London Borough of Brent Pension Fund

Q2 2022 Investment Monitoring Report

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HYMANS ROBERTSON

Executive Summary

Q2 2022 proved another challenging quarter for markets, with the Funds investments returning -6.7%, underperforming the Fund's benchmark by 1.0%. However, over a 3-year period, the assets continue to outperform strongly on both an absolute and a relative basis.

Market volatility weighed heavily on markets over the period as inflation and interest rate hikes continued. The persistence of these inflationary pressures has led to a rise in fears of recission, with forecast growth down from the start of Q1.

Global equities as a whole fell 8.7% as a whole in Sterling terms. UK equities faired better, benefitting from the outperforming energy sector which constitutes a material part of the index. Emerging market equities again fell over the period, largely driven by underperformance of the technology sector, due to its increased sensitivity to rising rates.

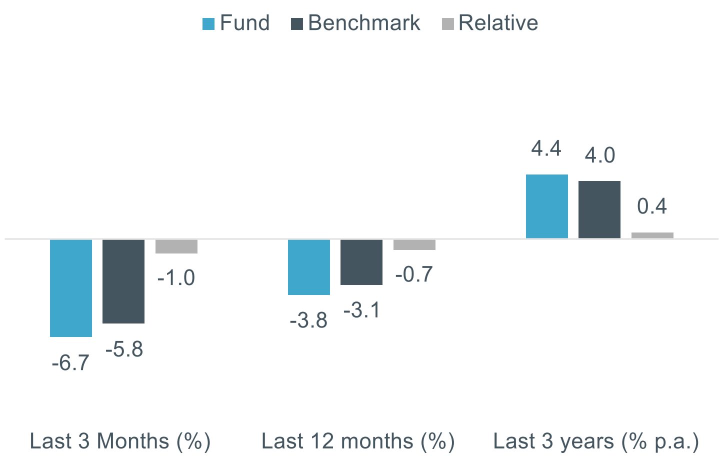
Within fixed income, rising interest rates provided upward pressure on yields and drove significant decrease in value. Speculative grade credit markets also suffered amidst the uncertainty.

Property continued its strong run; however, capital growth has softened over the last few months.

Key points to note

- The Fund posted negative returns over the quarter, ending the period with a valuation of £1,054.3m, down from £1,127.6m at the end of Q1 2022.
- The majority of assets classes struggled in Q2 2022 amidst a challenging environment. Index-tracking mandates with LGIM (global equities) and BlackRock (gilts) contributed heavily to the negative absolute return whilst the LCIV Baillie Gifford multi-asset fund, the LCIV emerging markets fund and the LCIV multi-asset credit (MAC) fund all drove relative underperformance versus the benchmark.
- A positive performer was the Fund's property investment with Fidelity although at c1.5% of assets it has little offsetting effect on overall performance.
- In Q3 2022 the Fund will seek to complete planned investment in the BlackRock Low Carbon equity fund whilst continuing to explore attractive secondary market opportunities within the property space consistent with the decision taken at the October 2021 Committee meeting.

Fund performance vs benchmark/target



High Level Asset Allocation

As part of the investment strategy review carried out in Q2 2020, the Fund's multi-asset mandates were re-categorised as 'Diversifiers' and included within the 'Income' bucket.

GrIP	Actual	Benchmark	Relative
Growth	57.9%	58.0%	-0.1%
Income	29.9%	25.0%	4.9%
Protection	10.1%	15.0%	-4.9%
Cash	2.1%	2.0%	0.1%

Whilst on the journey to its interim and long term targets for Property, Infrastructure and Private Debt, the current agreement is that the Fund will hold a higher allocation to multi-asset funds.

The Fund's current target allocations are as follows:

Interim
Growth – 58%
Income/Diversifiers – 25%
Protection plus cash – 17%

Long-term
Growth – 50%
Income/Diversifiers – 35%
Protection – 15%

The Fund is broadly in line with the interim target allocations for growth and cash, whilst it is over/underweight income and protection assets respectively.

The LCIV infrastructure and private debt funds remain in their ramp up phase. We therefore expect the Fund's commitments to continue to be drawn down over 2022/23.

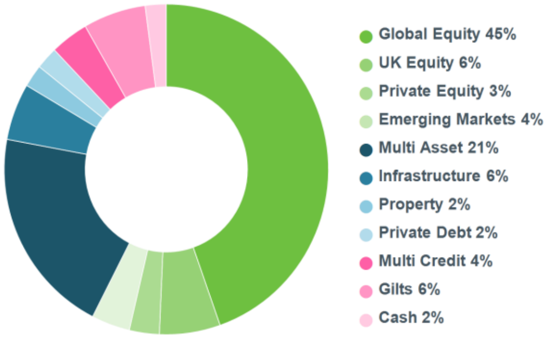
The second tranche of the investment into the BlackRock Low Carbon fund is due to take place in H2 2022, taking the total proportion closer to its 3% benchmark allocation. This is due to be funded by divesting from the LGIM Global Equity Fund.

Asset Allocation

Manager	Valuation (£m)		Actual Proportion	Benchmark	Relative
	Q1 2022	Q2 2022			
LGIM Global Equity	506.1	459.7	43.6%	40.0%	3.6%
LGIM UK Equity	67.8	64.4	6.1%	5.0%	1.1%
Capital Dynamics Private Equity	30.0	31.7	3.0%	5.0%	-2.0%
LCIV JP Morgan Emerging Markets	43.8	40.6	3.9%	5.0%	-1.1%
Blackrock Acs World Low Crbn	15.4	13.7	1.3%	3.0%	-1.7%
Total Growth	**663.1**	**610.1**	**57.9%**	**58.0%**	**-0.1%**
LCIV Baillie Gifford Multi Asset	135.1	123.3	11.7%	6.0%	5.7%
LCIV Ruffer Multi Asset	97.4	93.3	8.8%	6.0%	2.8%
Alinda Infrastructure	23.4	26.5	2.5%	0.0%	2.5%
Capital Dynamics Infrastructure	6.2	6.9	0.7%	0.0%	0.7%
LCIV Infrastructure	21.4	25.6	2.4%	5.0%	-2.6%
Fidelity UK Real Estate	15.7	16.6	1.6%	3.0%	-1.4%
LCIV Private Debt Fund	20.3	23.3	2.2%	5.0%	-2.8%
Total Income	**319.5**	**315.5**	**29.9%**	**25.0%**	**4.9%**
LCIV MAC	43.8	40.4	3.8%	5.0%	-1.2%
BlackRock UK Gilts Over 15 yrs	77.1	66.2	6.3%	10.0%	-3.7%
Total Protection	**120.9**	**106.5**	**10.1%**	**15.0%**	**-4.9%**
Cash	24.1	22.2	2.1%	2.0%	0.1%
Total Scheme	**1127.6**	**1054.3**	**100.0%**	**100.0%**	

Figures may not add up due to rounding. The benchmark currently shown as the interim-target allocation as the first step in the journey towards the long-term target. As the Fund's allocations and commitments to private markets increase over time, we will move towards comparison against the long-term target.

Asset class exposures



Source: Investment Managers

Total Fund return was negative during the period on both an absolute and relative basis. This resulted in performance over the 12 month period falling slightly behind benchmark. However, 3 year relative performance remains positive.

Despite a negative return, UK equities fared better than global markets due to the UK's higher weighting to cyclical sectors such as financials, industrials and basic materials, which performed relatively better over the period.

Capital Dynamics private equity mandate was the only positive performer of the growth assets, returning 7.6% over the quarter, well ahead of its FTSE benchmark although we would note that private equity valuations tend to lag those of listed markets.

Ruffer maintains its strong positive return over the 3 year period, despite Ballie Gifford falling behind in relative terms. Ruffer's defensively positioned strategy and stock selection in the equity component of the portfolio meant it performed better than Baillie Giffords more "risk-on" approach. This demonstrates the value from adopting a diversified approach to multi-asset investing.

Gilt yields continued to rise over the period, weighing on returns and leading to an decrease in the value of the BlackRock portfolio of c.£11m.

The LCIV MAC fund also suffered amidst rising interest rates and weakening sentiment returning -7.6% over the period.

Manager performance

	Last 3 Months (%)			Last 12 months (%)			Last 3 years (% p.a.)		
	Fund	B'mark	Relative	Fund	B'mark	Relative	Fund	B'mark	Relative
Growth									
LGIM Global Equity	-9.2	-9.2	**0.0**	-3.1	-3.1	**0.0**	9.3	9.4	**0.0**
LGIM UK Equity	-5.0	-5.0	**0.0**	1.8	1.7	**0.1**	2.5	2.4	**0.1**
Capital Dynamics Private Equity	7.6	-8.7	**17.8**	28.1	-1.2	**29.7**	11.9	9.6	**2.1**
LCIV JP Morgan Emerging Markets	-7.3	-4.0	**-3.5**	-19.4	-15.0	**-5.1**	0.2	2.1	**-1.9**
Blackrock Acs World Low Crbn	-11.0	-9.1	**-2.0**	-	-	**-**	-	-	**-**
Income									
LCIV Baillie Gifford Multi Asset	-8.8	0.7	**-9.4**	-10.1	2.6	**-12.3**	0.2	2.5	**-2.3**
LCIV Ruffer Multi Asset	-4.2	0.7	**-4.9**	2.0	2.6	**-0.5**	8.0	2.5	**5.3**
Alinda Infrastructure	-	-	**-**	33.9	11.5	**20.1**	9.9	6.3	**3.4**
Capital Dynamics Infrastructure	-	-	**-**	-21.7	11.5	**-29.7**	-15.0	6.3	**-20.0**
LCIV Infrastructure	-	-	**-**	14.7	11.5	**2.9**	-	-	**-**
Fidelity UK Real Estate	5.7	4.4	**1.2**	-	-	**-**	-	-	**-**
Protection									
LCIV MAC	-7.6	0.7	**-8.3**	-10.6	2.4	**-12.7**	-1.1	2.6	**-3.7**
BlackRock UK Gilts Over 15 yrs	-14.2	-14.2	**0.0**	-22.8	-22.9	**0.1**	-6.2	-6.3	**0.1**
Total	-6.7	-5.8	**-1.0**	-3.8	-3.1	**-0.7**	4.4	4.0	**0.4**

This table shows the new performance target measures, implemented from 2020. Please note the 3-year return is on the old benchmark basis.

Performance from Alinda, Capital Dynamics and the LCIV Infrastructure funds is based on information provided by Northern Trust. For such investments, there are alternative measures to assess performance. This is also the case for Private Equity and Private Debt (see below) as asset classes.

The table above excludes an individual line for the performance of the Fund's investment in the London CIV's Private Debt sub-fund. Given initial draw downs only occurred during Q2 2021, it still remains too early to report meaningful performance at this stage. The Fund's commitment will continue to be drawn under this mandate, and as the size of investment increases, performance information will be more readily available from the manager, and it will become more appropriate to report individually. In the meantime, for completeness, the total Fund figures assume a nil return based information provided by the custodian Northern Trust.

Source: Fund performance provided by Investment Managers and is net of fees.
Benchmark performance provided by Investment Managers and DataStream

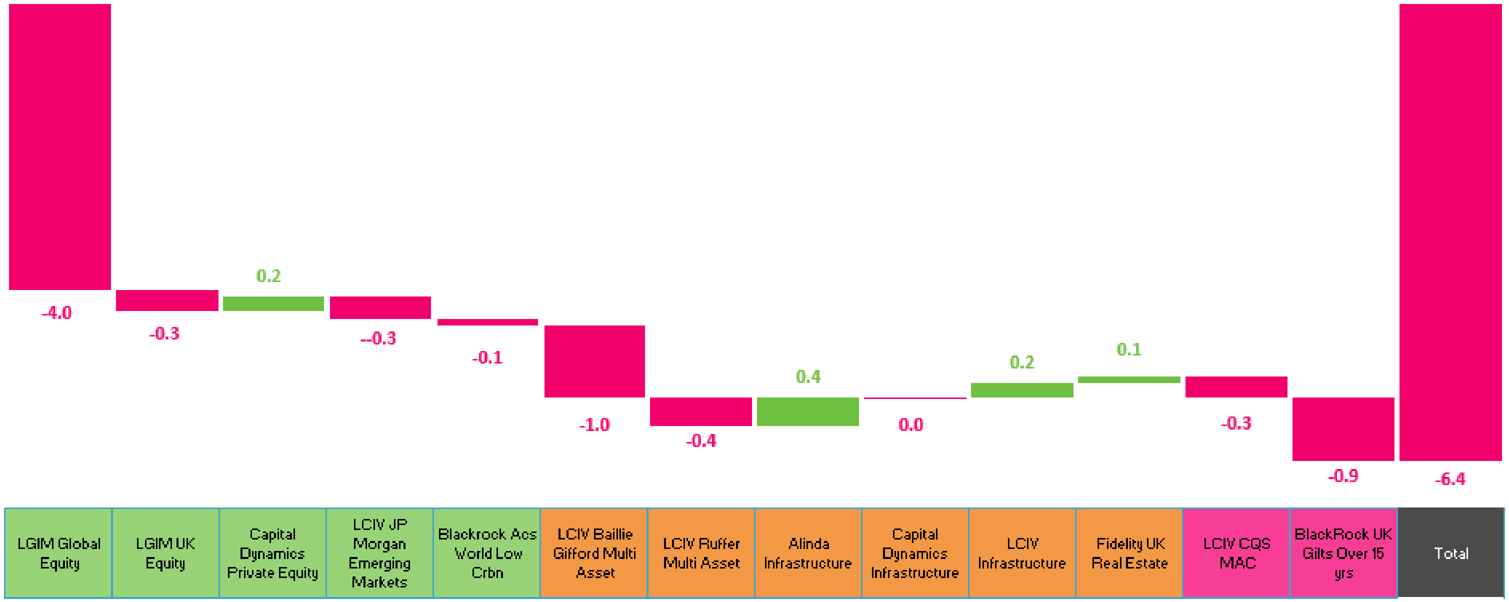
This chart highlights each mandate's contribution to the Fund's absolute performance over the quarter according to their allocation.

The biggest detractor from performance over the second quarter of 2022 was LGIM's Global Equity Fund, given its sizeable allocation of 45% of the Fund's assets and its unfavourable return in both absolute and relative terms.

Despite large negative returns posted by the Capital Dynamics Infrastructure Fund, this mandate has an allocation of <2% of the total Fund, hence did not detract significantly from the Fund's overall performance.

The diversifying nature of the LCIV and Alinda infrastructure funds mean that these sub-funds contributed positively over the quarter.

Fund performance by manager



The chart above excludes the performance of the Fund's investment in the London CIV's Private Debt sub-fund. Given initial draw downs only occurred during Q2 2021, it still remains too early to report appropriate performance at this stage. As the Fund's commitments continue to be drawn under this mandate, and the size of investments increase, it will become more appropriate to report and consider return measures in percentage terms.

Due to rounding of the individual fund returns and the exclusion of the LCIV private debt fund, the total performance shown above may not add to the total quarterly performance shown on page 3 of this report.

Source: Fund performance provided by Investment Managers and is net of fees.

Manager Ratings

There were no manager rating changes to existing managers over the period.

There have been no changes to RI ratings over the period.

Information on the rating categories can be found in the appendix.

RAG status reflects the long term performance of each mandate. Manager developments reflect any key changes over the quarter and how this may affect the mandate.

RAG Status Key (assessment of longer term relative performance):
- Red: Significant underperformance
- Amber: Moderate underperformance
- Green: Performance in line / above benchmark

The pages that follow cover in further detail managers who have an amber/red performance rating.

We also provide commentary on Ruffer whose multi-asset mandate, via the London CIV, which has performed relatively well in the current challenging environment.

Manager ratings

Manager/Mandate	Asset Class	Hymans Rating	RI Rating	Performance	Manager Developments
LGIM	Global Equity	Preferred	Strong		
LGIM	UK Equity	Preferred	Strong		
Capital Dynamics	Private Equity	Suitable	Not Rated		
LCIV JP Morgan	Emerging Markets	Suitable	Adequate		
BlackRock	Acs World Low Crbn	Preferred	Adequate	N/A	
LCIV Baillie Gifford	Multi Asset	Preferred	Good		
LCIV Ruffer	Multi Asset	Positive	Adequate		
Alinda	Infrastructure	Not Rated	Not Rated		
Capital Dynamics	Infrastructure	Not Rated	Not Rated		
LCIV	Infrastructure	Not Rated	Not Rated	N/A	
LCIV	Private Debt	Not Rated	Not Rated		
Fidelity	UK Real Estate	Preferred	Good	N/A	
LCIV	Multi Credit	Suitable	Not Rated		
BlackRock	UK Gilts Over 15Yrs	Preferred	Not Rated		

Baillie Gifford business update

Baillie Gifford announced that their multi-asset funds with now have two formalised lead manager roles. For Diversified Growth and Multi Asset Growth Funds – James Squires and Nicoleta Dumitru will lead and for Sustainable Multi Asset Fund – Scott Lothian and James Squires will lead.

Source: Investment Managers

We have included further detail on the following mandates this quarter:

- •LCIV Baillie Gifford Multi-Asset
- •LCIV Ruffer Multi-Asset
- •LCIV JP Morgan Emerging Markets
- •LCIV MAC
- •Capital Dynamics Infrastructure

LCIV Ballie Gifford Multi Asset

The fund returned -8.8% over Q2, underperforming its benchmark by 9.4%. However, when assessing performance against an absolute return style benchmark, it is more meaningful to look over a longer period. The fund has fallen behind its longer term targets on a relative basis; however it still has a positive absolute 3-year return, albeit only marginal so.

The primary detractor from performance this quarter was the fund's significant allocation to equities (c.22%), which suffered in continued market volatility. Additionally, the absolute return segment did not perform as expected during this period of economic stress and contributed to the fund's negative performance.

The fund's property holdings also negatively impacted performance. Due to intensifying fears of recession, exposure to logistics and industrial properties, through publicly traded REITS performed poorly. During the quarter the property holding in German residential REITS was liquidated.

Over the quarter, Ballie Gifford sold their 'cyclical recovery' portfolio as they believe the post-COVID-19 recovery period to be over. In place of this, they have added growth equities and increased exposure to emerging market bonds.

Given the poor performance this quarter, Ballie Gifford took some strategic actions to address issues within underperforming asset classes. Baillie Gifford remains focused on their longer-term trends and stresses the importance of not losing sight of long-term goals amidst the current volatile market.

We continue to rate the fund as 'Preferred', with an RI rating of 'Strong'.

LCIV Ruffer Multi Asset

This year has been a challenging one for multi-asset investors with equities and bonds falling -12.4% and -11.1% respectively year-to-end of May. This market backdrop has created a large dispersion in the returns for the different 'Preferred' and 'Positive' rated multi-asset strategies in our universe ranging roughly from negative 5-10% returns year-to-end of May. The exception to this distribution is the Ruffer Absolute Return which has added 4.6% year-to-end of May.

Ruffer focus on capital preservation. Therefore, they typically have a different asset allocation to many multi-asset funds in our universe and we believe it's worth highlighting this in the current market environment. Ruffer's strong relative performance year-to-end of May has been driven by stock selection in the equity component of the portfolio with selective exposure to certain cyclical stocks. In addition, despite the portfolios high allocation to inflation linked bonds (which would typically increase duration), Ruffer have tactically managed duration keeping it around zero since late 2021. This has led to a purer exposure to inflation and has contributed significantly by hedging the portfolio with interest rate options being the highest contributor year-to-end of May. In addition exposure to USD and equity protection (puts) strategies have also added value. We maintain conviction in the quality of Ruffer's macro-research which leads to a relatively contrarian asset allocation, implemented strategically.

Source: Investment Managers, London CIV

Further detail on specific manager performance is provided for funds that have performed below their relative benchmark over the longer term.

LCIV JP Morgan Emerging Markets

The JP Morgan Emerging Markets fund returned -7.3% over the second quarter of 2022, against its benchmark of -4.0%. Over 12 months the fund has underperformed its benchmark by 5.1%. Underperformance over a 3-year period is more moderate.

Emerging markets continued to lag developed markets equities in 2022 and returns continued to fall in Q2. While sector allocation contributed to the fund's underperformance over the period, e.g., underweight allocation to the energy sector, the manager's weak stock selection was the primary detractor. An overweight allocation to an underperforming communication services sector - Sea Ltd and MercadoLibre, previously strong performers, continued to decline in over the quarter.

With a c.21% allocation to China, recent easing of COVID-19 restrictions, alongside reduced regulatory pressures has had a positive impact on the portfolio. The manager is looking to add to this exposure through smaller active positions. From a positioning standpoint, the manager believes the 'quality growth' bias in the strategy will serve it well over the longer term, particularly in a more subdued market environment.

We continue to rate JP Morgan's Emerging Market equity fund as 'Suitable', with an RI rating of 'Adequate'.

LCIV Multi Asset Credit

Over Q2 2022, the LCIV's multi-asset credit strategy returned -7.6% against a benchmark of 0.7%. Again, when assessing performance against an absolute return style benchmark, it is more meaningful to look over a longer period as volatility can be expected in the short term. Performance was also negative over the past 12 months which has resulted in longer term performance falling further behind benchmark by 3.7%.

The key detractor from performance over the quarter was the high yield sector, especially within the European market with rising risks of recession, due to continually increasing inflation and interest rate hikes. Additionally, asset backed securities contributed to negative performance. The portfolio's exposure towards European collateralised loan obligations (CLOs) proved unfavourable, as they faced significant repricing.

Loans performed better than other credit markets at the start of the period, due to the floating rate assets held within the portfolio. However, loans underperformed as fears over the growth market increased, due to them being perceived as more risky than bonds.

Going forward, the fund is transitioning into a multi-manager fund, with an equal allocation to both underlying fund managers: CQS and PIMCO. The final transition was completed post quarter end, in July. This transition has resulted in a increased diversification, specifically to the fund's exposure to key credit asset classes. Additionally, this should provide more stability to performance going forward.

Source: Investment Managers, London CIV

Further detail on specific manager performance is provided for funds that have performed below their relative benchmark over the longer term.

Capital Dynamics Infrastructure

Target: Absolute return of 8.0% p.a.

The Fund's holdings are currently solely held within the Capital Dynamics Clean Energy and Infrastructure fund.

The two key metrics to assess performance for infrastructure investments are the Internal Rate of Return (IRR) and the Total Value to Paid-In (TVPI) ratio. With the fund having deployed most of the capital commitment it is appropriate to assess performance on both measures. As can be seen by both the IRR and TVPI, performance has been lower than expected to date, although running performance continues to marginally improve.

Note, reporting on underlying commitments is as at 31 March 2022 due to the lag in reporting from the manager, which is typical for funds of this nature.

This level of performance is primarily driven by challenges experienced by one project in particular which represents a material proportion of the fund. This is a Texas wind power project, which the manager has previously acknowledged.

Summary as at 31 March 2022 (figures in $m where applicable)

Capital committed	$15.0
Total contributed	$14.7
Distributions	$1.2
Value created	($5.3)
Net asset value	$8.4

Net IRR since inception	(5.2%)
Total value-to-paid-in-ratio (TVPI)	0.69x

Source: Investment Managers, London CIV

As part of the Fund's evolving Responsible Investment agenda and in recognition of climate risk, the Fund is committed to disclosing and monitoring climate metrics within its investment strategy where possible.

As a starting point, the Fund is reporting in line with information produced by its LGPS Pool, the London CIV. In time, the Fund will seek to evolve its climate risk monitoring process by monitoring against further metrics.

The information covered here captures c80% of the Fund's assets as at 30 June 2022. It excludes investments in property, private equity, infrastructure and private debt on account of the current lack of data in these areas.

Despite only representing c.15% of assets shown here, the LCIV Baillie Gifford multi-asset fund is responsible for c.27% of the total carbon intensity. Similarly, the LCIV Ruffer Multi Asset Fund contributes 14% to the Fund's total carbon intensity but only represents 11% of assets.

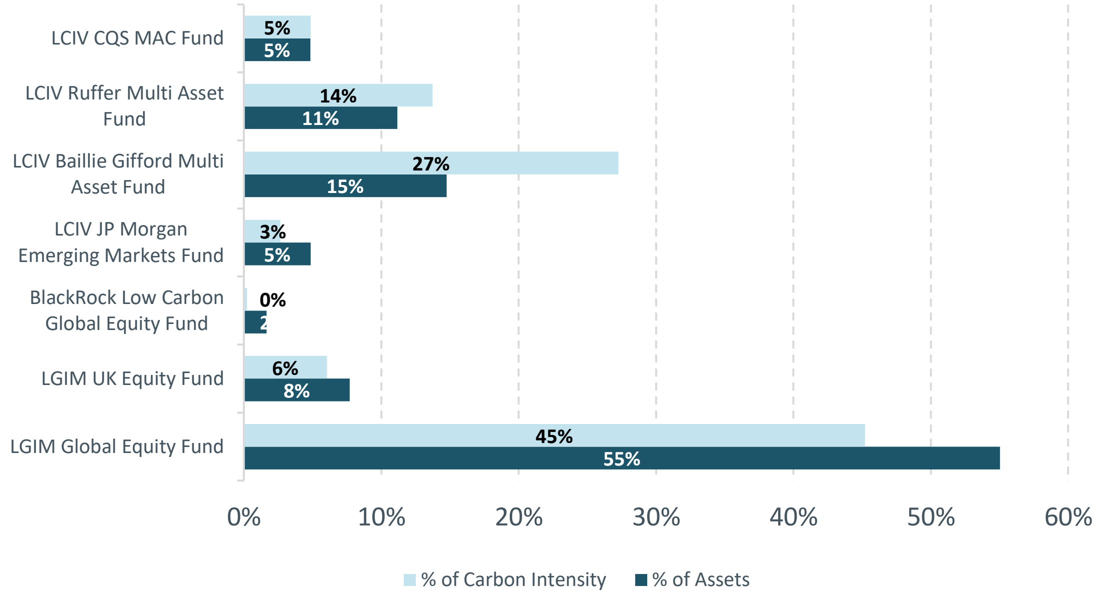
All other funds however, contribute to the Fund's overall carbon intensity in line with or below their relative proportion of assets.

Climate Risk Overview

	Weighted Average Carbon Intensity (tCO_2/£m Sales)	Fossil Fuel exposure (any activity) (%)
Fund	**226.8**	**7.1%**
*Composite benchmark**	**295.0**	**8.1%**
Relative to benchmark	**-68.2**	**-1.0%**

*Composite benchmark reflects individual mandate benchmarks weighted by proportion invested

Carbon Intensity by Manager



Source: Investment Managers, London CIV, Benchmark for equity and multi-asset funds is MSCI ACWI

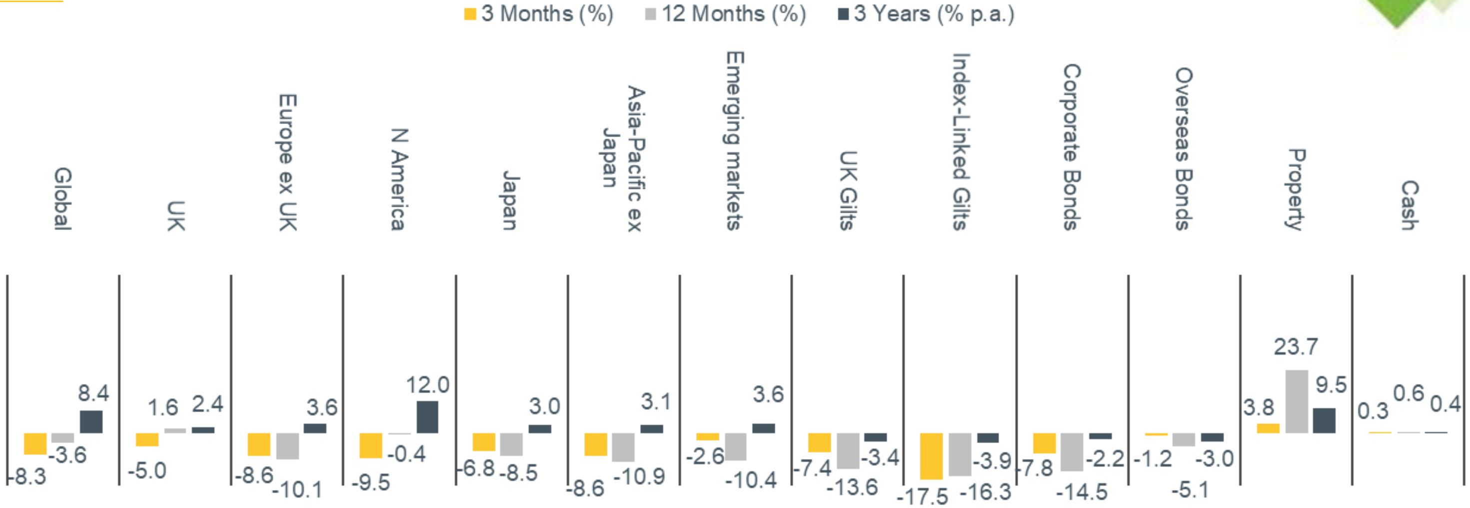
Soaring inflation and higher borrowing costs have continued to squeeze consumer's real incomes, with consumer confidence surveys plunging as a result. The persistence of these inflationary pressures, coupled with the prospect of tighter financial conditions, has given rise to fears of recession, and has resulted in revised consensus forecasts for global growth of 2.9% in 2022 and 2.8% in 2023 (down from 4.1% and 3.2%, respectively, at the start of the year.)

While headline inflation continues to rise across developed markets, year-on-year US and UK core inflation, which excludes volatile energy and food prices, eased slightly, but remained elevated, at 6.0% and 5.9%, respectively. While US and UK inflation pressures look more broad-based, a large proportion of eurozone inflation still owes to volatile energy and food prices, with Eurozone core CPI increasing to 3.8% year-on-year.

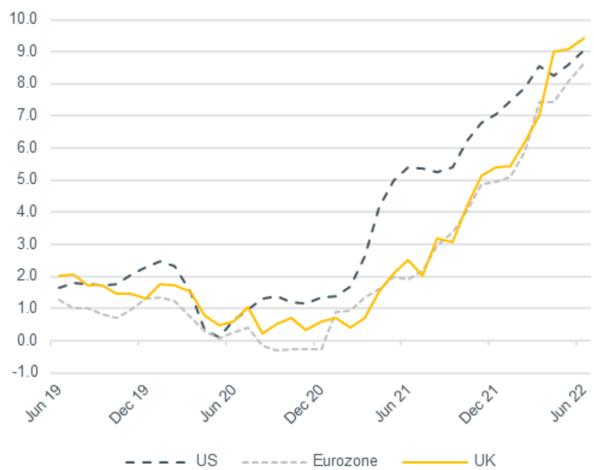
Despite severe supply side issues and risks to growth, central banks appear determined to bring down inflation. The Bank of England rose rates for the fifth consecutive time and the Fed delivered a bumper 0.75% p.a. increase, taking their base rates to 1.25% p.a. and 1.75% p.a., respectively. The European Central Bank have indicated a first rate hike is likely in July, and the end to negative rates by the end of Q3 2022.

Government bond yields rose as markets moved to price in significant further increases in interest rates, with UK 10-year gilt yields increasing 0.6% p.a. to 2.2% p.a. UK 10-year implied inflation, as measured by the difference between conventional and inflation-linked bonds of the same maturity, fell 0.8% p.a., from 4.4% p.a. to 3.6% p.a. as real yields rose more than their nominal counterparts.

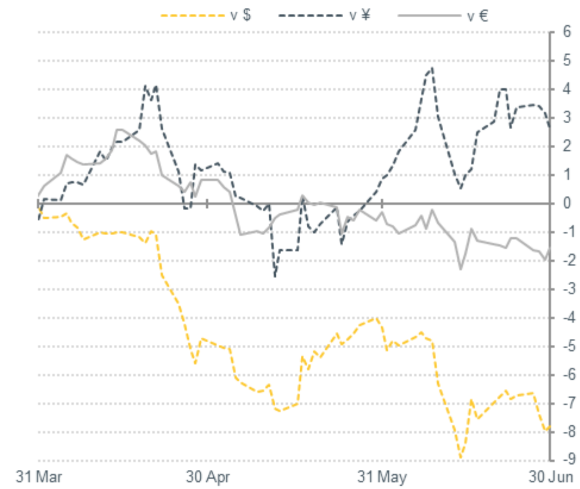
Historic returns for world markets [1]



Annual CPI Inflation (% p.a.)



Sterling trend chart (% change)



Source: DataStream. [1] Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, ICE BofA Global Government Index, MSCI UK Monthly Property; UK Interbank 7 Day

Market Background

With both inflation and growth concerns weighing on credit markets, global investment-grade credit spreads rose 0.5% p.a., to 1.8% p.a.; while US and European speculative-grade spreads both rose 2.4% p.a., to 5.9% p.a. and 6.4% p.a., respectively.

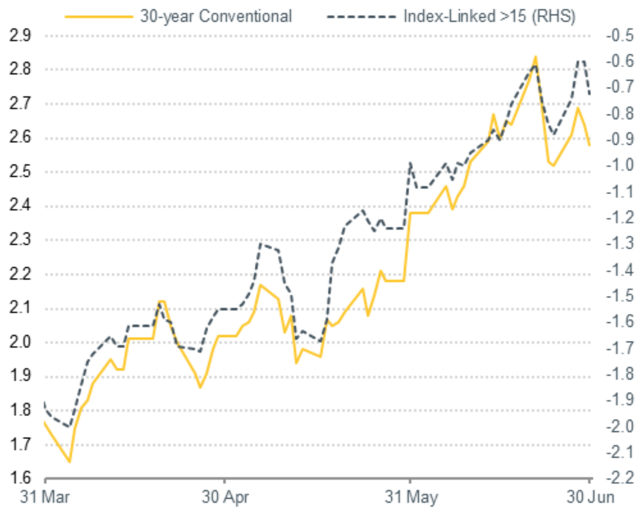
Commodity prices fell over the quarter, with expectations of lower demand leading to a fall in industrial metals prices as rising real yields weighed on precious metal prices.

Despite ongoing upwards revisions to consensus analyst earnings forecasts, global equities fell 8.3% over the quarter, as increases in expectations for the path of interest rates extended the recent decline in equity market valuations. The technology sector notably underperformed on the back of rising rates while returns within the consumer discretionary sector were impacted by a weakening consumer outlook. In contrast, consumer staples outperformed, as investors perhaps placed a premium on the sector's inherent pricing power.

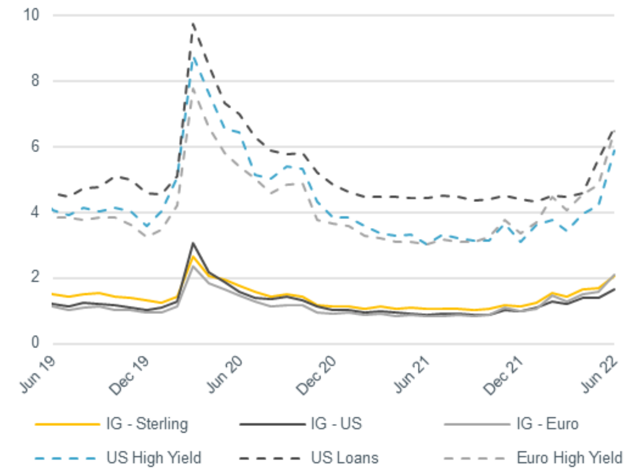
North America underperformed, owing to its large exposure to the technology sector. Meanwhile, above-average exposure to energy, metals, and miners, saw the UK continue its recent outperformance. The easing of lockdown restrictions in China provided some relative support to Emerging and Asian markets equities.

Property remained a relative bright spot, with the MSCI UK IPD total return index rising 9.6% year-to-date; largely owing to a 11.9% rise in industrial capital values. Return on the all-property index, including income, was 23.7% in the 12 months to end-June.

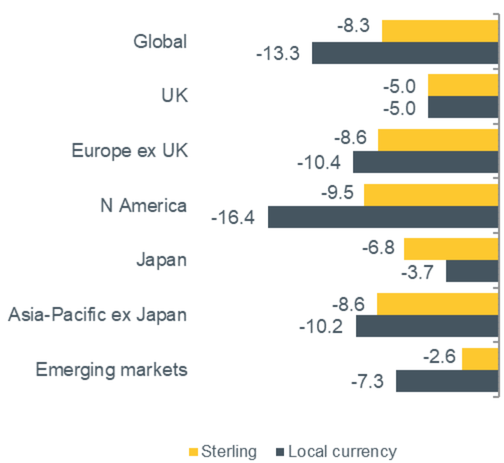
Gilt yields chart (% p.a.)



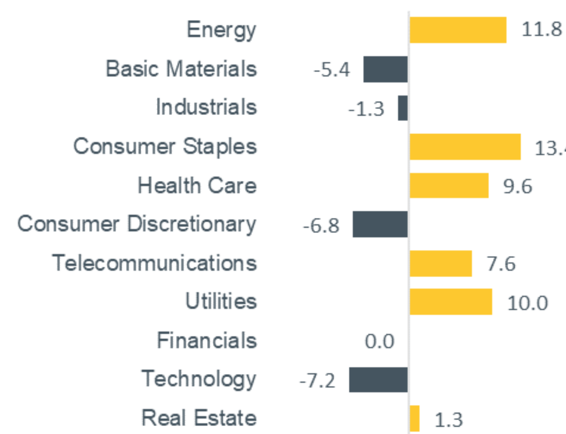
Investment and speculative grade credit spreads (% p.a.)



Regional equity returns [1]



Global equity sector returns (%) [2]



Source: DataStream, Barings, ICE [1] FTSE All World Indices. Commentary compares regional equity returns in local currency. [2] Returns shown in Sterling terms and relative to FTSE All World.

Hymans Rating

Preferred	Our highest rated managers in each asset class. These should be the strategies we are willing to put forward for new searches.
Positive	We believe there is a strong chance that the strategy will achieve its objectives, but there is some element that holds us back from providing the product with the highest rating.
Suitable	We believe the strategy is suitable for pension scheme investors. We have done sufficient due diligence to assess its compliance with the requirements of pension scheme investors but do not have a strong view on the investment capability. The strategy would not be put forward for new searches based on investment merits alone.
Negative	The strategy is not suitable for continued or future investment and alternatives should be explored.
Not Rated	Insufficient knowledge or due diligence to be able to form an opinion.

Responsible Investment

Strong	Strong evidence of good RI practices across all criteria and practices are consistently applied.
Good	Reasonable evidence of good RI practices across all criteria and practices are consistently applied.
Adequate	Some evidence of good RI practices but practices may not be evident across all criteria or applied inconsistently.
Weak	Little to no evidence of good RI practices.
Not Rated	Insufficient knowledge to be able to form an opinion on.

Risk Warning

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

Geometric v Arithmetic Performance

Hymans Robertson are among the investment professionals who calculate relative performance geometrically as follows:

$$\frac{(1 + Fund\ Performance)}{(1 + Benchmark\ Performance)} - 1$$

Some industry practitioners use the simpler arithmetic method as follows:

$$Fund\ Performance\ - Benchmark\ Performance$$

The geometric return is a better measure of investment performance when compared to the arithmetic return, to account for potential volatility of returns.

The difference between the arithmetic mean return and the geometric mean return increases as the volatility increases.