Q1 2025 Portfolio Review

London Borough of Camden

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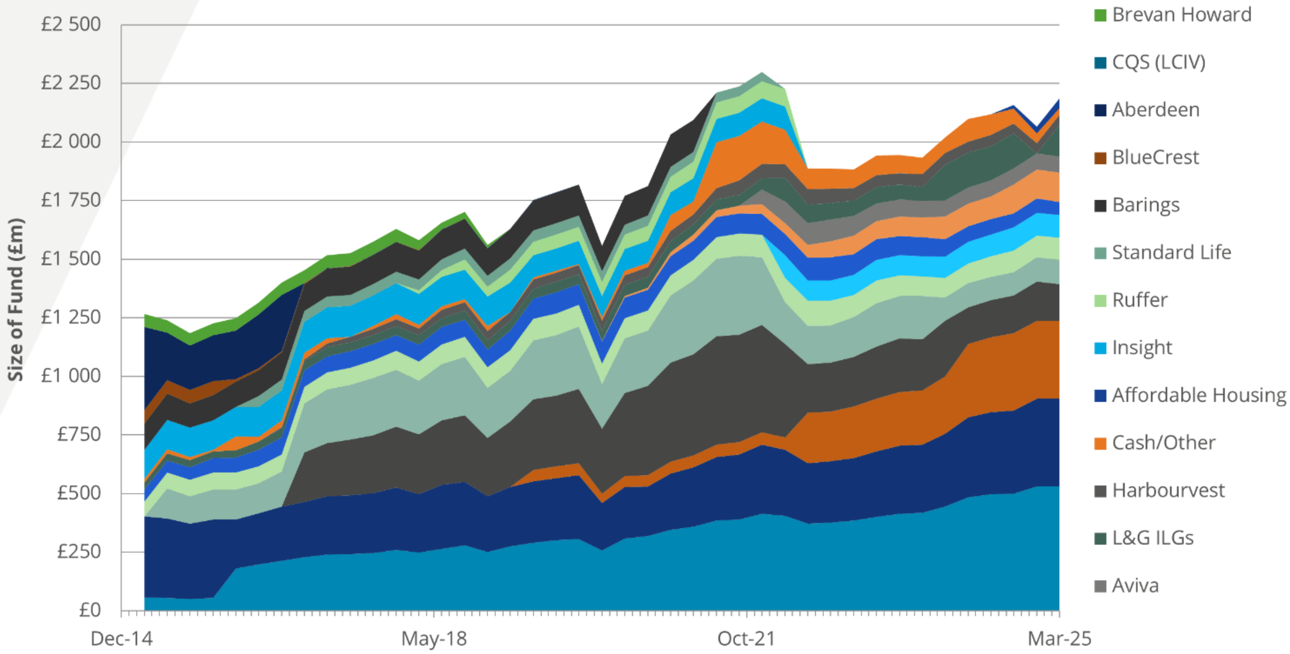
Total Fund Valuation

Chart 1 shows the total value of the pension fund over time. Each segment shows the value of the assets with each underlying investment manager.

CHART 1: VALUE OF LONDON BOROUGH OF CAMDEN PENSION FUND (£M) OVER 10 YEARS



Source: London Borough of Camden; Apex

Independent Advisor Market Review

The Global Economy

- Q1 was marked by a reversal of "Trump trades" and rising volatility amid concerns over tariffs and valuations alongside increased fiscal stimulus in Germany. The move reflected rapid shifts in sentiment after a period of stretched expectations of US outperformance following the 2024 US presidential election. Consumer discretionary, growth stocks and IT were the hardest hit sectors in equities, while European equities finished the quarter in positive territory. At the time of writing, escalation of tariff threats and unpredictable decision-making by the White House has led to heightened volatility, with fears mounting over a global trade war leaving few safe havens beyond gold (+18%), which continues its upward trend. Eurozone rates were cut twice during the quarter with one cut from the UK and the US taking no action, marking a continuing divergence between EU and US / UK rates. US government bonds returned +2.9% on rising recession fears, while EU stimulus and a concerning fiscal position in the UK resulted in higher yields in Europe. In tandem with the reversal of Trump trades, the dollar index fell by c. 4%, with sterling down modestly versus the Euro. Leading economic indicators were mixed, with manufacturing weakness persisting despite some growth in the US. UK Manufacturing PMI fell to 44.9 from 47.0 in December, whereas in the Eurozone rose to 48.6 from 45.1. Inflation remained above 2% in all developed economies, notably in Japan (+3.7%). GDP growth slowed to 2.5% in the US in Q4, again driven by large fiscal spending, with the UK (+1.5%) and Eurozone (+1.2%) continuing to lag.

- Global equities were mixed, with the S&P dropping sharply towards the end of the quarter (-4.3%), driven by growth stocks and big tech, accompanied by a material rotation into European indices (FTSE 100 +6.1%, Euro STOXX 50 +7.5%). European outperformance was not unforeseen given the long-term relative performance of the US, with concerns over valuations and an overheating economy, however the extent of European fiscal stimulus had, for a time at least, created bullish sentiment for the continent. In Japan, a stronger yen from narrowing interest rate differentials created headwinds for the equity market. We note as at time of writing, mounting uncertainty surrounding trade tariffs has led to volatility across all regions, with bond markets often positively correlated to equities. The outlook, particularly with respect to President Trump's willingness to stick with tariffs over the long-term, remains highly uncertain. In bond markets, rising recession risks led to a return of 2.9% from US Treasuries. Conversely in Europe, expectations of much larger issuance to finance new government spending programmes weighed on sovereign bond returns, with EU bonds ending the quarter down 1.3%. UK Gilts rose slightly despite stagnation fears. Commodities performed well, notably gold (+18%), natural gas (+13.4%, due to cold winter weather) and copper (+24%, partly driven by underlying demand and partly due to strong US demand ahead of tariffs). Declines in the price of wheat, cotton and corn were more modest, while coffee and sugar prices gained in the quarter. Bitcoin fell c. 16.5% (-30% from its peak but remains 15% up on pre-election levels and has been relatively resilient overall). Altcoin markets saw significantly larger drawdowns (Ethereum: -50%, Solana: -34%) as the post-election euphoria dissipated and brought to an end the 3-year bull run.

We highlight the following themes impacting investment markets:

- Trade war uncertainty driving fear and a flight to safety: Markets were volatile in Q1 amid persistent tariff-related headlines. After February's tariffs on imports from Mexico, Canada, and China, March saw further measures on steel, aluminium, and autos. Shifting expectations ahead of incoming announcements drove sentiment swings, with investors watching for signs of economic drag, such as declining small business capex intentions. Bond gains are being offset by the inflationary nature of tariffs, selling pressure and positioning leaving few places for investors to hide within financial markets.

- Geopolitical uncertainty driving power shifts: Trump's approach to the Russia-Ukraine war, tariffs, negative rhetoric towards Europe and question marks over commitments to NATO all contributed to market uncertainty. In response, multiple European countries, notably Germany, marked significantly increased defence spending plans, which boosted markets. The extent to which Germany engages in fiscal expansion remains to be seen, and whether this extends beyond defence into infrastructure, but the momentum is clear that longer-term the US will be less involved in Europe and driving it towards self-sufficiency on defence.
- US exceptionalism and Big Tech challenged: The US deficit relative to GDP reached c. 7% in 2024 vs GDP growth of <3%, with a surplus appearing unlikely in the short-term. With debt a driver of past US growth and now over 120% of GDP, American exceptionalism is being challenged, and demographic issues in China and Japan (the largest holders of US debt) are contributing to concerns over erosion of the US Dollar as global reserve currency and leading to higher interest rates. Big Tech also sold off during the quarter. We note DeepSeek demonstrated significant efficiency gains in AI, and critically does not intend to monetise its product, making the wider Chinese economy the likely beneficiary. This makes the path to profitability for western AI players less clear and may exacerbate concerns over the West lagging Asia on manufacturing automation.

Regional Commentary

- In the US, at quarter-end the total return of the S&P 500 was -4.3%). We note this comes off the back of a +25% return in 2024. The more recent selloff has been broad-based, but notably driven by tech, which in addition to valuation concerns has faced rising competition from China (notably DeepSeek) at a significantly lower cost, leading to concerns over capex plans and profitability. Trade tariffs were a major focus, with President Trump imposing tariffs on goods such as cars, steel, and aluminium. The Federal Reserve revised its projections for 2025, lowering its growth estimate from 2.1% to 1.7% and increasing its inflation forecast from 2.5% to 2.7%. Despite these adjustments, it maintained interest rates within the range of 4.25% to 4.50%. The dollar weakened 3.9%, with annual CPI inflation moving from 2.9% in December to 2.8% in February. Government and investment grade bonds increased by 1-3%, with high yield underperforming. US Services PMI fell to 54.4 from 56.8 in December, with manufacturing at 50.2 vs 49.4 at the end of last quarter.

- At quarter-end, the EuroStoxx 50 total return was +7.5% reflecting rotation from the US into European equities and supported by higher fiscal spending forecasts. Financials led sector performance during the quarter, buoyed by strong earnings reports and limited exposure to trade tariff risks. Industrials, energy, communication services, and utilities also posted notable gains. In contrast, consumer discretionary, information technology, and real estate sectors lagged behind. The ECB cut rates by 50bps, with CPI falling to 2.2% in March. Eurozone bonds fell by 1.3% on increased spending, while investment grade was flat and high yield up 0.5%. Manufacturing PMIs recovered to 48.6 vs a December print of 45.1, while services remained steady at 51. Q4 2024 GDP growth of 1.2% marks a continued slight uptick on Q3.
- The FTSE all-share index rose by 4.5%, again reflecting a rotation out of US equities. UK small and mid-cap stocks faced headwinds during the period, weighed down by subdued economic sentiment and limited market uplift despite narrowly sidestepping a recession. Additional pressure came from fiscal tightening outlined in the Spring Statement. While the Office for Budget Responsibility noted that the public finances remained steady, it cautioned that tax increases could be on the horizon this autumn. The BoE cut rates by 25bps in February, with inflation prints of 3.0% and 2.8% in Jan / Feb respectively. Gilts fell on persistent inflation concerns and the tight fiscal position. Manufacturing PMI fell to 44.9 from 47.0 in Q4, while services rose to 51.5 from 50.4. Q4 GDP growth of 1.5% marks a continuing improvement on previous quarters, although economic growth and the near-term outlook remain subdued. As such, alongside the CPI prints, stagnation concerns remain.
- The Nikkei 225 recorded a total return of -9.9%, pressured by escalating tariff fears and underperformance in major technology and export-oriented firms, further dragged down by a softer yen against the dollar. Nonetheless, select domestic sectors in Japan saw upside, supported by climbing bond yields, improving wage and inflation trends, Berkshire Hathaway's investment in trading firms, increased defence expenditure, and a Bank of Japan rate hike that favoured financial stocks. Additionally, momentum from corporate governance improvements and heightened activist investor involvement added a degree of resilience. The BoJ increased rates by 25bps to 0.5% in January, with inflation diverging from Western economies and reaching 4% in January. Manufacturing PMI fell to 48.4 from 49.6, with services at 50.0 from 50.9. GDP growth of 1.1% remains subdued but is improving versus prior quarters.
- Emerging market equities rose 2.9% in the quarter, aided by a weaker dollar, rotation out of U.S. stocks, and selective resilience despite trade tensions. Emerging Europe rallied on a stronger eurozone outlook, while China gained on AI optimism and stimulus. Brazil

outperformed with a stronger real and rate hikes; Mexico advanced as U.S. tariff threats eased. South Africa rose despite a rate cut. The UAE and Saudi saw gains, but India fell on growth worries, and Indonesia, Thailand, and Taiwan declined on trade-related concerns. In commodities, Brent crude rose 0.1%, natural gas increased 14% due to colder weather, gold increased 18.2%, copper rose 25%. The Goldman Sachs Commodity Index increased 2.2%, within which precious metals led gains as gold and silver rose on safe-haven demand. The agriculture sector underperformed, driven largely by a steep decline in cocoa prices. Energy rose across the board, led by natural gas. In industrial metals zinc fell.

- Global listed property fell, with the FTSE EPRA Nareit Global Index declining by 1.4%. The Nationwide House Price Index in the UK posted solid gains throughout the quarter, culminating in 3.9% growth in March YoY, continuing from a strong Q4.
- The VIX rose to 22 from 17, reflecting tariff concerns and stretched valuations leading to some fear in the market.

TABLE 1: QUARTERLY GDP GROWTH RATE

	US GDP	UK GDP	Eurozone GDP	Japan GDP
Q1 2025	N/A	0.7%	0.3%	0.2%
Q4 2024	0.6%	0.1%	0.2%	0.6%
Q3 2024	3.0%	0.7%	0.6%	-1.0%
Q2 2024	2.9%	0.3%	0.5%	0.7%

*Source: Bloomberg. *Forecast based on leading indicators. N/A not available at time of publication.*
Notes: UK Real GDP (Ticker: UKGRABIQ Index), US Real GDP (Ticker: GDP CQOQ Index) de-annualised, Eurozone Real GDP (Ticker: EUGNEMUQ Index), Japan Real GDP (Ticker: JGDPQGDP)

Individual Manager Performance Review

London CIV – Baillie Gifford

The Independent Advisor comments that, the London CIV – Baillie Gifford sub-fund delivered a return of -6.9% in Q1, underperforming Harris by -8.4% for the quarter but outperforming the Growth Index which returned -10.5%. Over a 12-month period, the Baillie Gifford sub-fund underperformed Harris by -4.1%. The return in Q1 was behind the MSCI ACWI Index (GBP), which delivered -4.2%. The manager is underperforming its performance target over 12 months, with an absolute return of -1.0% vs the target of +8.0%. The manager is also behind the target over 3 years by -7.3% per annum.

The London Borough of Camden has been invested in the Global Alpha Paris-Aligned Fund since September 2021. This fund aligns more closely with the pension fund's investment beliefs around climate change. The objective of the Paris Aligned sub-fund is to exceed the rate of return of the MSCI All Country World Index by 2-3% per annum on a gross fee basis over rolling five-year periods. The sub-fund also aims to have a weighted average greenhouse gas intensity that is lower than that of the MSCI ACWI Climate Paris Aligned Index.

Elevance, Prosus, and Autozone Inc were Baillie Gifford's best-performing positions in the Paris-Aligned fund during the quarter, contributing +0.9% to the quarterly return. Nvidia Corp, The Trade Desk Inc, and Amazon were the largest detractors (detracting a total -2.5% from the portfolio return). The Fund added ten new positions to the portfolio during the quarter. It continues to hold Ryanair: although an airline is not an obvious choice for a Paris-Aligned equity strategy, Baillie Gifford argues that this is a leader in the sector, with a Net Zero 2050 target and a willingness to lead on sustainability. Not holding Ryanair would reduce the Weighted Average Carbon Intensity (WACI) of the portfolio by 18%. CRH Plc remains the highest WACI holding contributing 28% of the portfolio's total WACI (scopes 1 and 2).

During the quarter, Baillie Gifford made an investment in Enphase Energy, a company that provides renewable energy hardware and software solutions for residential and small business use. Its product range includes flagship microinverters, battery storage systems, and EV chargers. The microinverters play a central role in solar energy systems by converting the electricity generated by solar panels into alternating current suitable for household consumption. As a pioneer in this technology, Enphase has established a strong competitive advantage through the proven performance and reliability of its products, which supports its pricing power. This holding is aligned to Camden's climate goals.

The beta on the Paris Aligned portfolio as at the quarter end stood at 1.10. This means that if the market falls 10%, the portfolio is expected to fall by 11%.

Baillie Gifford's 12-month performance has produced weak returns on a relative basis, underperforming the performance target by -9.0%. The manager is also underperforming the performance target since inception by -3.8% per annum.

LCIV acknowledges that the Sub-fund underperformed in Q1, primarily due to its exposure to companies affected by uncertainties surrounding U.S. economic policy. Furthermore, AI-themed positions detracted from performance as the market evaluated the implications of more efficient AI models, which demand less processing power and rely on cheaper, less advanced computer chips, thereby impacting capital expenditure. LCIV will complete the next in-depth review of this strategy in May 2025.

The Paris Aligned fund held 90 companies at quarter end, across 18 different countries, and had an active risk of 5.2% (active risk, or tracking error, is a measure of how much risk the manager is tracking away from the benchmark index. A passive manager would have a 0.25% tracking error). About 45% of the active risk is stock specific. Most of the balance is attributed to style, 'growth' specifically, and sector factors. In terms of geographic exposure, as of the end of March 2025, the manager's largest exposure remained North America at 65.4%. At the sector level, the fund maintained its exposure to the consumer discretionary sector which stood at 24.3% at quarter end, remaining the largest exposure, followed by IT at 21.2% and financials at 13.7%.

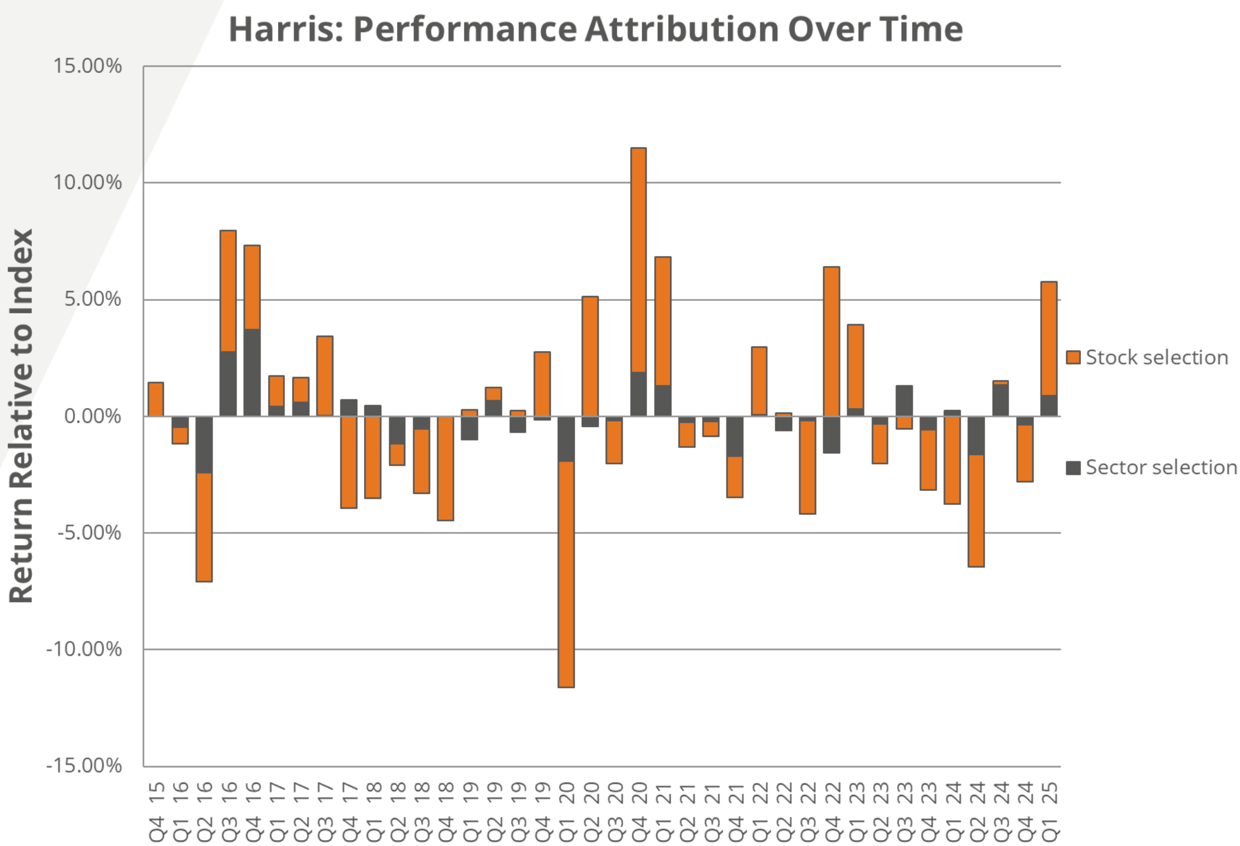
The Paris Aligned Baillie Gifford sub-fund aims to have a weighted average greenhouse gas intensity that is lower than that of the MSCI ACWI Climate Paris Aligned Index. However, London CIV compares the portfolio against the full market capitalisation index for carbon intensity purposes. As at end March 2025, the weighted average carbon intensity of this portfolio was roughly 82% of the intensity of the MSCI All Country World Index (scopes 1, 2 and 3). The fund had a 0% exposure to fossil fuel companies (compared with the MSCI All Country World benchmark which had 0.33% in fossil fuels).

In terms of assets under management, the LCIV Paris Aligned sub-fund stood at £2.255 billion as at end March. The London Borough of Camden's investment represents 6.9% of the fund.

Harris

Chart 2 shows the contribution to performance, relative to the index, from asset allocation and stock selection. Chart 2 shows that stock selection was a more significant contributor to the relative return of the fund during Q1 2025, with 0.9% attributed to sector selection, while 4.9% was attributed to stock selection.

CHART 2: HARRIS PERFORMANCE ATTRIBUTION



Source: Harris; Apex

The Independent Advisor comments that growth underperformed in relation to value in Q1. The MSCI World Growth Index (GBP) returned -10.5% whereas the MSCI World Value Index (GBP) delivered +1.7%. Harris has underperformed the Value Index by -0.2% and outperformed the MSCI World Index (GBP) by +6.2%. Positive contributions from sector selection came mainly from Information Technology (+2.4%), Financials (+0.6%) and Health Care (+0.6%). Consumer Discretionary (-0.3%), Utilities (-0.8%), Materials (-0.1%) and Real Estate (-0.1%) sectors were the main negative contributor. Stock selection in Materials (-0.6%), Communication Services (-0.6%) and Consumer Staples (-0.1%) negatively contributed, while stock selection in Financials (+1.2%), Consumer Discretionary (+1.4%) and Healthcare (+0.6%) positively contributed. Harris is underperforming the performance target for the past 12 months by -4.9% and underperforming the target by -5.4% p.a. over three years.

In Q1, BNP Paribas was the top contributor, adding 1.2% to total returns, while Kering was the weakest performer, reducing the portfolio's return by -0.6%.

At quarter-end, the fund's regional allocation stood at 57.5% in the US, 38.6% in Europe, and 3.9% in Asia/Emerging Markets.

Legal & General

The Independent Advisor comments that the observed tracking errors on the pooled index funds were within expected ranges during the quarter. LGIM reports that withholding tax, paid on dividends from Swiss and Belgian holdings, is no longer expected to be recoverable. As a result, they have taken the decision to make an adjustment to the fund value by removing the tax accruals in these markets and reducing others in relation to European countries where there is a significant risk to recovery in the near term. They note that this accounts for the higher deviation from the benchmark which may also feed into longer performance periods spanning this adjustment.

The tracking is shown in Table 2. Apart from the withholding tax issue, mentioned above, there are no concerns.

TABLE 2: TRACKING ERROR

	Three-Month Tracking	One-Year Tracking	Three-Year Tracking
World – Future World	0.03%	0.26%	0.28%
World – Market Capitalisation	0.12%	-0.59%	-0.13%
Gilts	0.00%	-0.01%	0.00%

Source: Legal & General; Apex

The manager no longer allocates to the UK Equity Index Fund, with the £65m investment being switched into the Future World global equity index fund. This is a sustainable passive fund which is more closely aligned to the pension fund's investment beliefs.

In Q1, the sustainable Solactive Index, against which the Future World global equity index fund is benchmarked, delivered a return of -4.5% compared with the full global equity market capitalisation index – MSCI World (GBP) - which returned -4.7%.

CBRE

Chart 3 shows the contribution to performance from each of the underlying funds making up CBRE's portfolio over the past four quarters. This quarter shows a mixture of both positive and negative returns. The key detractors from performance during the quarter were Nuveen UK

Shopping Centre Fund (-28.8%), Cordatus Property Trust (-1.3%), and UNITE UK Student Accommodation Fund (-0.3%).

The Nuveen UK Shopping Centre Fund recorded a total return of -28.8% over the period. The weak performance was primarily attributed to the decrease in the valuation of the W Hotel, which fell by £20m to £100m, reducing the fund's 25% shareholding from £30m to £25m. Additionally, high finance costs related to the Unit Holder and Bridge loans continued to weigh on returns. In February 2025, the final Deed of Release with Aareal Bank relating to Priceshoy was signed, settling the outstanding £33m liability, with the financial impact to be recognized in the following quarter. Just after the quarter end, in April, the W Hotel sale to Schroders for £100m was completed, leaving only the retail element unsold.

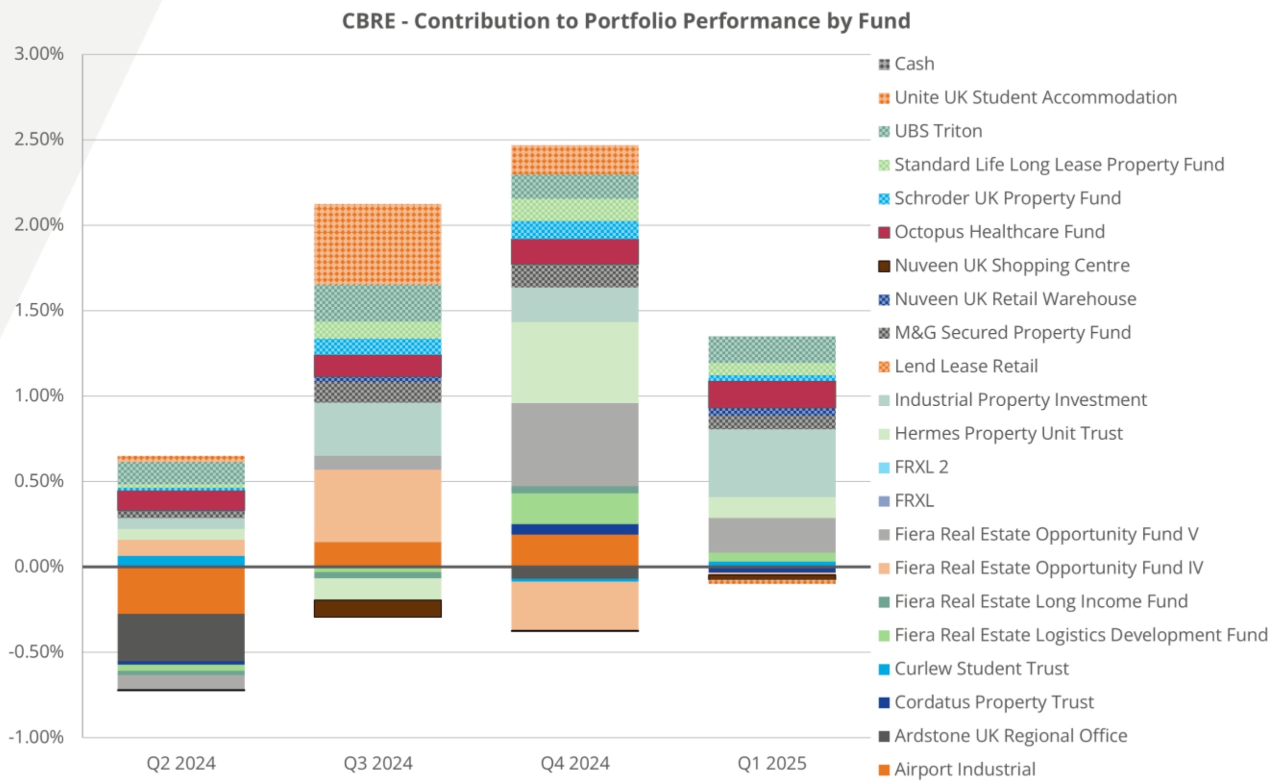
The Cordatus Property Trust delivered a -1.3% return for the quarter, mainly driven by challenging macroeconomic conditions and the ongoing portfolio wind-down. The property portfolio's valuation declined by 2.2% during the quarter on a like-for-like basis. Two asset sales were finalized at a combined price of £3.9m, reflecting a 0.9% premium to valuation, with one additional asset exchanged for sale post-quarter end. In total, 29 out of 39 asset sales have now been completed, with two more properties currently under offer. Within the asset management portfolio, one new letting and one lease renewal were secured, generating an additional £35k in annual rental income.

The UNITE UK Student Accommodation Fund posted a total return of -0.3% for Q4 2024. The negative result was largely due to costs associated with a completed asset swap with Unite Group PLC and disposal-related provisions. Despite the weak quarterly performance, the fund achieved a solid full-year total return of 8.5% for 2024, making it one of the top performers within its MSCI peer group for the year. Portfolio growth in 2024 was supported by strong rental growth (7.4% like-for-like for the 2024/25 academic year and a projected 4.5% for 2025/26) alongside stable property valuations, though these gains were partially offset by the one-off impact of the abolition of Multiple Dwellings Relief (MDR) in Q1.

Meanwhile, the top contributors to returns for the quarter came from the investments in Tritax London Logistics Unit Trust (4.5%) (formerly Airport Industrial Property Unit Trust), Industrial Property Investment Fund (9.6%), and Fiera Real Estate Opportunity Fund V (5.2%) to the fund's return in Q1.

For the 12 months to March 2025, UNITE UK Student Accommodation, Industrial Property Investment Fund & Fiera Real Estate Opportunity Fund V were the strongest contributors to returns, contributing +0.9%, +0.9% and +0.8% respectively to the one-year portfolio return. Most other contributions were small or negative. Ardstone UK Regional Office, Airport Industrial & Nuveen UK Shopping Centre were the biggest detractors over the last year with a negative contribution to the fund's annual return totalling -1.1%.

CHART 3: CBRE PERFORMANCE ATTRIBUTION



Source: CBRE; Apex

As at quarter end the portfolio had 20 investments and leverage on the portfolio stood at 11.5%, a slight increase from last quarter at 11.3%.

Partners

This report was not available at the time of going to print. A verbal update will be given instead.

HarbourVest

The Independent Advisor notes that the London Borough of Camden Pension Fund has committed $86.3 million to HarbourVest's Global Fund 2016, with approximately 87% of the commitment drawn down as at 31 March 2025. To date, $87.7 million has been distributed, representing a 1.17x multiple on capital paid in.

As at 31 December 2024, 58% of the Fund's active investments were performing above expectations, 13% in line with expectations, and 29% below expectations (based on underlying NAVs and excluding realised positions). The underperformance is primarily due to a small number of direct investments negatively affected by the Covid-19 pandemic and recent market volatility. Notably, 88% of the Fund's remaining portfolio consists of primary and secondary investments, of which 95% are meeting or exceeding expectations. HarbourVest remains confident in the Fund's outlook, underpinned by ongoing value creation, operational improvements, and exit planning across portfolio companies.

London CIV – MAC fund (blended fund - CQS/Pimco)

The Independent Advisor comments that London CIV's Multi-Asset Credit (MAC) sub fund returned +1.6% in Q1 2025, which was behind to the performance target return of +2.2%. The one-year return for the fund is behind the target by -1.7%. The three-year return remained behind the target by -4.2% p.a.

The Sub-fund is diversified across a wide range of borrowers, bonds, and loans. Asset-backed securities, including CLOs, add an extra layer of credit diversification. The overall portfolio rating remains at 'BB+', with significant exposure to 'BB' and 'B' rated securities, balanced by 'AA' and 'BBB' investment grade holdings. Select positions in lower-rated 'CCC' bonds are held, with plans to rotate some exposure into higher-quality names as opportunities arise. The managers highlight the improvement in high yield credit quality, partly due to lower-rated borrowers accessing private credit markets, while remaining mindful of risks from policy tightening and consumer-sensitive sectors. The focus remains on active credit selection, re-underwriting, and capturing coupon income to support performance during market stress.

The Sub-fund remains primarily invested in income-generating asset classes, including high yield (38.6%), loans (20.7%), and structured credit (20.6%). Exposure to sub-investment grade credit is balanced by allocations to investment grade (10%) and emerging markets (9.4%). These sectors, while more sensitive to interest rate movements, provide useful diversification during periods of market volatility. The value of the fund's investment in CQS and PIMCO stood at £338 million as of end March 2025, which represents 15.1% of the London CIV sub-fund, the total value of which stood at £2,233 million.

The carbon intensity of the sub fund showed improvement over the reporting period, with the Weighted Average Carbon Intensity (WACI) declining from 1,306 tCO2e/mGBP in Q2 2024 to 1,125 tCO2e/mGBP in Q1 2025. However, the fund remains approximately 63% above the benchmark carbon intensity, representing a significant divergence from the Bloomberg Global Aggregate Corporate Index. While this marks an improvement from the 89% premium observed in Q2 2024, the persistent elevation in carbon intensity continues to be a concern. The Carbon to Value Intensity metric showed more encouraging progress, declining substantially in Q1 2025, and moving closer to benchmark levels. The fund's fossil fuel exposure of 1.9% in Q1 2025, though reduced from prior quarters, remains noteworthy given the concentration in energy-intensive holdings. This positioning suggests the portfolio continues to be less aligned to long-term climate objectives than a passive investment approach, warranting ongoing monitoring despite the recent improvements in carbon metrics.

London CIV – Infrastructure Fund - Stepstone

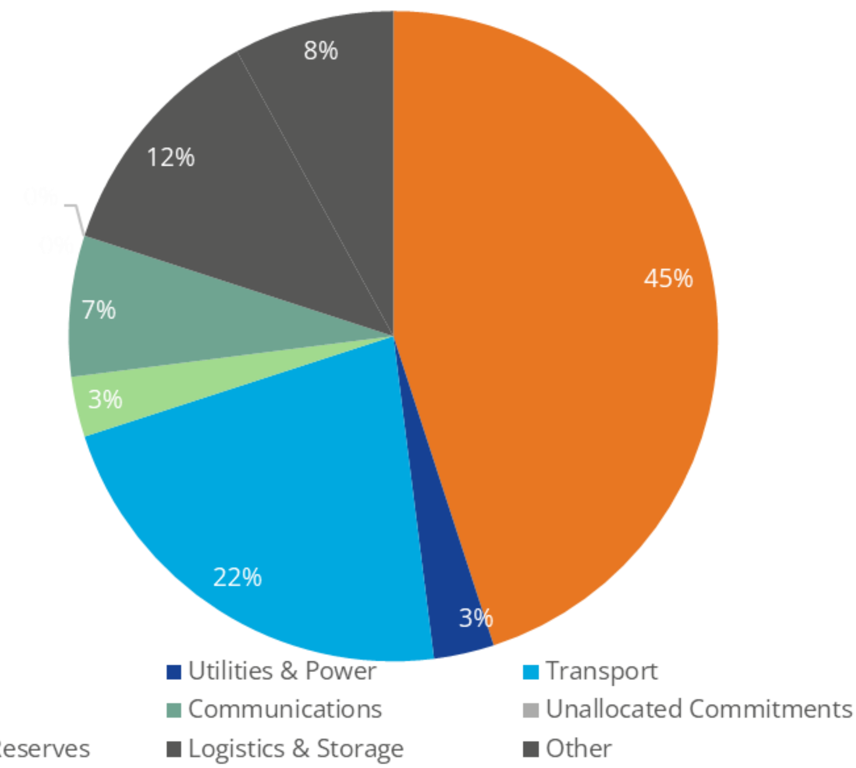
The Independent Advisor comments that the London Borough of Camden pension fund had committed £126.5 million of capital to London CIV's infrastructure fund, as at end December 2024 (report for March 2025 not available at the time of writing this report). The total fund value was £450.7 million. London Borough of Camden's investment represents 28.1% of the Fund. The Fund has invested in nine primary funds and two secondary funds (Meridiam Infrastructure North America Fund II and KKR Global Infrastructure Investors IV) and remains 78% drawn.

Long-term, the fund will aim to achieve a net return of 8% to 10% p.a. over rolling four-years, and a cash yield of 4% to 6% p.a.

The sub-fund made no capital calls to investors during the quarter (capital calls were met from cash reserves and distributions) and had total distributions of £3.7 million, of which Camden received £1.0 million.

Just after the quarter end, the Fund closed on two new investments: Project Oasis (co-investment alongside EQT's acquisition of Calisen), and Project Gigawatt (co-investment alongside Oak Hill's minority acquisition of Global Technical Realty alongside KKR). Chart 4 shows the current split by sector of underlying allocations, including funds committed but not yet allocated to an underlying investment and uncommitted reserves.

CHART 4: SECTOR ALLOCATION BY FUND COMMITMENTS



Source: LCIV

London CIV continues to monitor deployment speed and reported that deployment continues to track in line with expectations.

TABLE 3: INFRASTRUCTURE INFORMATION

Underlying Fund	Current Net IRR	Target IRR	Comments
Macquarie GIG Renewable Energy Fund 2 (MGREF 2)	+6.6%	8.5%	90% committed across 7 investments.
Arcus European Infrastructure Fund 2 (AEIF 2)	+26.9%	13.0%	95% committed across 7 investments.
Equitix VI (EF VI)	+3.2%	8.5%	99% invested.
Basalt Infrastructure Partners III (BIP III)	+8.6%	11.5%	87% committed across 8 investments.
European Diversified Infrastructure Fund III (EDIF III)	+10.0%	8.5%	100% invested across 5 investments.
Capital Dynamics Clean Energy and Infrastructure VIII (CE VIII)	+5.8%	11.0%	94% drawn.
Brookfield Global Transition Fund (BGTF)	+8.1%	10.0%	88% committed and 57% invested.
NextPower UK (NP UK LP)	+1.7%	8.0%	59% committed across 10 investments.
GIP Pegasus Fund (GIP PF LP)	2.0%	14.5%	Single asset investment.
Meridiam Infrastructure North America II (MINA II)	+1.3%	10.1%	13 investments.
KKR Global Infrastructure Investors IV (KKR)	+21.6%	14.0%	14 investments.

London CIV – Real Estate Long Income Fund - Aviva

The Independent Advisor comments that the London Borough of Camden pension fund committed £95 million of capital to London CIV's Real Estate Long Income Fund in August 2021. The total fund value as at end December 2024 was £155.6 million, with total fund commitments of £213 million. London Borough of Camden's valuation as of 31 December 2024 was £68.5 million, representing 44.1% of the fund.

Long-term, the fund aims to achieve a net return of RPI + 1.5 - 2% p.a. over a rolling five-year period. The expected yield is 3% p.a. from the end of the four-year period after the first closing date.

As of end of December 2024 (latest report available), the fund is fully deployed.

The Fund invests in properties with long leases and strong tenants, with returns driven by the focus on secure, long-term, contractual inflation-linked cashflows, which are reflected in the key fund terms: 20yr+ cashflows, minimum 80% inflation-linked, and minimum 80% investment grade. Currently, 98% of these leases have rents that are linked to inflation (66% CPI-indexed, 32% RPI-indexed, 2% open-market rents).

The net IRR since inception to end September stood at -6.2%, falling short of the 8.5% investment objective, largely due to a challenging macroeconomic environment and a sector-wide revaluation of real estate assets. The IRR for the quarter was +0.6% which underperformed the quarterly investment objective of 1.0%. Over one year it stood at +5.4% ahead of the target of 5.0%. The strong credit quality of tenants (with a weighted average rating of BBB+, an average lease term of 22.2 years, and 98% inflation linkage) reinforces London CIV's confidence in the manager's ability to sustain inflation-linked income payments, which remain crucial for achieving target returns.

The Fund made its first distribution to investors in March 2023 with the intention to make regular quarterly distributions yielding 3% per annum (currently well on track with a net income yield for the 12 months of 5% versus the target of 3%). During Q1 2025 it made a further quarterly distribution of £2.1 million of which Camden received £0.9 million.

London CIV – UK Housing Fund

The Independent Advisor comments that the London Borough of Camden pension fund committed £97 million of capital to London CIV's UK Housing Fund in January 2024. The total fund value as at end December 2024 was £130.9 million, with total fund commitments of £530 million.

The Funds objective is to achieve a net IRR of 5-7%, and a yield of 3-4% per annum, by investing in strategies that increase the supply of good quality, affordable housing in the UK.

The Fund has received a total of £530m of commitments from nine investors, since launching in March 2023. £470m has been committed to date to: CBRE UK Affordable Housing Fund (£100 million), Octopus Affordable Housing Fund (£50 million), Savills IM's Simply Affordable Homes Fund (£75 million), £44.8m secondary fund commitment into CBRE UK AHF, £100m primary fund commitment into Man Group's Community Housing Fund III and £100m primary fund commitment into Legal & General Affordable Housing Fund.

The net IRR for the quarter, reported by London CIV, was -1.1%. Over one year it was -2.4%.

TABLE 4: SOCIAL HOUSING INFORMATION

Underlying Fund	Current Net IRR	Target IRR	Comments
CBRE UK Affordable Housing Fund (CBRE)	-6.9%	+6.0%	£100m primary fund commitment
Octopus Affordable Housing Gund I (OAHF)	-1.7%	+7.0%	£50m primary fund commitment
Simply Affordable Homes 1 (SAH)	-5.1%	+8.0%	£75m primary fund commitment
Man RI Community Housing Fund 3 (MAN RI)	-	+7.0%	£100m primary fund commitment
L&G Affordable Housing (L&G)	-	+7.4%	£100m primary fund commitment
CBRE UK Affordable Housing Fund-Secondary	+1.3%	+6.0	£44.8m secondary fund commitment

London CIV – Diversified Growth Fund – Baillie Gifford

The Independent Advisor comments that London CIV's Diversified Growth sub fund returned +2.2% in Q4 2024, which was behind of the target of +2.0%. The London Borough of Camden invested £97.4 million into this fund on the 23 March 2022.

The Sub-fund is managed by Baillie Gifford. The objective is to achieve long term capital growth at lower risk than equity markets, targeting an annualised return over rolling 5-year periods that is at least 3.5% above the UK base rate, whilst maintaining annualised volatility below 10% over the same period.

The fund invests across a broad array of asset classes, and derivatives are used to help dampen the volatility of the fund. As at March-end 2025, the fund had an allocation of 57.4% to Alternatives, 23.7% to Fixed Income, and 18.9% to Equities.

The value of Camden's investment in Baillie Gifford Diversified Growth stood at £97.4 million as of end March 2025, which represents 38.4% of the London CIV sub-fund, the total value of which was £253.8 million at December-end.

London CIV had downgraded Baillie Gifford's monitoring status in December 2022 and they then reviewed the fund in June and again in December 2023. They completed another in-depth review of the Manager in December 2024 and have maintained their rating with concerns over skills and value. The next in-depth review will take place in June 2025.

Summary of Concerns

Date raised	Concern	Update
Q1 2022	LCIV – Global Alpha Paris Aligned (Baillie Gifford)	Some improvement in performance, but continued close monitoring recommended.
Q3 2022	LCIV – Diversified Growth – Baillie Gifford	Concern over poor performance as well as the WACI of the portfolio and the risk of the strategy. LCIV continue to monitor the manager closely with the next review in June 2025. Continued close monitoring recommended.
Q4 2024	Harris – global equities	After a period of improvement Harris' performance slipped badly again, although the Q1 2025 return was positive. Nevertheless, continued close monitoring is recommended.
Q1 2025	General performance	The portfolio is showing considerable underperformance relative to target over all time periods at the total fund level. The strategy asset review should take this into account with a view to potentially addressing some of the worst affected underlying mandates as well as considering whether the performance targets are still achievable.

Karen Shackleton
Senior Advisor, Apex

Appendix A

Manager	AUM (£m)	Fund or Strategy	Number of investors	Camden's Rank	Size of Camden's Portfolio (£m)	Percentage of Fund or Strategy	Comment
Baillie Gifford Paris-Aligned	2,256	Fund	11	Not provided by London CIV	156.00	6.92%	£190m decrease in AUM. The number of investors have not changed.
Harris*	5,084	Strategy	16	11th	106.00	2.08%	£833m decrease in AUM and number of investors has decreased by 3.
Legal & General - UK equity (World)**	20	Fund	1	1st	19.54	99.92%	£1m increase in AUM and number of investors has not changed
Legal & General - North America**	397	Fund	3	1st	332.80	83.89%	£24m decrease in AUM and number of investors remains unchanged.
Legal & General - Europe**	450	Fund	5	3rd	58.51	12.99%	£1m increase in AUM and number of investors remains unchanged.
Legal & General - Japan**	646	Fund	6	3rd	30.24	4.68%	£13m decrease in AUM and number of investors remains unchanged.
Legal & General - Asia Pacific**	273	Fund	6	4th	18.10	6.63%	£5m decrease in AUM and number of investors remains unchanged.
Legal & General - Middle East**	0.5	Fund	1	1st	0.47	99.90%	AUM and number of investors have not changed.
Legal & General - World Emerging Markets**	622	Fund	8	4th	49.27	7.93%	£4m decrease in AUM and number of investors have increased by 7.
L&G ILGs**	3,455	Fund	12	5th	134.07	3.88%	£10m increase in AUM and investors have increased by 1.
Legal & General - FW Global Equity Index**	6,001	Fund	11	5th	357.54	5.96%	£839m increase in AUM. The number of investors have decreased by 1.
CBRE	5,000	UK separate accounts	35	15th	94.00	1.88%	AUM remains unchanged and number of investors has increased by 4.
Partners 2009 fund*	89	Fund NAV	53 (EUR SICAR sleeve)	3rd	6.88	7.75%	£36m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Partners 2013 fund*	243	Fund NAV	39 (in the USD C LP sleeve)	5th	13.95	5.74%	£112m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Partners 2017 fund*	266	Fund NAV	11 (in the USD D LP sleeve)	3rd	46.76	17.57%	£119m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Harbourvest	128	Fund NAV	8	2nd	43.00	33.48%	As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
CQS / PIMCO	2,233	Fund	18	Not provided by London CIV	338.00	15.14%	£159 m increase in AUM. The number of investors remain unchanged
Stepstone	441	Fund	6	Not provided by London CIV	124.00	28.10%	£64m increase in AUM. The number of investors remains unchanged.
Aviva	157	Fund	3	Not provided by London CIV	69.10	44.07%	£1m increase in AUM. The number of investors remains unchanged.
Baillie Gifford Diversified Growth	254	Fund	3	Not provided by London CIV	97.40	38.38%	£16m decrease in AUM. The number of investors have decreased by 1.

This appendix details Camden's exposure to the overall fund or strategy managed by Investment Managers. Where Camden represents more than 5% of each fund and there is a material increase, due to client outflows, this will be reported to the Committee on an exceptions basis.
**AUM and Portfolio figures given in local currency and converted using exchange rates at the date of the data.*
***LGIM changed how they report this data in Q3 2023, for details on methodology see the Q3 2023 report.*