



Gallagher

Insurance | Risk Management | Consulting

How Are Your Managers Performing For You?

Q1 2026

London Borough of Hackney Pension Fund



Private and Confidential



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Hackney Pension Fund Risk Management Framework 31/03/2026

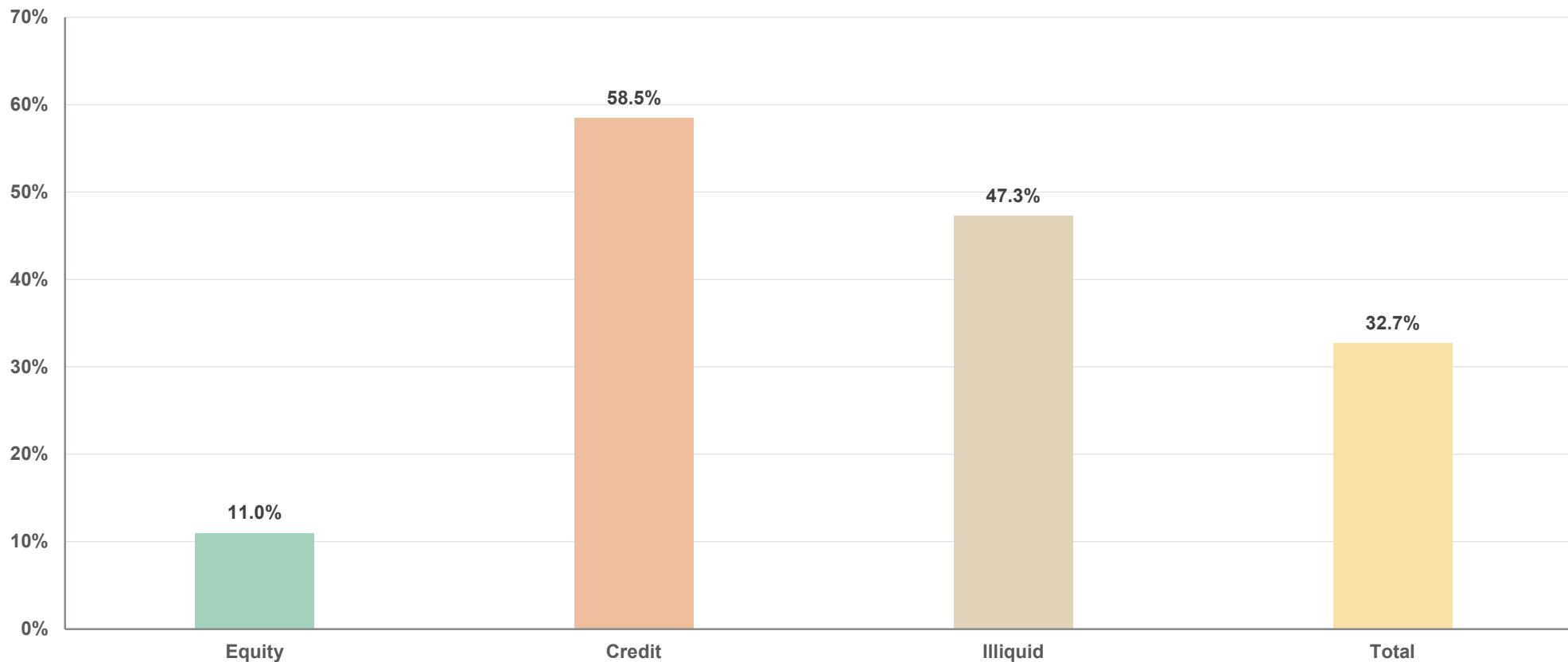
Objective	Performance Indicator	Data objective	Current	Status	Trigger Levels		
					Green	Amber	Red
Return Objective	Monitor the funding level	Funding Level	138% ¹	○			
	Expected Return > Required Return	Expected Return (p.a.)	8.5%	●	ER=RR + 2% or more	ER=RR + 1–2%	ER=RR + 1% or less
		Required Return ² (p.a.)	6.4% ¹				
Risk Budget	Value-at-Risk 95% < 13.0%	Value-at-Risk	12.5%	●	<13.0%	13.0 – 19.0%	>19%
Liquidity & Cashflow	Ensure sufficient portfolio liquidity in a 1-in-20 downside scenario	Liquid Asset % - Liquid Asset VaR % > 45% of assets	62.2%	●	>45.0%	45.0-35.0%	<35.0%
	Ensure expected liability outflows broadly covered by asset income	% of cash outflows expected to be matched over next 5 years	110 -120% ³	●	>90.0%	70.0 – 90.0%	<70.0%
ESG	Reduce Scope 1 & 2 Carbon Emissions/£m by 50% by 2030	Average reduction p.a. vs. 9.4% required p.a. required to meet interim target	48.1tCO2e/£m ⁴	●	>9.4% (p.a. since 2023)	9.4% - 8.5% (p.a. since 2023)	<8.5% (p.a. since 2023)
	Consider allocation to sustainability focused mandates	Current % of total assets	45.2%	○			
Local Investing	Local investments to 3-5% over time	Current % of total assets	0.5%	●	>3.0%	3.0 – 1.0%	<1.0%

Source: Hackney Pension Fund data, Gallagher modelling. 1) Based off Hymans Robertson's Initial results of actuarial valuation as at 31 March 2025. 2) Required return is the actuarial discount rate set at the 31 March 25 valuation. 3) Figure uses contribution and benefit information from Hymans from 31 March 25 valuation, asset data sourced from investment managers. 4) Taken from 31 March 2025 TCFD report.

Exposure to UK assets

As at 31 March 2026, the Fund's exposure to UK assets was 32.7%, representing c.£738.1m of the portfolio. The increase from last quarter was driven by a new allocation to the L&G Future World UK Equity Index Funds. Within the core asset classes, the Fund's equity investments had 11.0% exposure to UK assets, credit investments had 58.5%, and illiquid investments 47.3%, respectively.

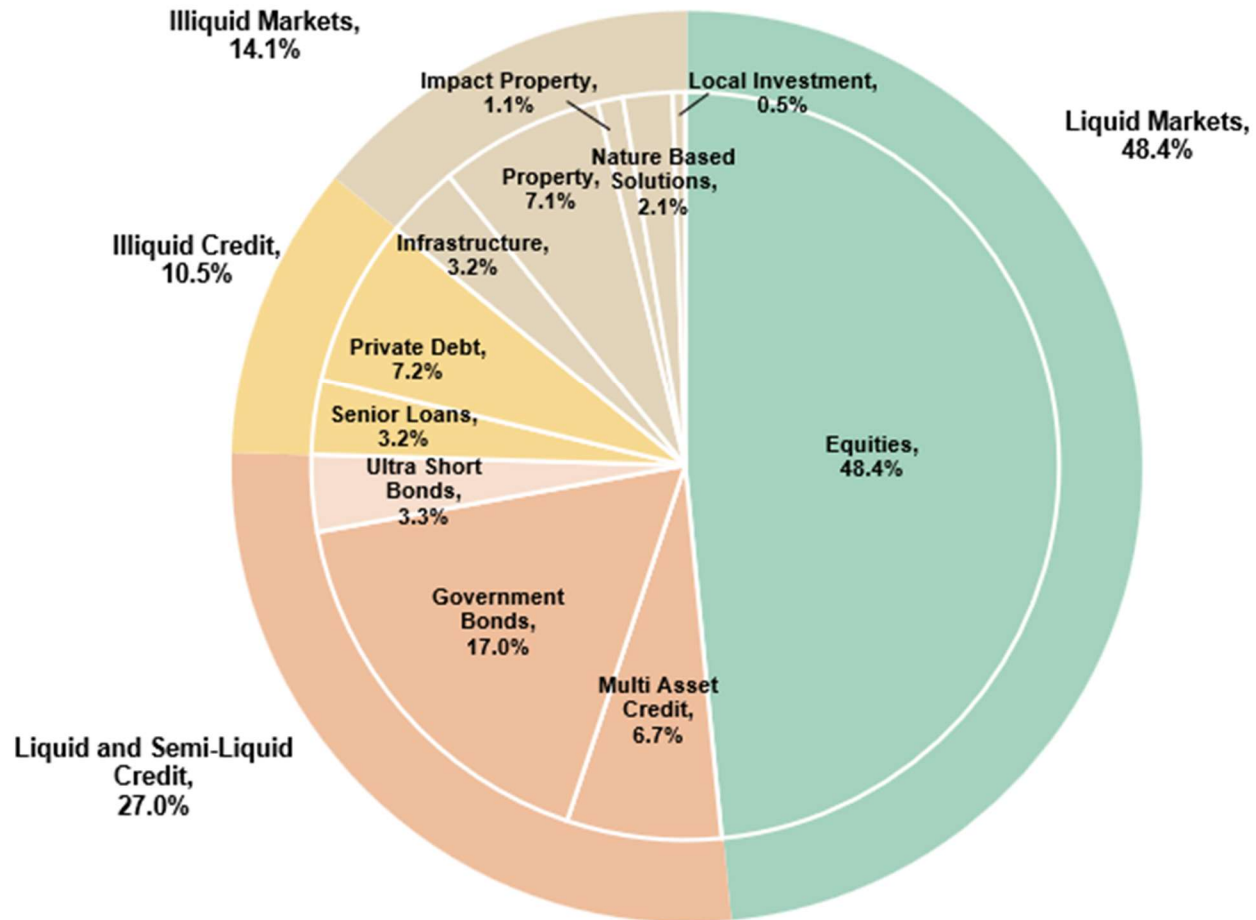
Exposure to UK assets by asset class (%)



Source: Northern Trust's Q1 2026 report and investment managers. Please note that the data used for certain funds in this calculation is quarter-lagged.

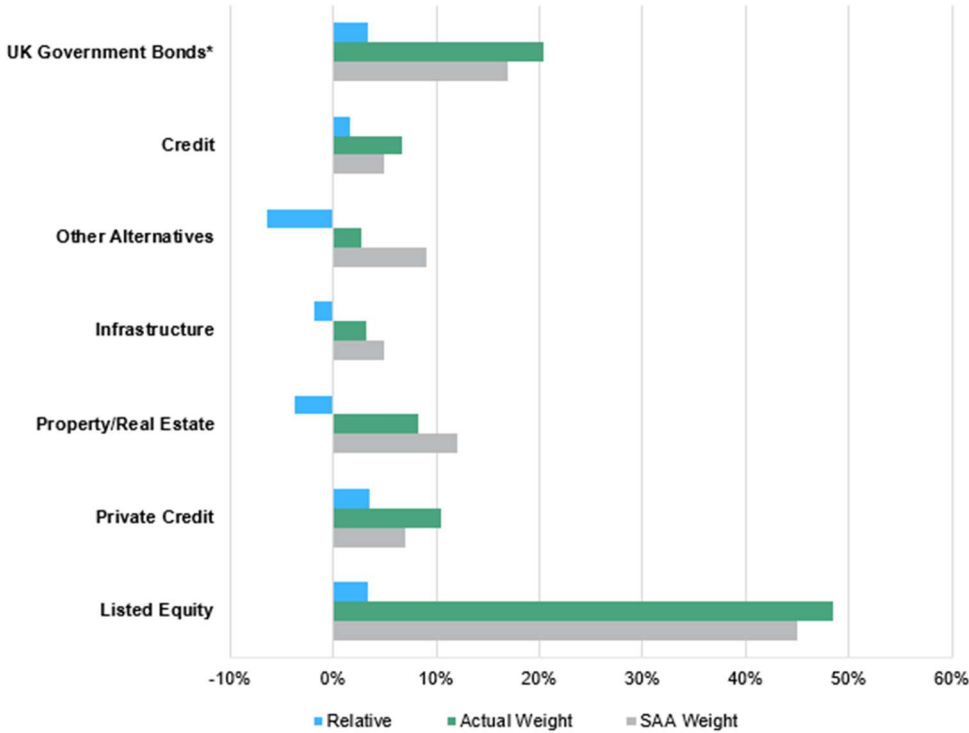
Current Portfolio Position

Asset Allocation (31 Mar 26)

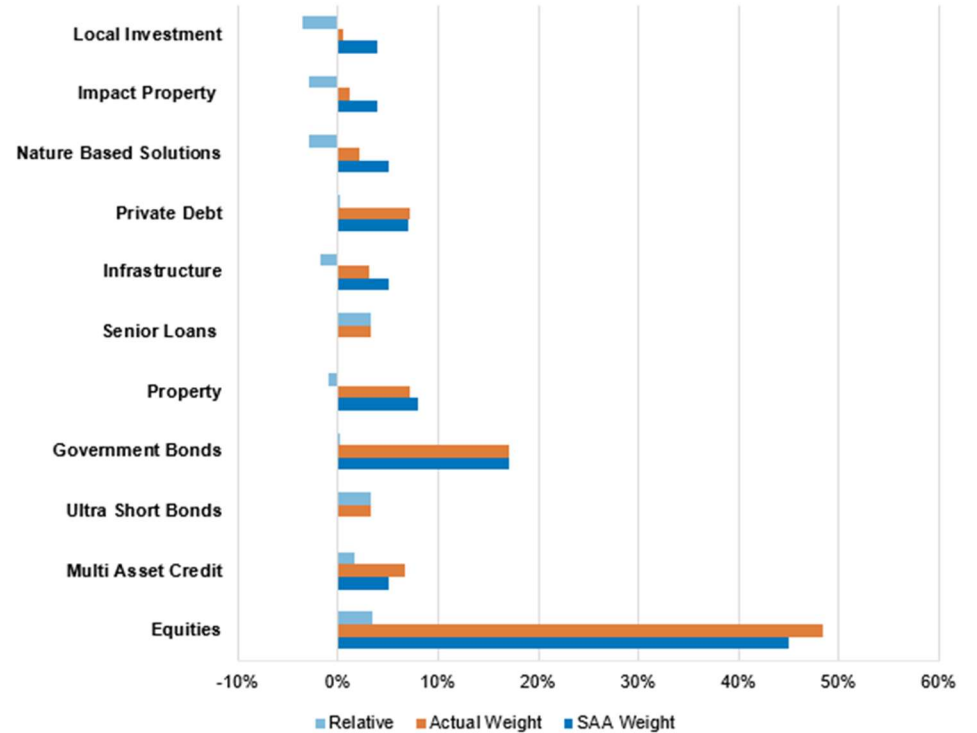


Asset class holdings relative to Strategic Asset Allocation

Asset class holdings relative to Government set SAA (31 Mar 26)



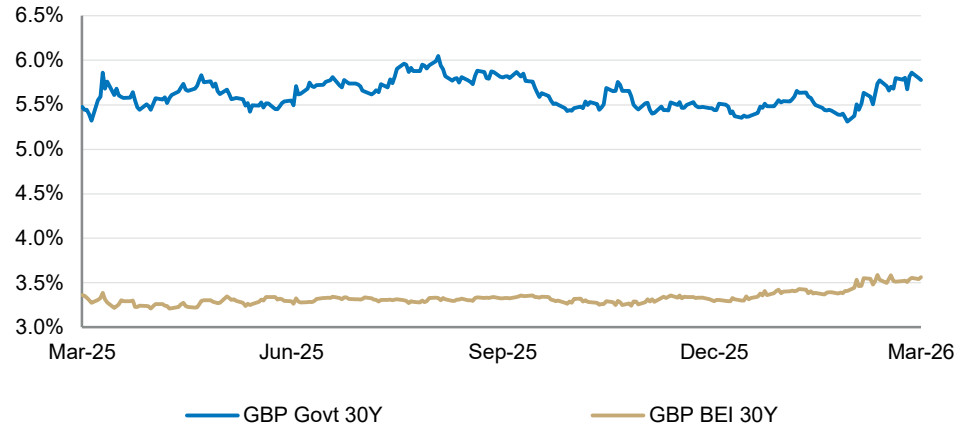
Asset class holdings relative to Gallagher set SAA (31 Mar 26)



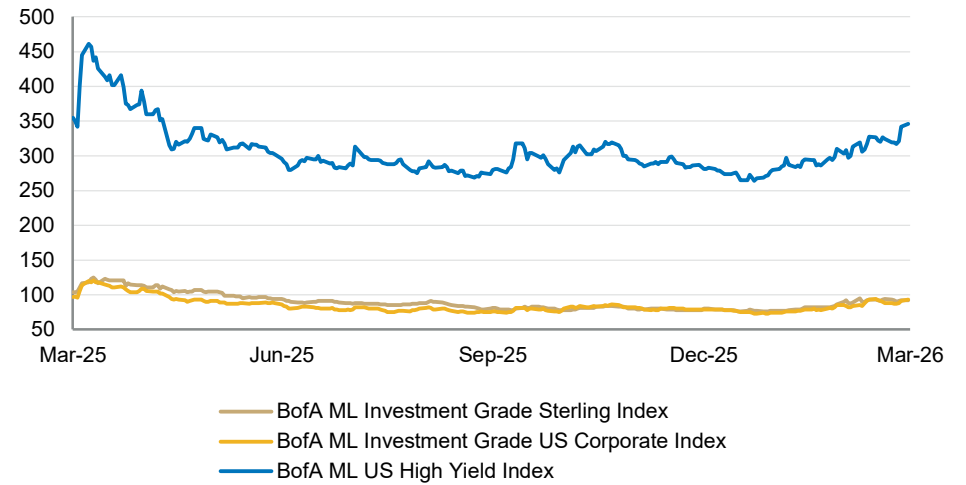
*The UK Government Bonds category consists of the Columbia Threadneedle Bonds and BlackRock Short Bond mandates.

What has happened in the markets?

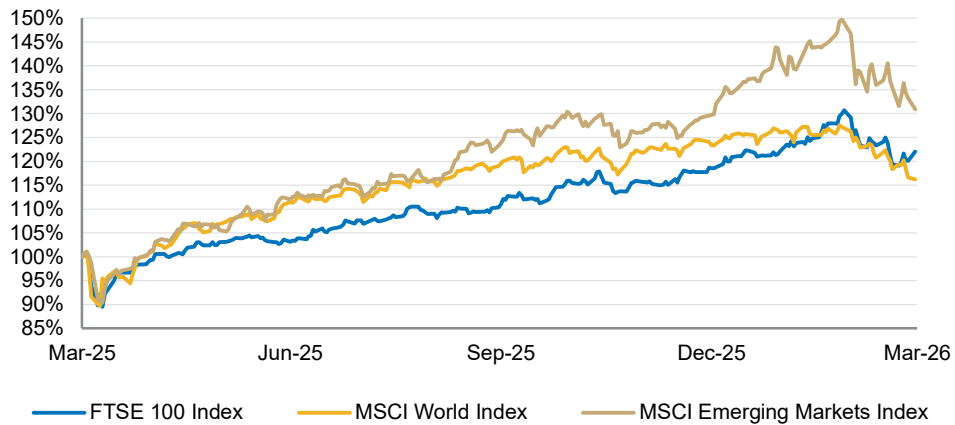
30-Yr Gilt Yield & 30-Yr Breakeven Inflation



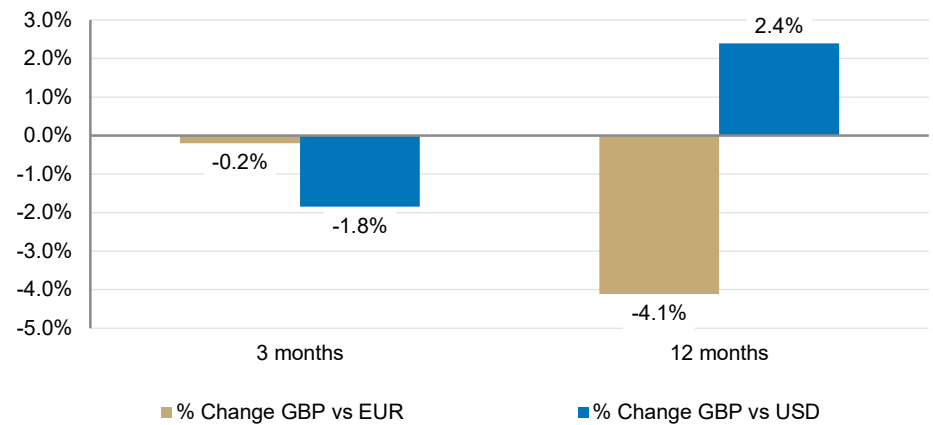
Credit Spreads (basis points)



Global Equity Markets



Currency Markets



Key takeaways

Here is your Economic Review



**Pete
Drewienkiewicz
(CIO)**




Financial markets entered 2026 strongly, with risk assets rallying through late February. The rally was led by non-US equities – particularly emerging markets – which benefited from improving growth sentiment and easing financial conditions. That momentum stalled in late February as geopolitical tensions crystallised in Iran, with escalation driving renewed volatility across equities, commodities and currencies.

Equity markets fell, with the quarter's early leaders suffering most, while energy markets also tightened in response to the conflict. Crude oil prices jumped above \$100/barrel, which in turn drove G4 government bond yields higher as markets moved to price in a new bout of energy-price-driven inflation. UK gilts were the weakest of the major bond markets, reflecting the UK's status as an energy importer, as markets priced out rate cuts and even moved to anticipate 2026 rate hikes.

Sustainable Investment Update

Climate policy signals were mixed in Q1. The US formally exited the Paris Agreement again and rolled back federal climate regulation, whilst Europe implemented its carbon border levy and reaffirmed its 2040 emissions-reduction target. Global energy transition investments rose 8% year on year to a record \$2.3trn, but temperatures continued to rise, with the World Meteorological Organization estimating that average temperatures in 2025 were 1.44°C above pre-industrial levels. Energy security and the strategic role of renewables was brought into focus amid the Iran conflict, with Brent crude oil spiking above \$100 a barrel. The Net Zero Asset Managers initiative was relaunched with softened commitments, and the Investment Consultants Sustainability Working Group released new manager stewardship oversight tools.

Your dedicated manager research team comments

 <p>Nick Horsfall</p> <p>Cash and Government Bonds</p>	<p>The gilt market navigated a volatile Q1 2026, shaped by domestic and geopolitical developments. The market opened the year with a rally, supported by improving sentiment around the UK's public finances and growing expectations of further rate cuts from the Bank of England ("BoE"). However, yields rose during the latter part of January, driven by spillover selling from the US Treasury market alongside sticky domestic inflation.</p> <p>The outbreak of geopolitical conflict in the Middle East led to a broad-based sell-off across major government bond markets. Contrary to the typical flight-to-safety dynamic that would normally support sovereign debt, investors instead focused on the inflationary consequences of the energy price shock arising from the disruption to the supply of oil and gas. Markets repriced to reflect a lower probability of near-term rate cuts and growing fears about stagflation. Gilt market volatility remained elevated throughout the period as investor sentiment shifted rapidly in response to geopolitical developments.</p> <p>By quarter end, 30-year nominal gilt yields and breakeven inflation rates had each risen by approximately 30 bps, while 30-year real yields closed only marginally higher. In light of increased uncertainty around the inflation and growth outlook, the BoE, the Federal Reserve ("Fed"), and the European Central Bank ("ECB") unanimously decided to hold base rates unchanged in March. The BoE noted that higher energy costs were likely to delay further easing and signalled its readiness to respond to potential inflationary pressures.</p>
 <p>Tristan Chapple</p> <p>Liquid Markets (Equities)</p>	<p>After a steady start to the year, equity markets were ultimately defined by the conflict in the Middle East. Uncertainty prevailed as investors considered the potential for conflict escalation and the immediate impact of soaring energy costs. Emerging markets ("EM") continued last quarter's trend and outperformed their developed-market ("DM") counterparts. US equities lagged amid ongoing concerns that AI could disrupt the business models of some of the largest listed software companies. In contrast, the UK market's higher energy exposure led it to outperform the DM benchmark by some margin. Japan was another stand-out performer as investors welcomed the pro-growth agenda of the newly elected Liberal Democratic Party. Value was easily the strongest style, while growth and momentum strategies lagged. Energy stocks soared and the utilities and materials sectors were also well ahead. Consumer stocks significantly lagged the benchmark, and tech stocks were also behind. In DMs, small caps fared best; large caps marginally outperformed in EMs.</p>
 <p>Simone Tarozzi</p> <p>Liquid Markets (Multi-Asset)</p>	<p>Q1 2026 proved a difficult quarter for risk assets as the conflict in the Middle East and the effective closure of the Strait of Hormuz dominated sentiment. Global equities sold off, commodities surged, and government bonds marginally declined, with rising energy prices stoking inflation concerns and pushing rate expectations from cuts toward potential hikes. Our preferred multi-asset managers held up relatively well in this environment, with commodity exposure proving supportive. All preferred diversified risk premia ("DRP") managers posted gains, reflecting resilience against a challenging market backdrop. Supporting DRP, trend following generated early gains before sharp reversals detracted (although remaining positive year to date), while equity market neutral delivered mixed results. Macro strategies also had a strong start to the quarter but gave back some of their returns as the rates environment shifted. Fundamental long/short equity funds faced headwinds as sentiment towards growth stocks deteriorated. Overall, across the broader hedge fund industry, returns were positive over the quarter.</p>



Chris Bikos

Liquid & Semi-Liquid Credit

Q1 2026 was characterised by heightened volatility across global fixed income markets following a sharp deterioration in risk sentiment after the outbreak of war in the Middle East. Higher energy prices reignited inflation concerns and triggered a rapid repricing of interest rate expectations, with government bonds selling off sharply, particularly at the front end of yield curves. Major central banks kept policy rates unchanged during the quarter, but rising sovereign yields became the dominant headwind for fixed-income assets.

Except for higher quality collateralised loan obligation (“CLO”) tranches and agency mortgage-backed securities (“MBS”), most credit sectors delivered negative returns. In investment grade, higher rates and relatively modest spread widening led to losses across regions. Shorter maturities outperformed long duration in the US, UK and Europe. High yield also weakened amid wider spreads and softer risk appetite, although US high yield outperformed European. Leveraged loan markets underperformed, reflecting heavy supply and ongoing pressure on software issuers linked to AI driven disruption.

Emerging-market debt faced a challenging quarter: widening credit spreads, a stronger US dollar and elevated geopolitical risk led to negative returns across hard- and local-currency segments. EM corporate debt was relatively resilient, with high yield EM corporates benefiting from income and strong performance from oil and gas issuers.



Tricia Ward

Illiquid Credit

Private credit market sentiment became more polarised in Q1. Heightened scrutiny around borrower fundamentals (particularly within software) led to increased redemption activity in ‘semi liquid’ vehicles typically targeted at wealth clients, particularly within the US Business Development Company (“BDC”) market. Consequently, certain BDC managers reported elevated withdrawal requests, reflecting caution from retail and wealth clients. Gallagher do not explicitly research or rate BDCs, in part due to the structural asset-liability mismatch between the underlying assets and liquidity terms offered by private BDCs. In addition, we typically do not consider BDCs representative of institutional direct lending products.

Against this backdrop, institutional direct lending capital has remained comparatively stable, with fundraising totalling \$15bn in Q1 2026 (source: Preqin). However, dispersion across direct lending managers and portfolios has increased, with greater emphasis on sponsor quality, sector exposure and documentation standards. Concerns around certain leveraged sectors, most notably software, have further highlighted the need for robust portfolio construction and proactive monitoring. Our focus in direct lending remains on managers demonstrating conservative leverage, strong covenant packages and matched asset-liability approaches to liquidity management.



Sarah Miller

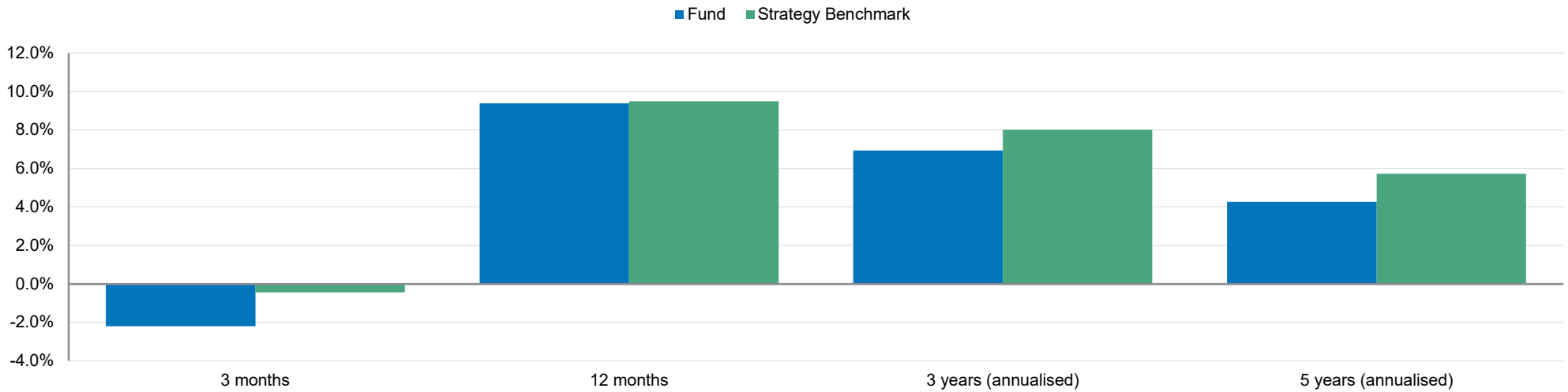
Illiquid Markets

Private equity saw a continued recovery in deal and exit volumes following a subdued 2024–25, aided by improved financing availability and sponsor-to-sponsor transactions, particularly in the large-cap segment. European private equity software investment activity slowed in Q1 2026. PitchBook shows a 38% year-on-year decline in deal value, reflecting valuation pressure after a sharp reset in listed software multiples. Uncertainty around long-term implications of rapid AI adoption, particularly for traditional software-as-a-service pricing models, dampened investor conviction.

European real estate investment volumes rose c.6% year on year. This is still below historical averages, led by multifamily and hospitality assets, while limited new supply and improving sentiment began to support pricing across select prime sectors. Infrastructure equity remained resilient in Q1 2026. Fundraising momentum carried through from 2025 as investors sought assets offering stable, inflation-linked cashflows and portfolio defensiveness amid heightened geopolitical uncertainty. Deployment activity remained disciplined. Investors increasingly favoured regulated and higher-yielding subsectors such as power, utilities and transport, while maintaining caution on valuation and exit assumptions.

Portfolio Performance vs Policy Benchmark & Target

Returns (%)	3 months	12 months	3 years (annualized)	5 years (annualized)
Total portfolio assets	-2.2%	9.4%	6.9%	4.3%
Strategy Benchmark	-0.4%	9.5%	8.0%	5.7%
Relative to Strategy Benchmark	-1.8%	-0.1%	-1.1%	-1.5%



Source: Northern Trust's Q1 2026 report

How have your managers performed for you?

Fund	Inception Date	Holdings Current £m	Holdings Previous £m	Since Inception Return (Annualised if >12m)			3 Year Return (Annualised)			12 Month Return			3 Month Return		
				Fund	Bench-mark	Excess	Fund	Bench-mark	Excess	Fund	Bench-mark	Excess	Fund	Bench-mark	Excess
Liquid Markets (Equities)															
BlackRock Low Carbon	Mar 2018	175.0	276.5	11.1%	10.2%	0.9%	13.9%	13.0%	0.9%	13.8%	12.0%	1.8%	-5.4%	-6.0%	0.6%
LCIV Emerging Market Equity Fund	Sep 2021	118.5	98.1	4.3%	5.3%	-1.0%	10.9%	12.4%	-1.5%	36.0%	26.8%	9.2%	4.9%	1.8%	3.1%
LCIV Global Alpha Growth Paris Aligned Fund	Sep 2021	251.0	269.7	0.5%	9.9%	-9.5%	7.8%	14.6%	-6.8%	9.1%	18.0%	-8.9%	-7.0%	-1.2%	-5.8%
LCIV Sustainable Equity Fund	Jun 2018	366.1	403.2	8.9%	11.2%	-2.3%	9.8%	14.0%	-4.2%	12.6%	16.4%	-3.8%	-4.0%	-1.7%	-2.4%
BlackRock World Equity	Jun 2018	111.0	158.0	11.3%	10.6%	0.7%	17.3%	15.9%	1.4%	18.7%	18.2%	0.5%	-3.0%	-3.0%	0.1%
L&G Future World UK Equity Index Fund	Mar 2026	70.3	-	1.7%	0.2%	1.5%	-	-	-	-	-	-	-	-	-
Liquid & Semi-Liquid Credit															
BlackRock Short Bond	Feb 2019	74.8	97.6	2.6%	2.4%	0.2%	4.8%	4.6%	0.2%	4.2%	3.9%	0.3%	0.8%	0.9%	-0.1%
Columbia Threadneedle Bonds	Sep 2003	384.3	218.8	3.9%	3.5%	0.4%	0.0%	-0.2%	0.2%	3.5%	3.5%	0.0%	-1.3%	-0.7%	-0.6%
LCIV MAC Fund	Mar 2024	150.5	152.4	6.8%	9.0%	-2.3%	-	-	-	5.9%	8.5%	-2.6%	-1.2%	2.0%	-3.3%
Illiquid Credit															
Churchill Senior Loans	Dec 2018	25.5	58.6	6.6%	6.5%	0.1%	-	-	-	-	-	-	-	-	-
LCIV Private Debt Fund	Mar 2021	163.1	176.0	7.7%	7.0%	0.7%	-	-	-	-	-	-	-	-	-
Permira Senior Loans	Feb 2019	47.3	91.9	7.3%	7.0%	0.3%	-	-	-	-	-	-	-	-	-
Illiquid Markets															
Columbia Threadneedle Pensions Property (TPEN)	Mar 2004	160.3	160.0	3.7%	3.6%	0.1%	4.1%	3.2%	0.8%	4.4%	4.3%	0.1%	0.2%	0.7%	-0.5%
LCIV Renewable Infrastructure Fund	Mar 2021	71.7	67.6	2.1%	8.5%	-6.4%	-	-	-	-	-	-	-	-	-
LCIV Nature Based Solutions	Dec 2024	48.1	57.1	-	-	-	-	-	-	-	-	-	-	-	-
LCIV UK Housing Property Fund	Dec 2024	24.9	19.0	-	-	-	-	-	-	-	-	-	-	-	-
Resonance National Homelessness Property Fund 2	Jan 2025	12.0	8.3	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL		2,254.4	2,312.7												

The information above describes the past performance of the investment. Past performance is not a reliable indicator of the future results or performance of any investment.

If the investment described above is not denominated in pounds sterling, the return generated by the investment may increase or decrease as a result of fluctuations in exchange rates between currencies.

Performance data for Churchill Senior Loans and Permira Senior Loans is sourced from the manager.

Performance data for LCIV Private Debt Fund and LCIV Renewable Infrastructure Fund has been taken from the LCIV Q4 2025 Private Markets Investment Review.

Performance for Permira Senior Loans, LCIV Private Debt Fund and LCIV Renewable Infrastructure Fund is reported on a quarter lag.

Due to the recent inception dates, no performance is shown for the LCIV Nature Based Solutions Fund, LCIV UK Housing Property Fund and Resonance National Homelessness Property Fund 2.

Please note that the valuation and since inception returns for Columbia Threadneedle Bonds are sourced from the manager.

Please note that performance provided by Northern Trust is gross of fees.

Your fund details and comments

Fund	Inception Date	Commentary
Liquid Markets (Equities)		
BlackRock Low Carbon	Mar 2018	The fund delivered a return of -5.4% over Q1 2026, outperforming the benchmark by 0.6%.
LCIV Emerging Market Equity Fund	Sep 2021	The fund delivered a return of 4.9% over Q1 2026, outperforming the benchmark by 3.1%. Allocation and stock selection were key to the positive performance registered over the quarter. At sector level, an overweight allocation to information technology spurred returns, as the sector continues to show momentum pertaining to AI, whilst an underweight to consumer discretionary aided relative performance. At stock level, TSMC displayed the largest contribution within the Fund, as the company benefits from its competitive advantage within the AI supply chain. LCIV noted that the performance patterns and return drivers are aligned to their expectations, and that with the restructuring that took place with Ashmore and Acadian joining J.P. Morgan in running the mandate, they believe the fund is well positioned to deliver outperformance over the longer term.
LCIV Global Alpha Growth Paris Aligned Fund	Sep 2021	The fund delivered a return of -7.0% over Q1 2026, underperforming the benchmark by 5.8%. Rising geopolitical tensions, coupled with a style rotation which favoured value over growth contributed to relative underperformance, as widespread valuation compression was noted across growth holdings. A sell-off across software and asset-light digital companies damaged return prospects over the quarter, with advances in AI hindering market sentiment as investors showed concerns around disruption and durability of margins. At the stock level, the core detractors over the quarter were seen from AppLovin, DoorDash and Adyen. LCIV noted that portfolio turnover has remained high, with the sale of previous high conviction positions. LCIV believes this is something that warrants close monitoring.
LCIV Sustainable Equity Fund	Jun 2018	The fund delivered a return of -4.0% over Q1 2026, underperforming the benchmark by 2.4%. Disrupted energy supply routes and surging oil prices as a consequence of the Middle East conflict saw the Energy sector, where the fund has historically maintained low exposure, to showcase positive returns. Rising inflation expectations triggered a shift in market sentiment surrounding interest-rate cuts, which proved favourable for energy, utilities and materials. At the stock level, the three holdings that detracted most significantly were LVMH, AppLovin and Intuit. LCIV noted that the relative underperformance was not unexpected, amid the geopolitical landscape and AI-related developments given the Fund's positioning. In mid-April 2026, LCIV completed a due-diligence review of the investment manager, with findings to be shared in Q2 2026.
BlackRock World Equity	Jun 2018	The fund delivered a return of -3.0% over Q1 2026, outperforming the benchmark by 0.1%.
L&G Future World UK Equity Index Fund	Mar 2026	The fund delivered a return of 1.7% since inception to Q1 2026 end, outperforming the benchmark by 1.5%.
Liquid & Semi-Liquid Credit		
BlackRock Short Bond	Feb 2019	The fund delivered a return of 0.8% over Q1 2026, underperforming the benchmark by 0.1%. This mandate is being held temporarily to house the private market drawdowns.
Columbia Threadneedle Bonds	Sep 2003	The fund delivered a return of -1.3% over Q1 2026, underperforming the benchmark by 0.6%. The underperformance was in part due to an underweight position in inflation-linked gilts, which outperformed conventional gilts over the period. In addition to this, the Fund's US and euro yield-curve positions detracted from returns, as short-term yields rose faster than longer-dated yields. Conversely, the Fund benefitted from holding long exposure to New Zealand government bonds, which Threadneedle sold shortly after the Iran conflict began.
LCIV MAC Fund	Mar 2024	The fund delivered a return of -1.2% over Q1 2026, underperforming the SONIA +4.5% p.a. performance comparator by 3.3%. Amid geopolitical tensions rising, longer dated bonds saw aggressive repricing and front-end government bond yields rising, with expectations moving from interest rate cuts to the potential for multiple hikes. Given the Fund's exposure to interest rate risk, this proved to be a core detractor over the quarter. Relative underperformance over the quarter was due more in part to asset class dynamics, rather than single holdings, as the diversified and higher quality positioning employed by the strategy helped minimise drawdowns in March. LCIV noted that both investment managers are meeting expectations in relation to the composition and risk profile of the Fund.
Illiquid Credit		
Churchill Senior Loans	Dec 2018	The since inception net internal rate of return reported by the manager as at Q1 2026 was 6.6%, with the fund having drawn c.96% of its commitments as at 31 March 2026. The fund is expected to wind up (i.e. have returned all capital) by 2029.

LCIV Private Debt Fund	Mar 2021	<p>This comment is written on a quarter lag.</p> <p>Over Q4 2025, total fund NAV increased moderately to c.£553m, with NAV appreciation being catalysed by investment gains.</p> <p>The fund's investment period ended in March 2025, and performance is now formally assessed against objectives. The since inception net internal rate of return is 7.7% as at Q4 2025, which is towards the top end of the 6-8% target set.</p> <p>The fund has currently drawn 75% of its commitments and is now closed to new commitments given the investment period ended on 29th March 2025.</p>
Permira Senior Loans	Feb 2019	<p>The since inception net internal rate of return reported by the manager as at Q1 2026 was 7.3%, with the fund having drawn c.87% of its commitments as at 31st March 2026. The fund is expected to wind up (i.e. have returned all capital) in 2027.</p>
Illiquid Markets		
Columbia Threadneedle Pensions Property (TPEN)	Mar 2004	<p>The fund delivered a return of 0.2% over Q1 2026, underperforming the benchmark by 0.5%.</p>
LCIV Renewable Infrastructure Fund	Mar 2021	<p>This comment is written on a quarter lag.</p> <p>Over Q4 2025, fund NAV increased to £677.1m, from £644.7m in Q3 2025. This was driven by capital calls experienced over the quarter, which amounted to £42.2m. The increase in NAV was offset by an unrealised loss of £5.2m, with six underlying investments noting decreases in valuations, whilst FX movements detracted from USD and EUR commitments.</p> <p>LCIV reported a net internal rate of return of 2.1% since inception, which is below the 7-10% investment target set.</p> <p>The fund is now 59% drawn on commitments.</p>
LCIV Nature Based Solutions	Dec 2024	<p>This comment is written on a quarter lag.</p> <p>Over Q4 2025, fund NAV increased to £190.1m, from £183.2m in Q3 2025. This was predominantly driven by capital call activity from JP Morgan's Campbell Global Forest Fund, Manulife Hancock Timberland and Farmland Fund VI and Gresham House's Forestry Fund VI, totalling c.£5m.</p> <p>The fund's ramp-up period is expected to end in July 2028, at which time performance will be formally assessed.</p> <p>The fund has currently drawn 57% of its commitments.</p>
LCIV UK Housing Property Fund	Dec 2024	<p>This comment is written on a quarter lag.</p> <p>Over Q4 2025, fund NAV increased to £261.7m in Q4 2025, from £259.3m in Q3 2025. The increased noted was driven by valuation increases from 4 of the 6 underlying investments, alongside income distributions received over the period.</p> <p>The fund will invest in a range of different types of social and affordable housing funds. As at quarter end, the Fund was 100% committed across six investments; CBRE UK AHF (c.£100m), Octopus AHF (c.£108m), Savills IM SAH (c.£75m), Man RI 3 (c.£100m), L&G AHF (c.£100m); and a secondary commitment to CBRE UK AHF (c.£44.8m).</p> <p>The fund's ramp-up period is expected to end in March 2027, at which time performance will be formally assessed.</p>
Resonance National Homelessness Property Fund 2	Jan 2025	<p>Hackney Pension Fund has committed £20m to this fund. The fund held its final close in February 2025 and raised a total of £174m.</p> <p>As at 31st March 2025, the fund had total ownership of 521 properties, 447 of which are already tenanted. During the quarter, the fund had 91 properties in conveyancing and had purchased 391.</p>

Appendix

Asset Class Groupings

Cash and Government Bonds	<ul style="list-style-type: none">• Manage unrewarded interest rate and inflation risk through efficient use of entire universe of hedging instruments.• Examples: gilt portfolios, swap overlay strategies, LDI pooled funds.
Liquid Markets	<ul style="list-style-type: none">• Highly marketable asset classes that generate returns through market risk premia.• Examples: equities, commodities, liquid multi-asset strategies.
Liquid & Semi-Liquid Credit	<ul style="list-style-type: none">• Steady income via regular coupon payments.• Bulk of excess returns are compensation for credit risk.• Examples: investment grade and high yield corporate bonds, “go-anywhere” credit.
Illiquid Credit	<ul style="list-style-type: none">• Long-dated, hold-to-maturity instruments that pay an illiquidity premium.• Potential for inflation-linked cashflows.• Examples: infrastructure debt, secured leases, direct lending.
Illiquid Markets	<ul style="list-style-type: none">• High potential returns but often difficult to access and relatively complex.• Generally aim to take advantage of market dislocation and more exotic risk premia.• Examples: private equity, property, infrastructure equity.

These are the benchmarks we compare your investments against

Fund	Benchmark
Liquid Markets (Equities)	
BlackRock Low Carbon	MSCI World Low Carbon Target Reduced Fossil Fuel Select Index
LCIV Emerging Market Equity Fund	MSCI Emerging Market Index (TR Net)
LCIV Global Alpha Growth Paris Aligned Fund	MSCI All Country World Gross Index (GBP)
LCIV Sustainable Equity Fund	MSCI World (GBP) (TR Net)
BlackRock World Equity	MSCI World Net Total Return 95% hedged to GBP
L&G Future World UK Equity Index Fund	FTSE All Stock Index
Liquid & Semi-Liquid Credit	
BlackRock Short Bond	3-month SONIA
Columbia Threadneedle Bonds	Bond Composite
LCIV MAC Fund	SONIA + 4.5%
Illiquid Credit	
Churchill Senior Loans	IRR (net of fees) of 6-7%
LCIV Private Debt Fund	IRR (net of fees) of 6-8%
Permira Senior Loans	IRR (net of fees) of 6-8%
Illiquid Markets	
Columbia Threadneedle Pensions Property (TPEN)	IRR (net of fees) of 7-10%
LCIV Renewable Infrastructure Fund	N/A
LCIV Nature Based Solutions	MSCI/AREF UK 'All Balanced Open-Ended' Property Fund Index
LCIV UK Housing Property Fund	N/A
Resonance National Homelessness Property Fund 2	N/A

Contacts



Jill Davys

Head of LGPS

Tel: +44 (0) 20 3540 5873

jill.davys@redington.co.uk



Sam Yeandle

Director, Investment Consulting

Tel: +44 (0) 20 3326 7158

sam.yeandle@redington.co.uk

Floor 6, One Angel Court, London. EC2R 7HJ | +44 (0)20 7250 3331 | www.ajg.com/uk/

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