Environmental	Social	Governance
Dodge and Cox	95	2	1	3
Longview	32	0	0	2
JO Hambro	37	2	0	0

5 Voting and Engagement – Passive Funds

5.1 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, and the report is available on request.

5.2 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, in early 2022 and on an annual basis since, 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.

6. Stewardship Code 2024/25

6.1 Officers have begun work on becoming a signatory to the Financial Reporting Council (FRC) Stewardship Code for the 2024/25 period.

6.2 The Fund is currently a signatory after a successful submission in 2023/24.

6.3 The Code comprises a set of 12 'apply and explain' Principles for asset managers and asset owners.

6.3 This year is a transition year as the FRC replace the Stewardship Code 2020 with the Stewardship Code 2026 which launches in January 2026. The aim of the revised code is to reduce the reporting burden on signatories.

6.4 Due to this transition, interim measures have been put in place for reporting this yearm, which means that signatories can refer back to their previous report for context, and do not have to provide activity and outcome examples for principles 1, 2, 5 and 6. This also means that if this years submission is unsuccessful, the Fund will remain a signatory to the code through until 2026.

6.5 Officers require the Committee to agree to the approval and sign off of the submission to be undertaken by the Head of Pensions, in consultation with the Chair and Vice-Chair of the committee.

7. Local Authority Pension Fund Forum

7.1 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.

7.2 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.

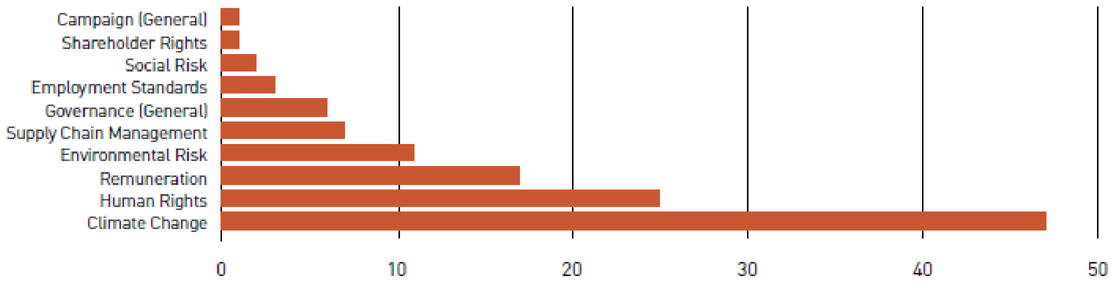
7.3 The following table is a summary showing the companies and topics which LAPFF has engaged between April and June 2025 including where voting alerts have been issued. The full quarterly report can be accessed via the LAPFF's website.

Company/Index	Activity	Topic	Outcome
ABBVIE INC	AGM	Environmental Risk	No Improvement
ANGLO AMERICAN PLC	Meeting	Climate Change	Dialogue
ANTOFAGASTA PLC	Meeting	Climate Change	Moderate Improvement

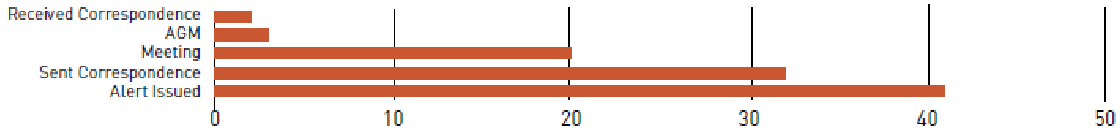
ARCELORMITTAL SA	Meeting	Climate Change	Moderate Improvement
COMPAGNIE FINANCIERE RICHEMONT SA	Received Correspo ndence	Human Rights	Small Improvement
DANONE	Meeting	Social Risk	Small Improvement
DRAX GROUP PLC	AGM	Climate Change	Dialogue
FREEPORT-MCMORAN INC.	Meeting	Environmental Risk	Dialogue
GLENCORE PLC	Meeting	Climate Change	Moderate Improvement
HON HAI PRECISION INDUSTRY CO LTD	Meeting	Climate Change	Change in Process
INFINEON TECHNOLOGIES AG	Meeting	Remuneration	Awaiting Response
INTERCONTINENTAL HOTELS GROUP PLC	Meeting	Remuneration	Dialogue
LOCKHEED MARTIN CORPORATION	Meeting	Human Rights	Change in Process
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	Meeting	Human Rights	Moderate Improvement
MARKS & SPENCER GROUP PLC	Meeting	Employment Standards	No Improvement
MONCLER SPA	Meeting	Human Rights	Moderate Improvement
PHOENIX GROUP HOLDINGS	Meeting	Human Rights	Small Improvement
PT BANK RAKYAT INDONESIA	Meeting	Climate Change	Change in Process
SHELL PLC	AGM	Climate Change	No Improvement
SHELL PLC	Meeting	Climate Change	Dialogue
STANDARD CHARTERED PLC	Meeting	Remuneration	Dialogue
TAIWAN SEMICONDUCTOR MFG CO	Meeting	Climate Change	Change in Process
TAYLOR WIMPEY PLC	Meeting	Climate Change	Moderate Improvement
VANGUARD INTL SEMICONDUCTOR	Meeting	Climate Change	Small Improvement
WESTPAC BANKING	Received Correspo ndence	Human Rights	Small Improvement

7.3.1 LAPFF engagement data for the reporting period is below;

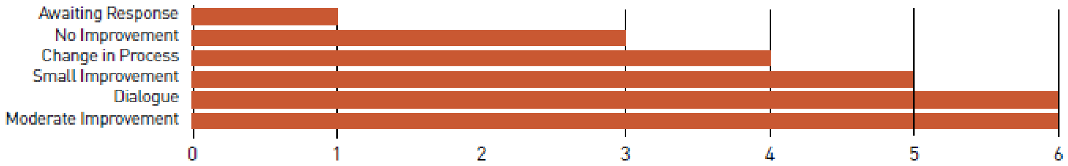
ENGAGEMENT TOPICS



ACTIVITY



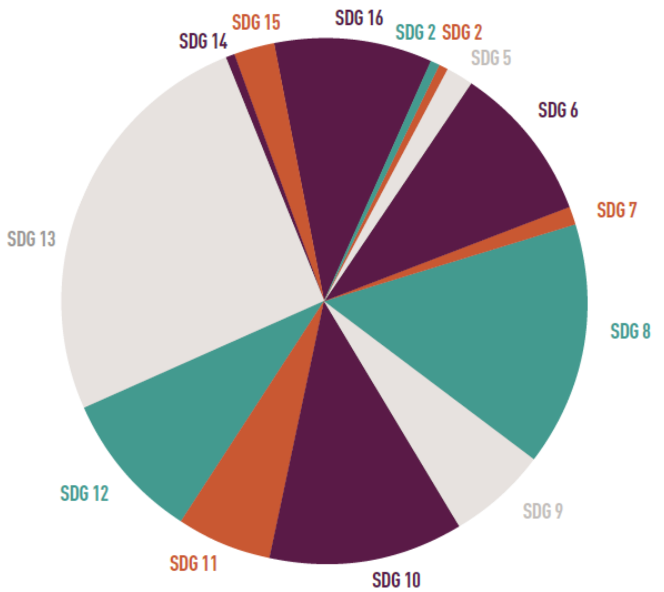
MEETING ENGAGEMENT OUTCOMES*



*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

7.3.2 An example of the engagement LAPFF has carried out during the period is provided in the exempt Appendix 1.

7.3.3 The chart below illustrates LAPFF engagements categorised by Sustainable Development Goal (SDG) topics, with the accompanying table detailing each SDG goal and the corresponding number of engagements represented.



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	0
SDG 2: Zero Hunger	1
SDG 3: Good Health and Well-Being	1
SDG 4: Quality Education	0
SDG 5: Gender Equality	3
SDG 6: Clean Water and Sanitation	16
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	25
SDG 9: Industry, Innovation, and Infrastructure	10
SDG 10: Reduced Inequalities	20
SDG 11: Sustainable Cities and Communities	10
SDG12: Responsible Production and Consumption	15
SDG 13: Climate Action	43
SDG 14: Life Below Water	1
SDG 15: Life on Land	4
SDG 16: Peace, Justice, and Strong Institutions	16
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

7.4 Voting Alerts

7.4.1 LAPFF issued 42 voting alerts for three-month period to June 2025.

7.4.2 Officers have been sharing the LAPFF voting alerts (via Waystone) with equity managers to understand their voting plans regarding the alerts.

7.4.3 Of the 42 alerts distributed, only Dodge and Cox held one of the relevant stocks. They have confirmed that they will adhere to the ACCESS proxy voting policy with regard to the alert.

8. Recommendations

8.1 That the Investment Sub Committee:

8.1.1 Notes the report.

8.1.2 Delegates authority to approve and sign off the 2024/25 Stewardship Code submission to the Head of Pensions, in consultation with the Chair and Vice-Chair of the Pension Fund Investment Sub-Committee.

9. Relevant Pension Fund objectives

9.1 To ensure compliance with the LGPS Regulations and other legislation and guidance, including the Pensions Regulator's Code of Practice.

9.2 To manage the Fund in a fair and equitable manner and be accountable to the Fund's stakeholders.

9.3 To ensure individuals responsible for managing the Fund and delivering its services have the appropriate knowledge and expertise.

9.4 To ensure robust processes, controls and risk management are in place.

10. Implications (including financial implications)

10.1 Resources and financial

10.1.1 There are no resource implications arising from the proposals in this paper.

10.2 Legal

10.2.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

10.2.2. Squire Patton Boggs have reviewed the paper for legal implications.

10.3 Communication

10.3.1 None

11. Risk management

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

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

RISK MITIGATED	RESIDUAL RISK
Failure to respond to changes in economic conditions.	Amber
As long-term investors, the Fund believes climate risk has the	Amber

potential to significantly alter the value of the Fund's investments.	
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.

12. Consultation

12.1 Not applicable

13. Background papers

13.1 None

14. Appendices

14.1 Appendix 1 (Exempt) – Stewardship and Engagement Report

Mercer

welcome to brighter

LGPS Investment Current Topics

July 2025

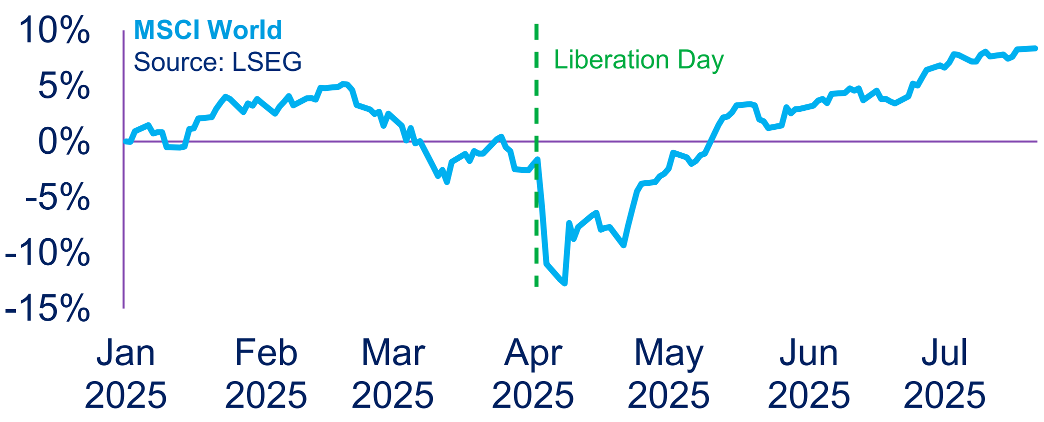
A business of Marsh McLennan

1. Market Update - 2025 Year to Date
2. Diversification – why is it important now and where to find it
3. Net Zero Initiatives Update 2025

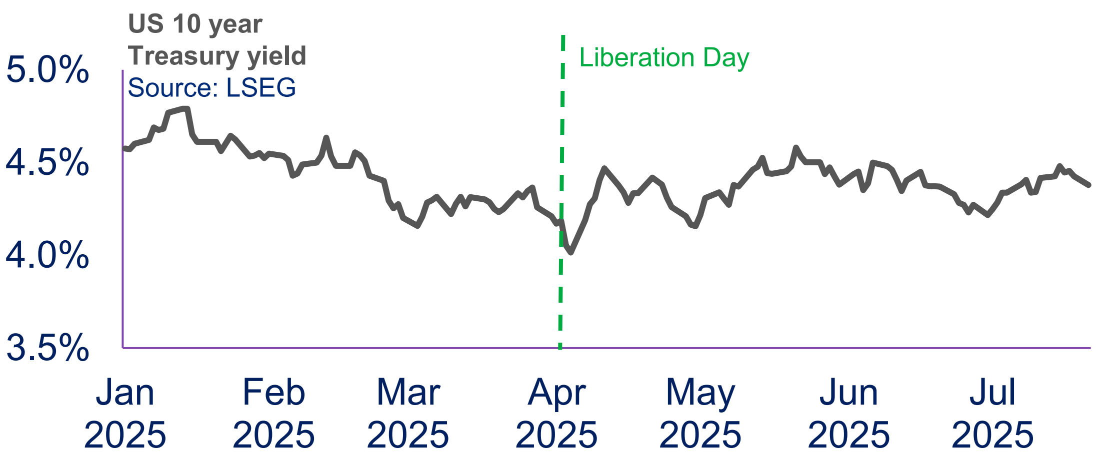
Agenda

Market Update - 2025 Year to Date

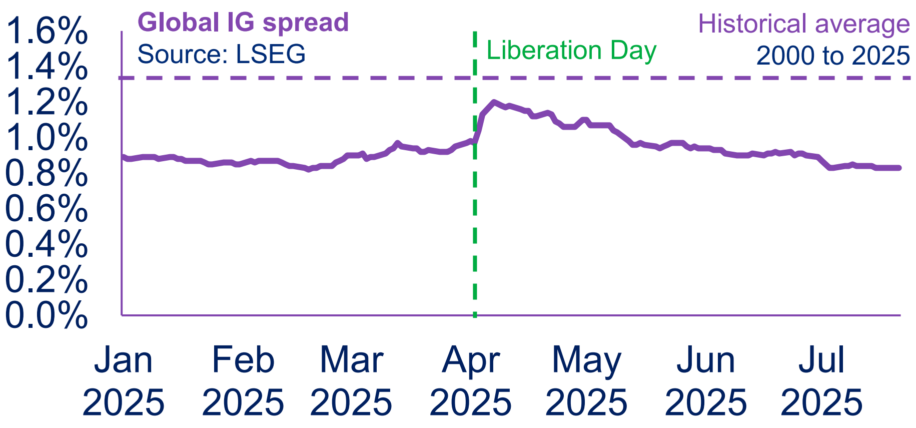
Equity markets
2025 Year to Date



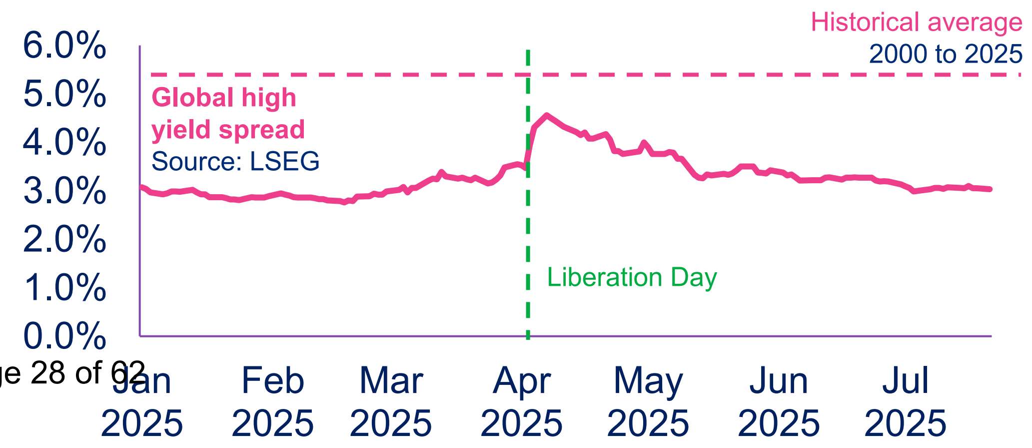
US treasury yields
2025 Year to Date



Global IG spreads
2025 Year to Date



Global high yield spreads
2025 Year to Date



2025 Global Outlook

Worst-case scenarios have eased but material uncertainty remains

Growth

Global economy to slow following tariffs by the US on global trading partners

US likely fall into a mild recession as tariffs will lead to a large fiscal tightening while EU, China embarking on fiscal loosening

Inflation

US Inflation likely to move modestly higher in the near term as tariffs lead to a one-off spike in price levels.

Wage growth is slowing and labour markets broadly balanced which should underpin structural inflation

Central Banks

The Fed will want to assess the impact of tariffs and **proceed cautiously** in the near term.

The **ECB may continue to cut** but at a slower pace. The **BoE may want to see more progress on inflation**.

Risks

There is **heightened uncertainty** for markets due to tariffs and it is **unlikely this will fade** in the near term.

US announcement on 9 April and 12 May to pause reciprocal tariffs mean the **worst-case scenario for growth has eased**

2025 Market Outlook

Equities

The outlook for equities looks more bearish given market pricing of earnings remains above historical average levels. We expect earnings to be weaker and equities more sensitive due to high valuations

Growth Fixed Income

Corporate balance sheets in reasonable place coming into this period. However financial conditions are tightening, and should defaults start to rise it will likely lead to some **widening in spreads from historically tight levels**

Defensive Fixed Income

Long gilt yields attractive from a valuation perspective as offering yields not seen since the 1990s.

Investment grade spreads are relatively tight, given the uncertain outlook

Currencies

US dollar weakness likely continue given slowdown in US growth. USD came into this with high valuations

Japanese yen, euro are cheap and are expected to benefit from valuation rerating and narrowing of growth differential

Diversification – why is it important now and where to find it

Why is Diversification Valuable?

A range of benefits

Portfolio Efficiency

- By accessing a wider range of risk and return drivers, diversified portfolios are more efficient at converting risk into return
- In technical terms, this means a portfolio with a higher Sharpe ratio (return ÷ volatility)

Controlling Exposure Concentrations

- By diversifying across asset classes, investment styles and managers, investors are less exposed to any one element of the portfolio underperforming

Regime Resilience

- Given higher initial valuations, equity-heavy portfolios will be hard pressed to deliver risk-adjusted returns as high as seen in the last decade
- Diversified portfolios can be built to deliver more consistent returns across a range of economic environments

More Ways to Win

- By spreading risk and return across strategic allocations, dynamic positions and active management, diversified portfolios have more ways to win and are not reliant on the success of a single strategy or asset class

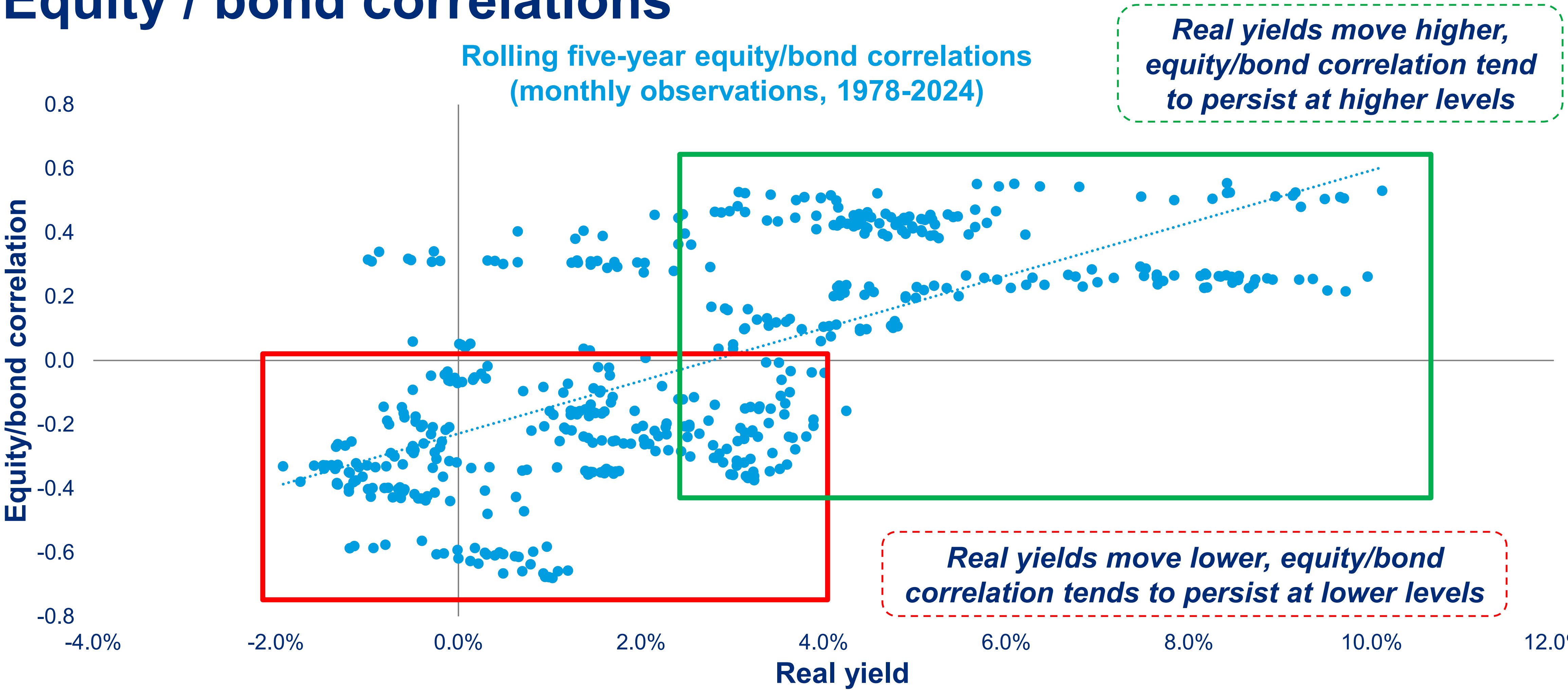
Scenario Protection

- Portfolios that incorporate exposure to a wide range of risk factors and growth drivers can hold up better in stress scenarios

Compounding Returns

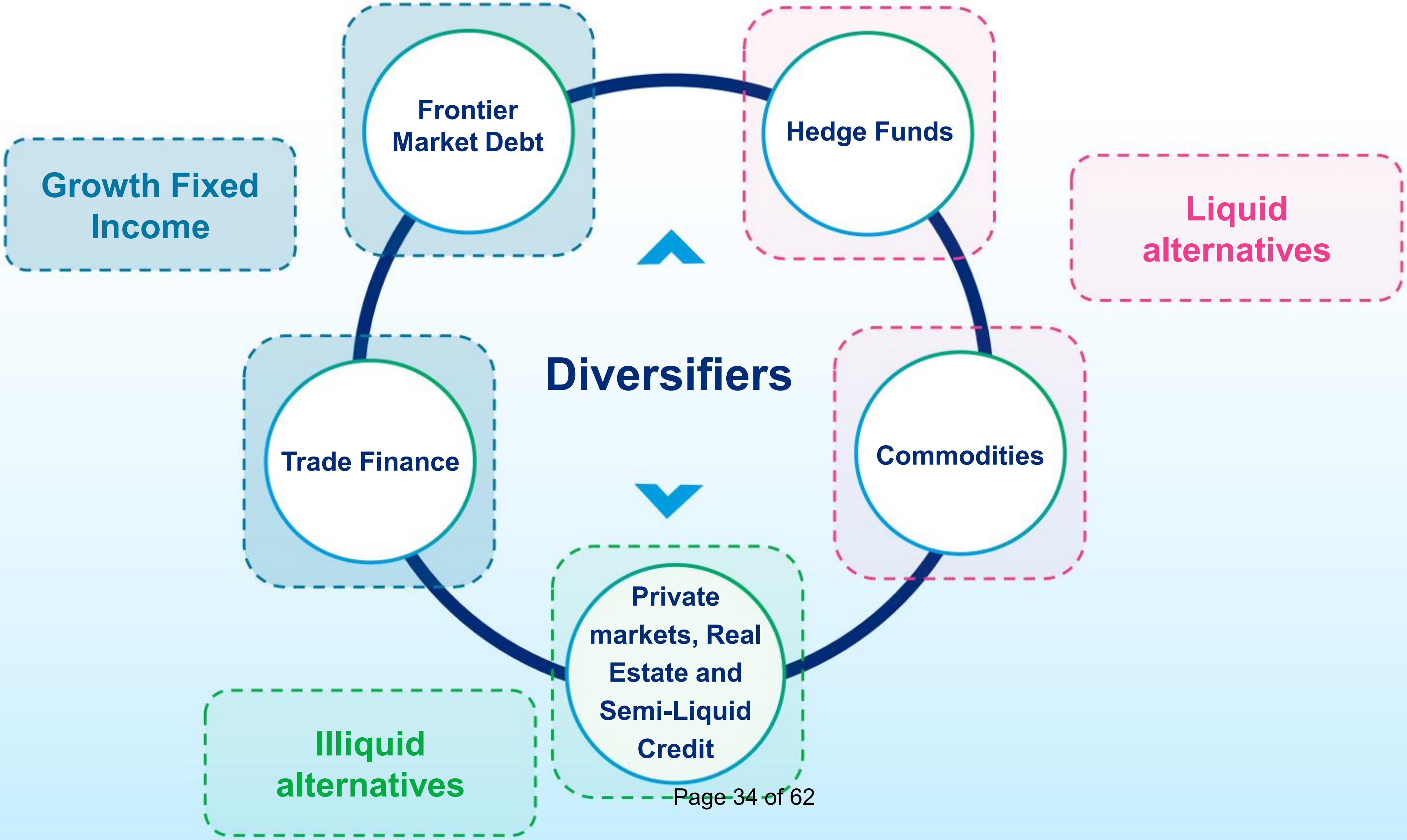
- Diversified portfolios typically have lower volatility and can therefore compound returns more efficiently than concentrated, higher risk portfolios

Equity / bond correlations



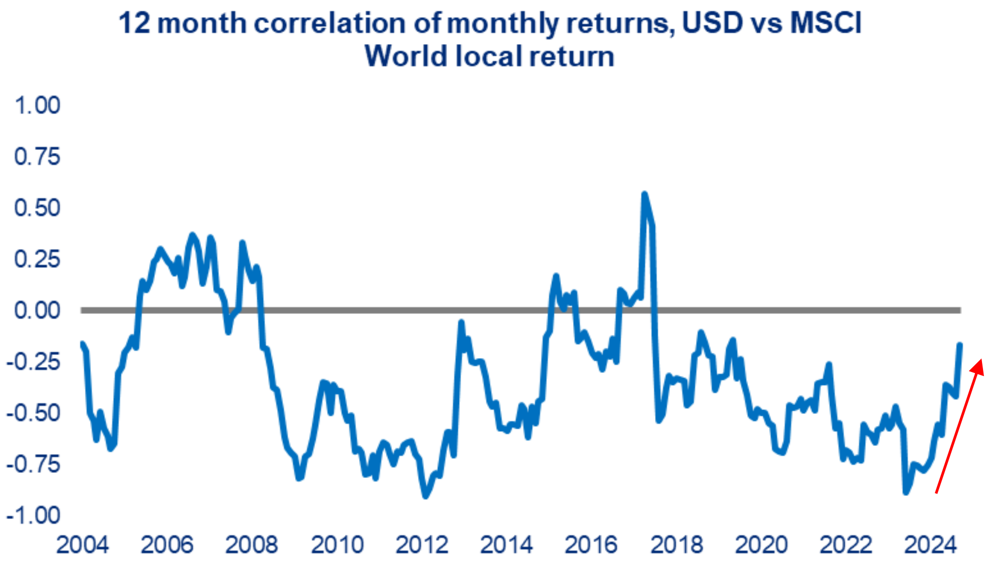
Over the long term, equities and bonds have been positively correlated more often than not. Particularly when inflation is higher. This means portfolios need to include strategies other than equities and bonds to gain diversification.

Where to find diversification?

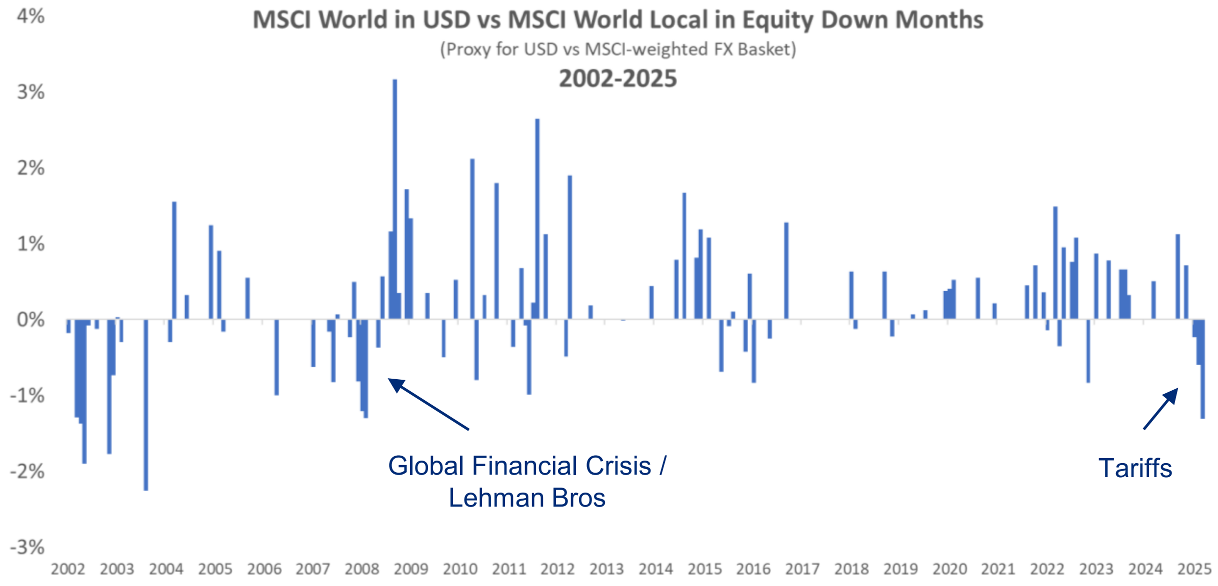


Mercer

Risk Diversification Benefits of USD are Falling



Source: Refinitiv, Mercer. Data as of March 31, 2025.



Source: Refinitiv, Mercer. Data as of March 31, 2025.

- For non-USD investors, the risk reduction and diversification from leaving FX exposure unhedged is largely a product of the negative (short-term) correlation between equity market and USD performance.
- For the last decade it has been characteristic that when equity markets sell off, USD rallies – this dampens portfolio drawdowns for non-US equity investors. Most non-USD investors have also benefited from USD appreciation, alongside strong returns for USD-denominated asset over this period.
- **Over the last year, the negative correlation has faded** and during 2025 YTD, the focus on US Tariff proposals has seen USD falling when equities sell off.
- Partly as a result, non-USD investors are paying more attention to the size of their structural USD exposure.

The volatility reducing benefits of FX exposure are falling as the USD's negative equity correlation weakens. We see this as a prime opportunity to revisit clients' currency hedging policy.

Conclusions for Risk-focused FX Exposure Management

- **In recent years, low hedge ratios have benefited investors.** USD has appreciated against most other DM currencies over the last 15 years, so for non-USD investors, unhedged portfolios have earned higher returns as well as experiencing lower volatility.

- **However, there are signs that this regime of USD supremacy may be coming to an end. Looking forward, we believe:**
  - *Investors should place less reliance on USD exposure for its risk reduction potential*. The risk dampening effect of unhedged USD exposure arises from its negative correlation with equity markets. While this has been the case for most of the post-GFC period, this relationship is not a permanent feature of market behaviour and has weakened over the last year.
  - *Investors should not assume USD will continue to strengthen*. From a position of relative cheapness 15 years ago, it is now expensive on a trade-weighted basis. It also faces a number **of structural threats and headwinds** including the impact of disruption to trading relationships from tariffs, and the ongoing need to fund growing US budget deficits.
  - While too early to call with certainty, it is possible we are entering an environment under which USD exposure **provides less risk reduction** and **has greater potential to depreciate.**

- We conclude that:
  - Non-USD investors who do not currently implement any currency hedging should **review their FX policy and its rationale.**
  - Non-USD investors with a currency hedging policy in place should **consider increasing hedge ratios** / reducing USD exposure.

Net Zero Initiatives Update 2025

What's the Issue?

Headlines on Asset Managers departing Collaborative Climate Initiatives

Departures from CA100+

Climate Action 100+

- Asset managers JPMorgan, State Street Global Advisors and PIMCO withdrew from the initiative in 2024 and BlackRock announcing its withdrawal from the NZAMI in January 2025. The asset manager stated that 'BlackRock's active portfolio managers continue to assess material climate-related risks, alongside other investment risks.[1]' The move comes as CA 100+ enters phase[2], which focuses on shifting from corporate climate-related disclosure to the implementation of climate transition plans.
- Positions taken by asset managers across the US reflect not only their fiduciary obligations to act in their clients' best interests, but also the challenges of navigating a federal system where individual states, in addition to the federal government, have the ability to regulate activities occurring in their state or with state assets.

1. Source: . https://www.ft.com/content/f0fb9841-db1d-442e-a757-1a1327497fb1
2. Source: https://www.climateaction100.org/news/climate-action-100-announces-its-second-phase/

Joiners and departures of NZAMI

Net Zero Asset Managers Initiative

- 'Recent developments in the U.S. and different regulatory and client expectations in investors' respective jurisdictions have led to NZAMI launching a review of the initiative to ensure NZAMI remains fit for purpose in the new global context. Signatories will be consulted throughout the review process and informed of any updates in a timely and transparent fashion.'
- UK asset manager, Baillie Gifford, departed from both CA100+ and NZAMI in November 2024, saying participating in collaborative climate initiatives risks "distracting from our core responsibilities"; this is along with BlackRock and Vanguard as two of the largest asset managers who have exited the initiative.
- NZAOA has seen no major exits by asset owners outside of the departure of 'Pensioenfonds Detailhandel' at the end of 2024 which attributed departure to lack of resourcing to support the needs of the coalition. It remains commitment to its Net Zero targets[3].

3. Source: https://www.responsible-investor.com/dutch-pension-fund-quits-net-zero-asset-owner-alliance/

Whilst these departures are grabbing headlines, investors should focus on their asset managers' stewardship priorities and broader engagement activities, rather than membership of specific groups (which may be driven by other motives)

Mercer

CA100+ - Climate Action 100
NZAMI – Net Zero Asset Manager Initiative
NZAOA – Net Zero Asset Owner Alliance

What Actions can Funds take?

Review Fund Responsible Investment Beliefs

- In the lead up to Funds reviewing their investment strategy and ISS's, Funds should review their responsible investment beliefs (and investment beliefs) ahead of detailed strategy discussions to ensure policy documents reflect Committees views. This will allow Funds to clearly set objectives for their pools including their sustainability-related expectations of the underlying asset managers.

Review decarbonisation Targets

- Funds may wish to review short term / interim targets following analysis and discussions with asset managers.

Analytics for Climate Transition (ACT)

- Funds should conduct their own, independent analysis of investment portfolio climate metrics to effectively engage with asset managers and pools.

Climate Scenario Analysis

- Investors should look to quantify the long-term financial implications that Climate Change could have on the sustainability and affordability of the Fund.

Stewardship

- Investors should actively engage with their asset managers to gain a clear understanding of the stewardship and engagement activities they are undertaking on climate issues. Investors should also consider how the actions of their assets managers align with their own investment principles, policies and objectives.

Questions to ask your investment manager include:

- Are managers taking an active approach to engaging with companies on climate/other ESG matters, specifically regarding corporate disclosures, climate transition plans and metrics?
- What are managers' stewardship priorities? Do these align to asset owner priorities? How are managers evidencing their stewardship outcomes?
- Are they signatories or participants of collaborative industry initiatives (including but not limited to Climate Action 100+)?

Mercer

Cambridgeshire Pension Fund

Monitoring Report Quarter to 30 June 2025

Chris West

August 2025

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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

Contents

Overview

1

Executive Dashboard

Funding

The present value of the Fund's liabilities decreased over the quarter by £20m to £2.8bn.

The Fund's assets (including cash) increased over the quarter by £115m to £5.0bn as at 30 June 2025 and have increased by £202m over the last twelve months.

Estimated funding level

- 30 June 2025: 176%,
- 31 March 2025: 171%,
- 31 March 2022: 125%

31 March 2022 shown as the date of the previous actuarial valuation.

**** Funding levels from 31 March 2025 onwards will be restated following completion of the latest actuarial valuation.***

Asset Allocation

Over the quarter, additional capital was called from two of the Fund's managers:

- Stafford International (Timberland) called $1.8m of additional capital
- Foresight (Private Equity) called £2.6m of additional capital.

Overweight	Underweight
Equities +3.2%	Alternatives -2.6%
	Fixed Income -0.6%

Performance

Short Term Performance

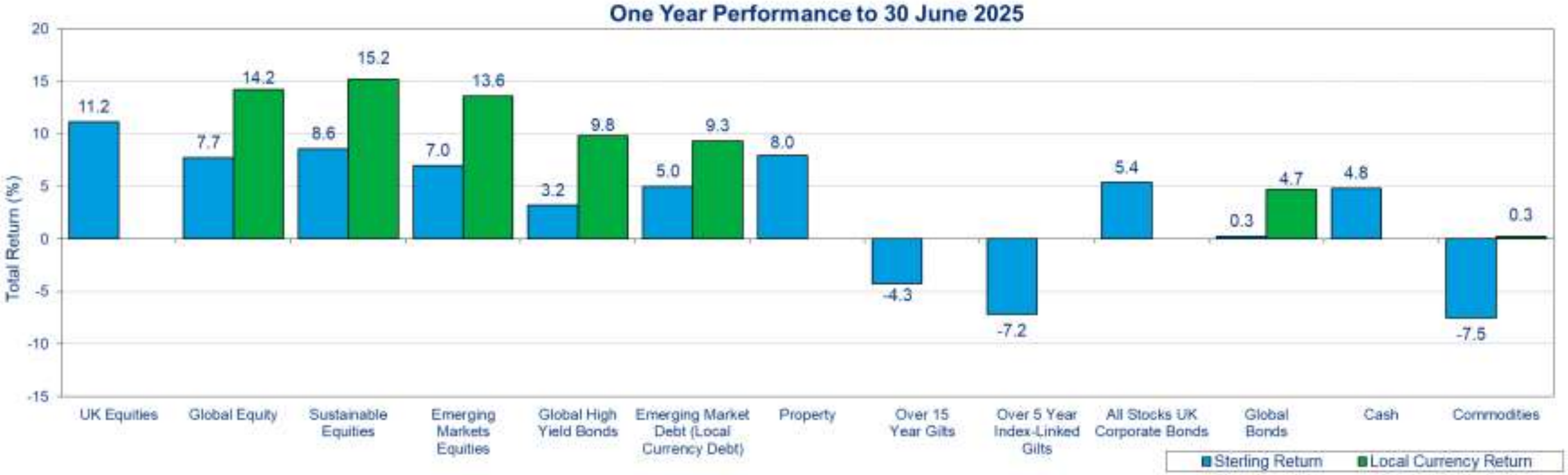
The Fund underperformed the benchmark over the quarter (returning 2.4% vs 3.8%).

Key Contributors to Relative Performance – Quarter

- Private Equity **-1.0%**
- Longview **-0.5%**
- JO Hambro **+0.2%**

Market Index Performance

Source: LSEG Datastream.

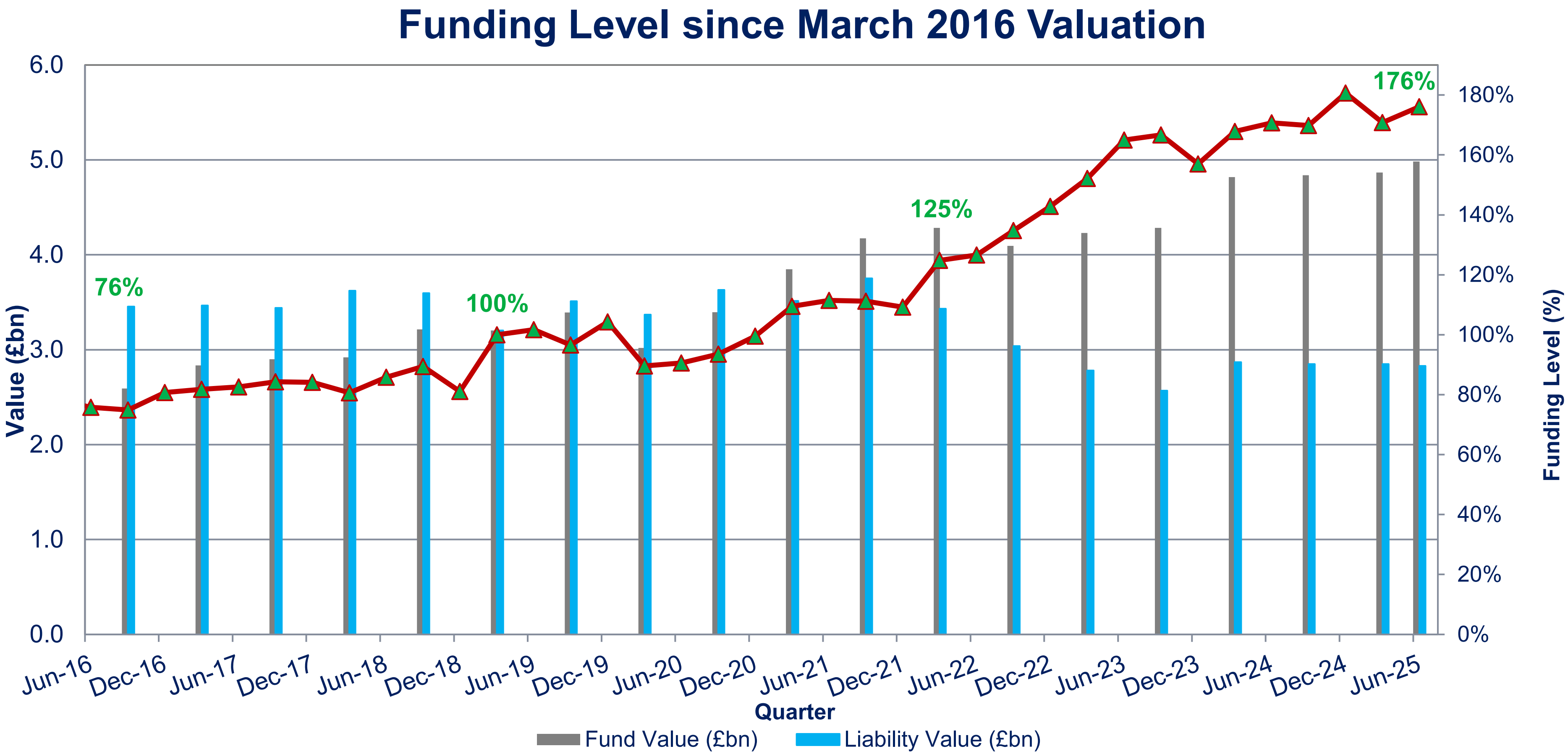


Source: LSEG Datastream.

Total Fund Summary

2

Funding



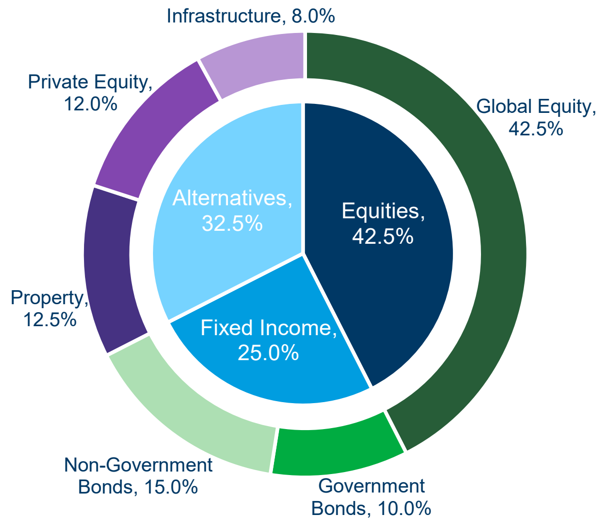
Source: Hymans Robertson & WM Performance Reports. Figures do not precisely reconcile with the Hymans Robertson Funding report due to differences in the total asset value. The Funding Level is a ratio of assets to liabilities.

Asset Allocation

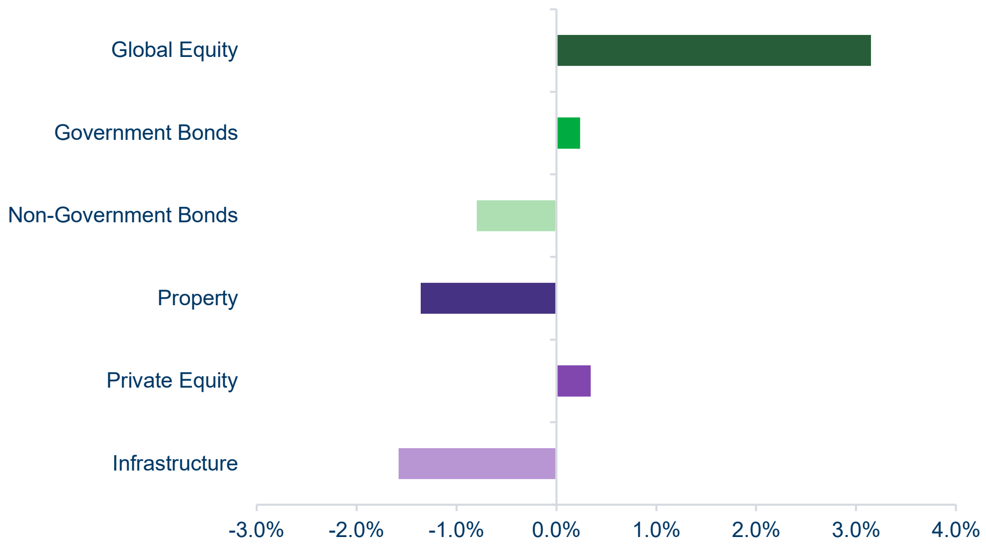
	31/03/2025 Market Value (£M)	30/06/2025 Market Value (£M)	31/03/2025 Allocation (%)	30/06/2025 Allocation (%)	30/06/2025 B'mark (%)
Total Invested Assets	**4,820.9**	**4,925.5**	**100.0**	**100.0**	**100.0**
Equities	2,129.9	2,249.0	44.2	45.7	42.5
Fixed Income	1,189.1	1,203.8	24.7	24.4	25.0
Alternatives	1,501.9	1,472.7	31.2	29.9	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. £46.4m at the start of quarter and c. £56.4m at the end of quarter).
Benchmark allocation reflects the Fund's agreed investment strategy. However, some deviation is expected 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 2025



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.

Investment Performance (Net of Fees)

Fund and benchmark returns (%)	3 Mth	B'mark	1 Yr	B'mark	3 Yrs (p.a.)	B'mark (p.a.)	5 Yrs (p.a.)	B'mark (p.a.)	10 Yrs (p.a.)	B'mark (p.a.)
Total	**2.4**	**3.8**	**4.3**	**7.7**	**6.4**	**9.3**	**7.5**	**8.8**	**7.7**	**9.0**
Equities	5.7	5.6	7.4	9.7	11.4	14.0	11.0	12.2	-	-
Fixed Income	1.3	2.0	1.4	1.9	1.1	2.1	-0.7	-1.0	-	-
Alternatives	-1.6	2.5	1.5	9.2	1.1	6.3	5.7	8.3	-	-

Figures shown are net of fees and based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and LSEG Datastream. Includes the performance of terminated mandates and the equity protection strategy during the period from 26 November 2019 to 5 June 2023.
Total Fund and Alternatives 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 and Alternatives performance figures include the Cambridgeshire and Counties Bank and Cambridgeshire Building Society private equity mandates to 30 June 2021 and exclude these mandates thereafter.
For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 31 March 2023.

Manager Allocation (1/3)

	31/03/2025 Market Value (£M)	30/06/2025 Market Value (£M)	31/03/2025 Allocation (%)	30/06/2025 Allocation (%)	30/06/2025 B'mark (%)
Total	**4,820.9**	**4,925.5**	**100.0**	**100.0**	**100.0**
Equities	**2,129.9**	**2,249.0**	**44.2**	**45.7**	**42.5**
Active Global Equity	**1,094.2**	**1,123.5**	**22.7**	**22.8**	**22.5**
JO Hambro - Global Equity	349.4	377.7	7.2	7.7	7.5
Dodge & Cox - Global Equity	398.8	407.0	8.3	8.3	7.5
Longview - Global Equity	346.0	338.8	7.2	6.9	7.5
Passive Equity	**1,035.7**	**1,125.5**	**21.5**	**22.9**	**20.0**
UBS - Climate Aware Rules Based	700.0	772.9	14.5	15.7	14.0
Osmosis - Core Equity	335.7	352.6	7.0	7.2	6.0
Fixed Income	**1,189.1**	**1,203.8**	**24.7**	**24.4**	**25.0**
Government Bonds	**502.7**	**504.8**	**10.4**	**10.2**	**10.0**
UBS - Gilts	502.7	504.8	10.4	10.2	10.0
Non-Government Bonds	**686.4**	**699.0**	**14.2**	**14.2**	**15.0**
BlueBay - Multi-Asset Credit	338.6	348.2	7.0	7.1	7.5
M&G - Multi-Asset Credit	347.8	350.8	7.2	7.1	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. £46.4m at the start of quarter and c. £56.4m 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)

	31/03/2025 Market Value (£M)	30/06/2025 Market Value (£M)	31/03/2025 Allocation (%)	30/06/2025 Allocation (%)	30/06/2025 B'mark (%)
Alternatives	**1,501.9**	**1,472.7**	**31.2**	**29.9**	**32.5**
Property	**546.6**	**548.3**	**11.3**	**11.1**	**12.5**
CBRE - Property	287.6	290.1	6.0	5.9	6.5
Aviva - Long Lease Property	148.5	147.9	3.1	3.0	3.0
M&G - Residential Property	57.7	57.5	1.2	1.2	1.5
M&G - Shared Ownership	52.8	52.8	1.1	1.1	1.5
Private Equity	**633.0**	**608.5**	**13.1**	**12.4**	**12.0**
Adams Street - Private Equity	229.6	215.3	4.8	4.4	-
HarbourVest - Private Equity	233.0	220.6	4.8	4.5	-
Foresight - Private Equity	70.6	72.8	1.5	1.5	-
Cambridgeshire and Counties Bank	84.8	84.8	1.8	1.7	-
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 M&G Shared Ownership and Private Equity end of quarter valuations are provisional.
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)

	31/03/2025 Market Value (£M)	30/06/2025 Market Value (£M)	31/03/2025 Allocation (%)	30/06/2025 Allocation (%)	30/06/2025 B'mark (%)
Infrastructure	**322.3**	**315.8**	**6.7**	**6.4**	**8.0**
UBS - Infrastructure	4.4	4.1	0.1	0.1	-
Equitix - Infrastructure	29.3	29.3	0.6	0.6	-
Partners Group - Infrastructure	32.0	27.6	0.7	0.6	-
AMP Capital - Infrastructure Debt	23.8	22.1	0.5	0.4	-
Allianz - Infrastructure Debt	13.6	13.5	0.3	0.3	-
IFM - Infrastructure Equity	98.5	100.9	2.0	2.0	-
JPM - Infrastructure Equity	102.0	100.5	2.1	2.0	-
Stafford - Timberland	18.9	17.8	0.4	0.4	-

Source: Investment Managers, Link Asset Services and Mercer. Figures may not sum to total due to rounding.
The Infrastructure mandates (excluding IFM) end of quarter valuations are provisional.
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 (p.a.)	B'mark (p.a.)	5 Yrs (p.a.)	B'mark (p.a.)
Total	**2.4**	**3.8**	**4.3**	**7.7**	**6.4**	**9.3**	**7.5**	**8.8**
Equities (inc. Equity Options)	**5.7**	**5.6**	**7.4**	**9.7**	**11.4**	**14.0**	**11.0**	**12.2**
Equities (ex. Equity Options)	**5.7**	**5.6**	**7.4**	**9.7**	**11.9**	**14.0**	**11.9**	**12.2**
JO Hambro - Global Equity	8.1	5.0	1.6	7.2	6.7	12.7	6.2	11.3
Dodge & Cox - Global Equity	2.0	-0.1	5.8	7.4	9.3	9.5	13.4	11.5
Longview - Global Equity	-2.1	5.0	-2.1	7.2	8.2	12.7	10.5	11.3
UBS - Climate Aware Rules Based	10.4	9.8	15.2	14.8	-	-	-	-
Osmosis - Core Equity	5.0	5.1	7.0	7.1	-	-	-	-
Fixed Income	**1.3**	**2.0**	**1.4**	**1.9**	**1.1**	**2.1**	**-0.7**	**-1.0**
UBS - Gilts	0.6	0.7	-7.2	-7.2	-	-	-	-
BlueBay - Multi-Asset Credit	2.9	2.9	9.1	8.9	7.7	9.5	-	-
M&G - Multi-Asset Credit	0.9	2.9	7.0	8.9	8.2	9.5	-	-

Figures shown are net of fees and based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and LSEG Datastream.
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.
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.
M&G Multi-Asset Credit performance figures are reported by Link Asset Group with one month lag. Long-term performance metrics are chain-linked, and the Q1 2024 performance was estimated by Mercer.
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. Stafford Timberland performance not included as first contribution made in November 2024. 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 (%)	3 Mth	B'mark	1 Yr	B'mark	3 Yrs (p.a.)	B'mark (p.a.)	5 Yrs (p.a.)	B'mark (p.a.)
Alternatives	**-1.6**	**2.5**	**1.5**	**9.2**	**1.1**	**6.3**	**5.7**	**8.3**
CBRE - Property	0.5	1.5	3.2	6.8	-2.9	-4.1	3.2	3.4
Aviva – Long Lease Property	0.7	1.6	2.7	7.4	-	-	-	-
M&G - Residential Property	-0.3	1.6	1.6	7.4	0.1	-0.3	1.2	4.6
M&G - Shared Ownership	0.0	1.6	2.1	7.4	0.4	-0.3	-	-
Adams Street - Private Equity	-2.2	2.2	2.9	8.8	-0.2	8.8	14.6	15.7
HarbourVest - Private Equity	-0.9	2.2	3.6	8.8	3.7	8.8	15.9	15.7
Foresight - Private Equity	-1.9	2.2	6.1	8.8	12.2	8.8	11.9	15.7
UBS - Infrastructure	-2.6	2.4	-7.4	10.0	-9.7	10.0	-13.2	10.0
Equitix - Infrastructure	1.1	2.4	0.6	10.0	4.7	10.0	-0.4	10.0
Partners Group – Infrastructure	4.2	2.4	5.0	10.0	11.0	10.0	14.3	10.0
AMP Capital - Infrastructure Debt	-8.0	2.4	-1.7	10.0	3.8	10.0	5.1	10.0
Allianz - Infrastructure Debt	0.3	1.0	0.5	4.0	-4.5	4.0	-3.7	4.0
IFM - Infrastructure Equity	2.1	2.4	7.2	10.0	9.0	10.0	10.1	10.0
JPM - Infrastructure Equity	2.4	2.4	6.5	10.0	8.8	10.0	-	-
Stafford - Timberland	-1.8	2.4	-	-	-	-	-	-

Figures shown are net of fees and based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and LSEG Datastream.
Total Equities, Total Fixed Income, Total Alternatives and Total Fund performance includes the performance of terminated mandates.
The property portfolio previously managed by Schroders is now being managed by CBRE. Long-term performance metrics are chain-linked, and the Q4 2024 performance was estimated by Mercer.
CBRE and Aviva performances over the quarter were estimated by Mercer, as data as at quarter end was unavailable as at time of writing.
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.
For performance measurement purposes the benchmark allocation is equal to the actual fund allocation from 31 March 2023.

Appendix

3

Appendix A

Benchmarks

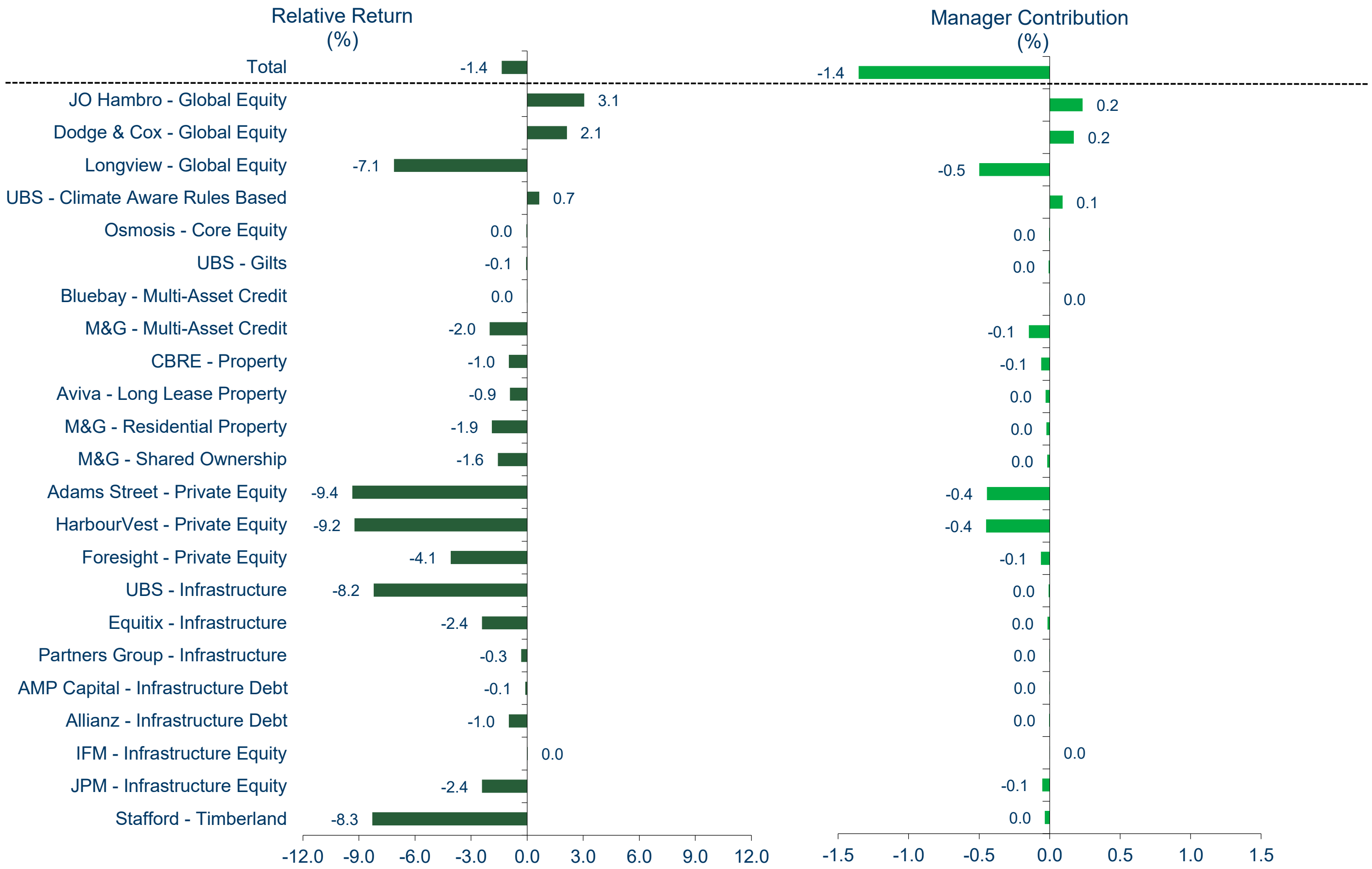
Name	B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
Total Invested Assets	**100.0**	**-**	**-**	**-**
Equities (inc. Equity Options)	**42.5**	**-**	**-**	**-**
JO Hambro - Global Equity	7.5	MSCI AC World (NDR) Index	+3.00% p.a. (gross of fees)	5.00% - 12.00% p.a.
Dodge & 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**	**-**	**-**	**-**
UBS - Gilts	10.0	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**	**-**	**-**	**-**
CBRE - 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)	-

Name	B'mark (%)	Performance Benchmark	Performance Target	Tracking Error Expectation
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**	**-**	**-**	**-**
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.	-	-
Stafford - Timberland	-	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 (excluding IFM) 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.
The returns for CBRE and Aviva portfolios were estimated as the change in valuation, as the quarterly returns were not available at the time of writing.

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:

$$\boldsymbol{Manager\ Contribution} = \left(Performance_{pi} - Performance_{bi}\right) \times Initial\ Actual\ Allocation_{pi}$$

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:

$$\boldsymbol{Allocation\ Contribution} = (Performance_{bi} - Performance_{bT}) \times \left(Actual\ Allocation_{pi} - Benchmark\ Allocation_{bi}\right)$$

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 2025

Fund and benchmark returns (%)	Q3 2024	Q4 2024	Q1 2025	Q2 2025	1 Yr	3 Yrs (p.a.)
Total	**1.2**	**2.2**	**-1.6**	**2.4**	**4.3**	**6.4**
Total Benchmark	2.3	2.0	-0.6	3.8	7.7	9.3

Figures shown net of fess and are based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and LSEG Datastream. 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 2025

Fund and benchmark returns (%)	10 Yrs (p.a.)	B'mark (p.a.)
Total	**7.7**	**9.0**
CBRE - Property	3.9	4.0
Adams Street - Private Equity	14.5	11.6
HarbourVest - Private Equity	15.6	11.6
UBS - Infrastructure	-1.6	10.0
Equitix - Infrastructure	7.0	10.0
Partners Group - Infrastructure	13.1	10.0

Figures shown net of fess and are based on performance provided by the Investment Managers, Link Asset Services, WM, Mercer estimates and LSEG Datastream. 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.
The property, previously managed by Schroders, is now being provided by CBRE. Long-term performance metrics are chain-linked, and the Q4 2024 performance was estimated by Mercer.
Private Equity and Infrastructure figures are shown with a quarter lag.
CBRE performance over the quarter was estimated by Mercer, as data as at quarter end was unavailable as at time of writing.

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